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2 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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5 BOARD OF DIRECTORS' MEETING

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10 Thursday, February 16, 2012

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12 House Committee Room 1

13 Louisiana State Capitol

14 Baton Rouge, Louisiana

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18 TIME: 10:00 A.M.

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1 APPEARANCES

2

3 DANE K. MORGAN

4 Chairman

5

6 VELMA ROGERS

7 Vice-Chairman

8

9 AYRES BRADFORD

10 Board Member

11

12 MARK STIPE

13 Board Member

14

15 JAMES SINGLETON

16 Board Member

17

18 DENISE NOONAN

19 Board Member

20

21 MAJOR MARK NOEL

22 Ex-Officio Board Member

23

24 LANA TRAMONTE

25 Executive Assistant to the Chairman

3

1 APPEARANCES CONTINUED

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3 REPORTED BY:

4 SHELLEY G. PAROLA, CSR, RPR

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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: We'll come to  
3 order. Call the roll, please.

4 THE CLERK: Chairman Morgan?

5 CHAIRMAN MORGAN: Here.

6 THE CLERK: Miss Rogers?

7 MS. ROGERS: Here.

8 THE CLERK: Mr. Bradford?

9 MR. BRADFORD: Here.

10 THE CLERK: Mr. Jones? [No  
11 response.] Mr. Stipe?

12 MR. STIPE: Here.

13 THE CLERK: Mr. Singleton?

14 MR. SINGLETON: Here.

15 THE CLERK: Miss Noonan?

16 MS. NOONAN: Here.

17 THE CLERK: Colonel Edmonson?

18 MAJOR NOEL: Major Noel for Colonel  
19 Edmonson.

20 THE CLERK: Secretary Bridges? [No

21 response.]

22 CHAIRMAN MORGAN: Okay. We have a  
23 quorum. I'd like to take this  
24 opportunity -- I don't know if they're  
25 in the audience. Mr. West, is your law

9

1 class here?

2 MR. WEST: There's a few of them  
3 here, Mr. Chairman. As students often  
4 do, they will straggle in.

5 CHAIRMAN MORGAN: So they get a B  
6 instead of an A -- C. But anyway, we're  
7 happy to have those that are going to  
8 make an A here on time and congratulate  
9 you in your success so far in law  
10 school, and you have an excellent  
11 professor in Mr. West.

12 MR. WEST: We appreciate you coming  
13 to speak to them, and James Smith and  
14 others in this group who helped out.  
15 Thank you.

16 CHAIRMAN MORGAN: Well, thank you.  
17 I had the privilege of speaking to them,  
18 and I love history, so they heard more  
19 about history than the Gaming Control  
20 Board.

## 21 II. PUBLIC COMMENTS

22 CHAIRMAN MORGAN: At this time I'd  
23 like to offer up any public comment, an



24 opportunity for anyone to offer any  
25 public comment on any matter before the

10

1 Board today. All right, hearing none.

2 III. APPROVAL OF MINUTES

3 CHAIRMAN MORGAN: Members, we'll  
4 move to Item III, Approval of the  
5 Minutes. Did y'all have an opportunity  
6 to review the January minutes? Any  
7 questions?

8 MR. SINGLETON: Move approval.

9 CHAIRMAN MORGAN: Mr. Singleton  
10 moves to approve --

11 MS. NOONAN: I'll second.

12 CHAIRMAN MORGAN: -- seconded by  
13 Miss Noonan. No objection, the minutes  
14 are approved.

15 IV. REVENUE REPORTS

16 CHAIRMAN MORGAN: Item IV, Revenue  
17 Reports, Office of State Police.

18 MS. JACKSON: Good morning, Mr.  
19 Chairman, Board Members. My name is  
20 Donna Jackson with the Louisiana State  
21 Police Gaming Audit Section.

22 The riverboat revenue report for  
23 January 2012 is shown on page one of  
24 your handout. During January, the 13  
25 operating riverboats generated adjusted

1 gross receipts of \$126,350,113, down  
2 \$12 million dollars or 9 percent from  
3 last month, and down \$6.5 million or  
4 5 percent from January 2011.

5 Adjusted Gross Receipts for fiscal  
6 year 2011-2012 to date are \$936 million,  
7 a decrease of 1 percent or \$12 million  
8 for fiscal year 2010-2011.

9 During January, the State collected  
10 fees of \$27 million. As of  
11 January 31st, 2012, the State has  
12 collected \$201 million in fees for  
13 fiscal year 2011-2012.

14 Next is a summary of the  
15 January 2012 gaming activity for  
16 Harrah's New Orleans found on page  
17 three. During January, Harrah's  
18 generated \$26,962,106 in gross gaming  
19 revenue, a decrease from last month of  
20 16 percent or \$5 million, and a slight  
21 increase of 2 percent or \$600,000 from  
22 last January. Fiscal year-to-date  
23 gaming revenues for 2011-2012 are almost  
24 \$190 million, down \$12 million or  
25 6 percent from last fiscal year.

12

1 During January, the State received  
2 \$5,081,967 in minimum daily payments.  
3 As of January 31st, 2012, the State has

4 collected over \$35 million in fees for  
5 fiscal year 2011-2012.

6 Slots at the Racetracks revenues are  
7 shown on page four. During January, the  
8 four racetrack facilities combined  
9 generated Adjusted Gross Receipts of  
10 \$32,250,943, an increase of \$1 million  
11 or 3 percent from last month, and a  
12 slight increase of .7 percent from last  
13 January. Adjusted Gross Receipts for  
14 fiscal year 2011-2012 to date are \$225  
15 million, an increase of 2 percent or  
16 \$3.7 million from fiscal year 2010-2011.

17 During January, the State collected  
18 fees totaling \$4.9 million. As of  
19 January 31st, 2012, the State has  
20 collected \$34 million in fees for fiscal  
21 year 2011-2012.

22 Overall, Riverboats, Landbased and  
23 Slots at the Racetracks generated \$185.6  
24 million, which is \$5.7 million or  
25 3 percent less than last January.

13

1 Are there any questions before I  
2 present the Harrah's employee  
3 information? [No response.] Harrah's  
4 New Orleans is required to maintain at  
5 least 2,400 employees and a bi-weekly  
6 payroll of \$1,750,835. This report

7 covers the two pay periods in  
8 January 2012.

9 For the first pay period, the Audit  
10 Section verified 2,477 employees with a  
11 payroll of \$2,016,000. For the second  
12 pay period, the Audit Section verified  
13 2,479 employees with a payroll of  
14 \$2,029,000. Therefore, Harrah's met the  
15 employment criteria during January.

16 CHAIRMAN MORGAN: Any questions?  
17 Thank you. Video gaming.

18 MR. BOSSIER: Good morning, Chairman  
19 Morgan and Board members. My name is  
20 Jim Bossier with the Louisiana State  
21 Police Gaming Audit Section. I'm  
22 reporting video gaming information for  
23 January 2012 as shown on page one of  
24 your handout.

25 During January 2012, thirteen new

14

1 video gaming licenses were issued: Four  
2 bars and nine restaurants. Nineteen new  
3 applications were received by the Gaming  
4 Enforcement Division during January and  
5 are currently pending in the field: Ten  
6 bars, five restaurants, three truckstops  
7 and one device owner's.

8 The Gaming Enforcement Division  
9 assessed \$1,000 and collected \$4,000 in

10 penalties in January, and there are  
11 currently \$2,782 in outstanding fines.  
12 Please refer to page two of your  
13 handout.

14 There are presently 14,529 video  
15 gaming devices activated at 2,151  
16 locations.

17 Net device revenue for January 2012  
18 was \$47,801,051, a \$4.1 million decrease  
19 or 8 percent when compared to net device  
20 revenue for December 2011, and a  
21 \$2.3 million decrease or 4.6 percent  
22 when compared to January of 2011.

23 Net device revenue for fiscal year  
24 2012 to date is \$339,675,391, a \$10  
25 million decrease or 2.9 percent when

15

1 compared to net device revenue for  
2 fiscal year 2011. Page three of your  
3 handout shows a comparison of net device  
4 revenue.

5 Total franchise fees collected for  
6 January 2012 are \$14,241,767, a  
7 \$1.2 million decrease when compared to  
8 December 2011, and a \$652,000 decrease  
9 when compared to January of 2011.

10 Total franchise fees collected for  
11 fiscal year 2012 to date are  
12 \$101,236,206, a \$2.8 million or 2.7

13 percent decrease when compared to last  
14 year's franchise fees. Page four of  
15 your handout shows a comparison of  
16 franchise fees.

17 Does anybody have any questions?

18 CHAIRMAN MORGAN: No questions.

19 Thank you.

## 20 V. CONSIDERATION OF CONTRACTS WITH HEARING

### 21 OFFICERS AND COURT REPORTER

22 CHAIRMAN MORGAN: Item V is  
23 Consideration of Contracts for the  
24 hearing officers and the court reporter.

25 Members, as you're aware, Louisiana

16

1 Revised Statute 27:15 requires that the  
2 Louisiana Gaming Control Board approve  
3 encumbrances of \$20,000 or more. The  
4 contracts are the same as last year.

5 There are two hearing officers, William  
6 H. Brown is \$25,000; Richard L. Reynolds  
7 is \$25,000 for our hearing officers, and  
8 the Baton Rouge Reporter's contract is  
9 for \$70,000.

10 I'll entertain a motion to approve  
11 all three contracts.

12 MS. NOONAN: I'll make a motion.

13 CHAIRMAN MORGAN: Motion by Miss  
14 Noonan, seconded by Mr. Singleton. Is  
15 there any objection? Hearing none,

16 those are approved.

17 VI. UPDATE ON LEGISLATION

18 CHAIRMAN MORGAN: We'll go to the  
19 next item is Update on Legislation. I'd  
20 ask Miss Smith if -- I can still  
21 introduce. We have four pieces of  
22 legislation that we're -- request the  
23 Board to -- allow us to introduce and  
24 submit to the legislature.

25 MS. SMITH: Good morning, Board.

17

1 The first piece of legislation is an  
2 amendment to Louisiana Revised Statute  
3 28(H)(1) dealing with the criteria to  
4 use in determining significant  
5 influence. There was -- the  
6 constitutionality of this provision was  
7 called into question in litigation, and  
8 the First Circuit analyzed the statute  
9 and found that the trial court was  
10 correct in finding that a prima facie  
11 case was made that the provision was  
12 unconstitutional; and the -- the First  
13 Circuit did not declare the statute  
14 unconstitutional.

15 The problem with the statute that  
16 the First Circuit found was there was no  
17 standards to use -- for the agency to  
18 use in making the determination of what

19 constitutes significant influence.

20 So the proposed amendment that you  
21 have before you is a method of clearing  
22 that problem up, and you can see it  
23 talks about what the agency, the Board  
24 or Division should use in determining  
25 significant influence. And that's the

18

1 first piece of legislation that's  
2 proposed.

3 The second regards non-gaming  
4 supplier permits. The amendments would  
5 eliminate permitting non-gaming  
6 suppliers. In analyzing this, most  
7 jurisdictions do not license or permit  
8 non-gaming suppliers. The burden is  
9 placed on the licensee to ensure that  
10 the entity, the non-gaming supplier, is  
11 suitable, and this legislation does  
12 that, also. It -- but it would still  
13 allow the Board to look at the  
14 suitability of the non-gaming supplier.

15 This would allow State Police to  
16 focus more of its resources on  
17 gaming-related issues, like IT and  
18 Audit, and those two issues affect the  
19 gaming revenue that the State gets. So  
20 that's -- you know, concerns of  
21 non-gaming supplier.



22 The third piece of legislation  
23 regards video poker, Louisiana Revised  
24 Statute 310, and it simply adds to the  
25 list of those required to meet

19

1 suitability, the lessor of a truckstop;  
2 and they're also required to meet  
3 suitability. And I think that was a  
4 concern of the Board in one recent  
5 matter you had before it.

6 And the fourth is another matter  
7 that concerned the Board, application  
8 after a finding of unsuitability or  
9 revocation. We've done research into  
10 what other jurisdictions do in this  
11 matter. They have the -- I say "they"  
12 generally, but there is found in most  
13 jurisdictions a ban on reapplying; but  
14 allowances are made that by rule the  
15 agency can allow reapplication before  
16 the five-year ban if certain conditions  
17 are met.

18 So this is the method that we  
19 propose to do. It would allow  
20 application before five years for good  
21 cause shown. The Board would be  
22 required to adopt rules to implement the  
23 provision. New Jersey and Pennsylvania  
24 have a similar ban and have rules that

25 allow reapplication. For example, if

20

1 the revocation was -- the basis of the  
2 revocation was a pending charge, which  
3 is, you know, a deniability criteria, if  
4 that charge was dropped, you know, they  
5 could come back -- they could petition  
6 the Board to be allowed to reapply  
7 citing those -- you know, that factor.

8 And those factors are listed in the  
9 rule, and the amendment to -- and it  
10 affects both video poker and casinos,  
11 Revised Statute 27:308(D) is video poker  
12 and 28(E) is casino. And you have that  
13 before you, also.

