

Meeting, Board of Directors, (Pages 1:1 to 102:24)

1:1 LOUISIANA GAMING CONTROL BOARD MEETING

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6 THURSDAY, SEPTEMBER 15, 2022

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9 LOUISIANA STATE CAPITOL

10 HOUSE COMMITTEE ROOM 1

11 900 NORTH 3RD STREET

12 BATON ROUGE, LOUISIANA

13

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16 TIME: 10:00 A.M.

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1 APPEARANCES

2 RONNIE S. JOHNS, CHAIRMAN

(At-Large)

3 June 30, 2025

4 JULIE BERRY, VICE-CHAIRMAN

(CPA)

5 Third Congressional District

June 30, 2024

6

CLAUDE D. JACKSON

7 (At-Large)

Fourth Congressional District

8 June 30, 2027

9 O. LAMAR POOLE, JR.

(Economic/Community Planner)

10 Sixth Congressional District

June 30, 2025

11

JULIE A. LEWIS

12 (Investigative and Law Enforcement)

Fifth Congressional District

13 June 30, 2024

14 FRANCESCA HAMILTON-ACKER

(Attorney)

15 Third Congressional District

June 30, 2026

16

RONALD J. SHOLES

17 (Public/Business Administration)

Second Congressional District

18 June 30, 2026

19 ASHLEY A. TRAYLOR

(At-Large)

20 First Congressional District

June 30, 2022

21

22

23

24

25

3

1 APPEARANCES (CONTINUED)

2 HEATHER HOOD

On Behalf of Natalie Thurman

3 Principal Assistant

4 HEATHER TEMPLET

On Behalf of Kevin Richard

5 Department of Revenue

6 MAJOR CHUCK McNEAL

On Behalf of Colonel Lamar A. Davis

7 Superintendent

Louisiana State Police

8

REPORTED BY:

9

KARLA H. MAYERS, CCR

10 U.S. Legal Support

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Compliance for the Alternate
Riverboat Inspection of the gaming

9 vessel of PNK (Baton Rouge)
Partnership d/b/a L'Auberge Casino
10 & Hotel Baton Rouge - No. R011000801

11 B. Consideration of Petition for 20
Approval of Relocation of Gaming
12 Operations and for a Modification of
License Conditions by Catfish Queen,
13 LLC d/b/a Belle of Baton Rouge -
No. R011700009

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15 Offering by Catfish Queen LLC d/b/a
Belle of Baton Rouge and Louisiana
16 Casino Cruises, LLC d/b/a Hollywood
Casino and CQ Holding Company, Inc.

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XI. VIDEO GAMING ISSUES

18

A. Consideration of the following Truck

19 Stop applications:

20 1. Royal Palace Investments, LLC 68
d/b/a Palace Truck Stop Casino -

21 No. 3601518053

22 2. Tallulah Travel Plaza, LLC d/b/a 73
Tallulah Travel Plaza -

23 No. 3300518133

24

25

1 VII. SPORTS WAGERING ISSUES

2 A. Consideration for the Approval of

the following Sports Wagering License

3 Application:

4 1. Louisiana Casino Cruises, LLC 77

d/b/a Hollywood Casino Baton

5 Rouge - No. W011703482

6 B. Consideration for the Approval of the

following Sports Wagering Platform

7 Provider Permit Application:

8 1. Rush Street Interactive d/b/a 85

BetRivers - No. B016503491

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1 I. CALL TO ORDER

2 CHAIRMAN JOHNS:

3 Ladies and gentlemen, good morning,
4 and welcome to the Gaming Control Board meeting of
5 Thursday, September 15, 2022. Ms. Hood, would you
6 call the roll, please?

7 MS. HOOD:

8 Chairman Johns?

9 CHAIRMAN JOHNS:

10 Here.

11 MS. HOOD:

12 Mr. Avant?

13 (NO RESPONSE)

14 MS. HOOD:

15 Ms. Berry?

16 MS. BERRY:

17 Here.

18 MS. HOOD:

19 Mr. Jackson?

20 MR. JACKSON:

21 Here.

22 MS. HOOD:

23 Ms. Lewis?

24 MS. LEWIS:

25 Here.

7

1 MS. HOOD:

2 Mr. Poole?

3 MR. POOLE:

4 Here.

5 MS. HOOD:

6 Ms. Hamilton-Acker?

7 MS. HAMILTON-ACKER:

8 Here.

9 MS. HOOD:

10 Mr. Sholes?

11 MR. SHOLES:

12 Here.

13 MS. HOOD:

14 Ms. Traylor?

15 MS. TRAYLOR:

16 Here.

17 MS. HOOD:

18 Colonel Davis?

19 MAJOR McNEAL:

20 Major McNeal for Colonel Davis.

21 MS. HOOD:

22 And Secretary Richard?

23 MS. TEMPLET:

24 Heather Templet for

25 Secretary Richard.

8

1 MS. HOOD:

2 Thank you. We have a quorum.

3 CHAIRMAN JOHNS:

4 Thank you, Ms. Hood. We do have a

5 quorum, Members. And just a note of personal
6 privilege here, I would ask our board members and
7 the public to keep Mr. Avant in your prayers. If
8 you notice, Mr. Avant has been absent the last
9 couple of meetings, and he's just had some
10 health -- some health challenges. We feel like
11 he's going to be okay, but hopefully we'll have
12 him back relatively soon. But please keep
13 Mr. Avant in your prayers, if you wouldn't mind.

14 II. PUBLIC COMMENTS

15 CHAIRMAN JOHNS:

16 Okay. Ladies and gentlemen, this is
17 the portion of our meeting that we will take
18 public comments. Board rules stipulate that
19 public comments can only be taken at this time.
20 So is there anyone in the audience today that
21 would like to make a public comment?

22 (NO RESPONSE)

23 CHAIRMAN JOHNS:

24 Okay. Hearing none, we will move on.

25 III. APPROVAL OF MINUTES

9

1 CHAIRMAN JOHNS:

2 Members, before you we have the
3 minutes from the August 22, 2022, meeting.
4 They're in your packet, and I would entertain a
5 motion to waive the reading and approve the
6 minutes of August 22, 2022.

7 MS. BERRY:

8 So moved.

9 CHAIRMAN JOHNS:

10 Ms. Berry has moved.

11 MR. JACKSON:

12 Second.

13 CHAIRMAN JOHNS:

14 And Mr. Poole has seconded that
15 motion. Is there any opposition to that motion?

16 (NO RESPONSE)

17 CHAIRMAN JOHNS:

18 Hearing none, that motion carries.

19 IV. REVENUE REPORTS

20 CHAIRMAN JOHNS:

21 Okay. Moving on to revenue reports.

22 Ms. Jackson, good morning. The highlight of the
23 meeting for me.

24 MS. JACKSON:

25 Good morning, Chairman Johns --

10

1 CHAIRMAN JOHNS:

2 Good morning.

3 MS. JACKSON:

4 -- and Board Members. My name is

5 Donna Jackson. Is it on?

6 CHAIRMAN JOHNS:

7 Now you are.

8 MS. JACKSON:

9 My name is Donna Jackson with
10 Louisiana State Police, Gaming Audit Section.

11 In August, the 13 operating
12 riverboats generated adjusted gross receipts of
13 \$134,692,916. The State collected fees totaling
14 \$28,958,977. Adjusted gross receipts for fiscal
15 year 2023 to date are approximately \$287 million,
16 an increase of \$4 million, or 1 percent, from
17 fiscal year 2022. As of August 31, 2022, the
18 State collected \$61.7 million in fees for fiscal
19 year 2023.

20 Page 2 shows the riverboat revenue
21 broken down by regional market. The overall
22 decrease from July was approximately
23 \$17.5 million, or 11.5 percent. The calendar was
24 more favorable in July with five full weekends,
25 whereas August only had four. Compared to last

11

1 August, this month's revenues represent an
2 increase of \$15.7 million, or 13 percent, with the
3 end of last August being impacted by
4 Hurricane Ida.

5 Next is a summary of the August 2022
6 gaming activity for Harrah's New Orleans, found on
7 page 3. Harrah's generated \$19,342,353 in gross
8 gaming revenue. These revenues represent a
9 decrease from last month of \$3.3 million, or
10 14.5 percent, but an increase of approximately
11 \$6 million, or 41.5 percent, from the same month
12 last year. During August the state received
13 \$5,520,548 in minimum daily payments.

14 Adjusted gross receipts for fiscal
15 year 2023 to date are approximately \$42 million,
16 an increase of over \$2.5 million, or 6 percent,
17 from fiscal year 2022. As of August 31, 2022, the
18 State collected \$11 million in fees for fiscal
19 year 2023.

20 Next, I'll present the revenues for
21 slots at the racetracks. During August the four
22 racetrack facilities combined generated adjusted
23 gross receipts of \$25,385,558, a decrease of
24 \$3.9 million, or 13.4 percent, from July 2022 but
25 an increase of \$1.8 million, or 7.8 percent, when

12

1 compared to the same month last year. During
2 August the State collected over \$3.8 million in
3 fees.

4 Adjusted gross receipts for fiscal
5 year 2023 to date are \$54.7 million, a decrease of
6 \$1.2 million, or 2 percent, from fiscal year 2022.
7 As of August 31, 2022, the State has collected
8 \$8.3 million in fees for fiscal year 2023.

9 I will now move to the video gaming
10 information. There are 12,147 video gaming
11 devices activated at 1,424 locations. Net device
12 revenue for August was \$64,203,035, a decrease of
13 \$2.5 million, or 3.8 percent, when compared to
14 July but an increase of \$5.6 million, or
15 9.6 percent when compared to last August. Total
16 franchise fees for August totaled \$19.4 million, a

17 decrease of \$744,000 when compared to July 2022
18 but an increase of \$1.7 million when compared to
19 August 2021.

20 Net device revenue for fiscal year
21 2023 to date is approximately \$131 million, a
22 decrease of \$1.6 million, or 1.2 percent, when
23 compared to fiscal year 2022. Total franchise
24 fees collected for fiscal year 2023 to date are
25 \$39.6 million, a decrease of 1 percent when

13

1 compared to last fiscal year.

2 Next, I will present the August
3 revenue for sportsbook. During August the 17
4 retail sportsbooks accepted approximately
5 \$16.2 million in sports wagers, resulting in net
6 proceeds of \$2.2 million and \$212,000 in state
7 taxes. The seven mobile sportsbook operators
8 accepted \$112 million in sports wagers, resulting
9 in net proceeds of \$7.3 million and approximately
10 \$1.6 million in taxes paid to the State.

11 Finally, for daily fantasy sports,
12 gross revenues for August were \$546,500 with net
13 revenue of approximately \$53,000 and taxes of
14 \$4,300.

15 CHAIRMAN JOHNS:

16 Okay. Thank you, Ms. Jackson. And I
17 think it's really important -- I know you
18 mentioned it, but July did have five week -- five
19 weekends, and August only had four, and those

20 weekends make a huge difference in the industry's
21 numbers.

22 So, Members, any questions for
23 Ms. Jackson? Any comments on revenue from the
24 Board?

25 (NO RESPONSE)

14

1 CHAIRMAN JOHNS:

2 Okay. Members, I will tell you that
3 the number one question I get everywhere is,
4 "What's sports wagering doing, and how much money
5 is it bringing in?" And so I did a little math
6 last night at home after I got Ms. Jackson's
7 report, and it appears, overall, since we rolled
8 out retail back in November and then mobile in
9 very, very late January -- it appears we've done
10 about 1.4 billion in wagering, which has resulted
11 in a little over -- about \$18.3 million in state
12 revenue total between retail and -- and mobile put
13 together. So the real -- the numbers seem to be
14 driven by mobile at this point.

15 And the fact that we are now entering
16 into our first full football season, college two
17 weeks ago and then the NFL last weekend, no doubt
18 it's going to drive -- drive some numbers and some
19 revenue for us. So we're -- we're just anxious to
20 see what football season does for us; so . . .

21 So thank you, Ms. Jackson. We
22 appreciate it. Any -- any comments? Any

23 questions?

