

LGCB Board of Directors' Meeting 12-21-17, (Pages 1:1 to 95:24)

1:1 LOUISIANA GAMING CONTROL BOARD

2

3 BOARD OF DIRECTORS' MEETING

4

5

6

7

8 THURSDAY, DECEMBER 21, 2017

9

10 Louisiana State Capitol

11 House Committee Room 1

12 900 North Third Street

13 Baton Rouge, Louisiana

14

15

16

17 TIME: 10:00 A.M.

18

19

20

21

22

23

24

25

2

1 APPEARANCES

2 RONNIE JONES

Chairman (At Large)

3 June 30, 2019

4

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

8 MARK STIPE

(Attorney)

9 Seventh Congressional District

June 30, 2020

10

11 JAMES SINGLETON

(Public/Business Administration)

12 Second Congressional District

June 30, 2020

13

14 CLAUDE D. JACKSON

(At large)

15 Fourth Congressional District

June 30, 2018

16

17 JULIE BERRY

(CPA)

18 Third Congressional District

June 30, 2018

19

20 ELTON LAGASSE

(New Board Member)

21

22 PAUL EDMONSON

Louisiana State Police

23

24 MICHAEL LEGENDRE

Office of Charitable Gaming

25 Director

3

1 APPEARANCES CONTINUED

2

3

4 LANA TRAMONTE

Executive Assistant

5

6 TRUDY SMITH

Confidential Assistant

7

8 REPORTED BY:

9 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

10

11

12

13

14

15

16

17

18
19
20
21
22
23
24
25

4

| 1 | PAGE | |
|----|------------------------------------|----|
| 2 | I. CALL TO ORDER | 7 |
| 3 | II. PUBLIC COMMENTS | 9 |
| 4 | III. APPROVAL OF THE MINUTES | 9 |
| 5 | IV. REVENUE REPORTS | 9 |
| 6 | V. VIDEO GAMING ISSUES | |
| 7 | A. Consideration of the following | |
| 8 | new truckstop application: | |
| 9 | 1. Shriever Investments, LLC, | |
| 10 | d/b/a Schriever Casino #600 | |
| 11 | - No. 5500517178 | 15 |
| 12 | VI. CASINO GAMING ISSUES | |
| 13 | A. Consideration of Certificate | |
| 14 | of Compliance for the | |
| 15 | Alternate Riverboat Inspection | |
| 16 | of the gaming vessel of | |
| 17 | St. Charles Gaming Company, | |
| 18 | L.L.C., d/b/a Isle of Capri | |
| 19 | Lake Charles, No. R011700174 | 32 |
| 20 | B. Consideration of Certificate of | |

21 Compliance for the Alternate
22 Riverboat Inspection of the
23 gaming vessel of Eldorado Casino
24 Shreveport Joint Venture d/b/a
25 Eldorado Resort Casino

5

1 PAGE

2 Shreveport, No. R013600005 35

3 C. Consideration of Certificate of

4 Compliance for the Alternate

5 Riverboat Inspection of the

6 Gaming vessel of PNK

7 (Bossier City), LLC, d/b/a

8 Boomtown Casino Bossier City

9 - No. R016500701 38

10 D. Consideration of Certificate of

11 Compliance for the Alternate

12 Riverboat Inspection of the

13 gaming vessel of Golden Nugget

14 Lake Charles, LLC

15 - No. R016502995 40

16 E. Consideration of petition by

17 Golden Nugget Lake Charles, LLC,

18 for approval of Debt Transactions

19 - No. R016502995 65

20 F. Consideration of petition by

21 Caesars Entertainment Corporation

22 for Approval of Transfers of

23 Ownership and Financing in Jazz

24 Casino Company, LLC, d/b/a
25 Harrah's New Orleans Casino

6

1 PAGE

2 - No. C013600001 74

3 VII. CONSIDERATION OF THE FOLLOWING

4 SETTLEMENT AND APPEAL

5 1. In Re: Stoner Corner Store, Inc.,

6 d/b/a Highland Grill

7 - No. 0904217214 89

8 2. In Re: Leon Price - No. P040066555

9 (appeal) 91

10 VIII. ADJOURNMENT 92

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

7

1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome and to the late in the month, as
4 I've been told, December meeting of the
5 Louisiana Gaming Control Board.

6 Miss Tramonte, would you call the
7 roll.

8 THE CLERK: Chairman Jones?

9 CHAIRMAN JONES: Here.

10 THE CLERK: Mr. Bradford?

11 MR. BRADFORD: Here.

12 THE CLERK: Mr. Stipe?

13 MR. STIPE: Here.

14 THE CLERK: Mr. Singleton?

15 MR. SINGLETON: Here.

16 THE CLERK: Mr. Jackson?

17 MR. JACKSON: Here.

18 THE CLERK: Mr. Gaston? [No
19 response.] Miss Berry?

20 MS. BERRY: Here.

21 THE CLERK: Mr. Patrick? [No
22 response.] Mr. Lagasse?

23 MR. LAGASSE: Yes, ma'am.

24 THE CLERK: Colonel Reeves?

25 MR. EDMONSON: Paul Edmonson for

8

1 Colonel Reeves.

2 THE CLERK: Secretary Robinson.

3 MR. LEGENDRE: Michael Legendre for

4 Secretary Robinson.

5 CHAIRMAN JONES: We have a quorum.

6 We may conduct business. We want to

7 welcome our newest Board Member, Elton

8 Lagasse. Those of you from the New

9 Orleans area recognize him and know his

10 name. He came by way of having been

11 superintendent of the schools down there

12 for how long, Elton?

13 MR. LAGASSE: Nine years.

14 CHAIRMAN JONES: And then served on

15 the parish council, and the Governor

16 appointed him last month. We're excited

17 to have him here. He brings an

18 incredible background in government

19 service, public service, and we're glad

20 to have his presence on the Board.

21 MR. LAGASSE: Thank you.

22 CHAIRMAN JONES: And we want to send

23 our best wishes to Mr. Patrick and Bobby

24 Gaston. They're both sort of under the

25 weather, bad time of year for that, but

9

1 if they're out there watching, we hope

2 you get up and going soon for the

3 holidays.

4 II. PUBLIC COMMENTS

5 CHAIRMAN JONES: At this time, I

6 call for any public comment for any

7 matter before the Board.

8 III. APPROVAL OF MINUTES

9 CHAIRMAN JONES: There being none,
10 we'll move to Approval of the Minutes.
11 Do I have a motion to waive and approve
12 the minutes from the November board
13 meeting?

14 MR. SINGLETON: I'll move.

15 CHAIRMAN JONES: Mr. Singleton and
16 Mr. Ayres.

17 Is there any objection? Without
18 objection, the motion carries. I'll
19 also ask that you put your mobile
20 devices on vibrate, if you would.

21 IV. REVENUE REPORTS

22 CHAIRMAN JONES: We'll now call
23 Revenue Reports. Bring me good news,
24 madam, not a lump of coal.

25 MS. JACKSON: Good morning, Chairman

10

1 Jones and Board Members. My name is
2 Donna Jackson with Louisiana State
3 Police Gaming Enforcement Division.

4 The 15 operating riverboats
5 generated Adjusted Gross Receipts of
6 \$152,833,856 in November. This total
7 represents an overall increase from last
8 month of \$6.9 million or 4.7 percent,
9 and a slight increase of \$1.4 million or

10 1 percent from last November.

11 Adjusted Gross Receipts for fiscal
12 year 2017-2018 to date are \$776 million,
13 a decrease of almost \$16 million or
14 2 percent from fiscal year 2016-2017.

15 During November, the State collected
16 fees totaling \$32,859,279. As of
17 November 30th, 2017, the State collected
18 \$167,000,000 in fees for fiscal year
19 2017-2018.

20 Next is a summary of the
21 November 2017 gaming activity for
22 Harrah's New Orleans found on page
23 three. During November, Harrah's
24 generated \$22,841,091 in gross gaming
25 revenue, a decrease of \$1.8 million or

11

1 7.4 percent from last month, and
2 essentially no change from last
3 November. Revenues for fiscal year
4 2017-2018 to date are \$117.6 million, an
5 increase of \$8.6 million or 8 percent
6 from fiscal year 2016-2017.

7 During November, the State received
8 \$4,931,507 in minimum daily payments.
9 As of November 30th, 2017, the State
10 collected \$25 million in fees for fiscal
11 year 2017-2018.

12 Next I will present the revenues for

13 Slots at the Racetracks. During
14 November, the four racetrack facilities
15 combined generated Adjusted Gross
16 Receipts of \$28,614,105, an increase of
17 \$1 million or 3 percent from last month,
18 and an increase of 1.9 million or
19 7 percent from November 2016.

20 Adjusted Gross Receipts for fiscal
21 year 2017-2018 to date are \$139 million,
22 an increase of \$1.9 million or 1 percent
23 from fiscal year 2016-2017. During
24 November, the State collected \$4,340,760
25 in fees. As of November 30th, 2017, the

12

1 State has collected \$21 million in fees
2 for fiscal year 2017-2018.

3 Overall in November, Riverboats,
4 Land Based and Slots at the Racetracks
5 combined generated \$204 million in AGR
6 in over \$42 million in state fees.
7 These revenues represent an increase
8 from November 2016 of \$3.2 million or
9 almost 2 percent.

10 Any questions before I present the
11 Harrah's employee information?

12 CHAIRMAN JONES: Any questions,
13 Board Members? And thank you for that
14 increase. Proceed.

15 MS. JACKSON: Harrah's New Orleans

16 is required to maintain at least 2,400
17 employees and a bi-weekly payroll of
18 \$1,750,835. This report covers pay
19 periods in November 2017. For the first
20 pay period, the Division verified 2,609
21 employees with a payroll of \$2,174,000.
22 For the second pay period, the Division
23 verified 2,584 employees with a payroll
24 of \$2,174,000. For the third pay
25 period, the Division verified 2,627

13

1 employees with a payroll of \$2,185,000.
2 Therefore, Harrah's met the employment
3 criteria during November.

4 CHAIRMAN JONES: Any questions,
5 Board Members? The Board is clear.

6 MS. JACKSON: Thank you.

7 CHAIRMAN JONES: Thank you very
8 much.

9 We'll now move to video poker, Jim.
10 Good morning.

11 MR. BOSSIER: Good morning.
12 Chairman Jones and Board Members, my
13 name is Jim Bossier with the Louisiana
14 State Police Gaming Enforcement Division
15 here to report video gaming statistics
16 for November 2017 as shown on page one
17 of your handout.

