

LGCB Board of Directors' Meeting, (Pages 1:1 to 70:24)

1: 1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Thursday, August 19, 2010

10 House Committee Room 1

11 Louisiana State Capitol

12 Baton Rouge, Louisiana

13

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15

16 TIME: 10:00 A.M.

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1 APPEARANCES:

2

3 DANE K. MORGAN

4 Chairman

5

6 MAJOR CLAUDE MERCER

7 Vice-Chairman

8

9 VELMA ROGERS

10 Board Member

11

12 AYRES BRADFORD

13 Board Member

14

15 ROBERT G. JONES

16 Board Member

17

18 MARK STIPE

19 Board Member

20

21 JERRY JUNEAU

22 Board Member

23

24 JAMES SINGLETON (Arrived after roll call)

25 Board Member

3

1 APPEARANCES CONTINUED:

2

3 MAJOR MARK NOEL

4 Ex-Officio Board Member

5

6 EARL MILLET
7 Ex-Officio Board Member
8
9
10 LANA TRAMONTE
11 Executive Assistant to the Chairman

12

13 REPORTED BY:

14 SHELLEY G. PAROLA, CSR, RPR

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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: Good morning, it's
3 10:00, so we'll get started. The first
4 Thursday meeting. Lana, call the roll.

5 THE CLERK: Chairman Morgan?

6 CHAIRMAN MORGAN: Here.

7 THE CLERK: Major Mercer?

8 MAJOR MERCER: Here.

9 THE CLERK: Miss Rogers?

10 MS. ROGERS: Here.

11 THE CLERK: Mr. Bradford?

12 MR. BRADFORD: Here.

13 THE CLERK: Mr. Jones?

14 MR. JONES: Here.

15 THE CLERK: Mr. Stipe?

16 MR. STIPE: Here.

17 THE CLERK: Mr. Juneau?

18 MR. JUNEAU: Here.
19 THE CLERK: Mr. Singleton?
20 MR. SINGLETON: (No response.)
21 THE CLERK: Colonel Edmonson?
22 MAJOR NOEL: Major Noel for Colonel
23 Edmonson.
24 THE CLERK: Secretary Bridges?
25 MR. MILLET: Earl Millet for

8

1 Secretary Bridges.

2 II. COMMENTS FROM THE CHAIR

3 CHAIRMAN MORGAN: You'll be happy to
4 know I have no comments, so we'll go to
5 Item III, Approval of the Minutes.

6 III. APPROVAL OF THE MINUTES

7 CHAIRMAN MORGAN: Members, have you
8 had an opportunity to see the minutes to
9 review them? Do you have any questions?
10 I'll entertain a motion to waive formal
11 reading and approval.

12 MR. JUNEAU: I move.

13 CHAIRMAN MORGAN: By Mr. Juneau.

14 MS. ROGERS: Second.

15 CHAIRMAN MORGAN: Seconded by Miss
16 Rogers. Is there any objection?
17 Hearing none, the minutes are approved.

18 IV. APPROVAL OF THE BUDGET

19 CHAIRMAN MORGAN: Members, Item IV
20 is Approval of the Budget. 27:15(B)7

21 requires the Board to approve, after
22 appropriation for legislature and prior
23 to allocation of the budget, we had the
24 budget -- if you remember, earlier in
25 the year, we approved the budget to be

9

1 submitted -- the request to be
2 submitted. What you'll see is that
3 we -- we did not get everything we
4 requested, but we came in at -- it was
5 approved for \$961,603. And the
6 allocation is before you if you have any
7 questions, and if not, then I would
8 entertain a motion to approve the budget
9 spread.

10 MR. BRADFORD: So moved.

11 CHAIRMAN MORGAN: Moved by Bradford.

12 MAJOR MERCER: Second.

13 CHAIRMAN MORGAN: Seconded by Major
14 Mercer. Is there any objection? [No
15 response.]

16 Just for a note, we do anticipate
17 mid-year budget cuts, so. We can't take
18 many for whoever is listening.

19 V. REVENUE REPORTS

20 CHAIRMAN MORGAN: Okay. Item V is
21 Revenue Reports.

22 MS. JACKSON: Good morning, Chairman
23 Morgan and Board Members. My name is

24 Donna Jackson with the Louisiana State
25 Police Gaming Audit Section.

10

1 The riverboat revenue report for
2 July 2010, is shown on page one of your
3 handout. During July, the 13 operating
4 riverboats generated Adjusted Gross
5 receipts of \$152,004,182, an increase of
6 \$23 million or 18 percent from last
7 month, but a decrease of \$2.6 million or
8 2 percent from July of 2009. During
9 July the State collected fees totaling
10 \$32,680,899.

11 Next is a summary of the July 2010
12 gaming activity for Harrah's New Orleans
13 found on page three. During July,
14 Harrah's generated \$31,803,943 in gross
15 gaming revenue. July revenues are up
16 \$6.3 million or 25 percent from last
17 month, and up over \$2 million or
18 7.7 percent from July 2009. During
19 July, the State received \$5,095,890 in
20 minimum daily payments.

21 Slots at the Racetracks revenues are
22 shown on page four. During July, the
23 four racetrack facilities combined
24 generated Adjusted Gross Receipts of
25 \$35,610,245, an increase of \$5.2 million

11

1 or 17 percent from last month, but a
2 decrease of \$466,000 or 1.3 percent from
3 July of 2009.

4 Are there any questions?

5 CHAIRMAN MORGAN: Any questions?

6 You got off easy today. Video poker.

7 MR. BOSSIER: Good morning, Chairman

8 Morgan and Board Members. My name is

9 Jim Bossier with the Louisiana State

10 Police Gaming Audit Section. I'm

11 reporting video gaming information for

12 July of 2010, as shown on page one of

13 your handout.

14 During July 2010, eleven new

15 licenses were issued: Eight bars, two

16 restaurants and one truck stop. Forty

17 applications are currently pending in

18 the field: 23 bars, 13 restaurants, 1

19 truck stop and 3 device owners. During

20 July 2010, the Gaming Enforcement

21 Division assessed no penalties, and the

22 Gaming Enforcement Division collected

23 \$3,750 in penalties. There are

24 currently no outstanding penalties.

25 Please refer to page two of your

12

1 handout.

2 There are currently 14,654 video

3 gaming devices activated at 2,232

4 locations. Net device revenue for
5 July 2010 was \$51,073,013, a
6 \$3.6 million increase or 7.6 percent
7 when compared to the net device revenue
8 for June 2010, and a \$606,000 decrease
9 or 1.2 percent when compared to
10 July 2009.

11 Net device revenue for fiscal year
12 2010-2011 to date is \$51,073,013, a
13 \$606,000 decrease or 1.2 percent when
14 compared to the net device revenue for
15 fiscal year 2009-2010. Page three of
16 your handout shows a comparison of net
17 device revenue.

18 Total franchise fees collected for
19 July of 2010 were \$15,191,536, a
20 \$1.09 million increase when compared to
21 the June 2010, and a \$163,000 decrease
22 when compared to July of 2009.

23 Total franchise fees collected for
24 fiscal year 2010-2011 to date are
25 \$15,191,536, a \$163,000 or 1.1 percent

13

1 decrease when compared to last year's
2 franchise fees. Page four of your
3 handout shows a compare comparison of
4 franchise fees.

5 Does anybody have any questions?

6 Thank you.

7 CHAIRMAN MORGAN: Any questions?

8 [No response.] Thank you.