24 (NO RESPONSE)

25 CHAIRMAN JOHNS:

15

1 Okay. Hearing none, thank you.

2 V. CASINO GAMING ISSUES

3 CHAIRMAN JOHNS:

4 Okay. All right. Ladies and

5 Gentlemen, we're going to move on to casino gaming

6 issues. Next on the agenda will be the

7 consideration of a Certificate of Compliance for

8 the riverboat inspection of L'Auberge Casino &

9 Hotel here in Baton Rouge.

10 CHAIRMAN JOHNS:

11 Good morning.

12 MS. JAMES:

13 Good morning, Chairman and Board

14 Members. I'm Assistant Attorney General

15 Lekiesha James here with Ms. Moriah Reed of AVS.

16 We're here in the matter of the issuance of the

17 second Temporary Certificate of Compliance for

18 L'Auberge Baton Rouge.

19 On August 22, 20 -- 2022, this Board

20 granted a Temporary Certificate of Compliance to

21 L'Auberge Baton Rouge, with an expiration date of

22 September 30, 2022. Ms. Reed will now provide an

23 update.

24 MS. REED:

25 Good morning, Chairman Johns.

1 CHAIRMAN JOHNS:

2 Good morning.

3 MS. REED:

4 Good morning.

5 CHAIRMAN JOHNS:

6 Welcome.

7 MS. REED:

8 Thank you, sir. Good morning,

9 Chairman Johns and Board Members. I am

10 Moriah Reed, a naval architect and inspector with

11 American Vessel Services. I am here to report on

12 the current status of the L'Auberge Casino

13 Baton Rouge Temporary Certificate of Compliance.

14 At the August 22 board meeting, the

15 Board unanimously approved and granted a Temporary

16 Certificate of Compliance to L'Auberge

17 Baton Rouge. This allowed the property additional

18 time to complete their five-year hull inspection,

19 which is a requirement of the Louisiana

20 Alternative Inspection Program.

21 As of this date, the property has not

22 completed their five-year hull inspection, which

23 was due in July 2022. The property has requested

24 an additional extension to complete this

25 inspection, and a copy of this request is included

1 in your package. This extension request is a

2 result of adverse high water river conditions

3 which were experienced earlier this year. Those
4 conditions would have put divers and survey crews
5 at risk.

6 Currently, the property is working
7 diligently with their marine contractors to get
8 the hull inspections completed, and they intend to
9 be completed later this year. AVS's
10 Mr. Pete Bullard has been involved with the
11 development and progress of the surveying and
12 confirmed the property's efforts to complete it.

13 AVS does not feel that this extension
14 poses any risk to the life safety of the
15 passengers or crew of the casino vessel. It is
16 the recommendation of American Vessel Services to
17 grant the L'Auberge Casino Baton Rouge a Temporary
18 Certificate of Compliance to allow the property
19 adequate time to complete the hull inspection.

20 MS. JAMES:

21 We now present these findings to the
22 Board and ask that, upon the Board's acceptance of
23 AVS's report, you will move for the issuance of
24 the second Temporary Certificate of Compliance for
25 L'Auberge Baton Rouge, which would expire on

18

1 October 31, 2022.

2 CHAIRMAN JOHNS:

3 Okay. So these are circumstances --
4 excuse me -- that are just unavoidable. It's just
5 Mother Nature --

6 MS. JAMES:

7 Yes.

8 CHAIRMAN JOHNS:

9 -- we're dealing with.

10 MS. JAMES:

11 Yes.

12 CHAIRMAN JOHNS:

13 So -- and to AVS, y'all feel
14 comfortable in the safety of the vessel, and it's
15 just a matter of --

16 MS. REED:

17 Yes, sir.

18 CHAIRMAN JOHNS:

19 -- the water level going down so you
20 can complete the inspection, basically, is what it
21 is?

22 MS. REED:

23 Yes, sir.

24 CHAIRMAN JOHNS:

25 Okay. All right. Any questions from
19

1 board members?

2 (NO RESPONSE)

3 CHAIRMAN JOHNS:

4 Okay. I would entertain a motion at
5 this time that we issue a Temporary Certificate of
6 Compliance for L'Auberge Baton Rouge, which will
7 expire on October 31, 2022.

8 MS. HAMILTON-ACKER:

9 (Indicating)

10 CHAIRMAN JOHNS:

11 Ms. Hamilton-Acker has moved to issue
12 that certificate.

13 MR. POOLE:

14 (Indicating)

15 CHAIRMAN JOHNS:

16 And Mr. Poole has seconded that
17 motion. Is there any discussion on the motion?

18 (NO RESPONSE)

19 CHAIRMAN JOHNS:

20 Hearing none, is there any opposition
21 to the motion?

22 (NO RESPONSE)

23 CHAIRMAN JOHNS:

24 Okay. That motion carries. Thank
25 you very much. Okay.

20

1 MS. JAMES:

2 Thank you.

3 MS. REED:

4 Thank you.

5 CHAIRMAN JOHNS:

6 Okay. Moving on, now we have the
7 consideration of the Petition for the Relocation
8 of the Gaming Operations and a Modification of
9 License Conditions for Catfish Queen, LLC, doing
10 business as the Belle of Baton Rouge. And I think
11 we will have a PowerPoint presentation for -- for

12 this agenda item coming up.

13 MS. LANDRY:

14 Good morning, Chairman Johns and
15 Board Members. I'm Assistant Attorney General
16 Lisha Landry. With me is Tammy Haupt from
17 Louisiana State Police, Audit. We're here in the
18 matter of Catfish Queen, LLC, doing business as
19 Belle -- doing business as Belle of Baton Rouge
20 Casino's request to relocate its gaming operations
21 to a landside facility and modify certain license
22 conditions.

23 During the 2018 regular session, the
24 Louisiana Legislature passed Act 469, which gives
25 each riverboat licensee the opportunity to

21

1 relocate its gaming operations to a facility
2 within 1,200 feet of its licensed berth. Gaming
3 law and rules requires a licensee seeking
4 relocation to submit a site plan, a capital
5 improvement and reinvestment plan, a financing
6 plan, a construction schedule, and property
7 descriptions. All required documents were
8 submitted by the licensee to the Division for
9 review and investigation.

10 According to the information
11 submitted by the licensee, its proposed new
12 \$35 million, 50,720 square foot landside facility
13 will be located within 1,200 feet of the
14 riverboat's licensed berth in Downtown

15 Baton Rouge. The facility will include 16,500
16 square feet of gaming space located in its
17 existing Atrium, a sportsbook and lounge, food and
18 beverage facilities, and cruise line dock access.
19 The licensee will also be remodeling a portion of
20 its existing hotel. The land where the facility
21 will be located is owned by GLPI through a real
22 estate investment trust. GLPI has agreed to fund
23 up to \$28 million for the relocation project, and
24 the licensee and its parent company, CQ Holding,
25 will fund the remaining \$7 million.

22

1 The licensee is also requesting to
2 amend its Statement of Conditions to its riverboat
3 license to change its required non-gaming
4 amenities under the Approved Project to only
5 include a hotel with a minimum of 90 rooms, a
6 fitness center, a business center, a minimum of
7 three restaurants with a total minimum seating
8 capacity of 288, a 14,000 square foot Atrium, a
9 sportsbook, viewing area, and bar with a minimum
10 seating capacity of 75.

11 The licensee is also requesting to
12 reduce its required employees from 450 to 350 in
13 its Statement of Conditions as well.

14 The licensee's petition is up for
15 consideration today. Gaming law and rules do not
16 dictate a minimum monetary investment for
17 relocation. It's within the Board's discretion to

18 grant approval on a case-by-case basis.
19 If it's the Board's pleasure to
20 approve the licensee's requests, a resolution has
21 been prepared for your consideration. The
22 licensee will be allowed to begin construction
23 subject to further Board approval and to commence
24 gaming activities at its new facility only after
25 the Division has determined that all necessary

23

1 staffing, training, security, surveillance,
2 technical, accounting, and internal controls are
3 acceptable. After Audit reports its findings,
4 representatives from the licensee are here today
5 to give you a presentation on their proposal.

6 MS. HAUPT:

7 Good morning, Chairman Johns and
8 Board Members.

9 CHAIRMAN JOHNS:

10 Good morning.

11 MS. HAUPT:

12 My name is Tammy Haupt. I'm an
13 auditor with the Louisiana State Police, Gaming
14 Audit Section. Catfish Queen, LLC, doing business
15 as Belle of Baton Rouge, requested the Board's
16 approval to relocate its gaming operations from
17 its existing riverboat casino to a landside
18 facility in the existing -- existing Atrium, as
19 well as amend the license conditions necessary to
20 accommodate the relocation that were previously

21 outlined by Lisha Landry, Assistant Attorney

22 General.

23 The total landside project has a proposed
24 budget of \$35 million with funding commitments
25 from the licensee's parent company, CQ Holding

24

1 Company, to pay the estimated \$7 million in soft
2 costs associated with the project from its cash
3 flows and its landlord, Gaming and Leisure
4 Properties, GLPI, a real estate investment trust
5 that owns the real estate assets associated with
6 the Belle property and leases the assets back to
7 the Belle under a triple net lease, to fund up to
8 \$28 million of hard costs utilizing its
9 \$1.75 billion revolving credit facility. In
10 return, Belle's lease rent will increase by an
11 amount equal to 8.25 percent cap rate applied to
12 the total GLPI funded project cost.

13 On May 13, 2022, GLP Capital, an
14 affiliate -- affiliate of GLPI, entered into a
15 credit agreement that provided for a \$1.75 billion
16 unsecured revolving credit facility maturing in
17 May of 2026, plus two six-month extensions at
18 GLP Capital's option. GLP Capital is the primary
19 obligor under the credit agreement guaranteed by
20 GLPI with Wells Fargo Bank, NA serving as
21 administrative agent for the lenders.

22 As of June 30, 2022, GLPI reported a
23 \$394 million gross outstanding balance on the

24 revolving credit facility with contingent
25 obligations under letters of credit issued of

25

1 approximately \$0.4 million, leaving GLPI with over
2 \$1.3 million in available borrowing capacity under
3 its revolver to finance the \$28 million investment
4 in this project. At June 30, 2022, GLP confirmed
5 it was in compliance with all financial covenants
6 under its revolving credit facility.

7 The proposed landside facility will
8 have more than 50,000 square feet of total space,
9 which includes 16,500 square feet of gaming space
10 comprised of the main casino floor, a smoking
11 casino patio adjacent to the casino floor with 14
12 gaming tables and 316 slot machines, allowing
13 guests to play slots, table games, and utilize
14 self-service sports betting kiosks to place wagers
15 in non-smoking and smoking environments; a new --
16 a new \$2,492 -- 2,492 square foot sportsbook bar
17 and viewing area, four additional food and
18 beverage facilities, and hotel renovations to its
19 existing hotel that has been closed since 2020.
20 The planned renovations will modernize the design
21 of the hotel rooms, the front desk and lobby, and
22 update its amenities.

23 According to the information provided
24 by the Belle, the relocation of its gaming
25 operations and the update to non-gaming operations

26

1 at the landside facility will improve
2 accessibility to the casino and its amenities, as
3 well as off -- allow Belle -- allow the Belle to
4 offer its current dock space to cruise lines for
5 Mississippi cruise -- River cruises, thus
6 increasing foot traffic to the Belle's facility.

7 Based on the projected costs
8 associated with the new facility, Casino Queen's
9 historical reported cash flows and GLP's
10 borrowing -- borrowing available -- availability
11 against its revolving credit facility, the
12 Division determined that -- that the Belle has the
13 necessary funding available to make the capital
14 investment in the project.

15 The Corporate Securities Audit
16 Section found no information related to the
17 available financing to preclude the Board from
18 approving the proposed project.

19 MS. LANDRY:

20 We would be happy to answer any
21 questions you have.

22 CHAIRMAN JOHNS:

23 Okay. Any questions for our two
24 presenters this morning?

25 (NO RESPONSE)

27

1 CHAIRMAN JOHNS:

2 Okay. Thank you, ladies. Appreciate
3 that. If we could ask CQ to come up to the table.

4 Mr. Downey, if you would, bring your guests with
5 you. And, Members, I think we're going to have a
6 PowerPoint presentation here. And before you, you
7 have the information on what's being proposed.