18 Seven new video gaming licenses were

19 issued during November: Two bars, two
20 restaurants, two truckstops and one
21 device owner's.

22 Fifteen new applications were
23 received by the Gaming Enforcement
24 Division during November and are
25 currently pending in the field: Eight

14

1 bars, six restaurants and one device
2 owner's. The Gaming Enforcement
3 Division assessed \$2,100 and collected
4 \$5,351.07 in fines during November, and
5 there are currently \$4,750 in
6 outstanding fines. Please refer to page
7 two of your handout.

8 There are presently 13,022 video
9 gaming devices activated at 1,737
10 locations.

11 Net device revenue for November 2017
12 was \$46.3 million, a \$600,000, or
13 1.4 percent, increase when compared to
14 October 2017, and no change when
15 compared to November 2016. Net device
16 revenue so far for fiscal year 2018 is
17 \$230.3 million, a \$300,000 decrease, or
18 one-tenth of 1 percent when compared to
19 fiscal year 2017. Page four of your
20 handout shows a comparison of net device
21 revenue.

22 Total franchise fees collected
23 during November 2017 were \$13.9 million,
24 a \$200,000 increase when compared to
25 October 2017 and no change when compared

15

1 to November 2016. Total franchise fees
2 collected for fiscal year 2018 are
3 \$68.9 million, a \$200,000 decrease, or
4 two-tenths of one percent, when compared
5 to fiscal year 2017. Page four of your
6 handout shows a comparison of franchise
7 fees.

8 Does anybody have any questions?

9 CHAIRMAN JONES: Any questions,
10 Board Members? There are no questions.

11 MR. BOSSIER: Thank you.

12 CHAIRMAN JONES: Thank you, Jim.

13 V. VIDEO GAMING ISSUES

14 A. Consideration of the following new truckstop
15 application:

16 1. Shriever Investments, LLC, d/b/a
17 Schriever Casino #600 - No. 5500517178

18 CHAIRMAN JONES: We'll now move to
19 Video Gaming Issues and first up is:
20 Consideration of the application of
21 video gaming license for Shriever
22 Investments, LLC, doing business as
23 Schriever Casino #600. Our number is
24 5500517178.

25 Good morning, gentlemen.

16

1 MR. PITRE: Good morning, Chairman.

2 Chairman and Board Members, I'm
3 Assistant Attorney General Earl Pitre,
4 Jr., appearing before the Board in the
5 matter of Shriever Investments, LLC,
6 doing business as Shriever Casino #600.

7 There are two matters before the
8 Board for approval. First is the
9 original application of Shriever
10 Investments, LLC, doing business as
11 Shriever Casino #600, which comes before
12 the Board through a change of ownership,
13 and second is a transfer of membership
14 interest in the applicant.

15 The establishment is located in
16 Terrebone Parish. Hill City Oil
17 Company, Incorporated, of Mississippi
18 doing business as Jubilee Truck Stop &
19 Casino, was previously licensed to
20 operate video draw poker at the location
21 and owned the land, the buildings and
22 the improvements of the truckstop
23 facility.

24 In 2005, it sold the land, buildings
25 and improvements of the truckstop

17

1 facility to Shriever Investments, LLC,

2 but continued to operate the truckstop
3 facility until it sold the truckstop
4 business and assets to Shriever in 2014.

5 On March 1st, 2016, the members of
6 Shriever Investments, LLC, sold all of
7 their interest in Shriever to Greg Barro
8 and Karin Barro. Greg and Karin are
9 husband and wife who each have a
10 50 percent membership in Shriever.

11 The applicant previously entered
12 into associate agreements with numerous
13 companies who are still revenue
14 recipients of the establishment. The
15 Video Draw Poker Device Placement
16 Agreement is with Power Gaming, LLC,
17 which is a hundred percent owned by Greg
18 Barro.

19 Senior Trooper Vincent Lenguyen
20 conducted an updated check on the
21 relevant persons associated with the
22 application and conducted an on-site
23 inspection of the truckstop facility.
24 He is here this morning before the Board
25 to report his findings.

18

1 SENIOR TROOPER LENGUYEN: Good
2 morning, Chairman Jones and Board
3 Members. My name is Trooper Vincent
4 Lenguyen with Louisiana State Police. I

5 conducted the updated suitability
6 investigation on all relevant persons
7 associated with the application.

8 Greg Barro and Karin Barro submitted
9 to a suitability investigation in
10 connection with other video poker
11 licenses. Updated cursory checks were
12 performed that revealed no information
13 that would preclude them from
14 participating in the gaming industry.
15 Updated cursory checks were conducted on
16 all of the associate members and
17 members' spouses that revealed no
18 information that would preclude them
19 from participating in the gaming
20 industry.

21 An on-site inspection was conducted,
22 and it was determined that the
23 establishment meets all criteria set
24 forth in the video gaming law as a
25 qualified truckstop facility. All

19

1 required licenses and permits were valid
2 at the time of inspection.

3 Shriever Investment, LLC, submitted
4 a video draw poker license application
5 under a change of ownership; therefore,
6 they are not subject to the rules that
7 they must be one mile from the protected

8 property.

9 The establishment consists of 5.861
10 contiguous acreage.

11 I found no information that would
12 preclude the issuance of a Type 5 video
13 gaming licenses [sic] to Shriever
14 Investment, LLC, doing business as
15 Shriever Casino #600, or that would
16 preclude approval of the transfer of the
17 membership interest in Shriever
18 Investment, LLC, to Greg and Karin
19 Barro.

20 MR. PITRE: The Office of the
21 Attorney General has reviewed the file
22 compiled as a result of the
23 investigation conducted by the Office of
24 State Police. Our review indicates that
25 no information was found which would

20

1 preclude approval of the licensing or
2 approval of the transfer.

3 CHAIRMAN JONES: Thank you. Trooper
4 Lenguyen, can you help us understand a
5 little bit about the chronology of the
6 transfers with respect to this property?

7 SENIOR TROOPER LENGUYEN: Yes, sir.
8 Hill City Oil was a licensed truckstop
9 back in 1993. At the time, they in
10 operation. In about 2004, they went

11 through a bankruptcy reorganization at
12 the time. So during that time, the
13 bankruptcy, they had to sell some of
14 their property for -- to -- I guess to
15 approve for the creditors and stuff. So
16 one of the property in question was this
17 property at this location that's
18 presented to you in front of the Board
19 today.

20 At the time, Shriever Investments,
21 LLC, got the approval from the
22 bankruptcy plan administrator to do the
23 sales and approved it. So it end up
24 about the end of 2005 Shriever ended up
25 buying the property of the truckstop;

21

1 however, they did not buy the business.

2 So Shriever had an agreement with
3 Hill City Oil that, okay, we will buy
4 the property; however, we'll kind of
5 lease -- sublease it back to you-all,
6 the property, so that way y'all could
7 still maintain the video gaming license
8 and under compliance at the time.

9 During the same time, Hill City Oil
10 was also under investigation by State
11 Police for failure to notify the
12 Division in regard to the bankruptcy and
13 the change of the officer. So our Houma

14 field office was conducting the
15 investigation on that, which resulted in
16 a denial, revocation of the Hill City
17 Oil license. But with the transfer of
18 the property to Shriever Investment --
19 because when they bought it, they also
20 was a revenue recipient, and on the
21 other hand, we have a denial and a
22 revocation of the license. They did
23 not -- we say, well, since this
24 already is a denial, it would be a moot
25 point for them to do an investigation on

22

1 the transfer if we already got a denial.

2 So it went through the hearing and
3 everything, and I think it was in 2009,
4 the State Police and Hill City came to a
5 compromise settlement agreement; and it
6 was signed by the Board on January 20th,
7 2009. In regard to that, they will pay
8 a fine for their violation for failure
9 to notify the Division in regard to the
10 officer change and the notification of
11 the bankruptcy.

12 So at that time, State Police also
13 had -- another issue was that one of our
14 field offices was getting consolidated.
15 So all of the files at the Houma office
16 was packed up and sent to State Police

17 headquarters. In that time, we -- I was
18 assigned to -- in 2009, I was assigned
19 to do the investigation on this transfer
20 because now since the approval was to --
21 the compromise settlement was done so
22 now we could move forward with the
23 Shriever transfer.

24 So I was assigned to do the
25 investigation on the transfer. In

23

1 addition, we also got notice that one of
2 the members of Shriever passed away,
3 Miss Mary Ladder (phonetic). So in
4 conjunction with that, I did the
5 investigation, and the investigation was
6 completed on January 12th, 2011, and was
7 submitted to the A.G.'s Office for
8 review. During the review, A.G.'s
9 Office -- they had some issues and
10 concerns regarding some of the languages
11 in regarding to the transfer paperwork
12 and with the paperwork with the
13 bankruptcy and stuff.

14 Well, after that during that same
15 time, I was doing another investigation
16 on a renewal that had one of the members
17 involved in Shriever. It was Mr. Chris
18 Beary. So I asked the A.G.'s Office to
19 hold on on that application due to new

20 information that was discovered that
21 there is a possibility that Mr. Chris
22 Beary may have suitability issues with
23 the license.

24 So in 2015, I request for the file
25 back because part of my investigation --

24

1 beginning part of my investigation
2 revealed that, yes, there were, indeed,
3 some concerns in regard to the one of
4 the member's suitability. So we also
5 found that Mr. Beary was involved in
6 several civil lawsuits that was still
7 ongoing at the same time.

8 So, therefore, the reason why it
9 took so long is we have to wait for
10 certain documents from the court through
11 the court process to get all the
12 information before we can make a
13 determination if, in fact, one -- that
14 member's suitability was in question or
15 not. So by the time we got all the
16 information, we also contacted the
17 Louisiana Attorney Disciplinary Board,
18 which they were in concurrence with us
19 in regard to the investigation. They
20 also see that, yes, we do have a case,
21 and there's an issue; however, before we
22 could wrap it up for the recommendation

23 of denial, Mr. Chris Beary and everybody
24 saw the writing on the wall. They sell
25 -- they sold the location to the

25

1 licensee, the applicant at this time,
2 which is Mr. Greg Barro and his wife.

3 So in 2016, that's when we got
4 notification that all the members -- the
5 existing members of Shriever has sold
6 their membership interest to Mr. Barro
7 and his wife. So, however, Mr. Barro
8 also was in a shock when he bought the
9 location because he didn't know that
10 there are certain criteria you have to
11 come up for compliance in regarding to
12 the parking lots and stuff like that.

13 So the parking lot issue did took some
14 years to get fixed because of -- we have
15 to go through DOTD approval and also the
16 local parish approval for the
17 construction of the parking lot.

