

5-20-19 LGCB Board of Directors' Meeting, (Pages 1:1 to 92:24)

1:1 LOUISIANA GAMING CONTROL BOARD

2

3 BOARD OF DIRECTORS' MEETING

4

5

6

7

8 MONDAY, MAY 20, 2019

9

10 LaSalle Building - LaBelle Hearing Room

11 617 North Third Street

12 Baton Rouge, Louisiana

13

14

15

16 TIME: 10:00 A.M.

17

18

19

20

21

22

23

24

25

2

1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3 June 30, 2019

4 MARK STIPE

(Attorney)

5 Seventh Congressional District

June 30, 2020

6

7 JAMES SINGLETON

(Public/Business Administration)

8 Second Congressional District

June 30, 2020

9

10 JULIE BERRY

(CPA)

11 Third Congressional District

June 30, 2024

12

13 CLAUDE D. JACKSON

(At Large)

14 Fourth Congressional District

June 30, 2021

15

16 ELTON LAGASSE

(At Large)

17 First Congressional District

June 30, 2021

18

19 HARRY AVANT

(At Large)

20 Fourth Congressional District

June 30, 2024

21

22 O. LAMAR POOLE, JR.

(Economic/Community Planner)

23 Sixth Congressional District

June 30, 2019

24

25

3

1 APPEARANCES CONTINUED

2

3 Captain Glen Hale

Louisiana State Police

4

5 MICHAEL LEGENDRE

Louisiana Department of Revenue

6

7 TRUDY SMITH

Confidential Assistant

8

9 REPORTED BY:

10 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

11

12

13

14

15

16
17
18
19
20
21
22
23
24
25

4

1	PAGE	
2	I. CALL TO ORDER	6
3	II. PUBLIC COMMENTS	7
4	III. APPROVAL OF MINUTES	7
5	IV. REVENUE REPORTS	7
6	V. COMPLIANCE REPORTS	13
7	VI. CASINO GAMING ISSUES	
8	A. Consideration of Certificate of	
9	Compliance for the Alternate	
10	Riverboat Inspection of the	
11	gaming vessel of PNK	
12	(Lake Charles), LLC, d/b/a	
13	L'Auberge Lake Charles -	
14	No. R011001707	17
15	B. Consideration of Certificate of	
16	Compliance for the Alternate	
17	Riverboat Inspection of the	
18	gaming vessel of Catfish Queen	

19 Partnership in Commendam d/b/a
20 Belle of Baton Rouge -
21 No. R011700009 20

22 C. Consideration of Certificate of
23 Compliance for the Alternate
24 Riverboat Inspection of the
25 gaming vessel of Bossier Casino

5

1 PAGE

2 Venture, Inc., d/b/a
3 Margaritaville Resort Casino
4 - No. R011000841 23

5 D. Consideration of Petition of
6 Golden Nugget, R016502995, for
7 Approval of Relocation of a
8 Portion of Gaming Operations 26

9 VII. CONSIDERATION OF THE FOLLOWING APPEALS:

10 1. In Re: Montgomery Norton, Inc.,
11 d/b/a Daiquiri Island Sports Bar
12 - No. 3601111904 53

13 2. In Re: Alicia Calvin - No.
14 PO40069533 66

15 3. In Re: Tork J. Choun - No.
16 PO40054465 69

17 VIII. ADJOURNMENT 89

18

19

20

21

22
23
24
25

6

1 I. CALL TO ORDER.

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

5 Miss Smith, would you call the roll.

6 MS. SMITH: Chairman Jones?

7 CHAIRMAN JONES: Here.

8 MS. SMITH: Vice-Chairman Stipe?

9 MR. STIPE: Here.

10 MS. SMITH: Mr. Singleton?

11 MR. SINGLETON: Here.

12 MS. SMITH: Miss Berry?

13 MS. BERRY: Here.

14 MS. SMITH: Mr. Jackson?

15 MR. JACKSON: Here.

16 MS. SMITH: Mr. Lagasse?

17 MR. LAGASSE: Here.

18 MS. SMITH: Mr. Patrick? [No
19 response.]

20 Mr. Avant?

21 MR. AVANT: Here.

22 MS. SMITH: Mr. Poole?

23 MR. POOLE: Here.

24 MS. SMITH: Colonel Reeves?

25 CAPTAIN HALE: Captain Glen Hale for
7

1 Colonel Reeves.

2 MS. SMITH: Secretary Robinson?

3 MR. LEGENDRE: Michael Legendre here
4 for Secretary Robinson.

5 II. PUBLIC COMMENTS

6 CHAIRMAN JONES: Thank you. We have
7 a quorum. We may conduct business.

8 Anyone in the audience want to offer
9 any public comment for anything on our
10 agenda today? [No response.]

11 III. APPROVAL OF MINUTES

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

17 Any objection? Without objection,
18 the motion carries.

19 IV. REVENUE REPORTS

20 CHAIRMAN JONES: We'll now call for
21 Revenue Reports. Good morning.

22 MS. JACKSON: Good morning, Chairman
23 Jones and Board Members. My name is
24 Donna Jackson with Louisiana State
25 Police Gaming Enforcement Division.

8

1 The 15 operating riverboats

2 generated Adjusted Gross Receipts of
3 \$147,754,434 in April. This total
4 represents a decrease from last month of
5 \$33.5 million or 18.5 percent and a
6 decrease of \$9.3 million or 6 percent
7 from last April.

8 Adjusted Gross Receipts for fiscal
9 year 2018-2019 to date are
10 \$1,553,000,000, a decrease of almost
11 \$40 million or 3 percent from fiscal
12 year 2017-2018.

13 During April, the State collected
14 fees totaling \$31,767,203. As of
15 April 30th, 2019, the State has
16 collected approximately \$334 million in
17 fees for fiscal year 2018-2019.

18 Next is a summary of the April 2019
19 gaming activity for Harrah's New Orleans
20 found on page three. During April,
21 Harrah's generated \$23,389,553 in gross
22 gaming revenue, a decrease of
23 \$5.6 million or 19 percent from last
24 month, and a decrease of 2.4 percent
25 from last April.

9

1 Revenues for fiscal year 2018-2019
2 to date are \$242.7 million, an increase
3 of \$4.8 million or 2 percent from fiscal
4 year 2017-2018.

5 During April, the State received
6 \$4,918,033 in minimum daily payments.
7 As of April 30th, 2019, the State has
8 collected \$53 million in fees for fiscal
9 year 2018-2019.

10 Next I'll present the revenues for
11 Slots at the Racetracks. During April,
12 the four racetrack facilities combined
13 generated Adjusted Gross Receipts of
14 \$28,399,793, a decrease of \$7.7 million
15 or 21 percent from last month, and a
16 decrease of \$1.8 million or 5.8 percent
17 from April 2018.

18 Adjusted Gross Receipts for fiscal
19 year 2018-2019 to date are over
20 \$293 million, an increase of \$3 million
21 or 1 percent from fiscal year 2017-2018.

22 During April, the State collected
23 \$4,308,249 in fees. As of April 30th,
24 2019, the State has collected \$44.5
25 million in fees for fiscal year

10

1 2018-2019.

2 Overall in April, Riverboats,
3 Landbased and Slots at the Racetracks
4 combined generated \$199.5 million in AGR
5 and \$41 million in state fees. These
6 revenues represent a decrease from
7 April 2018 of \$11.6 million or

8 5.5 percent.

9 Are there any questions before I
10 present the Harrah's employee
11 information?

12 CHAIRMAN JONES: Board Members, any
13 questions? There are no questions.

14 MS. JACKSON: Harrah's New Orleans
15 is required to maintain at least 2,400
16 employees and a bi-weekly payroll of
17 \$1,750,835. This report covers pay
18 periods in April 2019.

19 For the first pay period, the
20 Division verified 2,493 employees and a
21 payroll of \$2,190,000. For the second
22 pay period, the Division verified, 2,513
23 employees with a payroll of \$2,182,000.
24 Therefore, Harrah's met the employment
25 criteria during April.

11

1 CHAIRMAN JONES: Board Members, any
2 questions? [No response.]

3 There are no questions. Thank you.

4 MR. BOSSIER: Good morning.

5 CHAIRMAN JONES: Good morning.

6 MR. BOSSIER: Good morning, Chairman
7 Jones and Board Members. My name is Jim
8 Bossier with the Louisiana State Police
9 Gaming Enforcement Division here to
10 report video gaming statistics for

11 April 2019 as shown on page one of your
12 handout.

13 Thirteen new video gaming licenses
14 were issued during April: Eleven bars
15 and two restaurants.

16 Seven new applications were received
17 by the Gaming Enforcement Division
18 during April and are currently pending
19 in the field: Three bars, one
20 restaurant, two truckstops and one
21 device owner's.

22 The Gaming Enforcement Division
23 assessed \$7,674 and collected \$9,554 in
24 fines during April, and there are
25 currently \$3,395 in outstanding fines.

12

1 Please refer to page two of your
2 handout.

3 There are presently 12,943 video
4 gaming devices activated at 1,673
5 locations.

6 Net device revenue for April 2019
7 was \$53.1 million, a \$7.7 million, or
8 12.7 percent, decrease when compared to
9 March 2019, and a \$2 million increase,
10 or 3.9 percent, when compared to
11 April 2018.

12 Net device revenue so far for fiscal
13 year 2019 is \$506.6 million, a \$22.8

14 million, or 4.7 percent, increase when
15 compared to fiscal year 2018. Page
16 three of your handout shows a comparison
17 of net device revenue.

18 Total franchise fees collected for
19 April 2019 were \$15.9 million, a
20 \$2.4 million decrease when compared to
21 March 2019, and a \$600,000 increase when
22 compared to April 2018.

23 Total franchise fees collected for
24 fiscal year 2019 are \$151.7 million, a
25 \$6.7 dollar million increase, or

13

1 4.6 percent, when compared to fiscal
2 year 2018. Page four of your handout
3 shows a comparison of franchise fees.

4 Does anybody have any questions?

5 CHAIRMAN JONES: Any questions,
6 Board Members? [No response.]

7 There are no questions.

8 MR. BOSSIER: Thank you.

9 V. COMPLIANCE REPORTS

10 CHAIRMAN JONES: We'll now call for
11 Compliance Reports. Good morning.

12 MR. GATHE: Good morning, Chairman
13 Jones and Board Members. I'm Assistant
14 Attorney General Jeremy Gathe. Today
15 I'll present the staff reports on
16 riverboat and racetrack casino licensees

17 compliance with employment and
18 procurement conditions for the first
19 quarter of 2019.

