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1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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8

9 September 19, 2013

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11 House Committee Room 6

12 Louisiana State Capitol

13 Baton Rouge, Louisiana

14

15

16

17 TIME: 10:00 A.M.

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1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3

4 FRANKLIN AYRES BRADFORD

Vice-Chair (Economic Planner)

5 Fifth Congressional District

June 30, 2013

6

7 ROBERT G. JONES

(MBA/CPA)

8 Seventh Congressional District

June 30, 2013

9

10 JAMES SINGLETON

(Public/Business Administration)

11 Second Congressional District

June 30, 2014

12

13 MARK STIPE

(Attorney)

14 Seventh Congressional District

June 30, 2014

15

16 DENISE NOONAN

(At Large)

17 First Congressional District

June 30, 2015

18

19 MAJOR CLAUDE MERCER

(Law Enforcement)

20 Fifth Congressional District

June 30, 2018

21

22 CLAUDE D. JACKSON

(At Large)

23 Fourth Congressional District

June 30, 2015

24

25

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1 APPEARANCE CONTINUED

2 ROBERT W. GASTON, III

(At Large)

3 Sixth Congressional District

4

MAJOR MARK NOEL

5 Louisiana State Police

Ex-Officio Member

6

7 MICHAEL E. LEGENDRE

LDR Director, Office of Charitable Gaming

8

9 LANA TRAMONTE

Executive Assistant

10

11 TRUDY SMITH

Confidential Assistant

12

13 REPORTED BY:

SHELLEY G. PAROLA, CSR, RPR

14 Baton Rouge Court Reporters

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10	Merger between Bally	
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15 Riverboat Inspection of the
16 gaming vessel of Louisiana Casino
17 Cruises, Inc., d/b/a Hollywood
18 Baton Rouge - No. R011700193 18

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20 A. Consideration of the following

21 truckstops:

22 1. L.M. Daigle Oil Company, Inc., d/b/a

23 Lucky Delta - No. 1006500040

24 (transfer of interest) 22

25 2. L.M. Daigle Oil Company, Inc., d/b/a

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2 Starks Truck Stop - No. 1000516060

3 (transfer of interest) 22

4 3. Presto Fuel Center, LLC, d/b/a Presto

5 Fuel Center - No. 2900511631 26

6 VIII. CONSIDERATION OF PROPOSED SETTLEMENTS

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8 1. In Re: Hank's Restaurant & Lounge,

9 Inc., d/b/a Hank's Restaurant &

10 Lounge - No. 3601112906

11 Corporation (proposed settlement) 30

12 2. In Re: James R. Taylor - No.

13 PO40021163 (appeal) 32

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15 Inc., d/b/a Taco Tico - No.

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning,
3 welcome to the September meeting of the
4 Gaming Control Board. I'd like to call
5 the meeting to order. Miss Tramonte,
6 call the roll.

7 THE CLERK: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 THE CLERK: Mr. Bradford?

10 MR. BRADFORD: Here.

11 THE CLERK: Mr. Jones?

12 MR. JONES: Yes.

13 THE CLERK: Mr. Stipe?

14 MR. STIPE: Here.

15 THE CLERK: Mr. Singleton?

16 MR. SINGLETON: Here.

17 THE CLERK: Miss Noonan?

18 MS. NOONAN: Here.

19 THE CLERK: Major Mercer?

20 MAJOR MERCER: Here.

21 THE CLERK: Mr. Jackson?

22 MR. JACKSON: Here.

23 THE CLERK: Mr. Gaston?

24 MR. GASTON: Here.

25 THE CLERK: Colonel Edmonson?

7

1 MAJOR NOEL: Major Noel for Colonel

2 Edmonson.

3 THE CLERK: Secretary Barfield?

4 MR. LEGENDERE: Mike Legendre for

5 Secretary Barfield.

6 CHAIRMAN JONES: We have a quorum.

7 Just as a note for you, we're moving the

8 October meeting by one day. We're going

9 to be meeting on a Wednesday rather than

10 the Thursday in October, so we will be

11 meeting on October 16th. And I know

12 we're all creatures of habit. You'll

13 want to show up on Thursday and nobody

14 will be here. So we're meeting on

15 October 16th in October.

16 II. PUBLIC COMMENTS

17 CHAIRMAN JONES: At this time, we'd

18 like to open up the floor to any public

19 comments. Anyone here wish to address

20 the Board who's not on the agenda? [No

21 response.]

22 III. APPROVAL OF THE MINUTES

23 CHAIRMAN JONES: All right. We'll

24 move to the Approval of the Minutes.
25 Can I get a motion to waive reading and

8

1 approve the minutes?

2 MS. NOONAN: I'll motion.

3 MR. JONES: Second.

4 CHAIRMAN JONES: Motion by
5 Miss Noonan, seconded by Mr. Jones.
6 Motion carries. I'm assuming there is
7 no one that's opposed to that.

8 IV. ELECTION OF VICE-CHAIR

9 CHAIRMAN JONES: We do have a matter
10 of business -- administrative business.
11 We have to select a new Vice-Chairman.
12 Our Vice-chairman was not reappointed.
13 Miss Rogers had been serving in a
14 position that had actually expired, and
15 you serve in that position until you're
16 replaced; and the Governor's Office made
17 some new appointments to the Board. We
18 want to welcome Bobby Gaston, our newest
19 member. Glad to have you, Bobby. And
20 Miss Rogers had been the Vice-Chair, so
21 we will open it up for nominations for
22 Vice-Chair.

