

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

1:1 LOUISIANA GAMING CONTROL BOARD

2

3 BOARD OF DIRECTORS' MEETING

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8 THURSDAY, JANUARY 16TH, 2020

9

10 Louisiana State Capitol

11 House Committee Room 1

12 900 North Third Street

13 Baton Rouge, Louisiana

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17 TIME: 10:00 A.M.

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1 APPEARANCES

2

3 RONNIE JONES

Chairman (At Large)

4 June 30, 2019

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6 MARK STIPE

(Attorney)

7 Seventh Congressional District

June 30, 2020

8

9 JAMES SINGLETON

(Public/Business Administration)

10 Second Congressional District

June 30, 2020

11

12 CLAUDE D. JACKSON

(At large)

13 Fourth Congressional District

June 30, 2021

14

15 JULIE A. LEWIS

Fifth Congressional District for Investigational

16 Law Enforcement

17

18 MICHAEL LEGENDRE

Office of Charitable Gaming

19 Director

20

21 JULIE BERRY

(CPA)

22 Third Congressional District

June 30, 2018

23

24 O. LAMAR POOLE, JR.

(Economic/Community Planner)

25 Sixth Congressional District

3

1 APPEARANCES (CONTINUED)

2

3 HARRY AVANT

(At Large)

4 Fourth Congressional District

June 30, 2024

5

6 ELTON LAGASSE

(At Large)

7 First Congressional District

June 30, 2021

8

9 LIEUTENANT ADAM ALBRIGHT

Louisiana Gaming, Baton Rouge Field Office

10

11 TRUDY SMITH

Confidential Assistant

12

13 LANA L. TRAMONTE

Principal Assistant

14

15 REPORTED BY:

BRITTANY E. VIDRINE, CCR, RPR

16 Baton Rouge Court Reporters

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1 I. CALL TO ORDER

2 CHAIRMAN JONES: Good morning and
3 welcome to the regular January meeting of
4 the Louisiana Gaming Control Board.

5 Ms. Tramonte, would you call the
6 roll.

7 MS. TRAMONTE: Chairman Jones?

8 CHAIRMAN JONES: Here.

9 MR. ALBRIGHT: Mr. Chairman.

10 MS. TRAMONTE: Wait.

11 CHAIRMAN JONES: Turn it up? It's
12 not working? I'm technology challenged.

13 Okay. I'm here.

14 Okay. Proceed.

15 MS. TRAMONTE: Mr. Avant?

16 MR. AVANT: Here.

17 MS. TRAMONTE: Ms. Berry?

18 MS. BERRY: Here.

19 MS. TRAMONTE: Mr. Jackson?

20 MR. JACKSON: Here.

21 MS. TRAMONTE: Mr. Lagasse?

22 MR. LAGASSE: Yes, ma'am.

23 MS. TRAMONTE: Ms. Lewis?

24 MS. LEWIS: Here.

25 MS. TRAMONTE: Mr. Poole?

7

1 MR. POOLE: Here.

2 MS. TRAMONTE: Mr. Singleton?

3 MR. SINGLETON: Here.

4 MS. TRAMONTE: Mr. Stipe?

5 MR. STIPE: Here.

6 MS. TRAMONTE: Colonel Reeves?

7 MR. ALBRIGHT: Lieutenant Albright

8 for Colonel Reeves.

9 MS. TRAMONTE: Secretary Robinson?

10 MR. LEGENDRE: Michael Legendre here

11 for Secretary Robinson.

12 CHAIRMAN JONES: Thank you. We have

13 a quorum, and we may conduct business.

14 II. PUBLIC COMMENTS

15 CHAIRMAN JONES: At this time, I'd

16 like to offer anyone in the audience to

17 come forth with public comments for

18 anything that we have on the agenda this

19 morning.

20 III. APPROVAL OF THE MINUTES

21 CHAIRMAN JONES: Okay. We'll

22 proceed to approval of the minutes. Do I

23 have a motion to waive reading and

24 approve the minutes of the December 2019

25 meeting?

8

1 Ms. Berry.

2 MR. JACKSON: Second.

3 CHAIRMAN JONES: Jackson. Any
4 objection? Without objection, the
5 minutes are adopted.

6 IV. REVENUE REPORTS

7 CHAIRMAN JONES: We'll now move to
8 revenue reports.

9 Good morning.

10 MS. JACKSON: Good morning, Chairman
11 Jones, Board Members. My name is Donna
12 Jackson with Louisiana State Police,
13 Gaming Enforcement Division.

14 The 15 operating riverboats
15 generated Adjusted Gross Receipts of
16 \$154,877,083 in December. This total
17 represents an increase of \$4.9 million or
18 3.3% from last month, but a decrease of
19 \$8.4 million or 5% from last December.

20 As information, last December had
21 one additional Saturday than this
22 December.

23 Adjusted Gross Receipts for fiscal
24 year 2019-2020 to date are almost
25 \$893 million, a decrease of \$44.5 million

9

1 or 5% from fiscal year 2018-2019.

2 During December, the state collected
3 fees totaling \$33,298,573. As of

4 December 31st, 2019, the state collected
5 \$192 million in fees for fiscal year
6 2019-2020.

7 Next is a summary of the
8 December 2019 gaming activity for
9 Harrah's New Orleans found on page three.

10 During December, Harrah's generated
11 \$26,418,312 in gross gaming revenue, a
12 slight increase of 1.3% from last month,
13 but a decrease of approximately
14 \$1 million or 3.5% from last December.