20 I'll begin with the riverboats. The
21 first quarter reports are taken from
22 figures reported by the 15 operating
23 riverboats to the Louisiana Gaming
24 Control Board. In the first quarter of
25 2019, approximately 12,535 people were

14

1 employed by the riverboat industry. Of
2 that number, 12,322 were Louisiana
3 residents, 7,816 were minorities, and
4 7,160 were women.

5 Seven licensees achieved total
6 compliance this quarter, and they are
7 Golden Nugget, L'Auberge Baton Rouge,
8 Horseshoe Casino, Boomtown New Orleans,
9 Isle of Capri Casino St. Charles,
10 Eldorado Resort Shreveport and L'Auberge
11 Lake Charles.

12 Next I'll address employment. Five
13 licensees did not meet their total
14 employment goals, and they're
15 DiamondJacks Casino & Resort, which
16 achieved 393 out of a goal of 650; Belle
17 of Baton Rouge Casino, which achieved
18 378 out of a goal of 450; Hollywood
19 Casino, which achieved 352 out of a goal

20 of 450; Amelia Belle which achieved 305
21 out of a goal of 325, and Boomtown
22 Casino Bossier, which achieved 431 out
23 of a goal of 650.

24 All licensees either met or exceeded
25 their goals in all of the subcategories

15

1 under the main category of employment
2 with the exception of Treasure Chest,
3 which failed to meet its female
4 employment goal. It achieved 15.50 out
5 of a goal of 51.86 percent.

6 Next I'll address procurement. The
7 licensees are grouped according to three
8 subcategories which appear in your
9 report. Those subcategories are
10 Louisiana, minority and female
11 procurement. Under Louisiana
12 procurement, two licensees did not
13 achieve compliance with its voluntary
14 conditions, and those licensees are
15 Amelia Belle Casino, which achieved
16 77.70 out of a goal of 80 percent, and
17 Margaritaville Resort Casino, which
18 achieved 83.10 out of a goal of
19 90 percent.

20 Under the subcategory of minority
21 procurement, one licensee did not
22 achieve compliance with its voluntary

23 conditions, and it's Sam's Town Hotel &
24 Casino, which achieved 19 out of a goal
25 of 25 percent. For female procurement,

16

1 all licensees either met or exceeded
2 their goals.

3 Are there any questions regarding
4 the riverboats?

5 CHAIRMAN JONES: Board Members, any
6 questions with respect to employment or
7 procurement? [No response.]

8 There are no questions.

9 MR. GATHE: Moving on to the
10 racetracks, in the first quarter of
11 2019, approximately 1,499 people were
12 employed by the racetrack casino
13 industry. Of that number, 1,232 were
14 Louisiana residents, 767 were minorities
15 and 885 were women. Two racetrack
16 casinos achieved total compliance this
17 quarter, and they're Evangeline Downs
18 and Fairgrounds. Delta Downs did not
19 achieve its Louisiana employment
20 condition. It achieved 59.20 out of a
21 goal of 80 percent. And Louisiana Downs
22 did not achieve its female employment
23 condition. It achieved 56.30 out of a
24 60 percent condition.

25 Are there any questions with the

1 racetracks?

2 CHAIRMAN JONES: Can you clear up
3 for me on the tracks, the procurement,
4 for example, is that procurement for the
5 entire racing facility or just the slots
6 facilities; do you know?

7 MR. GATHE: I think it's for the
8 entire race facility.

9 CHAIRMAN JONES: Okay, that's what I
10 thought. I wasn't sure. Thank you.

11 Any other questions? [No response.]

12 No questions.

13 VI. CASINO GAMING ISSUES

14 A. Consideration of Certificate of Compliance
15 for the Alternate Riverboat Inspection of
16 the gaming vessel of PNK (Lake Charles),
17 LLC, d/b/a L'Auberge Lake Charles - No.
18 R011001707

19 CHAIRMAN JONES: We now move to
20 Casino Gaming Issues, and first up is
21 Consideration of Certificate of
22 Compliance for the Alternate Riverboat
23 Inspection of gaming vessel PNK (Lake
24 Charles), LLC, doing business as
25 L'Auberge Lake Charles, LLC, No.

1 R011001707.

2 Good morning.

3 MS. LANDRY: Good morning, Chairman
4 Jones and Board Members. I'm Assistant
5 Attorney General Lisha Landry, and with
6 me is Master Trooper Bennie Taylor with
7 the Office of State Police. And we're
8 here in the matter of the issuance of
9 the Certificate of Compliance for PNK
10 (Lake Charles), LLC, doing business as
11 L'Auberge Lake Charles.

12 On March 26th, 2019, ABSC began the
13 inspection process for the approval of
14 L'Auberge Casino's Certificate of
15 Compliance. For more details on this
16 inspection, I now turn this presentation
17 over to Trooper Taylor.

18 MASTER TROOPER TAYLOR: Good
19 morning, Chairman, Board Members, Master
20 Trooper Bennie Taylor with Louisiana
21 State Police Gaming Enforcement Division
22 standing in for John Francic with ABS
23 Consulting who is unable to make it
24 today due to an unforeseeable
25 transportation issue.

19

1 I'm here to report the inspection of
2 the 2019th annual certification of
3 Louisiana -- I'm sorry, the L'Auberge
4 Casino in Lake Charles, Louisiana.
5 According to the report submitted by

6 ABSG Consulting, they conducted an
7 initial inspection on March 26th, 2019.
8 They observed five discrepancies at that
9 time.

10 On May 9th of 2019, a secondary
11 inspection was conducted and found that
12 the discrepancies were corrected to the
13 surveyor's satisfaction.

14 According to the report submitted by
15 ABSG Consulting, the 2019th annual
16 survey, as required by the Louisiana
17 Gaming Control Board, is complete and
18 presents no safety concerns to its
19 patrons or employees onboard the
20 riverboat. It is the recommendation of
21 ABSG Consulting that L'Auberge Casino
22 Lake Charles be issued the Certificate
23 of Compliance.

24 MS. LANDRY: We now present these
25 findings to the Board and request that

20

1 upon the Board's accepting the report
2 submitted by ABSC, you'll move for the
3 issuance of L'Auberge Casino's
4 Certificate of Compliance.

5 CHAIRMAN JONES: Board Members, any
6 questions on the application for the
7 Certificate of Compliance? There are no
8 questions.

9 Do I have motion to issue the
10 certificate?

11 MR. LAGASSE: So moved.

12 CHAIRMAN JONES: I have a motion --

13 MS. BERRY: Second.

14 CHAIRMAN JONES: -- and a second.

15 Any objection? [No response.]

16 Without objection, the certificate
17 is issued.

18 B. Consideration of Certificate of Compliance for
19 the Alternate Riverboat Inspection of the
20 gaming vessel of Catfish Queen Partnership in
21 Commendam d/b/a Belle of Baton Rouge - No.
22 R011700009

23 CHAIRMAN JONES: We'll now move to
24 the second COC, Consideration of
25 Certificate of Compliance for the

21

1 Alternate Riverboat Inspection of the
2 gaming vessel of Catfish Queen
3 Partnership in Commendam doing business
4 as the Belle of Baton Rouge, No.
5 R011700009.

6 MS. LANDRY: Assistant Attorney
7 General Lisha Landry and Master Trooper
8 Bennie Taylor with the Office of State
9 Police here in the matter of the
10 issuance of the Certificate of
11 Compliance for Catfish Queen Partnership

12 in Commendam doing business as Belle of
13 Baton Rouge Casino.

14 On February 19th, 2019, ABSC began
15 the inspection process for the approval
16 of Belle of Baton Rouge Casino's
17 Certificate of Compliance. For more
18 details on this inspection, I now turn
19 the presentation over to Trooper Taylor.

20 MASTER TROOPER TAYLOR: Good
21 morning, Chairman and Board Members,
22 Master Trooper Bennie Taylor with
23 Louisiana State Police Gaming
24 Enforcement Division standing in for
25 John Francic.

22

1 I'm here to report the inspection of
2 the 2019th annual certification for the
3 Belle of Baton Rouge Casino. According
4 to the report submitted by ABSG
5 Consulting, they conducted their initial
6 inspection on February 19th of 2019 and
7 observed twelve discrepancies. On
8 April 22nd, 2019, a secondary inspection
9 was conducted and found that the
10 discrepancies were corrected to the
11 surveyor's satisfaction.

12 In accordance to the report
13 submitted by ABSG Consulting, the 2019th
14 annual survey, as required by Louisiana

15 Gaming Control Board, is complete and
16 presents no safety concerns to the
17 patrons or employees onboard the
18 riverboat. It is the recommendation of
19 ABSG Consulting that the Belle of Baton
20 Rouge be issued a Certificate of
21 Compliance.

22 MS. LANDRY: We now present these
23 findings to the Board and request that
24 upon the Board's accepting the report
25 submitted by ABSC, you'll move for the

23

1 issuance of Belle of Baton Rouge
2 Casino's Certificate of Compliance.

3 CHAIRMAN JONES: Board Members, any
4 questions on Belle of Baton Rouge? [No
5 response.]

6 There are no questions.

7 Do I have a motion to issue the
8 Certificate of Compliance? Mr. Avant
9 and Mr. Poole.

10 Any objection? [No response.]

11 Without objection, the motion
12 carries.

13 C. Consideration of Certificate of Compliance for
14 the Alternate Riverboat Inspection of the
15 gaming vessel of Bossier Casino Venture, Inc.,
16 d/b/a Margaritaville Resort Casino - No.
17 R011000841

18 CHAIRMAN JONES: We now move to
19 Consideration of Certificate of
20 Compliance for the Alternate Riverboat
21 Inspection of the gaming vessel Bossier
22 Casino Venture, Inc., doing business as
23 Margaritaville Resort Casino, No.
24 R)11000841.

25 MS. LANDRY: Assistant Attorney

24

1 General Lisha Landry and Master Trooper
2 Bennie Taylor with the Office of State
3 Police now here in the matter of the
4 issuance of the Certificate of
5 Compliance for Bossier Casino Venture,
6 Inc., doing business as Margaritaville
7 Resort Casino.

