

LGCB - Board of Directors' Meeting - 4-18-17, (Pages 1:1 to 60:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

2

3

4 BOARD OF DIRECTORS' MEETING

5

6

7

8

9 TUESDAY, APRIL 18, 2017

10

11 LaSalle Building

12 LaBelle Hearing Room

13 617 North Third Street

14 Baton Rouge, Louisiana

15

16

17

18 TIME: 10:00 A.M.

19

20

21

22

23

24

25

2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5

6 FRANKLIN AYRES BRADFORD

(Economic Planner)

7 Fifth Congressional District

June 30, 2019

8

9 JAMES SINGLETON

(Public/Business Administration)

10 Second Congressional District

June 30, 2020

11

12 CLAUDE D. JACKSON

(At large)

13 Fourth Congressional District

June 30, 2018

14

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

21 CAPTAIN GLEN HALE

Ex-Officio Board Member

22 Louisiana State Police

23

24 MICHAEL LEGENDRE

Office of Charitable Gamine

25 Director

3

1 APPEARANCES CONTINUED

2

3 LANA TRAMONTE

Executive Assistant

4

5 TRUDY SMITH

Confidential Assistant

6

7 REPORTED BY:

8 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

9

10

11

12

13

14

15

16

17

18
19
20
21
22
23
24
25

4

| 1 | | PAGE | |
|----|------|---------------------------------|----|
| 2 | I. | CALL TO ORDER | 6 |
| 3 | II. | PUBLIC COMMENTS | 7 |
| 4 | III. | APPROVAL OF THE MINUTES | 23 |
| 5 | IV. | REVENUE REPORTS | 23 |
| 6 | V. | CASINO GAMING ISSUES | |
| 7 | A. | Consideration of Certificate of | |
| 8 | | Compliance for the Alternate | |
| 9 | | Riverboat Inspection of the | |
| 10 | | gaming vessel of Treasure Chest | |
| 11 | | Casino, LLC, d/b/a Treasure | |
| 12 | | Chest Casino - No. R012600098 | 29 |
| 13 | B. | Consideration of Certificate of | |
| 14 | | Compliance for the Alternate | |
| 15 | | Riverboat Inspection of the | |
| 16 | | gaming vessel of PNK Lake | |
| 17 | | Charles, LLC, d/b/a L'Auberge | |
| 18 | | Lake Charles - No. R011001707 | 32 |
| 19 | C. | Consideration of joint petition | |
| 20 | | for transfer of ownership | |

21 interests of Isle of Capri
22 Casinos, Inc., to Eldorado
23 Resorts, Inc. 35

24 VII. VIDEO GAMING ISSUES

25 A. Consideration of the following

5

1 PAGE

2 truckstop application:

3 1. Breaux Bridge Gaming, LLC,
4 d/b/a Cajun Fire Casino,
5 No. 5000517426 45

6

7 VII. CONSIDERATION OF PROPOSED

8 SETTLEMENTS

9 1. In Re: China Sea TCT, LLC,
10 d/b/a China Sea Restaurant
11 - No. 3800216861 50

12 2. In Re: Big Heads Amusement,
13 LLC, d/b/a Big Heads Amusement,
14 No. 3601616771 52

15 3. In Re: CHC Port Allen, LLC,
16 d/b/a Crazy Horse Cabaret,
17 No. 6100114752 54

18 VIII. ADJOURNMENT 57

19

20

21

22

23

24

25

6

1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning. I
3 have to get used to new equipment every
4 time we change from room to room, but
5 welcome to the April meeting of the
6 Louisiana Gaming Control Board.

7 Miss Tramonte, would you call the
8 roll.

9 THE CLERK: Chairman Jones?

10 CHAIRMAN JONES: Here.

11 THE CLERK: Mr. Bradford?

12 MR. BRADFORD: Here.

13 THE CLERK: Mr. Stipe? [No
14 response.]

15 Mr. Singleton?

16 MR. SINGLETON: Here.

17 THE CLERK: Mr. Jackson?

18 MR. JACKSON: Here.

19 THE CLERK: Mr. Gaston?

20 MR. GASTON: Here.

21 THE CLERK: Miss Berry?

22 MS. BERRY: Here.

23 THE CLERK: Miss Theriot? [No
24 response.]

25 Mr. Patrick? [No response.]

7

1 Colonel Reeves?

2 CAPTAIN HALE: Captain Glen Hale for
3 Colonel Reeves.

4 THE CLERK: Secretary Robinson?

5 MR. LEGENDRE: Michael Legendre here
6 for Secretary Robinson.

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

9 II. PUBLIC COMMENTS

10 CHAIRMAN JONES: I want to apologize
11 for any inconvenience that any of you
12 experienced yesterday. We had some
13 technical issues that required us to
14 move the meeting to today, so your
15 indulgence is appreciated.

16 At this point on the agenda, we
17 always present an opportunity for public
18 comment. I understand that over the
19 last few days, the Board has received
20 memoranda in opposition to a matter
21 that's later on the agenda, and I would
22 offer this time for those parties,
23 either collectively or through
24 representatives, to come to the table
25 and brief the Board. They've already

8

1 received the documents, but if one or
2 more of you would like to come to the
3 table.

4 I will not set a time limit on you,
5 but I will ask that you be considerate
6 of our agenda.

7 MR. OATS: Thank you, Mr. Chairman
8 and Members of the Board, Steve Oats
9 representing Jacobs Enterprises.

10 MS. FONTENOT: Cearley Fontenot
11 representing Jacobs Enterprises.

12 MR. BENJAMIN: Tom Benjamin
13 representing Breaux Bridge Truck &
14 Casino Plaza, LLC.

15 CHAIRMAN JONES: Make sure you pull
16 your mics down.

17 MR. OATS: We really appreciate the
18 Chairman's indulgence. We got notice of
19 this on holy Thursday, and the extra day
20 really helped. We had a lot of people
21 who were traveling for the holiday
22 weekend. We do appreciate the Board
23 taking that into consideration. We do
24 have others that are going to be
25 presenting an opposition, including the

9

1 Parish of St. Martin Parish, but theirs
2 is in writing. We just talked with the
3 parish attorney, and he was also
4 supposed to be off today. But -- and
5 we'll, with your indulgence, begin.

6 Because of the amount of

7 materials -- and we really appreciate
8 everybody looking at the materials. We
9 want to make sure we have a complete
10 record today, but in light of the
11 obviously disputed matter, this is a
12 matter of concern for the parish,
13 concern for those of us who, yes, are
14 competitors but much like this Board are
15 interested in a level playing field,
16 playing by the rules, integrity in our
17 industry. You know, we have a clear
18 controversy and dispute between the
19 applicant and the parish and the others
20 you're going to hear from today; and
21 we'd ask because of that dispute that --
22 this is destined.

