

Board Meeting LGCB 4-13-2015, (Pages 1:1 to 52:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 MONDAY, APRIL 13, 2015

10

11 LaSalle Building

12 LaBelle Hearing Room

13 617 North 3rd Street

14 Baton Rouge, Louisiana

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18 TIME: 10:00 A.M.

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2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5

6 FRANKLIN AYRES BRADFORD

(Economic Planner)

7 Fifth Congressional District

June 30, 2019

8

9 MARK STIPE

(Attorney)

10 Seventh Congressional District

June 30, 2014

11

12 DENISE NOONAN

(At Large)

13 First Congressional District

June 30, 2015

14

15 MAJOR CLAUDE MERCER

(Law Enforcement)

16 Fifth Congressional District

June 30, 2018

17

18 CLAUDE D. JACKSON

(At Large)

19 Fourth Congressional District

June 30, 2018

20

21 ROBERT W. GASTON, III

(At Large)

22 Sixth Congressional District

June 30, 2015

23

24 LANA TRAMONTE

Principal Assistant

25

3

1 APPEARANCES CONTINUED

2

3 TRUDY M. SMITH

Confidential Assistant

4

5 MAJOR MIKE NOEL

Ex-Officio Board Member

6 Louisiana State Police

7

8 MIKE LEGENDRE

Director of Charitable Gaming

9 Department of Revenue

10

11 REPORTED BY:

12 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning.
3 Welcome to the rainy, irregular meeting
4 of the Louisiana Gaming Control Board.
5 Thanks for making your schedule
6 adjustments. We have to kind of bounce
7 around a little bit here in the course
8 of the legislative session. We have one
9 more irregular meeting. I think it's on
10 a Monday.

11 THE CLERK: Monday, May 18th.

12 CHAIRMAN JONES: Great. I'll call
13 the meeting to order. Call the roll.

14 THE CLERK: Chairman Jones?

15 CHAIRMAN JONES: Here.

16 THE CLERK: Mr. Bradford?

17 MR. BRADFORD: Here.

18 THE CLERK: Mr. Stipe?

19 MR. STIPE: Here.

20 THE CLERK: Mr. Singleton? [No
21 response.] Miss Noonan?

22 MS. NOONAN: Here.

23 THE CLERK: Major Mercer?

24 MAJOR MERCER: Here.

25 THE CLERK: Mr. Jackson?

7

1 MR. JACKSON: Here.

2 THE CLERK: Mr. Gaston?

3 MR. GASTON: Here.

4 THE CLERK: Colonel Edmonson?

5 MAJOR NOEL: Major Noel for Colonel

6 Edmonson.

7 CHAIRMAN JONES: Secretary Barfield?

8 MR. LEGENDRE: Mike Legendre for

9 Secretary Barfield.

10 CHAIRMAN JONES: We have a quorum.

11 We may conduct business.

12 A couple of administrative matters,
13 Board Members, if you want to speak, you
14 will have to push your button. I don't
15 have control over your microphones from
16 here.

17 I'd like to let all of you know that
18 Dennis Stein's vacancy, or the vacancy
19 created by Dennis Stein's resignation,
20 has been filled by the Governor. Miss
21 Julie Berry will be representing the
22 Lake Charles area. She's not with us at
23 this meeting. She's a CPA, and this is
24 a busy week, I understand, for CPAs, and
25 she had appointments. So she'll be

8

1 properly introduced at the next board

2 meeting. We'll certainly welcome her
3 and her expertise to the Board.

4 III. APPROVAL OF THE MINUTES

5 CHAIRMAN JONES: Do I have a motion
6 to waive reading and approve the
7 minutes?

8 MR. GASTON: Move.

9 MS. NOONAN: Second.

10 CHAIRMAN JONES: By Mr. Gaston, and
11 Denise. All in favor? [Collective
12 "aye."] Opposed? [No response.] The
13 motion carries.

14 II. PUBLIC COMMENTS

15 CHAIRMAN JONES: I neglected to ask
16 if there was anyone who wanted to make
17 public comments on any matter before the
18 Board this morning. Pardon me for being
19 out of order. That's not unusual.

20 IV. REVENUE REPORTS

21 CHAIRMAN JONES: At this time, I'd
22 like to call revenue reports.

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

9

1 Gaming Enforcement Division.

2 The riverboat revenue report for
3 March 2015 is shown on page one of your
4 handout. During March, the 15 operating

5 riverboats general Adjusted Gross
6 Receipts of \$173,194,310, up
7 \$8.7 million or 5 percent from last
8 month, and up almost \$19 million or
9 12 percent from last March.

10 Adjusted Gross Receipts for fiscal
11 year 2014-2015 to date are \$1 billion,
12 385 million, an increase of 8 percent or
13 \$101 million from fiscal year 2013-2014.

14 During March, the State collected
15 fees totaling \$37,236,777. As of
16 March 31st, 2015, the State has
17 collected almost \$298 million in fees
18 for fiscal year 2014-2015.

19 Next is a summary of the March 2015
20 gaming activity for Harrah's New Orleans
21 found on page three. Harrah's generated
22 \$30,209,516 in gross gaming revenue, an
23 increase of \$3.8 million or 14.5 percent
24 from last month, but a decrease of
25 \$2.4 million or 7 percent from last

10

1 year. Fiscal year-to-date gaming
2 revenues for 2014-2015 are \$247 million,
3 a decrease of 3 percent or \$7.6 million
4 from fiscal year 2013-2014.