14 CHAIRMAN MORGAN: Okay. Are there  
15 any questions? I don't think we need  
16 any formal action. I just want to make  
17 sure there was not any objection to us  
18 submitting that for consideration by the  
19 legislature.

20 MR. SINGLETON: I don't have an  
21 objection to that. We had discussed  
22 sometime ago our ability to meet other  
23 than here in Baton Rouge, and I'm just  
24 wondering did you ever have any  
25 additional discussion? If we wanted to

21

1 have a meeting in Shreveport or Lake

2 Charles, I understand we can't do that  
3 now.

4 CHAIRMAN MORGAN: Well, that's a  
5 good question. We can meet -- we have  
6 to have 12 meetings here in East Baton  
7 Rouge. It's my understanding we could  
8 meet for informational purposes. We  
9 just can't take action on the matter,  
10 but to be honest with you, we don't have  
11 the money to meet. This Board's budget  
12 is so tight, we barely have the money to  
13 meet here, so --

14 MR. SINGLETON: Okay.

15 CHAIRMAN MORGAN: I mean that with  
16 all candor and sincerity.

17 MR. BRADFORD: I think what he's  
18 asking is would legislation be required  
19 to change that.

20 CHAIRMAN MORGAN: To be able to act  
21 on the measure; is that correct? We can  
22 meet in other locations, it's my  
23 understanding. You just can't meet and  
24 take action. You can do it for  
25 informational purposes and to receive

22

1 information, but to meet as this body  
2 to -- currently in the formal meeting,  
3 you cannot do that under the current.  
4 If you'd like for us to introduce

5 something, we can certainly do it.

6 MR. SINGLETON: I think we can -- if  
7 we don't have the money now, maybe one  
8 day maybe we'll be there, and if you  
9 have a meeting, I'd just as soon as it  
10 be a meeting at least for that month  
11 when we're meeting rather than having to  
12 go through information and all that  
13 stuff.

14 CHAIRMAN MORGAN: I'm agreeing, and  
15 I think we discussed that with the folks  
16 in industry; and many states do that,  
17 and it's very helpful. You know, you  
18 have -- you're at the properties, and  
19 you can actually see sometimes in those  
20 other locations. And for you board  
21 members, I think it would be very  
22 valuable to you to be able to see the  
23 various properties that would regulate.

24 MR. SINGLETON: Okay.

25 CHAIRMAN MORGAN: We'll move --

23

1 we'll have that introduced. All right.

2 Are there any other questions on  
3 legislation?

4 VII. CASINO GAMING ISSUES

5 A. Consideration of the Casino Support Services

6 Contract with the City of New Orleans

7 CHAIRMAN MORGAN: Okay. We'll move

8 to Casino Gaming Issues. Item A is  
9 Consideration of the Casino Support  
10 Services contract for the City of New  
11 Orleans. Miss Olga Bogran is here. Do  
12 you want to introduce it?

13 Members, Louisiana Revised Statute  
14 27:247 requires that the State, through  
15 the Louisiana Gaming Control Board,  
16 enter into a support services contract  
17 with the City of New Orleans, and you'll  
18 tell us more about it.

19 MS. BOGRAN: Good morning, Chairman  
20 Morgan, Board Members. I'm Olga Bogran,  
21 Assistant Attorney General in the Gaming  
22 Division, and as the Chairman mentioned,  
23 I'm here for the Casino Support Services  
24 Contract.

25 The statute -- Louisiana Revised

24

1 Statute 27:247 requires that this  
2 contract be negotiated every year before  
3 March 31st, so that's why we're here  
4 before you today. In this year's  
5 version of the contract, there are two  
6 changes. The first change is in Section  
7 3.1. It's a one word change. The  
8 sentence previously read: "The term  
9 shall be divided into four quarters."  
10 After the change, the sentence reads:

11 "The term may be divided into four  
12 quarters."

13 The second change is Section 4.2.  
14 Previously the contract stated that the  
15 Board and City agree to select mutually  
16 agreeable substitute payment days in the  
17 event a quarterly payment cannot be paid  
18 on the date specified in the contract.

19 This version of the contract has an  
20 additional phrase: "If requested by  
21 either party or added to this section."

22 So originally a payment change was  
23 only contemplated if the payment  
24 couldn't be made by the specified date.

25 The new language allows for the

25

1 possibility of a mutually agreeable  
2 payment date change to be made if either  
3 party requests it.

4 Okay. When considering these  
5 changes, it's important to note that as  
6 per the statute, the Joint Legislative  
7 Committee on the Budget has the  
8 authority to amend, approve, disapprove  
9 or choose not to act on the contract at  
10 all, and apart from the changes that  
11 I've just highlighted, the contract  
12 before you remains essentially  
13 unchanged.

14           The total amount asked for is \$3.6  
15           million, which is the same amount that's  
16           been requested since 2003. The City has  
17           also submitted an unaudited expenditures  
18           report relative to the support services  
19           provided to the casino, and this report  
20           will also be forwarded to the  
21           legislative committee.

22           Do you have any questions?

23           CHAIRMAN MORGAN: We'll make it  
24           clear: Our action does not bind the  
25           State.

26

1           MS. BOGRAN: Exactly.

2           CHAIRMAN MORGAN: It has to be  
3           appropriated by the legislature.

4           MS. BOGRAN: In fact, the rest of  
5           this process is the Board would  
6           authorize the Chairman to have the  
7           authority to forward the contract to the  
8           legislative committee, would also  
9           authorize the Chairman to have the  
10          authority to amend, if required by the  
11          legislature or the joint legislative  
12          committee, and then if you have the  
13          authority to execute the contract once  
14          it's been approved and appropriated by  
15          the legislature.

16          CHAIRMAN MORGAN: Okay. Any

17 questions, Members? Same as last year  
18 except for the two slight amendments.

19 MS. BOGRAN: Right.

20 CHAIRMAN MORGAN: I'll entertain a  
21 motion to approve the contract.

22 MR. SINGLETON: I so move.

23 MS. ROGERS: I second.

24 CHAIRMAN MORGAN: Moved by Mr.  
25 Singleton and seconded by Miss Rogers.

27

1 Is there any objection? Hearing none,  
2 that's approved. Thank you.

3 MS. BOGRAN: Thank you.

4 CHAIRMAN MORGAN: Rodney, do you  
5 want to say something? You earned your  
6 money.

7 MR. RODNEY: I know, huh. Are you  
8 going to send a memo to the mayor?  
9 Thank you.

10 CHAIRMAN MORGAN: A memo to the  
11 mayor, right.

12 B. Consideration of Request to Approve Transfer of  
13 Interest in Recreational Enterprises, Inc., by  
14 Eldorado Casino Shreveport Joint Venture, No.  
15 R013600005

16 CHAIRMAN MORGAN: Item B is  
17 Consideration of Request to Approve  
18 Transfer of Interest in Recreational  
19 Enterprises, Incorporated, by Eldorado



20 Casino Shreveport Joint Venture, License  
21 No. RO13600005.

22 MR. BARBIN: Morning, Mr. Chairman,  
23 Board Members. I'm Jeff Barbin from  
24 Phelps Dunbar for Eldorado Casino.

25 MR. GAUTREAU: Leonce Gautreaux,  
28

1 Assistant Attorney General, and Maggie  
2 Malone is here also from the Audit  
3 Division to answer any questions.

4 Before you is another one of those  
5 simple transactions that's a matter of  
6 estate planning between two entities who  
7 are suitable -- currently suitable, and  
8 they're transferring shares.

9 This is a request to approve the  
10 transfer of 49.5 percent interest in  
11 Recreational Enterprises, Inc.  
12 Recreational Enterprises -- transfer to  
13 the Donald L. Carano Family Trust.  
14 Recreational Enterprises holds  
15 approximately 47.04 percent in direct  
16 beneficial ownership interest in  
17 Eldorado Shreveport, Louisiana licensee.

18 Currently the shares of Recreational  
19 Enterprises is held by various Carano  
20 family members either in trust or  
21 individually. Mr. Don Carano holds  
22 49.5 percent of the shares in

23 Recreational Enterprises. He desires to  
24 transfer these shares into his family  
25 trust for purposes of estate planning

29

1 and to simplify probate.

2 The trust itself, Mr. Carano is the  
3 trustee, so he will maintain the control  
4 over the shares. He's also the  
5 beneficiary of the principal and income  
6 during his lifetime. Upon his death,  
7 the trust becomes irrevocable, and the  
8 beneficiaries will be his spouse and  
9 children. Mr. Carano who currently is  
10 the President of Recreational  
11 Enterprises is also the presiding member  
12 and CEO of Eldorado Resorts, the  
13 ultimate parent of our Louisiana  
14 licensee. He's previously gone through  
15 suitability.

16 Simply put, this transaction  
17 represents a transfer of shares  
18 currently held individually by  
19 Mr. Carano into a trust controlled by  
20 and for the benefit of Mr. Carano.  
21 There are no impediments to the approval  
22 of this transfer.

23 We'll be happy to entertain any  
24 questions you may have.

25 CHAIRMAN MORGAN: State Police,

1 Maggie, a presentation or anything?

2 MS. MALONE: That's it.

3 CHAIRMAN MORGAN: Any questions?

4 I'll entertain a motion. We have a  
5 resolution prepared by the Attorney  
6 General's Office. Is there a motion?

7 MR. BRADFORD: So moved, move  
8 approval.

9 CHAIRMAN MORGAN: Mr. Bradford makes  
10 a motion to adopt the resolution,  
11 seconded by Mr. Singleton. We'll read  
12 it into the record.

13 THE CLERK: On the 16th day of  
14 February 2012, the Louisiana Gaming  
15 Control Board did, in a duly noticed  
16 public meeting, consider the issue of  
17 Eldorado Casino Shreveport Joint  
18 Venture's request to approve a transfer  
19 of interest, and upon motion duly made  
20 and second, the Board adopted the  
21 following resolution.

22 Be it resolved that the transfer of  
23 Donald L. Corano's 49.5 percent interest  
24 in Recreational Enterprises to the  
25 Donald L. Carano Family Trust be

1 approved.

2 Thus done and signed in Baton Rouge,

3 Louisiana, this 16th day of  
4 February 2012.

5 CHAIRMAN MORGAN: Call the roll.

6 THE CLERK: Miss Rogers?

7 MS. ROGERS: Yes.

8 THE CLERK: Mr. Bradford?

9 MR. BRADFORD: Yes.

10 THE CLERK: Mr. Jones? [No  
11 response.] Out, sorry. Mr. Stipe?

12 MR. STIPE: Yes.

13 THE CLERK: Mr. Singleton?

14 MR. SINGLETON: Yes.

15 THE CLERK: Miss Noonan?

16 MS. NOONAN: Yes.

17 THE CLERK: Chairman Morgan?

18 CHAIRMAN MORGAN: Yes. It's  
19 approved. Thank you.

20 C. Consideration of renewal application of PNK  
21 (Lake Charles),L.L.C., d/b/a L'Auberge Lake  
22 Charles, No. R011001701

23 CHAIRMAN MORGAN: Item C is  
24 Consideration of Renewal Application of  
25 PNK Lake Charles, L.L.C., doing business

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1 as L'Auberge Lake Charles, License  
2 Number R011001701.

3 MR. GAUTREUX: Leonce Gautreaux,  
4 Assistant Attorney General. Before you  
5 today is the renewal of PNK Lake

6 Charles, LLC, doing business as  
7 L'Auberge Lake Charles.

8 L'Auberge was originally licensed by  
9 this board on April 19th, 2002. The  
10 first renewal was before this board on  
11 February 13th, 2007, and it was renewed  
12 for a five-year term commencing on  
13 April 19th, 2007. This is an  
14 application for another five-year  
15 renewal. The term of any license to  
16 conduct gaming operation is five years.  
17 Any license in force may be renewed by  
18 the Board for the next succeeding  
19 period, five years, upon proper  
20 application.

21 PNK made its application on  
22 October 26th, 2011, and is currently  
23 before the Board for consideration of  
24 its second five-year renewal, and now  
25 State Police will make their

33

1 presentation.

2 MS. WARE: Good morning, Chairman  
3 and Board Members. My name is Trnessia  
4 Ware with the Louisiana State Police  
5 Gaming Audit Section.

6 Licensee, PNK Lake Charles, LLC,  
7 doing business as L'Auberge Lake  
8 Charles, a wholly-owned subsidiary of

9 Pinnacle Entertainment, seeks a  
10 five-year renewal of its license to  
11 conduct gaming operations in Lake  
12 Charles, Louisiana. L'Auberge is one of  
13 two riverboat casinos in the Lake  
14 Charles market. L'Auberge's adjusted  
15 gross revenues in the market share rank  
16 first in the Lake Charles area for the  
17 fiscal years ending June 30th, 2007,  
18 through June 30th, 2011.

19 For fiscal year 2010-2011,  
20 L'Auberge's gross receipts were  
21 approximately \$341 million. In 2011,  
22 L'Auberge's capital expenditures were  
23 approximately \$18.6 million. In '12,  
24 L'Auberge budgeted \$16.8 million for  
25 capital expenditures and projects it

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1 will spend approximately \$11 million in  
2 2013, and approximately \$6 million each  
3 year through 2016.