8 On April 10th, 2019, ABSC began the
9 inspection process for the approval of
10 Margaritaville Casino's Certificate of
11 Compliance. For more details on this
12 inspection, I'll now turn this
13 presentation over to Trooper Taylor.

14 MASTER TROOPER TAYLOR: Good
15 morning, Chairman and Board Members,
16 Master Trooper Bennie Taylor Louisiana
17 State Police Gaming Enforcement Division
18 standing in for John Francic with ABS
19 Consulting.

20 I'm here to report the inspection

21 for the 2019th annual certification of
22 Margaritaville Casino. According to the
23 report submitted by ABSG Consulting,
24 they conducted an inspection on
25 April 10th of 2019, and they did not

25

1 find any discrepancies.

2 According to the report submitted by
3 ABSG Consulting, the 2019th annual
4 survey, as required by the Louisiana
5 Gaming Control Board, is complete and
6 presents no safety concerns to its
7 patrons or employees onboard the
8 riverboat. It is the recommendation of
9 ABSG Consulting that Margaritaville be
10 issued a Certificate of Compliance.

11 MS. LANDRY: We now present these
12 findings to the Board and request that
13 upon the Board's accepting the report
14 submitted by ABSC, you will move for the
15 issuance of Margaritaville Casino's
16 Certificate of Compliance.

17 CHAIRMAN JONES: Thank you. Do you
18 have any questions with respect to
19 Margaritaville's COC? [No response.]

20 There are no questions.

21 Do I have a motion?

22 MR. JACKSON: Move.

23 CHAIRMAN JONES: Mr. Jackson,

24 Miss Berry.

25 Any objection? [No response.]

26

1 Without objection, the motion

2 carries.

3 D. Consideration of Petition of Golden Nugget,

4 R016502995, for Approval of Relocation of a

5 Portion of Gaming Operations

6 CHAIRMAN JONES: We now call

7 Consideration of Petition of Golden

8 Nugget, R016502995, for Approval of

9 Relocation of a Portion of the Gaming

10 Operations. And just for informational

11 purposes, we'll hear from the Attorney

12 General's Office first, and then we'll

13 hear from the licensee -- a brief

14 presentation on what it is they're

15 doing, and State Police will provide

16 some information; and then we'll be open

17 for questions.

18 Good morning.

19 MS. MOORE: Good morning, Chairman

20 Jones and Members of the Board. I am

21 Assistant Attorney General Charmaine

22 Moore appearing in the matter of the

23 petition of Golden Nugget Lake Charles,

24 LLC, for approval to relocate a portion

25 of its gaming positions to an existing

27

1 facility pursuant to legislation passed
2 in 2018.

3 In its 2018 regular session, the
4 Louisiana Legislature passed Act 469
5 which provided the opportunity for a
6 riverboat licensee to relocate a portion
7 of its gaming operations to a facility
8 within 1,200 feet of its licensed berth.
9 As part of the act, the legislature
10 amended the definition of designated
11 gaming area to replace the previous
12 30,000 square foot maximum for gaming
13 activities with a maximum number of
14 gaming positions, those being 2,365.

15 The new law also provided a
16 definition for gaming position and
17 authorized the Board to promulgate rules
18 as to how the number of positions of
19 devices and games would be calculated,
20 which the Board has done.

21 The legislature also redefined the
22 term "riverboat" to include not only the
23 vessel, but any facility approved by the
24 Board and located within 1,200 feet of a
25 riverboat's licensed berth.

28

1 In December of 2018, the Board
2 promulgated rules dictating the
3 procedure and requirements for any

4 relocation of gaming positions to such a
5 facility, both particularly Section 2401
6 of Title 42. More recently, the Board
7 promulgated an amendment to 2401 to
8 allow for a less significant procedure
9 and document submission requirement for
10 the relocation of gaming positions to an
11 existing facility within 1,200 feet of a
12 licensee's berth site subject to certain
13 conditions, including that the number of
14 gaming positions to be relocated be no
15 more than 6 percent of the maximum
16 number of gaming positions the licensee
17 may have in its designated gaming area,
18 and also that the licensee would have
19 completed its approved project after
20 January 1st, 2005, and made a minimum
21 investment at that time of \$200 million.

22 The documents required to be
23 submitted pursuant to the amendment to
24 2401 include a site plan designating the
25 licensee's current approved berth site

29

1 and the location of the existing
2 structure, a legal property description
3 of the land owned or leased by the
4 licensee on which the structure is
5 located, a detailed plan for staffing,
6 installation of gaming devices and

7 equipment, security and surveillance and
8 a date for commencement of gaming
9 activities at the site, and any other
10 information, documentation, plan or
11 description requested by the Board or
12 the Division.

13 A site plan was attached to the
14 position submitted to the Board, which
15 you should have. The site plan and all
16 other required documents were submitted
17 to the Division for review and
18 investigation.

19 As set forth in Golden Nugget's
20 petition, it is seeking to locate 12
21 table games consisting of a hundred
22 gaming positions in three different
23 locations in its current onshore
24 facility. Six of those table games with
25 ten gaming positions each are being

30

1 moved from the current poker room on the
2 vessel. Those table games will be
3 replaced by slot machines and table
4 games, having a total of 61 gaming
5 positions. This results in the total
6 addition of 101 positions, one on the
7 vessel and a hundred on the shoreline
8 facility. When the additional 101
9 positions are added to the total number

10 of current gaming positions in the
11 licensee's designated gaming area, they
12 will have a total of 2,276 gaming
13 positions, which is 89 positions below
14 the 2,365 maximum.

15 Golden Nugget has been working with
16 the Division for several months to
17 implement its relocation plan.
18 Representatives from Golden Nugget and
19 the Division are here today to give you
20 further information on the plan and its
21 progress. If it is the Board's pleasure
22 to approve Golden Nugget's petition for
23 approval, a Resolution has been prepared
24 for your consideration. Golden Nugget
25 will only be allowed to commence gaming

31

1 activities at its shoreline facility
2 once the Division has determined that
3 all necessary staffing, training,
4 security and surveillance, technical
5 accounting and internal control
6 procedures are acceptable.

7 CHAIRMAN JONES: Thank you,
8 Charmaine. I'd ask Golden Nugget and
9 its representatives to come to the
10 table, please.

11 Good morning.

12 MS. ELDER: Good morning, I'm Amy

13 Elder with Baker Donelson. We represent
14 Golden Nugget Lake Charles, which is
15 licensed -- a riverboat, Golden Nugget
16 Lake Charles. With me this morning is
17 Gerry Del Prete. He's the Senior
18 Vice-President of Gaming for Fertitta
19 Entertainment. He is the -- Fertitta
20 Entertainment is the ultimate parent of
21 Golden Nugget Lake Charles, LLC, the
22 licensee, and he'd like to tell you a
23 little bit about the progress of the
24 project and any details that the Board
25 may have.

32

1 MR. DEL PRETE: Good morning,
2 Chairman --

3 CHAIRMAN JONES: Good morning.

4 MR. DEL PRETE: -- good morning
5 fellow Board Members. You've got quite
6 a bit of detail already, but I'm happy
7 to talk about the -- there's actually
8 three locations. One would be in the
9 pool area. We're actually putting three
10 blackjack tables in there to a total of
11 18 gaming positions.

12 The second location will be in Blue
13 Martini. We're adding two blackjack
14 tables to a total of 12 positions, and
15 then the third location is the new poker

16 room. As we said, we'll have six tables
17 in there. We're adding in an additional
18 table so for a total of seven tables and
19 seventy gaming positions. All of them
20 are located within the 1,200 feet
21 requirement of the berth. I believe the
22 pool is 195 feet from the berth. The
23 Blue Martini is 95 feet, roughly, and
24 then the poker room is 110 feet, so all
25 very close to the berth.

33

1 CHAIRMAN JONES: What's the total
2 number of gaming positions that you end
3 up with, providing this is approved and
4 you get there.

5 MR. DEL PRETE: Yes, the total
6 number of gaming positions will be
7 2,276, so we're currently at 2,175. We
8 will be adding 101 gaming positions,
9 again, one on the barge and a hundred
10 relocated within the facility.

11 CHAIRMAN JONES: All right. And for
12 the benefit of the Board Members, I'm
13 assuming that your staff on-site has
14 been working closely with State Police
15 and laying a foundation for all of this?

16 MR. DEL PRETE: Yes, sir. We've
17 been in communication with State Police
18 in the local office since we really --

19 since early -- early in the year and
20 working closely with them and
21 progressing nicely. And we think -- of
22 course pending this Board's approval --
23 that we could be ready to go as early as
24 tomorrow on the poker room, and then the
25 other two, the Blue Martini and pool

34

1 area, would be ready to go Friday. And
2 we've got -- between equipment and
3 construction, we've just committed
4 almost \$3 million to this project.

5 And, Chairman, I was going to add,
6 too, I know that we talked about a
7 significant investment. So when the
8 original facility opened up, it was a
9 \$727 million investment, far more
10 exceeding the \$200 million requirement,
11 and additionally we opened the new
12 tower, so we're now \$900 million
13 investment in the State of Louisiana.

14 CHAIRMAN JONES: How's it feel to be
15 a pioneer, to be the first to do this?

16 MR. DEL PRETE: Well, again, it's
17 been a learning curve, but it feels
18 great. You know, as you know, that
19 market in Lake Charles is under attack a
20 little bit because of the bridge
21 construction, so there's -- we have

22 incredible amounts of demand on the
23 weekends, and these are -- as I'd like
24 to say, these are new dollars. These
25 aren't recycled dollars. These are

35

1 folks coming up from Texas and spending
2 their money with you, and it's needed.

3 CHAIRMAN JONES: Board Members, any
4 questions? [No response.]

5 MS. SMITH: State Police.

6 CHAIRMAN JONES: Oh, okay. We'll
7 hear from State Police before we ask
8 questions.

9 LIEUTENANT FUNDERBURK: Good
10 morning, Mr. Chairman. I'm Sammy
11 Funderburk. I'm a Lieutenant with the
12 Louisiana State Police Gaming
13 Enforcement section. I'm assigned to
14 the Lake Charles field office. I'm the
15 officer in charge of that.

16 In 2018 -- December of 2018, we were
17 contacted by Golden Nugget and members
18 of the staff in reference to the recent
19 passage of the law. They wanted us to
20 come out and take a look over drawings
21 and things that they proposed at the
22 three locations, being the Blue Martini,
23 the H20, which is going to be the
24 poolside gaming, and also the new poker

25 room.