9 VI. COMPLIANCE REPORTS

10 CHAIRMAN MORGAN: Members, the next
11 item is compliance reports.

12 MS. BROWN: Good morning. Chairman
13 Morgan, Board Members, I'm Assistant
14 Attorney General, Mesa Brown. I'm
15 presenting the staff report on riverboat
16 casino and racetrack licensees'
17 compliance with voluntary employment and
18 procurement conditions for the second
19 quarter of 2010.

20 The second quarter reports are taken
21 from figures reported by 13 of the
22 operating riverboats to the Louisiana
23 Gaming Control Board. In the second
24 quarter of 2010, approximately 12,219
25 people were employed by the riverboat

14

1 industry. Of that number, 11,977 were
2 Louisiana residents; 7,365 were
3 minorities; and 6,796 were women. I'll
4 begin by saying that one licensee, Sam's
5 Town Hotel & Casino, achieved total
6 compliance.

7 Next I'll move on to total
8 employment. All licensees either met or
9 exceeded their voluntary conditions of

10 total employment with the exception of
11 four casinos. Diamond Jacks achieved
12 754 out of a goal of 770; Isle of Capri
13 Grand Palais achieved 407 out of a goal
14 of 520; Boomtown Bossier achieved 673
15 out of a goal of 775; and Eldorado
16 achieved 1,311 out of a goal of 1,500.

17 In the subcategories under the main
18 category of employment, all licensees
19 either met or exceeded their goal with
20 the exception of two casinos. Treasure
21 Chest fell short of its female
22 employment goal by achieving 50.70 out
23 of 51.86, and Hollywood Casino fell
24 short of its female goal by achieving
25 47.60 out of a goal of 51.86.

15

1 Next I'll address procurement. The
2 licensees are grouped according to three
3 subcategories, which appear in your
4 report. They are Louisiana procurement,
5 minority and female procurement.
6 Louisiana procurement: Eight licensees
7 did not achieve compliance with their
8 voluntary conditions, and they are
9 Diamond Jacks Casino & Resort, who
10 achieved 54.1 out of 75; Horseshoe
11 Casino & Hotel, 47.3 out of 75; Boomtown
12 Casino West Bank, 67.7 of 80; Belle of

13 Baton Rouge, 55.3 out of 75; Hollywood
14 Casino, 72.4 out of 80; Grand Palais
15 Isle of Capri, 74.8 out of 90; boomtown
16 Bossier, 65.2 out of 80; and L'Auberge
17 du Lac Hotel & Casino, 67.9 out of 80.
18 Minority procurement: Five
19 licensees did not achieve compliance
20 with their voluntary conditions. They
21 are Horseshoe Casino & Hotel, 12.1 out
22 of 35; Treasure Chest, 9.7 out of 15;
23 Amelia Belle, 2.8 out of 30; Isle of
24 Capri St. Charles, 4.7 out of 10;
25 Boomtown Bossier, 9.8 out of 10.

16

1 Female procurement: Two licensees
2 did not achieve compliance with their
3 voluntary conditions. They are Isle of
4 Capri Casino Grand Palais, they achieved
5 4.3 out of 8, and Belle of Baton Rouge
6 Casino achieved 14.2 out of 15 percent.

7 Are there any questions?

8 CHAIRMAN MORGAN: Members, are there
9 any questions? [No response.]

10 MS. BROWN: If not, I'll go on to
11 racetrack. I'll now present the staff
12 report on racetrack casino licensees'
13 compliance with statutory employment and
14 procurement conditions for the second
15 quarter of 2010. The second quarter

16 reports are taken from figures reported
17 by the four racetracks to the Louisiana
18 Gaming Control Board.

19 In the second quarter of 2010,
20 approximately 1,684 people were employed
21 by the industry. Of that number, 1,432
22 were Louisiana residents; 815 were
23 minorities and 957 were women. One
24 licensee achieved total compliance.
25 That licensee is Churchill Downs.

17

1 I'll begin with employment. All
2 licensees either met or exceeded their
3 statutory condition of hiring 80 percent
4 of Louisiana residents with the
5 exception of one licensee, Delta Downs
6 Racetrack & Casino. Delta Downs
7 achieved 69.4 out of the required 80.

8 Minority and female employment: All
9 licensees either met or exceeded their
10 voluntary conditions with the exception
11 of Harrah's Louisiana Downs. They fell
12 short of their goal of 60 percent female
13 employment by achieving 54.6. Both
14 Louisiana and Churchill Downs exceeded
15 minority and female procurement goals,
16 and both Delta and Evangeline Downs
17 exceeded female procurement goals, but
18 fell short of achieving their minority

19 procurement goals. Delta Downs achieved
20 1.8 out of 5, and Evangeline Downs
21 achieved 2.2 out of 5 percent.

22 Are there any questions?

23 MS. ROGERS: Yeah. Curiosity, the
24 ones -- the total, the ones who did not
25 meet their -- the ones who did not meet

18

1 their requirement, what's the
2 relationship between what they did
3 accomplish and the applications? Do you
4 know that? I'm just wondering if they
5 didn't meet because they didn't have the
6 applicants?

7 MS. BROWN: That's a question that
8 I'll be happy to speak with
9 compliance --

10 MS. ROGERS: It's just curiosity.

11 MS. BROWN: -- directors. I don't
12 know, but I can definitely speak with
13 the licensees to address that question,
14 and then I can report during the next
15 board meeting reports that are
16 presented.

17 MS. ROGERS: Thank you.

18 MS. BROWN: Okay.

19 CHAIRMAN MORGAN: I would like to
20 state and remind the board members, we
21 are in a beta test with industry on the

22 new reporting criteria, and so it is
23 anticipated that in -- I believe we
24 decided in January to allow them to
25 petition to amend their conditions on

19

1 their license to reflect -- more
2 accurately reflect what the demographics
3 of the area and with hiring procurement;
4 however, once those are amended, I think
5 the Board will take a little more
6 aggressive approach with compliance in
7 that regard making sure that the
8 licensees have a good faith effort to
9 ensure compliance with their conditions.

10 And, again, I know I told you
11 before, Mr. Smith, your office -- I
12 really liked the format. Thank you very
13 much. It's a lot easier to follow, and
14 I commend you and industry. Y'all have
15 a database, right? Progress.

16 MS. BROWN: Thank you.

17 VII. VIDEO GAMING ISSUES

18 A. Consideration of the following truckstop
19 applications:

20 1. Bebo's Casino, LLC, d/b/a Bebo's Casino
21 - No. 4600516157 (new application)

22 CHAIRMAN MORGAN: We'll move to
23 Video Gaming Issues, Item VII. Do I
24 have anyone from Bebo's Casino? No

25 applicant? Good morning.

20

1 MS. PICHON: Good morning, Chairman
2 Morgan and Members of the Board, I'm
3 Assistant Attorney General, Nicolette
4 Pichon, appearing before the Board on
5 the matter of the original application
6 of Bebo's Casino, LLC, d/b/a Bebo's
7 Casino, for a Type 5 video gaming
8 license.

9 The applicant is a Louisiana, LLC,
10 formed on May 29th, 2008. The
11 establishment is located at 2938 Highway
12 38, Suite B, Kentwood, Louisiana, 70444,
13 in St. Helena Parish. The property
14 where the truckstop is located is owned
15 by the applicant. The membership
16 interest of the company is as follows:
17 Jimmy E. Vielee, 50 percent Angelia M.
18 Vielee 50 percent.

19 The device operator for the location
20 will be TMI Enterprise, LLC. The device
21 operating agreement provides for the
22 applicant and device operator to split
23 the net gaming revenue 50/50.