18 Because DOTD wanted a retention pond,
19 and that takes some research and
20 engineering to get the approval.

21 However, at this moment, Mr. Barro
22 got everything done, approved, and we
23 did a reinspection of the location.

24 They now meet all the criteria set forth
25 in the video gaming law.

1 CHAIRMAN JONES: It's been a
2 tortuous route that brings us here
3 today. So it's my understanding it was
4 simply an inadvertent filing of
5 documents and the transfer of one office
6 of State Police to another that sort of
7 resulted in --

8 SENIOR TROOPER LENGUYEN: Yes, some
9 of the delays --

10 CHAIRMAN JONES: Some of the delay,
11 okay.

12 SENIOR TROOPER LENGUYEN: -- in the
13 file.

14 CHAIRMAN JONES: And having spent 33
15 years, that I'll never get back, in
16 State Police, we used to lose a lot of
17 stuff, so that doesn't surprise me, and
18 I'm sure that's been remedied now.
19 So --

20 SENIOR TROOPER LENGUYEN: Yes.

21 CHAIRMAN JONES: -- I understand.
22 So the first inspection did not go well
23 at the facility, but everything now has
24 been remedied, right?

25 SENIOR TROOPER LENGUYEN: Yes, sir.

1 Mr. Barro, he did a good job of getting
2 everything in place, time frame, keeping

3 us on track in regard to the progress
4 and everything in regard to that
5 project.

6 CHAIRMAN JONES: Okay. Board
7 Members, any further questions?
8 Mr. Stipe, did you have one?

9 MR. STIPE: Just at the end of this,
10 we end up with Mr. Barro and his spouse,
11 who have been through suitability a
12 number of times, and by all indications
13 the facility meets requirements, is
14 operating and there are no problems. Is
15 that fair?

16 SENIOR TROOPER LENGUYEN: Yes, and I
17 could say that --

18 MR. STIPE: It was a tortured [sic]
19 process to get there but --

20 SENIOR TROOPER LENGUYEN: Yes, and I
21 could tell you it's in better, better
22 shape than it was before.

23 MR. STIPE: During this time period,
24 are there any violations, internal
25 control problems or other anomalies with

28

1 this particular facility that came to
2 the State Police's attention?

3 SENIOR TROOPER LENGUYEN: It did.
4 Like I say, some of the compliance
5 issues, but, you know, like, through the

6 process of assisting with the licensee
7 and the applicant, we was able to
8 correct those problems and concerns.

9 MR. STIPE: And you talk about --
10 you talk about some of them. You mean
11 from an accounting standpoint, from a
12 tracking revenue standpoint, any of
13 those concerns during this process come
14 to --

15 SENIOR TROOPER LENGUYEN: No, there
16 was no concern in regard to that.

17 MR. STIPE: I guess I'm trying to
18 get some assurance that during this long
19 period of time the two or three or four
20 things that you talked about in terms of
21 this particular facility were the only
22 problems that were present concerning
23 this facility.

24 SENIOR TROOPER LENGUYEN: Yes.

25 MR. STIPE: Okay.

29

1 MS. BERRY: I have a question.

2 CHAIRMAN JONES: Yes, Miss Berry.

3 MS. BERRY: Am I correct in assuming
4 that the member that had some
5 suitability issues has nothing to do
6 with the new owners, the Barros?

7 SENIOR TROOPER LENGUYEN: Yes. He's
8 divest himself from all gaming entity

9 even this location and all other
10 location in regards to our investigation
11 in regarding to his suitability.

12 MS. BERRY: So he doesn't work there
13 anymore, doesn't have any ownership or
14 nothing involved in the new owners.

15 SENIOR TROOPER LENGUYEN: No,
16 nothing. Okay.

17 MS. BERRY: Very good, thank you.

18 CHAIRMAN JONES: Very good. So it
19 is the recommendation of State Police
20 and the Attorney General to approve the
21 application and issue the license; is
22 that my understanding?

23 MR. PITRE: Yes, sir.

24 CHAIRMAN JONES: Do I have a motion
25 to do so?

30

1 MS. BERRY: I motion.

2 CHAIRMAN JONES: Miss Berry and
3 Mr. Bradford.

4 Any objection? Without objection,
5 the motion carries. We'll approve the
6 application and issue the license.

7 Thank you, Mr. Pitre, and Trooper
8 Lenguyen.

9 SENIOR TROOPER LENGUYEN: Thank you.

10 CHAIRMAN JONES: We're going to move
11 to Casino Gaming Issues. Let me just

12 very quickly bring you up to date with
13 the Riverboat Gaming Task Force. Come
14 to the table, gentlemen. The Task Force
15 has been working over the last 16
16 months, as you know. I also served as
17 Chairman of that. Senator Ronnie Johns
18 is my co-chair. We held our final
19 meeting for public input this past
20 Tuesday, and we heard from the Chambers
21 of Commerce and economic development
22 organizations from northwest Louisiana,
23 from Lake Charles -- Southwest
24 Louisiana, rather, and the Baton Rouge
25 area, and it was probably one of the

31

1 best meetings that we've had.

2 We've heard from virtually every CEO
3 that owns properties in Louisiana, and I
4 would expect the CEO to come to us and
5 say, this is what the industry needs to
6 promote economic development. But sort
7 of putting the icing on the cake were
8 the three groups of representatives from
9 the areas where riverboats are located.
10 I'm encouraged by what they provided to
11 the task force.

12 We have one more meeting where we'll
13 come back in January and formalize our
14 recommendations to the legislature, and

15 then I will back out of that process
16 because I have to be neutral. I'm the
17 regulator. I'm going to regulate what
18 the legislature directs me to regulate.
19 It will be up to the industry -- the
20 industry and interested parties to push
21 the legislation forward as it goes
22 through the process.

23 So by middle of January, end of
24 January, we'll know what the
25 recommendations are, and hopefully

32

1 they'll be part of some package in the
2 spring and summer session here so stay
3 tuned.

4 VI. CASINO GAMING ISSUES

5 A. Consideration of Certificate of Compliance
6 for the Alternate Riverboat Inspection of
7 the gaming vessel of St. Charles Gaming
8 Company, L.L.C., d/b/a Isle of Capri Lake
9 Charles, No. R011700174

10 CHAIRMAN JONES: First up:
11 Consideration of the Certificate of
12 Compliance for the Alternate Riverboat
13 Inspection of the gaming vessel St.
14 Charles Gaming Company, LLC, doing
15 business as Isle of Capri Lake Charles,
16 No. R0117001714.

17 Good morning, gentlemen.

18 MR. LEWIS: Good morning. Chairman
19 Jones, Board Members, I'm Assistant
20 Attorney General Kanick Lewis, Jr., and
21 with me is Mr. John Francic of ABSC. We
22 are here in the matter of the issuance
23 of the Certificate of Compliance to St.
24 Charles Gaming Company, LLC, doing
25 business as Isle of Capri Lake Charles.

33

1 On October 15th, 2017, ABSC began
2 the inspection process for the approval
3 of Isle of Capri's Certificate of
4 Compliance. For more on this, I now
5 turn it over to Mr. Francic.

6 MR. FRANCIC: Morning, Chairman,
7 Board Members, John Francic with ABS
8 Consulting here to report the annual
9 certification for Isle of Capri Casino.

10 The inspectors, Doug Chapman and
11 Pete Bullard, did, on October 3rd,
12 attend the riverboat Grand Palais to
13 conduct the annual inspection in
14 accordance with the alternate inspection
15 of riverboat gaming vessels in the State
16 of Louisiana.

17 The inspectors reviewed fire
18 protection measures, equipment, egress
19 routes, mooring systems and machinery
20 spaces and conducted a fire drill.

21 Deficiencies during the inspection are
22 found on page six of your report. The
23 follow-up to the deficiencies were
24 corrected on November 7th.

25 During this year, Isle of Capri has

34

1 been very proactive in maintenance
2 repairs to the vessel. We've been
3 engaged with them on these hull repairs
4 and provided necessary oversight when
5 called upon, and they should be well
6 ready for their five-year hull exam next
7 year.

8 The 2017 annual survey as required
9 by the Louisiana Gaming Control Board is
10 complete and presents no safety concerns
11 to its patrons or employees onboard the
12 riverboat. It is the recommendation of
13 ABS Consulting that the Isle of Capri
14 Casino be issued a Certificate of
15 Compliance.

16 MR. LEWIS: We now present these
17 findings to the Board and request that
18 upon your accepting the report as
19 submitted by ABSC, you will move for the
20 issuance of the -- for the issuance of
21 Isle of Capri's Certificate of
22 Compliance.

23 CHAIRMAN JONES: Board Members, any

24 questions with respect to Isle of Capri?

25 The Board is clear.

35

1 Do I have a motion to issue the

2 Certificate of Compliance?

3 MR. SINGLETON: I move.

4 CHAIRMAN JONES: Mr. Singleton,

5 Mr. Stipe.

6 Any objection? Without objection,

7 the motion carries. We'll issue the

8 Certificate of Compliance.

9 B. Consideration of Certificate of Compliance for

10 the Alternate Riverboat Inspection of the

11 gaming vessel of Eldorado Casino Shreveport

12 Joint Venture d/b/a Eldorado Resort Casino

13 Shreveport, No. R013600005

14 CHAIRMAN JONES: Next up is

15 Consideration of Certificate of

16 Compliance for the Alternate Riverboat

17 Inspection of the gaming vessel of

18 Eldorado Casino Shreveport Joint Venture

19 doing business as Eldorado Resort Casino

20 Shreveport, No. R013600005.

21 MR. LEWIS: Good morning,

22 Mr. Chairman. I'm Assistant Attorney

23 General Kanick Lewis, Jr., and with me

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

25 in the matter of the issuance of the

36

1 Certificate of Compliance to Eldorado
2 Casino Shreveport Joint Venture doing
3 business as Eldorado Resort Casino
4 Shreveport.

5 On November 17th, 2017, ABSC began
6 the inspection process for the approval
7 of Eldorado's Certificate of Compliance.
8 For more on this, I now turn the
9 presentation over to Mr. Francic.

10 MR. FRANCIC: Chairman and Board
11 Members, John Francic with ABS
12 Consulting here to report the annual
13 certification for Eldorado Resort
14 Casino.