23 MAJOR MERCER: Mr. Chairman?

24 CHAIRMAN JONES: Yes, sir.

25 MAJOR MERCER: I nominate

9

1 Mr. Bradford.

2 MS. NOONAN: I'll second.

3 CHAIRMAN JONES: I have a nomination
4 by Major Mercer and a second by
5 Miss Noonan. Are there any other
6 nominations? Will you serve, first of
7 all? Do you want to do this?

8 MR. BRADFORD: You didn't ask me if
9 I was opposed to it.

10 CHAIRMAN JONES: All in favor?

11 [Collective "aye."] Any opposition?

12 [No response.] Congratulations. Glad
13 to have you.

14 V. REVENUE REPORTS

15 CHAIRMAN JONES: At this time, we'd
16 move to Revenue Reports. Welcome, take
17 the table and introduce yourself. We
18 want to hear what you have.

19 MS. JACKSON: Morning, Chairman
20 Jones, Board Members. My name is Donna
21 Jackson with Louisiana State Police
22 Gaming Audit Section. The riverboat
23 revenue report for August 2013 is shown
24 on page one of your handout.

25 During August, the 14 operating

10

1 riverboats generated Adjusted Gross
2 Receipts of \$153,725,702, an increase of
3 \$21 million or 16 percent from last

4 August when there were only 12
5 riverboats in operation.

6 Adjusted Gross Receipts for fiscal
7 year 2013-2014 to date are \$307,309,832,
8 an increase of 13 percent or \$36 million
9 for fiscal year 2012-2013. During
10 August, the State collected fees
11 totaling \$33,051,026. As of
12 August 31st, 2013, the State has
13 collected \$66,071,614 in fees for fiscal
14 year 2013-2014.

15 Next is a summary of the August 2013
16 gaming activity for Harrah's New Orleans
17 found on page three. During August,
18 Harrah's generated \$27,881,192 in Gross
19 Gaming Revenue, an increase from last
20 month of \$2.5 million or 10 percent, and
21 a \$5 million or 21.6 percent increase
22 from last August.

23 Gaming revenues for fiscal year
24 2013-2014 to date are \$53,231,654, up
25 \$6.4 million or 14 percent from last

11

1 fiscal year.

2 During August, the State received
3 \$5,095,890 in minimum daily payments.

4 As of August 31st, 2013, the State has
5 collected over \$10 million in fees for
6 fiscal year 2013-2014.

7 Slots at the Racetracks Revenues are
8 shown on page four. During August, the
9 four racetrack facilities combined
10 generated Adjusted Gross Receipts of
11 \$33,520,269, a slight decrease of
12 .4 percent from last month, but an
13 increase of \$1 million or 3.5 percent
14 from last August.

15 Adjusted Gross Receipts for fiscal
16 year 2013-2014 to date are \$67,188,757,
17 a decrease of \$227,000 or .3 percent
18 from last fiscal year. During August,
19 the State collected \$5,085,025 in fees.
20 As of August 31st, 2013, the State has
21 collected over \$10 million in fees for
22 fiscal year 2013-2014.

23 Overall in August, Riverboats,
24 Landbased and Slots at the Racetracks
25 combined generated \$215 million in

12

1 Adjusted Gross Receipts, which is
2 \$27 million or 14 percent more than the
3 previous August.

4 Are there any questions before I
5 present the Harrah's employee
6 information?

7 CHAIRMAN JONES: Board members, any
8 questions? There doesn't appear to be
9 any.

10 MS. JACKSON: Harrah's New Orleans
11 is required to maintain at least 2,400
12 employees and a bi-weekly payroll of
13 \$1,750,835. This report covers the
14 three pay periods in August 2013.

15 For the first pay period, the Audit
16 Section verified 2,485 employees with a
17 payroll of \$2,005,000. For the second
18 pay period, the Audit Section verified
19 2,490 employees with a payroll of
20 \$2,009,000. For the third pay period,
21 the Audit Section verified 2,482
22 employees with a payroll of \$2,015,000.
23 Therefore, Harrah's met the employment
24 criteria during August.

25 CHAIRMAN JONES: Any questions? [No

13

1 response.] Thank you very much. Video
2 poker.

3 MR. BOSSIER: Good morning, Chairman
4 Jones and Board Members. My name is Jim
5 Bossier with the Louisiana State Police
6 Gaming Audit Section. I'm reporting
7 video gaming information for August 2013
8 as shown on page one of your handout.

9 During August 2013, 21 new video
10 gaming licenses were issued: Ten bars
11 and eleven restaurants. Thirty-five new
12 video gaming devices have been issued so

13 far in fiscal year 2014. Twenty-two new
14 applications were received by the Gaming
15 Enforcement Division during August and
16 are currently pending the field: Eleven
17 bars and eleven restaurants.

18 The Gaming Enforcement Division
19 assessed \$13,300 and collected \$23,550
20 in penalties in August. There are
21 currently \$7,100 in outstanding fines.

22 Please refer to page two of your
23 handout.

24 There are presently 13,960 video
25 gaming devices activated at 2,012

14

1 locations. Net device revenue for
2 August 2013 was \$48,866,111, a
3 \$1.2 million increase or 2.5 percent
4 when compared to net device revenue for
5 July 2013, and a \$1.7 million increase
6 or 3.7 percent when compared to
7 August 2012.

8 Net device revenue for fiscal year
9 2014 was \$96,560,852, a \$1.3 million
10 increase or 1.14 percent when compared
11 to net device revenue for fiscal year
12 2013. Page three of your handout shows
13 a comparison of net device revenue.

14 Total franchise fees collected for
15 August 2013 were \$14,591,712, a \$359,000

16 increase when compared to July 2013, and
17 a \$127,000 increase when compared to
18 August 2012. Total franchise fees
19 collected for fiscal year 2014 were
20 \$28,824,053, a \$331,000 increase or
21 1.2 percent increase when compared to
22 last year's franchise fees.