23 It's already in litigation in Iberia
24 Parish. It's been through a mandamus
25 action. We'd ask that the Board

10

1 consider referring this matter to a
2 hearing officer so we can have orderly
3 presentation of all the materials
4 because, again, everybody's assuming no
5 matter how this -- the outcome that
6 there is going to be continued
7 litigation.

8 This isn't -- we made this request
9 formally through your office yesterday,

10 but this is something that we wrote to
11 the Gaming Division as early as
12 September of '16; and there's -- Jacobs
13 formally put on notice of the dispute.
14 The mandamus action has been heard. It
15 was dismissed. That was your applicant
16 moving to mandate the parish to give it
17 its Certificate of Compliance; and then
18 they filed a declaratory judgment action
19 in St. Martin Parish, and that is
20 currently pending between the parties.

21 St. Martin Parish, as they indicated
22 in their filings yesterday, is
23 vigorously defending that suit and with
24 their -- what they prepared yesterday
25 object to the issuance of the -- of the

11

1 requested license.

2 Clearly, this location is within a
3 mile of a residence so it's violative of
4 state law and should not be granted. In
5 addition to that, the one mile ordinance
6 that the parish has, which was clearly
7 within its authority to deal with
8 citing -- clear government authority for
9 local government to deal with citing
10 within their borders, a homegrown
11 charter form of government.

12 In light of all that, we'd ask that

13 this matter be referred to a hearing
14 officer hearing prior to this Board
15 considering it.

16 MS. FONTENOT: I would just like to
17 add to Steve's argument more on the
18 merits beginning with the fact that it's
19 our position that the Board should not
20 be considering the application this
21 morning, as its not a complete
22 application as it fails to include a
23 Certificate of Compliance with the
24 applicable zoning ordinances and a
25 statement of approval for the operation

12

1 of the video poker devices pursuant to
2 state law, pursuant to the gaming regs.
3 An application is not considered
4 complete nor filed unless it contains
5 all the information required by the
6 Division, and certainly as Steve pointed
7 out, in light of the pending litigation,
8 there has been no Certificate of
9 Compliance or approval by the parish,
10 nor will there be, at least until this
11 litigation is resolved in St. Martin
12 Parish. Therefore, it's our position
13 that a complete application has not been
14 submitted.

15 I think Steve adequately covered the

16 current ordinance and the history of
17 that ordinance. It was passed in 2015.
18 Breaux Bridge Gaming did attempt to have
19 it amended, and they failed and then
20 moved for a mandamus action in district
21 court which, again, was dismissed by
22 Judge Sigur. They then, you know, moved
23 forward with the declaratory action
24 which is currently pending in St. Martin
25 Parish.

13

1 CHAIRMAN JONES: Did you have
2 anything to add?

3 MR. BENJAMIN: I do. So I represent
4 Breaux Bridge Truck & Casino Plaza, LLC.
5 The name is similar to the applicant
6 but -- so I'm adverse to Breaux Bridge
7 Gaming. And I apologize for all the
8 paperwork flying your way over the
9 Easter holidays, and I hope it didn't
10 interrupt everybody's vacation plans.

11 So we saw this on the agenda on
12 Thursday, and then I very quickly
13 submitted an opposition Friday morning.
14 The office was closed, but hopefully
15 y'all received the opposition on Monday.
16 And let me say that first of all on the
17 timing of this, there's a -- Breaux
18 Bridge Gaming sued St. Martin Parish

19 government and asked for a
20 declaratory -- first they asked that the
21 parish be ordered to issue a Certificate
22 of Compliance, and the Court dismissed
23 that litigation and said you can't
24 proceed by summary proceeding.

25 Then Breaux Bridge Gaming filed a

14

1 declaratory judgment asking the Court in
2 the 16th JDC to rule that the St. Martin
3 Parish ordinance either doesn't apply to
4 them for some reason or is invalid, and
5 that was filed back in August of 2016;
6 and I noticed many of you are lawyers,
7 but, you know, it's a straight legal
8 issue. So they can file a motion for
9 summary judgment, and St. Martin Parish
10 can file a cross motion for summary
11 judgment. They could have that set for
12 hearing before the judge in a month and
13 have it ruled on one way or the other,
14 and it seems to me the logical thing to
15 do would be just to defer this for
16 several months.

17 I do agree that it should be
18 referred to an administrative hearing
19 officer, and we join in that request;
20 and we made a separate request on behalf
21 of Breaux Bridge Truck & Casino Plaza.

22 But while that's been shifted over to
23 the hearing officer, Breaux Bridge
24 Gaming certainly can file their motion
25 for summary judgment and ask the Court

15

1 to rule on whether or not this ordinance
2 prohibits their proposed truckstop
3 facility.

4 I know everybody in this Gaming
5 Control Board doesn't want to approve
6 something that's illegal. Right now
7 it's illegal. Now, Breaux Bridge Gaming
8 is going to say, well, that statute
9 shouldn't apply. It shouldn't be
10 illegal. It's unconstitutional. Well,
11 that's why we have a court system, and
12 they need to honor the court system.
13 They actually filed the lawsuit, not
14 St. Martin's Parish.

15 So that's the first and foremost
16 point I want to make. If you get to the
17 merits -- you know, I don't think you
18 should even get to the merits because I
19 think it should be deferred and it go to
20 the hearing officer; but you get to the
21 merits, I can't simply understand how
22 they fit within the statute -- the state
23 law statute. There is a grandfather
24 provision, but there's a -- first of

25 all, there's Provision F that says that

16

1 any application after August 2012 has to

2 comply with the one mile restriction.

3 You can't build a truckstop within one

4 mile of a residence. So if you read all

5 the provisions together and you got to

6 give effect to that one, this

7 application -- I think they're saying

8 they filed it August 9th, 2016. That's

9 four years later.

10 They're trying to circumvent Section

11 F by relying on Section C. I don't

12 think you can circumvent Section F, but

13 even if you rely on Section C, they

14 don't fit in because in order to rely on

15 Section C, they would have had to apply

16 within 36 months of when there was a

17 qualified truckstop facility licensed

18 and operating out there. And we

19 submitted two documents that we got from

20 a public records request. One of them

21 was in February of 2012 where the

22 previous operator said, we pulled our

23 machines and we no longer have machines,

24 and then State Police, through Sergeant

25 Sibley, sent a letter back and said that

17

1 we acknowledge this. You have 180 days

2 to resubmit to get your license back.
3 If you don't, it's going to be
4 considered closed and inactive. Nothing
5 happened.