15 The inspectors, Doug Chapman and
16 Pete Bullard, did, on October 24th,
17 attend the riverboat Hollywood Dreams to
18 conduct the annual inspection in
19 accordance with the alternate inspection
20 of riverboat gaming vessels in the State
21 of Louisiana. The inspectors reviewed
22 fire protection measures, egress routes,
23 recordkeeping and conducted a fire
24 drill. The deficiencies found during
25 this inspection are found on page six of

37

1 your report, and a follow-up to those
2 deficient items was completed on
3 November 9th.

4 The 2017th annual survey as required
5 by the Louisiana Gaming Control Board is
6 complete and presents no safety concerns
7 to its patrons or employees onboard of
8 riverboat. It is the recommendation of
9 ABSC that Eldorado Resort be issued a
10 Certificate of Compliance.

11 MR. LEWIS: We now present these
12 findings to the Board and request that
13 upon your accepting the report as
14 submitted by ABSC, you will move for the
15 issuance of Eldorado's Certificate of
16 Compliance.

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

19 Do I have a motion to issue the
20 Certificate of Compliance?

21 CHAIRMAN JONES: Miss Berry,
22 Mr. Jackson.

23 Any objection? Without objection,
24 the motion carries. The Certificate is
25 issued.

38

1 C. Consideration of Certificate of Compliance for
2 the Alternate Riverboat Inspection of the
3 gaming vessel of PNK (Bossier City), LLC, d/b/a
4 Boomtown Casino Bossier City - No. R016500701

5 CHAIRMAN JONES: Next up is
6 Consideration of Certificate of

7 Compliance for the Alternate Riverboat
8 Inspection of the Gaming Vessel PNK
9 (Bossier City), LLC, doing business as
10 Boomtown Casino Bossier City - No.
11 RO16500701.

12 MR. LEWIS: Mr. Chairman, Board
13 Members, Assistant Attorney General
14 Kanick Lewis, Jr., and with me is
15 Mr. John Francic of ABSC. We are here
16 in the matter of the issuance of the
17 Certificate of Compliance to PNK
18 (Bossier City), LLC, doing business as
19 Boomtown Casino Bossier City.

20 On November 16th, 2017, ABSC began
21 the inspection process for the approval
22 of the Boomtown's Certificate of
23 Compliance. For more on this, I now
24 turn the presentation over to
25 Mr. Francic.

39

1 MR. FRANCIC: Mr. Chairman and Board
2 Members, John Francic with ABS
3 Consulting here to report the annual
4 certification for Boomtown Casino
5 Bossier City.

6 The inspectors, Doug Chapman and
7 Pete Bullard, did attend the riverboat
8 Mary's Prize to conduct the annual
9 inspection in accordance with the

10 alternate inspection of riverboat gaming
11 in the State of Louisiana. The
12 inspectors reviewed fire protection
13 measures, egress routes, mooring
14 systems, machinery spaces and conducted
15 a fire drill. The deficiencies found
16 during the inspection are found on page
17 six of your report. The follow-up to
18 all deficient items were corrected on
19 November 9th.

20 The 2017th annual survey as required
21 by the Louisiana Gaming Control Board is
22 complete and presents no safety concerns
23 to its patrons or employees onboard the
24 riverboat. It is the recommendation of
25 ABS Consulting that Boomtown Casino

40

1 Bossier City be issued a Certificate of
2 Compliance.

3 MR. LEWIS: We now present these
4 findings to the Board and request upon
5 the Board accepting the report as
6 submitted by ABSC, you will move for the
7 issuance of Boomtown's Certificate of
8 Compliance.

9 CHAIRMAN JONES: Any questions,
10 Board Members? There are no questions.

11 Do I have a motion?

12 MR. JACKSON: Motion to approve.

13 CHAIRMAN JONES: Mr. Jackson and
14 Mr. Bradford.

15 Any objection? Without objection,
16 the motion carries. The Certificate is
17 issued. Thank you, gentlemen.

18 D. Consideration of Certificate of Compliance for
19 the Alternate Riverboat Inspection of the
20 gaming vessel of Golden Nugget Lake Charles,
21 LLC - No. R016502995

22 CHAIRMAN JONES: Next up we move to
23 two items: Consideration of Certificate
24 of Compliance for the Alternate
25 Riverboat Inspection of the gaming

41

1 vessel of Golden Nugget Lake Charles,
2 LLC, No. R016502995.

3 MR. LEWIS: Mr. Chairman, Board
4 Members, Assistant Attorney General
5 Kanick Lewis, Jr., and with me is
6 Mr. John Francic of ABSC. We're here in
7 the matter of the issuance of the
8 Certificate of Compliance to Golden
9 Nugget Lake Charles. ABSC began the
10 inspection process for the approval of
11 Golden Nugget's Certificate of
12 Compliance on November 20th 2017.

13 For more on this, I now turn the
14 presentation over to Mr. Francic.

15 MR. FRANCIC: Mr. Chairman, Board

16 Members, John Francic with ABS
17 Consulting here to report the annual
18 certification for Golden Nugget Casino.
19 The inspectors, Jeff Boyle and Doug
20 Chapman, did, on November 20th and 21st,
21 attend the riverboat to conduct the
22 annual inspection in accordance with the
23 alternate inspection of riverboat gaming
24 vessels in the State of Louisiana.

25 The inspectors reviewed life safety

42

1 measures, fire protection, egress
2 routes, emergency generator and
3 lighting. The deficiencies found during
4 the inspection are found on page six of
5 your report. A follow-up to the
6 deficient items was done on December 8th
7 and 11th with one item that remains
8 outstanding. The deficient item is
9 strain gauges for the barge's mooring
10 system that was found in alarm. This is
11 not a life safety item but needs to be
12 repaired.

13 Let me further explain what these
14 strain gauges are. It's part of the
15 mooring system. When the barge was
16 constructed -- the barge is constructed
17 out of concrete. So during the process,
18 they have these one-inch rods that were

19 anchored into the basin that go up
20 through the barge itself. So when they
21 constructed it at the time, these cells
22 are put together with a rod coming
23 through.

24 So when they fill the basin with
25 water, the barge naturally rises up, and

43

1 what these strain gauges -- what these
2 bars do, they prevent the barge from
3 actually popping out of the water. So
4 imagine, you know, you're taking a beach
5 ball or a volleyball, something with
6 water -- not a baseball -- and you push
7 it under the water; and when you release
8 it how it pops up out of the water.

9 Well, it's the same thing with the
10 barge. So when it lifts out of the
11 water, it maintains a level platform, is
12 what this -- what the purpose of this is
13 doing. So there's a lot of pressure
14 that's on this bar which has a nut
15 that's torqued down to keep this barge
16 in place.

17 So it does, you know, several
18 different things. It prevents the barge
19 from moving. You know when you get into
20 a canoe or a row boat, you know, a skiff
21 and sometimes you got to hold it steady

22 rocks because when you get in it it kind
23 of rocks back and forth? Well, same
24 thing. So when there's people walking
25 on the barge, it's not moving or moving

44

1 equipment, that the pressure from the
2 barge being held in place prevents
3 anything from moving. So you don't feel
4 like -- when you're walking on the
5 barge, it doesn't move or do anything.
6 It's just one sturdy place.

7 So these gauges, there's a sensor
8 that's tightened into this nut that goes
9 and feeds into a computer panel, and
10 there's a range from so many PSIs that
11 if there's any -- it will alarm if
12 there's a little bit more water that's
13 put in the basin that makes the barge
14 want to rise a little bit further up, or
15 you're moving equipment and laying --
16 moving more machinery to one side, it
17 will just try to, you know -- that's
18 what these gauges are for, to detect any
19 type of pressure that's put more in
20 excess in the mooring system.

21 So it's kind of unusual that --
22 being that the barge is relatively new
23 and we have problems already with these
24 gauges. They shouldn't -- I mean, it's

25 only, what, three years old. But they

45

1 are an alarm. They need to be repaired.

2 It's not an easy fix. They've got to go

3 to the deck and open up and replace

4 that -- the sensor and then tighten down

5 on the nut, and it has to be torqued to

6 a certain PSI.

7 So that's -- that's kind of it in a

8 nutshell what these strain gauges are

9 for.

10 A letter was received on

11 December 12th from Golden Nugget

12 requesting an extension on their

13 Certificate of Compliance to make the

14 necessary repairs to these strain

15 gauges. Therefore, it is the

16 recommendation of ABS Consulting that

17 Golden Nugget be issued a Certificate of

18 Compliance for 30 days.

19 CHAIRMAN JONES: A couple of

20 questions. We understand this isn't a

21 traditional vessel, but these gauges

22 serve a legitimate maritime purpose.

23 MR. FRANCIC: Yes.

24 CHAIRMAN JONES: Okay. I mean, it's

25 not, like, superfluous stuff, right?

46

1 MR. FRANCIC: Correct.

2 CHAIRMAN JONES: Was this a surprise
3 inspection?

4 MR. FRANCIC: No. It was set for
5 November 20th, 21st.

6 CHAIRMAN JONES: Should it have been
7 possible for staff associated with
8 Golden Nugget to have known that these
9 were defective before your
10 representatives arrived there?

11 MR. FRANCIC: Chances are, yes, if
12 there was an alarm, and I don't know
13 when these were alarmed. It just --
14 when our guys go onboard there, they ask
15 to see the panel, and they noticed that
16 the alarm was on there. They wanted to
17 know, you know, can it be cleared;
18 what's going on with it, so...

19 CHAIRMAN JONES: All right. They
20 would have known that this was going to
21 be part of the inspection, though,
22 right?

23 MR. FRANCIC: Correct.

24 CHAIRMAN JONES: So they should have
25 reasonably anticipated that.

47

1 MR. FRANCIC: Yes.

2 CHAIRMAN JONES: And you said this
3 property is four years old, correct?

4 MR. FRANCIC: Correct.

5 CHAIRMAN JONES: I think the Isle of
6 Capri is four -- three or four, the
7 vessel?

8 MR. FRANCIC: The vessel?

9 CHAIRMAN JONES: Yes.

10 MR. FRANCIC: Yeah, 2014 is when it
11 was --

12 CHAIRMAN JONES: All right. The
13 Isle of Capri's 22 years old. Did they
14 need an extension?

15 MR. FRANCIC: No.

16 CHAIRMAN JONES: Eldorado's 17 years
17 old, did they need an extension?

18 MR. FRANCIC: No.

19 CHAIRMAN JONES: Boomtown's 23 years
20 old, did they need an extension?

21 MR. FRANCIC: No.

22 CHAIRMAN JONES: Board Members, any
23 questions before I have someone from
24 Golden Nugget up? Is there a
25 representative here from Golden Nugget?

