

LGCB - Board of Directors Meeting - 02-20-17, (Pages 1:1 to 67:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 MONDAY, FEBRUARY 20, 2017

10

11 LaSalle Building - LaBelle Hearing Room

12 617 North 3rd Street

13 Baton Rouge, Louisiana

14

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16

17 TIME: 10:00 A.M.

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1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

MARK STIPE

8 Seventh Congressional District

June 30, 2020

9

10 JAMES SINGLETON

(Public/Business Administration)

11 Second Congressional District

June 30, 2020

12

CLAUDE D. JACKSON

13 (At large)

Fourth Congressional District

14 June 30, 2018

15 ROBERT W. GASTON, III

(At Large)

16 Sixth Congressional District

June 30, 2021

17

18 JULIE BERRY

(CPA)

19 Third Congressional District

June 30, 2018

20

WANDA THERIOT

21 (At large)

First Congressional District

22 June 30, 2021

23 RICHARD PATRICK

(Law Enforcement)

24 Fifth Congressional District

Appointed January 27, 2017

25

3

1 APPEARANCES CONTINUED

2

3 MAJOR MARK NOEL

Ex-Officio Board Member

4 Louisiana State Police

5

6 KIMBERLY ROBINSON

Department of Revenue

7 Secretary

8

9 GERALYN A. COLEMAN

Appeal Docket Clerk

10

11 TRUDY SMITH

Confidential Assistant

12

13 REPORTED BY:

14 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

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1		PAGE
2	I. CALL TO ORDER	6
3	II. PUBLIC COMMENTS	8
4	III. REVENUE REPORTS	8
5	IV. COMPLIANCE REPORTS	14
6	V. CASINO GAMING ISSUES	
7	A. Consideration of Request for	
8	Approval of Merger Financing by	
9	Eldorado Resorts, Inc., in	
10	regards to the Acquisition of	
11	Isle of Capri Casinos, Inc.	19
12	B. Consideration of the Casino	
13	Support Services Contract with	
14	the City of New Orleans	27

15 C. Consideration of Petition by
16 Jazz Casino Company, LLC,
17 d/b/a Harrah's New Orleans for
18 Approval of Second Floor
19 Development 30

20 VI. VIDEO GAMING ISSUES

21 A. Consideration of transfer of
22 interest in the following
23 truckstop:

24 1. Minnows, LLC, d/b/a Lucky
25 Dollar Casino

5

1 PAGE

2 - No. 5000512212 53

3 VII. CONSIDERATION OF PROPOSED

4 SETTLEMENTS/APPEAL IN THE FOLLOWING:

5 1. In Re: Breaktime Bar, LLC,
6 d/b/a Breaktime Bar - No.
7 0904114156 (proposed settlement) 57

8 2. In Re: Sidebar NOLA, LLC,
9 d/b/a Sidebar - No. 3601117338
10 (proposed settlement) 59

11 3. In Re: Ivan Humphreys, LLC,
12 d/b/a Ivan's Pub Home of the
13 Neon Lizard, No. 0904110278 60

14 4. In Re: HAS, LLC, d/b/a AAA
15 Lounge, No. 1001117341 (proposed
16 settlement) 61

17 5. In Re: Kassandra M. Paige -

18 No. PO40040892 (appeal) 63

19 VIII. ADJOURNMENT 65

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the February irregular
4 meeting of the Gaming Control Board. I
5 apologize that we're out of the Capitol.
6 Hopefully we'll be back over there for
7 our meeting in March.

8 Some of you may not be aware,
9 Miss Tramonte's been out on some medical
10 leave for the last few weeks. She's
11 recovering. She's doing better, but we
12 left her at the office today, so Miss
13 Coleman will be substituting for her;
14 but she sends her best, and she's still
15 available by phone if you need to reach
16 out for her.

17 Miss Coleman, would you call the
18 roll, please.

19 MS. COLEMAN: Chairman Jones?

20 CHAIRMAN JONES: Here.

21 MS. COLEMAN: Mr. Bradford?

22 MR. BRADFORD: Here.

23 MS. COLEMAN: Mr. Stipe?

24 MR. STIPE: Here.

25 MS. COLEMAN: Mr. Singleton?

7

1 MR. SINGLETON: Here.

2 MS. COLEMAN: Mr. Jackson?

3 MR. JACKSON: Here.

4 MS. COLEMAN: Mr. Gaston?

5 MR. GASTON: Here.

6 MS. COLEMAN: Miss Berry?

7 MS. BERRY: Here.

8 MS. COLEMAN: Miss Theriot?

9 MS. THERIOT: Here.

10 MS. COLEMAN: Mr. Patrick?

11 MR. PATRICK: Here.

12 MS. COLEMAN: Colonel Edmonson?

13 MAJOR NOEL: Major Noel for Colonel

14 Edmonson.

15 MS. COLEMAN: Secretary Robinson?

16 SECRETARY ROBINSON: Present.

17 CHAIRMAN JONES: Good morning and

18 thanks for having us. We appreciate

19 being here. We have a quorum. We may

20 conduct business. I want to introduce

21 our newest board member. Governor

22 Edwards appointed Richard Patrick to the

23 law enforcement specific discipline. As

24 you know, there's certain disciplines
25 that have to be represented on the

8

1 Board, and Major Claude Mercer had
2 resigned his position to take a job with
3 the sheriff that was in his parish who
4 was recently, I think, this past summer
5 elected and offered him a job, so he
6 stepped down; and Richard comes to us
7 with background. He was with State
8 Police for many years, retired from that
9 position and was involved in the banking
10 industry so he brings a strong financial
11 and law enforcement background, and we
12 welcome you to the Board.

13 MR. PATRICK: Thank you.

14 CHAIRMAN JONES: Thank you for being
15 here.

16 II. PUBLIC COMMENTS

17 CHAIRMAN JONES: Okay. Anyone wish
18 to make any public comments on any
19 matter on the Board's agenda today?
20 Anyone? [No response.]

21 III. REVENUE REPORTS

22 CHAIRMAN JONES: We'll move to
23 Revenue Reports. Good morning.

24 MS. JACKSON: Good morning, Chairman
25 Jones, Board Members. My name is Donna

9

1 Jackson with the Louisiana State Police
2 Gaming Enforcement Division.

3 The 15 operating riverboats
4 generated Adjusted Gross Receipts of
5 \$145,845,719 in January. This total
6 represents a decrease of \$26 million or
7 15 percent from last month and a
8 decrease of \$8.5 million or 5.5 percent
9 from last January. The decrease can
10 partially be attributed to this January
11 having one less Friday and Saturday than
12 January 2016.

13 Adjusted Gross Receipts for fiscal
14 year 2016-2017 to date are
15 \$1,110,000,000, a decrease of \$15.7
16 million or 1.4 percent from fiscal year
17 2015-2016.

18 During January, the State collected
19 fees totaling \$31,356,830. As of
20 January 31st, 2017, the State collected
21 almost \$239 million in fees for fiscal
22 year 2016-2017, a decrease of
23 \$3.4 million from last fiscal year.

24 Next is a summary of the January
25 2017 gaming activity for Harrah's New

10

1 Orleans found on page three. During
2 January, Harrah's generated \$21,427,882
3 in gross gaming revenue, a decrease of

4 \$3 million or 12 percent from last
5 month, and a decrease of \$1 million or
6 5 percent from last January. Fiscal
7 year-to-date gaming revenues for
8 2016-2017 are almost \$155 million, down
9 \$22 million or 13 percent from fiscal
10 year 2015-2016.