5 During March State fees due were
6 \$16,582,512. This includes a true-up
7 payment of \$11,486,622 for the

8 April 2014 through March 2015 fiscal
9 year, since 21-and-a-half percent of
10 Harrah's revenues exceeded their minimum
11 payment of \$60 million. As of
12 March 31st, 2015, total state fees were
13 \$56.5 for fiscal year 2014-2015.

14 Slots at the Recetracks revenues are
15 shown on page four. During March, the
16 four racetrack facilities combined
17 generated Adjusted Gross Receipts of
18 \$33,712,696, an increase of 1.4 percent
19 or \$450,000 from last month, but a
20 decrease of 9 percent or \$3.3 million
21 from March 2014.

22 Adjusted Gross Receipts for fiscal
23 year 2014-2015 to date are \$287 million,
24 a decrease in 1 percent or \$3 million
25 from fiscal year 2013-2014.

11

1 During March, the State collected
2 fees of \$5 million. As of March 31st,
3 2015, the State has collected \$43.5
4 million in fees for fiscal year
5 2014-2015.

6 Overall in March, Riverboats,
7 Land-Based and Slots at the Recetracks
8 combined generated \$237 million in
9 Adjusted Gross Receipts and \$59 million
10 in state fees.

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

14 CHAIRMAN JONES: Members, any
15 questions? I see none. Please
16 continue.

17 MS. JACKSON: Harrah's New Orleans
18 is required to maintain at least 2,400
19 employees a bi-weekly payroll of
20 \$1,750,835. This report covers the two
21 pay periods in March 2015.

22 For the first pay period, the
23 Division verified 2,432 employees with a
24 payroll of \$1,894,000. For the second
25 pay period, the Division verified 2,427

12

1 employees with a payroll of \$1,919,000.
2 Therefore, Harrah's met the employment
3 criteria during March.

4 Questions?

5 CHAIRMAN JONES: Any questions?

6 MS. JACKSON: Today I will also be
7 reporting the video gaming statistics.
8 Information for March 2015 is shown on
9 page one of your video handout.

10 Thirty-one new video gaming licenses
11 were issued during March: Sixteen bars,
12 seven restaurants, five truckstops and
13 three device owners. Fourteen new

14 applications were received by the Gaming
15 Enforcement Division during March and
16 are currently pending the field: Eleven
17 bars and three restaurants.

18 During March, the Gaming Enforcement
19 Division assessed \$2,350 and collected
20 \$13,657 in penalties. There are
21 currently \$850 in outstanding fines.

22 The following information is found
23 on page two of your handout. There are
24 presently 14,696 Video Gaming Devices
25 activated at 1,920 locations.

13

1 Net device revenue for March 2015
2 was \$55.4 million, an \$800,000 or
3 1.5 percent increase when compared to
4 February 2015, and an \$800,000 or
5 1.4 percent increase when compared to
6 March 2014.

7 Net device revenue for fiscal year
8 2015 to date is \$447.8 million, a
9 \$7.7 million or 1.8 percent increase
10 when compared to fiscal year 2014. Page
11 three of your handout shows a comparison
12 of net device revenue.

13 Total franchise fees collected for
14 March 2015 were \$16.6 million, a
15 \$200,000 increase when compared to
16 February 2015, and a \$200,000 decrease

17 when compared to March 2014.

18 Total franchise fees collected for
19 fiscal year 2015 to date are
20 \$134.2 million, a \$2.4 million or 1.9
21 percent increase when compared to fiscal
22 year 2014. Page four of your handout
23 shows a comparison of franchise fees.

24 Any questions?

25 CHAIRMAN JONES: Any questions,
14

1 Board Members? [No response.] Thank
2 you very much for handling all of this.
3 We appreciate it.

4 V. CASINO GAMING ISSUES

5 1. Consideration of renewal application for the
6 riverboat license of Treasure Chest Casino,
7 LLC, d/b/a Treasure Chest Casino - No.
8 R012600098

9 CHAIRMAN JONES: We'll now take up
10 Casino Gaming Issues. First up is:
11 Consideration of renewal application for
12 the riverboat license of Treasure Chest
13 Casino, LLC, doing business as Treasure
14 Chest Casino. That's Number R012600098.

15 Morning, ladies and gentlemen. Have
16 a seat.

17 MR. THOMPSON: Chairman Jones, Board
18 Members, I'm Assistant Attorney General,
19 Buddy Thompson, filling in for Charmaine

20 Moore. With me is State Police Auditor,
21 Trnessia Ware, and Trooper Michael
22 Daniel. Representatives of the licensee
23 are also present today.

24 We're here in the matter of the
25 renewal of the riverboat license of

15

1 Treasure Chest Casino, LLC, d/b/a
2 Treasure Chest Casino in Kenner,
3 Louisiana.

4 Riverboat licenses are issued for
5 five-year terms. The license of
6 Treasure Chest Casino is due to expire
7 on May the 18th, 2015. The licensee is
8 owned by Boyd Gaming Corporation, which
9 owns two other riverboat licensees and
10 two racetracks licensed for slot machine
11 operation, i.e., Belle of Orleans, LLC,
12 d/b/a Amelia Belle Casino; red River
13 Entertainment of Shreveport, LLC, d/b/a
14 Sam's Town Hotel and Casino; Boyd
15 Racing, LLC, d/b/a Delta Downs Racetrack
16 Casino and Hotel; and The Old Evangeline
17 Downs, LLC, d/b/a Evangeline Downs
18 Racetrack and Casino.

19 The corporate securities section of
20 the Gaming Enforcement Division of State
21 Police reviewed the financial
22 circumstances of the licensee, and the

23 licensing section conducted a
24 suitability investigation of the
25 licensee, its parent companies and

16

1 principals.