8 MR. BARBIN:

9 Good morning, Chairman Johns.

10 CHAIRMAN JOHNS:

11 Good morning.

12 MR. BARBIN:

13 I'm Jeff Barbin with Phelps Dunbar.

14 We're excited to be here today to present

15 Casino Queen's landside petition. With me this

16 morning, Terry Downey, to my left, the CEO of

17 Casino Queen.

18 MR. DOWNEY:

19 Good morning.

20 MR. BARBIN:

21 To his left, Bruce Woods, who is the

22 new General Manager at Belle of Baton Rouge.

23 MR. WOODS:

24 Good morning.

25 CHAIRMAN JOHNS:

28

1 Good morning, Bruce.

2 MR. BARBIN:

3 And to his left is Stacy Stagg, who

4 is the VP of non-gaming ops for Casino Queen. And

5 now we have a PowerPoint presentation. I'm going

6 to turn it over to Mr. Downey.

7 MR. DOWNEY:

8 Okay. Good morning.

9 CHAIRMAN JOHNS:

10 Good morning, Mr. Downey.

11 MR. DOWNEY:

12 We're really excited to show you
13 these slides.

14 CHAIRMAN JOHNS:

15 Why don't you speak right into the
16 microphone, if you would, --

17 MR. DOWNEY:

18 Okay.

19 CHAIRMAN JOHNS:

20 -- because we want to make sure we
21 capture it.

22 MR. DOWNEY:

23 We're very excited this morning to
24 show the slides of how we envision the future
25 of -- of the Belle. And we'll get started.

29

1 This map shows the present layout of
2 the property where the boat is, the dock, the
3 walkway to the Atrium. That's the Atrium circled
4 in blue. The big circle shows the -- the Atrium
5 is within 200 feet of the current dock.

6 As we go into this slide, this is
7 kind of a balloon look at the layout of what we're
8 looking at. All the way over to the right is the
9 entryway with a brand-new designed front desk and

10 lobby area. And right above that in the gray is a
11 terrace cafe. This whole area will be accessible
12 to -- just on the terrace and the lobby area to
13 families that are visiting the hotel. So they'll
14 have full use of food and beverage that way.

15 As you step up into the casino,
16 right -- yeah, right in that area right there, the
17 blue area is, or purple -- I have a little trouble
18 with colors; so -- the purple area is the actual
19 gaming space. You can see you walk in. You'll
20 step into a table games area and surrounded by
21 slots. You see it go up through a little bit of a
22 hallway at the top, and there's a smoking patio
23 out there, which is, we all know, so important in
24 this day and age.

25 Down to the left in green is where

30

1 the sportsbook area is planned for. We're very
2 excited. We have roughly, I believe, 125 seats in
3 that area, including the bar. If you go to the
4 green area above, it's the restaurant product, and
5 it's -- it's going to be -- you know, this whole
6 project is -- is very boutiquey, very fun, and
7 we're looking at this as a first phase project,
8 this first \$35 million. So we're going to have a
9 wine bar in there, a pizza kitchen, an oyster bar.

10 And then at the very top, you'll see
11 going across that back wall there's two bowling
12 lanes in there. And it's just going to be kind of

13 a loungey, fun place for people to hang out, have
14 a cocktail, and just enjoy themselves.

15 So as you go over to the left, you
16 see the event space in pink. That's the rest of
17 the Atrium. The -- right now we won't be
18 developing, but we will, you know, put in new
19 carpet, new drapes, everything in there. We'll be
20 able to do events, concerts, that sort of thing.

21 If you move down to the hotel area,
22 there's presently, roughly, 280 rooms, and in
23 Phase 1 we want to renovate -- the top four floors
24 will yield about 90 rooms out of it.

25 And with that being said, let's move

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1 to the next slide, and I'll give you a little more
2 detail on the floor. You can see down to the
3 right, you walk in. You see the whole new front
4 desk area, the cafe. Then you step up in the
5 casino. You see the table games. You walk right
6 into it. Down at the far end, you're seeing
7 straight through to the sportsbook areas and all
8 the big screens. Up to the right is most of the
9 slot floor, and then upper right of that is the --
10 the pizza kitchen, the wine bar, the oyster bar,
11 and the loungey bar area up there with -- with the
12 entertainment, such as the bowling lanes and such.

13 So the next slide, I want to walk you
14 through what the look of it is going to be, and
15 it's -- you know, we kind of studied the Atrium in

16 its past and -- and what it looks like sitting
17 there, and we decided to go with this kind of
18 modern industrial theme. And so to the left you
19 see the lobby area behind that pony wall and the
20 front desk behind it. Those -- those lines going
21 up behind the front desk that you see are, like,
22 old railroad ties. And so very modern industrial.
23 Over to the right will be the terrace cafe. Then
24 as you pass -- just past the terrace cafe, you see
25 a coffee grab-and-go there, and then just left to

32

1 that is the entrance going up into the casino.

2 And if you look up at the ceiling,
3 you know, the Atrium is -- is quite tall. There
4 will be floating ceiling pieces throughout the
5 lobby in the casino. You'll -- you'll see it in
6 some of the other slides.

7 This slide is -- now you've stepped
8 up into the casino from the lobby area. You're
9 kind of looking at a straight shot down through
10 the casino. So to the left you have table games,
11 a few slots, and you see the sportsbook in the
12 background with the big TVs.

13 This next slide, this is the entrance
14 up into the oyster bar, bistro, wine bar area, and
15 when you look at it, that -- that's the hostess
16 stand that you're looking at, and that's the
17 wheels of an old railroad car. So we're
18 continuing with this industrial theme, and we'll

19 carry it throughout. And you see the finishings
20 and the look. Very modern industrial.
21 This is once you've stepped up into
22 it. You can see the wine bar down to the right.
23 You see the pizza ovens, and then to the left
24 would be the oyster bar. When you get over into
25 the loungey -- don't worry about, "Rebel Without a

33

1 Cause." It's -- we will put something appropriate
2 up there. This was a designer's idea of fun. But
3 you see the bowling lanes and kind of a loungey
4 area, a good place to, you know, hang out after
5 work or whatever you're in the hotel for.

6 This next slide is the remaining
7 piece of the Atrium. And, like I say, we totally
8 plan on doing some entertainment in there. We can
9 get quite a few people in there. We'll have all
10 new carpet. We'll have new sound drapes all the
11 way around. And then, in addition to that, you'll
12 get a great view out of the Atrium in the evening
13 when you're most likely to be using this space.

14 Probably wondering, those of you that
15 have been to the hotel there, what we're going to
16 do with it. We're going to carry the modern
17 industrial theme through the hotel rooms. So what
18 you're looking at is the living room of a
19 one-bedroom suite. You see the modern industrial
20 look, the big slider door. And then the regular
21 hotel room, as you look through the entry into the

22 bedroom, will -- will have that look of that -- of
23 the bedroom. So we're really happy with this
24 design that we've been able to develop.

25 This is just to give you an idea of

34

1 the size of the Atrium. The casino itself is
2 pretty high. You see some of the floating
3 ceilings in there, and you still have that much
4 Atrium over the top. So it -- you know, it's a
5 massive building. From the very first time we
6 looked at it, we got excited about it, and there's
7 unlimited potential on this property. There's --
8 there's other buildings on the property that we
9 can phase into as we -- as we go. As
10 Chairman Johns said, the cost of the project right
11 now is \$35 million, and we think we're going to
12 put out a beautiful Phase 1 with that \$35 million.

13 CHAIRMAN JOHNS:

14 You're welcome to spend more than
15 that, if you would like to; so . . .

16 MR. DOWNEY:

17 I -- I've noted that from several
18 conversations with Chairman Johns. And so just to
19 go into a little bit more detail, I want to turn
20 it over to Stacy Stagg, and she's going to clarify
21 and interpret anything that I said.

22 CHAIRMAN JOHNS:

23 Great.

24 MS. STAGG:

25 Thank you, Chairman --

35

1 CHAIRMAN JOHNS:

2 Good morning, Stacy.

3 MS. STAGG:

4 Good morning, Chairman Johns and the
5 Board. I really appreciate your time this
6 morning. Terry just presented the overall plan to
7 move the Belle landside, and we feel this design
8 significantly improves the guest experience and
9 will allow us to grow our revenues in a highly
10 competitive market here in Baton Rouge.

11 I would like to continue on and
12 highlight some of the -- a few key elements that
13 will assist us in accomplishing this. First,
14 moving the Belle landside will improve the
15 accessibility to our gamers and our patrons.
16 Significantly, right now it -- it takes you almost
17 three foot -- the length of three football fields
18 to get out to the casino. Many of you might have
19 traveled that length. We want to fix that for our
20 guests.

21 Second, the much needed hotel
22 renovation, which we hear across the city, is
23 highly needed, and we want to update the room
24 product and help the property reengage with the
25 city traveler and the convention business here in

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1 Baton Rouge. We feel like we can contribute to

2 that.

3 Our -- our food and beverage program,
4 we're -- is extremely robust for the boutique
5 hotel that Terry described. We are going to cater
6 to both the casino and the hotel guests, as Terry
7 described. We have several options for
8 non-gamers, as well as gamers to frequent the
9 hotel. We're excited about that as well.

10 Also, which is semi-new down here in
11 Louisiana is the sportsbook live, you know,
12 betting system. We're accustomed to it in other
13 markets, and we see the high traffic that that
14 brings and the new demographic that that brings to
15 the properties, as well as an energy that is
16 unknown. If you've ever been in a small sports
17 bar, you get a little taste of that during
18 football season. This is on a grander level, and
19 we're excited to expose that to the entire
20 property.

21 The property is also seeing a large
22 turndown in business due to the smoking ban. So
23 the addition of the smoking area in the casino is
24 going to help us recapture some of that business
25 back that we have lost over at the Belle.

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1 And, finally, we have a Letter of
2 Intent from the American Cruise Line, as you heard
3 the auditor say, that will utilize our dock and
4 bring in thousands of patrons a week, which will

5 add to the Baton Rouge community. And we feel
6 like, with this design, we'll be able to capture
7 and benefit from all of the things that we're
8 adding and -- and benefit from those patrons
9 coming on.

10 In doing that, we're also proud to
11 say that we will be adding 200 more positions to
12 the property. The Belle currently has 150
13 employees, and we'll be adding a total of 200 to
14 make that 350 total employees with us in Phase 1.

15 And now I would like to turn it over
16 to our general manager, who is fairly new to the
17 Belle, and we're glad to have him. He's a
18 longtime resident of Baton Rouge, Bruce Woods, and
19 he'll give some color on the culture now and what
20 we currently have and what we want it to be.
21 Right, Bruce?

22 MR. WOODS:

23 Yes, Stacy.

24 CHAIRMAN JOHNS:

25 Good morning, Mr. Woods, and welcome

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1 to our meeting, and congratulations on your
2 position, and we look -- you and I have spoken by
3 phone but --

4 MR. WOODS:

5 Yes.

6 CHAIRMAN JOHNS:

7 -- so glad to meet you, and we look

8 forward to working with you.

9 MR. WOODS:

10 Well, thank you, Chairman Johns.

11 Good morning, sir. To all the Board Members, good
12 morning and thank you for allowing me to be here
13 before you this morning.

14 As Terry and Stacy stated, it's --
15 I'm very excited about the project that we're
16 doing here. I've been a Baton Rouge resident now
17 for 28 years. And the Office of the Mayor, as
18 well -- as well as the Downtown Development
19 District, the Baton Rouge Area Chamber, have done
20 a great job of revitalizing Downtown. And I
21 believe what we're going to do with this project,
22 we're only going to enhance what they've done
23 already in terms of making Downtown a more
24 appealing place for people to go and visit and
25 dine and enjoy themselves.

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1 But what we're going to do here is
2 we're going to be a casino that has a lot of
3 energy. The way that it's designed, it's -- like
4 Terry mentioned, it's a boutique casino, but it's
5 a first-class project, and we're going to offer
6 first-class service.

7 Like Stacy mentioned, we have 150
8 team members now, and many of them are day-one
9 team members. And most of them have been there
10 for at least a decade; so they're very committed

11 to the Belle, have an emotional attachment there,
12 as well as so -- a lot of the people in the
13 community.