11 During January, the State received
12 \$5,095,809 in minimum daily payments.
13 As of January 31st, 2017, the State has
14 collected \$35 million in fees for fiscal
15 year 2016-2017.

16 Next I will present the revenues for
17 Slots at the Racetracks. During
18 January, the four racetrack facilities
19 combined generated Adjusted Gross
20 Receipts of \$27,608,088, a decrease of
21 \$1.5 million or 5 percent from last
22 month, and a decrease from January 2016
23 of \$2.7 million or 9 percent.

24 Adjusted Gross Receipts for fiscal
25 year 2016-2017 to date are \$194 million,

11

1 a decrease of \$11.6 million or 6 percent
2 from fiscal year 2015-2016.

3 During January, the State collected
4 \$4,188,147 in fees. As of January 31st,
5 2017, the State has collected
6 \$29 million in fees for fiscal year

7 2016-2017.

8 Overall in January, Riverboats
9 Landbased and Slots at the Racetracks
10 combined generated approximately \$195
11 million in AGR and over \$40 million in
12 state fees. These revenues represent a
13 decrease from January 2016 of about 6
14 percent.

15 Are there any questions before I
16 present the Harrah's employee
17 information?

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

20 MS. JACKSON: Harrah's New Orleans
21 is required to maintain at least 2,400
22 employees and a bi-weekly payroll of
23 \$1,750,835. This report covers pay
24 periods in January 2017.

25 For the first pay period, the

12

1 Division verified 2,646 employees with a
2 payroll of \$2,177,000. For the second
3 pay period, the Division verified 2,634
4 employees with a payroll of \$2,164,000.
5 Therefore, Harrah's met the employment
6 criteria during January.

7 CHAIRMAN JONES: Questions, Board
8 Members? There are no questions.

9 MS. JACKSON: Today I will also be

10 reporting the video gaming statistics as
11 shown on page one of the video poker
12 handout.

13 Seventeen new video gaming licenses
14 were issued during January: Twelve
15 bars, four restaurants and one
16 truckstop. Twelve new applications were
17 received by the Gaming Enforcement
18 Division in January and are currently
19 pending in the field: Eight bars and
20 four restaurants.

21 The Gaming Enforcement Division
22 assessed \$1,250 and collected \$5,000 in
23 fines during January. There are
24 currently \$2,000 in outstanding fines.

25 As you'll see on page two of the

13

1 handout, there are presently 13,115
2 video gaming devices activated at 1,778
3 locations.

4 Net device revenue for January 2017
5 was \$45.4 million, a \$4.7 million, a
6 9.4 percent decrease when compared to
7 December 2016, and a \$600,000 or
8 1.3 percent decrease when compared to
9 January 2016.

10 Net device revenue for fiscal year
11 2017 to date is \$326.1 million, a
12 \$5 million or 1.5 percent decrease when

13 compared to fiscal year 2016. Page
14 three of the handout shows a comparison
15 of net device revenue.

16 Total franchise fees collected
17 during January 2017 are \$13.6 million, a
18 \$1.4 million decrease when compared to
19 December 2016, and a \$200,000 decrease
20 when compared to January 2016. Total
21 franchise fees collected for fiscal year
22 2017 are \$97.8 million, a \$1.3 million
23 or 1.3 percent decrease when compared to
24 December 2016. Page four of your
25 handout shows a comparison of the

14

1 franchise fees.

2 Any questions?

3 CHAIRMAN JONES: Any questions on
4 video poker? There are no questions.

5 MS. JACKSON: Thank you.

6 CHAIRMAN JONES: Thank you very
7 much.

8 IV. COMPLIANCE REPORTS

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

11 MS. BROWN: Good morning. Good
12 morning, Chairman Jones, Board Members.
13 I'm Mesa Brown, Assistant Attorney
14 General. Today I will present the staff
15 reports on riverboat and racetrack

16 casino licensees' compliance with
17 employment and procurement conditions
18 for the fourth quarter of 2016. I'll
19 begin with riverboats.

20 The fourth quarter reports are taken
21 from figures reported by the 15
22 operating riverboats to the Louisiana
23 Gaming Control Board. In the fourth
24 quarter of 2016, approximately 13,838
25 people were employed by the riverboat

15

1 industry. Of that number, 13,558 were
2 Louisiana residents, 8,649 were
3 minorities and 7,869 were women.

4 Six licensees achieved total
5 compliance this quarter, and they are:
6 Golden Nugget, L'Auberge Casino and
7 Hotel Baton Rouge, Belle of Baton Rouge
8 Casino, Boomtown New Orleans, Isle of
9 Capri Casino St. Charles and L'Auberge
10 Lake Charles.

11 Next I'll address employment. Four
12 licensees did not meet their total
13 employment goals. They are DiamondJacks
14 Casino and Resort, who achieved 427 out
15 of a goal of 650; Hollywood achieved 407
16 out of a goal of 450; Boomtown Casino
17 Bossier achieved 543 out of 650, and
18 Eldorado Resort Shreveport achieved

19 1,132 out of 1,200.

20 All licensees either met or exceeded
21 their goals in all of the subcategories
22 under the main category of employment
23 with the exception of Treasure Chest who
24 failed to meet its female employment
25 goal. It achieved 50.7 percent out of a

16

1 goal of 51.86 percent.

2 Next I'll address procurement. The
3 licensees are grouped according to three
4 subcategories which appear in your
5 report. They are Louisiana, minority
6 and female procurement. Under Louisiana
7 procurement, one licensee did not
8 achieve compliance with its voluntary
9 condition. The licensee is
10 Margaritaville Resort Casino, who
11 achieved 80.7 percent out of a goal of
12 90 percent.

13 Minority procurement, six licensees
14 did not achieve compliance with their
15 voluntary conditions, and they are
16 DiamondJacks, who achieved 9.5 out of 10
17 percent; Sam's Town achieved 12 out of
18 25; Horseshoe achieved 21.4 out of 35;
19 Amelia Belle achieved 18.2 out of 30;
20 Margaritaville achieved 8.1 out of 10;
21 and Eldorado achieved 19 out of

22 25 percent.

23 Female procurement, all licensees
24 either met or exceeded their female
25 procurement goals this quarter.

17

1 Are there any questions regarding
2 the riverboats?

3 CHAIRMAN JONES: Any questions
4 regarding with respect to either
5 employment or procurement on riverboats?
6 There are no questions.

7 MS. BROWN: Thank you. Now, I'll
8 begin with racetrack. In the fourth
9 quarter of 2016, approximately 1,505
10 people were employed by the racetrack
11 casino industry. Of that number, 1,263
12 were Louisiana residents, 797 were
13 minorities and 856 were women. Two
14 racetrack casinos achieved total
15 compliance this quarter, and they are
16 Evangeline Downs and Fairgrounds. Delta
17 Downs did not achieve its Louisiana
18 employment condition. It achieved 64.1
19 out of the 80 percent condition, and
20 Louisiana Downs did not achieve its
21 female employment condition. It
22 achieved 55.1 out of 60 percent.

23 Are there any questions regarding
24 the racetracks?

25 CHAIRMAN JONES: Any questions on
18

1 those numbers?

2 No. Thank you.

3 MS. BROWN: Thank you.

4 CHAIRMAN JONES: Wade, would you
5 come up and and just talk briefly about
6 the procurement fair, since we're on
7 compliance, just to let everybody know
8 what the dates are and where it is. I
9 know you're working hard to get the
10 information out there.