4 Pinnacle allocates management fees  
5 to L'Auberge based on L'Auberge's share  
6 of expenses incurred for services  
7 provided in managing and supporting  
8 L'Auberge's operations. Page six of  
9 your report shows the amount of  
10 management fees that were paid for use  
11 2007 through 2010.

12 Pinnacle's Louisiana licensee  
13 generated approximately \$580 million in  
14 Adjusted Gross Receipts in 2011, or  
15 about 24 percent of total revenues  
16 generated by Louisiana riverboat,  
17 landbased and slot at the track casinos.

18 L'Auberge continues to be Pinnacle's  
19 highest revenue producer and achieves  
20 the highest adjusted EBITDA of all of  
21 Pinnacle's gaming operations.

22 In conclusion, no financial issues  
23 came to our attention to preclude the  
24 Board from approving L'Auberge Lake  
25 Charles Casino's license for a period of

35

1 five years effective April 19th, 2011.

2 Trooper Riley will now present his  
3 findings.

4 TROOPER RILEY: Morning, Chairman  
5 Morgan, Members of the Board. My name  
6 is Master Trooper Ryan Riley, and I'm  
7 with the Louisiana State Police Gaming  
8 Enforcement Division.

9 A suitability background  
10 investigation was conducted on Pinnacle  
11 Entertainment, Incorporated, PNK Lake  
12 Charles, LLC, doing business as  
13 L'Auberge Lake Charles Casino Resort,  
14 and their key personnel. This

15 investigation consisted of inquiries  
16 through Federal, State and local law  
17 enforcement agencies, computerized  
18 criminal history databases, financial  
19 and civil institutions, and gaming  
20 regulatory agencies.

21 Tax clearance request forms were  
22 also forwarded to the Internal Revenue  
23 Service and the Louisiana Department of  
24 Revenue to ensure the applicants are  
25 current in filing all taxes.

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1 In summary, during the suitability  
2 investigation, I discovered no  
3 information which would preclude the  
4 continuing license of Pinnacle  
5 Entertainment, Inc., PNK Lake Charles,  
6 LLC, doing business as L'Auberge Lake  
7 Charles Casino Resort, or any of its key  
8 personnel. Thank you.

9 MR. GAUTREAU: As we have been  
10 trying to do as these renewals have come  
11 up is to sort of consolidate on the  
12 conditions and eliminate those that are  
13 no longer applicable. I worked with  
14 general counsel for Pinnacle to do that  
15 with these conditions. Things like the  
16 preopening conditions regarding plans,  
17 finance and construction, preoperative



18 inspection conditions, monthly reporting  
19 requirements during the construction  
20 period.

21 Fortunately, most of these  
22 conditions were previously removed by  
23 the Board on August 16th, 2005; however,  
24 the statement was never updated to  
25 eliminate them, so we took the

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1 opportunity to do that, clean up some  
2 other language like updating the address  
3 for report submissions and things like  
4 that, and added language in the last  
5 paragraph which makes it clear that this  
6 parent statement of conditions would  
7 supercede or replace all the previous  
8 conditions.

9 The licensee has agreed to this  
10 statement of conditions and has executed  
11 a statement this morning, and the  
12 original was submitted to the Board for  
13 attachment to the resolution.

14 CHAIRMAN MORGAN: If you don't mind,  
15 let's get the -- is there any questions  
16 of the --

17 MR. STIPE: There was some  
18 regulatory agencies that did not respond  
19 to you. I mean, do you feel you have an  
20 adequate basis to be able to --

21 TROOPER RILEY: I believe  
22 Mississippi was one of them possibly and  
23 maybe Ohio or -- I don't have the actual  
24 report in front of me, but they were --  
25 I sent inquiries to them several times

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1 via fax machine, and I got no response.  
2 However, with the responses that we did  
3 receive from the other gaming regulatory  
4 agencies, I feel comfortable that they  
5 should be good to proceed for another  
6 five years. Nobody had any negative  
7 feedback to disseminate to me, so I feel  
8 fairly confident with the gaming control  
9 regulatory agencies that did respond  
10 that we can go forward with that.

11 MR. STIPE: Thanks.

12 CHAIRMAN MORGAN: Are there any  
13 other questions of State Police or the  
14 Attorney General's Office? Let's get  
15 the licensee representatives up.

16 MR. SANFILIPPO: Mr. Chairman.

17 CHAIRMAN MORGAN: I want you to talk  
18 about the property and the vision you  
19 have.

20 MR. SANFILIPPO: We welcome the  
21 opportunity to do so. My name is  
22 Anthony Sanfilippo. I'm the President  
23 and CEO of Pinnacle Entertainment, and

24 with me is Geno Iaftrate. Geno is head  
25 of Louisiana operations based in Lake

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1 Charles. He lives in Lake Charles.

2 Previous to that he was the General

3 Manager of our L'Auberge property.

4 We've had a number of improvements  
5 to the facility. Geno, if you'd like to  
6 talk about the things that we've done  
7 and the things that we're going to do  
8 this year.

9 MR. IAFRATE: Yeah, we've continued  
10 to focus L'Auberge as a facility beyond  
11 just a gambling facility. It's  
12 really -- it really is a fully  
13 integrated resort destination. Although  
14 we do spend or have spent and will  
15 continue to spend a considerable amount  
16 of money on the gaming side of the  
17 facility, we've also spent substantial  
18 sums on the non-gaming amenities to  
19 further that development of a fully  
20 integrated resort and a true destination  
21 really not just for southwest Louisiana  
22 but really for the -- you know, the  
23 whole south central United States.

24 We have -- we have added multiple  
25 amenities. We have completely

40

1 reconfigured our casino floor. We've  
2 spent approximately \$12 million in 2011  
3 just on the casino floor. The number in  
4 aggregate approaches \$20 million, when  
5 you include the non-gaming amenities.  
6 We fully expect to spend approximately  
7 the same amount of money, approaching  
8 \$20 million in 2012, as the major  
9 project for 2012 will be -- we'll embark  
10 on a casino -- on a hotel room  
11 renovation project. We have  
12 approximately a thousand rooms at our  
13 resort. The original tower opened in  
14 May of 2005 consisting of approximately  
15 750 rooms. That original tower has not  
16 been substantially renovated since  
17 opening, so the majority of the money in  
18 2012 will be spent as we embark on our  
19 room renovation project.

20 We continue to employ over 2,200  
21 people at our L'Auberge Lake Charles  
22 facility. One of the interesting things  
23 in Lake Charles is that as a company --  
24 and Anthony can add to this -- we are  
25 headquartered in Las Vegas, but we have

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1 set up two regional service centers, one  
2 in St. Louis and one in Lake Charles.  
3 So there are beyond just property level

4 employees in Lake Charles. We now have  
5 management level -- senior management  
6 level team members in Lake Charles that  
7 in most instances service all of our  
8 Louisiana operations, in some instances  
9 service our entire company.

10 Accounts payable is an example. The  
11 accounts payable function for our entire  
12 company sits in Lake Charles, Louisiana.  
13 Our marketing service center for our  
14 southern operation sits in Lake Charles.  
15 I sit in Lake Charles as the leader of  
16 the southern operations Division of PNK  
17 Entertainment. There are many others:  
18 Planning analysis, information  
19 technology, a variety of those  
20 functions, some of which -- most of  
21 which are based in Lake Charles, some of  
22 which will be based in Baton Rouge upon  
23 the opening of our facility in Baton  
24 Rouge.

25 So Lake Charles continues to be a

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1 key hub and destination for our company  
2 as Baton Rouge will. It's an important  
3 state to our company. With the opening  
4 of Baton Rouge, we'll have north of  
5 5,000 team members based in Louisiana,  
6 four operating casinos, obviously, with

7 the two Boomtowns, and then the two  
8 L'Auberge properties.

9 MR. SANFILIPPO: Geno said it well.  
10 We have focused in the last two years in  
11 reducing what would be considered  
12 corporate resources, our corporate  
13 offices in Las Vegas, and we've had  
14 closest to where we operate -- and he  
15 explained -- the shared services both in  
16 Louisiana and then for the northern part  
17 of our operations are in St. Louis.

18 So we have increased the  
19 professional services that we have in  
20 Louisiana so that they can work closely  
21 with the properties that we have here,  
22 and I will echo what Geno said about the  
23 state's very important to us. We have  
24 soon to be our fourth operation here,  
25 and we're going to in a few minutes show

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1 you where we are on that. And we're  
2 very proud to be a part of the State of  
3 Louisiana.

4 CHAIRMAN MORGAN: Glad to have you  
5 here. It's -- one thing's refreshing to  
6 me is when you get these reports and,  
7 you know, certainly the investment in  
8 our state and the commitment to continue  
9 to having a top notch product. But it's

10 refreshing to see just maybe one or two  
11 notices that you had a violation over  
12 the last five or six years. That's hard  
13 to do, because the State Police are very  
14 diligent in their job, but it's  
15 refreshing to see that you have a  
16 commitment to comply with the rules and  
17 regulations and to run a good operation.  
18 So I applaud you for that.

19 MR. SANFILIPPO: Thank you.

20 CHAIRMAN MORGAN: Those often go  
21 unnoticed, but they're hard to achieve.

22 MR. SANFILIPPO: Thank you.

23 CHAIRMAN MORGAN: Any questions by  
24 any members? Mr. Stipe.

25 MR. STIPE: I do. So what you're

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1 telling me is the corporate expenses for  
2 accounts payable that you mentioned,  
3 those are -- those are company wide, and  
4 then they get allocated back to this  
5 particular facility?

6 MR. SANFILIPPO: We have -- we have  
7 placed here all of our accounts payable  
8 personnel. They're in Lake Charles, so  
9 that's correct. They get their --  
10 they're residents of Louisiana. They  
11 live in Lake Charles, and then we would  
12 allocate back to the rest of the

13 properties the fair share of that.  
14 We also have marketing services  
15 here. Instead of having it based out of  
16 Las Vegas, we have the talent for things  
17 like direct mail for advertising that's  
18 actually based here. We have some  
19 financial functions that are here, so  
20 we've really tried to keep people who  
21 are close to our properties at our  
22 properties and keep our corporate  
23 structure fairly lean. That's been the  
24 focus.

25 MR. IAFRATE: Mr. Stipe, an

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1 interesting piece of that -- I don't  
2 know that it's relevant, but it is -- it  
3 doesn't get reported as such. The --  
4 all of those corporate functions  
5 actually sit in a separate company  
6 number, so they don't get reported on a  
7 quarterly basis as employees that are  
8 tied to a license condition. They  
9 actually just kind of sit there  
10 separately.

11 MR. STIPE: Right. Okay. Thank  
12 you.

13 CHAIRMAN MORGAN: Any other  
14 questions? Hearing none, the Chair will  
15 move to adopt the resolution. Is there



16 a second?

17 MS. NOONAN: I'll second.

18 CHAIRMAN MORGAN: Thank you.

19 Miss Noonan seconds. Will you read  
20 it -- the resolution into the record,  
21 please.

22 THE CLERK: On the 16th day of  
23 February 2012, the Louisiana Gaming  
24 Control Board did, in a duly noticed  
25 public meeting, consider the license

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1 renewal application of PNK Lake Charles,  
2 LLC, doing business as L'Auberge Lake  
3 Charles, and upon motion duly made and  
4 second, the Board adopted the following  
5 resolution.

6 Be it resolved that the license to  
7 conduct riverboat gaming issued to PNK  
8 Lake Charles, LLC, d/b/a L'Auberge Lake  
9 Charles, be renewed for a term of five  
10 years commencing April 19th, 2012,  
11 subject to the Statement of Conditions  
12 to riverboat gaming license of PNK Lake  
13 Charles, LLC, attached hereto and made a  
14 part hereof.

15 Thus done and signed in Baton Rouge,  
16 Louisiana, this 16th day of February,  
17 2012.

18 CHAIRMAN MORGAN: Okay. Roll call

19 vote.

20 THE CLERK: Miss Rogers?

21 MS. ROGERS: Yes.

22 THE CLERK: Mr. Bradford?

23 MR. BRADFORD: Yes.

24 THE CLERK: Mr. Stipe?

25 MR. STIPE: Yes.

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1 THE CLERK: Mr. Singleton?

2 MR. SINGLETON: Yes.

3 THE CLERK: Miss Noonan?

4 MS. NOONAN: Yes.

5 THE CLERK: Chairman Morgan?

6 CHAIRMAN MORGAN: Yes. And it's

7 approved.

8 MR. SANFILIPPO: Thank you.

9 MR. IAFRATE: Thank you very much.

10 CHAIRMAN MORGAN: You folks are up

11 next, so --

12 D. Update on PNK (Baton Rouge), L.L.C., d/b/a

13 L'Auberge Baton Rouge, No. R011000801

14 MR. SANFILIPPO: We are pleased to  
15 be able to provide you an update, and  
16 this will be an update that is focused  
17 on two parts of it, the construction to  
18 date, as well as the employment progress  
19 to date and the employment process that  
20 we have.