6 So as of August 8th, 2012, it's
7 closed and inactive. They applied
8 August 9th, 2016, four years later. It
9 was not a qualified truckstop in
10 operation during the preceding three
11 years. It wasn't even a -- putting
12 aside the license issue, it was also not
13 a qualified truckstop in operation
14 because there was no fuel sales; and
15 there's a case we cite and it says, in
16 order to be a qualified truckstop, you
17 have to have fuel sales.

18 Now, I know from the State's
19 perspective, it's the more casinos you
20 have, the more revenues the State may
21 get, but you have to apply the law, read
22 the law; and there's really no way
23 around this law. But, again, I would
24 strongly urge the Board -- respectfully
25 urge the Board that this matter be

18

1 deferred and be sent to a hearing
2 officer; and let the hearing officer
3 read all these briefs and sort it all
4 out, and let Breaux Bridge Gaming go

5 forward with the litigation that they
6 filed and let them file a motion for
7 summary judgment and set it for hearing
8 before the judge in the 16th JDC. And
9 when all that is resolved, then if
10 they're successful, let them then come
11 back.

12 So we would ask that the
13 administrative hearing be granted or
14 this matter just be denied right now.

15 Thank you.

16 MR. OATS: This site also has
17 history with this Board, and we've
18 anticipated that the other side is going
19 to say this site should be
20 grandfathered; but this site operated by
21 Charlie Mondrick (phonetic) is
22 euphemistically referred to as the trash
23 pile in the community. In the hearings
24 before this body in 2012, State Police
25 reported -- via the transcripts that

19

1 we've submitted, it was referred to
2 as in the most despicable condition of
3 any site that anybody had ever come
4 across.

5 The tenor of the Members of the
6 Board were that this place should never
7 have a license, and they took all the

8 machines out in January 2012. It was
9 boarded up in February 2012, and the
10 transcripts that we've provided to you
11 was when the licensee was here for
12 sentencing. And if you've had the
13 opportunity to review the transcript or
14 your staff has had, the obvious tenor of
15 the Gaming Control Board was the only
16 reason y'all weren't hitting them with
17 even harder penalties was the fact that
18 he'd never be in the business again.

19 This record -- this -- he's still
20 the owner of the property. He's, for
21 all we know, still involved in the
22 operation. When we went before the
23 parish when they tried to amend the
24 ordinance, at that point he still was
25 involved in the ownership and received

20

1 revenue. This was not my words -- I
2 share that opinion today -- but the
3 tenor of this body that this is
4 somebody -- and this site should never
5 be in business again. Watching people
6 put money into it, it's great that it's
7 being cleaned up, and it can be a
8 truckstop; but it should never be a
9 video poker -- a qualified video poker
10 truckstop for all the reasons.

11 And I apologize for not knowing your
12 procedure, but we would ask that all of
13 the submissions that we've sent be part
14 of the record of this hearing, and we
15 also have an extra copy, out of an
16 abundance of caution, that,
17 Mr. Chairman, we'd ask that be made part
18 of any proceedings with regard to this
19 applicant today.

20 CHAIRMAN JONES: Thank you very
21 much.

22 MR. BENJAMIN: And on behalf of
23 Breux Bridge Truckstop, we'd also ask
24 that our submissions be part of the
25 record, and we have an extra copy, too.

21

1 MR. OATS: And the parish, Andy
2 Shealy -- the parish attorney who can't
3 be here who filed with you by fax
4 yesterday --

5 CHAIRMAN JONES: We received it
6 yesterday afternoon.

7 MR. OATS: -- we'd ask that that be
8 made part of the record of any
9 proceedings with regard to this
10 application today.

11 CHAIRMAN JONES: Thank you for
12 coming today. One quick comment: We
13 don't make decisions based on how much

14 revenue the State's going to get.

15 MR. BENJAMIN: Oh, I understand. I
16 understand.

17 CHAIRMAN JONES: That has nothing to
18 do with what we do. Okay?

19 MR. BENJAMIN: I understand.

20 CHAIRMAN JONES: I mean, we
21 understand, but that's not what we do.

22 MR. BENJAMIN: And I understand
23 that. I agree with that.

24 CHAIRMAN JONES: Thank you.
25 We did receive the request

22

1 yesterday, for the administrative
2 hearing before the hearing officer, by
3 the parties represented this morning in
4 relation to Breaux Bridge Gaming, and
5 that's pursuant to 27:25, I believe.
6 It's the position of this Board that no
7 such right to a hearing exists for these
8 entities.

9 A licensing determination is a
10 regulatory function of the Board that we
11 take in an open public meeting. After
12 an investigation by State Police and
13 upon recommendations from the Attorney
14 General's Office, we determine the legal
15 sufficiency of an application, and then
16 the recommendation is made to the Board

17 for licensing. That's how we pursue
18 things. That's how we proceed.

19 The Board reviews that
20 recommendation, and if we are in
21 agreement by majority vote, the
22 application is accepted. The license is
23 issued.

24 This is not an adjudicatory
25 function, in my opinion. It's not an

23

1 adjudicatory function of the Board.
2 There's no requirement in law or
3 regulation that before a license is
4 issued, notice and an opportunity for a
5 hearing must be given to any party,
6 including a party in opposition as we
7 have this morning. It's an action of
8 the Board pursuant to its executive
9 function.

10 III. APPROVAL OF THE MINUTES

11 CHAIRMAN JONES: So having said
12 that, we'll move on now to the first
13 order of business, Approval of the
14 Minutes. Do I have a motion and a
15 second?

16 MR. SINGLETON: Move.

17 CHAIRMAN JONES: Mr. Singleton,
18 Mr. Bradford.

19 Any opposition? Without opposition,

20 the minutes are approved.

21 IV. REVENUE REPORTS

22 CHAIRMAN JONES: I'll now call

23 Revenue Reports. Good morning.

24 MS. JACKSON: Good morning, Chairman

25 Jones and Board Members. My name is

24

1 Donna Jackson, Louisiana State Police

2 Gaming Enforcement Division.

3 The 15 operating riverboats

4 generated Adjusted Gross Receipts of

5 \$179,957,310, the second highest monthly

6 total generated by riverboats since

7 inception. This total represents an

8 increase of \$23.6 million or 15 percent

9 from last month, and an increase of

10 \$18.6 million or 11.5 percent from last

11 March which had one less Friday than

12 this March.

13 Adjusted Gross Receipts for fiscal

14 year 2016-2017 to date are almost

15 \$1,447,000,000, a decrease of

16 \$6.8 million or 5 percent from fiscal

17 year 2015-2016.