2 At this time, State Police Auditor,
3 Trnessia Ware, and Trooper Michael
4 Daniel will present their findings to
5 the Board.

6 MS. WARE: Good morning, Chairman
7 Jones, Member of the Board. My name is
8 Trnessia Ware with Louisiana State
9 Police Corporate Securities Audit.

10 Licensee, Treasure Chest Casino,
11 LLC, is owned 100 percent by Boyd
12 Louisiana Racing, LLC, which is
13 100 percent owned by Boyd. Treasure
14 Chest Casino is one of the five licensed
15 gaming facilities currently operating in
16 the New Orleans gaming market. For
17 fiscal year 2013-2014, Treasure Chest
18 ranked third in the New Orleans market
19 with gross receipts of approximately
20 \$98 million.

21 Treasure Chest budgeted
22 approximately \$2.1 million for capital
23 expenditures in 2014 and \$3.2 million
24 for 2015. Treasure Chest Casino
25 projects it will spend approximately

1 \$2.1 million for capital expenditures
2 for years 2016 through 2020.

3 Boyd allocates management fees based
4 on Treasure Chest's shared expenses
5 incurred for services provided in
6 managing and supporting Treasure Chest's
7 operations. Page five of your report
8 shows the amount of management fees that
9 were paid for the years 2010 through
10 2014.

11 Boyd's Louisiana licenses generated
12 approximately \$520 million in Adjusted
13 Gross Receipts for the 2014 fiscal year
14 or 21 percent of total revenues
15 generated by Louisiana Riverboat,
16 Land-Based and Slots at the Track
17 Casinos.

18 In conclusion, no financial issues
19 came to our attention to preclude the
20 Board from approving the Treasure Chest
21 Casino license for a period of five
22 years effective May 18th, 2015. Trooper
23 Michael Daniel will now present his
24 findings.

25 SENIOR TROOPER DANIEL: Good

1 morning, Chairman Jones and Members of
2 the Board. I'm Senior Trooper Michael

3 Daniel with Louisiana State Police
4 Gaming Enforcement Division.

5 I was assigned to conduct the
6 suitability investigation regarding the
7 license renewal of Treasure Chest
8 Casino, LLC, doing business as Treasure
9 Chest Casino. This consisted of
10 inquires with federal, state and local
11 law enforcement agencies, computerized
12 criminal history databases, civil
13 institutions and gaming regulatory
14 agencies.

15 During the suitability
16 investigation, no information was
17 discovered which would preclude
18 licensing of Treasure Chest Casino, LLC,
19 doing business as Treasure Chest Casino,
20 associated entities or key personnel.

21 At this time, I would gladly answer
22 any questions you may have.

23 MR. THOMPSON: Conditions were
24 initially placed on the licensee in 1994
25 when it was issued a certificate of

19

1 preliminary approval for riverboat
2 gaming operations. Additional
3 conditions were placed on the license in
4 2005.

5 As part of the renewal process, the

6 A.G.'s Office worked with counsel for
7 licensee to review the license
8 conditions previously placed on the
9 licensee by the Board in an effort to
10 update the license conditions. All
11 conditions that were completed,
12 satisfied and no longer applicable were
13 removed. Some substantive changes were
14 made to some conditions, and there was
15 some editing of other conditions. The
16 licensee has accepted and agreed to be
17 bound by the updated conditions.

18 A proposed resolution, subject to
19 the proposed Statement of Conditions,
20 authorizing the renewal of the license
21 commencing May 18, 2015, has been
22 prepared if the Board approves the
23 renewal.

24 CHAIRMAN JONES: Board Members, do
25 you have any questions for the Attorney

20

1 General's Office or State Police? Do
2 any representatives from Treasure Chest
3 wish to make any comments before the
4 Board?

5 UNIDENTIFIED SPEAKER: I'd be happy
6 to answer any questions.

7 CHAIRMAN JONES: Are there any
8 questions for Board Members for the

9 vessel, the licensee?

10 UNIDENTIFIED SPEAKER: Thank you.

11 CHAIRMAN JONES: The Board appears
12 to be clear. Do I have a motion to
13 adopt the resolution?

14 MR. BRADFORD: Move for approval.

15 CHAIRMAN JONES: I have a motion by
16 Mr. Bradford, and a second by
17 Mr. Gaston. Miss Tramonte, push your
18 button and read the resolution into the
19 record, please ma'am.

20 THE CLERK: On the 13th day of April
21 2015, the Louisiana Gaming Control Board
22 did, in a duly noticed public meeting,
23 consider the license renewal application
24 of Treasure Chest Casino, LLC, doing
25 business as Treasure Chest Casino, and

21

1 upon motion duly made and second, the
2 Board adopted this resolution.

3 Be it resolved that the license
4 RO12600098 to conduct riverboat gaming
5 issued to Treasure Chest Casino, LLC,
6 d/b/a Treasure Chest Casino, be renewed
7 for a term of five years commencing
8 May 18th, 2015, subject to the Statement
9 of Conditions to riverboat gaming
10 license of Treasure Chest Casino
11 attached hereto and made a part hereof.

12 Thus done and signed in Baton Rouge,
13 Louisiana, this 13th day of April 2015.

14 THE CLERK: Mr. Bradford?

15 MR. BRADFORD: Yes.

16 THE CLERK: Mr. Stipe?

17 MR. STIPE: Yes.

18 THE CLERK: Miss Noonan?

19 MS. NOONAN: Yes.

20 THE CLERK: Major Mercer?

21 MAJOR MERCER: Yes.

22 THE CLERK: Mr. Jackson?

23 MR. JACKSON: Yes.

24 THE CLERK: Mr. Gaston?

25 MR. GASTON: Yes.

22

1 THE CLERK: Chairman Jones?

2 CHAIRMAN JONES: Yes. The motion

3 carries. The renewal is approved.