36

1 And over the successive months, we
2 went out over seven times meeting with
3 them. Sometimes twice a month we would
4 meet with them to discuss the drawings.
5 They would -- we would come out and say,
6 well, this doesn't really fall under the
7 rules and regulations. This is not
8 going to meet the minimum requirements
9 we require by state rule. They were
10 happy to meet with us to make those
11 adjustments to where we would know that
12 it would pass rule and regulations and
13 pass muster.

14 This occurred, again, over the seven
15 months. We went out numerous times.
16 And the H2O, as Gerry related to,
17 presented unique challenges for us all.
18 It's going to be the first of its kind
19 in this state. So it presents unique
20 challenges in that it's outside. It's
21 in an environment where we have
22 humidity; we have severe weather. We
23 have any number of things outside we had
24 to conquer. And it was a collaborative
25 effort between ourselves and Golden

37

1 Nugget as far as regulators to come up

2 with a workable solution that we're
3 satisfied with as far as security
4 procedures and taking care of their
5 employees that would be manning that
6 area.

7 Golden Nugget actually suggested
8 putting up some kind of air conditioner
9 because if you're standing out in that
10 heat with the severe weather that we
11 have, thunderstorms pop up, things of
12 that nature, to help the men out there
13 working.

14 We suggested and they ended up doing
15 fixed security posts with Veridox at
16 each of the locations. They also have
17 at two of the locations, being the pool
18 and the Blue Martini, we called them for
19 a fetchy term -- which we couldn't come
20 up with one so we just made up one.
21 It's the access gate to the gaming area.
22 It's closed -- the ceilings are closed.
23 If the pool's not functioning or the
24 Blue Martini is not open, the gates are
25 actually closed. You can't access it.

38

1 So if someone actually stumbles into
2 those locations, you can't get near the
3 gaming room, which is of great concern
4 for ourselves.

5 We went out -- I went out actually
6 on Friday to look at the construction.
7 The poker room was nearly complete as of
8 Friday -- Friday afternoon. The Blue
9 Martini -- as of this morning, we had an
10 auditor out doing a drop. She went out
11 at 3:00 this morning to watch a drop at
12 Golden Nugget, and she said it's -- 5
13 this afternoon or tomorrow it should be
14 completely ready to go.

15 The pool, we're thinking -- we're
16 shooting for, according to Alan, the
17 general manager, we're shooting for
18 Wednesday, Thursday at the latest to
19 have it -- everything in place for us to
20 go out and do our final inspection.
21 When the Louisiana State Police goes out
22 to conduct its final inspection, it will
23 be the joint effort between auditors,
24 IT. Audit will make sure that the drop
25 drops, which they already proposed, and

39

1 walk through those that are up and
2 running and follow their rules and
3 regulations.

4 The final inspection will encompass
5 a review of all camera coverage, stage
6 of procedures, features, ensure that all
7 ICs and amendments to those ICs have

8 been submitted to the Division here in
9 Baton Rouge. We will make sure that all
10 are within 1,200 feet. We will make
11 sure that all the new proposed gaming
12 areas -- we'll make sure that it falls
13 within the 6 percent rule as passed by
14 the state legislature. And our final
15 inspection will result in immediately
16 preparing a letter to Captain Hale.
17 Captain Hale will personally come to
18 Lake Charles and review what we are
19 approving and what we say is there is
20 there before he writes a letter to you,
21 Chairman.

22 Any questions?

23 MS. BERRY: I may be asking a
24 question that you already answered, but
25 I just wanted to verify this. These new

40

1 positions that you're creating in the
2 poolside and the new poker room, those
3 are all new positions. You're not
4 technically moving any positions from
5 the regular gaming to there?

6 MR. DEL PRETE: We are moving 60
7 positions --

8 MS. BERRY: Oh, 60.

9 MR. DEL PRETE: -- 60 positions,
10 which would be the 6 poker tables that

11 are currently existing, and we're
12 relocating those to the new poker room.

13 MS. BERRY: Okay, are you going to
14 replace those with -- did you say --

15 MR. DEL PRETE: With slot machines.

16 MS. BERRY: Slots, okay. So they
17 will be. That's my question. Let's
18 see. I had another question. It was
19 something for you, but I think it's
20 okay. It was just a technicality.

21 MR. LAGASSE: How are you going to
22 secure the areas around the pool and the
23 other areas? I mean, is the pool
24 outside the main facility; am I correct?

25 MR. DEL PRETE: Yes, sir, it is.

41

1 MR. LAGASSE: How are you going to
2 secure that? And you mentioned weather
3 also -- I know that's a concern -- but
4 how will you secure that from people
5 wandering in?

6 MR. DEL PRETE: Right. It has a
7 controlled access point. We work
8 closely with the State Police. They
9 told us that we needed to enclose it
10 with one entry point where we'll have
11 the security officer and the Veridocs.
12 We actually have built some half walls
13 with glass structure around there to

14 keep people out. It has a canopy over
15 it, too, so it will be shaded. It will
16 have TVs. It will be pretty nice. It's
17 hard to air condition the outdoors, but
18 we're going to put a unit in there, and
19 we'll get some cool air with the fans.

20 MR. LAGASSE: Do you-all have a plan
21 in the future maybe of moving everything
22 onshore, sooner or later?

23 MR. DEL PRETE: So we are onshore.

24 MR. LAGASSE: I understand, but, I
25 mean, all of the gaming within the 1,200

42

1 feet of the water. Is that a plan
2 eventually?

3 MR. DEL PRETE: I think under the
4 current regulation, we're allowed only
5 maybe another 42 positions, roughly 6
6 percent of the 2,365, sir, so I do think
7 that if -- depending on what happens in
8 the future, we'd try to maximize those
9 extra positions.

10 MR. LAGASSE: Thank you.

11 MS. BERRY: I remembered my other
12 question. You mentioned the timing, I
13 think, like when the Blue Martini's
14 closed, the pool was closed.

15 MR. DEL PRETE: Yes, ma'am.

16 MS. BERRY: Are they going to have

17 standard hours for these new additional
18 areas?

19 MR. DEL PRETE: So the poker room --
20 that's a very good question, and I think
21 it's the first time we've encountered
22 that as well, so we're -- the poker room
23 certainly will be open seven days a
24 week, 24 hours a day.

25 MS. BERRY: Okay. That's a separate

43

1 facility.

2 MR. DEL PRETE: Separate location,
3 yes, ma'am. And the Blue Martini is a
4 nightlife venue. Typically, it's open
5 Wednesday through Sunday on that, and so
6 that will be -- we're anticipating
7 opening the gaming area right now on the
8 weekends, so Friday and Saturday when
9 the establishment's open, which is,
10 roughly, like 4:00 to 2 in the morning.

11 MS. BERRY: So it's just open
12 Wednesday through Saturday.

13 MR. DEL PRETE: Wednesday through
14 Sunday.

15 MS. BERRY: Sunday.

16 MR. DEL PRETE: Yes, ma'am. And
17 then the pool area, we're anticipating
18 -- it's open obviously seven days a
19 week, so I think we're going to try to

20 start off with a seven day a week
21 approach, but we may have the hours
22 fine-tuned. Hopefully it's a good
23 problem to open it up more. We
24 anticipate the pool will be very
25 successful.

44

1 MS. BERRY: I think the one by the
2 pool's a good idea. If you can staff it
3 and maintain it, that's good. Thank
4 you.

5 MR. DEL PRETE: Thank you.

6 MR. POOLE: So the ones around the
7 pool, how would that work in the
8 wintertime when the pool's been closed?

9 MR. DEL PRETE: I would imagine that
10 if the weather prohibits, that we would
11 just close it. You know, it's got the
12 capability of completely blocking it off
13 and shutting it down, and so we could
14 just -- you know, we heat the pool. We
15 advertise that as a year-round
16 destination. We do get asked, will you
17 use it year-round. I don't know that.
18 You know, obviously in the severe winter
19 months -- although, we haven't had much
20 of a winter down there in Lake Charles
21 that there wouldn't be times we might
22 close it.

23 MR. POOLE: The assumption is if the
24 pool was closed, you'd probably close
25 gaming?

45

1 MR. DEL PRETE: Absolutely.

2 LIEUTENANT FUNDERBURK: Sir, if I
3 might add a caveat to that, is that
4 Louisiana State Police -- again, the
5 uniqueness of the pool being the first
6 in the state of its kind, we, again,
7 hashed out things with building it. It
8 was back and forth between us. And
9 they're going to be putting up walls, as
10 he said. They're going to be putting up
11 an awning, things of that nature. While
12 that pool's closed, the tables will be
13 covered with a see-through felt -- it's
14 a see-through cover. So that if a
15 thunderstorm comes up, you've got to
16 think about blowing cards off the
17 tables, exposing the people to danger
18 with lightening and thunder.

19 The games we've ensured will be
20 closed down. The customer will be safe.
21 The gaming chips, money all will be
22 removed from the table. Those
23 procedures have been approved for audit
24 and start until the passing -- until the
25 weather passes. So we have double,

1 triple checked that to make sure that we
2 have everything in place to ensure the
3 safety of the employees and patrons as
4 well.

5 MS. BERRY: I'm sorry to jump in.
6 So this poolside area is not covered?

7 LIEUTENANT FUNDERBURK: Oh, just the
8 area that the table -- the gaming will
9 be, that will be covered.

10 MS. BERRY: Oh, okay.

11 LIEUTENANT FUNDERBURK: Yes, ma'am,
12 yes, ma'am, it will be.

13 MS. BERRY: You mentioned moving
14 people out with lightening, and I was
15 wondering.

16 LIEUTENANT FUNDERBURK: Our closest
17 proximity to the Gulf, as storms brew
18 up, that was a major concern for us when
19 we initially looked at the pool area.

20 MS. BERRY: Safety first.

21 LIEUTENANT FUNDERBURK: Yes, ma'am.

22 MS. BERRY: Okay, thank you.

23 CHAIRMAN JONES: Any more questions?
24 No?

25 Lieutenant, I know Mr. Francic was

1 unable to be here from ABSC. He got
2 stuck somewhere along the way. You will

3 be working with them on the final
4 inspection?

5 LIEUTENANT FUNDERBURK: Yes, sir.

6 CHAIRMAN JONES: All right, have we
7 provided all the documents to them last
8 week, all the plans so they know what's
9 going on? And that's important to us.