11 MR. DUTY: Good morning, Board
12 Members, Wade Duty, Executive Director
13 of the Louisiana Casino Association.

14 March 8th and 9th will be our vendor
15 fair. We're going with the format that
16 proved popular with the exhibitors last
17 year, an event the evening before on the
18 8th and then the workshop sessions and
19 exhibit floor opening on the 9th. This
20 will be located at Evangeline Downs in
21 Opelousas. That site also proved good
22 responses from the participating vendors
23 because it's more or less the geographic
24 of south Louisiana, and it also has a
25 hotel associated with it so that vendors

19

1 coming in from Monroe, Shreveport or

2 wherever have overnight accommodations.

3 CHAIRMAN JONES: I appreciate your
4 work on that, and I know that you've
5 been sort of beating the bushes trying
6 to get the word out, so anything that we
7 can do to assist you in that regard, let
8 us know.

9 MR. DUTY: We appreciate that, and
10 we did begin earlier than ever before.
11 We starting pushing out information in
12 December last year. We have also run
13 advertisements in the major market
14 newspapers, as well as working with
15 different groups that have stakeholders
16 in this area.

17 CHAIRMAN JONES: I hope to be there.
18 I have jury duty. If they throw me off
19 the jury, I'll be there.

20 MR. DUTY: What are the chances.

21 CHAIRMAN JONES: They don't want me
22 on the jury.

23 MR. DUTY: Thank you.

24 CHAIRMAN JONES: Thank you.

25 V. CASINO GAMING ISSUES

20

1 A. Consideration of Request for Approval of
2 Merger Financing by Eldorado Resort, Inc.,
3 in regards to the Acquisition of Isle of
4 Capri Casinos, Inc.

5 CHAIRMAN JONES: We'll now take up
6 Casino Gaming Issues. First up is
7 Consideration of Request for Approval of
8 Merger Financing by Eldorado Resorts,
9 Inc., in regards to the Acquisition of
10 Isle of Capri Casinos, Inc.

11 Good morning.

12 MR. BARBIN: Good morning, Jeff
13 Barbin for Eldorado Resorts, Inc.

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

18 Eldorado Resorts, Inc., the ultimate
19 parent of Louisiana licensee Eldorado
20 Casino Shreveport Joint Venture, and
21 Isle of Capri Casino, Inc., the ultimate
22 parent of Louisiana St. Charles Gaming
23 Company, LLC, entered into a merger
24 agreement. Pursuant to the agreement,
25 Eldorado will acquire all of Isle's

21

1 shares for, approximately, \$1.7 billion
2 inclusive of Isle's \$949 million in
3 long-term debt. Eldorado has received a
4 financing commitment the JPMorgan Chase
5 Bank N.A. to fund the transaction.

6 Jeffrey Barbin, local counsel for
7 Eldorado, and Janet Boles, local counsel

8 for Isle, jointly petitioned the Board
9 seeking the Board's approval off the
10 merger and merger financing. Due to the
11 commitment cutoff date, consideration
12 for the financing of the merger is
13 presented today. Consideration for the
14 merger transaction will be presented at
15 a later date.

16 Total financing for the merger
17 transaction is \$2.125 billion. This
18 amount consists of a \$1.45 billion term
19 loan, a \$300 million revolver and
20 issuance of a \$375 million Senior
21 Unsecured Notes or an amount equal to at
22 least \$375 million in Senior Unsecured
23 Bridge Loans. If Eldorado's senior
24 leverage ratio does not exceed a
25 specified rate, the credit facility also

22

1 allows an incremental option up to \$375
2 million. This option is not being
3 exercised or funded at this time.

4 As shown in the sources and uses
5 schedule on page seven, Eldorado will
6 use the proceeds from the new debt and
7 cash on hand to finance the transaction
8 by redeeming Eldorado's term loan B and
9 Isle's debt, including its revolving
10 credit facility, 5.875 percent Senior

11 Notes and 8.875 percent Senior
12 Subordinated Notes. If the proceeds are
13 borrowed prior to the merger closing,
14 the proceeds will be placed into an
15 escrow account in accordance with
16 lenders agreements with no guarantors
17 prior to the closing date. At merger
18 closing, guarantors will be consistent
19 with the existing credit agreement.

20 Eldorado Resorts projects additional
21 cash flows from operations to maintain
22 its debt, and projections appear
23 reasonable; however, the financial
24 position of any company is always
25 subject to adverse changes and

23

1 conditions that cannot be predetermined.

2 In conclusion, no financial issues
3 came to our attention to preclude the
4 Board's approval of this transaction.

5 Are there any questions?

6 CHAIRMAN JONES: Any questions of
7 State Police, Board?

8 MR. STIPE: Not of State Police.

9 CHAIRMAN JONES: Do you have
10 anything to offer, Mr. Barbin?

11 MR. BARBIN: No, I don't have
12 anything to offer. I'm happy to answer
13 and questions you have.

14 MR. STIPE: You have a credit
15 facility in place currently.

16 MR. BARBIN: That's correct.

17 MR. STIPE: That credit facility is
18 going to stay in place. The only
19 amendment was going to be to add this
20 acquiring entity as one of the debtors
21 of that credit facility; is that fair?

22 MR. BARBIN: No. That's not exactly
23 right. The existing credit facility
24 stays in place until the merger closing.
25 At that point, the new credit facility

24

1 pays off the existing credit facility.
2 So we're going to close this ahead of
3 time into escrow. No proceeds will be
4 issued until such time as the merger
5 happens. We're expecting that to close
6 in April.

7 MR. STIPE: Thank you.

8 CHAIRMAN JONES: Any other
9 questions, Board Members? There appear
10 to be no other questions.

11 Do I have a motion to adopt the
12 Resolution? By Mr. Bradford, second by
13 Miss Theriot.

14 Miss Coleman, would you read the
15 resolution into the record.

16 MS. COLEMAN: Resolution: Whereas,

17 Eldorado Resorts, Inc., parent company
18 of Louisiana riverboat licensee Eldorado
19 Casino Shreveport Joint Ventures doing
20 business as Eldorado Resort Casino
21 Shreveport (RO13600005), and the Isle of
22 Capri Casinos, Inc., parent company of
23 Louisiana riverboat licensee St. Charles
24 Gaming Company, LLC, doing business as
25 Isle of Capri Casino Hotel Lake Charles,

25

1 (RO11700174), did, on the 16th day of
2 September, 2016, enter into a certain
3 Agreement and Plan of Merger providing
4 for Eldorado Resorts, Inc.'s,
5 acquisition of Isle of Capri Casinos,
6 Inc.; and whereas, Eldorado has
7 petitioned the Board to approve the
8 financing secured by Eldorado to acquire
9 Isle of Capri and to refinance certain
10 indebtedness of Eldorado.

11 Now therefore, on 20th day of
12 February 2017, the Louisiana Gaming
13 Control Board did, in a duly noticed
14 public meeting, consider the issue of
15 Eldorado Resorts, Inc.'s, request for
16 approval of merger financing in the
17 aggregate principal amount of
18 \$2.5 billion as follows:

19 Number one, a \$1.75 billion credit

20 facility comprised of a \$1.45 billion
21 term loan and a \$300 million revolver.
22 Number two, an incremental option of up
23 to \$375 million, and number three,
24 issuance of \$375 million of Senior
25 Unsecured Notes, or in the alternative,

26

1 \$375 million in Senior Unsecured Bridge
2 Loans all by and among Eldorado Resorts,
3 Inc., as the borrower, JPMorgan Chase
4 Bank N.A. as Sole Administrative and
5 Collateral Agent and Sole Lead Arranger
6 and Bookrunning Manager and the Lenders
7 party thereto from time to time, and
8 transactions contemplated thereby, and
9 upon motion duly made and seconded, the
10 Board adopted this resolution:

11 Be it resolved that Eldorado
12 Resorts, Inc.'s, request for approval of
13 a \$1.75 billion credit facility, as more
14 particularly set forth hereinabove, an
15 incremental option of up to \$375 million
16 and \$375 million of Senior Unsecured
17 Notes, or in the alternative,
18 \$375 million in Senior Unsecured Bridge
19 Loans, and the transactions contemplated
20 thereby, are hereby approved.