24 In addition to being the device
25 operator for the location, TMI

21

1 Enterprise financed the construction of

2 the truckstop facility and was required
3 to meet suitability under the Type 5
4 license as a person with significant
5 influence. The loan agreement between
6 Bebo's and TMI is secured by a first
7 mortgage on the truckstop facility and
8 the land upon which it is situated. TMI
9 Enterprise, LLC, is 100 percent owned by
10 L & B Holdings, LLC. The membership
11 interest of L & B Holdings is as
12 follows: Wendy Jane Bebo inter vivos
13 trust, 25 percent; Summer Vielee Shaw
14 inter vivos trust, 25 percent; Rachel
15 Rene Vielee inter vivos trust,
16 25 percent; and Brandy Susan Vielee
17 inter vivos trust, 25 percent.

18 The trustees of the trust are Wendy
19 Vielee, Summer Vielee, Rachel Vielee and
20 Jody Guillory. The beneficiaries of the
21 trust are Wendy Vilet, Summer Shaw,
22 Rachel Vielee and Brandy Vielee.

23 Trooper Vincent Lenguyen has
24 conducted a suitability investigation of
25 the relevant persons associated with the

22

1 applicant and has also inspected the
2 truckstop facility. He is present this
3 morning to report his findings to the
4 Board.

5 TROOPER LENGUYEN: Good morning,
6 Chairman Morgan and Members of the
7 Board. My name is Trooper Vincent
8 Lenguyen with the Louisiana State
9 Police. I conducted a full suitability
10 investigation of Jimmy Vielee and
11 Angelia Vielee and found no information
12 to preclude a finding of suitability.
13 Jody Guillory, Wendy Vielee, Summer
14 Shaw, Rachel Vielee and Lewis Vielee
15 were previously found suitable in
16 connection with other gaming licenses.
17 Brandy Susan Vielee is a minor and was
18 not required to submit to a suitability
19 investigation.

20 Tax clearance certificates and
21 inquiry revealed that the applicant and
22 its owners are current in the filing and
23 payment of all required tax and returns
24 An on-site inspection was conducted, and
25 it was determined that the establishment

23

1 meets all criteria set forth in video
2 gaming law as a qualified truckstop
3 facility. All required licenses and
4 permits were posted and valid at the
5 time of inspection.

6 The establishment consist of at
7 least five contiguous acres. No fuel

8 sales report was submitted; therefore,
9 the applicant will be operating the 25
10 devices until fuel sale data support
11 qualifications for additional machines.

12 MS. PICHON: The Office of Attorney
13 General has reviewed the file compiled
14 as a result of the investigation
15 conducted by the Video Gaming Division
16 of the Office of State Police. Our
17 review indicates that no information has
18 been found to preclude issuance of a
19 Type 5 video gaming license to Bebo's
20 Casino, LLC, d/b/a Bebo's Casino. We'll
21 be happy to answer any questions that
22 you have.

23 CHAIRMAN MORGAN: Thank you. Any
24 questions? [No response.]

25 MAJOR MERCER: I move we approve.

24

1 CHAIRMAN MORGAN: Motion by Major
2 Mercer to approve.

3 MR. JONES: Second it.

4 CHAIRMAN MORGAN: Seconded by
5 Mr. Jones. Is there any objection?
6 Hearing none, it's approved.

7 2. Krawdaddy's LA, LLC, d/b/a Krawdaddy's
8 LA - No. 6100513858

9 CHAIRMAN MORGAN: Item two is
10 Krawdaddy's Louisiana, LLC.

11 MS. PICHON: Assistant Attorney
12 General Nicolette Pichon appearing
13 before you in the matter of the transfer
14 of the 100 percent ownership interest in
15 Six L, LLC, manager and revenue
16 recipient of the truckstop facility
17 owned by Krawdaddy's Louisiana, LLC.

18 On April 15th, 2010, Joseph Brian
19 LeFleur sold his 100 percent membership
20 interest in 6L, LLC, to Marvin H.
21 Nguyen. Six L will receive 50 percent
22 of the net device revenue after
23 franchise fees in consideration of its
24 management services.

25 Vincent Lenguyen has conducted a

25

1 suitability investigation of the
2 relevant persons associated with the
3 applicant and has also inspected the
4 truckstop facility. He is present this
5 morning to report his findings to the
6 Board.

7 TROOPER LENGUYEN: Good morning,
8 Chairman Morgan and Board Members. My
9 name is Trooper Vincent Lenguyen with
10 Louisiana State Police. I conducted a
11 full suitability investigation of Marvin
12 Nguyen and found no information to
13 preclude a finding of suitability.

14 MS. PICHON: The Office of the
15 Attorney General has reviewed the file
16 compiled as a result of the
17 investigation conducted by the Video
18 Gaming Division of the Office of State
19 Police. Our review indicates that no
20 information has been found to preclude
21 Mr. Nguyen from participating in the
22 gaming industry.

23 CHAIRMAN MORGAN: In reading the
24 report, he has a \$320,000 owner-financed
25 by Mr. LeFleur and \$280,000 in

26

1 promissory notes from a relative; is
2 that correct?

3 TROOPER LENGUYEN: Yes.

4 CHAIRMAN MORGAN: How much money did
5 he put up?

6 TROOPER LENGUYEN: He put the
7 difference for the cash flow for the
8 truckstops, to manage the truckstop. So
9 any administrative costs and stuff like
10 that.

11 CHAIRMAN MORGAN: And he's -- they
12 filed appropriate paperwork between the
13 promissory note between him and his
14 relatives?

15 TROOPER LENGUYEN: Yes.

16 CHAIRMAN MORGAN: Any questions?

17 MS. ROGERS: The criminal records
18 have all been voided?

19 TROOPER LENGUYEN: Yes. He already
20 did his DWI arrests and stuff. He paid
21 the fine and did his days in jail and
22 stuff, and it's been done and over with.
23 These are in the past 20 years.

24 MAJOR MERCER: The charge back in
25 1988 against his ex-wife, are they

27

1 divorced now?

2 TROOPER LENGUYEN: Yes, they are
3 divorced now effective March of 2010.

4 MAJOR MERCER: What was the charge?
5 Did you go that far back? Do you know
6 what -- I know she dropped the charges.

7 TROOPER LENGUYEN: Yeah, that was
8 assault. She allegedly was pushed down
9 the stairs at the time, and the wife
10 didn't want to pursue the charge or
11 anything, so that's why she -- the
12 charge was dismissed. And there was no
13 other records relating to it.

14 MAJOR MERCER: And she has some kind
15 of restraining order against him now
16 presently?

17 TROOPER LENGUYEN: Yes. It's still
18 effective even though they are divorced
19 now.

20 CHAIRMAN MORGAN: Any other
21 questions? So if you approve, we need a
22 motion to transfer of interest; is that
23 correct? Board entertain a motion? Are
24 there any other questions?

25 MAJOR MERCER: You don't have a
28

1 problem whatsoever with this particular
2 person?

3 TROOPER LENGUYEN: No. Because,
4 basically, if you look at his
5 background, most of the charges were
6 DWI, and, basically, all those are
7 misdemeanor charges. No felony arrest
8 charges was on it, and with that
9 assault/battery, it was dismissed by his
10 spouse. So, therefore, we don't see any
11 reason for not approving this
12 application.