10 And I just want to say for the record
11 how important it is to make sure we have
12 the appropriate security in place,
13 surveillance, making sure these areas
14 are accessed only by those entitled to
15 do so based on their age. That's really
16 important. And I know that's a priority
17 for you guys, but I just want to say
18 that on behalf of the Board. That's one
19 of the things that we hear a lot about
20 in that tall building over there when
21 they have bills, to make sure that
22 minors aren't getting access to the
23 gaming areas. So that's important to
24 us.

25 Are additional employees going to be

48

1 hired as a result of this expansion?

2 MR. DEL PRETE: That's a good
3 question. Chairman, at the time -- I
4 know we're giving additional part-time
5 people the opportunity for full-time

6 jobs, so that's going to come into play.

7 CHAIRMAN JONES: And what are the
8 closing hours for the Blue Martini?

9 MR. DEL PRETE: Typically, it's
10 about 3:00 a.m. on the weekends.

11 CHAIRMAN JONES: I wasn't sure if
12 there was a parish ordinance about that
13 or not. I wasn't sure.

14 MR. DEL PRETE: Yeah, actually, I
15 think from a casino standpoint, we could
16 operate it 24 hours, but the night's
17 over usually around 3:00 a.m.

18 CHAIRMAN JONES: So those positions
19 would not be in play when the Blue
20 Martini is closed; is that correct?

21 MR. DEL PRETE: That's correct.
22 And, Chairman, I'm a hundred percent --
23 obviously you and I have had many
24 discussions about minors on the casino
25 floor, and I told Sam we were committed

49

1 a hundred percent. It has the same
2 technology, the Veridocs, which we use
3 for entry points on our casino. So
4 we're able to tell if the license has
5 been scanned. It stores. It does a
6 lot. So it's a great tool to use.

7 And Blue Martini, just so everybody
8 is clear, because it's a nightlife

9 venue, it is 21 and up, so to get into
10 that nightlife venue you're going to be
11 ID'd to get in to verify you're 21.
12 Once you get inside Blue Martini, you
13 enter the gaming area, you're going to
14 get ID'd again by a completely separate
15 person with the Veridocs.

16 CHAIRMAN JONES: I was 18 once so I
17 would be testing you.

18 MR. DEL PRETE: We get tested daily.

19 CHAIRMAN JONES: Just sayin', you
20 know.

21 MR. DEL PRETE: Yeah.

22 CHAIRMAN JONES: Just share with the
23 Board, if you would, kind of in closing,
24 you know, the law that -- based on the
25 recommendation of the Riverboat Gaming

50

1 Task Force that Senator John carried
2 last year and was successful, I mean,
3 just something as simple as removing the
4 paddle wheel, were you able to take
5 advantage of that space?

6 MR. DEL PRETE: Absolutely.

7 CHAIRMAN JONES: Good for you.

8 MR. DEL PRETE: So we extended our
9 restaurant, Vick and Anthony's, and
10 created a private room for that setting.
11 It's by far our number one restaurant in

12 the casino. It's our high-end
13 steakhouse, and I think so far in
14 incremental revenue, which I assume
15 would get sales tax for the state and
16 things like that, we're close to, I
17 think, 600,000.

18 CHAIRMAN JONES: Wow.

19 MR. DEL PRETE: So we didn't really
20 have a legitimate private room where
21 someone could come in and do a private
22 function, and now we do so people are
23 elated. And it looks like it's been
24 there from day one.

25 CHAIRMAN JONES: Well, you've been

51

1 doing this for 25 years.

2 Any other questions? [No response.]

3 I see no other questions. I'll --
4 do you want to close, Charmaine --
5 anything to add?

6 MS. MOORE: Well, you can just read
7 the Resolution in.

8 CHAIRMAN JONES: I didn't mean to
9 put you on the spot. I just wanted to
10 know if you had anything additional to
11 add.

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

14 MR. JACKSON: So moved.

15 CHAIRMAN JONES: Mr. Jackson and Mr.
16 Avant.

17 Miss Smith, would you read the
18 Resolution into the record.

19 MS. SMITH: On the 20th day of May,
20 2019, the Louisiana Gaming Control Board
21 did, in a duly noticed public meeting,
22 consider the issue of Golden Nugget Lake
23 Charles, LLC's, petition for approval of
24 relocation of a portion of gaming
25 operations, and upon a motion duly made

52

1 and seconded, the Board adopted this
2 Resolution:

3 Be it resolved that Golden Nugget
4 Lake Charles, LLC's, request to relocate
5 a portion of its gaming operations to an
6 existing facility that is part of the
7 approved project as defined by the
8 conditions placed on the riverboat
9 license of Golden Nugget Lake Charles,
10 LLC, and located within 1,200 feet of
11 its licensed berth site all in
12 accordance with the plan and supporting
13 documentation submitted by the licensee
14 to the Louisiana State Police Gaming
15 Enforcement Division and all applicable
16 law including, without limitation,
17 Louisiana Revised Statute 27:44 and 67

18 and Louisiana Administrative Code
19 42.III.1701, 2110 and 2401 and to
20 commence gaming operations thereat on or
21 after May 21st, 2019, is hereby approved
22 subject to the final inspection and
23 approval of the Division.

24 Mr. Stipe?

25 MR. STIPE: Yes.

53

1 MS. SMITH: Mr. Singleton?

2 MR. SINGLETON: Yes.

3 MS. SMITH: Miss Berry?

4 MS. BERRY: Yes.

5 MS. SMITH: Mr. Jackson?

6 MR. JACKSON: Yes.

7 MS. SMITH: Mr. Lagasse?

8 MR. LAGASSE: Yes.

9 MS. SMITH: Mr. Avant?

10 MR. AVANT: Yes.

11 MS. SMITH: Mr. Poole?

12 MR. POOLE: Yes.

13 MS. SMITH: Chairman Jones?

14 CHAIRMAN JONES: Yes. The motion

15 carries. Thank you.

16 MR. DEL PRETE: Thank you, Chairman.

17 CHAIRMAN JONES: Thank you,

18 Charmaine, for your work on this and

19 State Police. Thank y'all very much.

20 VII. CONSIDERATION OF THE FOLLOWING APPEALS:

21 1. In Re: Montgomery Norton, Inc., d/b/a
22 Daiquiri Island Sports Bar - No.
23 3601111904

24 CHAIRMAN JONES: We'll now move to
25 appeals, and first up is in regard to

54

1 Montgomery Norton, Inc., doing business
2 as Daiquiri Island Sports Bar. If
3 there's a representative here from the
4 Sports Bar, please come up to the table.

5 MR. PICOU: Good morning, Chairman
6 Jones --

7 CHAIRMAN JONES: Good morning.

8 MR. PICOU: -- and Board Members.
9 I'm Assistant Attorney General Charlie
10 Picou here in the matter of the appeal
11 of Montgomery Norton, Inc., doing
12 business as Daiquiri Island Sports Bar.

13 CHAIRMAN JONES: Please identify
14 yourself for the record, sir.

15 MR. NORTON: Hi, my name's Tim
16 Norton. My residence is 5 Beverly
17 Garden, Metairie, Louisiana.

18 CHAIRMAN JONES: Okay, welcome to
19 the Gaming Control Board, and since this
20 is your appeal process, just let me
21 explain to you. We already have the
22 record of the hearing that's been
23 conducted, and you're not permitted, nor

24 is the Division permitted, to introduce
25 anything new into the record. We can

55

1 only make a decision based on arguments
2 that the two of you present either in
3 favor of the decision or absent the
4 decision, you're overruled. So just
5 limit yourself to explaining to the
6 Board at the appropriate time why you
7 believe the hearing officer was either
8 correct or incorrect.

9 MR. NORTON: I understand.

10 CHAIRMAN JONES: And you go first.

11 MR. NORTON: Oh, thank you. I'm
12 asking the Board to -- right words -- to
13 dismiss the fines. My interpretation as
14 to what I had done to help the persons
15 involved to get their ATC license -- I
16 interpreted that the procedure would be
17 before I notified the Board -- the
18 Gaming Division --

19 CHAIRMAN JONES: Please limit
20 yourself to why the ruling decision is
21 wrong -- is incorrect. You can't
22 introduce any evidence about the process
23 on the ATC permit, okay?

24 MR. NORTON: Okay.

25 CHAIRMAN JONES: And you understand

56

1 that your opportunity for your original
2 appeal was to present all that evidence,
3 right? That was your opportunity. You
4 received notices of that hearing, didn't
5 you?

6 MR. NORTON: Yes, and I was told I
7 did not need to be there. This confuses
8 me.

9 MR. PICOU: Objection. That's new
10 information, which, again, was not
11 considered. The licensee and his
12 attorney were notified in advance of the
13 date of the hearing and was informed of
14 the civil penalty we would be seeking.

15 MR. NORTON: May I ask who are they
16 indicating is the licensee -- the
17 person. This is what I'm so confused
18 about because the permit was denied.
19 There's evidence, and here's information
20 that y'all have.

21 MR. PICOU: Objection.

22 MR. NORTON: It stated it was
23 denied. Am I correct? The permit for
24 Sports Bar & Grill was denied. So my
25 impression -- it's in here. It's still

57

1 facts that y'all have.

2 MR. PICOU: Objection, those facts
3 were not admitted or submitted by the

4 licensee at the hearing on the merits.

5 CHAIRMAN JONES: Is there anything
6 you want to add as to why the hearing
7 officer got it wrong or right in your
8 mind?

9 MR. NORTON: Would you repeat the
10 question? I was trying to think of
11 something else. I'm sorry. Repeat your
12 question, please.

13 CHAIRMAN JONES: Oh, I'm sorry.

14 MR. NORTON: I didn't understand
15 your question.

16 CHAIRMAN JONES: Is there anything
17 you want to add as to why you believe
18 the decision was either right or wrong
19 by the hearing officer? Without getting
20 into the facts of the case, why was the
21 decision -- why do you disagree with the
22 decision?

23 MR. NORTON: Because all the --
24 because I believed -- if I'm not
25 introducing information -- that the ATC

58

1 license that was in effect -- until 2019
2 was still in effect.

3 CHAIRMAN JONES: You can't introduce
4 that, sir. You missed an opportunity at
5 the hearing. I'm sorry.

6 MR. NORTON: All right.

7 CHAIRMAN JONES: I'm very sorry.

8 MR. NORTON: That's all right. I

9 just don't understand at all.