48

1 Good morning, have a seat and introduce
2 yourself to the Board, please, sir.

3 MR. DEL PRETE: Good morning,
4 Chairman Jones and Board Members, I'm
5 Gerry Del Prete. I'm the General
6 Manager of Golden Nugget Lake Charles.

7 CHAIRMAN JONES: What happened here,

8 Gerry?

9 MR. DEL PRETE: Well, Chairman, from
10 what I understand -- and certainly I can
11 bring some other folks up to give more
12 in-depth detail if needed -- we did have
13 an inspection in May and had no issues
14 in May with our semi-annual inspection.
15 These strain gauges do go into alarms
16 from time to time. This is something
17 we've been able to remedy. It's not
18 uncommon for this to happen. There were
19 a few strain gauges in alarm in November
20 when the inspection took place. We
21 thought as usual we could fix the
22 problem and deal with it and adjust them
23 accordingly. We actually even had some
24 spares on hand that we replaced some of
25 them with.

49

1 When the water test was conducted,
2 we actually had as many as 22 go into
3 failure on that, and so the problem
4 became much larger than anticipated on
5 that. I don't know -- and from what I
6 understand -- and I've talked to
7 Mr. Francic a lit bit about it -- is
8 that we have sent these off now to the
9 manufacturer. They have not seen a
10 failure at this level, nor has -- when I

11 talked to Mr. Francic, he's never seen
12 this in all the years that he's been in
13 business.

14 So we're trying to find -- no one
15 wants to admit the blame on the
16 manufacturer side what happens, but what
17 happened, from what we understand, is
18 moisture got into these devices.

19 There's some speculation that they were
20 installed during the construction
21 process, might have been uncovered out
22 there. They actually had to come in
23 when we were doing the initial process
24 of this -- the strain cert came and said
25 they had to replace some of the gauges,

50

1 because they actually got moisture in
2 them, before we opened the building on
3 them.

4 So, you know, I take full
5 responsibility of it. We obviously, you
6 know, should have taken a more proactive
7 approach. We just assumed business as
8 normal, and we've had them before and
9 didn't expect to have 22. And we've
10 actually -- like, as Mr. Francic stated,
11 there's quite an elaborate process to
12 get access to these things. You're
13 literally ripping up casino carpet and

14 flooring in getting to these things, so
15 we're now up to 25 strain gauges that
16 have failure. They're all at the
17 manufacturer. They're all being
18 rebuilt.

19 We are going to take some
20 precautions. When we put them back
21 together, we're going to put some gel
22 caps. I think it will help prevent
23 moisture getting into them, so we're
24 going to pack them around some gel caps
25 to prevent moisture from getting into

51

1 those. We think that will help the
2 problem. We don't anticipate we're
3 having any issues hopefully to fix this
4 with the extension if that's granted,
5 and certainly what we've decided in
6 talking Mr. Francic, as well, is that
7 we'll take a more proactive approach and
8 get further out.

9 The inspection in November just
10 would have not been enough time even to
11 resolve this issue, but we're going to
12 move into a 90 days out from our due
13 date to make sure we don't anticipate --
14 and I assure you that I will not be here
15 next year in front of you asking for
16 another extension.

17 CHAIRMAN JONES: And I thank you for
18 that.

19 MR. DEL PRETE: My apologies.

20 CHAIRMAN JONES: That's okay. And
21 let me start off just by saying that,
22 you know, you guys are great partners in
23 the gaming sector in Louisiana. I mean,
24 you know, your property is a crown jewel
25 among all properties, and I hear great

52

1 things about it. And I understand that
2 it would be eminently easier for you to
3 just worry about running a casino and a
4 hotel and a dozen restaurants than it is
5 to maintain something sitting in the
6 water. I get that. I really do. And
7 that's what the task force is trying to
8 address, and hopefully the Legislature
9 will, you know, permit the industry some
10 latitude there in the coming, you know,
11 couple of decades. I don't know.

12 Nevertheless, to meet the legal
13 definition of a vessel, there are
14 certain requirements that are associated
15 with it, and it's the Board's
16 responsibility to ensure, in working
17 with our maritime consultant, that those
18 requirements are adhered to; and that's
19 what the inspections are all about.

20 It's not about a gotcha moment. That's
21 not what it's about at all, and I've had
22 this discussion with other general
23 managers who've had to ask for
24 extensions.

25 So are you comfortable that the

53

1 extension is going to provide you
2 sufficient time to resolve the problem?

3 MR. DEL PRETE: We're hopeful,
4 Chairman. We're hopeful. I think that
5 this is sort of a puzzle you have to put
6 together, so we put them back in there,
7 and we adjust them. You know, barring
8 there's no issues and they get rebuilt
9 properly and we don't have -- the
10 manufacturer, they uphold their end of
11 the agreement. We are putting the full
12 resources of what's available to us to
13 work to get this resolved.

14 So at this point, I would say we are
15 hopeful that this will get resolved.

16 CHAIRMAN JONES: And I know it's
17 complicated, but it's complicated for me
18 to understand not having any background
19 in maritime. I understood the part
20 about ripping carpet up from the casino
21 floor. I got that. And I understand
22 the impact of that.

23 Are there any questions from Board
24 Members? Miss Berry.

25 MS. BERRY: I have a couple

54

1 questions, if you don't mind. You
2 mentioned in your testimony before that
3 you were inspected in May, and that
4 everything was good; and that these
5 alarms had happened on and off
6 previously, and y'all took care of them.

7 How did you take care of them?

8 MR. DEL PRETE: Yes, ma'am.

9 MS. BERRY: How did you take care of
10 them if it involves all this other
11 pulling up the carpet and all that?

12 MR. DEL PRETE: From what little I
13 know is you can make adjustments to get
14 the -- because the pressure range, I
15 think, is from 5,000 to 50,000 pounds?

16 MR. FRANCIC: I'm not sure.

17 MR. DEL PRETE: There's a pretty
18 range. So you can make some adjustments
19 to one versus others, and it would bring
20 it in alliance and take it out of the
21 alarm.

22 MS. BERRY: Through the computer
23 board.

24 MR. DEL PRETE: Through the computer
25 Board.

1 MS. BERRY: Without doing all that.

2 MR. DEL PRETE: Yes.

3 MS. BERRY: Okay. That was -- I
4 didn't quite understand that. And is
5 there a particular individual who's in
6 charge checking for these alarms to make
7 sure that they're on or off or --

8 MR. DEL PRETE: Yes, ma'am, Bill
9 Savoy, who is our Director of
10 Facilities, who is actually here who
11 could speak to it more in detail if
12 you'd like.

13 MS. BERRY: Well, not necessarily.
14 I just want to make sure that, you know,
15 you understand the importance, according
16 to the Chairman, that, you know, we have
17 to maintain this until hopefully the
18 legislature changes things. But it is
19 very important, and if it happened
20 routinely after May, to me you'd keep a
21 closer eye on it, just -- and one other
22 question. If you say there's 21 of them
23 now that are back at the manufacturer --

24 MR. DEL PRETE: Actually, 25.

25 MS. BERRY: Do you really think

1 there's going to be enough time in 30
2 days to get that done, and then what

3 happens? Is there another extension
4 or --

5 MR. DEL PRETE: We're anticipating
6 getting them back January 8th. We've
7 got it set up to install. So if all
8 goes well, we should be able to assume
9 our extension would get us possibly
10 to -- Mr. Chairman and Board Members, is
11 that possibly that the extension then --
12 since it's -- our certificate runs
13 through December 31st, so the extension
14 would get us to January 31st, which
15 would be then on your February board
16 meeting possibly on that. So it gives
17 us a little bit. I want to get it in
18 ahead of time on that.

19 If it doesn't work and we have --
20 there's 80 of them in total, so if I
21 have catastrophic failure beyond the 25
22 that are already at the manufacturer,
23 we'd have to address those. These are
24 built for this. They're not just on the
25 shelf type stuff you can --

57

1 MS. BERRY: Right.

2 MR. DEL PRETE: And I know y'all are
3 used to that with the barges and the
4 boats and things. There's some of these
5 people that aren't even in business

6 anymore for some of those vessels.

7 So I would say worst case scenario
8 we would have to come back and ask for
9 an extension, unless you would grant us,
10 you know, a 60 or 90-day extension here.
11 I don't know what the protocol is on
12 that to make sure, but I'm willing to --
13 I'm obviously at your mercy and willing
14 to do whatever.

15 MS. BERRY: I guess that makes --
16 yeah, I understood you had until the
17 31st of January so hopefully that will
18 give you enough time, and it just seems
19 like a major job. And everything has --
20 Mr. Francic, everything has to be put
21 back into compliance? Like, the
22 carpeting and flooring and everything
23 has to be back to normal?

24 MR. FRANCIC: Yes. It doesn't --
25 you can't leave carpet un --

58

1 MS. BERRY: To get compliance, it
2 has to be completely back to normal.

3 MR. FRANCIC: Right. Well, when
4 you're at -- and I don't know where all
5 of them are located on the floor wise,
6 but if they have to move, you know, slot
7 machines and tables and stuff like that,
8 we just have to make sure that the

9 egress routes are put back in place.
10 MR. DEL PRETE: Mr. Francic brings
11 up a good point. Some of these were.
12 We had to move slot machines, which then
13 requires us to get gaming involved to
14 move the machines, which is a process.
15 They've been very helpful. So there's a
16 lot of people involved in that process
17 on that, so...

18 MS. BERRY: I appreciate that. That
19 kind of goes back to my second comment
20 that the person who should watch those
21 alarms maybe should be checking on it
22 more routinely, so...

23 MR. DEL PRETE: Yes, ma'am. And I
24 don't want to -- and I agree with you
25 wholeheartedly.

59

1 MS. BERRY: And I'm not blaming
2 anybody, but, I mean, if that's the job
3 and it gets into this kind of --

4 MR. DEL PRETE: I think we've had
5 alarms for the last three years, and
6 we've always been able to correct the
7 alarms and adjust. When we did the
8 water test, we've never had the failure
9 of all of a sudden 25 of them going bad,
10 and there's no adjusting. They're
11 actually not reading anymore because

12 moisture has actually seeped in --

13 MS. BERRY: Right.

14 MR. DEL PRETE: And that has taken
15 over time, I think. They've probably
16 about out there four years now, and you
17 think about construction, they were out
18 there probably a year before we opened.
19 It's just something we just didn't --

20 MS. BERY: It sounds like something
21 went wrong in the construction to me. I
22 mean --

23 MR. DEL PRETE: I think, but I can't
24 get anybody to admit that because they
25 would have to pay for it. But I would

60

1 agree with you.