18 During March the State collected

19 fees totaling \$38,690,822. As of

20 March 31st, 2017, the State collected

21 over \$311 million in fees for fiscal

22 year 2016-2017, a decrease \$1.5 million

23 from last fiscal year.

24 Next is the summary of the
25 March 2017 gaming activity for Harrah's

25

1 New Orleans found on page three.

2 During March, Harrah's generated
3 \$21,794,499 in gross gaming revenue, a
4 decrease of 3.7 percent from last month,
5 and a decrease of \$2 million or nine
6 percent from last March. Fiscal
7 year-to-date gaming revenues for
8 2016-2017 are \$199 million, down
9 \$27 million or 12 percent from fiscal
10 year 2015-2016. During March, the State
11 received \$5,095,890 in minimum daily
12 payments. As of March 31st, 2017, the
13 State has collected \$45 million in fees
14 for fiscal year 2016-2017.

15 As information, Harrah's New Orleans
16 did not achieve the revenue levels that
17 would require a true-up payment for
18 their fiscal year April 2016 through
19 March 2017. For that period, Harrah's
20 generated \$266,483,824 and remitted the
21 \$60 million minimum payment to the
22 state.

23 Next I will present the revenues for
24 Slots at the Racetracks. During March,
25 the four racetrack facilities combined

1 generated Adjusted Gross Receipts of
2 \$33,062,911, an increase of \$3.4 million
3 or 11.5 percent from last month, and an
4 increase from March 2016 of \$4.4 million
5 or 15.2 percent.

6 Adjusted Gross Receipts for fiscal
7 year 2016-2017 to date are almost
8 \$257 million, a decrease of \$9 million
9 or 3 percent from fiscal year 2015-2016.

10 During March, the State collected
11 \$5,015,644 in fees. As of March 31st,
12 2017, the state has collected
13 \$39 million in fees for fiscal year
14 2016-2017.

15 Overall in March, Riverboats,
16 Landbased and Slots at the Racetracks
17 combined generated approximately \$234.8
18 million in AGR and \$48.8 million in
19 state fees. These revenues represent an
20 increase from March 2016 of 10 percent.

21 Are there any questions before I
22 present the Harrah's employee
23 information?

24 CHAIRMAN JONES: Board Members, any
25 questions? No, ma'am.

1 MS. JACKSON: Harrah's New Orleans
2 is required to maintain at least 2,400

3 employees and bi-weekly payroll of
4 \$1,750,835. This report covers pay
5 periods in March 2017.

6 For the first pay period, the
7 Division verified 2,602 employees with a
8 payroll of \$2,187,000. For the second
9 pay period, the Division verified 2,600
10 employees with a payroll of \$2,166,000.
11 Therefore, Harrah's met the employment
12 criteria during March.

13 CHAIRMAN JONES: Questions? There
14 are no questions. Thank you.

15 Video poker. Good morning.

16 MR. BOSSIER: Good morning, Chairman
17 Jones and Board Members. My name is Jim
18 Bossier with the Louisiana State Police
19 Gaming Enforcement Division here to
20 report video gaming statistics for
21 March 2017 shown on page one of your
22 handout.

23 Seventeen new video gaming licenses
24 were issued during March: Nine bars,
25 six restaurants, one truckstop and one

28

1 device owner's. Thirteen new
2 applications were received by the Gaming
3 Enforcement Division during March and
4 are currently pending in the field:
5 Eight bars, three restaurants, one

6 truckstop and one device owner's.

7 The Gaming Enforcement Division
8 assessed zero dollars and collected
9 \$8,500 in fines during March, and there
10 are currently \$1,000 in outstanding
11 fines. Please refer to page two of your
12 handout.

13 There are presently 13,093 video
14 gaming devices activated at 1,776
15 locations. Net device revenue for
16 March 2017 is \$56.5 million, a
17 \$7.4 million increase, or 1.5 [sic]
18 percent, when compared to February 2017,
19 and a \$3.4 million increase, or
20 6.4 percent, when compared to
21 March 2016.

22 Net device revenue so far for fiscal
23 year 2017 is \$431.7 million, a \$5
24 million decrease, or 1.2 percent, when
25 compared to fiscal year 2016. Page

29

1 three of your handout shows a comparison
2 of 1.2.

3 Total franchise fees collected
4 during March 2017 were \$17 million, a
5 \$2.3 million increase when compared to
6 February 2017, and a \$1.1 million
7 increase when compared to March 2016.
8 Total franchise fees collected for

9 fiscal year 2017 are \$129.5 million, a
10 \$1.2 million decrease, or 1 percent,
11 compared to fiscal year 2016. Page four
12 of your handout shows a comparison of
13 franchise fees.

14 Does anybody have any questions?

15 CHAIRMAN JONES: Any questions on
16 video poker? There are no questions.

17 MR. BOSSIER: Thank you.

18 V. CASINO GAMING ISSUES

19 A. Consideration of Certificate of Compliance
20 for the Alternate Riverboat Inspection of
21 the gaming vessel of Treasure Chest Casino,
22 LLC, d/b/a Treasure Chest Casino,
23 No. RO12600098

24 CHAIRMAN JONES: We now move to
25 casino gaming issues. First up is

30

1 consideration of Certificate of
2 Compliance for the Alternate Riverboat
3 Inspection for the gaming vessel of
4 Treasure Chest Casino, LLC, doing
5 business as Treasure Chest Casino.
6 That's No. RO12600098. Good morning.

7 MR. LEWIS: Good morning.

8 MR. FRANCIC: Good morning,
9 Chairman.

10 MR. LEWIS: Chairman Jones, Board
11 Members, I'm Assistant Attorney General

12 Kanick Lewis, Jr. With me is Mr. John
13 Francic of ABSC. We're here today in
14 the matter of the issuance of the
15 renewal of the Certificate of Compliance
16 for Treasure Chest Casino.

17 On March 24, 2017, ABSC began the
18 inspection process for the renewal of
19 Treasure Chest's Certificate of
20 Compliance, and for more on this, I now
21 turn the presentation over to
22 Mr. Francic.

23 MR. FRANCIC: Good morning,
24 Chairman, Board Members, I'm John
25 Francic with ABS Consulting here to

31

1 report the annual certification for
2 Treasure Chest Casino.

3 The inspector, Doug Chapman and Pete
4 Bullard, did, on March 9th, attend the
5 riverboat Treasure Chest to conduct the
6 annual inspection in accordance with the
7 alternative inspection of riverboat
8 gaming vessels in the State of
9 Louisiana. The inspectors reviewed fire
10 protection equipment, life-saving
11 equipment, egress routes, mooring
12 system, a vessel manning variance
13 program and conducted a fire drill.
14 There was one item found during the

15 inspection but was minor in nature, as
16 they removed insulation to access an
17 I-beam to perform maintenance on
18 generators. This was corrected within
19 30 days of the inspection.