13 MR. JONES: I'll make a motion.

14 CHAIRMAN MORGAN: Okay. Members we
15 have a motion by Mr. Jones to approve
16 the transfer.

17 MR. BRADFORD: Second.

18 CHAIRMAN MORGAN: Seconded by
19 Mr. Bradford. Is there any objection?
20 Hearing none, it's approved.

21 3. Peto's I-10, LLC, d/b/a Peto's I-10

22 Travel Center and Casino - No.

23 2700516180 (new application)

24 CHAIRMAN MORGAN: Item 3 is Peto's?

25 MR. WAGNER: Good morning, Mr.

29

1 Chairman and Members of the Board. I

2 thought it was Peto's, as well, until I

3 met Mr. Peto (different pronunciation)

4 this morning. He corrected me.

5 I'm Assistant Attorney General,

6 Jonathan Wagner, before you in regard to

7 the original application of Peto's I-10,

8 LLC, doing business as Peto's I-10

9 Travel Center & Casino, for a Type 5

10 video poker gaming license.

11 Peto's is a Louisiana, LLC,

12 organized on October 3rd, 2008, and the

13 establishment is located on Highway 395

14 in Roanoke, Louisiana, which is in Jeff

15 Davis Parish. The applicant leases the

16 truckstop facility from Louis and Tina

17 Sellers and will operate all businesses

18 located on the premises.

19 Peto's I-10, LLC, is held 50 percent

20 by Louis W. Sellers, Jr., and 50 percent

21 by Tina H. Sellers. Catherine Casey is

22 an employee of Peto's, but exercises a

23 significant influence in the day-to-day

24 operations of the business in her

25 capacity as both bookkeeper and office

1 manager.

2 Trooper Vincent Lenguyen with the
3 State Police conducted the suitability
4 investigation of the relevant persons,
5 as well conducted an on-site inspection
6 of the facilities. He is here to
7 present the Office of State Police's
8 findings.

9 TROOPER LENGUYEN: Good morning,
10 Chairman and Board Members. My name is
11 Trooper Vincent Lenguyen with the
12 Louisiana State Police. I conducted a
13 suitability investigation on the
14 relevant persons associated with the
15 applicant and found no information that
16 would preclude a finding of suitability
17 for Louis W. Sellers, Jr., Tina H.
18 Sellers and Catherine Casey.

19 Tax clearance certificate and
20 inquiry revealed that the applicant and
21 its owners are current in the filing and
22 payment of all required taxes and
23 returns.

24 An on-site inspection was conducted,
25 and it was determined that the

1 establishment meet all criteria set
2 forth in the video gaming law as a

3 qualified truck stop facility. All
4 required state and local permits were
5 posted and valid at the time of the
6 inspection.

7 The establishment consists of at
8 least five contiguous acres. No fuel
9 sales report was submitted; therefore,
10 the applicant will be operating the 25
11 devices until fuel sales data support
12 qualifications for additional machines.

13 MR. WAGNER: The Office of the
14 Attorney General has reviewed the file
15 compiled as a result of the Office of
16 State Police's investigation, and our
17 review indicates that no information has
18 been found which would preclude the
19 issuance of a Type 5 video gaming
20 license to Peto's LLC. At this time, I
21 will be happy to answer all of your
22 questions, if any.

23 CHAIRMAN MORGAN: Just out of
24 curiosity, how long do they have to
25 operate before they're able to petition

32

1 to increase the number of machines?

2 TROOPER LENGUYEN: They have to have
3 90 days of fuel sales.

4 CHAIRMAN MORGAN: Ninety?

5 TROOPER LENGUYEN: Yes.

6 CHAIRMAN MORGAN: Any questions,
7 Members?

8 MAJOR MERCER: I move we approve.

9 CHAIRMAN MORGAN: Motion by Major
10 Mercer to approve.

11 MR. STIPE: Second.

12 CHAIRMAN MORGAN: Seconded by Mr.
13 Stipe. Is there any objection? Hearing
14 none, it's approved. Vincent, you've
15 been busy, huh?

16 TROOPER LENGUYEN: Yes.

17 CHAIRMAN MORGAN: Thank you.

18 MR. SINGLETON: Mr. Chairman, where
19 is Roanoke?

20 CHAIRMAN MORGAN: In Lake Charles.

21 MR. JONES: By Jennings.

22 MR. SINGLETON: Jennings?

23 VIII. CASINO GAMING ISSUES

24 A. Consideration of Certificate of
25 Compliance of the Riverboat Gaming

33

1 Alternate Inspection Program for
2 Louisiana Casino Cruises, Inc., d/b/a
3 Hollywood Casino - License No.
4 R011700193

5 CHAIRMAN MORGAN: Item VIII is
6 Casino Gaming Issues. A, Consideration
7 of the Certificate of Compliance of the
8 Riverboat Gaming Alternate Inspection

9 Program for Louisiana Casino Cruises
10 doing business as Hollywood Casino.

11 MR. TYLER: Thank you. Good
12 morning, Chairman Morgan and Board
13 Members. I'm assistant Attorney
14 General, Michael Tyler, and today I'm
15 join by Richard Goss of ABSC. We come
16 before you seeking the acceptance of the
17 alternate inspection report of Louisiana
18 Casino Cruises, Incorporated, d/b/a
19 Hollywood Casino, as performed and
20 prepared by ABSC, as well as the renewal
21 of the certificate of compliance for
22 Hollywood Casino.

23 On July 28th, 2010, Hollywood Casino
24 began the Alternate Inspection Process
25 for the renewal of its certificate of

34

1 compliance. For more on this process
2 and the findings of the alternate
3 inspection of Hollywood Casino, I now
4 turn this presentation over to Richard
5 Goss of ABSC.

6 MR. GOSS: Good morning, Chairman
7 Morgan and Board Members. My name is
8 Richard Goss with ABS Consulting. I'm
9 here to report the findings of a recent
10 annual inspection for the riverboat
11 gaming vessel Casino Rouge, which is

12 moored in the Mississippi River at the
13 Hollywood Casino here in Baton Rouge.
14 This inspection was accomplished
15 July 28th of this year on behalf of the
16 Louisiana Gaming Control Board and with
17 permission of the vessel owners.

18 Our attending marine surveyors were
19 Morton Downey and John Caleb. The
20 inspection was carried out in accordance
21 with the approved gaming vessel
22 checklist, which includes satisfactory
23 completion of firefighting and life
24 safety drills deemed appropriate by our
25 surveyors. The vessel's hull and

35

1 machinery -- hull machinery and outfit
2 were found to be generally in good
3 condition with only three minor
4 discrepancies that were not considered
5 to be significant life-saving issues.
6 Namely, there was one issue with water
7 in a rarely used potable water tank that
8 had not been tested for purity. It
9 should be understood that only -- the
10 only time water from this tank is used
11 is when there's an interruption of city
12 water supply to the vessel.

13 Water samples have been taken and
14 forwarded to a testing laboratory, and

15 the casino is awaiting results of that
16 test. In the interim, at our
17 recommendation, the tank is being
18 drained and flushed and water replaced
19 every 30 days with city water, which is
20 considered acceptable.

21 Also at time of annual inspection,
22 the bow thruster was not operative from
23 the bridge, and a manufacturer's
24 representative was aboard checking the
25 system. It was recommended at that time

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1 that the third party's findings and test
2 report be forwarded as soon as possible.
3 We have received that test report. It
4 turns out there was a switch in the
5 wrong position. It was thrown, and
6 everything works fine. We do have the
7 results of that test.

8 The last minor discrepancy was that
9 of a fixed firefighting system in the
10 surveillance room that we found. It
11 didn't have a current tag on it. The
12 system has since been inspected, tested
13 and retagged. Everything's fine, and
14 that's acceptable. It is, therefore,
15 our recommendation -- of ABS Consulting
16 that the riverboat gaming vessel, Casino
17 Rouge, be reissued its certificate of

18 compliance for one year.