14 So we think it's going to be great
15 for Downtown. It's going to be great for the
16 community, and we're real excited to do this
17 project, if approved.

18 CHAIRMAN JOHNS:

19 Well, I will tell you, visiting with
20 the Visit Baton Rouge folks, they're extremely
21 excited about the reopening of this hotel.
22 They -- they want and they need more rooms in the
23 Downtown area. And I know we're -- on the
24 resolution today is a minimum of 90 rooms, and
25 it's just our hope that in the future y'all will

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1 be expanding that as needed. So I hope you really
2 need them; so . . .

3 A question I do have on the river
4 cruises, will both Hollywood and the Belle both be
5 docking river cruises?

6 MS. STAGG:

7 Yes.

8 CHAIRMAN JOHNS:

9 Are they two different --

10 MS. STAGG:

11 Yes.

12 CHAIRMAN JOHNS:

13 -- cruise lines?

14 MS. STAGG:

15 Viking will be at the Hollywood, --

16 CHAIRMAN JOHNS:

17 Okay.

18 MS. STAGG:

19 -- and American Cruise Lines -- and

20 there's two American Cruise Lines. If we're

21 approved for landside, we can start negotiating

22 and kind of schedule the docking along the

23 river --

24 CHAIRMAN JOHNS:

25 Okay.

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1 MS. STAGG:

2 -- with both properties.

3 CHAIRMAN JOHNS:

4 Which of the cruise lines actually

5 bring in more cruise ships out of the two? Would

6 you have an idea on that?

7 MS. STAGG:

8 Viking right now.

9 CHAIRMAN JOHNS:

10 Viking would?

11 MS. STAGG:

12 And then American Cruise Lines has

13 the bigger cruise line, and then they have a

14 smaller one as well; so --

15 CHAIRMAN JOHNS:

16 Okay.

17 MS. STAGG:
18 -- pretty comparable, Chairman Johns.

19 CHAIRMAN JOHNS:
20 Okay. I'm excited about that.

21 That's --

22 MS. STAGG:

23 Uh-huh.

24 CHAIRMAN JOHNS:

25 That's real possibilities for
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1 Baton Rouge -- for Downtown Baton Rouge.

2 MS. STAGG:

3 We are too because of the influx of
4 new --

5 CHAIRMAN JOHNS:

6 Right.

7 MS. STAGG:

8 -- patrons coming in on a weekly
9 basis. That's exciting for us in the -- in our
10 industry, as well as what it can bring to the --
11 to the Baton Rouge area. They dock for about ten
12 hours; so they're here all day.

13 CHAIRMAN JOHNS:

14 Well, great. And they need something
15 to do. Right?

16 MS. STAGG:

17 They've got to -- yeah, they spend
18 that money.

19 CHAIRMAN JOHNS:

20 We hope. So, Board Members, any
21 questions? Mr. Poole, our local Baton Rouge board
22 member here.

23 MR. POOLE:

24 Yeah. Can someone give me an idea of
25 the construction schedule that you're looking at,

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1 if the approval goes through?

2 MR. DOWNEY:

3 Sure. We actually have a slide, if
4 we can throw it back up. There we go. And -- and
5 pardon us, because we were anticipating hopefully
6 making the August agenda; so we just have to add a
7 month to this slide, but I'll read it how it is.
8 Hoping, obviously, for landside approval by
9 September, we'll have contracts signed with
10 architectural MEP and the AV people. By January
11 we should be ready to submit for -- for permits
12 and -- and bidding out everything.
13 Preconstruction will also start in January. The
14 start of construction will be in March of '23,
15 with a grand opening roughly 12 to 13 months
16 later.

17 And I -- I should also note, you
18 know, we've been operating the property for a few
19 months now, and we've already started -- we've
20 committed, I believe, \$1.35 million. We pulled
21 some demo permits. We've already been working in
22 the hotel, not constructing but the demoing,

23 figuring out what's laying ahead of us, and so
24 we're kind of getting a jump-start on it.

25 MR. POOLE:

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1 Is Phase 2 contingent upon the
2 performance and the success of the --

3 MR. DOWNEY:

4 Yes.

5 MR. POOLE:

6 -- of the casino?

7 MR. DOWNEY:

8 Yes.

9 MR. POOLE:

10 Okay. So there's no commitment to
11 Phase 2 at this point?

12 MR. DOWNEY:

13 The commitment -- I feel very, very
14 confident about it, and I -- this property is
15 going to do very well with -- with what we've
16 designed here. And I -- I can't say there's a
17 commitment to it other than, when we hit certain
18 cash flow hurdles, it will happen.

19 MR. POOLE:

20 Right. It's a great property, and
21 everybody in Baton Rouge wants to see it succeed.

22 MS. STAGG:

23 Uh-huh.

24 CHAIRMAN JOHNS:

25 Mr. Poole, would you pull the mic up

1 a little closer?

2 MR. POOLE:

3 Yeah. They want to see it succeed --

4 CHAIRMAN JOHNS:

5 Great. There you go.

6 MR. POOLE:

7 All right. So, yeah, everybody in
8 Baton Rouge wants to see that property succeed,
9 and so we're all backing you. We're looking
10 forward to it. And the hotel, we would love to
11 see that completed out as well. So you've heard
12 that from four or five people at least. Right?

13 MR. DOWNEY:

14 We've been coming here for about a
15 little better than a year and a half now, and
16 everyone we meet, where we stay, where we eat,
17 everyone talks about wanting to see something
18 great at the Belle; so we're very excited.

19 MR. POOLE:

20 Great. We appreciate it.

21 CHAIRMAN JOHNS:

22 Thank you, Mr. Poole. Mr. Sholes?

23 MR. SHOLES:

24 Yes, sir. Can you tell me what
25 percentage of your construction cost now would be

1 dedicated to disadvantaged businesses?

2 MS. STAGG:

3 Advantage positions?

4 MR. DOWNEY:

5 Disadvantaged businesses.

6 MS. STAGG:

7 Oh, disadvantaged businesses.

8 MR. DOWNEY:

9 I don't have an answer for that at
10 this point.

11 MR. SHOLES:

12 And if you're anticipating 350
13 employees, what percentage of those are going to
14 be earning less than \$15.00 an hour?

15 MR. DOWNEY:

16 I do have an answer for that. I was
17 forewarned. Stacy?

18 MS. STAGG:

19 Yeah. Right now, currently, our
20 blended rate is \$16.02 on the -- on the Belle, and
21 we anticipate that to maintain as we move forward.

22 MR. SHOLES:

23 Forgive me. Can you explain the
24 blended rate?

25 MS. STAGG:

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1 Yeah. So we have a non-tip position
2 and a tipped position, and when we blend those
3 together, based on the amount of team members,
4 that's the blended rate; so we have -- Bruce, do
5 you have that sheet? Oh, tipped rate right now is

6 \$14.08, and non-tipped is \$16.25.

7 MR. SHOLES:

8 And I notice on Exhibit B -- I saw
9 the numbers where you've got from 8-something down
10 to 3.51. I didn't see anything -- how you got
11 from 4.50 to 3.50. One day when you have some
12 time, I would like somebody to explain that one to
13 me.

14 MS. STAGG:

15 I can quickly give you an overcap.

16 MR. SHOLES:

17 Great. Thank you.

18 MS. STAGG:

19 In 2013, our understanding is that
20 they came forward and got an agreement for the
21 4.50, and they exceeded that up until 2020, the
22 fourth quarter -- during COVID. And with the
23 closure of the hotel, the restaurants and all of
24 that, they haven't needed -- and table games.
25 Those are -- those are going to be the bulk of

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1 where we're adding the -- the team members back,
2 in table games, the hotel, reopening the hotel,
3 and the food outlets. We're going to have a lot
4 more food and beverage outlets than the Belle did,
5 existing labor, but it's in Phase 1. We're going
6 to gradually get there. So with the 200 more team
7 members, that's the bulk.

8 MR. SHOLES:

9 Thank you.

10 CHAIRMAN JOHNS:

11 And I would comment on that also. I
12 know, unfortunately, virtually every property in
13 this state, the employment numbers are down. I
14 think COVID had a lot to do with it. Hurricanes
15 over in Southwest Louisiana, and then Ida last
16 year, no doubt, had some -- some play into that
17 but I think COVID more than anything and then just
18 market conditions, particularly up in the
19 Shreveport-Bossier market.

20 So there are some voluntary goals out
21 there, and we -- we hope everybody would meet
22 those goals, but we're -- we're actually in talks
23 with the -- with the association now on a
24 different methodology of -- of certain goals;
25 so . . . But I'm excited. I knew y'all were down

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1 to about 150 employees, and to add 200 more
2 employees to Baton Rouge is a big deal, and we --
3 we thank you for that.

4 So any other questions from the
5 Board? Any other questions? Ms. Berry?

6 MS. BERRY:

7 I just want to make a quick comment.
8 I'm kind of glad to see that you brought your
9 employee goal down to more of a realistic number.
10 I know we've been fighting this for years and
11 years, to meet those voluntary numbers, and I

12 think, if I'm not mistaken, you're the first one
13 that's come down to lower it to a little bit more
14 realistic number; so maybe some of the others will
15 follow, because there's been so many changes and
16 COVID problems that -- making some of these
17 casinos look bad, because they're not meeting
18 those employee levels. It was a little bit
19 unrealistic; so I think -- I'm proud of y'all for
20 doing that.

21 MS. STAGG:

22 Thank you.

23 MR. DOWNEY:

24 Thank you. Thank you.

25 MS. STAGG:

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1 And, Ms. Berry, we -- we took it
2 to -- the level that you said, we actually
3 constructed schedules for a 24-hour operation in
4 all of the departments, made our own new
5 compendium based on the 90-room hotel and the
6 table games addition, the sportsbook addi -- all
7 of the additions; so we really feel like that is a
8 true number that we need to maintain that
9 property.

10 MS. BERRY:

11 I think that's very important, not to
12 mention it's -- it went up; so that's good.

13 MS. STAGG:

14 Yes. Yes.

15 MS. BERRY:

16 So thank you very much.

17 CHAIRMAN JOHNS:

18 I can remember going into the Atrium
19 years ago when it was a really viable building and
20 looking around and saying, "This could make a
21 great casino"; so it's -- it's coming to fruition.
22 Okay. Okay. Any further questions, Members?

23 (NO RESPONSE)

24 CHAIRMAN JOHNS:

25 Anything else, Mr. Downey, that you

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1 would like to share in closing?

2 MR. DOWNEY:

3 No. I -- I feel we laid it out here
4 pretty much, and Stacy and Bruce both expanded on
5 it a little bit, and we're -- like I say, we've
6 kind of put our foot in the water already doing a
7 little work around the hotel, and we're just real
8 excited to get our approvals and get rocking.

9 CHAIRMAN JOHNS:

10 Well, I'll tell you -- I think I can
11 speak for the entire board. I hope I can, but we
12 want to thank CQ for your commitment to
13 Baton Rouge in the last year or so. I mean,
14 you're putting 80 million, or, according to one
15 comment I made, 100 million, but -- it may be
16 100 million before, you know, the smoke clears.
17 But, no, seriously, CQ is making a significant

18 commitment to this community, and we -- we greatly
19 appreciate that, and to our state; so we thank
20 y'all very much.

21 MR. DOWNEY:

22 Great. We've -- since we've started
23 coming here, we love Baton Rouge. It's -- I'm
24 here, so far, twice a month, a couple of weeks a
25 month, and --

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1 MS. STAGG:

2 I lived here this summer.

3 MR. DOWNEY:

4 And Stacy lived here this summer, and
5 Bruce has lived here for a long time. So we truly
6 enjoy the area and the environment, and I've
7 over-enjoyed the -- the food and -- but we're
8 excited to be here.

9 CHAIRMAN JOHNS:

10 Well, great. Thank you very much.
11 So members, to approve this, we have to do it by
12 resolution, and I -- we have a resolution that's
13 before you. I -- I would ask for a motion to
14 adopt this resolution.

15 MR. POOLE:

16 I'll make that motion.

17 CHAIRMAN JOHNS:

18 Mr. Poole, our local --

19 MS. BERRY:

20 Second.

21 CHAIRMAN JOHNS:
22 -- resident board member, has moved
23 that we adopt this resolution. Ms. Berry has
24 seconded that. And so, Ms. Hood, would you read
25 the resolution, please?