4 B. Consideration of Certificate of Compliance for

5 the Alternate Riverboat Inspection of the

6 gaming vessel of Treasure Chest Casino, LLC,

7 d/b/a Treasure Chest Casino - No. R012600098

8 CHAIRMAN JONES: Now, Consideration

9 of Certificate of Compliance for the

10 Alternate Riverboat Inspection of the

11 gaming vessel Treasure Chest Casino,

12 LLC, doing business as Treasure Chest

13 Casino, No. RO12600098.

14 Good morning, again.

15 MR. THOMPSON: Morning,
16 Mr. Chairman, Buddy Thompson again.
17 We're here in the matter of the issuance
18 of the renewal of the Certificate of
19 Compliance for Treasure Chest Casino,
20 LLC, located in Kenner, Louisiana. With
21 me is John Francic of the American
22 Bureau of Shipping Consultants known as
23 ABSC.

24 On March the 4th, 2015, ABSC began
25 the inspection process for the renewal

23

1 of the Treasure Chest Casino's
2 Certificate of Compliance. Treasure
3 Chest Casino also requested that certain
4 equipment be exempted from the
5 inspection process because the vessel is
6 moored in a protective basin and no
7 longer cruises.

8 For more on this, I now turn the
9 presentation over to John Francic.

10 MR. FRANCIC: Good morning,
11 Chairman, Board Members. I'm John
12 Francic with ABS Consulting here to
13 report the annual certification for
14 Treasure Chest Casino.

15 Inspectors Doug Chapman and Pete
16 Bullard did, on March 5th, attend the
17 riverboat Treasure Chest to conduct the

18 annual inspection in accordance with the
19 alternative inspection riverboat gaming
20 program in the State of Louisiana.

21 The inspectors found the vessel was
22 fully afloat this time, and they
23 reviewed the fire protection measures,
24 equipment, egress routes, mooring
25 systems, machinery spaces and conducted

24

1 a fire drill.

2 There were no deficiencies found
3 during this inspection. They -- based
4 on the hull exam, they will be doing
5 some maintenance on the hull. We did a
6 hull exam in November, so there's
7 ongoing maintenance is to put some -- at
8 the waterline of the vessel, so they're
9 going to put some reinforcement doublers
10 on the hull of the vessel. So it's just
11 a hull maintenance, but it doesn't
12 affect the certification.

13 So the 2015 annual survey as
14 required by Louisiana Gaming Control
15 Board is complete and presents no safety
16 concerns to its patrons onboard.

17 In addition to the certification of
18 the gaming vessel requests from Treasure
19 Chest -- Treasure Chest Casino, in a
20 letter dated January 6th to ABS

21 Consulting, asked to remove certain
22 equipment from inspections. A review of
23 that equipment was done during the
24 annual survey by the inspectors. In
25 this request was removed bow thrusters,

25

1 Z drives, oily water separator,
2 applicators, fire axe, international
3 shore connection, rescue boat, life
4 jackets, navigation equipment and an
5 anchor.

6 We recommend approval to all the
7 above requests. The vessel's
8 permanently moored status does not
9 require the use of bow thrusters, Z
10 drives, rudders and navigation
11 equipment. The gaming vessel is in a
12 protected slip in Lake Pontchartrain and
13 is not affected by commercial vessels.

14 The oily water separator is not needed
15 as this machinery seldom run and bilges
16 are free of oil. The use of oily water
17 separators are prohibited for all the
18 vessels in the port.

19 With the manning variance in place,
20 fire rescue efforts would be conducted
21 by the City of Kenner Fire Department.

22 The removal of fire axes, applicators
23 and rescue boat would not be needed as

24 the fire department would bring their
25 own equipment to the rescue scene.

26

1 Immediate response to fires onboard
2 would be the use of fire extinguishers
3 and the fixed systems onboard such as
4 the sprinkler system.

5 It is recommended by ABS Consulting
6 to approve the permanent inspection of
7 the above-mentioned equipment and does
8 not present safety concerns to its
9 patrons or employees onboard the
10 riverboat, and it's also recommended for
11 the certification for 2015 for the
12 vessel.

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

19 CHAIRMAN JONES: Board Members, do
20 we have any questions? [No response.]

21 Just for the record, the dredging
22 project has been completed, correct?

23 MR. FRANCIC: Yes.

24 CHAIRMAN JONES: And I want to thank
25 Treasure Chest. I know that was a large

27

1 undertaking, cost a lot of money, a lot
2 of planning, disruption here and there
3 dockside, but your diligence and
4 attention to that project is appreciated
5 by the Board, so thank you for that.

6 Do I have a motion to accept the
7 recommendation of ABSC regarding the
8 equipment waiver requested by the
9 licensee and issue the Certificate of
10 Compliance? We have a question. Excuse
11 me.

12 MR. STIPE: I'm sorry. I apologize.
13 Sir, the next hull inspection will be?

14 MR. FRANCIC: In five years from
15 November.

16 MR. STIPE: And you're comfortable
17 with the condition currently.

18 MR. FRANCIC: Yes. We'll oversee
19 the repairs on the hull. We've already
20 got the engineering reviewing process
21 right now. All we're just waiting for
22 is how they're going to place the plate
23 on there and the welders and all that
24 stuff, so we're overseeing the project
25 as determined. We'll do the initial

28

1 visit -- visit during the hull --
2 welding on the hull and then a final
3 review of all the welds to make sure

4 everything is in place the way it should
5 be according to design.