19 MR. TYLER: We now submit these
20 findings to this honorable board for
21 acceptance and request that upon
22 accepting the inspection report, the
23 Board will move for the renewal of the
24 certificate of compliance of Hollywood
25 Casino.

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1 CHAIRMAN MORGAN: Are there any
2 questions? Will you entertain a motion
3 to accept the report and to approve the
4 renewal of the issuance of the
5 certificate of compliance?

6 MR. SINGLETON: I move.

7 CHAIRMAN MORGAN: By Mr. Singleton.

8 MR. JUNEAU: Second.

9 CHAIRMAN MORGAN: Seconded by
10 Mr. Juneau. Are there any objections?
11 Hearing none, it's approved. Thank you.

12 MR. TYLER: Thank you very much.

13 B. Update by Pinnacle Entertainment, Inc.,
14 on Baton Rouge Project - License No.
15 R011000801

16 CHAIRMAN MORGAN: Item B, Update by
17 Pinnacle Entertainment regarding the
18 Baton Rouge Project.

19 MR. SANFILIPPO: Chairman Morgan,
20 Members of the Board and others that are

21 here, thank you for having us here to
22 provide you an update on our efforts to
23 open up in December of 2011 our project
24 here in Baton Rouge. Now, I'll refer to
25 it as the project here in Baton Rouge

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1 because we don't have a name yet for the
2 facility. That is part of the process
3 we are going through as we work to open
4 up the facilities, to have the
5 appropriate name for the project, and
6 also the appropriate design.

7 I've had meetings with the Chairman
8 to let him know that we have taken a
9 different look at the design and layout
10 of the facility. We will meet all
11 requirements with the hotel and casino
12 as we work through it, but we're working
13 on this just to make sure we have the
14 best possible design, the best possible
15 facility that we can have to make this a
16 great success, not only for Pinnacle
17 Entertainment, but also for the State
18 and the City.

19 We've met with the mayor; we've
20 spent time with the mayor making sure he
21 is up to speed on where we are in the
22 process. I'd like to introduce the two
23 people with me. To your left is

24 Mr. Jack Godfrey, he is our general
25 counsel for our company; and to the

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1 right of me is Cliff Kortman, and Cliff
2 overseas our design and construction for
3 our company and works with us from a
4 development standpoint, too.

5 So we're going to talk about two
6 things. One is going to be the facility
7 itself, providing you an update on where
8 we are in the work that's being done to
9 construct the facility; and then two, to
10 talk with you about the people, which
11 are an extremely important part of the
12 facility and will make this facility
13 successful. So I'll provide you an
14 update on where we are and how we're
15 thinking about the staffing of this
16 facility.

17 So if I may turn it over to Cliff to
18 talk to you about where we are from a
19 construction standpoint.

20 MR. KORTMAN: Thank you, Anthony.
21 Good morning, Distinguished Members. I
22 want to just give you a quick update on
23 what we're doing out there. I know that
24 some of you have been on the site and
25 actually taken a tour of the site, and

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1 if you've been to Bellanger to take a
2 look at what we're doing in the
3 shipyard, I'm sure you were surprised by
4 the level of completeness of the barges
5 that are being assembled at their yard.

6 The project team has mobilized
7 additional site trailers to the sight in
8 anticipation for the work that's
9 scheduled to be done in the next -- in
10 the next period of time, within the next
11 30, 45 days, so you'll see more trailers
12 out there then you probably saw a couple
13 weeks ago. This is in anticipation of
14 the foundation pile driving that has
15 been bid and let and awarded. They were
16 supposed to mobilize yesterday
17 afternoon; unfortunately, we had one
18 little glitch. They actually are
19 mobilizing today. So I think we maybe
20 led you to believe that we were
21 mobilizing yesterday, but we actually
22 mobilized today.

23 Pile driving will commence on the
24 wet side within the next ten days, so
25 the rigs are coming to the site now.

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1 Pile delivery has started; the big steel
2 piles, the delivery has been started,
3 and we're anxious to start actually

4 seeing some real things coming out of
5 the ground.

6 The basin itself has been cut to
7 plus or minus one foot at this point.
8 We've got one more bid package that goes
9 out for that final cut, final grading,
10 and then the erection of the back wall
11 and some of the other basin control
12 perimeters. That work will be
13 commencing within the next 30 days, so
14 you'll see some additional things
15 happening on the wet side of the levee.

16 The entry roads, the temporary
17 construction access roads and also the
18 base for the permanent roads, some of
19 the base for the permanent roads,
20 they're started on the levee itself. So
21 as you go out there and take a look at
22 it, you can see that there's a lot of
23 things happening on the site today.
24 Next week will be even more things and
25 more exciting things, because you'll

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1 actually see some sticks up in the air
2 driving pile.

3 The cultural resource work, as you
4 guys all know, has been started, and
5 it's in accordance with the Army Corps
6 of Engineer's requirements. That work

7 is going well, going quickly. As you
8 know that we are required by the Corps
9 to do the investigation. Nothing is
10 earth shattering, nothing that we found
11 that we didn't already anticipate
12 finding, so all that work is going well.
13 That work is being done in anticipation
14 of the River Road relocation.

15 As you know, we had to do the work
16 prior to the River Road relocation. All
17 the surveying work and some of the site
18 drainage issues will be started within
19 the next month or so on River Road
20 relocation. So pretty important things,
21 pretty exciting things are going to
22 start really taking shape.

23 In the shipyard itself, I think we
24 shared with the Chairman a couple weeks
25 ago some photos, and I'm happy to update

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1 you with the photos as we move forward
2 with the barges. The bottoms for the
3 hulls have been fabricated now. The
4 pieces are starting to be put together,
5 so you're at -- you go to Bellanger now,
6 you'll actually see some of the
7 sidewalls standing up, and within the
8 near future you'll see connections being
9 made from the base hull to the

10 sidewalls. So all that work is going
11 quite well. We're pretty excited about
12 what we're doing right now, and we
13 really look forward to sharing further
14 information with you as you allow us to
15 update you in the future.

16 MR. SANFILIPPO: Chairman, I'll
17 comment on the people process and where
18 we are, and then any questions that you
19 our board members may have, we're happy
20 to address those.

21 We have in our company about 8,000
22 team members that are a part of Pinnacle
23 Entertainment. The good part of those
24 team members, over 3,600 of them, are
25 here in Louisiana. We, as you know,

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1 operate in New Orleans, Bossier City and
2 Lake Charles, with the largest operation
3 that we have in Lake Charles, over 2,200
4 team members, almost 2,300 team members
5 are in Lake Charles. We have an average
6 wage in Lake Charles that is close to
7 \$22,000 per person. That's there, so
8 there is great economic benefit that
9 happens when you're able to have a
10 successful facility and operate a
11 successful facility.

12 We expect that to happen here. I'm

13 excited about being in Baton Rouge. I
14 think it's a market that loses a number
15 of people to the Mississippi Gulf Coast,
16 and that's the great opportunity here is
17 to be able to attract people who are
18 today going to Mississippi here into
19 Baton Rouge.

20 We have a number of people who are
21 working on the project who are fully
22 focused on making sure that the staffing
23 models we put together, the timing of
24 bringing people onboard, is all
25 coordinated. There are a number of

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1 people that are doing that. We plan on
2 announcing our general management at the
3 beginning of 2011. We have one person
4 we have announced, and her name is Kim
5 Ginn, who is our senior director of
6 marketing. She lives here in Baton
7 Rouge with her family, and she receives
8 calls. She's the point person that we
9 have here today. A number of people
10 throughout our company who had started
11 in Louisiana with us who want to come
12 back home that have said, please
13 consider me; please allow me to transfer
14 down to Baton Rouge because I see this
15 as an opportunity to come back home.