23 Page four of your handout shows a
24 comparison of franchise fees. Does
25 anybody have any questions?

15

1 CHAIRMAN JONES: Board, any
2 questions? The board is clear.

3 MR. BOSSIER: I'd like to make a
4 correction. On total franchise fees
5 collected for fiscal year 2014, were
6 \$28,824,000, a \$331,000 increase or
7 1.2 percent decrease when compared to
8 last year's franchise fees.

9 CHAIRMAN JONES: Where were you,
10 Jim?

11 MR. BOSSIER: Excuse me, the second
12 to last paragraph should have been a
13 decrease instead of an increase.

14 CHAIRMAN JONES: Okay. Thank you
15 for noting that. If there are no
16 questions, the board is clear. Thank
17 you very much.

18 VI. CASINO GAMING ISSUES

19 A. Consideration of petition to Approve
20 Agreement and Plan of Merger between Bally
21 Technologies, Inc., and SHFL Entertainment,
22 Inc.

23 CHAIRMAN JONES: We now move to
24 Casino Gaming Issues. We'll take up the
25 matter of consideration of petition to

16

1 Approve Agreement and Plan of Merger
2 between Bally Technologies, Inc., and
3 SHFL Entertainment, Incorporated. Would
4 you take the table and introduce
5 yourself.

6 MR. THOMPSON: Good morning,
7 Chairman Jones, Board Members.

8 CHAIRMAN JONES: Morning.

9 MR. THOMPSON: I'm Assistant
10 Attorney General, Buddy Thompson. With
11 me is State Police Trooper Kevin Lamonte
12 (phonetic) and I have Danny Rester here
13 who is the attorney for Bally's.

14 We're here in the matter of the
15 transfer of ownership interest in SHFL
16 Entertainment, Inc., to Bally Gaming,
17 Incorporated, a wholly-owned and direct
18 subsidiary of Bally's Technologies,
19 Inc., pursuant to a merger of its merger
20 subsidiary, Manhattan Merger
21 Corporation, with and into SHFL.

22 Upon the merger, Manhattan Merger
23 Corporation will cease to exist, and
24 SHFL, the surviving entity to the
25 merger, will become the wholly-owned

17

1 subsidiary of Bally Gaming --

2 Subsequent to the merger, SHFL will
3 have all of the same corporate officers
4 and directors as Bally Gaming, Inc.
5 Bally Gaming and its officers and
6 directors were previously investigated
7 and found suitable in connection with
8 the issuance and renewal of Bally's
9 three Louisiana permits on September the
10 12th, 2012. Bally Technologies,
11 Incorporated, Alliance Holding Company
12 and Bally Gaming International, the
13 parent companies of Bally Gaming, Inc.,
14 an their officers and directors were
15 investigated and found suitable in
16 connection with the Bally renewals, and
17 they continue to maintain suitability.

18 Trooper Kevin Lamonte will now
19 report the findings to the Board.

20 TROOPER LAMONTE: Yes. I updated
21 the criminal histories of all the
22 individuals involved in the transaction
23 and found no information that would
24 preclude the Board from approving the

25 merger.

18

1 MR. THOMPSON: A review of the file
2 compiled as a result of the
3 investigation conducted by State Police
4 revealed no information to preclude the
5 approval of the transfer of ownership
6 from SHFL to Bally Gaming, Inc., and
7 we'd be happy to answer any questions.

8 CHAIRMAN JONES: Board Members, any
9 questions? I see no lights on. It
10 looks clear. At this time, I'd ask for
11 a motion to approve the transfer.

12 MR. BRADFORD: So moved.

13 CHAIRMAN JONES: By the Vice-Chair.
14 Second?

15 MR. JONES: Second.

16 CHAIRMAN JONES: Second by
17 Mr. Jones. All in favor? [Collective
18 "aye."] Any opposition? [No response.]
19 It passes. Thank you, gentlemen.

20 MR. RESTER: I'd like to thank the
21 Chairman of the Board on behalf of
22 Bally's for the approval. Thank you
23 very much.

24 CHAIRMAN JONES: Yes, sir, thank you
25 for being here.

19

1 B. Consideration of Certificate of Compliance for

2 the Alternate Riverboat Inspection of the
3 gaming vessel of Louisiana Casino Cruises,
4 Inc., d/b/a Hollywood Baton Rouge - No.
5 R011700193

6 CHAIRMAN JONES: We'll now take up
7 the matter of the Consideration of
8 Certificate of Compliance for the
9 Alternate Riverboat Inspection of the
10 gaming vessel Louisiana Casino Cruises,
11 Inc., doing business as Hollywood Baton
12 Rouge, No. R011700193. Would you
13 identify yourself for the Board, please.

14 MR. TYLER: Yes, Chairman Jones,
15 Assistant Attorney General, Michael
16 Tyler.

17 MR. FRANCIC: John Francic with ABS
18 Consulting.

19 CHAIRMAN JONES: Good morning, guys.

20 MR. TYLER: Good morning, Chairman,
21 Board Members. We're here today to
22 present the consideration for the
23 renewal of the Certificate of Compliance
24 for Hollywood Casino Baton Rouge.

25 On July 30th, 2013, Hollywood Casino

20

1 Baton Rouge began the Alternate
2 Inspection process for the renewal of
3 its Certificate of Compliance. Some
4 issues were found and a follow-up

5 scheduled.

6 On September 6th, 2013, ABSC
7 submitted a supplemental report
8 regarding the matters that were to have
9 been rectified by Hollywood.