21 Thus signed in Baton Rouge,
22 Louisiana, this 20th day of February

23 2017.

24 CHAIRMAN JONES: Would you call the
25 roll.

27

1 MS. COLEMAN: Mr. Bradford?

2 MR. BRADFORD: Yes.

3 MS. COLEMAN: Mr. Stipe?

4 MR. STIPE: Yes.

5 MS. COLEMAN: Mr. Singleton?

6 MR. SINGLETON: Yes.

7 MS. COLEMAN: Mr. Jackson?

8 MR. JACKSON: Yes.

9 MS. COLEMAN: Mr. Gaston?

10 MR. GASTON: Yes.

11 MS. COLEMAN: Miss Berry?

12 MS. BERRY: Yes.

13 MS. COLEMAN: Miss Theriot?

14 MS. THERIOT: Yes.

15 MS. COLEMAN: Mr. Patrick?

16 MR. PATRICK: Yes.

17 MS. COLEMAN: Chairman Jones?

18 CHAIRMAN JONES: Yes.

19 The Resolution is adopted. Thank
20 you.

21 MR. BARBIN: Thank you very much.

22 B. Consideration of the Casino Support Services

23 Contract with the City of New Orleans

24 CHAIRMAN JONES: Next up is our

25 annual consideration -- reconsideration

1 of our Casino Support Services Contract
2 with the City of New Orleans. Good
3 morning.

4 MS. BOGRAN: Good morning, Chairman
5 Jones, Board Members. I'm Olga Bogran,
6 Assistant Attorney General in the Gaming
7 Division, here to present the Casino
8 Support Services Contract.

9 Louisiana Revised Statute 27:247
10 requires that this contract be presented
11 every year prior to March 31st. It's to
12 be negotiated between the Gaming Control
13 Board and the City of New Orleans. No
14 material changes were made to the
15 contract this year, and the total amount
16 asked for was \$3.6 million, which is the
17 same amount that's been requested since
18 2003.

19 As per the statute, the negotiated
20 contract, along with the unaudited
21 expenditures report, is to be submitted
22 to the Joint Legislative Committee on
23 the Budget.

24 Joining us today is Rodney Braxton,
25 who is a representative of the City of

1 New Orleans if there are any questions.

2 CHAIRMAN JONES: Mr. Braxton, you

3 didn't have anything to add on behalf of
4 the City other than wanting more money?

5 MR. BRAXTON: No. That would be it.

6 CHAIRMAN JONES: Board, are there
7 any questions with respect to the
8 contract?

9 MR. STIPE: You want to take a stab
10 at the miscellaneous expenditure which
11 is larger than the police expenditure in
12 this statement? Just don't worry about
13 it.

14 MR. BRAXTON: Okay. Because, you
15 know, not being an accountant, I can
16 only tell you what the numbers say on
17 the page.

18 CHAIRMAN JONES: Mr. Singleton, do
19 you have a question?

20 MR. SINGLETON: Move adoption.

21 CHAIRMAN JONES: You ready to move?
22 We have a motion, second by Mr. Bradford
23 to authorize the Chairman to execute the
24 contract on behalf of the Board upon the
25 approved contract by the Joint

30

1 Legislative Committee on the Budget. We
2 have a motion properly seconded.

3 Are there any objections? Without
4 objection, the motion carries. Thank
5 you.

6 MR. BRAXTON: Thank you.
7 C. Consideration of Petition by Jazz Casino
8 Company, LLC, d/b/a Harrah's New Orleans for
9 Approval of Second Floor Development

10 CHAIRMAN JONES: Next up is:
11 Consideration of Petition by Jazz Casino
12 Company, LLC, doing business as Harrah's
13 New Orleans for Approval of a Second
14 Floor Development.

15 Good morning, ladies and gentlemen.

16 MS. HALL: Morning, Chairman Jones.
17 Good morning, Chairman Jones, Members of
18 the Board. We were before you-all back
19 in June -- Cara Hall, Corporate Counsel
20 for Harrah's, and Dan Real, the regional
21 President for Harrah's Casino.

22 We were before you all back in June
23 requesting your consent to an amendment
24 to our operating contract to aid us in
25 the development of the second floor at

31

1 Harrah's New Orleans. We are pleased to
2 say we've reached an agreement to
3 develop a portion of the second floor,
4 pending your consent here today.

5 Toward that end, we are here to ask
6 your consent to three specific issues so
7 that this development can proceed. The
8 first, we're asking you to consent to

9 the plans, the security measures and to
10 the lease, which is essentially a
11 sublease since we leased the development
12 in New Orleans from Canal Street
13 Development Corporation.

14 I'll now turn the floor over to Dan
15 Real to provide you with the details of
16 the development.

17 MR. REAL: Good morning, Chairman
18 Jones, Members of the Board.

19 CHAIRMAN JONES: Good morning.

20 MR. REAL: It's great to be back.
21 As promised last June, progress is being
22 made, and I'm happy to be here today;
23 and to be honest, I hope I'm in front of
24 you many more times over the next few
25 years because we need to continue to

32

1 focus on non-gaming development at our
2 property.

3 So pending your approval today -- I
4 hope you all have the deck. If you
5 don't have it, please let us know, and
6 we'll get you a copy. The first four
7 pages are renderings of the facility,
8 and the next four pages will show you
9 the layout and some of the logistics of
10 the project put through from an
11 architect.

12 So pending your approval today,
13 we're excited to announce our
14 partnership with Live Nation to develop
15 a live music entertainment venue in a
16 portion of the second floor of Harrah's,
17 and as many of you know, this space has
18 been undeveloped since we've opened in
19 1999, so we're very excited to finally
20 get it into action. The venue will be
21 branded as a Fillmore theater which
22 we're also excited about. It's one of
23 the cooler brands that Live Nation can
24 offer, and there are currently seven
25 other locations in the United States.

33

1 They're in San Francisco, most recently
2 in Philadelphia, but they're also in
3 Denver, Miami Beach and Detroit.

4 We're expecting to host 60 shows in
5 year one and then from years two and
6 beyond at least 80 shows every single
7 year, and we're expecting over 110,000
8 visitors each year just from these
9 concerts in our facility. Some examples
10 of the talent we might be able to
11 foresee: Charlamone Shortie (phonetic),
12 Peter Frampton, Carlos Santana, Sting,
13 The Roots, Father John Misty and many
14 more that I don't recognize the name

15 yet.

16 CHAIRMAN JONES: Nor would I.

17 MR. REAL: And it's much cooler than
18 my current musical taste. And then as
19 you go through, you'll see the location
20 of the venue, but for those who have
21 visited, we will literally be directly
22 across from Saks Fifth Avenue and the
23 shops at Canal Place. So if you entered
24 into our building in the Canal Street
25 entrance, our most populous entrance,

34

1 right above that facility, that entrance
2 is where the stage will be, and then it
3 will work its way back; and for those
4 who haven't had a chance to visit, we're
5 always happy to show the Board Members a
6 tour of the property and give you an
7 actual physical feeling of the space.
8 Many of you have taken us up on it, and
9 please consider that an open invitation.