16 So we have a lot of excitement in
17 our company as we start to pull together
18 and communicate key jobs that will be
19 opened up, and we do expect a number of
20 people who are working in -- in St.
21 Louis, in particular, there's a couple
22 of people there who are anxious to get
23 to the point that we start to bring on
24 some of the key jobs, because they're
25 excited about the opportunity of coming

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1 back here.

2 We are very much focused on both
3 meeting and exceeding commitments that
4 we've made. Chairman, we heard the
5 discussion that went on on whether it's
6 female or whether it's minority,
7 Louisiana, we are most committed and
8 I -- if you -- so I listen to that
9 report. I think there was just one
10 category, one location that we were
11 behind our goal. So that is a focus of
12 us to make sure we meet and exceed the
13 commitments that we make to you.

14 That is an update on both the people
15 and the construction side of it. We're
16 happy to answer any questions that you
17 may have.

18 CHAIRMAN MORGAN: Thank you for

19 coming in. Not to disclose any
20 proprietary information, but just for
21 the board members, I did have an
22 opportunity to see some of the concepts,
23 and I think you'll be pleasantly
24 surprised. I think it blends well with
25 the area and will be representative, if

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1 you don't change it.

2 MR. SANFILIPPO: No. We're making
3 it better. We're refining it.

4 CHAIRMAN MORGAN: Yeah, I think you
5 should anticipate an October meeting, I
6 believe, is what we've decided that you
7 will come in to petition the Board for
8 consideration of slight amendments we
9 need to approve to the project. So, you
10 know, we look forward to that.

11 I will turn it over to any board
12 member if you have any question.

13 MR. JONES: I have one question. Is
14 it going to be a one-level facility or
15 multi-level?

16 MR. SANFILIPPO: It will be a
17 one-level casino, but we will have a
18 second level where we'll have other
19 amenities on the second level. And then
20 what we'll show you, Mr. Jones, too, is
21 when we come back, the changes that

22 we've made are to the dry side to make
23 it much more convenient, much more guest
24 friendly to access the facility. Those
25 are the changes that we're making to it.

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1 The original design that we did show
2 you, the walk -- the walk was very, very
3 long. It was very inconvenient from a
4 guest standpoint, and so we're focused
5 on making it very convenient and really
6 a place that has -- is a place that will
7 be a little bit more than a casino,
8 which we think is very important.

9 And when you look at, in your
10 hometown what we've done with our Lake
11 Charles property, it is -- you see a lot
12 of activity that happens there. We have
13 a site of 500 acres. We're master
14 planning it so that we can -- as the
15 success of it moves forward, that we can
16 add other non-gaming amenities there, so
17 we wanted to utilize the acreage that we
18 had there to be able to plan for future
19 growth.

20 CHAIRMAN MORGAN: Representing this
21 area, I'm excited about a December 2011
22 opening.

23 MR. KORTMAN: Yes, sir.

24 CHAIRMAN MORGAN: Can't wait to see

25 that. Hope y'all are on target.

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1 MR. SANFILIPPO: We are focused on
2 that.

3 CHAIRMAN MORGAN: I've been knowing
4 you a long time, so you can pull a
5 rabbit out of a hat.

6 MR. SANFILIPPO: Well, the good news
7 is what's happening in the shipyard, so
8 he is very confident about that, and we
9 really believe on the design that we're
10 going to bring back to you. You're
11 going to really be pleased with that.

12 CHAIRMAN MORGAN: All right. Thank
13 you for coming in.

14 MR. SANFILIPPO: Great. Thank you.

15 C. Consideration of request by Sam's Town
16 Hotel and Casino for reconfiguration of
17 gaming space - License No. R016500097

18 CHAIRMAN MORGAN: Item D is
19 Consideration of request by Isle of
20 Capri Casinos for approval of the
21 transfer of indirect ownership interest.

22 Oh, I'm sorry, I skipped. I made my one
23 mistake for the day. Item C,

24 Consideration of request by Sam's Town
25 Hotel and Casino for reconfiguration of

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1 gaming space.

2 SERGEANT WATTS: Good morning,
3 Chairman Morgan, Board Members. I'm
4 Sergeant Jeff Watts with the Louisiana
5 State Police Gaming Enforcement
6 Division. Sam's Town Hotel and Casino
7 Shreveport is requesting a change to
8 their designating gaming area. Changes
9 consist of a net loss of four
10 machines -- four slot machines from
11 1,045 to 1,041 slots. There are no
12 changes with regard to table games.
13 The designated gaming area will
14 decrease from 29,234 square feet to
15 29,214 square feet, a decrease of 20
16 square feet. Sam's Town Hotel and
17 Casino would still be within a mandated
18 gaming square footage. The floor plan
19 was prepared by Jim Weisblog of Lay
20 Pitman & Associates. Lieutenant
21 Commander R.J. Jenkins, United States
22 Coast Guard, has approved the changes.
23 The Division has reviewed the proposed
24 floor changes and concurs with the Coast
25 Guard and Mr. Weisblog's findings. Any

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1 questions?

2 CHAIRMAN MORGAN: Mr. West?

3 MR. WEST: Just ask for approval.

4 MR. STIPE: I'll move.

5 CHAIRMAN MORGAN: Moved by Mr.
6 Stipe.

7 MS. ROGERS: Second.

8 CHAIRMAN MORGAN: Seconded by Miss
9 Rogers to approve. Any objection? [No
10 response.]

11 D. Consideration of request by Isle of Capri
12 Casinos, Inc., for approval of Transfer
13 of Indirect Ownership Interest

14 CHAIRMAN MORGAN: Item D is
15 Consideration of request now for Isle of
16 Capri Casinos for approval of the
17 transfer of indirect ownership interest.
18 Members, this is one of the issues that
19 falls within a gray area and probably
20 could have been approved by me, but I
21 went ahead and asked that it be on the
22 agenda for your consideration.

23 MR. GAUTREUX: Morning, Chairman,
24 Board Members, Leonce Gautreaux,
25 Assistant Attorney General. I will say,

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1 finally a simple easy one. As you-all
2 know in the past, a lot of these have
3 just been so complicated that this one
4 is really straightforward.

5 Approximately, 49.67 percent of the
6 shares of Isle of Capri will be
7 transferred to a newly formed entity

8 called GFIL Holdings, LLC. Collectively
9 this represents substantially all of the
10 Isle's shares controlled by what we call
11 the Goldstein family through various
12 entities and family trusts. GFIL is a
13 Delaware, LLC, which was formed on
14 June 28th, 2010. It was created for the
15 purpose of consolidating the Goldstein
16 shares into one entity so that they can
17 assure continuity of family ownership
18 and to consolidate their voting on the
19 Isle's shares.

20 GFIL will be managed by Robert,
21 Richard and Jeffrey Goldstein, all of
22 whom have previously met suitability in
23 connection with the Isle's initial
24 application for various renewals. The
25 Isle's shares will be exchanged for

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1 membership interest in GFIL.

2 If you look at Exhibit B, the little
3 memo I did, and compare it to Exhibit A,
4 you will see, in essence, all they're
5 doing is establishing a holding company
6 between the current Isle of Capri and
7 all of the Goldstein ownership interest,
8 and we found nothing to preclude
9 approval of this transfer of the
10 Goldstein Isle shares into GFIL, LLC.