21 We had our annual earnings

22 announcement yesterday, and we did  
23 announce publicly that our intent is to  
24 be open by Labor Day of this year. We  
25 are required through the conditions of

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1 the Board to have substantial completion  
2 done by July 31st. That is on track at  
3 this point, and with Mother Nature  
4 cooperating between now and spring river  
5 rising -- hopefully that doesn't  
6 happen -- we should be in good shape to  
7 have substantial completion done by  
8 July 31st, and we should be able to open  
9 by Labor Day, obviously with your  
10 approval and approval of the State  
11 Police.

12 We're excited to be able to show you  
13 work today and to answer any questions  
14 that you have. With me is Mickey  
15 Parenton. He is our Vice-President and  
16 General Manager, as well as, Chairman  
17 Morgan, a new father. He had a baby on  
18 Valentine's Day.

19 CHAIRMAN MORGAN: He's a new father.  
20 Not me.

21 MR. SANFILIPPO: He is a new father.

22 CHAIRMAN MORGAN: Congratulations.

23 MR. SANFILIPPO: Also, Ray Manning,  
24 ray is the owner of Manning Architects

25 out of New Orleans, and we asked Ray to

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1 come up and give an overview. He's our  
2 architect of record on the project, and  
3 we're very pleased and proud to have,  
4 for a project this size, an architect of  
5 record that's from the State of  
6 Louisiana and is based here. It was  
7 very important to us. This project was  
8 a project that reflected Louisiana,  
9 reflected the river, the use of the  
10 river and components with that.

11 Then you're going to also here a  
12 little bit later from Kizzy Smith.  
13 Kizzy is our head of human resources,  
14 and she'll update you on what we're  
15 doing from the standpoint of employment.

16 CHAIRMAN MORGAN: I just want to  
17 interject. I thought Mickey was  
18 stressed because there was a  
19 presentation, but it was because he is a  
20 new father, right?

21 MR. SANFILIPPO: He's a new father.

22 CHAIRMAN MORGAN: Invest in Proctor  
23 & Gamble. Hurry up on that.

24 MR. MANNING: Thank you, Anthony,  
25 and to the Board this morning. I want

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1 to first say thank you for this

2 opportunity to be before you. I think  
3 since I've been working in this  
4 industry, this is the first time I've  
5 actually had a chance to make a  
6 presentation to you.

7 Again, the gratitude of our 35  
8 member firm, we'd like to extend again  
9 to Pinnacle. Part of the reason I think  
10 it was important to be here today is to  
11 express the importance of the fact that  
12 a Louisiana based firm in New Orleans is  
13 the architect of record for a  
14 \$300 million project here in the State  
15 of Louisiana. Through us and our  
16 vendors and our consultants, we  
17 represent payrolls and employees who  
18 are -- live here and work here in  
19 Louisiana, and also this also gives me  
20 an opportunity to talk a little bit  
21 about the fact that for the past 12  
22 years, I've had the good fortune to work  
23 with Anthony Sanfillipo in a number of  
24 projects.

25 This is the fourth opportunity I've

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1 had, and most of those opportunities  
2 were here in Louisiana. And so I know  
3 that his commitment to bring folk from  
4 Louisiana to the table in terms of real

5 opportunities is ever present in the  
6 work that we do.

7 Also, the vision of Pinnacle in  
8 terms of creating a world-class  
9 operation is evident in the way  
10 decisions are made in the project. We  
11 don't have an owner in this case who is  
12 hands off, turns the project over to us.  
13 Because of the mature and the expertise  
14 that their team brings to the design and  
15 construction process, we have a -- we  
16 have an owner who is very much involved  
17 in the day-to-day decisions that are  
18 affecting the project. A project of  
19 this scale, the technical nature of it,  
20 building on the river, building on the  
21 levee is technically challenging, but  
22 also we're delivering, I believe, a  
23 project that will change the nature of  
24 casino gaming along the river throughout  
25 the Mississippi River Valley.

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1 The benefit to our firm is that  
2 we're gaining expertise which are --  
3 exportable. This opportunity gives us  
4 the chance to build expertise that allow  
5 our firm to compete on a national and  
6 international level for this type of  
7 work, and so we're very fortunate to

8 have had this opportunity. And, again,  
9 we look forward to the completion in  
10 September. We're -- again, if Mother  
11 Nature complies, we'll meet that date,  
12 but we're very excited about this  
13 opportunity and the way in which we've  
14 been able to integrate our team with the  
15 design and construction and executive  
16 team of Pinnacle. Thank you.

17 MR. SANFILIPPO: Thank you, Ray.  
18 Just a couple of items about the  
19 project. The total project budget is  
20 \$368 million. That is up from the last  
21 time we met. It's up due to the delays  
22 we have encountered because of the rise  
23 of the river. The amount of total  
24 budget project spent to date is a little  
25 bit more than 44 percent, and the amount

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1 of total project budget committed at  
2 this point is a little bit more than  
3 78 percent or \$288 million. The amount  
4 of that that has been committed to  
5 Louisiana-based businesses is 60 percent  
6 to date, and the amount to MWBEs is a  
7 little over 11 percent. Those are just  
8 some high level numbers on it. I really  
9 would like to show -- have Mickey talk  
10 with you about what's been built to

11 date.

12 Just one other note: We're going to  
13 have close to a thousand people who have  
14 worked on the project, when it's all  
15 said and done, on a construction related  
16 basis. Mickey.

17 MR. PARENTON: Thank you, Anthony,  
18 chairman Morgan and Members of the  
19 Board. Chairman, I'm not sure about  
20 being nervous, but a little tired maybe,  
21 just so you know.

22 Anyway, let me bring you up with the  
23 progress. I think it's very exciting.

24 As you can see, this is an aerial photo  
25 taken in early February. It shows you

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1 the realignment of River Road and the  
2 addition of our three roundabouts. This  
3 is also an aerial view with the vantage  
4 from Nicholson looking towards the  
5 river, and it gives you a good idea of  
6 that third roundabout which is on the  
7 south side.

8 This photo right here on the left is  
9 our feature tower, which is located  
10 close to the entrance. The top right  
11 photo is actually the entrance. Now,  
12 obviously, there will be a walkway and a  
13 port-cochere that will be attached to



14 the hotel.

15 Below is the actual hotel. At this  
16 time, we are on the tenth floor. It  
17 will be 12 stories with 206 rooms. This  
18 is actually work being done inside the  
19 casino. The top left is actually the  
20 casino, which have 1,450 slots and 50  
21 tables. The photo on the bottom left is  
22 our event center. The event center is  
23 13,000 square feet. We can hold  
24 concerts and events with up to 1,400  
25 folks, and then to the right is a shot

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1 of our beautiful promenade. Pretty  
2 impressive, pretty impressive promenade.  
3 The ceiling heights are, approximately,  
4 58 feet high.

5 This is another shot of the hotel,  
6 actually the ten stories on top, and  
7 below you'll see the addition of our  
8 parking garage which will have 800  
9 spots. Total parking we will have 2,400  
10 spots.

11 This is a great photo. This gives  
12 you a different perspective of the  
13 promenade with the river views. The top  
14 right will be the terrace -- the outdoor  
15 terrace of our lounge, and below will be  
16 the outdoor terrace of our steakhouse.

17 So great, great views of the river with  
18 both outdoor terraces. And so as you  
19 can see, we're excited with the  
20 progress -- the construction progress,  
21 and we look forward to the opening in  
22 the summer of 2012.

23 Let me take a few minutes to talk to  
24 you about our recruitment advertising  
25 campaign. The recruitment campaign will

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1 deploy at the end of February.  
2 Obviously, this is the campaign that  
3 we'll use to hire over a thousand of the  
4 best, the best in Baton Rouge and their  
5 surrounding region. We're proud to say  
6 that these photos are actually team  
7 members from our L'Auberge Lake Charles  
8 property. It was pretty fun. They  
9 really enjoyed it, and they really are  
10 enjoying it now that they see themselves  
11 on billboards and in the paper.

12 At this time, I'd like to introduce  
13 to you -- I know Anthony mentioned --  
14 Kizzy Smith. Kizzy is our Director of  
15 Human Resources. She's been with  
16 Pinnacle over the last seven years.  
17 Kizzy.

18 MS. SMITH: Good morning, Chairman  
19 Morgan and the Board. As Mickey said,

20 we're really excited about kicking off  
21 our hire process and talking about how  
22 we're going to give so many residents  
23 here an opportunity for careers with  
24 Pinnacle and L'Auberge.

25 We opened our employment center

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1 January 18th, and we had a media day and  
2 a management job fair that day. It was  
3 very successful. We had over 300 folks  
4 that showed up for the job fair, and we  
5 also gave the media an opportunity to  
6 see our employment center.

7 MR. PARENTON: I will jump in real  
8 quick. It's been great. Our employee  
9 center is located at the LSU south  
10 campus, so not only are we excited about  
11 the location, but it's been a great  
12 partnership with LSU.

13 MS. SMITH: External job fairs, we  
14 continue to participate in job fairs at  
15 regional universities. We recently  
16 participated at LSU, Southern University  
17 and McNeese State. We're scheduled to  
18 attend BRCC and University of  
19 Lafayette -- Louisiana at Lafayette. We  
20 also participated in what's called a  
21 Mardi Gras invitational job fair in New  
22 Orleans, and that included all of the

23 New Orleans colleges.  
24 We continue to work with Louisiana  
25 Workforce on sourcing and screening

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1 applicants from their database, and we  
2 plan to host more of our own job fairs  
3 in the next couple of months.

4 This next slide will take you  
5 through our hiring process just to give  
6 you an idea of how we plan to fill those  
7 1,100 position. We -- our recruitment  
8 campaign will begin late this month.  
9 You'll start seeing more billboards go  
10 up, and we have newspaper and radio  
11 advertisement. And that's where you're  
12 going to start seeing a lot of those  
13 pictures of the L'Auberge employees that  
14 we just showed you. We're currently, as  
15 I mentioned, filling our manager and  
16 supervisor positions, and they're all  
17 posted at our website, which is what you  
18 see there.

19 Our dealer school will open in  
20 April, and we began recruitment for  
21 dealer school students in early March.  
22 We'll select approximately 250 people to  
23 attend our dealer school, and those  
24 classes will be eight to twelve weeks  
25 long. The recruitment begins for

1       frontline gaming positions, but that's  
2       going to include, but not limited to,  
3       slot attendants, cage cashiers, my  
4       choice representatives and casino hosts.  
5       We'll start recruiting for those  
6       positions in April, and then we will  
7       recruit for frontline, non-gaming  
8       positions such as our cocktail servers,  
9       house keepers, hotel, front desk agents,  
10      novelty attendants and bellmen. And  
11      those positions we will fill in May. We  
12      will begin recruiting in May.

13       This is just a timeline to give you  
14      an idea of how we plan to meet that  
15      number of over 1,100 team members, and I  
16      do want to mention that about 800 of  
17      those team members will be benefit  
18      eligible team members. As you can see,  
19      we have a mass hire that will take place  
20      about two to three weeks after opening.

21      Thank you.

22       MR. SANFILIPPO: Chairman, that is  
23      the update and presentation. We're  
24      happy to answer any questions.

25       CHAIRMAN MORGAN: Thank you for

1       coming in. I had an opportunity to  
2       obviously go with you and Mr. Parenton

3 to visit the progress, and it's just  
4 going to be a phenomenal project. The  
5 view of that river is incredible, and  
6 it's -- I think, as I mentioned to you  
7 then, I think for southwest part of East  
8 Baton Rouge Parish, it's going to be a  
9 catalyst for economic development, in my  
10 opinion. And having been a resident  
11 here my whole life, I know it's going to  
12 be a success in that area. I appreciate  
13 your investment, and it's -- look  
14 forward to the finished product. I'll  
15 open it up to any questions from any  
16 members.

17 MR. SINGLETON: I just want to  
18 congratulate you. Sitting here we talk  
19 about these things. Some people say it  
20 can happen, and some say it can't  
21 happen. I've known Ray Manning for a  
22 long time, and we had some doubts for  
23 him in the City of New Orleans over the  
24 years, but I'm just happy to see that  
25 he's here. I'm happy to see that you've

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1 brought him here, and I want to  
2 congratulate you for doing it.

3 MR. SANFILIPPO: Thank you.

4 MR. SINGLETON: And I just hope that  
5 all of you others sitting here in the

6 audience that have some of the same kind  
7 of opportunities will take advantage --  
8 they keep saying we are, but it never  
9 gets to where you are today where you  
10 actually brought the people to the table  
11 and show what can be done. You have a  
12 commitment, and I just want to again say  
13 congratulations.

14 MR. SANFILIPPO: Thank you very  
15 much. Ray is a very talented man. His  
16 firm is a talented firm. We're happy to  
17 do business with him.

18 CHAIRMAN MORGAN: Anyone else?  
19 Well, thank you again for everything  
20 very much. Very impressive.

21 E. Consideration of acceptance of architectural  
22 blueprints and plans of design and construction  
23 required by Condition 15(a) of the Approved  
24 Project of Bossier Casino Venture, LLC, d/b/a  
25 Margaritaville Bossier City

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1 CHAIRMAN MORGAN: We have Item E,  
2 which is Consideration of acceptance of  
3 architectural blueprints and plans of  
4 design and construction required by  
5 Condition 15(a) of the Approved Project  
6 of Bossier City Venture, LLC, doing  
7 business as Margaritaville Bossier City.  
8 Another talented group.