10 For more on this matter, I now turn
11 this presentation over to John Francic
12 of ABSC.

13 MR. FRANCIC: Good morning,
14 Chairman, Board Members. On July 30th,
15 Doug Chapman and Brad Conklin attended
16 the Hollywood Casino to perform the
17 safety inspection in accordance with the
18 State of Louisiana Alternate Inspection
19 Program Guidelines. The inspection
20 tested the emergency generator, the
21 emergency lighting, firefighting systems
22 equipment, egress routes and also
23 conducted a fire drill.

24 The list of deficiencies that are
25 listed on page five of the initial

21

1 report were all corrected. The training
2 records and review of the remaining
3 variance program was found satisfactory.

4 In the supplemental report, the repairs
5 to the sprinkler system were performed
6 by Hiller Corporation on September 4th
7 and found satisfactory.

8 The 2000 [sic] annual safety
9 inspection is now complete, and it is
10 the recommendation of ABSC to certify
11 the compliance to expire -- the
12 Certificate of Compliance to expire 30
13 September, 2014.

14 MR. TYLER: We now present these
15 findings to this honorable board, and
16 request that upon the Board accepting
17 the report submitted by ABSC, the Board
18 will then move for the renewal of
19 Hollywood Casino's Certificate of
20 Compliance.

21 CHAIRMAN JONES: Board, are there
22 any questions? I see no lights on.

23 MR. SINGLETON: I'll approve.

24 CHAIRMAN JONES: Mr. Singleton moves
25 approval. Second?

22

1 MAJOR MERCER: Second.

2 CHAIRMAN JONES: Second Major
3 Mercer. All in favor? [Collective
4 "aye."] Any opposition? [No response.]
5 It passes. Thank you very much,
6 gentlemen.

7 MR. TYLER: Thank you.

8 MR. FRANCIC: Thank you.

9 VII. VIDEO GAMING ISSUES

10 A. Consideration of the following truckstops:

11 1. L.M. Daigle Oil Company, Inc., d/b/a Lucky
12 Delta - No. 1006500040 (transfer of
13 interest)

14 2. L.M. Daigle Oil Company, Inc., d/b/a
15 Starks Truck Stop - No. 1000516060
16 (transfer of interest)

17 CHAIRMAN JONES: We now move to
18 video gaming issues: Consideration of
19 transfer of interest in L.M. Daigle Oil
20 Company, Inc., doing business as Lucky
21 Delta, No. 1006500040. This is a
22 transfer of interest. Please identify
23 yourself for the Board.

24 MS. COLLY: Good morning, Chairman
25 Jones, Board Members. I'm Assistant

23

1 Attorney General, Nicolette Colly,
2 representing the Division in this
3 matter, L.M. Daigle Oil Company, Inc.,
4 d/b/a Lucky Delta, and also L.M. Daigle
5 Oil Company, Inc., d/b/a Starks
6 Truckstop. Okay.

7 TROOPER LENGUYEN: Good morning,
8 Chairman Jones and Board Members. My
9 name is Trooper Vincent Lenguyen with
10 Louisiana State Police Gaming
11 Enforcement Division.

12 MS. COLLY: Okay. In this matter,
13 there was a transfer of ownership in

14 L.M. Daigle Oil Company, Inc. It
15 currently holds two truckstop licenses;
16 that is, Starks Truckstop and Lucky
17 Delta. Starks Truckstop is located at
18 4344 Highway 12, Starks, Louisiana, and
19 Lucky Delta is located at 1907 West
20 Street, Vinton, Louisiana.

21 On July 1st, 2013, Kevin Pickett,
22 Vice-President of L.M. Daigle,
23 transferred all of his 20 percent
24 interest in L.M. Daigle to Harry
25 Shaheen, Jr., the President and then

24

1 80 percent owner of L.M. Daigle.
2 Mr. Pickett subsequently resigned as
3 Vice-President, and Matthew Shaheen was
4 appointed as Vice-President and
5 Secretary/Treasurer.

6 Trooper Vincent Lenguyen has
7 conducted a suitability investigation of
8 the relevant persons associated with the
9 transfer. He is present this morning to
10 report his findings to the Board.

11 TROOPER LENGUYEN: I conducted the
12 investigation of the transfer of
13 interest by Kevin Pickett. Harry
14 Shaheen, Jr., previous met suitability
15 under the existing licensing of L.M.
16 Daigle. Harry Shaheen, Jr., is married

17 Caran Shaheen, who has also previously
18 met suitability under L.M. Daigle's
19 existing license.

20 A suitability investigation revealed
21 no information that would preclude a
22 continued finding of suitability for
23 Harry and Caran Shaheen. A suitability
24 investigation conducted on Matthew
25 Shaheen revealed no information that

25

1 would preclude Matthew Shaheen from
2 participating in the Video Gaming
3 Industry.

4 MS. COLLY: The Office of the
5 Attorney General has reviewed the file
6 compiled as a result of the
7 investigation conducted by the Video
8 Gaming Division. Our review indicates
9 that no information was found that would
10 preclude the continued licensing of L.M.
11 Daigle Oil Company, Inc., d/b/a Starks
12 Truckstop, and L.M. Daigle Oil Company,
13 Inc., d/b/a Lucky Delta. Further, no
14 information has been found to preclude
15 Harry Shaheen, Jr., Caran Shaheen or
16 Matthew Shaheen from participating in
17 the gaming industry.

18 The Division now submits this
19 transfer for the Board's approval.

20 CHAIRMAN JONES: Are there any
21 questions? [No response.] We're moving
22 on each of these individually, right,
23 two different transactions?

24 MS. COLLY: Yes.

25 CHAIRMAN JONES: Are there any
26

1 questions from the Board on the initial
2 application for the transfer?