20 Treasure Chest Casino is very
21 proactive in making sure they're ready
22 for inspection, as last year's
23 inspection revealed no deficiencies.

24 The 2017 annual survey as required
25 by the Louisiana Gaming Control Board is

32

1 complete and presents no safety concerns
2 to its patrons or employees onboard the
3 riverboat. It is the recommendation of
4 ABS Consulting that Treasure Chest be
5 issued a Certificate of Compliance.

6 MR. LEWIS: We now present these
7 findings to the Board and request that
8 upon -- and request that upon the Board
9 accepting the report submitted by ABSC,
10 that you will move for the renewal of
11 Treasure Chest's Certificate of
12 Compliance.

13 CHAIRMAN JONES: Yes, Miss Berry.

14 MS. BERRY: I wanted to move.

15 CHAIRMAN JONES: Let me see if there
16 are any questions.

17 Any questions from the Board? There

18 are no questions so we have a motion.

19 MS. BERRY: I move.

20 CHAIRMAN JONES: Do I have a second?

21 By Dr. Gaston.

22 Any objection? Without objection,

23 the motion carries and the Certificate

24 of Compliance is issued.

25 B. Consideration of Certificate of Compliance for

33

1 the Alternate Riverboat Inspection of the

2 gaming vessel of PNK Lake Charles, LLC, d/b/a

3 L'Auberge Lake Charles, No. R011001707

4 CHAIRMAN JONES: Next up is a

5 consideration of Certificate of

6 Compliance for the Alternate Riverboat

7 Inspection of the gaming vessel of PNK

8 Lake Charles, LLC, doing business as

9 L'Auberge Lake Charles, No. R011001707.

10 Gentlemen.

11 MR. LEWIS: Mr. Chairman, Board

12 Members, again, I'm Assistant Attorney

13 General Kanick Lewis, Jr., and with we

14 is Mr. John Francic of ABSC. We're here

15 in the matter of the issuance of the

16 renewal of the Certificate of Compliance

17 to PNK Lake Charles, LLC, doing business

18 as L'Auberge Lake Charles.

19 On March 14th, 2017, ABSC began the

20 inspection process for the renewal of

21 L'Auberge's Certificate of Compliance,
22 and for more on this, I now turn the
23 presentation over to Mr. John Francic.

24 MR. FRANCIC: Chairman and Board
25 Members, John Francic of ABS Consulting

34

1 here to the report the annual
2 certification for L'Auberge Lake Charles
3 Casino.

4 The inspectors, Doug Chapman and
5 Pete Bullard, did, on March 14th, attend
6 L'Auberge Lake Charles Casino to conduct
7 the annual inspection in accordance with
8 the State of Louisiana alternative
9 inspection program. The surveyors
10 reviewed fire protection equipment,
11 life-saving equipment, egress routes,
12 training records and conducted a fire
13 drill.

14 The deficiencies are noted on page
15 six and seven of your report. The
16 deficiencies were not a repeat from last
17 year's inspection, but they were cleared
18 on April 4th of this month.

19 The 2017 annual survey as required
20 by the Louisiana Gaming Control Board is
21 completed to date and does not present
22 any safety concerns to its patrons and
23 employees onboard the riverboat. It is

24 the recommendation of ABS Consulting
25 that L'Auberge Lake Charles Casino be

35

1 issued a Certificate of Compliance.

2 MR. LEWIS: We now present these
3 findings to the Board and request that
4 upon the Board accepting the report
5 submitted by ABSC, that you will move
6 for the renewal of L'Auberge Lake
7 Charles' Certificate of Compliance.

8 CHAIRMAN JONES: Any questions of
9 the Attorney General or ABSC?

10 MR. GASTON: I move, Mr. Chairman.

11 CHAIRMAN JONES: By Dr. Gaston we
12 have a motion to issue the Certificate
13 of Compliance.

14 Do I have a second? By Mr. Jackson.

15 Any objection? Without objection,
16 the motion carries.

17 C. Consideration of joint petition for transfer of
18 ownership interests of Isle of Capri Casinos,
19 Inc., to Eldorado Resorts, Inc.

20 CHAIRMAN JONES: Next up is
21 consideration of joint petition of
22 transfer of ownership interests of Isle
23 of Capri Casinos, Inc., to Eldorado
24 Resorts, Inc. Ladies and gentlemen,
25 please take the table. Good morning

36

1 all. Please introduce yourselves when
2 you speak.

3 MR. BARBIN: I'm Jeff Barbin from
4 Phelps Dunbar for Eldorado Resorts,
5 Incorporated. I'm up here with Tom Reeg,
6 who is the President and CFO of Eldorado
7 Resorts, Incorporated.

8 CHAIRMAN JONES: Thank you.

9 MS. FICKLIN: My name is Evie
10 Ficklin with Louisiana State Police
11 Corporate Securities.

12 MS. MOORE: Good morning, Chairman
13 Jones, Charmaine Moore, Assistant
14 Attorney General. We are here in the
15 matter of the joint petition of Eldorado
16 Resorts, Inc., and Isle of Capri
17 Casinos, Inc., to seek Board approval of
18 the transfer of 100 percent of the
19 ownership interest of Isle of Capri to
20 Eldorado.

21 The transfer of ownership will be
22 effectuated pursuant to an agreement and
23 plan of merger entered into by Eldorado
24 and Isle. The merger agreement provides
25 for a two-step merger of Isle to

37

1 subsidiaries of Eldorado. After the
2 mergers, Isle of Capri will cease to
3 exist, and Eldorado will thereafter

4 indirectly hold 100 percent of the
5 ownership interest of Isle's sole
6 Louisiana riverboat licensee, St.
7 Charles Gaming Company, LLC.

8 The consideration to be paid to
9 Isle's shareholders for the acquisition
10 of Isle by Eldorado will be paid partly
11 in cash and partly in Eldorado stock.
12 The Eldorado stock to be acquired by
13 Isle's shareholders will be,
14 approximately, 38 percent of the issued
15 and outstanding stock of Eldorado. The
16 issuance of the Eldorado stock to Isle's
17 shareholders will result in the transfer
18 of the second Louisiana riverboat
19 licensee, that is Eldorado's sole
20 Louisiana gaming property, Eldorado
21 Casino Shreveport Joint Venture.