6 CHAIRMAN JONES: I'll restate: Do I
7 have a motion to accept the
8 recommendation of ABSC regarding the
9 equipment waiver requested by the
10 licensee and issue a Certificate of
11 Compliance?

12 MS. NOONAN: I'll move.

13 CHAIRMAN JONES: By Miss Noonan,
14 second by --

15 MR. JACKSON: Second.

16 CHAIRMAN JONES: -- Mr. Jackson.
17 All in favor? [Collective "aye."] Any
18 opposed? [No response.] The motion
19 carries. The certificate is issued.
20 Thank you.

21 MR. THOMPSON: Thank you.

22 C. Consideration of petition for Transfer of
23 Interest and approval of refinancing for
24 Bossier Casino Venture, Inc., d/b/a
25 Margaritaville Resort Casino - No. R011000841

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1 CHAIRMAN JONES: Now before the
2 Board is: Consideration of petition for
3 Transfer of Interest and approval of
4 refinancing for Bossier Casino Venture,
5 Inc., doing business as Margaritaville
6 Resort Casino, No. R011000841.

7 Good morning.
8 MS. HYMEL: Good morning. Chairman
9 Jones, Members of the Board, I'm
10 Assistant Attorney General, Dawn Hymel.
11 I'm standing in for Charmaine Moore this
12 morning.

13 We're here in the matter of the
14 petition of Bossier Casino Venture,
15 Inc., doing business as Margaritaville
16 Resort Casino for approval of a Senior
17 Secured First Lien Credit Facility
18 consisting of a term loan facility in an
19 aggregate principal amount of \$95
20 million, including provisions for an
21 additional \$10 million in incremental
22 loans and a Senior Secured Second Lien
23 Facility consisting of a term loan
24 facility in an aggregate principal
25 amount of up to \$10 million.

30

1 The licensee is currently and
2 directly 100 percent owned by Boyd
3 Gaming Corporation. As part of the
4 refinancing, Boyd Gaming intends to
5 transfer all of the ownership interest
6 of the licensee to BCV Intermediate,
7 Inc., which is a newly formed
8 intermediate holding company and
9 subsidiary of Boyd Gaming.

10 The Attorney General's Office
11 obtained and reviewed the formation
12 documents for BCV Intermediate, Inc.,
13 and found them to be legally sufficient.
14 The officers and directors of the
15 company have previously met
16 suitability with Boyd Gaming.

17 MS. FICKLIN: Excuse me.

18 MS. HYMEL: I'm so sorry. Bossier
19 Casino Venture. That's what you get
20 for --

21 CHAIRMAN JONES: Wow, I was
22 unprepared for that.

23 MS. HYMEL: Sorry.

24 MR. BRADFORD: Does Boyd know this?

25 MS. HYMEL: Sorry. We'll start over

31

1 from the ownership. The licensee is
2 currently and directly 100 percent owned
3 by Bossier Casino Venture, Inc. As part
4 of the refinancing, they will transfer
5 all of the ownership interest in the
6 licensee to BCV Intermediate, Inc.,
7 which is a new formed intermediate
8 holding company and subsidiary of
9 Bossier Casino Venture, Inc.

10 The Attorney General's Office
11 obtained and reviewed the formation
12 documents for BCV Intermediate, Inc.,

13 and found them to be legally sufficient.
14 The officers and directors of the new
15 company have previously met suitability
16 with Bossier Casino Venture, Inc. The
17 corporate securities section of Gaming
18 Enforcement Division of State Police
19 reviewed the credit agreement and
20 supporting documentation, including
21 collateral documents entered into or
22 which will be entered into by the
23 licensee.

24 Representatives of the licensee are
25 present today to answer any questions

32

1 the Board may have relative to the
2 financing or the transfer of ownership.

3 A proposed resolution was provided
4 to you, and it's for approving the
5 credit facilities and the transfer of
6 the ownership of the licensee to BCV
7 Intermediate, Inc. It does say that
8 there was a \$95 million aggregate
9 principal with a \$20 million additional
10 incremental, but it is going to be
11 changed to 10. Originally it was 85 to
12 20, so now it's 95 and 10, and then it's
13 going to be a \$10 million incremental,
14 so that is a change to the resolution.
15 That will have to be approved if the

16 Board does approve the refinancing
17 transfer today, and at this time, State
18 Police Auditor Evie Ficklin will present
19 Audit's findings to the Board.

20 MS. FICKLIN: Good morning,
21 Mr. Chairman and Board Members.
22 Licensee, Bossier Casino Venture, Inc.,
23 doing business as Margaritaville Bossier
24 City, is seeking Board approval of two
25 new credit agreements, a five-year \$95

33

1 million first lien term loan, including
2 a provision for an additional \$10
3 million incremental term loan, and a
4 five-and-a-half year \$10 million second
5 lien term loan. The interest rate under
6 both the proposed first and second lien
7 loans is a blended 5 percent.

8 Margaritaville anticipates savings of
9 approximately \$5 million per year.

10 Margaritaville and its parent,
11 Bossier Casino Venture (Holdco), Inc.,
12 are also seeking approval to transfer a
13 hundred percent of its equity interest
14 in Margaritaville held by Holdco to a
15 newly created corporation, BCV
16 Intermediate, Inc. The before and after
17 transfer of interest organizational
18 charts are shown on pages three and

19 four.