2 MR. SCHEINTHAL: Let me add one
3 quick thing. My name is Steve
4 Scheinthal, and I'm the Executive
5 Vice-President with Fertitta, Inc., and
6 also a licensee for Golden Nugget Lake
7 Charles.

8 If it's appropriate, we would like
9 to take Chairman and the Commission up
10 on their proposal to maybe extend the
11 deadline. We anticipate that we're
12 going to get these strain gauges back in
13 January and fix them in January, but
14 if -- if we're only being extended to

15 January 31st, we may actually miss the
16 meeting. So it may make sense, if it's
17 appropriate now, maybe we have until the
18 end of February and go ahead and get the
19 extension now, and this gives us plenty
20 of time to get everything done January,
21 early February; and then if we have to
22 come back for the February meeting,
23 we're still timely with our request.

24 CHAIRMAN JONES: Thank you, Steven.

25 General protocol has been we go with

61

1 30-day extensions month to month, and I
2 think the Board likely will continue
3 that just based on precedent that we
4 set.

5 MR. SCHEINTHAL: Okay.

6 CHAIRMAN JONES: But thank you.

7 Mr. Bradford.

8 MR. BRADFORD: I would -- continuing
9 that same thought just for a minute, I'm
10 shifting gears here. It's dangerous for
11 me, but I would actually ask John if the
12 30 days as set is adequate. Or I would
13 defer to you if you think that they
14 needed 60 days with this specific
15 problem.

16 MR. FRANCIC: I would just -- you
17 know, it's really up to how they -- if

18 they can get these strain gauges back
19 from the third party. You know, I
20 really can't say. I agree with the
21 Chairman which is --

22 MR. BRADFORD: Well, I would prefer
23 not to extent it, nor was it offered, I
24 don't think. My other question was
25 concerning these strain gauges. When my

62

1 temperature gauge goes off in my car, my
2 first thought is my engine is
3 overheating, not that the temperature
4 gauge is bad. And so I'm kind of
5 wondering here: We're sure that these
6 strain gauges are bad? It's not
7 something going on that the strain gauge
8 is alerting us to that is actually a
9 problem somewhere else.

10 MR. FRANCIC: Well, again, when you
11 look at how the strain gauges -- are
12 they all grouped in one area, or are
13 they spread throughout the vessel? If
14 they're kind of spread out randomly,
15 then it's more likely the gauges. If
16 they're more focused in one area of the
17 barge, then we may have a problem with
18 the barge itself.

19 So I take it, you know, that you did
20 the test that they're kind of randomly

21 throughout the barge.

22 MR. DEL PRETE: I have to defer -- I
23 can certainly bring Bill up here who
24 can --

25 SPEAKER: Can I answer?

63

1 MR. DEL PRETE: That's the director
2 of the facility, Mr. Chairman, if you
3 wanted him to come up. I hate to say
4 something that I don't know or I'm not
5 aware of. I know the manufacturer has
6 said that they're faulty, and that
7 moisture has gotten into them and
8 they've been compromised.

9 MR. BRADFORD: Again, I would defer
10 to John. Their inspection seems to
11 concur that it's the gauges that are --

12 MR. FRANCIC: Yes.

13 MR. BRADFORD: That's fine. Thank
14 you.

15 CHAIRMAN JONES: Did you have
16 something, Mr. Singleton?

17 MR. SINGLETON: I think you answered
18 the question. The only question I
19 wanted to ask was you mentioned earlier
20 about all the different boats. Is this
21 the only boat that has this kind of
22 problem?

23 CHAIRMAN JONES: That has this on

24 what?

25 MR. SINGLETON: That has this kind

64

1 of problem that they're having now. You
2 mentioned earlier --

3 CHAIRMAN JONES: It's somewhat
4 unique construction, and I would have to
5 ask Mr. Francic. I'm not aware. This
6 is the first I've heard of this problem,
7 so I don't know.

8 MR. FRANCIC: We have several
9 facilities, not just here in Louisiana
10 but up in Missouri, that have this type
11 of construction.

12 MR. SINGLETON: I'm interested in
13 Louisiana.

14 MR. FRANCIC: Louisiana there is
15 Margaritaville is the only other one
16 that has a concrete hull with gauges on
17 it. Those are the only two.

18 CHAIRMAN JONES: Are there any other
19 questions from the Board? Let
20 Mr. Kanick close.

21 MR. LEWIS: We now present these
22 findings to the Board and request that
23 upon the Board accepting the report as
24 submitted by ABSC, you will move for the
25 approval of the Golden Nugget's

65

1 Certificate of Compliance.

2 CHAIRMAN JONES: Do I -- I have a
3 motion by Mr. Bradford to issue a
4 temporary Certificate of Compliance to
5 expire January 31st, 2018. Do I have a
6 second? Miss Berry.

7 Any objection? Without objection,
8 the motion carries and a temporary
9 Certificate of Compliance is issued.

10 And if necessary, we can update things
11 at the end of the January meeting and go
12 from there. And I do understand, and I
13 appreciate the fact that you're dealing
14 with third party manufacturers here; and
15 I understand the difficulty, but I think
16 it's important that we be consistent
17 with respect to how we extend or permit
18 extensions. Thank you, Gerry.

19 MR. DEL PRETE: Yes, sir. Thank
20 you, Chairman Jones and Board Members.

21 MR. FRANCIC: Merry Christmas to you
22 all.

23 CHAIRMAN JONES: And the same to
24 you.

25 E. Consideration of petition by Golden Nugget Lake

66

1 Charles, LLC, for approval of Debt Transactions
2 - No. R016502995

3 CHAIRMAN JONES: And now we move to:

4 Consideration of petition by Golden
5 Nugget Lake Charles, LLC, for approval
6 of a debt transaction. That's No.
7 RO16502995. Good morning.

8 MS. MOORE: Good morning, Chairman
9 Jones, Members of the Board. I'm
10 Charmaine Moore, Assistant Attorney
11 General, here in the matter of the
12 petition of Golden Nugget for approval
13 of certain debt financing.

14 On August 24th, 2017, Golden Nugget
15 Lake Charles, LLC, notified the Gaming
16 Control Board of the intent of its
17 parent company, Golden Nugget, Inc., to
18 acquire the assets and assume the
19 existing debt of Landry's, Inc., a
20 non-gaming subsidiary of Fertitta, Inc.
21 -- Fertitta Entertainment, Inc., and to
22 incur new and additional debt.

23 After review of the proposed
24 transactions by the A.G.'s Office and
25 the Corporate Securities section of

67

1 State Police, it was determined that the
2 asset acquisition did not require Board
3 approval, but that the debt assumption
4 and new financing did. When the
5 licensee was notified of the need of
6 Board approval, the licensee requested

7 that Golden Nugget be allowed to close
8 the financing conditioned on later Board
9 approval.

10 On September 19th, 2017, Chairman
11 Jones by letter advised the licensee
12 that the financing could be closed
13 pending Board approval subject to the
14 following conditions: First, that
15 neither GNLC Holdings, Inc., nor Golden
16 Nugget Lake Charles, LLC, would pledge
17 any collateral or execute any guarantees
18 until Board approval of the proposed
19 financing was obtained, and two, that
20 Golden Nugget would not pledge its
21 ownership interest in either GNLC
22 Holdings, Inc., or Golden Nugget Lake
23 Charles, LLC, until Board approval of
24 the proposed financing was obtained.

25 On September 26th, 2017, Golden

68

1 Nugget, Inc., closed on the debt
2 assumption and the new financing. In
3 regard to the debt assumption, Golden
4 Nugget, Inc., acquired all of Landry's,
5 Inc., assets all of which are non-gaming
6 and consistent primarily of restaurant
7 subsidiaries in consideration of Golden
8 Nugget's assumption of the outstanding
9 debt of Landry's, Inc. In addition,

10 Golden Nugget incurred new debt in the
11 total aggregate principal amount of
12 approximately \$2.5 billion. Of those
13 proceeds, \$800 million was used to pay
14 off existing debt of Golden Nugget, Inc.

15 Trnessia Ware of Corporate
16 Securities Audit Section of State Police
17 is here to present audit's review of the
18 debt assumption and new financing.

19 MS. WARE: Good morning, Chairman
20 Jones, Members of the Board. My name is
21 Trnessia Ware with Louisiana State
22 Police Gaming Enforcement Division.

23 Golden Nugget executed a series of
24 transactions to transfer all of
25 Landry's, Inc.'s, non-gaming assets to

69

1 Golden Nugget, Inc. In return for the
2 new assets, Golden Nugget assumed
3 Landry's long-term debt consisting of a
4 1.3 Billion Term Loan B, 600 Million
5 Senior Unsecured Notes, and a
6 200 Million Revolver, which has no
7 outstanding balance.

8 In conjunction to Golden Nugget's
9 refinancing of its debt, Golden Nugget
10 entered into an amended and restated
11 credit facility which consists of a
12 \$1.045 billion first lien term loan,

13 35 million incremental revolving line of
14 credit with no outstanding balance,
15 745 million senior unsecured notes and
16 670 million senior unsubordinated notes.

17 Golden Nugget's total debt increased
18 from approximately \$2.8 billion to
19 \$4.4 billion as shown on page 18 of our
20 report. Golden Nugget projects
21 sufficient cash flows to service the
22 debt.

23 No financial issues came to our
24 attention that were of such a nature so
25 as to preclude the Board from approving

70

1 Golden Nugget's financial transaction.
2 General counsel from Golden Nugget is
3 here in attendance today and available
4 to answer any questions you may have for
5 them.

6 Are there any questions?

7 CHAIRMAN JONES: Board Members, any
8 questions? Mr. Stipe.

9 MR. STIPE: About 550 million of the
10 assets assumed are intangibles and
11 goodwill -- am I reading that right --
12 the Landry's assets.

13 MS. WARE: Yes, sir.

14 CHAIRMAN JONES: Board, any other
15 questions? No other questions.

16 MS. MOORE: If it is the Board's
17 decision to approve the assumption of
18 debt and new debt financing by Golden
19 Nugget, Inc., a Resolution has been
20 prepared for the Chairman's signature.