3 MR. BRADFORD: Move for approval.

4 CHAIRMAN JONES: Move for approval
5 by the Vice-Chair.

6 MR. SINGLETON: I'll second.

7 CHAIRMAN JONES: A second by
8 Mr. Singleton. All in favor?
9 [Collective "aye."] Any opposition?
10 [No response.] It's approved.

11 MS. COLLY: And just to clear that
12 up, it is one transfer. It just affects
13 two truckstops.

14 CHAIRMAN JONES: Two truckstops.

15 MS. COLLY: Yes.

16 CHAIRMAN JONES: We'll take up the
17 transfer now of the second one, correct,
18 or did we just vote on both of those?

19 MS. COLLY: Yes.

20 CHAIRMAN JONES: Okay. I wasn't
21 sure if you had additional information
22 on the second one.

23 MS. COLLY: No. Thank you.
24 3. Presto Fuel Center, LLC, d/b/a Presto Fuel
25 Center - No. 2900511631 (transfer of interest)

27

1 CHAIRMAN JONES: We now take up the
2 matter of Presto Fuel Center, LLC, doing
3 business as Presto Fuel Center. That's
4 No. 2900511631, transfer of interest.
5 Please introduce yourself.

6 MS. BROWN: Good morning, Chairman
7 Jones, Board Members. I'm Mesa Brown,
8 Assistant Attorney General, appearing on
9 behalf of State Police in the transfer
10 of the membership interest of Presto
11 Fuel Center, LLC, d/b/a Presto Fuel
12 Center.

13 TROOPER LENGUYEN: Trooper Vincent
14 Lenguyen with Louisiana State Police
15 Gaming Enforcement Division.

16 MS. BROWN: Presto Fuel Center, LLC,
17 is a Louisiana Limited Liability
18 Corporation organized on April 9th,
19 1998. Presto Fuel Center, LLC, is
20 located at 1556 Highway 90 East,
21 Raceland, Louisiana, in Lafourche
22 Parish.

23 On July 15th, 2013, Presto Fuel
24 Center, LLC, redeemed Robert Orgeron's
25 33.33 percent membership interest in the

1 LLC. As a result of the redemption, the
2 current ownership of Presto Fuel Center,
3 LLC, is as follows:

4 Paul Leforte, Jr., 50 percent, and
5 Laurie Hohensee, 50 percent. Trooper
6 First Class Vincent Lenguyen conducted
7 the investigation of the transfer of
8 membership interest and will now report
9 his findings to the Board.

10 TROOPER LENGUYEN: Following the
11 licensee's notification to the Division
12 regarding the redemption of membership
13 interest, I conducted an investigation
14 of the redemption. Paul Leforte, Jr.,
15 is married to Dana Leforte, and Laura
16 Hohensee is married to Bart Hohensee.
17 The two members of Presto Fuel Center,
18 LLC, and their spouse have previously
19 submitted to suitability investigation
20 with the existing licensing of Presto
21 Fuel Center, LLC.

22 I found no information that would
23 preclude the licensee from continuing to
24 participate in the video gaming
25 industry.

1 MS. BROWN: The Office of the
2 Attorney General has reviewed the file

3 compiled as a result of the
4 investigation conducted by State Police.
5 Our review indicates that no information
6 has been found to preclude the continued
7 licensing of Presto Fuel Center, LLC.

8 CHAIRMAN JONES: I have a question
9 from Mr. Stipe.

10 MR. STIPE: I mean, all the members
11 agreed, or this was an initiative that
12 all the members agreed to? Or is this
13 an instance where the surrendering
14 member just wanted to redeem and clear
15 out his ownership interest? Do you
16 understand my question?

17 MS. BROWN: I think I do. The
18 member that -- the member that sold his
19 interest no longer wanted to be
20 affiliated with the truckstop.

21 CHAIRMAN JONES: Anything else,
22 Mr. Stipe? That was a "no"?

23 MR. STIPE: No. I'm sorry. No.

24 CHAIRMAN JONES: Any other questions
25 from the Board? The board appears to be

30

1 clear. Do I have a motion?

2 MAJOR MERCER: I'll move approval.

3 CHAIRMAN JONES: Major Mercer
4 motions -- moves, rather, and
5 Mr. Singleton seconds. All in favor?

6 [Collective "aye."] Any opposition?

7 None. Thank you. It's approved.

8 VIII. CONSIDERATION OF PROPOSED SETTLEMENTS/

9 APPEALS

10 1. In Re: Hank's Restaurant & Lounge, Inc.,
11 d/b/a Hank's Restaurant & Lounge - No.
12 3601112906 (proposed settlement)

13 CHAIRMAN JONES: We'll now take up
14 Settlements and Appeals. The first
15 before us is Hank's Restaurant & Lounge,
16 Inc., doing business as Hank's
17 Restaurant & Lounge, No. 3601112906.
18 It's a proposed settlement. Good
19 morning.

20 MS. HIMEL: Good morning, Chairman
21 Jones, Members of the Board. I'm
22 Assistant Attorney General, Dawn Himel,
23 on behalf of the Office of State Police
24 in this matter. This licensing is a
25 Type 1 bar licensee establishment. They

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1 had multiple violations for failure to
2 file an annual report with the Secretary
3 of State. They had some tax
4 delinquencies and some failure to renew
5 some permits as required by law.

6 In lieu of administrative action,
7 they have agreed to pay a penalty of
8 \$2,250, which is in accordance with the

9 penalty schedule, within 15 days of
10 approval of the settlement by this
11 Board.