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1 MS. HOOD:
2 On the 15th day of September, 2020 --
3 2022, the Louisiana Gaming Control Board did, in a
4 duly noticed public meeting, consider the Petition
5 for Approval to Relocate Gaming Operations and for
6 a Modification of License Condition filed by
7 Catfish Queen, LLC, doing business as Belle of
8 Baton Rouge, and upon motion duly made and
9 seconded, the Board adopted this resolution:
10 Be it resolved that Catfish --
11 Catfish Queen, LLC's request to relocate its
12 gaming operations to a newly constructed facility
13 to be included as part of the approved project (as
14 defined by the Statement of Conditions to the
15 Riverboat Gaming License of Catfish Queen, LLC,
16 doing business as Belle of Baton Rouge, which are
17 attached hereto and made part of) and located
18 within 1200 feet of its licensed berth site, all
19 in accordance with the plans and supporting
20 documentation submitted by the licensee and all
21 applicable law, and to commence gaming operations
22 upon completion, subject to further Board
23 considerations and the final inspection and

24 approval of the Division, is hereby approved.

25 Be it further resolved that

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1 Condition #22 of the Statement of Conditions to
2 the Riverboat Gaming License is hereby amended to
3 decrease the number of required employees from 450
4 persons to 350 persons.

5 Be it further resolved that

6 Condition #6 of the Statement of Conditions to the
7 Riverboat Gaming License be modified and replaced
8 with the following:

9 A hotel with a minimum of 90 rooms, a
10 fitness center, and a business center; a minimum
11 of three restaurants with a total minimum seating
12 capacity of 288; a 14,000 square foot atrium; and
13 a sportsbook viewing area and a bar with a minimum
14 seating capacity of 75.

15 Be it further resolved that: No
16 gaming operations shall commence until the entire
17 Approved Project has been substantially completed
18 and ready for occupant -- occupancy and use in the
19 opinion of the Board and until the Division has
20 determined that all necessary staffing, training,
21 security and surveillance, technical, accounting,
22 and internal control procedures are acceptable.
23 "Substantially complete" or "substantial
24 completion" shall mean the state in progress of
25 the work with the Approved Project is sufficiently

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1 complete in accordance with the contract documents
2 such that it can be occupied -- occupied and
3 utilized for its intended use.

4 Catfish Queen, LLC, and Gaming and
5 Leisure Properties shall abide by the following
6 standard of construction of the Approved Project:

7 No later than 90 days from this
8 Resolution's date to submit architectural
9 blueprints and a detailed plan of design and
10 construction of the Approved Project to the Board
11 for review and acceptance. The architectural
12 plans and specifications shall comply with all
13 applicable laws and regulations, including, but
14 not limited to, environmental, fire, and safety
15 codes. Failure to meet this deadline or to timely
16 receive an extension from the Board may result in
17 forfeiture of all privileges to the license.

18 To enter into all necessary contracts
19 for construction of the Approved Project and
20 submit copies of the contract to the Board for
21 acceptance no later than 90 days after the passage
22 of a Board Resolution accepting the plans and
23 specifications. All contracts related to the
24 Approved Project shall be let only by Catfish
25 Queen, LLC, or its parent company or Gaming and

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1 Leisure Properties or its subsidiaries.

2 To complete construction of the
3 Approved Project and commence gaming operations in

4 the facility within 24 months of this Resolution's
5 date. Failure to meet this deadline or to receive
6 an extension may result in forfeiture of all
7 privileges to the license.

8 To submit a work-in-progress report
9 on the construction of the Approved Project to the
10 Board by the 20th of every month. Said report
11 shall include a detailed narrative on the status
12 of all work up to the date of the report and a
13 progress payment report listing all payments made
14 up to the date of the report.

15 Thus done and signed in Baton Rouge
16 this 15th day of September 2022.

17 CHAIRMAN JOHNS:

18 Okay. Thank you, Ms. Hood. Members,
19 we have a motion by Mr. Poole to adopt this
20 resolution, a second by Ms. Berry. Ms. Hood,
21 would you call the roll, please?

22 MS. HOOD:

23 Ms. Berry?

24 MS. BERRY:

25 Yes.

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1 MS. HOOD:

2 Mr. Jackson?

3 MR. JACKSON:

4 Yes.

5 MS. HOOD:

6 Ms. Lewis?

7 MS. LEWIS:

8 Yes.

9 MS. HOOD:

10 Mr. Poole?

11 MR. POOLE:

12 Yes.

13 MS. HOOD:

14 Ms. Hamilton-Acker?

15 MS. HAMILTON-ACKER:

16 Yes.

17 MS. HOOD:

18 Mr. Sholes?

19 MR. SHOLES:

20 Yes.

21 MS. HOOD:

22 Ms. Traylor?

23 MS. TRAYLOR:

24 Yes.

25 MS. HOOD:

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1 Chairman Johns?

2 CHAIRMAN JOHNS:

3 Yes. So by unanimous vote, this

4 resolution is hereby adopted, and congratulations.

5 And thank you very much for moving forward with

6 this, and we look forward to seeing the finished

7 product.

8 MS. STAGG:

9 Thank you.

10 MR. DOWNEY:

11 Thank you.

12 MR. WOODS:

13 Thank you.

14 CHAIRMAN JOHNS:

15 Thank you. Thank you. Thank you,

16 Jeff. Okay. So moving on, next is the

17 consideration of a Notice of Debt Offering by

18 Catfish Queen, doing business as the Belle of

19 Baton Rouge, and Louisiana Casino Cruises, doing

20 business as Hollywood Casino, and CQ Holding

21 Company, Incorporated.

22 MS. LANDRY:

23 Assistant Attorney General

24 Lisha Landry and Donna Jackson with Louisiana

25 State Police Audit now here in the matter of

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1 CQ Holding Company, Inc.'s request for approval of

2 new debt financing.

3 CQ Holding is the parent company of

4 licensees Louisiana Casino Cruises LLC, doing

5 business as Hollywood Casino Baton Rouge, and

6 Catfish Queen, LLC, doing business as Belle of

7 Baton Rouge. CQ Holding is wholly owned by

8 SGCQ Gaming, LLC, which is owned by Standard

9 General Master Fund II and Standard General Focus

10 Fund.

11 On June 15, 2022, Louisiana Casino

12 Cruises and Catfish Queen notified the Board of a

13 new debt transaction where CQ Holding would become
14 the borrowing party to a \$120 million Term B loan
15 from Fortress Credit Corporation. This new debt
16 transaction is related to Standard General Master
17 Fund II's strategic investment in Intralot, which
18 is a global lottery and sports betting technology
19 provider and whose CEO and founder is Sokratis
20 P. Kokkalis. Intralot is buying out its minority
21 shareholders in its U.S. subsidiary through a
22 rights issue, which allows the company to issue
23 shares offered at a special price to existing
24 shareholders in proportion to the shares they
25 currently hold.

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1 The purpose of the initial
2 \$120 million loan agreement is for CQ Holding to
3 finance a loan to Mr. Kokkalis related to the
4 Intralot rights offering, to fund an Intralot
5 Backstop Purchase to guarantee that a certain
6 amount of shares in Intralot will remain available
7 for Mr. Kokkalis to purchase, fund the refinancing
8 of all existing third-party debt, including the
9 \$29 million loan from Citizens Bank executed in
10 December of 2021, to acquire Louisiana Casino
11 Cruises and Catfish Queen, and pay fees and
12 expenses associated with the transaction. This
13 transaction also allows CQ Holding to request
14 increases to the initial term loan facility in the
15 total aggregate amount of \$10 million. The

16 effective interest rate of this loan is
17 11 percent. The loan agreement requires both
18 guaranty and mortgage of all subsidiaries of
19 CQ Holding, including Louisiana Casino Cruises and
20 Catfish Queen. There is no change in ownership of
21 the two licensees occurring at this time.

22 After review of the proposed debt
23 transaction, the Audit Section and our office have
24 determined that the proposed new debt financing
25 entered into by CQ Holding and Fortress Credit

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1 requires Board approval.

2 Additionally, when the Board was
3 notified of the proposed debt transaction, the
4 licensees requested that CQ Holding be allowed to
5 close on the financing in order to take advantage
6 of current market conditions. On June -- on
7 July 12, 2022, Chairman Johns, by letter, advised
8 the licensees that the financing could close
9 pending Board approval subject to the condition
10 that Catfish Queen and Louisiana Casino Cruises
11 would not guarantee the loan or provide any
12 pledges of assets or other securities until the
13 debt transaction was approved by the Board and
14 that CQ Holding or any of its subsidiaries or
15 affiliates would not pledge its ownership interest
16 in the licensees until Board approval of the full
17 debt transaction was obtained. On July 13,
18 CQ Holding closed on the financing. This matter

19 is now before the Board for your consideration and
20 full approval.

21 Audit has completed its review of the
22 debt transaction and will now report its findings
23 to the Board.

24 MS. JACKSON:

25 Good morning, Chairman Johns and

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1 Board Members. My name is Donna Jackson with
2 Louisiana State Police, Gaming Audit Section.

3 CQ Holding Company, Inc., proposes to
4 borrow \$120 million under a new credit facility
5 agreement with Fortress Credit Corp. as the
6 administrative agent and sole lender. The uses of
7 the loan have previously been described and are
8 shown on the schedule on page 4 of our report. In
9 addition to the \$120 million loan, CQ Holding will
10 utilize a portion of its cash on hand. A chart
11 depicting the components of this transaction are
12 shown on page 6. The representations, warranties,
13 and covenants of this agreement are those usual
14 and customary when compared to similar agreements.
15 The loan will mature in five years.

16 CQ Holding representatives stated
17 they project improvement and financial performance
18 due to business initiatives and investments in the
19 properties and feel CQ Holding can cover its debt
20 service and meet its financial covenants. The
21 Audit Section can't -- cannot state with any

22 degree of certainty that CQ Holding will be able
23 to achieve its projections given the increase in
24 CQ Holding's debt, the 11 percent effective
25 interest rate on the loan, and the historical

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1 revenue performance of CQ Holdings' operating
2 subsidiaries. No other financial issues came to
3 our attention to preclude the Board's approval of
4 this transaction.

5 MS. LANDRY:

6 And if it's the Board's pleasure to
7 approve the debt transaction, a resolution has
8 been prepared for your consideration.

9 CHAIRMAN JOHNS:

10 Okay. Well, thank you, Ms. Landry.
11 Thank you, Ms. Jackson. Mr. Barbin, any comments?

12 MR. BARBIN:

13 No comment. I just wanted to add a
14 note of appreciation to the staff of the Board and
15 the Attorney General's Office and the State
16 Police. Casino Queen has had a number of
17 transactions over the last year, and we have a
18 couple of more to go, but we've monopolized a lot
19 of their time, and we're appreciative of all the
20 work that they've done to get us to where we are.
21 And I'm happy to answer any question you have.

22 CHAIRMAN JOHNS:

23 Well, thank you, Mr. Barbin. We --
24 we also recognize the hard work that they do on a

25 daily basis; so . . .

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1 So, Members, any questions for staff

2 that are here today? Any questions for

3 Mr. Barbin?

4 (NO RESPONSE)

5 CHAIRMAN JOHNS:

6 Okay. Thank you very much. Okay.

7 Members, we also have to approve this by

8 resolution; so I would entertain a motion to adopt

9 the resolution that will be -- that will be read.