22 Our review of the merger agreement
23 and other relevant documents revealed no
24 information to preclude the Board's
25 approval of the transfer of both

38

1 licensees, St. Charles Gaming Company,
2 LLC, doing business as Isle of Capri
3 Casino Hotel Lake Charles, and Eldorado
4 Casino Shreveport Joint Venture doing
5 business as Eldorado Casino Shreveport.

6 MS. FICKLIN: The Board at its

7 February 2017 meeting previously
8 approved the financing in connection
9 with Eldorado's acquisition buyout. The
10 financing consists of a new credit
11 agreement which includes a seven-year
12 \$1.45 billion term loan and five-year
13 \$300 million revolver and a \$375 million
14 issuance in senior notes.

15 Under Eldorado's new credit
16 agreement, the initial borrower will be
17 Eldorado's wholly owned subsidiary,
18 Eagle II Acquisition Company, LLC.
19 Eldorado will assume Eagle II's
20 obligations at the closing of the
21 merger. Eagle II entered into the new
22 credit agreement yesterday with J.P.
23 Morgan, as the administrative agent, and
24 the other participating lenders.

25 On March 29th, 2017, Eagle II issued

39

1 \$375 million 6 percent senior notes in
2 lieu of a bridge loan. The senior notes
3 mature in 2025. Eldorado will also
4 assume Eagle II's obligations under the
5 senior notes indenture. The proceeds
6 from the issuance have been placed in
7 escrow account until the merger closing.

8 As a consequence of the timing of
9 the merger, Eldorado will acquire Isle's

10 Lake Charles Casino -- licensee, St.
11 Charles Gaming Company, prior to its
12 planned sale of St. Charles Gaming to
13 the Pueblo Laguna Indian Tribe. In the
14 interim, between the closing of the
15 Eldorado/Isle merger and the sale of
16 St. Charles, Eldorado will manage
17 St. Charles under the terms of Isle's
18 existing management agreement with
19 St. Charles until further notice of
20 change or the sale of St. Charles.

21 The organizational chart on page
22 five shows post merger Eldorado. Under
23 the terms of the merger, Eagle II will
24 be known post merger as Isle of Capri
25 Casinos, LLC.

40

1 No financial issues came to our
2 attention to preclude the Board's
3 approval of Eldorado's merger with Isle
4 of Capri Casinos, Inc.

5 Lieutenant Albright will now present
6 the results of his investigation.

7 LIEUTENANT ALBRIGHT: Good morning,
8 Chairman Jones and Members of the Board.
9 I'm Lieutenant Adam Albright with the
10 State Police Gaming Enforcement
11 Division.

12 On October 3rd, 2016, the Division

13 received the petition from Eldorado
14 Resorts, Inc., seeking approval of the
15 transfer of interest in licensee,
16 Eldorado Casino Shreveport Venture to
17 GFIL Holdings, Inc., and Eldorado
18 Resorts merger with Isle of Capri.

19 The Division conducted updated
20 suitability investigations on the
21 officers, directors, and persons with a
22 5 percent or more ownership interest in
23 the following companies: Eldorado
24 Resorts, Inc., Hotel Casino Management,
25 Inc., GFIL Holdings, Inc., Eagle II

41

1 Acquisitions Company, LLC, and
2 Recreational Enterprises, Inc. All the
3 individuals in this investigation have
4 previously met suitability through
5 either Eldorado Resorts, Inc., and its
6 various business entities, or Isle of
7 Capri Casinos, Inc.

8 Criminal inquiries were made through
9 the State of Louisiana's criminal
10 history records database, and tax
11 clearance request forms were forwarded
12 to the Louisiana Department of Revenue
13 in order to ensure the applicants are
14 current in their tax filings.

15 At the conclusion of the

16 investigation, no information was
17 discovered which would bring into
18 question the suitability of the licensee
19 or preclude any of the aforementioned
20 individuals for maintaining suitability.
21 At this time, I'll gladly answer any
22 questions you may have.

23 CHAIRMAN JONES: Mr. Barbin.

24 MR. BARBIN: Nothing more to add. I
25 just wanted to give a word of thanks to

42

1 the Board and the Board's staff and
2 State Police and the Attorney General's
3 Office for working diligently to help us
4 get through this. We've asked for some
5 creative hoops to be jumped through and
6 that happened, and we appreciate the
7 help and support. I'm happy to answer
8 any questions you may have.

9 Also, Isle of Capri is here, Janet
10 Boles and Elizabeth Tranchina, if you
11 guys have any questions of them.

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

14 Mr. Jackson.

15 MR. JACKSON: I make a motion to
16 approve the applicant.

17 CHAIRMAN JONES: We have a motion to
18 adopt the resolution.

19 MR. SINGLETON: Second.

20 CHAIRMAN JONES: Mr. Singleton

21 seconds.

22 Miss Tramonte, would you read the
23 resolution into the record.

24 THE CLERK: Whereas, Eldorado
25 Resorts, Incorporated ("Eldorado"),

43

1 parent company of Louisiana riverboat
2 license Eldorado Casino Shreveport Joint
3 Venture doing business as Eldorado
4 Resort Casino Shreveport, license
5 No. RO13600005, and Isle of Capri
6 Casinos, Incorporated ("Isle"), parent
7 company of Louisiana riverboat licensee
8 St. Charles Gaming Company, LLC, doing
9 business as Isle of Capri Hotel --
10 Casino Hotel Lake Charles,
11 No. RO11700174, did, on the 16th day of
12 September, 2016, enter into a certain
13 Agreement and Plan of Merger, providing
14 for Eldorado Resorts, Incorporated's,
15 acquisition of Isle of Capri,
16 Incorporated; and whereas, Eldorado and
17 Isle have petitioned the Board to
18 approve the acquisition of Isle by
19 Eldorado.

20 Now, therefore, on the 18th day of
21 April 2017, the Louisiana Gaming Control

22 Board did, in a duly noticed public
23 meeting, consider Eldorado's and Isle's
24 request for approval of the following:

25 1. The transfer of 100 percent of

44

1 the ownership interest in Isle and,
2 thereby, an ownership interest in its
3 subsidiaries, IOC Holdings, LLC, and
4 St. Charles Gaming Company, LLC, to
5 Eldorado.

6 2. The transfer of approximately
7 38 percent of the ownership interest in
8 Eldorado and, thereby, an ownership in
9 Eldorado and its subsidiaries, Eldorado
10 Holdco, LLC, Eldorado Resorts, LLC,
11 Eldorado Shreveport #1, LLC, Eldorado
12 Shreveport #2, LLC, and Eldorado Casino
13 Shreveport Joint Venture doing business
14 as Eldorado Resort Casino Shreveport to
15 current Isle shareholders.