12 CHAIRMAN JONES: Do I have any
13 questions?

14 MS. NOONAN: I have a question.

15 CHAIRMAN JONES: Yes, ma'am.

16 MS. NOONAN: They will be in
17 compliance with this -- I mean, they are
18 in compliance now with everything?

19 MS. HIMEL: They are in compliance
20 with everything that was listed in the
21 notice.

22 MS. NOONAN: Okay. Thank you.

23 CHAIRMAN JONES: Any other questions
24 from the Board? Do I have a motion?

25 MS. NOONAN: I'll move.

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1 CHAIRMAN JONES: Motion by
2 Mr. Jones, second by Dr. Gaston. All in
3 favor? [Collective "aye."] Opposition?
4 None. The motion carries.

5 MS. HIMEL: Thank you.

6 CHAIRMAN JONES: Thank you very
7 much.

8 2. In Re: James R. Taylor - No. PO40021163
9 (appeal)

10 CHAIRMAN JONES: We will now take up
11 the appeals. The first appeal before us

12 is James R. Taylor. That's PO40021163.

13 Is Mr. Taylor present or represented?

14 Please introduce yourself to the board.

15 MR. TAYLOR: Good morning, Board,

16 I'm James R. Taylor.

17 CHAIRMAN JONES: Pull down the
18 microphone so we can get you on the
19 record.

20 MR. TAYLOR: Good morning, Chairman
21 of the Board and Board Members. My name
22 is James Ray Taylor.

23 MR. HEBERT: Good morning, Chairman
24 Jones, Members of the Board, Christopher
25 Hebert, Assistant Attorney General,

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1 herein representing the Office of State
2 Police in this matter.

3 CHAIRMAN JONES: Move forward.

4 MR. HEBERT: Okay. On January 2nd
5 of this year, the Office of State Police
6 Gaming Division received notification
7 that Mr. James Taylor was arrested --
8 I'm sorry?

9 CHAIRMAN JONES: Should we have
10 Mr. Taylor go first?

11 MR. HEBERT: Sure.

12 CHAIRMAN JONES: Just let me remind
13 you: You can't introduce any new
14 evidence. You can talk about your case,

15 but you can't introduce anything new
16 before us before this board.

17 MR. TAYLOR: Okay.

18 CHAIRMAN JONES: Okay? Go ahead.

19 MR. TAYLOR: On December the 24th, I
20 was arrested, and subsequent -- I
21 haven't been charged that I know of with
22 a felony crime, but under statute, I
23 guess, I'm no longer allowed to work and
24 hold a gaming license. And all the
25 evidence I submitted was submitted at

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1 the hearing.

2 CHAIRMAN JONES: Okay.

3 MR. HEBERT: Okay. It is correct
4 that Mr. Taylor here was charged;
5 however, he was, in fact, charged with a
6 felony or an offense that is punishable
7 by imprisonment of more than one year,
8 and based on this arrest, a notice of
9 recommendation of revocation was issued
10 by this Board. A hearing was held where
11 Mr. Taylor was present, and he presented
12 no evidence to refute the existence of
13 those charges.

14 Hearing Officer Reynolds issued a
15 decision wherein he stated that based on
16 Mr. Taylor's pending charges, that he's
17 unsuitable and disqualified from

18 possession of a non-key gaming employee
19 permit. Those charges are, in fact,
20 still pending, as Mr. Taylor was billed
21 on September 16th for this same charge.

22 The decision of the hearing officer
23 is not contrary to the law and evidence,
24 and Mr. Taylor is statutorily barred
25 from holding a non-key gaming employee

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1 permit. Therefore, we ask that this
2 Board affirm the hearing officer's
3 decision.

4 CHAIRMAN JONES: Before I open it up
5 to the Board for questions, I would just
6 remind you that we can't get into
7 evidentiary issues in this forum. Are
8 there any questions from the Board?

9 The recommendation of the hearing
10 officer in this case is fairly
11 consistent, I'm assuming, with other
12 similar cases. I have to say what's
13 been introduced into the record is a
14 little bit troubling in terms of its
15 evidentiary value and whether or not
16 it's going to proceed successfully
17 through a criminal prosecution. I'm not
18 a prosecutor, but I was a policeman for
19 a long time.

20 In this case, we're talking about

21 one pill in a clearly identified bottle.
22 The alternative, I think, I would ask
23 the Board to consider: Obviously,
24 during the pendency of the matter until
25 that's resolved we can still keep

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1 Mr. Taylor from practicing in the
2 industry, being employed. We can
3 suspend him and defer final
4 consideration on revocation as an
5 alternative to revocation.

6 My concern is this: We revoke an
7 employee -- a non-key employee, they're
8 out five years, five years. Based on
9 what I've read -- and don't
10 misunderstand me. I understand that
11 integrity, suitability are at the very
12 core of this industry in this state, and
13 you're not going to find a much bigger
14 proponent of that than me. But I also
15 believe the Board has to look at things
16 from a standpoint of fundamental
17 fairness.

18 Based on what I've read, it is my
19 opinion that a revocation, without a
20 final adjudication of this matter, would
21 be fundamentally unfair. That's just
22 simply my comment, but any fellow Board
23 Members? Vice-Chair?

24 MR. BRADFORD: Am I correct in
25 assuming that your gaming permit is

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1 suspended at this time? You cannot --

2 MR. TAYLOR: It isn't suspended at
3 this time.

4 MR. BRADFORD: It is?

5 MR. TAYLOR: No, sir. It is not.

6 MR. BRADFORD: So you are able to
7 work.

8 MR. TAYLOR: Yes, sir.

9 MR. BRADFORD: Okay. Go ahead.

10 MR. JONES: Just a question for the
11 Chair. It says in here multiple
12 prescription bottles in the vehicle, but
13 there was nothing in them.

14 CHAIRMAN JONES: They were in his
15 name. There was one prescription bottle
16 with one pill with a relative's name on
17 it, and that one pill resulted in the
18 criminal charge. And we have affidavits
19 and documentation submitted to the
20 hearing officer -- and I think the
21 hearing officer acted in good faith, but
22 I just think there's a better
23 alternative in this case.