10 A few other key items: We're going
11 to construct an exterior elevator and
12 entry. Individuals who are under 21
13 will only be able to exit and enter
14 through this space. We will have an
15 elevator and staircase available for
16 that purpose, and concertgoers who are
17 coming in through the casino will have

18 to go through Masquerade in the center
19 of our facility, and at that point in
20 time, all visitors will already have
21 been carded or confirmed to be over 21
22 years old.

23 The floor plan is 45,000 square feet
24 devoted to the music entertainment.
25 There will be drinks and light food.

35

1 There will be a VIP lounge and two VIP
2 boxes inside the facility, and then we
3 will also have a Harrah's security desk
4 stationed at the entrance so customers
5 coming back out through the venue will
6 have to go through a checkpoint one more
7 time, or they exit where they entered if
8 they're under 21 years old. And for
9 those who know us, we take that very
10 seriously, and we know that's a
11 commitment that we must make sure is 100
12 percent perfect as often as possible,
13 and that's what we shoot for. We strive
14 for that each and every time.

15 And with that, I would like to just
16 turn it back to Cara for a few minutes
17 to talk about the lease.

18 MS. HALL: I'll just quickly give
19 you all the high points of the lease.
20 As I mentioned before, we lease the

21 premises and a canal from Canal Street
22 Development Corporation, which is a
23 public benefit corporation under the
24 City of New Orleans, so this would be
25 essentially a sublease with Live Nation

36

1 Entertainment. The proposed lease
2 provides the terms under which we lease
3 the premises to Live Nation for a
4 portion of that second floor, which Dan
5 mentioned is about 45,000 square feet in
6 space.

7 Under the lease, Live Nation is
8 permitted to operate a ticketed and
9 other admission live entertainment venue
10 together with things, like, limited food
11 offerings and beverage items. The
12 initial lease will commence on the date
13 of execution of the lease and will
14 expire in July of 2024. There are some
15 conditions under which that can be
16 extended for two addition terms of five
17 years.

18 Live Nation is paying a base rent
19 for the first two years which will
20 increase thereafter, and additionally,
21 Live Nation will pay percentage rent for
22 certain tickets sold. Live Nation's
23 responsible for its pro rata share of

24 CAM costs and real property taxes.
25 They're providing a substantial security

37

1 deposit of a \$100,000 and are accepting
2 the conditions of the premises as is
3 with the understanding that they will be
4 doing some renovations pursuant to a
5 lease improvements agreement.

6 As Dan mentioned, the first year of
7 the development is anticipated to have
8 about 60 shows, ramping up from there in
9 year two to 75 and ultimately to 80
10 shows a year in years three and beyond.

11 The landlord has the right -- Harrah's
12 has the right to approve each appearance
13 at the venue so we're exercising -- so
14 we'll have some control over who
15 appears, and prior to hiring the general
16 manager and pertinent staff at the
17 venue, Live Nation will consult with Dan
18 and the management team at Harrah's to
19 make sure those hires are up to the
20 standards they need to be.

21 During the lease term, Harrah's
22 reserves the right to the premises under
23 all conditions, and throughout the terms
24 of the lease, of course, Live Nation
25 will observe, perform and fulfill and

38

1 comply with the terms of the master
2 lease with Canal Street Development
3 Corporation, as well as the Casino
4 Operating Contract that we have with the
5 State of Louisiana and the Gaming Board.

6 MR. REAL: Mr. Chairman, if I may:
7 Although today is about the Fillmore, I
8 have two other items, if I could share
9 with the Board, that I get asked about
10 so maybe if I could just share.

11 CHAIRMAN JONES: Let's deal with the
12 second floor, and then you can come back
13 to the last two and have a discussion
14 about that.

15 MR. REAL: Perfect.

16 MR. STIPE: Seven year term for the
17 initial. The extensions are the
18 Fillmore?

19 MS. HALL: I'm sorry.

20 MR. STIPE: How are the extensions
21 exercised?

22 MS. HALL: The extensions are --
23 there's an automatic extension if
24 certain of the underlying agreements are
25 extended, after which if there's no

39

1 breach, then the Fillmore also has
2 options to extend for --

3 MR. STIPE: If they're not in

4 breach, we should assume this is 17
5 years.

6 MS. HALL: We would hope for that.

7 MR. REAL: We plan to have a very
8 long relationship with them. They're
9 excited about that, as well.

10 MR. STIPE: What if they don't have
11 the specified number of events during
12 the year?

13 MS. HALL: That's something we would
14 work out with them. There's a provision
15 built into the lease that allows them to
16 make up for that, and, for example, they
17 don't meet the requirement in the first
18 year, then they're allowed to add to the
19 second year to make sure they have met
20 the general requirements to this
21 contract. There's a little bit of
22 flexibility built in for them. If
23 during those first couple of years
24 they're not able to meet those
25 requirements, then they would ramp up

40

1 and add to the third year, for example,
2 if they're not --

3 MR. STIPE: Could this facility go
4 dark during the lease term?

5 MS. HALL: I'm sorry?

6 MR. STIPE: There's a requirement in

7 the lease that they continue to operate
8 this sublease space?

9 MS. HALL: Yes.

10 CHAIRMAN JONES: Miss Theriot.

11 MS. THERIOT: Am I correct that I
12 heard you say that Live Nation is
13 responsible for the buildout?

14 MS. HALL: Yes, they're responsible
15 for the buildout. We'll have, of
16 course, ultimate say if there are
17 issues, but we anticipate that --

18 MS. THERIOT: That wasn't my
19 question. You have control over the
20 buildout and approval?

21 MR. REAL: We do.

22 MS. HALL: Yes.

23 MS. THERIOT: That's it.

24 CHAIRMAN JONES: Miss Berry.

25 MS. BERRY: Did you also say that

41

1 you have control over the acts that are
2 coming in? In other words, if they
3 would try to bring something in that's
4 not compatible --

5 MR. REAL: Absolutely. That was
6 added to this contract just for the
7 purpose that you just brought up. We
8 don't anticipate. We've gone through
9 their roster, their routing. It would

10 probably be a very use, if ever,
11 provision that we've added, but it's in
12 there just in case it's an act that
13 doesn't --

14 MS. BERRY: Some of these groups
15 these days, like the Chairman said, you
16 just never know.

17 MR. REAL: We're not in the pursuit
18 of the dollar enough to go after that.
19 Similar to how we treat our Masquerade.
20 In our club now, we've actually diverted
21 a little bit from any acts that might
22 cause any concern.

23 MS. BERRY: Okay. Thank you.

24 CHAIRMAN JONES: Miss Moore.

25 MS. MOORE: Morning, Chairman Jones,

42

1 Members of the Board, Charmaine Moore
2 Assistant Attorney General.

3 As stated by Miss Hall, Section 8.2
4 of the Casino Operating Contract
5 requires the Board to approve all
6 subleases of any second floor space, any
7 plan for the initial buildout and
8 leasing of all or part of the second
9 floor, including the construction of an
10 exterior entrance and any subsequent
11 buildout, and any policies and
12 procedures with respect to the

13 patronization of businesses on the
14 second floor by persons under the age of
15 21.