10 MR. PICOU: Again, Charlie Picou
11 here on behalf of the Division. The
12 licensee is seeking to contest the
13 hearing officer's decision ordering the
14 licensee to pay a civil penalty of
15 \$4,500 for its failure to maintain a
16 valid ATC permit for a period of three
17 months, failure to notify the Division
18 of changes of ownership and management
19 within ten calendar days and failure to
20 timely submit annual forms and fees to
21 the Division.

22 If it may please the Board, I'd like
23 to state some of the facts that were
24 submitted at the hearing for the record.

25 According to the Division's records, the

59

1 one hundred percent owner of the
2 licensee was Maria Elsner-Pastor.
3 However, on August 29th, 2018, the
4 Division received the licensee annual
5 form along with a bill of sale reporting
6 that Maria Elsner-Pastor had sold 50
7 percent of her stock in the licensee to
8 Rochelle Johnson, Sr., 50 percent to
9 Jazlin Armstrong.

10 On July 31st, 2018, the licensee
11 failed to notify the Division of the
12 transfers of stock within ten calendar
13 days, which is required by Louisiana
14 gaming law. Furthermore, the licensee
15 failed to timely submit its annual forms
16 and fees by July 1st as required by
17 Louisiana gaming law. Suitability
18 documents were included for the new
19 shareholders; however, the Division
20 obtained information that there were
21 multiple undisclosed changes in
22 ownership in 2017.

23 On October 31st, 2017, the licensee
24 reported to the Louisiana Secretary of
25 State's Office that Donnanil Bourgeois

60

1 was the new owner and president of the
2 licensee. The Division was not notified
3 of this change of ownership. The
4 licensee also reported to the Secretary
5 of State that on November 19th, 2017,
6 Donnanil Bourgeois was removed as
7 president and owner, and on that same
8 day, Gina Bourgeois was named as the
9 owner/president.

10 The licensee did not notify the
11 Division about any of these changes.
12 The Division conducted a review of the

13 ATC database, and it was revealed that
14 the licensee did not have a valid ATC
15 permit. There was an inspection done by
16 the Division on September 10th, 2018.
17 That inspection revealed that the
18 licensee did not have a valid ATC permit
19 posted, and that the ATC had sent a
20 letter to the licensee stating that it
21 had denied its application for licensing
22 for an ATC permit. And that was on June
23 29th, 2018. They did not get a valid
24 ATC permit until September 26th, 2018,
25 which was a period of three months.

61

1 On January 15th, 2019, an
2 Administrative Action Hearing was held
3 in this matter. No one attended the
4 hearing on behalf of the licensee, and
5 no evidence or testimony was presented
6 on behalf of the licensee. The Division
7 presented evidence and testimony at the
8 hearing proving that the licensee failed
9 to maintain a valid ATC permit for a
10 period of three months, failed to timely
11 notify the Division of changes in
12 ownership and failed to timely submit
13 its annual forms and fees.

14 On February 21st, 2019, Hearing
15 Officer Reynolds ordered the licensee to

16 pay a civil penalty of \$4,500 for its
17 violations of Louisiana gaming law. The
18 order specified that the licensee shall
19 pay \$2,500 for its failure to maintain
20 a valid ATC permit for three months.
21 It's a \$1,000 base penalty according to
22 the penalty schedule and \$500 for each
23 month over being invalid.

24 Also, the hearing officer ordered
25 that the licensee would pay \$1,500 for

62

1 failing to timely notify the Division of
2 three different changes in ownership
3 within ten days and also \$500 for
4 failing to timely submit its forms and
5 fees. Each of the amounts are supported
6 by the penalty schedule and are
7 consistent with the resolution of other
8 violations of this type. Regardless of
9 whether the licensee was aware of the
10 violations or not, the fact remains that
11 they did occur. Intent in this
12 situation is irrelevant.

13 The licensee did not offer any
14 evidence at the hearing that would
15 contradict the Division's or the hearing
16 officer's position. The civil penalty
17 of \$4,500 ordered by the hearing officer
18 is in absolute compliance with the

19 penalty schedule and the provisions of
20 Louisiana gaming law.

21 In the interest of maintaining
22 consistency and fairness amongst all
23 licensees, the Division and this
24 Honorable Board, as well as the hearing
25 officer, are bound by the law and the

63

1 penalty schedule in matters such as
2 this. Louisiana law requires a licensee
3 of this type to maintain a valid ATC
4 permit, notify the Division of any
5 change in ownership within 10 calendar
6 days and to submit annual forms and fees
7 before July 1st of each year.

8 For these reasons, the Division
9 respectfully requests that this
10 Honorable Board affirm the hearing
11 officers decision ordering the licensee
12 to pay a civil penalty of \$4,500 --

13 CHAIRMAN JONES: You may have
14 addressed this, and I just may not have
15 heard you. I was struggling to hear
16 everything. But these -- these amounts
17 are consistent with similar violations
18 like these in the past, right?

19 MR. PICO: Yes, sir, and also with
20 the penalty schedule. It's outlined in
21 the penalty schedule as well with other

22 violations of this type.

23 CHAIRMAN JONES: Board Members, any
24 questions. [No response.]

25 Do I have a motion either to affirm

64

1 the hearing officer's decision or to
2 reverse the hearing officer's decision?

3 MR. NORTON: May I say something? I
4 don't know if I have any more time. I
5 don't want to take up all of y'all's
6 time. Because I don't understand
7 everything.

8 CHAIRMAN JONES: I understand.

9 MR. NORTON: There is a permit there
10 that was never invalidated, and that's
11 why I don't understand --

12 MR. PICOU: Objection, that's new
13 information.

14 MR. NORTON: -- why he keeps saying
15 that these businesses were sold three
16 times. That's a gross error on the
17 state's part. That's wrong. They were
18 never sold. Officers were changed.

19 MR. PICOU: Objection. This is all
20 new.

21 CHAIRMAN JONES: We can't. We're
22 not permitted by the rules to do that.
23 There was an opportunity to do that, and
24 for whatever reason, you did not avail

25 yourself of that opportunity at the

65

1 hearing.

2 MR. NORTON: As I said, I didn't

3 have to be there. That's why.

4 CHAIRMAN JONES: That evidence was

5 presented at the hearing, and you could

6 have refuted that evidence.

7 MR. NORTON: But he said I did not

8 have to be there.

9 MR. PICOU: They had an attorney.

10 COURT REPORTER: Guys, you have got

11 to talk one at a time.

12 CHAIRMAN JONES: Yeah, we can't talk

13 at the same time, and right now we're

14 not going to talk, okay?

15 MR. NORTON: Okay.

16 CHAIRMAN JONES: I'm sorry.

17 MR. NORTON: No, I understand. I

18 appreciate it. I really do.

19 MR. PICOU: I would like to say --

20 MR. NORTON: The hearing is unfair.

21 MR. PICOU: We had a hearing on the

22 merits, and up to this point, there's

23 been no new information or

24 documentation.

25 CHAIRMAN JONES: Do I have a motion?

66

1 MR. STIPE: Move to affirm.

2 CHAIRMAN JONES: Move to affirm.

3 Do I have a second?

4 MR. POOLE: Second.

5 CHAIRMAN JONES: Mr. Poole.

6 Any objection? [No response.]

7 Without objection, the hearing

8 officer's decision is affirmed. Thank

9 you, gentlemen. Thank you.

10 2. In Re: Alicia Calvin - No. PO40069533

11 CHAIRMAN JONES: Next on the agenda

12 is in regard to Alicia Calvin, No.

13 PO40069533. Good morning.

14 MS. KEITH: Good morning, Chairman

15 Jones, Board Members and staff. I am

16 Assistant Attorney General Rashida Keith

17 present before the Board in the matter

18 of Alicia D. Calvin.

19 CHAIRMAN JONES: Is Miss Calvin or a

20 representative of Miss Calvin here? [No

21 response.]

22 Proceed.

23 MS. KEITH: This matter comes before

24 you as a result of Miss Calvin's appeal

25 filed in response to a decision by the

67

1 hearing officer ordering Miss Calvin to

2 pay a civil penalty of \$250. Any

3 permittee holding a non-key gaming

4 employee permit in this state is

5 required to report an arrest to the
6 Division within 15 calendar days from
7 the date of that arrest. Miss Calvin
8 was arrested on August 19th of 2018, and
9 she failed to timely notify the Division
10 of her arrest.

11 Miss Calvin was present during the
12 administrative hearing that was held on
13 January 22nd of 2019. She did not
14 provide any evidence or testimony
15 contradicting the occurrence of her
16 arrest or showing that she timely
17 notified the Division of her arrest.

18 During the hearing, and according to
19 the hearing officer's decision, Miss
20 Calvin stated that it is an undue burden
21 on those holding a permit to pay a
22 penalty for failing to timely notify the
23 Division of an arrest. Miss Calvin
24 further requested to be excused from the
25 responsibility of paying the penalty

68

1 required by Louisiana gaming law;
2 however, the hearing officer's decision
3 provides in pertinent part that there is
4 no exception to the law, and it is the
5 responsibility of this tribunal to
6 recognize and apply Louisiana laws which
7 pertains to one who possesses a non-key

8 gaming employee permit in this state.

9 During the hearing, the Division
10 presented evidence showing that Miss
11 Calvin was, in fact, arrested on August
12 19th of 2018. Miss Calvin did not
13 present evidence to show that the arrest
14 did not occur. As such, Miss Calvin was
15 responsible for reporting her arrest to
16 the Division within 15 calendar days of
17 the date of when she was arrested. Miss
18 Calvin did not provide evidence to show
19 that she provided timely notification of
20 her arrest to the Division.

21 For these reasons, the Division
22 respectfully request that this Honorable
23 Board affirm Hearing Officer Reynolds'
24 decision and finding that Alicia D.
25 Calvin failed to timely report her

69

1 arrest to the Division and be ordered to
2 pay a civil penalty in the amount of
3 \$250.

4 If there are any questions, I am
5 happy to answer them.

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

9 MR. JACKSON: Motion to approve.

10 CHAIRMAN JONES: So moved to affirm

11 and a second by Miss Berry.

12 Any objection? [No response.]

13 Without objection, the hearing

14 officer's decision is affirmed.