24 The mother-in-law, as I recall,
25 submitted an affidavit: "It's mine."

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1 She submitted a copy of the doctor's
2 prescription showing she was entitled to
3 have that medicine, and she offered a --
4 what I thought to be a reasonable
5 explanation of why it was in the
6 vehicle, because she travels in it from
7 time to time. We're not talking about a
8 pocket full of pills. We're talking
9 about a pill in a bottle clearly
10 identified. The officer obviously acted
11 in good faith. As many police officers
12 do, you make the arrest based on what
13 you know, and then you sort of let the
14 court sort it all out.

15 We don't have the benefit of knowing
16 what the court will do in this case or
17 whether he will even be prosecuted. We
18 don't know that. Any other comments?

19 MR. GASTON: Mr. Chairman.

20 CHAIRMAN JONES: Dr. Gaston.

21 MR. GASTON: When I read this, I
22 thought it was a little weak myself, and
23 I concur in your remarks.

24 CHAIRMAN JONES: I don't want
25 anybody to misunderstand our view about

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1 suitability. Suitability is critically
2 important, and we're going to hold the
3 line on suitability; but I don't want to

4 make a judgment that's going to affect
5 someone's life without the opportunity
6 for the matter to be heard in a court of
7 law. Any other comments?

8 MR. BRADFORD: Mr. Taylor has been
9 arrested and charged, and then there
10 will be a trial?

11 MR. HEBERT: Yes. Currently
12 arraignment is set for November 18 in
13 the criminal matter.

14 MR. BRADFORD: Mr. Chairman, if
15 there's no other questions in support
16 of --

17 CHAIRMAN JONES: I've got Major
18 Mercer.

19 MAJOR MERCER: He may have been
20 going to say -- I was just wondering:
21 Can we remand it back for the hearing
22 officer to hear it after the trial --

23 CHAIRMAN JONES: Yes.

24 MAJOR MERCER: -- or the
25 adjudication or whatever it might be?

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1 CHAIRMAN JONES: What we can do
2 is -- yeah. It would be deferred, all
3 right, and then it can be considered
4 again, but it's suspended. It will be
5 suspended, and the matter will be
6 deferred. It can be brought back up

7 again at the appropriate time, but
8 there's not an outright revocation here.

9 It's my understanding if his license
10 expires during the pendency of the
11 suspension, he would have to reapply.

12 Was that it, Major?

13 MAJOR MERCER: Yes.

14 MR. BRADFORD: I'd like to -- in
15 support of what I feel is a consensus, I
16 move that the hearing officer's decision
17 be reversed, and that it be deferred.

18 CHAIRMAN JONES: Do I have a second
19 on that?

20 MR. SINGLETON: I'll second it.

21 CHAIRMAN JONES: I'm sorry?

22 MR. BRADFORD: I move that the
23 hearing officer's decision be reversed,
24 the matter be deferred and the permit
25 suspended.

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1 MR. HEBERT: Chairman, if I may, I
2 would respectfully argue against
3 reversing the decision at this time. If
4 you're going to defer, there should be
5 no decision made at this time regarding
6 the hearing officer's decision.

7 CHAIRMAN JONES: Procedurally --

8 MS. SMITH: Right now it's revoked.

9 CHAIRMAN JONES: -- it's revoked.

10 MS. SMITH: If it's not revoked,
11 it's reversed.

12 CHAIRMAN JONES: So we have to
13 reverse the revocation to be in a
14 posture to suspend him.

15 MR. HEBERT: Should you all suspend,
16 wouldn't that have the same effect
17 without making any --

18 CHAIRMAN JONES: You can't suspend
19 something that's revoked. That's my
20 understanding. It's procedural.

21 MR. HEBERT: Okay.

22 CHAIRMAN JONES: It serves the same
23 purpose, but we have to revoke -- excuse
24 me, we have to vacate that revocation.

25 MR. HEBERT: It was my understanding

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1 that the hearing officer's decision is
2 not a final decision, and only the
3 decision of this board is going to be a
4 final decision; therefore, I would argue
5 that you can suspend these hearings or
6 suspend making a decision without
7 reversing the hearing officer.

8 CHAIRMAN JONES: It's my
9 understanding that we have to vacate the
10 revocation.

11 MR. HEBERT: Okay.

12 CHAIRMAN JONES: It's going to serve

13 the same purpose.

14 MR. HEBERT: Sure.

15 CHAIRMAN JONES: We can do the same
16 thing. And it may come back, and he
17 may, in fact, be revoked.

18 MR. HEBERT: Okay.

19 CHAIRMAN JONES: But we're going to
20 permit the process to move forward. So
21 we have a motion on the floor for the
22 hearing officer's decision to be
23 reversed. The matter will be deferred,
24 and the permit will be suspended in
25 terms as we have already indicated. Do

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1 I have a second to that?

2 MR. GASTON: I'll second.

3 CHAIRMAN JONES: Dr. Gaston seconds.

4 All in favor? [Collective "aye."] Any
5 opposition? [No response.] Motion
6 carries. Thank you very much.

7 MR. TAYLOR: Excuse me, Chairman
8 Jones. The question I have: So am I
9 allowed to work or no?

10 CHAIRMAN JONES: You're suspended.

11 MR. TAYLOR: Okay. Thank you.

12 CHAIRMAN JONES: Yes, sir. You
13 understand the difference between a
14 suspension and a revocation, right?

15 MR. TAYLOR: Yes, sir.

16 3. In Re: Taco Tico of New Orleans, Inc., d/b/a
17 Taco Tico - No. 2600212063 (appeal)

18 CHAIRMAN JONES: Okay. The final
19 matter is the appeal of Taco Tico of New
20 Orleans doing business as Taco Tico, No.
21 2600212036. This is an appeal. Please
22 take a seat, sir, introduce yourself.
23 And let me caution you: You can't
24 introduce any new evidence to this
25 Board. All we can consider is what is

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1 already in the record, okay, sir?