20 As shown on the sources and uses
21 chart on page six, Margaritaville
22 contends to use the proceeds of the new
23 loans and approximately \$3.9 million in
24 existing cash primarily to repay
25 approximately \$4.1 million of Holdco's

34

1 14 percent notes and to refinance an
2 aggregated \$93.6 million in certain
3 existing debt at the licensee level and
4 at the Holdco level.

5 At the licensee level,
6 Margaritaville currently has
7 approximately \$62.6 million outstanding
8 under its \$66 million 11 percent notes,
9 and Holdco has approximately \$30.7
10 million outstanding in its 11 percent
11 notes. Holdco and the note holders
12 under Holdco's \$105.5 million 14 percent
13 notes anticipate also executing a
14 supplemental indenture to the indenture
15 governing those notes.

16 The supplemental indenture will
17 extend the maturity date of Holdco's
18 14 percent notes from February 9th,
19 2018, to February 9th, 2021, and will
20 also remove certain covenants.

21 Margaritaville also plans to use a

22 portion of the proceeds to purchase an
23 operating list for surveillance
24 equipment from Bank of America Leasing
25 for approximately \$1.4 million and

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1 thereafter own the equipment outright.

2 The projected financial statements
3 is shown beginning on page 27 and
4 indicate that Holdco and Margaritaville
5 are able to meet the obligations under
6 their debt.

7 No financial issues came to our
8 attention to preclude Margaritaville's
9 refinancing transactions, and that
10 concludes my report. Are there any
11 questions?

12 CHAIRMAN JONES: Are there any
13 questions from the Board? The Board
14 appears to be clear. Do I have a motion
15 at this time to adopt the resolution?

16 MR. JACKSON: I'll make a motion.

17 CHAIRMAN JONES: By Mr. Jackson,
18 second by --

19 MS. NOONAN: Second.

20 CHAIRMAN JONES: -- Miss Noonan.
21 Miss Tramonte.

22 THE CLERK: On the 13th day of April
23 2015, the Louisiana Gaming Control Board
24 did, in a duly noticed public meeting,

25 consider the issue of Bossier Casino

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1 Venture, Incorporated's, Request for
2 Approval of a Senior Secured First Lien
3 Credit Facility consisting of a term
4 loan facility in an aggregate principal
5 amount of up to \$95 million, including a
6 provision for an additional \$20 million
7 in incremental term loans.

8 MS. HYMEL: Excuse me. I'm so sorry
9 to interrupt. That's where it's going
10 to be changed to \$10 million, because
11 they adjusted the financing. So where
12 it says 20 in the first paragraph, it's
13 now going to be \$10 million.

14 THE CLERK: So it's 10 and 10?

15 MS. HYMEL: Yes, and under the first
16 "be it resolved," the last line is going
17 to be \$10 million, as well.

18 CHAIRMAN JONES: State it for the
19 record.

20 THE CLERK: Stated for the record:
21 This amount has been changed for \$10
22 million in incremental loans, and a
23 Senior Secured Second Lien Facility
24 consisting of a term loan facility in an
25 aggregate amount of up to \$10 million,

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1 by and among Bossier Casino Venture,

2 Incorporated, as the Borrower, Wells
3 Fargo Bank, N.A., as Administrative
4 Agent, and the Lenders party thereto
5 from time to time with Wells Fargo
6 Securities, LLC, designated as Lead
7 Arranger and Sole Bookrunner, the Notes
8 issued pursuant thereto, and the other
9 transactions contemplated thereby and
10 Bossier Casino Venture, Incorporated's
11 request for Approval of the transfer of
12 all its ownership interest from its
13 parent company, Bossier Casino Venture
14 (Holdco), Incorporated, to an
15 intermediate entity solely owned by said
16 parent company, and upon motion duly
17 made and second, the Board adopted this
18 resolution.

19 Be it resolved that Bossier Casino
20 Venture, Incorporated's, request for
21 approval of the aforementioned First and
22 Second Lien Credit Facilities, the
23 issuance of a \$95 million Senior Secured
24 First Lien Notes and \$10 million Senior
25 Secured Second Lien Notes pursuant

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1 thereto, and the other transactions
2 contemplated thereby, including
3 additional incremental loans of up to an
4 aggregate \$10 million, are hereby

5 approved.

6 Be it further resolved that the
7 transfer of 100 percent of the issued
8 and outstanding shares of stock
9 evidencing the ownership of the
10 licensee, Bossier Casino Venture,
11 Incorporated, from Bossier Casino
12 Venture (Holdco), Incorporated, to
13 Bossier Casino Venture (Intermediate),
14 Incorporated, a wholly-owned subsidiary
15 of Bossier Casino Venture (Holdco),
16 Incorporated, is hereby approved.

17 Thus done and signed in Baton Rouge,
18 Louisiana, this 13th day of April 2015.

19 THE CLERK: Mr. Bradford?

20 MR. BRADFORD: Yes.

21 THE CLERK: Mr. Stipe?

22 MR. STIPE: Yes.

23 THE CLERK: Miss Noonan?

24 MS. NOONAN: Yes.

25 THE CLERK: Major Mercer?

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1 MAJOR MERCER: Yes.

2 THE CLERK: Mr. Jackson?

3 MR. JACKSON: Yes.

4 THE CLERK: Mr. Gaston?

5 MR. GASTON: Yes.

6 THE CLERK: Chairman Jones?

7 CHAIRMAN JONES: Yes. Without

8 objection, the petition of the transfer
9 of interest has been approved.

10 MS. HYMEL: Thank you. I apologize
11 again.

12 F. Update - Golden Nugget Lake Charles, LLC - No.
13 R016502995

14 CHAIRMAN JONES: As you may recall
15 in last fall and early winter, we were
16 in the process of completing the
17 licensing process for Golden Nugget in
18 Lake Charles, and an issue came up in
19 the last few weeks having to do with the
20 clubhouse and the golf course; and,
21 Mr. Hoskins, if you can come to the
22 table.