16 Our office reviewed the lease and
17 resolved any concerns we had with
18 Harrah's legal counsel and see no reason
19 for the Board not to approve the lease.

20 We also reviewed the lease hold
21 improvement agreement that the parties
22 also intend to enter into. That
23 agreement provides that Live Nation will
24 be responsible for the buildout, the
25 cost of which will be shared by Jazz and

43

1 Live Nation. The Board is not required
2 to approve that agreement, but we did
3 review it nonetheless because it was
4 part of the overall proposal.

5 The Board is also required to
6 approve the policies and procedures and
7 buildout plan for the second floor. Our
8 office did review the policy and
9 procedures and had no issue with them,
10 but we believe that State Police might
11 be better to weigh in on that and also
12 the buildout plan, whether it's
13 sufficient to achieve the goal of
14 keeping persons under 21 out of the
15 casino.

16 If the Board chooses to approve the
17 lease, the policies and procedures and
18 the buildout, a Resolution has been
19 prepared for your approval and the
20 Chairman's signature.

21 CAPTAIN HALE: I'm Captain Glen
22 Hale, Southeast Region Commander of the
23 Gaming Enforcement Division.

24 The Division's reviewed the plans.
25 We reviewed the policies. We have no

44

1 objections or any concerns at this
2 point. We will have a final review
3 after construction is completed, and if
4 there's any amendments or adjustments to
5 their security or surveillance or their
6 internal controls, they'll be addressed
7 at that time; but as of right now, we
8 don't see any problems.

9 CHAIRMAN JONES: So State Police is
10 comfortable with the security plan as
11 presented --

12 CAPTAIN HALE: Yes, sir, we are.

13 CHAIRMAN JONES: -- at this point.

14 And, obviously, it will be monitored
15 and whatever adjustments need to be made
16 will be made to it.

17 CAPTAIN HALE: Correct.

18 CHAIRMAN JONES: That's always an

19 early concern, but I'm satisfied that
20 the proper protections are in place.

21 Are there any other questions for
22 Miss Moore or Captain Hale?

23 Miss Berry.

24 MS. BERRY: I have one more
25 question. Am I wrong or was -- in the

45

1 original -- when you discussed this
2 originally, y'all were going to have
3 some retail area up there, or has that
4 changed?

5 MR. REAL: We hope that's the case.
6 Now, we were sort of alluding to what
7 the future may hold. This was the
8 first, what we hope, is actually maybe a
9 domino effect for the rest of the space.

10 MS. BERRY: Will there be additional
11 room up there for that?

12 MR. REAL: We have 80,000 square
13 feet still available, and that's when I
14 alluded to, I hope to be back in front
15 of this Board several more times over
16 the next few years, because I do believe
17 we will have some great projects.

18 MS. BERRY: Thank you.

19 CHAIRMAN JONES: You'll also be able
20 to use this for private functions, as
21 well.

22 MR. REAL: We are. We've worked
23 that out so that we can have employee
24 events, as well as some other exciting
25 things we may offer or pair with city

46

1 wide events, so it won't be just Live
2 Nation concerts.

3 CHAIRMAN JONES: Great. Any other
4 questions, Board Members? We'll dispose
5 of this, and we'll come back and pick up
6 your last two items.

7 MR. REAL: Sure.

8 CHAIRMAN JONES: If I could get a
9 motion to adopt the Resolution.

10 MS. BERRY: I move.

11 CHAIRMAN JONES: By Miss Berry,
12 second by Miss Theriot.

13 Miss Coleman, would you read the
14 Resolution into the record.

15 MS. COLEMAN: On the 20th day of
16 February 2017, the Louisiana Gaming
17 Control Board did, in a duly noticed
18 public meeting, consider the petition of
19 Jazz Casino Company, LLC, doing business
20 as Harrah's New Orleans Casino,
21 requesting approval of certain
22 requirements for the development of the
23 second floor of the casino in accordance
24 with Section 8.2 of the Amended and

25 Renegotiated Casino Operating Contract

47

1 by and through the Louisiana Gaming
2 Control Board and Jazz Casino Company,
3 LLC, and upon motion duly made and
4 seconded, the Board adopted this
5 Resolution:

6 Be it resolved that the following
7 requirements are deemed to have been
8 satisfied and are hereby approved.

9 Number one, that certain lease for
10 Fillmore at Harrah's New Orleans by and
11 between Jazz and Live Nation Worldwide,
12 Inc., in the form and substance
13 submitted to and reviewed by the Gaming
14 Enforcement Division of Louisiana State
15 Police and the Gaming Division of the
16 Louisiana Office of the Attorney
17 General; Number two, those certain
18 policy and procedures regarding
19 patronization of businesses on the
20 second floor of the casino by persons
21 under the age of 21 in the form and
22 substance submitted to and reviewed by
23 the Gaming Enforcement Division of
24 Louisiana State Police and the Gaming
25 Division of Louisiana Office of the

48

1 Attorney General.

2 And Number three, and any and all
3 plans for the initial and any subsequent
4 buildout of the second floor, including
5 the construction of an exterior entrance
6 for the lease and use of Live Nation in
7 the form and substance submitted to and
8 reviewed by the Gaming Enforcement
9 Division of Louisiana State Police.

10 Be it resolved that the approvals
11 granted hereby are subject to Jazz's
12 providing adequate security to enforce
13 the policies and procedures designed to
14 prevent persons under the age of 21 from
15 entering the casino gaming areas.

16 Be it resolved that the approvals
17 granted hereby are subject to the
18 requirement that Jazz retain and
19 maintain ultimate supervision and
20 authority of the lease premises and that
21 Live Nation complies with all
22 requirements of the Casino Act and the
23 rules and regulations of the Board.

24 Be it resolved that the approvals
25 granted hereby are subject to the

49

1 Board's right to require compliance by
2 Live Nation and its affiliates and all
3 representatives thereof, including
4 without limitation, their owners,

5 officers, directors, managers and
6 employees with the licensing, permitting
7 and suitability requirements of the
8 Casino Act and the rules and regulations
9 of the Board.

10 Thus done and signed in Baton Rouge,
11 Louisiana, this 20th day of February,
12 2017.

13 CHAIRMAN JONES: Please call the
14 roll.

15 MS. COLEMAN: Mr. Bradford?

16 MR. BRADFORD: Yes.

17 MS. COLEMAN: Mr. Stipe?

18 MR. STIPE: Yes.

19 MS. COLEMAN: Mr. Singleton?

20 MR. SINGLETON: Yes.

21 MS. COLEMAN: Mr. Jackson?

22 MR. JACKSON: Yes.

23 MS. COLEMAN: Mr. Gaston?

24 MR. GASTON: Yes.

25 MS. COLEMAN: Miss Berry?

50

1 MS. BERRY: Yes.

2 MS. COLEMAN: Miss Theriot?

3 MS. THERIOT: Yes.

4 MS. COLEMAN: Mr. Patrick?

5 MR. PATRICK: Yes.

6 MS. COLEMAN: Chairman Jones?

7 CHAIRMAN JONES: Yes.

8 The Resolution is adopted.

9 Congratulations. Good work.

10 MR. REAL: Thank you very much.

11 CHAIRMAN JONES: You wanted to add a
12 couple of issues.

13 MR. REAL: Sure, just two brief
14 points. Since the last time I visited,
15 we have opened our first smoking
16 courtyard. We opened on November 23rd,
17 and I'm happy to report that although we
18 knew it would not fill the gap that we
19 had been facing since the smoking ban
20 went into place, that it would serve a
21 purpose to invite customers back, and
22 all early indications are that's exactly
23 what's happening. So I need a few more
24 months to get really confident about the
25 trends that we're seeing, but right now

51

1 out of the gate it's been a great
2 addition for us, so I appreciate the
3 support there.