16 And upon motion duly made and
17 second, the Board adopted this
18 Resolution:

19 Be it resolved that Eldorado's and
20 Isle's joint request for approval of the
21 forgoing transfers are hereby approved.

22 Thus done and signed in Baton Rouge,
23 Louisiana, this 18th day of April 2017.

24 Mr. Bradford?

25 MR. BRADFORD: Yes.

45

1 THE CLERK: Mr. Singleton?

2 MR. SINGLETON: Yes.

3 THE CLERK: Mr. Jackson?

4 MR. JACKSON: Yes?

5 THE CLERK: Mr. Gaston?

6 MR. GASTON: Yes.

7 THE CLERK: Miss Berry?

8 MS. BERRY: Yes.

9 THE CLERK: Chairman Jones?

10 CHAIRMAN JONES: Yes. The motion

11 carries. Thank you.

12 VI. VIDEO GAMING ISSUES

13 A. Consideration of the following new

14 truckstop application:

15 1. Breaux Bridge Gaming, LLC, d/b/a Cajun Fire

16 Casino - No. 5000517426

17 CHAIRMAN JONES: Next up on the

18 regular agenda is video gaming issues.

19 Now we take up: Consideration of Breaux

20 Bridge Gaming, LLC, doing business as

21 Cajun Fire Casino, No. 5000517426. This

22 is a new application.

23 Good morning.

24 MR. MEAK: Morning, Chairman Jones,

25 Board Members, I'm Matthew Meak,

46

1 Assistant Attorney General, present

2 before the Board in the matter of the
3 original application of Breaux Bridge
4 Gaming, LLC, doing business as Cajun
5 Fire Casino, applying for approval of a
6 Type 5 Video Draw Poker Gaming License.

7 The truckstop facility is located in
8 St. Martin Parish. Breaux Bridge
9 Gaming, LLC, leases the immovable
10 property from Breaux Bridge Land
11 Investment, LLC. TMI Enterprises,
12 Incorporated, is the video draw poker
13 device operator, and Breaux Bridge Land
14 Investment, LLC, is the sole member of
15 Breaux Bridge Gaming, LLC. Louis Vielee
16 has a 61 percent membership interest,
17 and Damon Baldone has the remaining
18 39 percent.

19 Trooper Vincent Lenguyen inspected
20 the truckstop facility and conducted
21 suitability investigations of the
22 associated persons. He is present this
23 morning to report his findings to the
24 Board.

25 SENIOR TROOPER LENGUYEN: Good

47

1 morning, Chairman Jones and Board
2 Members. My name is Senior Trooper
3 Vincent Lenguyen with Louisiana State
4 Police. I'm here to present my

5 findings.

6 I conducted a suitability
7 investigation and updated background
8 check on all relevant persons associated
9 with the application. David Baldone,
10 Louis Vielee and his wife, Susan Vielee,
11 previously submitted to suitability
12 investigation in connection with other
13 video poker licenses.

14 An on-site inspection was conducted,
15 and it was determined that the
16 establishment meets all criteria set
17 forth in video gaming law as a qualified
18 truckstop facility. All required
19 license and permits were posted and
20 valid at the time of the inspection.

21 Applicant has obtained a certificate
22 of zoning for the property which allow
23 for the operation of the video draw
24 poker truckstop. Applicant has
25 submitted notification to local

48

1 governing authority in reference to the
2 operation of video poker device as a
3 truckstop facility in St. Martin Parish.

4 The establishment consists of at
5 least five contiguous acres,
6 specifically 21.637 acres. As the
7 applicant is leasing a location that was

8 licensed within the past three years,
9 they are not subject to the rules that
10 they must be one mile from a school,
11 church, playground, synagogue, public
12 library, residence and building on the
13 National Historic Registry.

14 I found no information to preclude
15 the issuance of a Type 5 Video Draw
16 Poker Gaming License to Breaux Bridge
17 Gaming, LLC, doing business as Cajun
18 Fire Casino, or to preclude Damon
19 Baldone, Louis Vielee or wife, Susan
20 Vielee, from continuing to participate
21 in the gaming industry.

22 MR. MEAK: The Office of the
23 Attorney General has reviewed the file
24 prepared by the Office of State Police,
25 and we found no information to preclude

49

1 the issuance of a Type 5 license.

2 CHAIRMAN JONES: Before I move to
3 questions, I'd ask if anyone from the
4 applicant wishes to make a statement?

5 MR. ANGELLE: Randy Angelle on
6 behalf of the applicant. We will rely
7 on the position taken by the State
8 Police and by the Attorney General's
9 Office.

10 CHAIRMAN JONES: Thank you.

11 Matthew, it's my understanding that
12 your office reviewed some objections
13 which were previously filed in
14 opposition to this application, and we
15 received copies at our office yesterday,
16 from four parties, of objections. I'm
17 not sure whether it was received
18 yesterday. Have you had a chance to
19 review those that were received
20 yesterday?

21 MR. MEAK: Yes, sir, all of them.

22 CHAIRMAN JONES: Is there anything
23 in those objections, anything in those
24 documents that would change your
25 recommendation this morning?

50

1 MR. MEAK: No, sir.

2 CHAIRMAN JONES: Board, any
3 questions?

4 Mr. Jackson.

5 MR. JACKSON: I make a motion to
6 approve.

7 CHAIRMAN JONES: We have a motion to
8 approve.

9 MR. GASTON: I'll second it.

10 CHAIRMAN JONES: We have a second by
11 Dr. Gaston.

12 Is there any objection to the
13 issuance of the license -- the motion to

14 issue the license? Without objection,
15 the motion carries. Thank you.

16 VII. CONSIDERATION OF PROPOSED SETTLEMENTS

17 1. In Re: China Sea TCT, LLC, d/b/a China
18 Sea Restaruant - No. 3800216861

19 CHAIRMAN JONES: Now, we have
20 consideration of proposed settlements.
21 First up is in regard to China Sea TCT,
22 LLC, doing business as China Sea
23 Restaurant, No. 3800216861. This is a
24 proposed settlement.

25 Good morning.

51

1 MR. LEWIS: Good morning. Assistant
2 Attorney General Kanick Lewis, Jr., here
3 in the matter of China Sea TCT, LLC,
4 doing business as China Sea Restaurant.

5 This settlement addresses the late
6 submission of the annual form and fees
7 that are required to be submitted no
8 later than July 1st of each year. This
9 Type 2 licensee did not submit until
10 September 20th, 2016, which gave rise to
11 a violation of gaming law.

12 The civil penalty contained in this
13 settlement is \$750, which is an amount
14 that is well established for violations
15 of this type. The settlement has been
16 signed by the hearing officer and is now

17 before the Board for final approval.