2 MR. ERNSTMAN: I understand.

3 CHAIRMAN JONES: Present your case.

4 MR. ERNSTMAN: Well, I'm here
5 because future suspension, I presume.
6 We had what was in the record, I
7 believe, is that correct, about the
8 delay getting federal tax clearance? Is
9 that correct? I believe it was. It's
10 in the record, and that's the reason we
11 were late.

12 My daughter handled it all, and we
13 thought it was a state issue. And by
14 the time we found out it was federal,
15 then it took a delay. We couldn't get
16 ahold of this guy right away, Mr. Bob
17 Rackers (phonetic), yes. That was the
18 guy. So I put him in touch with my CPA,

19 and he explained the difference in the
20 fiscal and annual. And then so once he
21 understood that, then we were current,
22 and he issued a release.

23 MS. COLLY: Okay. Good morning,
24 Chairman Jones, Members of the Board.
25 I'm Assistant Attorney General,

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1 Nicolette Colly, appearing in this
2 matter. I do have a timeline of the
3 events throughout this case. With your
4 permission, Chairman Jones, I'd like to
5 pass that in writing to the Board.

6 CHAIRMAN JONES: Please proceed.
7 Thank you.

8 MS. COLLY: Okay. What I'd just
9 like to make clear in this case,
10 something that's kind of happened along
11 with other cases, is that the licensee
12 was notified very early on, as you can
13 see, on October 16th, 2012. They
14 actually didn't contact us until
15 June 10th, 2013, after the hearing was
16 held, which was on June 3rd. At the
17 time of the hearing, no one appeared.
18 There was no evidence presented to show
19 that clearance.

20 I just want to make it clear again
21 that they actually accepted the notice

22 of -- the 30-day demand letter, I'm
23 sorry, from State Police on
24 October 16th. Between that time and the
25 actual hearing notice, which wasn't

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1 until April 23rd, 2013, every
2 correspondence came back "unclaimed" to
3 the Division.

4 So I just want to make it clear that
5 Taco Tico was notified of the issue long
6 before we got to the actual hearing and
7 the decision that was issued. So
8 considering the notice given, the
9 delinquency at the time of the hearing,
10 and Taco Tico's failure to appear, the
11 Division's stance is that it should be
12 affirmed, the decision to revoke the
13 license.

14 CHAIRMAN JONES: Did you have a
15 question, Vice-Chair? No?

16 MR. BRADFORD: No.

17 CHAIRMAN JONES: Why didn't you
18 claim the notices? I mean, this is
19 pretty basic.

20 MR. ERNSTMAN: I don't know. I
21 didn't even realize that it was my
22 daughter, that she sent these things
23 back, but I don't know why. I'm sorry.
24 I can't answer that. Maybe she could.

25 I didn't realize that all these notices

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1 were issued. I don't know why she
2 didn't -- is it possible to bring her up
3 here?

4 CHAIRMAN JONES: No, not at this
5 point. This is pretty basic business
6 practices, okay, here. You know, you
7 claim documents from the people who
8 regulate your business. Are you clear
9 on that?

10 MR. ERNSTMAN: Yes, sir.

11 CHAIRMAN JONES: Do we -- any
12 questions from board members?

13 MR. BRADFORD: So all the tax
14 clearances are clear at this time, and I
15 think in light of the fact that you --
16 we're not here -- I've said this before:
17 We're not here to put people out of
18 business. You were very close to
19 putting yourself out of business --

20 MR. ERNSTMAN: Yeah.

21 MR. BRADFORD: -- unfortunately, and
22 certainly there's some due diligence on
23 your part to doing a better job of
24 responding to official notifications and
25 correspondence, et cetera. And I'll

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1 assume that your response to this

2 regulatory agency is only one agency
3 that you probably need to be responding
4 to in a timely basis, but if there's no
5 other comments, I move that we remand
6 this back to the hearing officer.

7 CHAIRMAN JONES: We have a motion
8 from the Vice-Chair to remand. Are
9 there any other questions? I'm sorry.
10 Are there any other questions first?
11 [No response.] Is there a second?

12 MS. NOONAN: I'll second.

13 CHAIRMAN JONES: By Miss Noonan --
14 second by Miss Noonan. All in favor?
15 [Collective "aye".] Any opposition?
16 [No response.] It will go back to the
17 hearing office.

18 MR. ERNSTMAN: I certainly
19 appreciate it. Thank you.

20 CHAIRMAN JONES: Thank you for your
21 time. Thank you very much, ma'am.

22 IX. ADJOURNMENT

23 CHAIRMAN JONES: There being no
24 other business on the agenda, I'll
25 entertain a motion to adjourn. Do I

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1 have a motion?

2 MS. NOONAN: So moved.

3 CHAIRMAN JONES: Miss Noonan.

4 MR. JONES: Second.

5 CHAIRMAN JONES: Seconded by
6 Mr. Jones. We're adjourned. Thank you,
7 ladies and gentlemen.

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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)."

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24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

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1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings given under

7 oath in the preceding matter on September 19,

8 2013, as taken by me in Stenographic machine

9 shorthand, complemented with magnetic tape

10 recording, and thereafter reduced to transcript,
11 to the best of my ability and understanding, using
12 Computer-Aided Transcription.

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

19 Baton Rouge, Louisiana, this 24th day of
20 October, 2013.

21

22

23

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

24