9 MS. HARKINS: Good morning,  
10 Mr. Chairman, Commissioners. My name is  
11 Deborah Harkins. I'm with the law firm  
12 of McGlinchey Stafford, and I'm here on  
13 behalf of Bossier Casino Venture, LLC.

14 We're very excited to be here today.  
15 As you are aware, we're successful in  
16 closing in our purchase with Isle of  
17 Capri Casino Grand Palais. Last week on  
18 Thursday we closed the purchase and  
19 funding for that project. So we're --  
20 now stand ready, willing and able to be  
21 able to move forward with this project,  
22 and with me today on behalf of the  
23 project is our CEO, Mr. Paul Alanis, and  
24 his talented team who will present to  
25 you the blueprints and plans that we

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1 have. And we stand ready. We're truly  
2 shovel ready to get started on the  
3 ground in Bossier, and he will bring you  
4 up to date on our project and where we  
5 stand. Mr. Alanis.

6 MR. ALANIS: Thank you, Deborah.  
7 Mr. Chairman, Members of the Board, it's  
8 good to be here with you today. Six  
9 months ago I was here in August, and you  
10 approved a statement of conditions for  
11 our acquisition of the Grand Palais



12 Riverboat, Inc., and the movement of  
13 that license to Bossier Parish, and I  
14 just want to review with you today some  
15 of the major conditions that --  
16 conditions preceding to our being able  
17 to do that to -- you know, to be able to  
18 show to you that we've met each and all  
19 of those conditions fully and completely  
20 and are, as Deborah has said, in a  
21 position now to move forward with this  
22 exciting project.

23 So just to go through the key ones,  
24 the first condition, of course, was to  
25 obtain approval of the local voters. We

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1 held that election in November. We won  
2 that election 61 to 39, received  
3 overwhelming approval from the community  
4 for our plan to do Margaritaville Resort  
5 Casino in their community.

6 Condition 15 required that we submit  
7 within 60 calendar days thereafter  
8 blueprints for the construction of the  
9 development. We have done that, and  
10 those plans are extremely complete at  
11 this point enabling us to move forward.  
12 Those plans and your Condition Number 7  
13 set forth exactly what the components of  
14 this project should be, and I'm pleased

15 to tell you that we have met or exceeded  
16 every one of those conditions.

17 Specifically, it was an 18-story,  
18 390-room hotel. We are building an  
19 18-story, 394-room hotel. We have a 900  
20 seat live entertainment complex that  
21 will be a beautiful facility on two  
22 levels with a VIP room that will connect  
23 directly from the casino. We have four  
24 food and beverage outlets, the 400 seat  
25 Margaritaville restaurant, a major

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1 buffet, 350 seats, a fine dining  
2 restaurant which will be a seafood  
3 steakhouse but feature fresh seafood --  
4 a little bit different than everybody  
5 else's same steakhouse -- and a 24-hour  
6 cafe type of Starbucks facility for  
7 hotel guests and people who are there  
8 late at night.

9 We have the spa and fitness center  
10 that is part of the project with a  
11 dramatic pool deck where we will have  
12 communication with the second floor of  
13 the Margaritaville restaurant, actually  
14 an outdoor entertainment stage and  
15 outdoor dining, a bar in the pool; and  
16 it will be a major entertainment venue  
17 that I think will be a major attraction

18 for the area.

19 We will have meeting space at the  
20 required 24 -- 2,500 square feet; the  
21 Margaritaville retail store within the  
22 Margaritaville restaurant, approximately  
23 1,500 feet; and at this point, about  
24 1,550 cars of parking in excess of the  
25 1,300 required, and with the hope and

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1 expectation that we might actually  
2 increase that further.

3 Condition 18 required that we  
4 deposit a million dollars into escrow  
5 within 60 days following certification  
6 of the results. That deposit was made  
7 in a timely basis and is being held down  
8 in that escrow, and I wanted to make it  
9 clear, as Leonce has indicated, there's  
10 some language in that escrow agreement  
11 that would allow that money to be  
12 deposited in various types of ways. But  
13 it's very clear under our agreement with  
14 our lenders that all of the money for  
15 this project is to be invested in  
16 essentially U.S. Treasuries or other  
17 similar government types of securities,  
18 so we would expect that that would be  
19 the same that would be followed with  
20 this million dollar escrow deposit we've

21 made with the Gaming Control Board.

22 Number 5 is that we would invest a  
23 minimum of a -- excuse me, Number 16 is  
24 that we would invest a minimum of a  
25 \$171 million into this project. I will

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1 tell you that that amount is now \$196.5  
2 million. As, you know, you tend to see  
3 in these projects, the numbers tend to  
4 go up, based both upon the cost of  
5 financing, as well as our intent to  
6 provide a level of finish in this  
7 project that will make it a premier  
8 facility in the marketplace. So our  
9 total construction budget at the present  
10 time is \$196.5 million.

11 As Deborah has indicated to you, I'm  
12 most pleased to advise you that we have  
13 closed on that financing. It is in the  
14 bank. It is subject to a very  
15 restrictive, as you can imagine,  
16 disbursement agreement that will comply  
17 with all of the requirements set forth  
18 in your conditions, and we will  
19 coordinate with you to make certain that  
20 the reports that are required under your  
21 conditions will conform and work with  
22 the many, many requirements we have with  
23 our lenders to provide the same types of

24 controls and the same types of reporting  
25 on a monthly basis in terms of our

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1 construction progress and our compliance  
2 with, you know, our budget and our  
3 schedule that we have agreed to with  
4 them and with you.

5 So we have entered -- so 6 -- 15(b)  
6 required that we enter into necessary  
7 contracts for construction of the  
8 approved project. We have done that as  
9 part of this financing. We have entered  
10 into a guaranteed maximum price contract  
11 with Roy Anderson Builders through their  
12 Louisiana subsidiary Brice Builders, and  
13 that contract is in place. We have  
14 entered into agreements with all of our  
15 major consultants, with Cunningham our  
16 architecture, and Tom is here to tell  
17 you about the project in just a few  
18 minutes; but we have all the agreements  
19 in place to move forward, so we are  
20 there.

21 MS. HARKINS: Those agreements have  
22 been filed with the Gaming Control Board  
23 and are subject to, I think, the next  
24 Gaming Control Board meeting for  
25 approvals.

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1 MR. ALANIS: So I believe in  
2 connection with Condition 17, the  
3 establishment of an escrow account, that  
4 has been done in terms of all of the  
5 money has gone into escrow accounts with  
6 our lenders into major financial  
7 institutions, and all of those funds are  
8 subject to, as I mentioned, control  
9 agreements, escrow agreements,  
10 disbursement agreements that provide for  
11 the funds to be only expended for  
12 approved, you know, construction  
13 expenditures; and it is a very tightly  
14 controlled process that we have worked  
15 through painstakingly with our lenders  
16 and is in place today.

17 So I'm proud to tell you that we are  
18 here with a fence around the property  
19 with construction trailers on the site  
20 with the ability to start turning  
21 shovels tomorrow. We intend, with your  
22 approval, to be able to do that. We  
23 have a 16-month construction schedule,  
24 which is two months shorter than the  
25 required 18-month construction

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1 requirements set forth in our  
2 conditions.

3 My philosophy as a CEO is to always

4 provide not just a stick but a carrot.  
5 So as you can imagine in our  
6 construction contract with Roy Anderson,  
7 we have a penalty for late performance.  
8 It is a substantial penalty on a per day  
9 basis for their failure to meet that  
10 16-month construction schedule, but  
11 there also happens to be a bonus that I  
12 gave them. So the same amount of money  
13 every day will be a bonus for every day  
14 that they finish early.

15 So our goal is to give them an  
16 incentive to finish this project less  
17 than 16 months from now, but we intend  
18 and expect that we will be open by June  
19 of 2013 with a dramatic new property  
20 that I think will breathe life -- new  
21 life into the Shreveport/Bossier market  
22 and will be a major contributor for  
23 revenues for the state and for  
24 employment and for the overall gaming  
25 market.

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1 So with that I'd like to turn it  
2 over to Tom Hoskens and let you see sort  
3 of the completion of the vision that  
4 we've had over this past year to bring  
5 this project into fruition. We have  
6 been working, as you can imagine,

7 nonstop for the last six months both  
8 finding the financing, arranging the  
9 financing and developing the plans to be  
10 at the point where we could start  
11 tomorrow and be open 16 months from now.

12 So I'll let Tom show you sort of  
13 the -- how we have implemented that  
14 vision and what Margaritaville's going  
15 to look like when it opens next year.

16 MR. HOSKENS: Thank you, Paul. What  
17 I'm going to do is give you a quick tour  
18 around this great island Margaritaville  
19 Resort. We're starting out first with  
20 the image that you saw last time, and  
21 last time we also showed you our hotel  
22 tower and resort. And remember last  
23 time we said, listen, we're looking at  
24 three things. We said we're trying to  
25 make a very distinctive building from

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1 the outside, the trellises on top, the  
2 signage ban that goes up, the balconies.  
3 It's a truly unique building; it's a  
4 truly resort looking building, and it's  
5 all about Margaritaville.

6 And then secondly, the very exciting  
7 Louisiana Boardwalk. What we are  
8 looking at here is the Margaritaville  
9 Restaurant in the center. Just to the



10 left is our high stakes restaurant.  
11 We'll plan to show you where that is.  
12 It's a seafood restaurant, and then  
13 there's a buffet that's hidden behind  
14 the pool area; and we'll show you that  
15 in just a little bit.

16 We've done some refinements. This  
17 is the -- what we'd call the east entry.  
18 We've revised the port-cochere area,  
19 made it a little more islandesk. We've  
20 worked out -- this is the big event  
21 center with its sort of wateresk-type  
22 walls here in it, and imagine, if you  
23 will, driving up underneath this with  
24 the sound of water, with the plants, the  
25 flora and fauna, and then also the music

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1 coming from the inside of there.

2 This is the north entry, which is  
3 really off the parking lot. A lot of  
4 the locals will go directly in here.  
5 We've layered this entry on the side,  
6 adding a almost muralesk edge to the  
7 building itself and layering landscaping  
8 in front of that. Again, the idea of a  
9 lush landscape is what we're trying to  
10 work with and trying to sort of evolve  
11 with all of this.

12 We, also, if you go over and you

13 look here, you will see the required  
14 paddlewheel. The pilothouse and the  
15 smoke stacks are part of the barge  
16 itself. Also going over here, you get a  
17 little bit to see our second level,  
18 mezzanine level really, of our pool deck  
19 and how it fits into, and we have  
20 outdoor dining there that comes directly  
21 off of Margaritaville itself. I'll show  
22 you that in detail a little bit more.

23 Looking at our parking, this is the  
24 major part of on-grade parking that adds  
25 up to that 1,500 or 1,550 stalls.

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1 Notice right next-door we have Bass Pro  
2 Shop where entering. Coming off of here  
3 there is going to be no roundabout here,  
4 then we're going down to Margaritaville  
5 Drive that comes right down here, and  
6 that's the major entry to our casino  
7 resort.

8 There is a second parking that we  
9 have acquired, and this helps getting up  
10 to the 500 cars. This will mainly be  
11 for employees as well as valet, and then  
12 sometimes in overflow situations we'll  
13 be able to add some cars down there, as  
14 well, so all getting up to that 15 plus.

15 We are working on the landscaping,

16 and our landscaping is coming along.  
17 There's combinations of -- there's  
18 actually in the current plans six  
19 different types of palms within it.  
20 More low and medium-sized ones, again to  
21 get that islandesk Margaritaville feel  
22 to it, and we're excited about how  
23 that's coming along. We're also  
24 embellishing the Louisiana Boardwalk as  
25 we are determinus to that boardwalk.

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1 The plan: You enter here at the  
2 port-cochere. Right in front of you is  
3 the check-in desk, and that's what  
4 you're seeing right here if you follow  
5 the hand. Going down there's really  
6 novelties, which I'll show you there's a  
7 picture of in a minute, but this is one  
8 of the bars. And the cool thing is it's  
9 a tour bus bar, and hold that thought  
10 for a little bit.

11 As you go around, our major  
12 restaurants are down here. Paul talked  
13 about three restaurants. The  
14 Margaritaville Restaurant is here. I'll  
15 show you that a little bit more in  
16 detail. Our buffet is here, and our  
17 seafood restaurant is over here.  
18 There's a cool little cafe, grab and go,

19 right here. It's sort of that coffee  
20 shop grab and go, and our major casino  
21 floor is the centerpiece here. And in  
22 the center there is a bar, and it is a 5  
23 O'Clock Somewhere Bar. And I'll show  
24 you a little vision of what that is in a  
25 minute, as well.

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1 We have our event center right over  
2 here, and notice our tour bus is going  
3 right into the event center. Hold that  
4 thought, and I'll show you how that  
5 evolves in a second. There is one other  
6 thing. We are sharing our service with  
7 Bass Pro Shop, and we've worked out the  
8 details with them on that.