21 CHAIRMAN JONES: Therefore, do I
22 have a motion to adopt the resolution?
23 Mr. Singleton and Mr. Bradford.

24 Miss Tramonte, would you read the
25 Resolution into the record.

71

1 THE CLERK: On the 21st day of
2 December 2017, the Louisiana Gaming
3 Control Board did, in a duly noticed
4 public meeting, consider the issue of
5 Golden Nugget Lake Charles, LLC's,
6 request for approval of Golden Nugget,
7 Incorporated's, assumption of existing
8 debt of Landry's, Incorporated, and
9 entering into new and additional
10 financing, pursuant to an amendment of
11 that certain Credit Agreement dated
12 October 4th, 2016, as amended on
13 April 12th, 2017, and as amended
14 September 26th, 2017, by and among the
15 Landry's, Incorporated, as the borrower,
16 Jefferies Finance, LLC, as
17 Administrative Agent, Collateral Agent,
18 Lead Arranger and Bookrunner, and the

19 Lenders and Subsidiary Guarantors party
20 thereto from time to time, and the
21 transactions contemplated thereby and
22 the transactions contemplated thereby
23 and pursuant to an amendment of that
24 certain Indenture dated October 4th,
25 2016, as amended January 13th, 2017, and

72

1 as amended September 26th, 2017, by and
2 among Landry's, Incorporated, and Deutch
3 Bank Trust Company Americas, and upon
4 motion duly made and second, the Board
5 adopted this Resolution:

6 Be it resolved that Golden Nugget
7 Lake Charles, LLC's, request for
8 approval of Golden Nugget,
9 Incorporated's, assumption of existing
10 debt of Landry's, Incorporated,
11 consisting of \$1.3 Billion First Lien
12 Term Loan and a \$200 Million Revolving
13 Credit Facility through Jefferies
14 Finance, and the transactions
15 contemplated thereby, is hereby
16 approved.

17 Be it resolved that Golden Nugget
18 Lake Charles, LLC's, request for
19 approval of Golden Nugget,
20 Incorporated's, assumption of existing
21 debt of Landry's, Incorporated,

22 consisting of \$600 Million of Senior
23 Unsecured 6.75 Percent Notes with
24 Deutsche Bank Trust Company Americas as
25 Trustee, and the transactions

73

1 contemplated thereby, is hereby
2 approved.

3 Be it resolved that Golden Nugget
4 Lake Charles, LLC's, request for
5 approval of new debt financing in the
6 total aggregate principal amount of
7 \$1.080 Billion, consisting of a First
8 Lien Term Loan, in the principal amount
9 of \$1,045 Billion, and a Secured
10 Revolver in the principal amount of
11 \$35 Million, and the transactions
12 contemplated thereby, is hereby
13 approved.

14 Be it resolved that Golden Nugget
15 Lake Charles, LLC's, request for
16 approval of the issuance of \$745 Million
17 of 6.75 Percent Senior Unsecured Notes
18 and \$670 Million of 8.75 Percent Senior
19 Subordinated Notes, and the transactions
20 contemplated thereby, is hereby
21 approved.

22 Thus done and signed in Baton Rouge,
23 Louisiana, this 21st day of December,
24 2017.

25 Mr. Bradford?

74

1 MR. BRADFORD: Yes.

2 THE CLERK: Mr. Stipe?

3 MR. STIPE: Yes.

4 THE CLERK: Mr. Singleton?

5 MR. SINGLETON: Yes.

6 THE CLERK: Mr. Jackson?

7 MR. JACKSON: Yes.

8 THE CLERK: Miss Berry?

9 MS. BERRY: Yes.

10 THE CLERK: Mr. Lagasse?

11 MR. LAGASSE: Yes.

12 THE CLERK: Chairman Jones?

13 CHAIRMAN JONES: Yes. And the

14 motion is adopted -- adopt the

15 Resolution. Thank you.

16 F. Consideration of petition by Caesars

17 Entertainment Corporation for Approval of

18 Transfers of Ownership and Financing in Jazz

19 Casino Company, LLC, d/b/a Harrah's New Orleans

20 Casino - No. C013600001

21 CHAIRMAN JONES: Finally up is

22 consideration of petition by Caesars

23 Entertainment Corporation for transfers

24 of ownership and Financing in Jazz

25 Casino Company, LLC, doing business as

75

1 Harrah's New Orleans Casino, No.

2 CO13600001. Good morning.

3 MS. MOORE: Chairman Jones, Members
4 of the Board, I'm Charmaine Moore,
5 Assistant Attorney General, here in the
6 matter of Caesars' petition requesting
7 approval of certain transactions
8 involving various Caesars entities and
9 the related financing. The purpose of
10 the transactions is to refinance certain
11 debt and to simplify Caesars ownership
12 structure.

13 The proposed transfers involve two
14 groups of Caesars' entities, the Caesars
15 Growth Partners entities, which I'll
16 refer to as the CGP entities, and the
17 Caesars Entertainment Resort Properties
18 entities or the CERP entities. The CGP
19 entities hold an indirect interest in
20 Harrah's New Orleans, as well as some
21 non-Louisiana properties. The CERP
22 entities only own non-Louisiana
23 properties. Neither the CGP entities
24 nor the CERP entities have any interest
25 in the other two Louisiana licensees

76

1 owned and operated by Caesars, those
2 being Horseshoe and Louisiana Downs.
3 Because some of the transfers affect the
4 ownership of Harrah's New Orleans, Board

5 approval is required of the transfers.
6 In the end, however, there is no real
7 transfer of Harrah's in the net effect
8 of these transactions and the
9 refinancing, as far as Louisiana is
10 concerned, is to move the CERP assets
11 and debt to the CGP entities.

12 In connectin with the proposed
13 consolidation of the entities, Caesars
14 has formed three new entities for the
15 purpose of incurring new debt which will
16 be assumed by CGPH and used to pay off
17 certain existing debt of CGPH and CERP.
18 CGPH will change its name in these
19 transactions to Caesars Resort
20 Collection. The newly formed entities
21 have borrowed \$5.7 billion from Credit
22 Suisse and participating lenders and
23 deposited the proceeds in an escrow
24 account subject to an escrow agreement.

25 When the borrowing entities emerge

77

1 with the CGP entities, CGPH which will
2 be renamed Caesars Resort Properties --
3 no, Caesars Resort Collection, LLC, will
4 become the primary obligor in the debt
5 by operation of law and will enter into
6 a credit agreement with Credit Suisse.
7 The newly formed entities have also

8 jointly issued \$1.7 billion in 5.25
9 percent senior unsecured notes due 2025
10 pursuant to that certain indenture with
11 Deutsche Bank as trustee. When those
12 entities merge with CGP entities,
13 Caesars Resort Collection will become
14 the primary obligor on the debt, and it
15 will enter into a supplemental indenture
16 with Deutch Bank. The transfers will be
17 effectuated by sale, liquidation and
18 merger and will all occur
19 simultaneously.

20 Once the transfers are completed,
21 seven Caesars entities will no longer
22 exist. Five of those are existing
23 entities, and two are new ones.

24 Here today is Evie Ficklin with the
25 Corporate Securities Audit Section to

78

1 present their review of the financing.

2 MS. FICKLIN: Good morning,
3 Mr. Chairman and Board Members. I'm
4 Evie Ficklin an auditor with Louisiana
5 State Police.

6 Caesars currently has three
7 reporting segments: Caesars Growth
8 Partners, LLC, or CGP; Caesars
9 Entertainment Resort Properties, LLC, or
10 CERP; and Caesars Entertainment

11 Operating Company or CEOP. It intends
12 to reduce its reporting segments from
13 three to two by executing four mergers
14 involving CERP and certain of its
15 affiliates. The CGP affiliates, Caesars
16 Growth Properties Parent, LLC, or CGPP,
17 and Caesars Growth Properties Holdings,
18 LLC, or CGPH, as well as three new
19 entities formed September 18th, 2017, to
20 facilitate financing and who will
21 participate in certain of the mergers,
22 namely CRC Escrow Holdings, LLC, CRC
23 Escrow Issuer, LLC, and CRC Finco, LLC.

24 Simplified structures of Caesars
25 three reporting segments and the

79

1 placement of these entities within the
2 new entities within Caesars
3 organizational structure are shown in
4 the chart on page nine. In addition to
5 consolidating its structure, Caesars
6 will also use the plan mergers as a
7 means to consolidate and subsequently
8 refinance the long-term debt held by CGP
9 by its subsidiary, CGPH, and under CERP,
10 CGPH and CERP's outstanding long-term
11 debt as of June 30th, 2017, is shown in
12 the pro forma schedule on page 17.

13 Caesars has already taken steps to

14 move the refinancing forward using the
15 newly formed CRC Escrow and CRC Finco.
16 On October 16th, 2017, CRC escrow issuer
17 and co-issuer, CRC Finco issued \$1.7
18 billion five-and-a-quarter percent
19 senior notes due 2025. The proceeds
20 from that issuance are currently held in
21 escrow pending execution of the four
22 mergers.

23 In merger number one, CERP will
24 merge with and into CGPH with CGPH
25 surviving as a renamed entity, Caesars

80

1 Resort Collection, LLC, or CRC. Merger
2 number one will result in CERP's
3 long-term debt being assumed by CRC
4 post-merger. As a result of merger
5 number two, CERP's parent, Caesars
6 Entertainment Resort Properties
7 Holdings, LLC, will merge with and into
8 CGPH's parent, CGPP. The merger is
9 intended to clean up Caesars
10 organizational structure.

11 Merger number three, CRC Escrow
12 Holdings will merge with and into GCPP,
13 with CGPP surviving. In merger number
14 four, CRCS Escrow Issuer will merge with
15 a into CRC with CRC surviving. As a
16 result of merger number four, CRC will

17 execute a supplemental indenture and
18 assume Escrow Issuer's obligations under
19 the \$1.7 billion five-and-a-quarter
20 percent notes indenture and the notes.
21 CRC Finco will survive merger number
22 four as a CRC subsidiary. The
23 organizational chart on page 15 shows
24 the final post-reorganizational
25 structure.

81

1 Post merger number four, CRC will
2 use the proceeds of the \$1.7 billion
3 five and a quarter percent notes and a
4 portion of the proceeds from its new
5 credit agreement it will enter into at
6 closing to refinance the debt formerly
7 held by CERP and CGP. CRC's new credit
8 agreement consists of a \$4.7 billion
9 term loan, a \$1 billion revolver, and a
10 provision for an estimated \$400 million
11 dollar incremental loan.

12 The Sources and Uses Schedule on
13 page 16 identifies the sources of
14 funding that will be used in the
15 refinancing. Based on this chart at the
16 conclusion of consolidations, CRC will
17 have \$700 million in availability under
18 its \$1 billion revolver. The chart
19 shown on page 19 compares the principal,

20 interest rates, maturity and interest
21 expense in connection to the existing
22 aggregated CERP and CGP debt with that
23 of CRC post-refinancing. This chart
24 also reflects Caesars' estimated savings
25 -- interest savings as a consequence of

82

1 a new financing.