11 CHAIRMAN MORGAN: Janet, you're not
12 going to come up to the table?

13 MS. BOLES: Yes, sir, if you want me
14 to.

15 CHAIRMAN MORGAN: It's always a
16 pleasure to see you. You have to come
17 up. Paul came up.

18 MS. BOLES: Janet Boles on behalf of
19 the Isle. As you said, it's just a
20 transaction. We're forming a holding
21 company to transfer almost all of the
22 Goldstein interest to the holding
23 company. It will consolidate for
24 purposes of continuity in the future and
25 maintain ownership within the family,

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1 unless they're looked at and they decide
2 they want to sell it off. But as the
3 Goldstein brothers are getting older and
4 their children are getting older, it's
5 just a vehicle to ensure the continuity
6 of ownership in the Goldstein family.
7 And there are no immediate tax
8 consequences that are foreseen.

9 CHAIRMAN MORGAN: Mr. Gautreaux, the
10 motion would be to approve?

11 MR. GAUTREAU: A motion to approve
12 the transfer of the 49.67 percent of
13 shares in Isle of Capri to GFIL

14 Holdings, LLC.

15 CHAIRMAN MORGAN: Are there any
16 questions?

17 MAJOR MERCER: Move for approval.

18 CHAIRMAN MORGAN: Major Mercer moves
19 to approve.

20 MR. JUNEAU: Second.

21 CHAIRMAN MORGAN: Seconded by
22 Mr. Juneau. Is there any objection?

23 Hearing none, thanks.

24 MS. BOLES: Thank you very much.

25 IX. RULEMAKING

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1 A. Adoption of amendments to LAC
2 42:XI.2403, 2405, 2407 & 2415
3 (Definitions, Application and License,
4 Operation of Video Draw Poker Devices
5 and Gaming Establishments)

6 CHAIRMAN MORGAN: Item IX is
7 Rulemaking, Adoption of amendments to
8 Louisiana Administrative Code
9 42.XI.2403.

10 MR. WAGNER: Good morning, Mr.
11 Chairman and Members of the Board. As
12 you stated already in the record, we're
13 here for final approval of the an
14 amendment to Part IX, the video poker
15 section of Title 42, miscellaneous
16 provisions. These were gonna to be the

17 definition of advertising and promotion,
18 as well as the various provisions
19 dealing with advertising on premises.

20 We have run the notice of intent in
21 the Louisiana Register, left open a
22 period for comments, of which my office
23 received none. I've also submitted a
24 second report to the Board's oversight
25 committees, which have also declined to

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1 make any comment or ask questions or
2 concerns concerning these rules. So at
3 this time, they're before the Board for
4 final approval.

5 CHAIRMAN MORGAN: Okay. We need a
6 motion -- if there's not any questions,
7 we need a motion for final of approval
8 of adoption, right?

9 MR. WAGNER: Yes, sir.

10 MR. BRADFORD: I move for approval.

11 CHAIRMAN MORGAN: Motion by
12 Mr. Bradford.

13 MR. JONES: Second.

14 CHAIRMAN MORGAN: Second by
15 Mr. Jones. No objections? It's
16 approved. Thank you.

17 B. Consideration of Comments - Proposed Rule

18 LAC 42:XI.2424 (Video Poker Fine

19 Schedule)

20 CHAIRMAN MORGAN: Item B.

21 MR. WAGNER: The second item is
22 Consideration of Comments that my office
23 received regarding the penalty schedule,
24 which the Board has voted to institute
25 rulemaking procedures for. As stated

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1 earlier for the previous rule, there is
2 a 20-day period in which my office takes
3 comments from the public following the
4 publication of our notice of intent in
5 the Register. During this time, we
6 received one comment questioning
7 42.XI.2424 on the proposed \$2,500
8 initial penalty for video poker
9 licensees who have allowed their ATC
10 permit to expire but then renewed them
11 during either the investigation or in
12 adjudication phase.

13 So this is a case that they let it
14 expire, and if they don't renew it on
15 their own, State Police pretty much has
16 to go after them to get them to do it.
17 The reason this is an issue is because
18 ATC will issue a retroactive permit, so
19 someone who could have been expired,
20 their ATC permit expired for a great
21 length of time, shows up at the hearing
22 and says, oh, look, I've got one and

23 it's got the right date on it; case
24 dismissed.

25 So, initially, Office of State

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1 Police and the Board voted for the
2 notice of intent to have a \$2,500
3 initial penalty, plus \$500 for each
4 30-day -- or a portion of the 30-day
5 period thereafter that the licensee does
6 not renew its ATC permit or does so
7 during the investigation or in
8 adjudication phase.

9 It's my understanding and discussion
10 with State Police that they are
11 agreeable to the idea of reducing the
12 initial penalty only to a thousand
13 dollars, but maintaining the 500. And
14 because this does constitute a change of
15 the notice of intent which the Board has
16 already voted on, I needed to come back
17 before you and seek your approval.

18 UNIDENTIFIED SPEAKER: We have no
19 objections.

20 CHAIRMAN MORGAN: I saw Mona walk
21 in. Do you want to address this? Have
22 y'all discussed with industry, they're
23 amenable to a thousand dollars?

24 MR. WAGNER: Yes, we have, sir.

25 CHAIRMAN MORGAN: Okay. So the

1 Board action would be a motion to --

2 help me out here, to --

3 MR. WAGNER: To approve the change

4 to the notice of intent.

5 CHAIRMAN MORGAN: Approve the change

6 to reflect 2,500 to a \$1,000.

7 MR. WAGNER: Yes, sir.

8 CHAIRMAN MORGAN: Are there any

9 questions? Will you entertain a motion?

10 MR. SINGLETON: I'll move.

11 CHAIRMAN MORGAN: Mr. Singleton

12 moves to approve the motion. Is there a

13 second?

14 MAJOR MERCER: Second.

15 CHAIRMAN MORGAN: By Major Mercer.

16 Is there any objection? [No response.]

17 It's approved.

18 MR. WAGNER: Thank you.

19 X. APPEAL FROM HEARING OFFICER'S DECISION

20 1. In Re: Rickey L. Fisher - No. PO40053766

21 CHAIRMAN MORGAN: Item X is Appeal

22 from Hearing Officer's Decision, Rickey

23 Fisher. This appeal was taken by the

24 Division?

25 MR. TYLER: That's correct.

1 CHAIRMAN MORGAN: Is Mr. Fisher

2 here? I believe he wasn't at the

3 hearing either.

4 MR. TYLER: No, he was not.

5 CHAIRMAN MORGAN: Go ahead.

6 MR. TYLER: Chairman Morgan, Board
7 Members, I'm Assistant Attorney General,
8 Michael Tyler, appearing on behalf of
9 the Division in the appeal of the matter
10 of Rickey L. Fisher. The Division
11 appeals the June 30th, 2010, decision of
12 Hearing Officer William Brown, in so
13 much as the decision does not conform to
14 the facts and evidence presented, and
15 the decision is not consistent with
16 prior precedent.

17 The facts and evidence presented
18 shows that Mr. Fisher was arrested once
19 on January 10, 2010, while operating a
20 vehicle while intoxicated, and then
21 again on January 19th, 2010, for cruelty
22 to animals. Hearing Officer William
23 Brown noted in his decision that Rickey
24 Fisher was required to report the fact
25 of any arrest to State Police within 15

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1 days of the arrest, and in the present
2 case, Mr. Fisher was arrested twice and
3 failed to notify State Police of both
4 arrests, which means that Mr. Fisher was
5 required to notify the Division of not

6 just one but both arrests.