9 All right. We then have our  
10 mezzanine level, and the cool part about  
11 the mezzanine level is it is where the  
12 pool is and the pool bar. And I'll show  
13 you a better detail and pictures of that  
14 in a second. And then the outdoor  
15 dining from Margaritaville that goes to  
16 the upper deck of Margaritaville, and  
17 that happens right through there. And  
18 you'll also see the upper level of our  
19 900-seat entertainment center wrapping  
20 here. The rest of it really is service  
21 on that level.

22           And then finally, our second level,  
23           which has our meeting rooms and our  
24           board room, and our meeting rooms and  
25           board rooms are happening through here.

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1           We have a really cool fitness center  
2           that has windows looking out to the pool  
3           and to the Red River, and our spa is  
4           right over here, again with some views  
5           to the pool and to the Red River.

6           One of the fun features of this in  
7           our event center, we have a VIP area,  
8           VIP lounge, and in a minute I'll show  
9           you what it looks like to be in that VIP  
10          lounge and what you'll see when you look  
11          out of the window to the stage that's  
12          coming up in a minute. This is what you  
13          see when you enter the casino for the  
14          first time. It's a check-in desk. It's  
15          kind of fun because it's everything from  
16          trellis, bamboo, the palm trees that are  
17          all around, and there's a lot of mural  
18          reflecting all of those palm trees, as  
19          well.

20          What do you see when you get into  
21          the casino? This is the Margaritaville  
22          party pit and complete with lime light  
23          fixture, complete with sort of that  
24          flora and fauna look with the layering

25 of that going on, and the party pit

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1 happens down here. You get a picture of  
2 everything from limes to the light  
3 fixtures in this.

4 But not all the table game areas are  
5 the same. There is a sailcloth area,  
6 and the sailcloth area, again, has that  
7 flora and fauna look to it, layering of  
8 sails with the palm trees over the top  
9 of it. This is the 5 O'Clock Somewhere  
10 Bar, and you now -- now you see where  
11 you're going to meet all your friends in  
12 the center of the gaming floor. It is  
13 adjacent to, and you can see it from the  
14 entry, and you can see it actually from  
15 all three of the major entries, the 5  
16 O'Clock Somewhere Bar.

17 Going on, this is the buffet, and  
18 what you see as you're walking along the  
19 walkway by the buffet, a little feel for  
20 what that looks like. And then on the  
21 inside, what are some of these action  
22 stations? What are some of the food  
23 venues and how it is being themed.  
24 There is a theme of world food. There's  
25 a compass on the ceiling, and it's all

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1 part of the ambience. There's also a

2 very, very cool little beverage service  
3 area where you can get some drinks  
4 uniquely from this bar, as well.

5 And now you're going, okay,  
6 Margaritaville, what is it? Not only is  
7 Margaritaville about volcanos and about  
8 water, but it's about boats; and it's  
9 about being able to eat inside of one of  
10 these boats. So here we are in the  
11 building, and there's three boats  
12 including pontoon boats and a euphoria  
13 dining boat, so quite a few fun things  
14 within the Margaritaville Restaurant  
15 itself.

16 So what does it look like? This is  
17 a little bit of an elevation. You start  
18 to see the volcano, you start to see the  
19 very large sea plane within it and then  
20 obviously our boats as they are in here.  
21 So, again, quite the fun dining  
22 experience; and this is more of our  
23 seafood restaurant, a little bit more of  
24 elegant, maybe slightly to the blue,  
25 slightly to the French style.

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1 What is that pool like here? What  
2 you see in front of us is our pool bar.  
3 Notice you can swim up to the pool bar  
4 or actually get to it from land, and

5 then adjacent to this is the outdoor  
6 dining area, as well, looking for a very  
7 lush, tropical pool area.

8 And remember I said, okay, what does  
9 that VIP restaurant or VIP lounge area  
10 look like? This is that VIP lounge  
11 area, and then here's the window you're  
12 looking out to the show down here. So a  
13 very special area for those high rollers  
14 with its own bar, just a very laid back,  
15 fun place.

16 I talked to you about the tour bus  
17 and that tour bus bar. When you come  
18 in, this is the tour bus bar that's  
19 right out in front of the event center,  
20 and, of course, everybody drives around  
21 in tour buses, none of them quite like  
22 ours because ours is totally a bar; and  
23 it should have Margaritaville music  
24 coming out of it, a DJ coming out of it  
25 and maybe even Margaritaville live.

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1 We'll see how it goes.

2 And then our typical floor, notice  
3 on the ends we have really, really nice  
4 suites, each of the suites having their  
5 own balcony and then within that its own  
6 bar. And then unlike many things we  
7 have, we have worked out the structure



8 so we can have really cool corner  
9 windows and a view out to the river and  
10 beyond. And then just we're working on  
11 the rooms. They're going to be quite  
12 elegant, but this is a real quick shot  
13 of what it could be. And that's what it  
14 is for the presentation. Thank you.

15 MR. ALANIS: Thank you, Tom. So  
16 I'll open it up for any questions that  
17 you might have. I will simply say I've  
18 been developing hotels for 30 years, and  
19 I've been in this casino business for  
20 almost 20. I've done a lot of projects.  
21 I will tell you truthfully I have never  
22 been more excited about a project than I  
23 am with this one. It's going to be  
24 something spectacular.

25 We are going to have an official

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1 ground breaking February 29th. An  
2 invitation will be forthcoming to all of  
3 you, and we would hope that some of you  
4 could make it. You will see from the  
5 invitation that we are starting out with  
6 something -- everything about  
7 Margaritaville will be special. So this  
8 will not be a normal invitation you'll  
9 be getting. It will be something quite  
10 different, and everything we do from

11 here on forward is going to be something  
12 quite different and special.

13 So with that I'll turn it over to  
14 questions, and thank you for your  
15 attention.

16 CHAIRMAN MORGAN: Thank you.  
17 Mr. Stipe.

18 MR. STIPE: Miss Harkins, I think,  
19 they touched on it, but the default  
20 investment on this escrow is a money  
21 market account, as I recall, as I'm  
22 reading this agreement.

23 MS. HARKINS: On the escrow account?

24 MR. STIPE: Yes.

25 MS. HARKINS: Yes.

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1 MR. STIPE: And what I think I heard  
2 them say is that the lending  
3 requirements are going to kind of --

4 MS. HARKINS: They're more stringent  
5 than the other ones.

6 MR. STIPE: -- mandate they stay a  
7 money market account, right?

8 MS. HARKINS: Yes.

9 MR. STIPE: That's all I have.

10 CHAIRMAN MORGAN: Very impressive  
11 project.

12 MR. ALANIS: Thank you.

13 CHAIRMAN MORGAN: It's going to be

14 good for that community.

15 MR. ALANIS: Thank you very much.

16 Thank you for your help.

17 CHAIRMAN MORGAN: If there's no  
18 other questions, I'd like to have  
19 Sergeant Watts come up. I know he's  
20 responsible for reviewing these plans,  
21 and I know you have not made a final  
22 recommendation, but I just want to get  
23 you on record to make sure you're  
24 comfortable with what's been submitted  
25 or not. I don't want to put you on the

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1 spot.

2 SERGEANT WATTS: Chairman Morgan,  
3 Members of the Board, I'm Sergeant Jeff  
4 Watts. Margaritaville did, indeed,  
5 submit their plans some three weeks ago.  
6 We've since had two review sessions with  
7 myself, the Attorney General's Office,  
8 the project manager, I think  
9 Mr. Fontenot.

10 MS. HARKINS: Fontenot.

11 SERGEANT WATTS: He's here. He came  
12 in. Also, it appears to be the same  
13 thing that they submitted up here and so  
14 far satisfactory. They look like they  
15 have all the amenities included with the  
16 event center and certain aspects that

17 they need to put in there, restaurants  
18 and things like that.

19 CHAIRMAN MORGAN: Any other  
20 questions for Sergeant Watts? [No  
21 response.] Okay. Thank you.

22 SERGEANT WATTS: Yes, sir.

23 CHAIRMAN MORGAN: Any other  
24 questions? [No response.] We'll look  
25 forward to working with you, and I'll

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1 make a motion to adopt the resolution.

2 MR. BRADFORD: Second.

3 CHAIRMAN MORGAN: Second by  
4 Mr. Bradford. You want to read it into  
5 the record, please.

6 THE CLERK: On the 16th day of  
7 February 2012, the Louisiana Gaming  
8 Control Board did, in a duly noticed  
9 public meeting, consider the issue of  
10 Bossier Casino Venture, LLC's,  
11 submission of the architect blueprints  
12 and plans of design and construction of  
13 the approved project as required by  
14 Condition 15(a) of the Statement of  
15 Conditions, and upon motion duly made  
16 and second, the Board adopted the  
17 following resolution.

18 Be it resolved that the  
19 architectural blueprints and plans of

20 design submitted with the approved  
21 project in accordance with Condition  
22 15(a) be deemed submitted and accepted,  
23 and licensee is authorized to proceed  
24 with the project.

25 Thus done and signed in Baton Rouge,

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1 Louisiana, the 16th day of February,  
2 2012.

3 CHAIRMAN MORGAN: Call the roll,  
4 please.

5 THE CLERK: Miss Rogers?

6 MS. ROGERS: Yes.

7 THE CLERK: Mr. Bradford?

8 MR. BRADFORD: Yes.

9 THE CLERK: Mr. Stipe?

10 MR. STIPE: Yes.

11 THE CLERK: Mr. Singleton?

12 MR. SINGLETON: Yes.

13 THE CLERK: Miss Noonan?

14 MS. NOONAN: Yes.

15 THE CLERK: Chairman Morgan?

16 CHAIRMAN MORGAN: Yes. It's

17 approved.

18 MS. HARKINS: Thank you very much.

19 CHAIRMAN MORGAN: We have the other  
20 issue. Before I get to that, I do want  
21 to make everyone aware of, the board  
22 members, that the Crown Casino closed at

23 midnight on Monday, February 6th, 2012.  
24 I see Miss Boles out there. If you have  
25 any questions, I think that went without

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1 any event. So that property is actually  
2 closed.

3 Anything major we need to know about  
4 that?

5 MS. BOLES: No.

6 F. Consideration of approval of escrow agreement  
7 required by Condition 18 of the Approved  
8 Project of Bossier Casino Venture, LLC, d/b/a  
9 Margaritaville Bossier City

10 CHAIRMAN MORGAN: Item F will be  
11 Consideration of Approval of the escrow  
12 agreement required by Condition 18 of  
13 the Approved Project, Bossier City  
14 Venture, LLC, doing business as  
15 Margaritaville Bossier City. Unless  
16 there's any other discussion with regard  
17 to that, we'll just entertain a motion  
18 to approve the escrow agreement.  
19 Mr. Stipe moves to approve. I'll  
20 second. Is there any objection? [No  
21 response.] Okay, that's approved.  
22 Thank you.

23 MS. HARKINS: Thank you very much.

24 We appreciate it.

25 G. Consideration of petition by Creative Casinos

1 of Louisiana, L.L.C., to amend License  
2 Condition 13(c), Commencement of Construction,  
3 No. R016502995

4 CHAIRMAN MORGAN: Item G is  
5 Consideration of the Petition by  
6 Creative Casinos of Louisiana, L.L.C.,  
7 to amend License Condition 13(c),  
8 Commencement of Construction, regarding  
9 license number R016502995.

10 MR. DUNCAN: Good morning,  
11 Mr. Chairman, Kelly Duncan from Jones  
12 Walker representing Creative Casinos.  
13 To my right is Dan Lee, managing partner  
14 of Creative Casinos, and to my left is  
15 Steve Croxton of Rice Voelker Financial  
16 Firm.

17 We're here today relative to a  
18 request to amend License Condition  
19 13(c), which relates to Commencement of  
20 Construction, and the reason for that  
21 request is, is that while we have the  
22 great bulk of the financing commitments  
23 in place, there's still a small piece  
24 that needs to be obtained. And then as  
25 you can imagine, given the complexity of

1 this financing because it involves  
2 common, preferred notes and so forth,

3 there is just a tremendous number of  
4 documents that need to be finalized for  
5 the purposes of closing this  
6 transaction.

7 With that said, I'd like to turn it  
8 over to Mr. Lee.

9 MR. LEE: Yeah, first I'd like to  
10 congratulate the other two groups for  
11 moving ahead. I'm particularly pleased  
12 to see the Baton Rouge Project come  
13 together, which I have a personal  
14 connection to historically, and it looks  
15 pretty nice.

16 We're close, as well. This is the  
17 biggest project. It's 400 million.  
18 With the interest during the  
19 construction period, the financing fees,  
20 it ends up being about 525, so it's a  
21 half a billion dollar project and pretty  
22 ambitious.