4 And on the other piece, for our
5 customers, it's clean, it's safe and
6 it's really a great addition to our
7 property, which was something I was
8 really concerned about. So we're
9 starting construction on courtyards two
10 and three in early March, and I hope to

11 have those open by Memorial Day or
12 somewhere right around June, two other
13 geographically split locations for us
14 throughout the facility which will just
15 add even more convenience for our
16 guests.

17 And then the second piece was
18 similar to Baton Rouge getting hit by
19 the floods. We were hit with a tornado
20 recently, so devastation has, obviously,
21 been continuing to hit our state, and
22 I'm proud to say that when that happened
23 to Baton Rouge, we reached out as a
24 partner; and since it's happened in New
25 Orleans and New Orleans East, we've also

52

1 received a ton of phone calls, which I
2 appreciate, but I bring it up today
3 because I do realize we're here for more
4 than just to run a casino business.
5 We're here as a community support
6 partner, and we had 15 employees
7 significantly impacted by the tornado.
8 We have stepped up and helped them as
9 much as we possibly can and are also
10 going to make sure to follow through on
11 that process. But even more
12 importantly, we stepped up to serve
13 hundreds of meals working with our local

14 delegation, and we continue to be there
15 for the community.

16 So I just wanted to share that, as
17 Chairman Jones has high expectations for
18 us as operators, and we're proud to say
19 that that's a part of the business that
20 we're proud of.

21 CHAIRMAN JONES: And we appreciate
22 that. I sometimes kid Dan when I visit
23 that, you know, life would be easy on
24 him if he just had to manage a casino,
25 but it's just a lot more than that; and

53

1 this project is -- the second floor has
2 been a long time coming, and it's been
3 dealing with that and the smoking ban
4 and making the adjustments and
5 employment issues. It's been tough, but
6 I appreciate your commitment, your
7 team's commitment to that facility.
8 It's important to the City of New
9 Orleans. It's important to this state,
10 and you're in it for the long-term. And
11 we appreciate your work there. Thank
12 you very much.

13 MR. REAL: Thank you all very much.

14 VI. VIDEO GAMING ISSUES

15 A. Consideration of transfer of interest in
16 the following truckstop:

17 1. Minnows, LLC, d/b/a Lucky Dollar Casino -
18 No. 5000512212

19 CHAIRMAN JONES: Next up, Video
20 Gaming Issues, Consideration of Transfer
21 of Interest in following truckstop:
22 Minnows, LLC, doing business as Lucky
23 Dollar Casino, No. 5000512212.

24 Good morning, gentlemen.

25 MR. PITRE: Chairman Jones, Board

54

1 Members, I'm Assistant Attorney General
2 Earl Pitre, Jr., appearing before the
3 Board in the matter of the transfer of
4 membership interest of Minnows, LLC,
5 doing business as Lucky Dollar Casino.

6 The licensee holds a Type 5 video
7 gaming license and operates a truckstop
8 facility at 1040 Baker Hughes Drive.

9 It's adjacent to Highway 90 in
10 Broussard, Louisiana, located in
11 St. Martin Parish.

12 On November 19th, 2015, Anthony
13 Lamonica died. At the time of his
14 death, he held a 2.5 membership interest
15 in Minnows, LLC. According to his will,
16 he left the remainder of his estate,
17 which included his 2.5 membership
18 interest in Minnows, LLC, to his
19 surviving spouse.

20 On December 31st, 2015, Edward Amar,
21 Jr., and Janice Amar entered into an Act
22 of Partition of Community Property
23 conveying all of their 24 percent
24 membership interest in Minnows, LLC, to
25 Edward Amar, Jr. Also, on December 31,

55

1 2015, Mr. Amar, Jr., established a
2 trust, EAA 2015 Family Trust No. 1, and
3 three sub-trusts: EAA 2015 Family Trust
4 No. 1A, EAA 2015 Family Trust No. 1B,
5 and EAA 2015 Family Trust No. 1C.
6 Mr. Amar, Jr., sold his 24 percent
7 membership interest in Minnows, LLC, to
8 these three sub-trusts each receiving a
9 percent. Edward Amar, IV, Travis Amar
10 and David Danel are the co-trustees of
11 the trust and the three sub-trusts.

12 Janice Amar is the primary
13 beneficiary of the three sub-trusts.
14 Edward Amar, III, is the secondary
15 beneficiary of EAA 2015 Family Trust No.
16 1A. Travis Amar is the secondary
17 beneficiary of EAA 2015 Family Trust No.
18 1B, and Edward Amar, IV, is secondary
19 beneficiary of EAA 2015 Family Trust No.
20 1C.

21 Master Trooper James Cannon
22 conducted an investigation of the

23 transfers of the membership interest.
24 He also conducted suitability
25 investigations and updated checks on the

56

1 associated persons. He is here to
2 present his findings to the Board.

3 TROOPER CANNON: Good morning,
4 Chairman and Members of the Board. I
5 did not conduct a suitability
6 investigation on Mr. Lamonica's
7 surviving spouse because the membership
8 interest was less than five percent, and
9 there was no other reason found that
10 required her to submit to suitability.

11 I investigated the transfers of
12 membership interest to the sub-trusts. I
13 conducted suitability investigations of
14 Edward Amar, III, and David Danel, as
15 well as updated cursory checks on Edward
16 Amar, Jr., Janice Amar, Travis Amar and
17 Edward Amar, IV. I found no information
18 that would preclude the participation of
19 any of the associated persons or the
20 continued licensing of Minnows, LLC,
21 doing business as Lucky Dollar Casino.

22 MR. PITRE: The Office of the
23 Attorney General reviewed the file and
24 found no information to preclude
25 approval of the transfers.

1 CHAIRMAN JONES: Board, do we have
2 any questions of the State Police or the
3 Attorney General's Office? There appear
4 to be no questions.

5 Do I have a motion to approve the
6 transfer of interest? By Miss Berry and
7 Mr. Bradford.

8 Is there any objection to the
9 approval of the transfer of interest
10 motion? Without objection, the
11 transfers are approved. Thank you.

12 VII. CONSIDERATION OF PROPOSED SETTLEMENTS/APPEAL

13 1. In Re: Breaktime Bar, LLC, d/b/a/ Breaktime
14 Bar - No. 0904114156 (proposed settlement)

15 CHAIRMAN JONES: We now move to
16 settlements and appeal. First up is
17 settlements in regard to Breaktime Bar,
18 LLC, doing business as Breaktime Bar,
19 No. 0904114156. It's a proposed
20 settlement.

21 Good morning.

22 MR. PICOU: Good morning, Chairman
23 Jones, Board Members. I'm Assistant
24 Attorney General Charlie Picou here in
25 the matter of the settlement of

1 Breaktime Bar, LLC, doing business as
2 Breaktime Bar.

3 This settlement addresses the late
4 submission of annual forms and fees that
5 are required to be submitted no later
6 than July 1st of each year. This Type 1
7 licensee failed to submit the annual
8 forms and fees until December 6th, 2016,
9 which gave rise to a violation of gaming
10 law. The civil penalty contained in
11 this settlement is \$750, which is an
12 amount that is well established for
13 violations of this type.

14 The hearing officer has signed the
15 settlement, and it is now before the
16 Board for final approval. If you have
17 any questions, I'd be happy to answer
18 them.