23 The licensee stipulated -- and I'll
24 read from the document. [As read]:
25 "The licensee will spend \$2 million more

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1 than initially budgeted for additional
2 landscaping and water features for the
3 golf course and will complete the
4 18-hole golf course with clubhouse
5 facilities no later than April 30th,
6 2015."

7 That was some concession based on
8 weather, seasonal issues, and otherwise
9 the project was substantially complete.
10 We permitted them to open, and they're

11 doing great business. We welcome them
12 as a licensee.

13 We're here today to hear what the
14 progress of the golf course and
15 clubhouse is.

16 MR. HOSKINS: Like I told you, if
17 it's still there with all the rain.
18 We're finishing up. All of the staff's
19 in place. The kitchen is done, so the
20 clubhouse is -- they're doing some of
21 the interior finishes to finish it out.
22 It should open at the end of this week,
23 soft opening as we're ready to roll.

24 The golf course has been ready. You
25 know, it's growing in. It looks great.

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1 We do have a tournament planned for the
2 end of the month beginning the 1st -- I
3 think the 2nd is the true tournament,
4 but the players will be in earlier, so
5 we'll be ready to go. And it's
6 beautiful, and he far exceeded the
7 budget. I can promise you that. It's a
8 great facility.

9 CHAIRMAN JONES: And you'll be able
10 to share with State Police the amount of
11 initial expenditures to meet the
12 stipulation?

13 MR. HOSKINS: I don't have those,

14 Chairman Jones.

15 CHAIRMAN JONES: I understand. In
16 the coming days.

17 MR. HOSKINS: Yes, sir.

18 CHAIRMAN JONES: Does the Division
19 have anything to add?

20 MAJOR NOEL: Mr. Chairman, the only
21 other thing we'll be looking for is
22 substantial completion documentation on
23 the golf course and clubhouse and just
24 confirmation on the expenditures.

25 MR. HOSKINS: We understand. We'll

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1 comply with all of this.

2 CHAIRMAN JONES: Board Members, any
3 questions? [No response.] We thank
4 you. I'll come see it.

5 MR. HOSKINS: Look forward to it.

6 Thank you.

7 CHAIRMAN JONES: Thanks for coming,
8 Jim.

9 MR. HOSKINS: No problem.

10 VI. VIDEO GAMING ISSUES

11 A. Consideration of the following truckstops:

12 1. Fifth Wheel Plaza, Inc., d/b/a Royal
13 Palace - No. 1002507479 (transfer of
14 interest)

15 CHAIRMAN JONES: Now we have to take
16 up Video Gaming Issues. We have the

17 Consideration of the transfer of
18 interest in Fifth Wheel Plaza, Inc.,
19 doing business as Royal Palace. That's
20 Number 1002507479. This is a transfer
21 of interest.

22 Good morning.

23 MS. HOOD: Morning, Chairman Jones,
24 Members of the Board. I'm Assistant
25 Attorney General Heather Hood appearing

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1 before the Board in the matter of the
2 transfer of 6 percent of the ownership
3 interest of Fifth Wheel Plaza,
4 Incorporated, doing business as Royal
5 Palace.

6 Fifth Wheel Plaza holds a Type 5
7 video gaming license and operates a
8 truckstop facility located at 504 North
9 Beglis Parkway in Sulphur, Louisiana, in
10 Calcasieu Parish.

11 Calvin D. Broussard was the sole
12 shareholder and owned a hundred percent
13 ownership interest in Fifth Wheel Plaza
14 prior to the transfer. Calvin D.
15 Broussard is the President, and his
16 spouse, Patricia Broussard, is the
17 secretary and treasurer of the licensee.

18 On September 5th, 2014, Calvin
19 Broussard donated six shares of Fifth

20 Wheel Plaza, Incorporated, to his
21 daughter, Margo Broussard.

22 Due to the transfer, the ownership
23 interest of Fifth Wheel Plaza is as
24 follows: Calvin Broussard has
25 94 percent and Margo Broussard has
44

1 6 percent.

2 Senior Trooper James M. Cannon
3 conducted a suitability investigation of
4 the relevant person associated with the
5 transfer. Trooper Vincent Lenguyen is
6 here this morning to report Trooper
7 Cannon's findings to the Board.

8 TROOPER LENGUYEN: Good morning,
9 Chairman Jones and Board Members. My
10 name is Trooper Vincent Lenguyen with
11 Louisiana State Police. I'm here on
12 behalf of Senior Trooper James Cannon.

13 Trooper Cannon investigated the
14 transfer of 6 percent of the stock in
15 the licensee and conducted a suitability
16 investigation on Margo Broussard. He
17 found no information that would preclude
18 Margo Broussard from participating in
19 the video gaming. He also did not find
20 any information that would preclude the
21 continued licensing of Fifth Wheel
22 Plaza, Inc., d/b/a Royal Palace.

23 MS. HOOD: The Office of the
24 Attorney General has reviewed the file
25 compiled as a result of the Division's

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1 investigation. Our review indicates
2 that no information was found that would
3 preclude Margo Broussard from
4 participating in the video gaming
5 industry or that would preclude the
6 continued licensing of Fifth Wheel
7 Plaza, Incorporated, doing business as
8 Royal Palace.

9 CHAIRMAN JONES: Board Members, any
10 questions?

11 MS. NOONAN: I just have a comment.
12 It's just nice to see that we're getting
13 this information ahead of time, and we
14 don't have to go back, so just kudos to
15 the people that own this Fifth Wheel
16 Plaza. It makes your job and our job
17 better. Thank you for doing the work
18 that you do.