18 I'll be happy to answer any

19 questions you may have.

20 CHAIRMAN JONES: Board, any

21 questions with respect to the China Sea

22 settlement? There are no questions.

23 Mr. Bradford has a motion to accept.

24 Miss Berry seconds.

25 Any objection? Without objection,

52

1 the motion carries.

2 MR. LEWIS: Thank you.

3 2. In Re: Big Heads Amusement, LLC, d/b/a Big

4 Heads Amusement - No. 36001616771

5 CHAIRMAN JONES: Next up is in

6 regard to Big Heads Amusement, LLC,

7 doing business as Big Heads Amusement,

8 No. 3601616771. This is a proposed

9 settlement.

10 Good morning again.

11 MR. MEAK: Good morning again.

12 Sorry. Good morning again again.

13 Chairman Jones, Board Members, I'm

14 Assistant Attorney General Matthew Meak

15 present before the Board in the matter

16 of the settlement of Big Heads

17 Amusement, LLC, doing business as Big

18 Heads Amusement.

19 This settlement addresses the late

20 submission of annual forms and fees that
21 are required to be submitted no later
22 than July 1st of each year. This Type 6
23 licensee did not submit the annual forms
24 and fees until September 13th, 2016,
25 which gave rise to a violation of gaming

53

1 law. The civil penalty contained in
2 this settlement is \$1,500, which is an
3 amount that is well established for
4 violations of this type. The settlement
5 has been signed by the hearing officer
6 and is now before the Board for final
7 approval.

8 I would be happy to answer any
9 questions you have at this time.

10 CHAIRMAN JONES: Board Members, any
11 questions?

12 MR. JACKSON: I've got one. I have
13 a question.

14 CHAIRMAN JONES: Yes, sir.

15 MR. JACKSON: Was this their first
16 violation?

17 MR. MEAK: Sir?

18 MR. JACKSON: Was this their first
19 violation?

20 MR. MEAK: I do not have
21 that information.

22 CHAIRMAN JONES: Wouldn't the fine

23 be -- wouldn't that be reflected in the
24 settlement?

25 MR. MEAK: That is my understanding,

54

1 yes. They submitted after August 31st
2 so \$1,500 is consistent with that late
3 of a submission.

4 MR. JACKSON: Okay.

5 CHAIRMAN JONES: Okay?

6 MR. JACKSON: Okay.

7 CHAIRMAN JONES: Do we have a
8 motion?

9 MR. GASTON: I'll move,
10 Mr. Chairman.

11 CHAIRMAN JONES: Dr. Gaston,
12 Mr. Bradford.

13 Any objection? Without objection,
14 the motion carries. The settlement is
15 accepted.

16 MR. MEAK: Thank you.

17 3. In Re: CHC Port Allen, LLC, d/b/a Crazy Horse
18 Cabaret - No. 6100114752

19 CHAIRMAN JONES: Next up is in
20 regard to CHC Port Allen, LLC, doing
21 business as Crazy Horse Cabaret, No.
22 6100114752.

23 MS. BOGRAN: Good morning, Chairman
24 Jones, Board Members. I'm Olga Bogran.
25 I'm presenting this matter for Heather

1 Hood.

2 This settlement addresses licensee's
3 failure to timely notify the Division of
4 multiple changes in management and a
5 transfer of membership interest in the
6 licensee. Additionally, three employees
7 did not disclose their arrest records on
8 their application.

9 One of these individuals is no
10 longer employed by the licensee. The
11 two remaining individuals are no longer
12 employed in positions that require that
13 they meet suitability. One of the two
14 remaining individuals is Charles
15 Rolling, who is currently employed as
16 the COO of Kirkendoll Company, LLC,
17 doing business as Kirkendoll Management.

18 The terms of the settlement specify
19 that he is barred from exerting any
20 control or authority over the licensee
21 or any holder of or applicant for a
22 Louisiana gaming license or permit until
23 such time as he submits to suitability
24 and is found to be suitable.

25 Prior to the transfer of membership

1 interest that is addressed in the
2 settlement, the membership interest in

3 the licensee were held as follows:
4 51 percent John Kirkendoll, 24 percent
5 Alan Kirkendoll and 24 percent
6 Entertainment Acquisitions, LLC. Just
7 as an aside, John Kirkendoll holds a
8 hundred percent membership interest in
9 Entertainment Acquisitions. After the
10 transfer of Alan Kirkendoll's
11 24.5 percent to Entertainment
12 Acquisitions, a transfer which was not
13 timely reported to the Division, the
14 result and more current membership
15 interests are as follows: 51 percent
16 John Kirkendoll, 49 percent
17 Entertainment Acquisitions.

18 In the period between 2010 and 2015,
19 five individuals were involved in eight
20 managerial position changes that were
21 not timely reported to the Division.

22 The failure to timely report the
23 managerial position changes and their
24 transfer of membership interest resulted
25 in a \$10,500 civil penalty which is

57

1 included in the settlement agreement.
2 The settlement has been signed by the
3 hearing officer and is before you for
4 final approval.

5 CHAIRMAN JONES: And that amount is

6 consistent with other previous
7 violations of other licensees?

8 MS. BOGRAN: Yes.

9 CHAIRMAN JONES: Are there any
10 questions? There are no questions.

11 Do I have a motion? By
12 Mr. Bradford and Miss Berry second.

13 Any objection? Without objection,
14 the motion carries.

15 MS. BOGRAN: Thank you.

16 VIII. ADJOURNMENT

17 CHAIRMAN JONES: There being no
18 further business before the Board --

19 MR. GASTON: Mr. Chairman, I would
20 like thank Miss Berry for showing up
21 today, a CPA on tax day.

22 CHAIRMAN JONES: I'm sure she
23 brought homework with her to do in the
24 car on the way home.

25 I'll now take a motion to adjourn.

58

1 Mr. Bradford and Mr. Jackson.

2 Any objection? Without objection,
3 we stand adjourned.

4

5

6

7

8

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

59

1 REPORTER'S PAGE

2

3 I, SHELLEY PAROLA, Certified Shorthand

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

5 officer before whom this sworn testimony was

6 taken, do hereby state:

7 That due to the spontaneous discourse of this

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

9 used to indicate pauses, changes in thought,

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

11 for a Court Reporter's transcription of a

12 proceeding, and that dashes (--) do not indicate
13 that words or phrases have been left out of this
14 transcript;

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

60

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 April 18,

7 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 8th day of
19 May, 2017.

20

21

SHELLEY G. PAROLA, CCR, RPR

22

CERTIFICATE NO. 96001

23

24