10 MS. HAMILTON-ACKER:

11 (Indicating)

12 CHAIRMAN JOHNS:

13 So Ms. Acker has -- Hamilton-Acker

14 has moved that we adopt the resolution, and

15 Ms. Traylor has moved that we second that. So,

16 Ms. Hood, would you read the resolution, please?

17 MS. HOOD:

18 On the 15th day of September 2022,

19 the Louisiana Gaming Control Board did, in a duly

20 noticed public meeting, consider the issue of

21 Louisiana Casino Cruises, LLC, doing business as

22 Hollywood Casino Baton Rouge, and Catfish Queen,

23 LLC, doing business as Belle of Baton Rouge's

24 request for approval of a new debt financing of

25 its parent company, CQ Holding Company, and upon

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1 motion duly made and seconded, the Board adopted

2 this Resolution:

3 Whereas, on the 15th -- on
4 June 15, 2022, Louisiana Casino Cruises and
5 Catfish Queen provided a notice of a proposed new
6 debt transaction pursuant to a certain Credit
7 Agreement, dated July 13, 2022, and among
8 CQ Holding, as the Borrower, and Fortress Credit
9 Corporation, as Administrative Agent, Collateral
10 Agent, and Lead Arranger of the Lender;

11 Whereas, said transaction requires
12 the guaranty and mortgage of Louisiana Casino
13 Cruises and Catfish Queen as collateral to secure
14 the financing obligations under said Credit
15 Agreement;

16 Whereas, the proposed new debt
17 financing and related transactions require prior
18 Board approval;

19 Now, therefore, be it resolved that
20 Louisiana Casino Cruises and Catfish Queen's
21 request for approval of new debt financing,
22 specifically an initial term loan facility,
23 entered into by CQ Holding Company and Fortress
24 Credit Corporation in a total aggregate principal
25 amount of \$120 million, and the transactions

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1 contemplated thereby, is hereby approved.

2 Be it resolved that incremental
3 increases of the initial term loan facility in the
4 total aggregate amount of \$10 million as more

5 particularly described in the Credit Agreement,
6 and the transactions contemplated thereby, is
7 hereby approved.

8 Be it resolved that the guaranty and
9 mortgage of Louisiana Casino Cruises and
10 Catfish Queen to Fortress Credit Corporation as
11 more particularly described in the Guarantee and
12 Collateral Agreement to be entered into by
13 CQ Holding and Fortress Credit Corporation, and
14 the transactions contemplated thereby, is hereby
15 approved.

16 Thus done and signed in Baton Rouge,
17 Louisiana, this 15th day of September 2022.

18 CHAIRMAN JOHNS:

19 Okay. Well, thank you, Ms. Hood.
20 So, Members, we have a motion to adopt this
21 resolution by Ms. Acker, seconded by Ms. Traylor.
22 Ms. Hood, would you call the roll, please?

23 MS. HOOD:

24 Ms. Berry?

25 MS. BERRY:

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1 Yes.

2 MS. HOOD:

3 Mr. Jackson?

4 MR. JACKSON:

5 Yes.

6 MS. HOOD:

7 Ms. Lewis?

8 MS. LEWIS:

9 Yes.

10 MS. HOOD:

11 Mr. Poole?

12 MR. POOLE:

13 Yes.

14 MS. HOOD:

15 Ms. Hamilton-Acker?

16 MS. HAMILTON-ACKER:

17 Yes.

18 MS. HOOD:

19 Mr. Sholes?

20 MR. SHOLES:

21 Yes.

22 MS. HOOD:

23 Ms. Traylor?

24 MS. TRAYLOR:

25 Yes.

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1 MS. HOOD:

2 Chairman Johns?

3 CHAIRMAN JOHNS:

4 Yes. By unanimous vote, that

5 resolution is hereby adopted. So, ladies, thank

6 you for your work. Mr. Barbin, thank you again.

7 VI. VIDEO GAMING ISSUES

8 CHAIRMAN JOHNS:

9 Okay. Moving into video gaming

10 issues, we have the consideration of the following

11 truck stop application to Royal Palace
12 Investments, LLC, doing business as Palace Truck
13 Stop & Casino. Good morning, Earl.

14 MR. PITRE:

15 Good morning, Chairman Johns, Board
16 Members. I'm Assistant Attorney General
17 Earl Pitre, Jr., appearing before the Board in the
18 matter of the original application of Royal Palace
19 Investments, LLC, doing business as Palace Truck
20 Stop & Casino, applying for approval of a Type 5
21 video draw poker gaming license.

22 On March 2, 2021, the following
23 transactions occurred: Amid Travel Plaza,
24 Incorporated, doing business as Palace Truck
25 Stop & Casino, who previously held a video poker

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1 gaming license for the truck stop, sold the
2 business and business assets to the applicant; and
3 Amid Travel Plaza, Incorporated, sold all of its
4 rights, title, and interest in the immovable
5 property and improvements of the truck stop
6 facility to Stopanbuy Investments, LLC.

7 Also, on March 2, 2021, the applicant
8 and Stopanbuy Investments entered into a lease for
9 the immovable property and improvements of the
10 truck stop facility. On May 3, 2021, Stopanbuy
11 Investments, LLC, sold a 19 percent interest in
12 the immovable property and improvements of the
13 truck stop facility to Kata Family, Limited

14 Partnership. Srinivas Kata is the sole member of
15 the applicant.

16 Criminal Investigator William Landry
17 conducted a suitability investigation of the
18 relevant person associated with the applicant and
19 conducted an on-site inspection of the truck stop
20 facility. He is present today and will report the
21 Office of State Police's findings to the Board.

22 MR. LANDRY:

23 Good morning, Chairman Johns, and
24 Board Members. Investigator William Landry with
25 Louisiana State Police, Gaming Enforcement. I

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1 conducted the suitability investigation on
2 Srinivas Kata, and I found no information that
3 would preclude him from participating in the
4 gaming industry.

5 An on-site inspection was conducted,
6 and it was determined that the facility met
7 everything -- every criteria for a qualified truck
8 stop facility. All required licenses and permits
9 were valid and posted at the time of inspection.

10 The establishment consists of
11 14.483 acres -- contiguous acres. Royal Palace
12 Investments purchased a facility that was
13 originally licensed on February 27, 1997;
14 therefore, it's not subject to the rule that it
15 must be one mile from a school, church,
16 playground, synagogue, public library, residence,

17 or a building on the National Historic Register.
18 I found no information that would preclude the
19 issuance of a Type 5 video poker license to
20 Royal Palace Investments, doing business as
21 Palace Truck Stop & Casino.

22 MR. PITRE:

23 The Office of the Attorney General
24 has reviewed the file compiled as a result of the
25 investigation conducted by the Office of State

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1 Police. Our review indicates that no information
2 has been found which would preclude approval.

3 CHAIRMAN JOHNS:

4 Okay. Thank you, gentlemen. We
5 appreciate that. This is located in New Orleans,
6 I believe.

7 MR. PITRE:

8 Yes.

9 CHAIRMAN JOHNS:

10 Am I correct?

11 MR. LANDRY:

12 Located in Chalmette.

13 CHAIRMAN JOHNS:

14 Chalmette.

15 MR. LANDRY:

16 Yes, sir.

17 CHAIRMAN JOHNS:

18 Okay. Close by.

19 MR. LANDRY:

20 Close by.

21 CHAIRMAN JOHNS:

22 All right. Thank you. Okay,

23 Members. We have a recommendation from State

24 Police and the Attorney General's Office to

25 approve this application. Are there any

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1 questions? Any questions for -- for the gentlemen

2 at the table?

3 (NO RESPONSE)

4 CHAIRMAN JOHNS:

5 Okay. I would adopt -- ask for a

6 motion to approve the application.

7 MR. SHOLES:

8 (Indicating)

9 CHAIRMAN JOHNS:

10 Judge Sholes has moved that we

11 approve the truck stop application for

12 Royal Palace Investments, --

13 MS. BERRY:

14 (Indicating)

15 CHAIRMAN JOHNS:

16 -- seconded by Ms. Berry. Are there

17 any questions?

18 MR. LANDRY:

19 For the record, it is located in

20 New Orleans East in Orleans Parish.

21 CHAIRMAN JOHNS:

22 Okay. Thank you very much. I

23 thought I read that somewhere but . . .

24 MR. LANDRY:

25 Yes, sir.

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1 CHAIRMAN JOHNS:

2 Thank you. We do have a motion and a
3 second. Is there any opposition to that motion?

4 (NO RESPONSE)

5 CHAIRMAN JOHNS:

6 Hearing none, that motion is hereby
7 adopted. Thank you very much, gentlemen.

8 CHAIRMAN JOHNS:

9 Okay. Next, we have the
10 Tallulah Travel Plaza, LLC, doing business as
11 Tallulah Travel Plaza, and this is a truck stop
12 application, also.

13 MS. MURRAY-BROWN:

14 All right. Good morning.

15 CHAIRMAN JOHNS:

16 Good morning.

17 MS. MURRAY-BROWN:

18 Chairman Johns and Board Members, I'm
19 Assistant Attorney General Alonna Murray-Brown,
20 and I'm present before the Board in the matter of
21 the original application of Tallulah Travel Plaza,
22 LLC, doing business as Tallulah Travel Plaza,
23 applying for approval of a Type 5 video draw poker
24 gaming license. The truck stop facility is
25 located in Madison Parish.

1 And on October 25, 2021,
2 Rasheed Development Corporation, doing business as
3 the Tallulah Truck Stop, who previously held a
4 video gaming license for the truck stop, sold the
5 business, business assets, and the immovable
6 property of the truck stop facility to the
7 applicant. The applicant then entered into a
8 Video Draw Poker Device Placement Agreement with
9 Bordertown Gaming, LLC. The applicant is owned by
10 Aziz Tejani, Alnoor Tejani, Snehal Patel,
11 Amit Patel, Pinu Patel, and Ankur Patel. Their
12 spouses are Mina Tejani, Kiran Tejani,
13 Chetnaben Patel, Nikita Patel, Sarina Patel, and
14 Roshni Patel.

15 Investigator William Landry inspected
16 the truck stop facility and conducted suitability
17 investigations of the associated persons, and he
18 is here this morning to report the Division's
19 findings to the Board.

20 MR. LANDRY:

21 Good morning, Chairman, again, and
22 Board Members. I conducted the suitability
23 investigation and updated background checks on all
24 the relevant persons associated with this
25 application. An on-site inspection was conducted,

1 and it was determined that it met all criteria for
2 a qualified truck stop facility. All licenses and

3 permits were posted at the time of inspection.

4 The establishment consists of 10.655 acres.

5 As the applicant purchased the
6 business from the previous licensee, Brushy Creek
7 Development Corporation, who was originally
8 licensed on June 2, 1994, it is not subject to the
9 rule that they must be within one mile from a
10 school, church, playground, synagogue, public
11 library, residence, or building on a National
12 Historic Register. I found no information that
13 would preclude the issuance of a Type 5 video
14 poker gaming license to Tallulah Travel Plaza,
15 LLC, doing business as Tallulah Travel Plaza or to
16 preclude Aziz Tejani, Mina Tejani, Alnoor Tejani,
17 Kiran Tejani, Snehal Patel, Chetnaben Patel,
18 Amit Patel, Nikita Patel, Pinu Patel,
19 Sarina Patel, Ankur Patel, and Roshni Patel from
20 participating in the gaming industry.

21 MS. MURRAY-BROWN:

22 And the Office of the Attorney
23 General has reviewed the file prepared by the
24 Office of State Police, and the information
25 contained therein would not preclude the issuance

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1 of a Type 5 license.

2 CHAIRMAN JOHNS:

3 Okay. Sounds like a real family
4 affair, huh.

5 MR. LANDRY:

6 That's a lot of names.

7 CHAIRMAN JOHNS:

8 Thank you very much. Any questions
9 for the Attorney General's Office or State Police?

10 (NO RESPONSE)

11 CHAIRMAN JOHNS:

12 So we do have a recommendation from
13 State Police and the Attorney General's Office to
14 approve the truck stop application for
15 Tallulah Travel Plaza. I would entertain a motion
16 that we approve this application.

17 MS. LEWIS:

18 (Indicating)

19 CHAIRMAN JOHNS:

20 Ms. Lewis has moved that we approve
21 that. Mr. Jackson, would you second that, sir?

22 MR. JACKSON:

23 Yes, sir, I'll second that.

24 CHAIRMAN JOHNS:

25 And Mr. Jackson has seconded that

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1 motion. Is there any discussion on the motion?