19 CHAIRMAN JONES: Thank you for the
20 comment. Any questions? No questions.
21 Do we have a motion to approve the
22 transfer of interest?

23 MS. NOONAN: I'll move.

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

1 [Collective "aye."] Any opposed? [No
2 response.] The transfer is approved.
3 B. UNO Investment Group, Inc., d/b/a LJ's Casino -
4 No. 0507510991 (transfer of interest)

5 CHAIRMAN JONES: We now move to:
6 Consideration of the transfer of
7 interest in UNO Investment Group doing
8 business as LJ's Casino, Number
9 0507510991. This is also a transfer of
10 interest.

11 Good morning, gentlemen.

12 MR. LONG: Good morning, Chairman
13 Jones, Board Members. I'm Assistant
14 Attorney General Matt Long appearing
15 before the Board in the matter of the
16 transfer of ownership wherein UNO
17 Investment Group, Incorporated, doing
18 business as LJ's Casino, redeemed five
19 shares of stock from St. Romain Oil
20 Company, LLC.

21 UNO Investment Group holds a Type 5
22 video gaming license and operates a
23 qualified truckstop facility located at
24 7974 Highway 1 in Mansura, Louisiana, in
25 Avoyelles Parish.

1 On November 12th, 1998, Goudeau,
2 Incorporated, transferred five of its

3 one hundred shares of stock in UNO to
4 St. Romain Oil company. After the 1998
5 transfer, there were 100 outstanding
6 shares of stock in UNO, 95 owned by
7 Goudeau, Incorporated, and the other
8 five owned by St. Romain Oil Company.

9 On October 5th, 2011, UNO Investment
10 Group and St. Romain Oil Company
11 executed what was titled a stock
12 redemption and transfer agreement in
13 which the licensee redeemed those five
14 shares of stock that were previously
15 held by St. Romain Oil Company. As a
16 result of that redemption and transfer,
17 there now are 95 outstanding shares of
18 stock in UNO, and all of those are owned
19 by Goudeau, Incorporated.

20 Master Trooper Eddie Daigle
21 conducted an investigation of the stock
22 redemption and transfer, and he is
23 present this morning to present his
24 findings to the Board.

25 SERGEANT DAIGLE: Good morning,

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1 Chairman Jones and Board Members. I'm
2 Sergeant Eddie Daigle with State Police.

3 I investigated the transfer of
4 ownership wherein UNO Investment Group,
5 Incorporated, redeemed five shares of

6 stock from St. Romain Oil Company, LLC.
7 Updated criminal history checks were
8 completed for Beau Goudeau, Glenn
9 Goudeau, Priscilla Goudeau, Patricia
10 Hukins and Jacques Goudeau. I found no
11 information that would preclude the
12 continued licensing of UNO Investment
13 Group, Incorporated, or that would
14 preclude the associated persons required
15 to be found suitable from participating
16 or continuing to participate in
17 Louisiana's gaming industry.

18 MR. LONG: The Office of the
19 Attorney General has reviewed the file
20 compiled as a result of the Division's
21 investigation, and our review indicates
22 that no information was found to
23 preclude the stock redemption executed
24 between UNO and St. Romain Oil and the
25 continued licensing of UNO Investment

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1 Group, Incorporated, doing business as
2 LJ's Casino.

3 CHAIRMAN JONES: Board Members, any
4 questions? There are no questions. Do
5 I have a motion to approve the transfer
6 of interest?

7 MR. BRADFORD: So moved.

8 CHAIRMAN JONES: By Mr. Bradford,

9 second by Mr. Stipe. All in favor?
10 [Collective "aye."] Opposed? [No
11 response.] The transfer is approved.

12 Thank you.

13 When I first saw UNO on the agenda,
14 I was trying to figure out why
15 University of New Orleans had video
16 poker, but after I read it, I saw that
17 it wasn't that.

18 VII. ADJOURNMENT

19 CHAIRMAN JONES: I was going to
20 serve lunch to all you-guys, but it
21 doesn't look like we're going to make it
22 til' noon, so I'll entertain a motion to
23 adjourn.

24 MR. GASTON: I'll move.

25 CHAIRMAN JONES: All in favor?

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1 [Collective "aye."] Opposed? [No
2 response.]

3 COURT REPORTER: Who seconded?

4 THE CLERK: Mr. Jackson.

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1 REPORTER'S PAGE

2

3 I, SHELLEY PAROLA, Certified Shorthand

4 Reporter, in and for the State of Louisiana, the

5 officer before whom this sworn testimony was

6 taken, do hereby state:

7 That due to the spontaneous discourse of this

8 proceeding, where necessary, dashes (--) have been

9 used to indicate pauses, changes in thought,

10 and/or talkovers; that same is the proper method

11 for a Court Reporter's transcription of a

12 proceeding, and that dashes (--) do not indicate

13 that words or phrases have been left out of this

14 transcript;

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

52

1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings given under

7 oath in the preceding matter on April 13, 2015, as

8 taken by me in Stenographic machine shorthand,

9 complemented with magnetic tape recording, and

10 thereafter reduced to transcript, to the best of

11 my ability and understanding, using Computer-Aided

12 Transcription.

13 I further certify that I am not an

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

15 am neither related to nor employed by any attorney

16 or counsel connected with this action, and that I

17 have no financial interest in the outcome of this
18 action.

19 Baton Rouge, Louisiana, this 4th day of
20 May, 2015.

21

22

23

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

24