23 Now, I and my partners and MGM will  
24 be filing their license application, I  
25 believe, later today, and two large

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1 financial institutions have now  
2 committed to a total of 140 million of  
3 equity. We have a \$45 million credit  
4 facility all spoken for from Capital  
5 One, Jeffries and Morgan Stanley. That



6 leaves the \$355 million bond issue. The  
7 road show was done last week. As of  
8 this morning we have orders for all of  
9 the bonds. We're willing to price, but  
10 we can't price if we don't have a  
11 license. And so if we don't have this  
12 extension, there's nothing to price.

13 So, hopefully, if you see fit, you  
14 can grant us an extension. We will  
15 price the bonds in the next couple of  
16 days, and as Kelly alluded to, there's a  
17 huge number of paperwork to close the  
18 deal. Probably takes ten working days,  
19 which is a couple weeks, and we're ready  
20 to start construction immediately  
21 thereafter. We have the Corps permits;  
22 we have the building permits. We have  
23 everything in place to get going.

24 Now, when we entered into the  
25 development agreement last year, it

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1 called for a local referendum which  
2 passed overwhelmingly for preparing the  
3 plans and then arranging the financing.  
4 We completed the guaranteed maximum  
5 price contract in early April -- I'm  
6 sorry. We won the referendum in April.  
7 We had the guaranteed maximum price  
8 contract in early August, which was

9 really just in time for Standard and  
10 Poor's to downgrade U.S. Treasuries, and  
11 throughout the fall we had all sorts of  
12 stops and starts trying to get this  
13 done. It seemed every time I turned  
14 around the Greeks were demonstrating,  
15 the Italians were defaulting, and the  
16 bankers would say that somehow that  
17 affects slot revenues in Lake Charles,  
18 Louisiana.

19 But since Christmas, the financial  
20 markets have been pretty normal. It's  
21 been a good bond market, good equity  
22 market; and so we've had a busy six  
23 weeks, and we're very close to done.  
24 And, unfortunately, we do need a 30-day  
25 extension in order to be able to pull it

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1 together.

2 MR. DUNCAN: Actually, technically  
3 it's a 27-day extension. It's March 16.

4 CHAIRMAN MORGAN: What's the best  
5 case scenario, if everything goes as  
6 planned, to start construction?

7 MR. LEE: We'll be under  
8 construction, and I don't have to be  
9 here next month. And I think that's  
10 pretty likely at this point. I kept  
11 stepping out of the room because the

12 bankers are trying to pull it all  
13 together. And so I think best case  
14 scenario we get this priced today or  
15 tomorrow, and we close the deal in ten  
16 working days; and we'll be under  
17 construction by the end of the month --  
18 by the end of the 27-day period.

19 CHAIRMAN MORGAN: And you'll get a  
20 good night's sleep that night.

21 MR. LEE: That will be nice. It's  
22 been a very busy six weeks.

23 CHAIRMAN MORGAN: I know you have.  
24 You've worked hard.

25 MR. LEE: And I should mention, you

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1 know, for example, MGM stepped up for  
2 55 million. That's a pretty big  
3 increase from their original commitment  
4 of 30. I and my partners went from \$10  
5 million to \$15 million, so everybody  
6 kind of pulled together to pull this  
7 together, and we're this close.

8 CHAIRMAN MORGAN: Good. Are there  
9 any questions? We have a resolution  
10 that's been prepared by the Attorney  
11 General's Office. I'll entertain a  
12 motion.

13 MR. BRADFORD: So moved.

14 CHAIRMAN MORGAN: Mr. Bradford moves

15 to adopt the resolution, seconded by  
16 Mr. Stipe. Read it into the record.

17 THE CLERK: On the 16th day of  
18 February 2012, the Louisiana Gaming  
19 Control Board did, in a duly noticed  
20 public meeting, consider the issue of  
21 Creative Casinos of Louisiana, LLC's,  
22 petition to amend license conditions,  
23 and upon motion duly made and second,  
24 the Board adopted the following  
25 resolution.

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1 Be it resolved that Condition 13(c)  
2 of the Statement of Conditions to  
3 riverboat gaming license be modified and  
4 replaced with the following Condition  
5 13(c): To commence construction of the  
6 approved project on or before  
7 March 16th, 2012, following the date  
8 that the Louisiana Gaming Control Board  
9 has passed a resolution accepting the  
10 contracts referenced in Condition 13(b),  
11 with construction to be completed within  
12 24 months of commencement of  
13 construction.

14 Commenced construction or  
15 commencement of construction shall be  
16 that time when excavating and grading  
17 work begins for purposes of preparing

18 the foundation related to the approved  
19 project. Failure to meet this deadline  
20 or to timely request an extension may  
21 result in forfeiture of all privileges  
22 to the license.

23 Thus done and signed in Baton Rouge,  
24 Louisiana, this 16th day of February,  
25 2012.

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1 CHAIRMAN MORGAN: Call the roll,  
2 please.

3 MR. DUNCAN: Mr. Chairman, I think  
4 it should be "timely received an  
5 extension." Is that right?

6 CHAIRMAN MORGAN: Failure to meet  
7 this deadline or to timely request an  
8 extension.

9 MR. DUNCAN: The original 13(c) has  
10 the word "received." That's the only  
11 reason I mention that.

12 THE CLERK: "Received," okay.

13 CHAIRMAN MORGAN: So amend it to  
14 "received."

15 THE CLERK: Um-hmm.

16 CHAIRMAN MORGAN: Roll call, please.

17 THE CLERK: Miss Rogers?

18 MS. ROGERS: Yes.

19 THE CLERK: Mr. Bradford?

20 MR. BRADFORD: Yes.

21 THE CLERK: Mr. Stipe?

22 MR. STIPE: Yes.

23 THE CLERK: Mr. Singleton?

24 MR. SINGLETON: Yes.

25 THE CLERK: Miss Noonan?

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1 MS. NOONAN: Yes.

2 THE CLERK: Chairman Morgan?

3 CHAIRMAN MORGAN: Yes. And it's

4 approved. Thank you.

5 MR. DUNCAN: Thank you very much.

6 CHAIRMAN MORGAN: Look forward to

7 hearing from you.

8 VIII. PROPOSED RULEMAKING

9 A. Consideration of repeal of LAC 42:III.109

10 (Record Preparation Fees)

11 CHAIRMAN MORGAN: This brings us to

12 VIII, Proposed Rulemaking. Members, the

13 rule before you is a consideration of

14 repeal of Louisiana Administrative

15 42:III.109, (Record Preparation Fees).

16 This rule was adopted shortly after the

17 Louisiana Gaming Control Board was

18 established and calls for administrative

19 hearings. It's a hundred dollar fee

20 that a person has to pay to be afforded

21 a hearing at the hearing officer level;

22 however, it's not mandatory if a person

23 does not pay it. The hearing's still

24 allowed.

25 In 2011 there was 220 hearings.

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1 Thirty-one people actually paid the  
2 hundred dollars, which represents about  
3 14 percent, and any unused portion of  
4 that is used to offset the cost of the  
5 transcript. Any unused portion of that  
6 is reimbursed.

7 So \$500 is reimbursed, so it came to  
8 a net amount of \$2,600, and it's not  
9 cost effective. I'm not going to bore  
10 you with the procedures that goes into  
11 collecting it, transmitting it to the  
12 Board and then reimbursing the  
13 individual. It's just it -- I assure  
14 you we expend more than we collect. So  
15 we're looking for efficiencies in our  
16 own operation, and this is one thing  
17 that came to mind that I think would be  
18 of benefit.

19 Just as a note: The money that is  
20 collected we can't spend anyway, so we  
21 don't have the authority by the  
22 legislature. So it doesn't actually  
23 achieve what it was set out to achieve.

24 So I ask for your consideration to  
25 adopt -- to initiate the rulemaking

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1 process with regard to amending this  
2 rule. I don't know if we need the A.G.  
3 to introduce it, or did the Division do  
4 a good enough job?

5 MR. GAUTREAU: Excellent.

6 CHAIRMAN MORGAN: Thank you. Any  
7 questions? [No response.] I'll make  
8 the motion to initiate the rulemaking  
9 process.

10 MS. NOONAN: I'll second.

11 CHAIRMAN MORGAN: Second by Miss  
12 Noonan. Is there any objection?  
13 Hearing none, we saved some money.  
14 There you go. We'll go to -- that's  
15 approved.

16 IX. PROPOSED SETTLEMENTS/APPEALS FROM HEARING

17 OFFICERS' DECISIONS

18 1. In Re: Hadir Naoum d/b/a Crystal Plaza Daiquiri  
19 - No. 3601116236. (proposed settlement)

20 CHAIRMAN MORGAN: All right.  
21 PROPOSED settlements and appeal from  
22 hearing officers' decisions. Go ahead  
23 and introduce the matter.

24 MS. HIMEL: Good morning, Chairman  
25 Morgan, Members of the Board. I'm

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1 Assistant Attorney General, Dawn Himel,  
2 here on behalf of Office of State  
3 Police. This is the matter of the



4 proposed settlement of Hadir Naoum doing  
5 business as Crystal Plaza Daiquiri,  
6 license number 3601116236.

7 The licensee was required to submit  
8 its completed annual licensee form and  
9 annual fee, completed record update  
10 form, local sales tax clearance  
11 certificate, state sales tax clearance  
12 certificate and a current copy of its  
13 State ATC permit no later than July 1st  
14 of 2011.

15 The licensee failed to timely submit  
16 those documents and fee, and did not  
17 submit such until September 22nd, 2011,  
18 in violation of gaming law.

19 In lieu of administrative action,  
20 the licensee has agreed to pay a \$750  
21 penalty within 15 days of the approval  
22 of this settlement by the Board. The  
23 settlement agreement was approved by  
24 Hearing Officer Brown on January 25th,  
25 2012, and we now submit it for your

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1 approval.

2 CHAIRMAN MORGAN: Any questions?  
3 I'll entertain a motion to affirm the  
4 hearing officer -- or approve the  
5 settlement.

6 MS. ROGERS: I so move.

7 MR. BRADFORD: Second.  
8 CHAIRMAN MORGAN: Motion by  
9 Miss Rogers, seconded by Mr. Bradford.  
10 Is there any objection? Hearing none,  
11 that's approved. Thank you.

12 MS. HIMEL: Thank you.

13 2. In Re: Horseshoe Entertainment, LP d/b/a  
14 Horseshoe Casino - Lic. No. R010800198 - SAR  
15 11-01-24-122-2896 (proposed settlement)

16 MR. TYLER: Chairman Morgan, Board  
17 Members, I'm Assistant Attorney General,  
18 Michael Tyler, and I'm appearing in the  
19 matter of the proposed settlement of  
20 Horseshoe Entertainment, LP d/b/a  
21 Horseshoe Casino, License No.  
22 R010800198. This is in relation to  
23 significant action report number  
24 1101241222896.

25 Horseshoe Casino was cited by the  
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1 Division for admitting an underaged  
2 patron on to its gaming floor, allowing  
3 the underaged patron to play both slot  
4 machines and table games while on the  
5 gaming floor, to purchase alcohol from a  
6 bar located on the property, failing to  
7 notify the Division of the underaged  
8 patron incident, and failing to note the  
9 underaged patron incident in its

10 security logs.

11 In lieu of administrative action  
12 against its license, Horseshoe  
13 Entertainment has agreed to settle this  
14 matter with a payment of a civil penalty  
15 of \$62,500. The Division has agreed to  
16 accept the \$62,500 civil penalty in lieu  
17 of administrative action. This  
18 settlement agreement has been approved  
19 by the hearing officer, and now we  
20 submit it for your approval.

21 CHAIRMAN MORGAN: Any questions? Is  
22 there anyone here from Horseshoe?

23 MS. RUSSEL: Good morning, Chairman,  
24 Board, Jade Russell, counsel of regional  
25 operations for Caesars Entertainment on

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1 behalf of Horseshoe.

2 MR. BRADFORD: Good morning, Miss  
3 Russell. I just wanted to get your  
4 overview of this incident and any  
5 comments you had as far as future  
6 corrections, that sort of thing.

7 MS. RUSSEL: We do not dispute the  
8 facts. The facts are pretty accurate  
9 here. We've taken several steps to  
10 ensure that this does not happen again  
11 in the form of training and discipline.  
12 We've disciplined from corrective action

13 documentation, as well as termination.

14 We agree to the civil penalty in  
15 lieu of any action -- any further  
16 action, and we are confident that this  
17 won't occur again.

18 CHAIRMAN MORGAN: Okay, thank you.  
19 Any other questions? Mr. Bradford moves  
20 to approve the settlement. Is there a  
21 second?

22 MS. NOONAN: Second.

23 CHAIRMAN MORGAN: Seconded by  
24 Miss Noonan. Is there any objection?  
25 Hearing none, that's approved. Thank

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1 you. Item 3.

2 3. In Re: Catfish Queen Partnership In Commendam -  
3 Lic. No. R011700009 - SAR 10-2-03-248-4408  
4 (proposed settlement)

5 MR. TYLER: Again, Chairman Morgan,  
6 Board Members, Assistant Attorney  
7 General, Michael Tyler, currently  
8 appearing in the matter of Catfish Queen  
9 Partnership in Commendam, License No.  
10 R011700009. This is in relation to a  
11 significant action report number  
12 102032484408.