19 CHAIRMAN JONES: Any questions,
20 Board Members, on the settlement? [No
21 response.]

22 Do I have a motion?

23 MR. JACKSON: Motion to approve.

24 CHAIRMAN JONES: By Mr. Jackson,
25 seconded by Mr. Singleton.

59

1 Any objection to the motion to
2 approve the settlement?

3 Without objection, the motion is
4 approved.

5 2. In Re: Sidebar NOLA, LLC, d/b/a Sidebar -

6 No. 3601117338 (proposed settlement)

7 CHAIRMAN JONES: Next up is in
8 regards to Sidebar, NOLA, LLC, doing
9 business as Sidebar, No. 3601117338.

10 Good morning.

11 MS. HUTCHINSON: Good morning.

12 Good morning, Chairman, Board
13 Members. I'm Assistant Attorney General
14 Teri Hutchinson here today in the matter
15 of Sidebar NOLA, LLC, doing business as
16 Sidebar NOLA.

17 This settlement addresses the late
18 submission of annual form and fees that
19 are required to be submitted no later
20 than the July 1st deadline of each year.

21 This Type 1 licensee did not submit
22 until December 7th of 2016, which did
23 give rise to a violation of gaming law.

24 The civil penalty contained in this
25 settlement is \$750, which is an amount

60

1 that is well established for violations
2 of this type. The settlement has been
3 signed by the hearing officer and is now
4 before you for approval.

5 CHAIRMAN JONES: Board Members, any
6 questions with respect to Sidebar?

7 There are no questions.

8 Do I have a motion to approve? By

9 Mr. Bradford and Miss Berry.
10 Any objection to that motion?
11 Without objection, the motion is
12 adopted. The settlement is approved.
13 Thank you.

14 3. In Re: Ivan Humphreys, LLC, d/b/a Ivan's Pub
15 Home of the Neon Lizard - No. 0904110278
16 (proposed settlement)

17 CHAIRMAN JONES: Next up is in
18 regard to Ivan Humphreys, LLC, doing
19 business as Ivan's Pub Home of the Neon
20 Lizard, No. 0904110278.

21 Good morning.

22 MR. GATHE: Good morning, Chairman
23 Jones and Board Members. I'm Assistant
24 Attorney General Jeremy Gathe here in
25 the matter of Ivan Humphreys, LLC, doing

61

1 business as Ivan's Pub Home of the Neon
2 Lizard.

3 This settlement addresses the late
4 submission of the annual form and fees
5 that are required to be submitted no
6 later than July 1st of each year. This
7 Type 1 licensee did not submit until
8 January 23rd, 2017, which gave rise to a
9 violation of gaming law. The civil
10 penalty contained in this settlement is
11 \$750, which is an amount that is well

12 established for violations of this type.
13 This settlement has been signed by the
14 hearing officer and is now before the
15 Board for final approval.

16 CHAIRMAN JONES: Board Members, any
17 questions on the Lizard?

18 I have a motion by Mr. Jackson,
19 second by Dr. Gaston.

20 Any objection to the motion?
21 Without objection, the motion is adopted
22 and the settlement is approved. Thank
23 you very much.

24 4. In Re: HAS, LLC, d/b/a AAA LOUNGE - No.
25 1001117341 (proposed settlement)

62

1 CHAIRMAN JONES: And finally the
2 final settlement up in regard to HAS,
3 LLC, doing business as AAA Lounge, No.
4 1001117341.

5 Good morning.

6 MR. LEWIS: Good morning. Chairman
7 Jones, Ladies and Gentlemen, I'm
8 Assistant Attorney General Kanick Lewis,
9 Jr. I'm here in the matter of the HAS,
10 LLC, doing business as AAA Lounge with a
11 license No. 1001117341.

12 This settlement addresses the late
13 submission of annual form and fees that
14 are required to be submitted no later

15 than July 1st of each year. This Type 1
16 licensee did not submit its annual
17 documents until January 20th, 2017,
18 which gave rise to a violation of gaming
19 law.

20 The civil penalty contained in this
21 settlement is \$750, which is an amount
22 that is well established for violations
23 of this type. The settlement has been
24 signed by the hearing officer and is now
25 before the Board for final approval.

63

1 At this time, I'd be happy to answer
2 any questions you may have.

3 CHAIRMAN JONES: Board Members, any
4 questions? There are no questions.

5 Do I have a motion to approve the
6 proposed settlement? By Mr. Singleton,
7 seconded by Mr. Patrick.

8 Any objection to the motion?
9 Without objection, the motion is
10 adopted. The settlement's approved.

11 Thank you very much.

12 MR. LEWIS: Thank you.

13 5. In Re: Kassandra M. Paige - No. PO40040892
14 (appeal)

15 CHAIRMAN JONES: We now finally call
16 up an appeal, Miss Kassandra M. Paige.
17 It's No. PO40040892.

18 Miss Paige, are you here? Miss
19 Paige? [No response.]

20 You may proceed.

21 MS. BOGRAN: Good morning again,
22 Olgan Bogran Assistant Attorney General
23 in the Gaming Division in the matter of
24 the appeal of Cassandra Paige, permit
25 No. PO40040892.

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1 Miss Paige requested this appeal
2 after the hearing officer issued a
3 second decision order of revocation of
4 her permit following a remand hearing,
5 and as it is her appeal and she's not
6 here, we ask that the Board uphold the
7 hearing officer's findings and revoke
8 this permit.

9 CHAIRMAN JONES: Board Members, do
10 you have any questions for the attorney
11 general with respect to this appeal?
12 [No response.]

13 What is the pleasure? We have one
14 of two options. We can either sustain
15 the hearing officer's decision or
16 reverse it.

17 MR. STIPE: You've had no contact
18 with her? She's not asked not -- not
19 indicated to you --

20 MS. BOGRAN: No, she has not.

21 CHAIRMAN JONES: The office -- our
22 office received no call that we're aware
23 of.

24 Do I have a motion?

25 MR. BRADFORD: I move that the
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1 hearing officer's decision be reversed.

2 CHAIRMAN JONES: Do we have a
3 second?

4 MS. THERIOT: Second.

5 CHAIRMAN JONES: By Miss Theriot.
6 Is there an objection to the motion
7 to reverse the hearing's officer's
8 decision?

9 Without objection, the motion
10 passes. The matter's been reversed.
11 Thank you very much.

12 VIII. ADJOURNMENT

13 CHAIRMAN JONES: There being no
14 further business on the agenda, I will
15 ask for a motion to adjourn.
16 Mr. Jackson so moved, second by
17 Mr. Singleton.

18 Is there any objection? Without
19 objection, we stand adjourned.

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1 REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand

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

5 officer before whom this sworn testimony was

6 taken, do hereby state:

7 That due to the spontaneous discourse of this

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

9 used to indicate pauses, changes in thought,

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

11 for a Court Reporter's transcription of a

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

13 that words or phrases have been left out of this

14 transcript;

15 That any words and/or names which could not

16 be verified through reference materials have been

17 denoted with the word "(phonetic)."

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on February

7 20, 2017, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape

9 recording, and thereafter reduced to transcript,

10 to the best of my ability and understanding, using

11 Computer-Aided Transcription.

12 I further certify that I am not an

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

14 am neither related to nor employed by any attorney

15 or counsel connected with this action, and that I

16 have no financial interest in the outcome of this

17 action.

18 Baton Rouge, Louisiana, this 28th day of

19 March, 2017.

20

21

22

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

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