15 3. In Re: Tork J. Choun - No. PO400454465

16 CHAIRMAN JONES: Next up is Tork J.

17 Choun, permit number PO40054465. This

18 is the appeal on behalf of the Division.

19 MR. GATHE: Good morning, Chairman

20 Jones, Board Members. I'm Assistant

21 Attorney General Jeremy Gathe present

22 before the Board in the matter of Mr.

23 Tork J. Choun.

24 MR. LONG: May it please the Court,

25 I'm attorney Joe Long. I represent Tork

70

1 Choun who is known as John. We're here

2 to hear the State's appeal.

3 CHAIRMAN JONES: Thank you very

4 much, and you understood the rules as I

5 explained them a while ago, that we have

6 the record before us. Board Members

7 have reviewed the record. This isn't a

8 matter to rehear the case. It's simply

9 the opportunity for you, on behalf of

10 your client, to speak on your client's

11 behalf with respect to the decision by

12 the hearing officer.

13 MR. LONG: I understand, Your Honor.

14 CHAIRMAN JONES: Thank you very
15 much. Please proceed.

16 MR. GATHE: I would like to reserve
17 time for rebuttal after Mr. Choun's
18 argument.

19 CHAIRMAN JONES: Okay.

20 MR. GATHE: This matter comes before
21 the Board as a result of the Division's
22 appeal of the hearing officer's decision
23 denying the revocation of Mr. Choun's
24 non-key gaming employee permit. The
25 Division contends that the hearing

71

1 officer erred in his denying the
2 revocation for several reasons.

3 The Division's first contention is
4 that the hearing officer failed to fully
5 assess the video surveillance evidence
6 presented at the hearing and the
7 testimony of Assistant Casino Manager,
8 Jack Rounds. At the revocation hearing,
9 the Division presented video
10 surveillance evidence of Mr. Choun
11 wrongfully placing casino chips into his
12 personal tip or token box which resulted
13 in a theft at the casino. The Division
14 asserts that the theft committed by
15 Mr. Choun at the casino renders him
16 unsuitable and raises questions of his

17 ability to maintain suitability.

18 Now, counsel will argue that this
19 act was a mistake, that it was merely a
20 violation of casino standard operating
21 procedure and that Mr. Choun did not
22 have a specific intent to commit the
23 theft. The Division adamantly disagrees
24 with this contention. When reviewing
25 the casino surveillance video, Mr. Choun

72

1 is seen removing chips from the rake
2 slot and placing the chips into his
3 personal tip box. According to the
4 testimony of Mr. Jack Rounds, who has
5 worked at L'Auberge Lake Charles for 11
6 years and is an assistant customer
7 manager there, the only time dealers are
8 allowed to place chips into their tip or
9 token box is when the chips are directly
10 thrown from the dealer -- I'm sorry, to
11 the dealer from a patron or player.
12 Mr. Rounds also stated that he believed
13 the acts of Mr. Choun were not a mistake
14 and, in fact, theft.

15 Now, counsel will also argue that
16 although Mr. Choun has ten years of
17 experience as a dealer, he only had
18 seven months of poker dealing experience
19 and that he's a break-in dealer which

20 basically means he's a novice to the
21 game of poker and that he is prone to
22 making mistakes.

23 For all table games, whether it's
24 blackjack, craps, poker, the casino's
25 procedures and protocols are the same

73

1 when accepting tips. The only time
2 dealers are allowed to place tips into
3 their token box is when the chips are
4 directly from -- from a player to the
5 dealer. So regardless of Mr. Choun's
6 seven month's experience of dealing
7 poker, he knew the casino's protocol and
8 procedures when accepting tips.

9 The Division asserts that Mr. Choun
10 is not a break-in dealer, and that he's
11 no novice to dealing. Mr. Choun was
12 hired as a dual rate supervisor at
13 L'Auberge Lake Charles, and dual rate
14 supervisors oversee other poker dealers
15 and are poker dealers themselves. He
16 was hired for this position because of
17 his ten years of experience as a table
18 games dealer and his dealing ability,
19 and given his ten years of experience
20 and his dealing ability, the Division
21 asserts that the actions of Mr. Choun
22 are not a simple violation of casino

23 operating standard procedures and that
24 it's not a mistake but, in fact, an
25 intentional taking of casino chips. The

74

1 surveillance video evidences this theft,
2 and we contend that the hearing officer
3 failed to fully assess the video
4 surveillance and the testimony of
5 Assistant Casino Manager Jack Rounds.

6 Next the Division contends that the
7 hearing officer failed to fully consider
8 the testimony of Trooper Michael Mallett
9 and relies heavily on an audio or
10 written statement to verify Mr. Choun's
11 admission of theft. First, written or
12 audio recording used to corroborate a
13 confession is proper. It only adds more
14 weight to a trooper's testimony.

15 However, the Division contends that this
16 should not be considered a requirement
17 in cases where a statement was not
18 obtained by a gaming agent.

19 MR. LONG: Your Honor, I'm going to
20 object. There's nothing in the judge's
21 ruling that said that he relied on the
22 absence of an audio or video record of a
23 confession. He's going beyond the scope
24 of an appeal.

25 CHAIRMAN JONES: There was -- there

1 was information in the record, as I
2 recall -- correct me if I'm incorrect --
3 with respect to -- and I think you
4 brought it up, about -- about the
5 absence of either video recording of a
6 confession or an audio recording. There
7 was a discussion of that factually in
8 the transcript.

9 MR. LONG: That's argument, Your
10 Honor. That is not in the ruling of the
11 judge. That is what we're here for
12 today, to determine whether he was
13 erroneous in his ruling. He doesn't get
14 to relitigate the facts.

15 CHAIRMAN JONES: I understand.

16 MR. GATHE: I'm not relitigating the
17 facts. If you look at page four of the
18 hearing officer's reasons for decisions,
19 he specifically states that no written
20 statement -- audio statement or
21 corroborating evidence of the statement
22 given by Mr. Choun to verify the
23 admission of his actions constituting a
24 theft was presented as evidence at the
25 hearing in this matter.

1 CHAIRMAN JONES: I'll permit it.

2 MR. GATHE: Thank you.

3 So -- however the Division -- we
4 contend that this shouldn't be
5 considered a requirement in cases where
6 the statement wasn't obtained.

7 As mentioned in our brief, a written
8 statement has not been a requirement to
9 evidence of a confession in previous
10 cases, so the fact that Trooper Mallett
11 didn't have Mr. Choun write the
12 statement down or record an audio
13 confession should not negate Trooper
14 Mallett's testimony presented at the
15 revocation hearing.

16 At the hearing, Trooper Mallett
17 stated that Mr. Choun would get
18 flustered during dealing if his float
19 was not correct, and he would put extra
20 tokens or chips into his token box. This
21 testimony is also consistent with
22 Louisiana State Police's case report.
23 Additionally, Trooper Mallett possess 16
24 years of experience as a gaming agent.
25 The Division's gaming agents are sworn

77

1 law enforcement officers or
2 investigatory arm before this Board.
3 Trooper Mallett has no vested interest
4 in Mr. Choun's case, and the hearing
5 officer failed to fully consider Trooper

6 Mallet's testimony as the investigating
7 agent for this matter.

8 Finally, the decision of the hearing
9 officer is in direct conflict with other
10 decisions that contain the same factual
11 pattern, specifically the matters of
12 Norvelle Schexnayder and Scott Anderson.

13 In the Schexnayder matter, the permittee
14 was seen on casino video surveillance
15 stealing a chip, like Mr. Choun. She
16 admitted to the theft to a trooper from
17 the Division, like Mr. Choun. There's
18 no written or audio statement obtained
19 from the trooper, like the Choun matter,
20 and the Division pursued this case
21 against the permittee for general
22 unsuitability once the district court
23 dismissed the charges against Miss
24 Schexnayder, again like the Choun
25 matter.

78

1 And given the evidence and testimony
2 presented at this hearing, the hearing
3 officer found Miss Schexnayder generally
4 unsuitable and ordered a revocation of
5 her permit. The hearing officer
6 rendered the opposite decision with Mr.
7 Choun although both cases are similar
8 with the facts and evidence presented.

9 In the Anderson matter, the facts of
10 the case are even more identical. The
11 theft in the Anderson matter occurred at
12 the same casino as the current matter,
13 which was L'Auberge Lake Charles. It
14 was during the same time frame, under
15 the same set of circumstances; yet the
16 hearing officer rendered a different
17 decision. In fact, the Anderson matter
18 is what gave rise to the investigation
19 of Mr. Choun because it was Mr. Anderson
20 who claimed that --

21 MR. LONG: Objection, Your Honor.
22 Again, this is beyond the scope of the
23 ruling or anything in the facts.

24 MR. GATHE: This was -- this was
25 presented in the Louisiana state case

79

1 report within the context of the
2 narrative with the case report.

3 CHAIRMAN JONES: Go ahead.

4 MR. GATHE: Okay.

5 MR. LONG: Hold on, Your Honor. Are
6 you making a ruling on this?

7 CHAIRMAN JONES: We recognize the
8 objection. I'm not going to rule on it.
9 I'm going to permit him to continue.

10 MR. GATHE: So in both matters, the
11 permittee was seen on casino video

12 surveillance stealing a chip. In both
13 matters, the permittee admitted to the
14 theft. In both matters, there was no
15 written or audio statement obtained, and
16 in both matters, the Division pursued
17 this case against the permittee for
18 general unsuitability once the district
19 court dismissed the charges against the
20 permittee. The striking difference in
21 the current case of the Anderson matter
22 is that the hearing officer found Mr.
23 Anderson generally unsuitable and
24 ordered a revocation of his gaming
25 permit. The hearing officer did not

80

1 require a written or audio statement for
2 the Anderson matter. Additionally, the
3 confession obtained in the Anderson
4 matter was from an assistant casino
5 manager. It wasn't even a sworn law
6 enforcement agent which was the case in
7 Mr. Choun's matter.

8 Therefore, it's the Division's
9 contention that the hearing officer's
10 ruling in the current case is
11 inconsistent with other matters that
12 contain comparable factual patterns,
13 testimonials and casino video
14 surveillance. In sum, as this honorable

15 board knows, it's a privilege, not a
16 right, to hold a gaming permit in the
17 State of Louisiana. It's the
18 permittee's duty and burden of proof to
19 show by clear and convincing evidence
20 that he's suitable to hold a gaming
21 permit. The permittee has failed to
22 meet this burden.