13 The Baton Rouge Belle was cited by  
14 the Division for its security officers  
15 using access codes that belonged to

16 other security officers to access  
17 sensitive keys, a security officer  
18 transferring significant keys to a  
19 separate security officer who, in turn,  
20 shared those keys with a third security  
21 officer, and removing sensitive keys  
22 without using the hand scanner.

23 In lieu of administrative action  
24 against its license, the Belle of Baton  
25 Rouge has agreed to settle the matter

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1 with a payment of a civil penalty of  
2 \$45,000. The Division has agreed to  
3 accept the \$45,000 civil penalty in lieu  
4 of administrative action.

5 The settlement agreement has been  
6 approved by the hearing officer, and now  
7 we submit it for your approval.

8 CHAIRMAN MORGAN: Any questions?  
9 Any other questions?

10 MR. BRADFORD: Move for approval.

11 CHAIRMAN MORGAN: Mr. Bradford moves  
12 to approve the settlement. I'll second  
13 it. Is there any objection? Hearing  
14 none, that's approved. Thank you.

15 4. In Re: LZLR, LLC, d/b/a Red Apple Restaurant -

16 No. 2600216209 (proposed settlement)

17 5. In Re: Goldie's Landing, Inc., d/b/a Goldie's

18 Landing - No. 2600114707 (proposed settlement)

19 6. In Re: Prime Example, Inc., d/b/a Prime Example  
20 - No. 3601112046 (proposed settlement)

21 CHAIRMAN MORGAN: Item 4.

22 MS. BOGRAN: Olga Bogan, Assistant  
23 Attorney General with the Gaming  
24 Division. The next three matters, four,  
25 five and six, all involve the same

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1 violation with the same settlement  
2 amount. Would you like me to take them  
3 separately or together?

4 CHAIRMAN MORGAN: Do them together.

5 MS. BOGRAN: Okay. This is for  
6 Prime Example, Inc., d/b/a Prime  
7 Example, license number 3601112046 and  
8 Goldie's Landing, Inc., d/b/a Goldie's  
9 Landing, license number 2600114707, and  
10 finally, LZLR, LLC, d/b/a Red Apple  
11 Restaurant, license number 2600216209.

12 Each of these licensees was to have  
13 submitted their annual form and fees on  
14 or before July 1st. These licensees  
15 actually submitted their required  
16 documents and fees between 87 and 90  
17 days past the deadline. The settlement  
18 has been signed by the hearing officer,  
19 and we submit these settlements before  
20 you for the final approval. The civil  
21 penalty involved is \$750 each.

22 CHAIRMAN MORGAN: Okay. Is there  
23 any questions?

24 MR. STIPE: I move.

25 CHAIRMAN MORGAN: Mr. Stipe moves  
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1 to -- are you okay with it?

2 MR. BRADFORD: Can I ask just a  
3 quick question? LZLR was d/b/a Red  
4 Apple?

5 MS. BOGRAN: Yes.

6 MR. BRADFORD: And the third one was  
7 d/b/a Prime Example.

8 MS. BOGRAN: The first one was Prime  
9 Example, d/b/a Prime Example.

10 MR. BRADFORD: Okay, got you. I  
11 just wanted to make sure we had the  
12 right name in the right spot.

13 CHAIRMAN MORGAN: Okay. Mr. Stipe  
14 moves to approve the proposed  
15 settlements on these three settlements.

16 MR. BRADFORD: Second.

17 CHAIRMAN MORGAN: Second by  
18 Mr. Bradford. Is there any objection?  
19 Hearing none, that's approved. Thank  
20 you.

21 7. In Re: Catfish Queen Partnership In Commendam -  
22 Lic. No. R011700009 SAR 11-50-198-3100  
23 (proposed settlement)

24 CHAIRMAN MORGAN: Let's go to Item

25 7.

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1 MR. HEBERT: Good morning, Chairman  
2 Morgan, Members of the Board.  
3 Christopher Hebert, Assistant Attorney  
4 General with the Gaming Division, here  
5 this morning in the matter of Catfish  
6 Queen Partnership in Commendam, license  
7 number RO11700009 and regarding  
8 significant action report 11501983100.

9 In May of 2011, as a result of a  
10 non-gaming supplier permit application  
11 submitted by Corporate Ideas, LLC, the  
12 Division's application disclosed that  
13 Belle of Baton Rouge paid Corporate more  
14 than \$300,000 in 2010, and it is noted  
15 that Corporate at the time was a  
16 non-permitted, non-gaming supplier. The  
17 investigation also disclosed that  
18 Corporate is not a newspaper, television  
19 station or a radio station and did not  
20 have a non-gaming supplier permit  
21 waiver. Belle of Baton Rouge did not  
22 notify the Division that it had  
23 surpassed \$200,000 in annual payments to  
24 Corporate.

25 In lieu of administrative action of

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1 its gaming license, the Belle of Baton



2 Rouge agrees to pay and the Division  
3 agreed to accept a civil penalty of  
4 \$4,000. The hearing officer has  
5 previously signed off on this settlement  
6 agreement, and we're here this morning  
7 seeking Board approval.

8 CHAIRMAN MORGAN: Has the company  
9 applying for a non-gaming?

10 MR. HEBERT: The company has since  
11 applied for a license, and it has been  
12 granted.

13 CHAIRMAN MORGAN: It's been granted?

14 MR. HEBERT: Yes.

15 MR. BRADFORD: We have two issues?

16 CHAIRMAN MORGAN: Yes.

17 MR. BRADFORD: Is this the second  
18 one?

19 CHAIRMAN MORGAN: Yes.

20 MR. BRADFORD: Isn't this the one  
21 with the \$45,000?

22 MR. HEBERT: No.

23 MR. BRADFORD: We did that one  
24 first.

25 CHAIRMAN MORGAN: I'll move we

109

1 approve the settlement. Is there a  
2 second?

3 MS. NOONAN: I'll second.

4 CHAIRMAN MORGAN: Made by

5 Miss Noonan. Is there any objection?

6 Hearing none, that's approved.

7 8. In Re: Gary Babin - No. V000017686 (appeal)

8 CHAIRMAN MORGAN: Okay. Now, we're  
9 in the appeal in reference to Mr. Gary  
10 Babin.

11 MR. HEBERT: Yes.

12 CHAIRMAN MORGAN: Is Mr. Babin here?

13 [No response.] Mr. Babin took the  
14 appeal, right?

15 MR. HEBERT: Yes, he did.

16 CHAIRMAN MORGAN: Mr. Gary Babin?  
17 Okay. Proceed for the State.

18 MR. HEBERT: Okay. Good morning  
19 again. Christopher Hebert representing  
20 the Louisiana -- I'm sorry, Louisiana  
21 Office of State Police in the appeal of  
22 Mr. Gary P. Babin, No. V000017686.

23 On or about June 30th, 2011,  
24 Mr. Babin sought approval of a new video  
25 draw poker employee permit as a

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1 Certified Technician Level I from the  
2 Division.

3 By notice of denial of video draw  
4 poker employee permit application dated  
5 July 22nd, 2011, the application was  
6 denied. After a hearing regarding these  
7 matters on December 5th, 2011, Hearing

8 Officer Reynolds ordered that the video  
9 draw poker employee permit application  
10 of Mr. Babin be denied citing his  
11 failure to honestly, accurately and  
12 completely answer portions of his  
13 application for a video draw poker  
14 employee permit and his failure to  
15 sustain his burden of proving  
16 suitability.

17 At issue here is whether Mr. Babin's  
18 video draw poker employee permit  
19 application should be denied based on  
20 his statutory disqualification pursuant  
21 to provisions of Louisiana Revised  
22 Statute 27:310.8. During the hearing --  
23 the administrative hearing in this  
24 matter, the Division presented evidence  
25 that Mr. Babin pled guilty to bank fraud

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1 and possession of a Schedule II  
2 Controlled Dangerous Substance. Each  
3 charge is punishable by more than one  
4 year.

5 On January 25th of 1999, Mr. Babin  
6 pled guilty to both charges and was  
7 sentenced to five years in the Louisiana  
8 Department of Corrections. Each  
9 sentence was to run concurrent with the  
10 other.

11 Mr. Babin's sentences for each  
12 charge were suspended, and he was placed  
13 on supervised probation for a period of  
14 five years. On January 10th, 2005,  
15 during a probation revocation hearing  
16 Mr. Babin's probation on each of the  
17 aforementioned charges was terminated  
18 unsatisfactorily.

19 The hearing officer's decision to  
20 deny Mr. Babin a video draw poker  
21 employee permit in this matter was  
22 correct. The Division does assert,  
23 however, that Mr. Babin is statutorily  
24 disqualified because less than ten years  
25 have lapsed between the date of his

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1 application, which was June 30th of  
2 2011, and the successful completion or  
3 service of any sentence, deferred  
4 adjudication or period of probation or  
5 parole for the bank fraud and possession  
6 of controlled dangerous substance  
7 charges.

8 And in conclusion, the Division  
9 would respectfully request that the  
10 Board uphold the decision of the hearing  
11 officer that Mr. Babin's video draw  
12 poker application be denied, but for the  
13 reason that he statutorily is

14 disqualified.

15 CHAIRMAN MORGAN: Thank you. Any  
16 questions?

17 MR. BRADFORD: We need a motion?

18 CHAIRMAN MORGAN: Motion to affirm.

19 MR. BRADFORD: I move that we uphold  
20 the hearing officer.

21 CHAIRMAN MORGAN: Motion by  
22 Mr. Bradford to uphold the hearing  
23 officer's decision. Is there a second?

24 MS. ROGERS: Second.

25 CHAIRMAN MORGAN: Second by  
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1 Miss Rogers. Is there any objection?

2 Hearing none, that's approved. Thank  
3 you.

4 9. In Re: Kiyunta Caffrey - No. PO40047343

5 (appeal)

6 CHAIRMAN MORGAN: Item 9.

7 MS. COLLY: Good morning, Chairman

8 Morgan, Nicolette Colly representing the

9 Louisiana Office of State Police in the

10 appeal of Kiyunta Caffrey permit number  
11 PO40047343.

12 Kiyunta Caffrey holds a non-key  
13 gaming employee permit. Miss Caffrey's  
14 permit was suspended and penalized \$250  
15 on January 5th, 2012, for her failure to  
16 submit an IRS tax clearance. Miss

17 Caffrey was notified and the tax  
18 clearance was requested on May 4th,  
19 2011. The clearance was not submitted  
20 until November 1st, 2011, by the IRS.

21 Although Miss Caffrey states she was  
22 on a payment schedule, she became  
23 delinquent in those payments and could  
24 not be cleared by the IRS. Several  
25 attempts were made by the Division to

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1 notify Miss Caffrey of the action that  
2 would be taken against her permit.

3 Those notices were returned to the  
4 Division unclaimed. Miss Caffrey did  
5 not accept her mail at her address and  
6 did not submit her tax clearance.

7 I would further like to state for  
8 the record that Miss Caffrey on February  
9 15th, 2012, submitted the \$250 penalty  
10 in the form of a money order to the  
11 Division. She stated that she requested  
12 the appeal because she didn't have the  
13 money and needed time to borrow it.

14 Accordingly, the Office of State  
15 Police respectfully requests that  
16 Hearing Officer Reynolds' decision and  
17 order suspending Miss Caffrey's permit  
18 until she pays the penalty should be  
19 affirmed.

20 CHAIRMAN MORGAN: Okay. Thank you.

21 I don't think she's here today.

22 MS. SMITH: No, she couldn't come.

23 CHAIRMAN MORGAN: And we did confirm  
24 that she paid the \$250, so I'll move  
25 that we affirm the hearing officer's

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1 decision, unless there's any other  
2 questions. Seconded by Miss Noonan.  
3 Any objection? Hearing none, that's --  
4 the motion is going to carry.

5 X. ADJOURNMENT

6 CHAIRMAN MORGAN: Is there any other  
7 business? [No response.] Motion to  
8 adjourn.

9 MS. NOONAN: I'll motion to adjourn.

10 CHAIRMAN MORGAN: Miss Noonan moves  
11 to adjourn. Any objection? We're  
12 adjourned.

13 COURT REPORTER: Who seconded?

14 CHAIRMAN MORGAN: I did.

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1 REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand  
4 Reporter, in and for the State of Louisiana, the  
5 officer before whom this sworn testimony was  
6 taken, do hereby state:

7 That due to the spontaneous discourse of this  
8 proceeding, where necessary, dashes (--) have been  
9 used to indicate pauses, changes in thought,  
10 and/or talkovers; that same is the proper method  
11 for a Court Reporter's transcription of a  
12 proceeding, and that dashes (--) do not indicate  
13 that words or phrases have been left out of this  
14 transcript;

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

18  
19  
20  
21  
22  
23

24 SHELLEY PAROLA

Certified Court Reporter #96001



25 Registered Professional Reporter

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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 February 16, 2012,

8 as taken by me in Stenographic machine shorthand,

9 complemented with magnetic tape recording, and

10 thereafter reduced to transcript, to the best of

11 my ability and understanding, using Computer-Aided

12 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 19th day of

20 March, 2012.

21

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23 \_\_\_\_\_  
SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

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