7 Prior case and settlement precedent
8 shows that these matters are resolved
9 with the assessment of a \$250 penalty
10 for each failure to notify. In the
11 present matter, when Hearing Officer
12 Brown assessed a total civil penalty of
13 \$250 for these two violations, even
14 though the facts and evidence support
15 the assessment of a civil penalty
16 totaling \$500 to account for the two
17 failure to notify.

18 There was no evidence presented at
19 the hearing that these arrests occurred
20 out of the same transaction or
21 occurrence; therefore, no mitigating
22 evidence existed to support the
23 assessment of a penalty for only one
24 failure to notify.

25 Given the foregoing, the Division

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1 now comes to this board and asks that it
2 modify Hearing Officer Brown's decision
3 and assess a civil penalty of \$500 in
4 this matter instead of the \$250 that was
5 assessed by Hearing Officer Brown. As
6 such would be consistent and proper.
7 Any questions?

8 CHAIRMAN MORGAN: Members, any

9 questions from the Attorney General's
10 Office?

11 MAJOR MERCER: I have one. The
12 cruelty to animals, that's still
13 pending, that charge? I believe I
14 didn't see a disposition there. That is
15 simple cruelty, it's not aggravated?

16 MR. TYLER: No, it's not aggravated;
17 it was simple, and I believe it's a
18 misdemeanor charge and is still pending.

19 MR. BRADFORD: Mr. Tyler, did you
20 say -- I think you said that there's --
21 we have a precedent on this?

22 MR. TYLER: Yes. In all of the
23 settlements that we handle with regard
24 to a failure to notify or even matters
25 that have gone to hearing in failure to

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1 notify when evidence is presented such
2 as in this case, the settlement either
3 always included civil penalties to
4 account for each failure to notify, such
5 as in this case a failure to notify of
6 an arrest on two occasions, would always
7 result in a \$250 penalty for both
8 occurrence which would total to \$500.
9 The same has been the case in decisions
10 that have been rendered by the hearing
11 officers in the same regard.

12 It was just in this particular
13 matter, even though the evidence was
14 presented to show the two separate
15 arrests, even though he acknowledges --
16 meaning, Hearing Officer Brown in his
17 decision -- the two separate arrests and
18 even though the prayer at hearing was
19 for civil penalties to be assessed for
20 the two separate arrests, he just levied
21 a civil penalty of \$250 for that
22 occurrence.

23 CHAIRMAN MORGAN: Any questions?

24 MR. STIPE: We've received the 250?

25 MR. TYLER: No. No money has been

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1 transmitted given the fact that this
2 matter has been appealed.

3 CHAIRMAN MORGAN: Is he still
4 employed?

5 MR. TYLER: That, I do not know.

6 CHAIRMAN MORGAN: He's a non-key?

7 MR. TYLER: He's a non-key gaming
8 employee.

9 CHAIRMAN MORGAN: Any questions?
10 What's the pleasure of the Board?

11 MR. BRADFORD: The administrative
12 hearing officer, he was aware of both
13 violations at the time he made his --

14 MR. TYLER: Yes, he was. Actually,

15 if you reviewed the decision, he clearly
16 states that, number one, he restates the
17 fact that Mr. Fisher was arrested on
18 January 10th for the operating motor
19 vehicle while intoxicated; and then
20 separately again on January 19th, and he
21 does, in fact, state either in the
22 synopsis or in the body that there were
23 two separate arrests that he failed to
24 notify the Division of.

25 MS. ROGERS: And you don't know if

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1 he is still employed, or what's the --

2 MR. TYLER: That, I do not know. At
3 this particular time, I do not know
4 that.

5 MS. ROGERS: What's the policy
6 general -- what's the policy; should he
7 be employed?

8 CHAIRMAN MORGAN: I think he's
9 eligible if it's not a felony, or on a
10 misdemeanor. Under these charges, he'd
11 still, I think, be eligible to work.

12 MR. TYLER: Yes. The matter was
13 actually presented as an administrative
14 action, which meant that during the
15 pendency of this, her permit was not
16 suspended.

17 CHAIRMAN MORGAN: Fine versus the

18 suitability.

19 MR. TYLER: Correct.

20 CHAIRMAN MORGAN: Okay.

21 MR. BRADFORD: Have you got a
22 question?

23 MR. STIPE: No.

24 MR. BRADFORD: I have got a motion.

25 I move that the hearing officer's

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1 decision being amended, and that we
2 impose the civil penalty of \$250 on each
3 violation.

4 CHAIRMAN MORGAN: A total of \$500?

5 MR. BRADFORD: A total of \$500.

6 MR. SINGLETON: Second.

7 CHAIRMAN MORGAN: Motion by
8 Bradford, seconded by Singleton.

9 Members, is there any objection?

10 Hearing no objection, then it's
11 approved.

12 MR. TYLER: Thank you very much.

13 CHAIRMAN MORGAN: That's it for
14 appeal.

15 XI. PUBLIC COMMENTS

16 CHAIRMAN MORGAN: Public comments?

17 Any public comments? Hearing none --

18 MR. JONES: I have a question before
19 we adjourn. What is generally going to
20 be our modus operandi after we get the

21 proposals in for the 15th license?
22 CHAIRMAN MORGAN: We would have the
23 applicants -- once we received them, we
24 will -- State Police, actually, will
25 have an opportunity to do a cursory

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1 background check prior to. We would
2 have those folks come and give the
3 proposals to the Board, and the Board
4 would have an opportunity to entertain
5 the proposals.

6 MR. JONES: The date is what,
7 September 23rd, is it?

8 CHAIRMAN MORGAN: Yes.

9 MR. JONES: Which is a week after
10 our next meeting?

11 CHAIRMAN MORGAN: Correct.

12 MR. JONES: So we won't be looking
13 at it until October?

14 CHAIRMAN MORGAN: At the earliest,
15 earliest.

16 MR. JONES: I'm just wondering what
17 the time element is, you know, how long
18 will the presentations take and just
19 should we allot extra to -- I mean, you
20 know, can we to it at a regular meeting,
21 or do we have to call a special meeting?
22 You know, I was just curious.

23 CHAIRMAN MORGAN: It depends on the

24 number of applicant. I would hope we
25 can do it at a regular meeting, but the

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1 time frame, it takes a significant
2 amount of time for the background
3 investigations once, you know, there's
4 the selection. But it all really
5 depends on how many applicants we have.
6 I hope we have a lot, but if we only
7 have a couple, then we probably could
8 handle this during a regular meeting,
9 depending on what the other agenda
10 items. If not, we'll bring y'all some
11 sandwiches, and we'll be here a while.

12 MR. BRADFORD: You got that in the
13 budget?

14 CHAIRMAN MORGAN: I have sandwiches
15 in the budget, but that's about it. I
16 can't serve you anything more than that.

17 XII. ADJOURNMENT

18 CHAIRMAN MORGAN: Okay. Do we have
19 a motion to adjourn?

20 MR. BRADFORD: I'll make a motion.

21 CHAIRMAN MORGAN: By Mr. Bradford.
22 Seconded by?

23 MR. SINGLETON: Second.

24 CHAIRMAN MORGAN: Mr. Singleton.
25 Any objection? [No response.]

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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
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14 transcript;

15 That any words and/or names which could not
16 be verified through reference materials have been
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22 SHELLEY PAROLA

23 Certified Court Reporter #96001

24 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 in the
7 preceding matter on August 19, 2010, as taken by
8 me in Stenographic machine shorthand, complemented
9 with magnetic tape recording, and thereafter
10 reduced to transcript, to the best of my ability
11 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 21st day of
20 September, 2010.

21

22

23

SHELLEY G. PAROLA, CCR, RPR

24

CERTIFICATE NO. 96001