23 The Division contends that Mr. Choun
24 is unsuitable and does not possess the
25 character and does not possess the

81

1 requisite honesty and integrity to hold
2 such a permit. Given the hearing
3 officer's failure to assess the casino
4 video surveillance, his failure to
5 consider Trooper Mallett's testimony and
6 the inconsistency in this decision with
7 that of other decisions rendered by the
8 hearing officer, we respectfully request
9 that the order denying revocation of Mr.
10 Choun's gaming permit be reversed.

11 CHAIRMAN JONES: Mr. Long.

12 MR. LONG: Judge Reynolds was the
13 hearing officer in this case. He's been
14 working for you for 12 years. You've
15 heard hundreds of cases with Judge
16 Reynolds involved. He listened to all
17 the testimony. He watched the videos.

18 He assessed the credibility of all the
19 witnesses, and he ruled in favor of my
20 client.

21 My client has a spotless record.
22 Over ten years in the gaming industry,
23 not a hint of impropriety until this
24 day, and because he made two mistakes in
25 48 hours of dealing, they think he's a

82

1 thief. They want to ruin his good name
2 and reputation and prevent him from
3 earning a living for himself and his
4 family. Judge Reynolds listened to this
5 hearing after the district attorney
6 dismissed the case. They had a full
7 chance to prove their case, and they
8 could not prove it. All mistakes are
9 not thefts.

10 My client dealt poker for seven
11 months two days out of the five days
12 that he worked. In 48 hours of watching
13 video surveillance, he made two mistakes
14 in 48 hours for eight dollars, and they
15 say that shows he's a thief.

16 Now, ladies and gentlemen, you may
17 not all be lawyers, but you certainly
18 have common sense. Who is going to risk
19 their ten-year career to steal eight
20 dollars? He dealt in craps, in

21 blackjack and roulette where he had
22 access to thousands of dollars of chips,
23 and yet there was not one instance where
24 he was ever suspected of being a thief.

25 He points to the Anderson case, the

83

1 dealer who admitted that he stole money.

2 You know what the difference is?

3 Anderson didn't show up for his

4 revocation hearing. He surrendered, and

5 they tried their case to an empty chair.

6 Well, if we have a football game and

7 only one team shows up, who's going to

8 win? There's no question. It's

9 different. It's distinguishable. It's

10 not the same thing. We fought for his

11 reputation and his job, and we won.

12 They can't take a loss, and so that's

13 why they're here.

14 Anderson did not show up because he

15 was guilty. Judge Reynolds assessed the

16 credibility of the case based on an

17 individual basis as he has done for

18 hundreds and hundreds of other cases.

19 Not all cases are the same. He points

20 to other cases and says, well, in this

21 case, the judge ruled for revocation, so

22 he's got to rule for revocation every

23 time. That's not true. The judge

24 weighs each case individually. Every
25 case is different. And in this case,

84

1 Judge Reynolds assessed the credibility
2 of all the witnesses. He watched the
3 video. He listened to everything, and
4 he ruled in favor of Mr. Choun.

5 Some of us are old enough to
6 remember Ronald Reagan; and he had a
7 cabinet member named Ray Donovan who was
8 on his cabinet, and he got indicted for
9 crimes. He went through the whole
10 process, got his name dragged through
11 the newspaper. Everybody thought he was
12 a crook. At the end, he was found not
13 guilty, and he walked out to the court
14 steps, and he said, "What office do I go
15 to get my reputation back"? Well, John
16 Choun says the same thing.

17 What office do I go to to get my
18 reputation back? I've been dragged
19 through the mud, and nothing has been
20 proven against me.

21 Ladies and gentlemen, you're the
22 office we come to to get our reputation
23 back.

24 Affirm Judge Reynolds' ruling and
25 send this man back to work.

85

1 CHAIRMAN JONES: Thank you.

2 Mr. Long.

3 MR. GATHE: Chairman Jones, Board
4 Members, the actions of Mr. Choun are
5 not a mistake. Mr. Choun had the
6 specific intent to commit a theft at the
7 casino. As stated earlier, casino
8 protocol and procedures with placing
9 tips into the token box are the same
10 across all table games. It has to come
11 directly from the player or patron, not
12 the rake slot, not the chip tray, but
13 from the player.

14 The Assistant Casino Manager, Jack
15 Rounds, didn't believe the acts of
16 Mr. Choun to be a mistake nor did he
17 believe Mr. Choun was a break-in
18 dealer -- dealing ability in the amount
19 of time that he was a dealer in the
20 gaming industry which was ten years. If
21 you look at the transcript of the
22 revocation hearing, Mr. Rounds even
23 challenged counsel on his argument that
24 the acts were a mistake and that
25 Mr. Choun was a break-in.

86

1 With regard to counsel's argument
2 that there were only two instances of
3 theft out of the 48 hours of reviewing

4 casino video surveillance, this isn't a
5 criminal matter. This matter is a
6 determination of whether or not
7 Mr. Choun is suitable to hold a gaming
8 permit. These types of action are
9 governed by the Administrative Procedure
10 Act, and under this act the burden of
11 proof is by a preponderance of the
12 evidence. And it's not as stringent as
13 criminal trials where clear and
14 convincing evidence is the standard.
15 There only has to be one instance of
16 theft to no longer be suitable to hold a
17 gaming permit. Theft is a statutory
18 disqualifier, and Mr. Choun does not
19 need to have multiple negative reports
20 in his file in order to be considered
21 unsuitable, just one instance of theft.
22 And as this Honorable Board knows, the
23 gaming industry is a strictly regulated
24 industry, and it's up to the permittee
25 to show that he's suitable to hold and

87

1 maintain a gaming permit. And the
2 Division contends that Mr. Choun is not
3 suitable to hold this permit.

4 CHAIRMAN JONES: Are there any
5 questions, Board Members? [No
6 response.]

7 There are no questions from the
8 Board.

9 Two people can read a record and
10 read it differently and come to
11 different conclusions. My reading of
12 the record several times leads me to a
13 different conclusion than the hearing
14 officer, and I'm going to move to
15 reverse the decision of the hearing
16 officer and revoke the license.

17 Do I have a second?

18 MR. LAGASSE: Second.

19 CHAIRMAN JONES: I have a second.
20 Do we have an objection? [No response.]

21 THE CLERK: Mr. Stipe?

22 MR. STIPE: I'm going to oppose the
23 motion.

24 THE CLERK: Mr. Singleton?

25 MR. SINGLETON: No.

88

1 THE CLERK: Miss Berry?

2 MS. BERRY: No.

3 THE CLERK: Mr. Jackson?

4 MR. JACKSON: No.

5 THE CLERK: Mr. Lagasse?

6 MR. LAGASSE: No.

7 THE CLERK: Mr. Avant?

8 MR. AVANT: No.

9 THE CLERK: Mr. Poole?

10 MR. POOLE: No.
11 THE CLERK: Chairman Jones?
12 CHAIRMAN JONES: I made the motion.
13 THE CLERK: Yes, but we're voting.
14 CHAIRMAN JONES: Okay, no.
15 THE CLERK: Against your motion?
16 Everybody voted no.
17 CHAIRMAN JONES: No, I voted for my
18 motion. Yes.
19 THE CLERK: You said "no."
20 CHAIRMAN JONES: Oh, okay.
21 MR. LAGASSE: Maybe I misunderstood.
22 A no vote is agreeing with the
23 recommendation?
24 THE CLERK: Yes. A no vote -- the
25 motion was to --

89

1 MR. LAGASSE: The motion was to
2 overrule, okay. Okay.
3 CHAIRMAN JONES: So the effect of
4 the no vote is to --
5 THE CLERK: Affirm the hearing
6 officer.
7 CHAIRMAN JONES: Yes.
8 THE CLERK: A no vote affirms the
9 hearing officer. The motion was to
10 revoke the permit.
11 CHAIRMAN JONES: So the motion
12 fails.

13 THE CLERK: The motion fails.

14 CHAIRMAN JONES: The motion fails.

15 Thank you, gentlemen.

16 MR. LONG: Thank you, Your Honor.

17 VIII. ADJOURNMENT

18 CHAIRMAN JONES: There being no
19 further business, I'll ask for a motion
20 to adjourn.

21 MR. SPEAKER: Mr. Chairman.

22 CHAIRMAN JONES: Yes.

23 Chairman.

24 MR. SPEAKER: If I may real quick,
25 due to confusion from the gentleman that

90

1 was here with Daiquiri Island Sports
2 Bar, is it -- is it possible to get
3 State Police to follow up with that
4 gentleman to make sure that moving
5 forward that he understands --

6 CHAIRMAN JONES: Sure.

7 MR. SPEAKER: -- what his
8 obligations are? Because I feel like,
9 from what I saw, we may see him back in
10 here again if somebody doesn't -- we can
11 discuss with State Police?

12 CHAIRMAN JONES: We can do that.

13 Do I have motion to adjourn?

14 MR. SINGLETON: So moved.

15 MS. BERRY: Second.

16 CHAIRMAN JONES: Without objection,
17 we stand adjourned.

18
19
20
21
22
23
24
25

91

1 REPORTER'S PAGE

2

3 I, SHELLEY PAROLA, Certified Shorthand
4 Reporter, in and for the State of Louisiana, the
5 officer before whom this sworn testimony was
6 taken, do hereby state:

7 That due to the spontaneous discourse of this
8 proceeding, where necessary, dashes (--) have been
9 used to indicate pauses, changes in thought,
10 and/or talkovers; that same is the proper method
11 for a Court Reporter's transcription of a
12 proceeding, and that dashes (--) do not indicate
13 that words or phrases have been left out of this
14 transcript;

15 That any words and/or names which could not
16 be verified through reference materials have been
17 denoted with the word "(phonetic)."

18

19

20

21

22

23

24 SHELLEY PAROLA

 Certified Court Reporter #96001

25 Registered Professional Reporter

 92

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 20,

7 2019, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape

9 recording, and thereafter reduced to transcript,

10 to the best of my ability and understanding, using

11 Computer-Aided Transcription.

12 I further certify that I am not an

13 attorney or counsel for any of the parties, that I

14 am neither related to nor employed by any attorney

15 or counsel connected with this action, and that I

16 have no financial interest in the outcome of this

17 action.

18 Baton Rouge, Louisiana, this 1st day of

19 July, 2019.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24