2 No financial issues came to our
3 attention to preclude the Board's
4 approval of Caesars' consolidation of
5 its organizational structure and the
6 refinancing of certain of its existing
7 debt. Licensing's Kevin Lamotte will
8 present the results of his
9 investigation.

10 TROOPER LAMOTTE: Good morning,
11 Chairman Jones and Members of the Board.
12 I'm Trooper Kevin Lamotte with the State
13 Police Gaming Enforcement Division.

14 On September 7, 2017, the Division
15 conducted updated suitability
16 investigations of Caesars Entertainment
17 Corporation and its subsidiaries,
18 officers, directors and persons with a
19 5 percent interest or more. On
20 September 18, 2017, as part of the
21 current transactions, Caesars created a
22 new company named CRC Finco, Inc. The

23 only two officers associated with this
24 company are Mark Fissora and Eric
25 Hession. The two officers were

83

1 previously found suitability, and the
2 Division conducted a suitability
3 investigation on CRC Finco, Inc. The
4 investigation consisted of inquiries
5 through federal, state and local law
6 enforcement agencies, computerized
7 computer history, databases, civil
8 institutions and gaming regulatory
9 agencies.

10 At the conclusion of this
11 investigation, I found no information
12 which would preclude the Board from
13 granting a finding of suitability for
14 Caesars Entertainment, its subsidiaries
15 or any of its officers or directors.

16 Do you have any questions at this
17 time?

18 CHAIRMAN JONES: Board Members, any
19 questions of the Attorney General's
20 Office, Miss Ficklin or State Police?
21 There are no questions.

22 MS. MOORE: If it's the Board's
23 pleasure to approve the proposed
24 transfers and financing, a Resolution
25 has been prepared for the Chairman's

1 signature.

2 CHAIRMAN JONES: I'm assuming no one
3 from Caesars needs to speak? Okay,
4 we're good.

5 MR. BRADFORD: What about Paul? You
6 want him to come up here?

7 CHAIRMAN JONES: I will now
8 entertain a motion to adopt the
9 Resolution.

10 MR. BRADFORD: So moved.

11 CHAIRMAN JONES: By Mr. Bradford.

12 MR. JACKSON: Second.

13 CHAIRMAN JONES: Mr. Jackson.

14 Any objection? Without objection,
15 would you read the Resolution into the
16 record.

17 THE CLERK: On the 21st day of
18 December 2017, the Louisiana Gaming
19 Control Board did, in a duly noticed
20 public meeting, consider the petition of
21 Caesars Entertainment Corporation,
22 (CEC), for approval of certain transfers
23 of ownership by and among CEC and
24 certain of its subsidiaries and the
25 related financing, and upon motion duly

1 made and second, the Board adopted this
2 Resolution:

3 Whereas, CEC to simplify its
4 organizational structure through various
5 transactions, including sale,
6 liquidation and merger; and whereas, CEC
7 and certain of its subsidiaries seek to
8 refinance certain debt of CEC and those
9 subsidiaries.

10 Now therefore, be it resolved that
11 CEC's purchase of HIE Holdings, Topco,
12 Incorporated's, ownership interest in
13 HIE Holdings, Incorporated, for
14 \$15 million is hereby approved.

15 Be it resolved that the liquidation
16 of HIE Holdings, Topco, Incorporated,
17 HIE Holdings, Incorporated, and Harrah's
18 BC, Incorporated, is hereby approved.

19 Be it resolved that the distribution
20 of ownership in Caesars Growth Partners,
21 LLC, to CEC as a result of liquidation
22 of HIE Holdings, Incorporated, and
23 Harrah's BC, Incorporated, is hereby
24 approved.

25 Be it resolved that the CEC's

86

1 request for approval of the following
2 debt facility to be entered into by
3 Caesars Resort Collection, LLC: 1. A
4 \$4.7 Billion Senior Secured First Lien
5 Term Loan Facility due 2024; 2., A \$1

6 Billion Senior Secured Revolving Credit
7 Facility due 2022; 3., An Incremental
8 Loan Facility applicable to both or
9 either the Senior Secured First Lien
10 Term Loan Facility and the Senior
11 Secured Revolving Credit Facility in an
12 amount up to \$400 million, all as more
13 particularly set forth in that certain
14 Credit Agreement by and among Caesars
15 Resort Collection, LLC, as borrower,
16 Credit Suisse, AG, Cayman Islands Branch
17 as Administrative and Collateral Agent,
18 the Joint Lead Arrangers and Bookrunners
19 designated to the Credit Agreement, the
20 Lenders party thereto from time to time,
21 and the other transactions contemplated
22 thereby, including the release of any
23 escrowed funds, is hereby approved.

24 Be it resolved that CEC's request
25 for approval of Caesars Resort

87

1 Collection, LLC's, assumption of CRC
2 Escrow Issuer, LLC's, obligation for
3 repayment of \$1.7 Billion in 5.25
4 Percent Senior Unsecured Notes due 2025
5 issued by CRC Escrow Issuer, LLC, and
6 CRC Finco, Incorporated, pursuant to
7 that certain Indenture dated as of
8 October 16th, 2017, by and among CRC

9 Escrow Issuer, LLC, CRC Finco,
10 Incorporated, and Deutsche Bank Trust
11 Company Americas, as Trustee, and any
12 other transactions contemplated thereby,
13 including the release of any escrowed
14 funds, is hereby approved.

15 Be it resolved that the name change
16 of Caesars Growth Properties Holdings,
17 LLC, to Caesars Resort Collection, LLC,
18 is hereby approved.

19 Be it resolved that the mergers of
20 Caesars Entertainment Resort Properties,
21 LLC, and CRC Escrow Issuer, LLC, with
22 and into Caesars Growth Properties
23 Holdings, LLC, are hereby approved.

24 Be it resolved that the mergers of
25 Caesars Entertainment Resort Properties

88

1 Holdco, LLC, and CRC Escrow Holdings,
2 LLC, with and into Caesars Growth
3 Properties Parent, LLC, are hereby
4 approved.

5 Thus done and signed in Baton Rouge,
6 Louisiana, this 21st day of December,
7 2017.

8 Mr. Bradford?

9 MR. BRADFORD: Could you repeat that
10 for me?

11 THE CLERK: Sure.

12 MR. BRADFORD: Yes.
13 THE CLERK: Mr. Stipe?
14 MR. STIPE: Yes.
15 THE CLERK: Mr. Singleton?
16 MR. SINGLETON: Yes.
17 THE CLERK: Mr. Jackson?
18 MR. JACKSON: Yes.
19 THE CLERK: Miss Berry?
20 MS. BERRY: Yes.
21 THE CLERK: Mr. Lagasse?
22 MR. LAGASSE: Yes.
23 THE CLERK: Chairman Jones?
24 CHAIRMAN JONES: Yes. And the
25 motion carries, and the Resolution has

89

1 been adopted.
2 MS. MOORE: Thank you.
3 CHAIRMAN JONES: Thank you, and I
4 particularly want to thank the Attorney
5 General's Office and State Police. This
6 too has been torturous getting here,
7 and, Miss Evie, bless your heart. Thank
8 you for trying to help me understand all
9 the dotted lines and errors. We do
10 appreciate your work, and, Miss
11 Carletta, I'm sorry I made you travel
12 during your Christmas rush. I really
13 am.
14 MS. CARLETTA: It's okay. It's not

15 a problem.

16 VII. CONSIDERATION OF THE FOLLOWING SETTLEMENT AND

17 APPEAL

18 1. In Re: Stoner Corner Store, Inc., d/b/a
19 Highland Grill - No. 0904217214 (proposed
20 settlement)

21 CHAIRMAN JONES: We now move into
22 consideration of the following
23 settlements and appeals. First up is
24 the settlement in regard to Stoner
25 Corner Store -- wow -- Inc., doing

90

1 business as Highland Grill, No.
2 0904217214. This is a proposed
3 settlement.

4 MR. LEWIS: Good morning, Chairman
5 Jones, Board Members. I'm Assistant
6 Attorney General Kanick Lewis, Jr. I'm
7 here in the matter of Stoner Corner
8 Store, Inc., doing business as Highland
9 Grill, with a license number of
10 0904217214.

11 This settlement address the
12 submission -- the late submission of
13 annual form and fees that are required
14 to be submitted no later than July 1st
15 of each year. This Type 2 licensee did
16 not submit until November 3rd, 2017,
17 which gave rise to a violation of gaming

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

25 CHAIRMAN JONES: Any questions?

91

1 There are no questions.

2 Do I have a motion to approve? By
3 Mr. Bradford and Mr. Jackson.

4 Without objection, the motion
5 carries. The settlement is approved.

6 Thank you.

7 2. In Re: Leon Price - No. PO40066555 (appeal)

8 CHAIRMAN JONES: And finally on
9 appeal in regards to Leon Price.

10 Mr. Price, are you here or someone
11 representing Mr. Price? Leon Price?
12 There appears to be no one here.

13 MR. LEWIS: Assistant Attorney
14 General Kanick Lewis, Jr., representing
15 the Office of State Police. This was
16 Mr. Price's request for an appeal, and
17 as you can tell, he's not here. In his
18 appeal request he gave no grounds for
19 the appeal, and the hearing officer was
20 correct -- the Division contends that

21 the hearing officer was correct in his
22 decision to revoke the permit issued to
23 Mr. Price, as Mr. Price is statutorily
24 disqualified to holding a gaming permit.

25 There's a bill of information that

92

1 shows that Mr. Price is under current
2 prosecution for a crime of violence
3 which is punishable by more than -- a
4 term of imprisonment for greater than
5 one year, and the pendency of this type
6 of charge forms a statutory bar to the
7 holding of a gaming permit.

8 As such, the hearing officer was
9 correct in his decision, and we ask that
10 you affirm that decision.

11 CHAIRMAN JONES: Any questions?

12 There are no questions. I'm going to
13 move that we -- that we support the
14 hearing officer's decision. Do I have a
15 second.

16 MS. BERRY: Second.

17 CHAIRMAN JONES: By Miss Berry.

18 Any objection? Without objection,
19 the motion carries.

20 VIII. ADJOURNMENT

21 CHAIRMAN JONES: Do I have a motion
22 to adjourn?

23 MR. BRADFORD: I move.

24 CHAIRMAN JONES: So moved by
25 Mr. Bradford and Mr. Singleton. We

93

1 stand adjourned. Have a great holiday
2 folks. Merry Christmas.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

94

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

95

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 December
7 21st, 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 22nd day of
19 January, 2018.

20

21

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24