2 (NO RESPONSE)

3 CHAIRMAN JOHNS:

4 Is there any opposition to that
5 motion?

6 (NO RESPONSE)

7 CHAIRMAN JOHNS:

8 Hearing none, that motion carries.

9 Thank you very, very much.

10 MS. MURRAY-BROWN:

11 Thank you.

12 MR. LANDRY:

13 Thank you.

14 VII. SPORTS WAGERING ISSUES

15 CHAIRMAN JOHNS:

16 Okay. Ladies and gentlemen, sports
17 wagering issues. Today we have the consideration
18 for the approval of a sports wagering license
19 application for Louisiana Casino Cruises, LLC,
20 doing business as Hollywood Casino here in
21 Baton Rouge. Good morning.

22 MR. GATHE:

23 Good morning, Chairman Johns, Board
24 Members. I'm Assistant Attorney General
25 Jeremy Gathe, and here with me today is

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1 Ms. Tammy Haupt with Louisiana State Police,
2 Gaming Audit, and Investigator Rodney Perkins with
3 Louisiana State Police, Gaming Enforcement
4 Division. We're here in the matter of the
5 consideration of a sports wagering license
6 application of Louisiana Casino Cruises, LLC,
7 doing business as Hollywood Casino Baton Rouge.

8 Pursuant to Louisiana Revised
9 Statute 27:601, the Board is charged with issuing
10 or denying applications of sports wagering
11 licenses. The applicant is eligible for a sports

12 wagering license due to its licensure as a
13 riverboat gaming licensee. The Board issued a
14 Temporary Certificate of Authority to the
15 applicant to conduct business as a sports wagering
16 licensee with an effective date of March 17, 2022.
17 The TCOA expires on September 17, 2022.

18 State Police's Gaming Division has
19 reviewed the investigation of the application and
20 will now report its findings to the Board.

21 MS. HAUPT:

22 Good morning, Chairman Johns and
23 Board Members. My name is Tammy Haupt. I'm with
24 Louisiana State Police's Gaming Audit Section.
25 The Audit Section has reviewed the financial

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1 information submitted by the sports wagering
2 license applicant, Louisiana Cruises, LL --
3 Louisiana Casino Cruises, LLC, doing business as
4 Hollywood Casino Baton Rouge, and its parent
5 company, CQ Holding Company, Inc. In addition to
6 Hollywood, Casino Queen operates one additional
7 gaming property in the state of Louisiana,
8 Catfish Queen, LLC, doing business as Belle of
9 Baton Rouge.

10 On November 15, 2021, Hollywood
11 entered into a sports wagering agreement with
12 DraftKings, Inc., doing business as DraftKings
13 Sportsbook, a Delaware Corporation and wholly
14 owned direct subsidiary of Direct -- of

15 DraftKings, Inc., a Nevada Corporation. The
16 agreement allows DraftKings to provide the
17 licensee a turnkey retail sports wagering
18 operation under the DraftKings brand, as well as
19 on premise online sports wagering. This allows
20 Hollywood's patrons to place on premise online
21 sports wagers via DraftKing's mobile app.

22 It is our assessment, based on the
23 information reviewed, Hollywood possesses the
24 financial ability to develop, construct, operate,
25 and maintain its sports wagering operations. No

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1 financial issues came to the Audit Section's
2 attention that were of such nature as to preclude
3 the Board from approving the issuance of a sports
4 wagering license to Hollywood. Licensing will now
5 present their findings.

6 MR. PERKINS:

7 Good morning, Chairman Johns, Members
8 of the Board. I'm Criminal Investigator
9 Rodney Perkins with Louisiana State Police, Gaming
10 Enforcement Division.

11 On November 15, 2021, Louisiana State
12 Police, Gaming Enforcement Division, received a
13 sports wagering license application from
14 Louisiana Casino Cruises, LLC, doing business as
15 Hollywood Casino Baton Rouge. In accordance with
16 the rules and regulations of the Gaming Division,
17 a background investigation was conducted on

18 Louisiana Casino Cruises, LLC, its shareholders,
19 subsidiaries, officers, directors, and persons
20 with five percent or more ownership or economic
21 interest in the license.

22 The background investigation
23 consisted of inquiries to federal, state, local
24 law enforcement agencies, civil jurisdictions,
25 gaming regulatory agencies, Louisiana Department

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1 of Revenue, and the Computerized Criminal History
2 Database. Based on this investigation, there was
3 no information found that would preclude the Board
4 from approving the license of Louisiana Casino --
5 Casino Cruises, LLC, doing business as Hollywood
6 Casino Baton Rouge.

7 MR. GATHE:

8 And if it is the Board's pleasure to
9 approve the sports wagering license application of
10 Louisiana Casino Cruises, LLC, a resolution has
11 been prepared for the Board's adoption and the
12 chairman's signature. And we do have
13 representatives from the applicant that's here
14 today and will provide a brief presentation.

15 CHAIRMAN JOHNS:

16 Okay. Thank you. Members, any
17 questions for Attorney General's Office or State
18 Police at this time?

19 (NO RESPONSE)

20 CHAIRMAN JOHNS:

21 Okay. Hollywood, do you have
22 anything to add this morning? Mr. Barbin?

23 MR. BARBIN:

24 (Shaking head)

25 CHAIRMAN JOHNS:

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1 I didn't think so but . . .

2 MR. BARBIN:

3 We're happy to answer any questions
4 you have.

5 CHAIRMAN JOHNS:

6 Well, we're excited about this being
7 on the agenda today. I know it's going to play a
8 big part in the new facility that's -- that's
9 hopefully going to be up and running by next
10 spring, we hope; so . . .

11 Okay. Member, any questions?

12 (NO RESPONSE)

13 CHAIRMAN JOHNS:

14 Okay. We do have to do this by
15 resolution. I do need a motion to adopt this
16 resolution.

17 MR. JACKSON:

18 Move to adopt.

19 CHAIRMAN JOHNS:

20 Mr. Jackson has moved that we adopt
21 the resolution.

22 MS. BERRY:

23 (Indicating)

24 CHAIRMAN JOHNS:

25 And Ms. Berry has seconded that

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1 motion. And so, Ms. Hood, would you read the
2 resolution, please?

3 MS. HOOD:

4 On the 15th day of September 2022,
5 the Louisiana Gaming Control Board did, in a duly
6 noticed public meeting, consider the sports
7 wagering license application of Louisiana Casino
8 Cruises, LLC, doing business as Hollywood Casino
9 Baton Rouge, and upon motion duly made and
10 seconded, the Board adopted the following
11 resolution:

12 Be it resolved that Louisiana Casino
13 Cruises, LLC, doing business as Hollywood Casino
14 Baton Rouge, be approved for a sports wagering
15 license for a term of five years commencing
16 March 17, 2022.

17 Thus done and signed in Baton Rouge,
18 Louisiana, this 15th day of September 2022.

19 CHAIRMAN JOHNS:

20 Okay. Thank you, Ms. Hood. We do
21 have a motion by Mr. Jackson, seconded by
22 Ms. Berry, that we adopt the resolution. And,
23 Ms. Hood, would you call the roll?

24 MS. HOOD:

25 Ms. Berry?

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1 MS. BERRY:

2 Yes.

3 MS. HOOD:

4 Mr. Jackson?

5 MR. JACKSON:

6 Yes.

7 MS. HOOD:

8 Ms. Lewis?

9 MS. LEWIS:

10 Yes.

11 MS. HOOD:

12 Mr. Poole?

13 MR. POOLE:

14 Yes.

15 MS. HOOD:

16 Ms. Hamilton-Acker?

17 MS. HAMILTON-ACKER:

18 Yes.

19 MS. HOOD:

20 Mr. Sholes?

21 MR. SHOLES:

22 Yes.

23 MS. HOOD:

24 Ms. Traylor?

25 MS. TRAYLOR:

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1 Yes.

2 MS. HOOD:

3 Chairman Johns?

4 CHAIRMAN JOHNS:

5 Yes. So by unanimous vote, we have
6 approved this resolution. Congratulations to
7 Hollywood. Thank you very much for -- once again,
8 for your commitment. Thank you.

9 Okay. Last item on the agenda will
10 be -- and before you, the approval of a sports
11 wagering platform provider permit application,
12 Rush Street Interactive, doing business as
13 BetRivers. Good morning.

14 MS. SIZEMORE:

15 Good morning, Chairman Johns, Members
16 of the Board. I'm Assistant Attorney General
17 Shanna Sizemore appearing with Ms. Tammy Haupt
18 with the Louisiana State Police, Gaming Audit
19 Division, and Trooper Michael Daniel with Gaming
20 Enforcement Division. Laura McAllister Cox, who
21 is the Chief Compliance Officer of RSI is also
22 present today, if there are any questions after
23 our presentation. We're here in the matter of the
24 consideration of the sports wagering platform
25 provider permit application of RSI LA, LLC, doing

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1 business as BetRivers.

2 Pursuant to the Louisiana Sports
3 Wagering Act, the Board is charged with issuing or
4 denying applications for sports wagering platform
5 provider permits. The Board issued a Temporary
6 Certificate of Authority to the applicant to

7 conduct business as a sports wagering platform
8 provider with an effective date of
9 January 26, 2022. The TCOA was set to expire on
10 July 26, 2022; however, after a request was made
11 by the applicant for an extension of time, the
12 expiration of the TCOA was extended for 90 days,
13 and that began July 27, 2022. The TCOA expires on
14 October 25, 2022.

15 State Police's Gaming Division has
16 reviewed and investigated the application and will
17 now present its findings to the Board.

18 MS. HAUPT:

19 Good morning. My name is Tammy Haupt
20 with Louisiana State Police's Gaming Audit
21 Section. The Audit Section has reviewed the
22 financial information submitted in conjunction
23 with the sports wagering platform provider permit
24 applicant, RSI LA, LLC, doing business as
25 BetRivers, as well as its -- its direct and

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1 indirect parent companies.

2 RSI LA is a wholly owned subsidiary
3 of Rush Street Interactive, LP, and an indirect
4 subsidiary of Rush Street Interactive, Inc., with
5 RSI, Inc., owning 29 percent of RSI, LP, and
6 non-controlling interest -- interests owning the
7 remaining 71 percent. RSI, Inc., establishes and
8 utilizes subsidiaries, usually in the form of
9 limited liability companies, to facilitate its

10 operations in jurisdictions where it's licensed to
11 operate; therefore, RSI, Inc., and its
12 subsidiaries will be collectively referred to as
13 RSI.

14 RSI generates the majority of its
15 revenues from a combination of real-money online
16 casino, online sports betting, and/or retail
17 sports betting in 17 jurisdictions. This includes
18 14 U.S. states, Columbia, Mexico, and Canada, with
19 its revenue predominantly coming from U.S. op --
20 U.S. operations.

21 In February of 2021, RSI entered into
22 a Sports Wagering and Interactive Gaming License
23 with Penn National Gaming, Inc., now known as
24 Penn Entertainment, Inc. This strategic
25 partnership allows RSI to offer it's

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1 BetRivers-branded sports betting and casino
2 platform and services to Penn subsidiaries and
3 affiliated entities for up to 20 years in seven
4 U.S. states, including Louisiana, if and when
5 authorized under applicable law.

6 Since Louisiana sports wagering laws
7 require sports wagering platform provider
8 permittees to contract directly with a licensee,
9 two joinders to this agreement were executed in
10 January of 2022 and June of 2022 to include both
11 the Louisiana sports wagering licensee and
12 platform provider permittee. As a result, RSI

13 became Bossier Casino Ventures, LLC, doing
14 business as Margarita Resort Casino's Louisiana
15 gaming partner utilizing one of Margaritaville's
16 legally authorized mobile licenses.

17 RSI has generated record levels of
18 revenue for 13 consecutive quarters with second
19 quarter revenue reported at \$143.7 million in
20 2022, up 17 percent from \$122.8 million in 2021,
21 and revenues for the fiscal year ending
22 December 31, 2021, reported at \$488.1 million, an
23 increase of 75 percent when compared to
24 \$287.5 million in 2020.

25 RSI's current revenue projections for

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1 the full year ending December 31, 2022, are
2 between \$600 million and \$630 million. This
3 represents a 26 percent increase year-to-year
4 growth increase in revenue using the \$615 million
5 midpoint. The increase in forecasted revenue for
6 2022 is mainly due to and directly correlated with
7 RSI's growth in the majority of its existing
8 markets as -- and expansion into new markets.

9 RSI has a history of operating
10 losses, reporting operating losses of
11 \$75.8 million for the second quarter of 2022 and
12 operating losses of \$94.3 million and
13 \$133.4 million for the years ending December 31,
14 2021, and 2020, respectively. Operating losses
15 are not uncommon with emerging sports wagering

16 platform providers, as significant investments are
17 required for entry into new regulated
18 jurisdictions, as well as increased costs related
19 to online and retail penetration.

20 Although RSI has incurred operating
21 losses over the past three years, it has achieved
22 record revenue growth while achieving a working
23 capital surplus beginning in the first quarter of
24 2021 and maintaining unrestricted cash balances
25 ranging from 200 to \$365 million with no debt

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1 outstanding.

2 During RSI's press conference held on
3 August 4, 2022, Richard Schwartz, CEO of RSI,
4 stated that the company was well-positioned to
5 achieve the goal of adjusted EBITDA profitability
6 in the second quarter of 2023 based on its
7 continued growth in the U.S. and international
8 markets.

9 Since RSI does not have an investment
10 in a brick -- in a brick and mortar facility in
11 Louisiana, we feel there is minimal risk to the
12 state if they do not achieve profit -- the
13 profitability they're projecting. Additionally,
14 there is minimal risk to Louisiana patrons, as
15 state gaming laws require RSI to segregate player
16 deposits from its operational funds and maintain
17 sufficient cash reserve to cover outstanding
18 sports wagers on future events, unpaid winnings,

19 and sports wagering account balances to ensure
20 players can withdraw funds at any time.

21 In our assessment, based on the
22 information reviewed by the Audit Section, RSI
23 possesses the financial ability to support its
24 sports wagering operations. No financial issues,
25 other than its negative operating profits

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1 previously mentioned, came to the Audit Section's
2 attention that were of such nature to preclude the
3 Board from approving the issuance of a sports
4 wagering platform provider permit to RSI.

5 Licensing will now present their
6 findings.

7 MR. PERKINS:

8 Good morning, Chairman Johns and
9 Members of the Board. I'm Master Trooper
10 Michael Daniel with the Louisiana State Police,
11 Gaming Enforcement Division.

12 On November 18, 2021, RSI LA, LLC,
13 doing business as BetRivers, submitted a sports
14 wagering platform provider application. RSI LA,
15 LLC, doing business as BetRivers, applied for a
16 permit to provide online market access sports
17 wagering operation on behalf of Bossier Casino
18 Venture, LLC, doing business as Margaritaville
19 Resort Casino.

20 Under the rules and regulations of
21 the Gaming Enforcement Division, a background

22 investigation was conducted on RSI LA, doing
23 business as BetRivers, its shareholders,
24 subsidiaries, officers, directors, and persons
25 with five percent or more ownership or economic

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1 interest in the permit to determine if any
2 information would deem RSI LA, LLC, doing business
3 as BetRivers, unsuitable.

4 The background investigation
5 consisted of inquiries to federal, state, and
6 local law enforcement agencies, civil
7 jurisdictions, gaming regulatory agencies, and the
8 Louisiana Department of Revenue. Inquiries were
9 also made through a Computerized Criminal History
10 Database. Based on the investigation, no
11 information was found that would preclude the
12 Board from approving RSI LA, LLC, doing business
13 as BetRivers, a sports wagering platform provider
14 a permit.

15 CHAIRMAN JOHNS:

16 Okay. Thank you very much. Any
17 questions for the -- Ms. Berry? Okay. Ms. Berry.

18 MS. BERRY:

19 My question is to Ms. Tammy.

20 MS. HAUPT:

21 Uh-huh.

22 MS. BERRY:

23 I was concerned, as you mentioned,
24 with the losses from operations continuing from

25 '19 through '22, other than the small profit in

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1 '20, but you said that this is kind of generally

2 how it happens when they get involved in sports

3 wagering?

4 MS. HAUPT:

5 Yes, ma'am. We're seeing that

6 with -- when they're penetrating a new market in a

7 new jurisdiction, due to the regulations and the

8 costs associated with it, yes, ma'am, this is what

9 we're seeing.

10 MS. BERRY:

11 Okay. So you think they have a good

12 chance of coming out of it?

13 MS. HAUPT:

14 I do. What I'm seeing here is at

15 least they have -- they have achieved --

16 MS. BERRY:

17 The reserves --

18 MS. HAUPT:

19 -- positive -- yes.

20 MS. BERRY:

21 -- to pay --

22 MS. HAUPT:

23 -- positive market capital, a

24 surplus. They did that beginning in 2021, and

25 they are -- they are -- according to their CEO,

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1 they're on schedule and will achieve positive

2 EBITDA in --

3 MS. BERRY:

4 In '23?

5 MS. HAUPT:

6 -- 2023.

7 MS. BERRY:

8 Thank you. I didn't mean to

9 interrupt you. I'm sorry.

10 MS. HAUPT:

11 No.

12 MS. BERRY:

13 Thank you for the information. That

14 was the only thing that concerned me, and you

15 answered it really before I asked.

16 MS. HAUPT:

17 Okay.

18 MS. BERRY:

19 Thank you.

20 CHAIRMAN JOHNS:

21 Thank you, Ms. Berry. I think

22 Ms. Cox is in the audience. Is that correct?

23 Would you like to come forward for a quick second?

24 MS. COX:

25 (Complying with request)

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1 CHAIRMAN JOHNS:

2 Good morning, Ms. Cox. I knew you

3 were coming; so I just wanted to welcome you to

4 Louisiana. And any comments or --

5 MS. COX:

6 Well, first off, --

7 CHAIRMAN JOHNS:

8 -- anything you would like to add?

9 MS. COX:

10 Sure. Good morning, Chairman Johns.

11 CHAIRMAN JOHNS:

12 Identify yourself for the record,

13 please.

14 MS. COX:

15 Oh, Sure. Laura McAllister Cox,

16 Chief Compliance Officer, Rush Street Interactive,

17 LP. Good morning, Chairman Johns and Members of

18 the Board. It is my pleasure. I haven't been in

19 Baton Rouge in several years; so it was delightful

20 to come back, and I see a lot of wonderful

21 improvements here Downtown. It was a pleasure

22 walking around last night, and thank you for the

23 good weather and the low humidity. I appreciate

24 that hospitality. We greatly appreciate your

25 consideration of our permit here today and are

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1 enjoying becoming part of the Louisiana community

2 with the BetRivers sportsbook.

3 CHAIRMAN JOHNS:

4 Okay. All right. Any questions for

5 Ms. Cox? Ms. Cox, stick around long enough, and

6 the humidity will change, I promise you, --

7 MS. COX:

8 Thank you. Thank you.

9 CHAIRMAN JOHNS:

10 -- unfortunately. Okay. Members, we
11 must approve this by resolution, and I would
12 entertain a motion that we adopt the resolution
13 that will be read.

14 MS. TRAYLOR:

15 So moved.

16 CHAIRMAN JOHNS:

17 So Ms. Traylor has moved that we
18 adopt this resolution, and Mr. Jackson has --

19 MR. JACKSON:

20 Second.

21 CHAIRMAN JOHNS:

22 -- seconded that motion. And so,
23 Ms. Hood, would you read the resolution, please?

24 MS. HOOD:

25 On the 15th day of September 2022,

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1 the Louisiana Gaming Control Board did, in a duly
2 noticed public meeting, consider the sports
3 wagering platform provider permit application and
4 the comprehensive compulsive and problem gambling
5 program of RSI LA, LLC, doing business as
6 BetRivers, and upon motion duly made and seconded,
7 the Board adopted this Resolution:

8 Be it resolved that RSI LA, LLC,
9 doing business as BetRivers, has -- be approved
10 for a Sports Wagering Platform Provider Permit for

11 a term of five years commencing January 26, 2022.

12 Be it resolved that the comprehensive
13 compulsive and problem gambling program submitted
14 by RSI LA, LLC, doing business as BetRivers, is
15 hereby approved.

16 Thus done and signed in Baton Rouge,
17 Louisiana, this 15th day of September 2022.

18 CHAIRMAN JOHNS:

19 Okay. Thank you, Ms. Hood. And so,
20 Members, we have a resolution before you with a
21 motion by Ms. Traylor, seconded by Mr. Jackson.
22 And, Ms. Hood, would you call the roll, please?

23 MS. HOOD:

24 Ms. Berry?

25 MS. BERRY:

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1 Yes.

2 MS. HOOD:

3 Mr. Jackson?

4 MR. JACKSON:

5 Yes.

6 MS. HOOD:

7 Ms. Lewis?

8 MS. LEWIS:

9 Yes.

10 MS. HOOD:

11 Mr. Poole?

12 MR. POOLE:

13 Yes.

14 MS. HOOD:
15 Ms. Hamilton-Acker?

16 MS. HAMILTON-ACKER:
17 Yes.

18 MS. HOOD:
19 Mr. Sholes?

20 MR. SHOLES:
21 Yes.

22 MS. HOOD:
23 Ms. Traylor?

24 MS. TRAYLOR:
25 Yes.

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1 MS. HOOD:
2 Chairman Johns?

3 CHAIRMAN JOHNS:
4 Yes. So by unanimous vote, this
5 resolution is hereby adopted. Congratulations,
6 Ms. Cox, and thank you for being here again.

7 MS. COX:
8 Thank you.

9 CHAIRMAN JOHNS:
10 And to State Police and the Attorney
11 General's Office, thank you; so . . .

12 VIII. ADJOURNMENT

13 CHAIRMAN JOHNS:
14 Okay. Members, we have nothing
15 further, actually, on the agenda. I would like to
16 report to you, though, that since we met last

17 time, we've had some of our permanent sportsbooks
18 that have opened, and you are going be extremely
19 pleased when you see the results of what has been
20 built out.

21 Harrah's in New Orleans opened theirs
22 a little over a week ago, and Golden Nugget in
23 Lake Charles has opened theirs, and I think
24 Horseshoe in Bossier has opened theirs, and there
25 may be others that I just don't know about yet,

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1 but I can tell you everything that I've seen and
2 that I've toured is absolutely first-class,
3 over-the-top Vegas quality. Very, very proud of
4 the industry for the -- for the financial
5 commitment they've made to our state with the
6 sportsbooks.

7 So I would encourage you to visit
8 some of those properties and see what -- what
9 they're doing. It's -- it's pretty interesting
10 and I'm just real proud of it. So you will be,
11 too.

12 So any further comments from the
13 Board?

14 (NO RESPONSE)

15 CHAIRMAN JOHNS:

16 Thank you for being here today. Be
17 sure to keep Mr. Avant in your prayers. And I
18 would entertain a motion that we adjourn.
19 Mr. Jackson always makes that motion.

20 MR. JACKSON:

21 So moved.

22 CHAIRMAN JOHNS:

23 Is there any objection to that
24 motion?

25 (NO RESPONSE)

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1 CHAIRMAN JOHNS:

2 Hearing none, we are hereby
3 adjourned.

4 (PROCEEDINGS CONCLUDED AT 11:31 A.M.)

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1 REPORTER'S CERTIFICATE

2 I, Karla H. Mayers, a Certified Court

Reporter in and for the State of Louisiana, do

3 hereby certify that the foregoing is a true and

correct transcript of the proceedings held at this

4 Louisiana Gaming Control Board meeting on the 15th

day of September 2022, as set forth in the

5 forgoing 101 pages.

I further certify that said testimony was

6 reported by me in the Stenotype reporting method,

was prepared and transcribed by me or under my

7 direction to the best of my ability and

understanding.

8 I further certify that the transcript has

been prepared in compliance with transcript format

9 guidelines required by statute or by rules of the

board and that I have been informed about the

10 complete arrangement, financial or otherwise, with

the person or entity making arrangements for

11 deposition services.

I further certify that I have acted in

12 compliance with the prohibition on contractual

relationships, as defined by Louisiana Code of

13 Civil Procedure Article 1434 and in rules and

advisory opinions of the board.

14 I further certify that I am not an
attorney or counsel for any of the parties, that I
15 am neither related to nor employed by any attorney
or counsel connected with this action, and that I
16 have no financial interest in the outcome of this
matter.

17 This certification is valid only for this
transcript accompanied by my original signature on
18 this page.

19

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21

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Karla H. Mayers, CCR

Certificate No. 94023