15 Revenues for fiscal year 2019-2020
16 to date are \$143 million, a decrease of
17 \$1.9 million or 1% from fiscal year
18 2018-2019.

19 During December, the state received
20 \$5,081,967 in minimum daily payments. As
21 of December 31st, 2019, the state
22 collected \$30 million in fees for fiscal
23 year 2019-2020.

24 Next I will present the revenues for
25 Slots at the Racetracks.

10

1 During December, the four racetrack
2 facilities combined generated Adjusted
3 Gross Receipts of \$29,083,083, a slight
4 increase of 1.4% from last month, but a
5 decrease from December 2018 of
6 \$1.5 million or 5%.

7 Adjusted Gross Receipts for fiscal
8 year 2019-2020 to date are almost
9 \$168 million, a decrease of \$3.9 million
10 or 2% from fiscal year 2018-2019.

11 During December, the state collected
12 \$4,411,904 in fees. As of December 31st,
13 2019, the state has collected
14 \$25.5 million in fees for fiscal year
15 2019-2020.

16 Overall in December, Riverboats,
17 Land Based, and Slots at the Racetracks
18 combined generated \$210.4 million in AGR
19 and \$42.8 million in state fees. These
20 revenues represent a decrease of
21 \$10.9 million or 4.9% from December of
22 2018.

23 CHAIRMAN JONES: Board Members, any
24 questions? No questions.

25 MS. JACKSON: We'll go into the

11

1 Harrah's employee information.

2 Harrah's New Orleans is required to
3 maintain at least 2,400 employees and a
4 biweekly payroll of \$1,750,835. This
5 report covers pay periods in December
6 2019. For the first pay period, the
7 Division verified 2,455 employees with a
8 payroll of \$2,109,000. For the second
9 pay period, the Division verified 2,453

10 employees with a payroll of \$2,091,000.
11 Therefore, Harrah's met the employment
12 criteria during December.

13 Questions?

14 CHAIRMAN JONES: Board Members, any
15 questions? There are no questions.

16 MS. JACKSON: Today I will also be
17 reporting video gaming statistics for
18 December 2019 as shown on page one of
19 your video handout.

20 Seven new video gaming licenses were
21 issued during December: Five bars, one
22 restaurant and one device owner.

23 Fourteen new applications were
24 received by the Gaming Enforcement
25 Division during December and are

12

1 currently pending in the field: Five
2 bars, eight restaurants, and one device
3 owner.

4 The Gaming Enforcement Division
5 assessed \$5,700 and collected \$15,000 in
6 fines during December. Outstanding fines
7 totaled \$6,550.

8 As shown on page two of your
9 handout, there are presently 12,903 video
10 gaming devices activated at 1,634
11 locations.

12 Net Device Revenue for December 2019

13 was \$53.2 million, an increase of
14 \$1.8 million or 3.5% when compared to
15 December 2019, and an increase of
16 \$1.1 million or 2.2% when compared to
17 December 2018.

18 Net Device Revenue for fiscal year
19 2019-2020 to date is \$305 million, an
20 increase of \$13 million or 4.5% when
21 compared to last fiscal year.

22 Page three of your handout shows a
23 comparison of the Net Device Revenue.

24 Total franchise fees collected for
25 December 2019 were approximately

13

1 \$16 million, a \$543,000 increase when
2 compared to November 2019, and a \$337,000
3 increase when compared to December 2018.

4 Total franchise fees collected for
5 fiscal year 2019-2020 to date are
6 \$91.3 million, a \$4 million or 4.6%
7 increase when compared to last fiscal
8 year.

9 Page four of your handout shows a
10 comparison of the franchise fees.

11 CHAIRMAN JONES: Board Members, any
12 questions with respect to the positive
13 video poker figures?

14 MS. JACKSON: I'm glad I could
15 report those.

16 V. CASINO GAMING ISSUES

17 A. Consideration of Renewal Application for the
18 Riverboat Gaming License of Red River
19 Entertainment of Shreveport, LLC, d/b/a Sam's
20 Town Hotel & Casino - No. R016500097

21 CHAIRMAN JONES: Yeah. There are no
22 questions. Thank you.

23 We'll now move to Casino Gaming
24 Issues. First up is Consideration of
25 Renewal Application for the Riverboat

14

1 Gaming License of Red River Entertainment
2 of Shreveport, LLC, doing business as
3 Sam's Town Hotel & Casino,
4 No. R016500097.

5 Good morning.

6 MR. GATHE: Good morning,
7 Chairman Jones, Members of the Board.
8 I'm Assistant Attorney General Jeremy
9 Gathe appearing today with Trnessia Ware
10 of Louisiana State Police, Audit
11 Division, and Investigator Riley
12 Blackwelder of Louisiana State Police,
13 Gaming Enforcement Division.

14 As you stated, this matter is a
15 matter for the renewal of the Riverboat
16 License of Red River Entertainment of
17 Shreveport, LLC, doing business as Sam's
18 Town Hotel & Casino located in

19 Shreveport, Louisiana.
20 Riverboat licenses are issued for a
21 five-year term, and this license is now
22 due to expire on March 8th, 2020.

23 Pursuant to Louisiana Revised
24 Statute 27:75(A), the Board is required
25 to act on any renewal application no

15

1 later than 30 days prior to the
2 expiration of its current license.

3 At this time, Trnessia Ware from the
4 Audit Division and Investigator Riley
5 Blackwelder will now report their
6 findings to the Board.

7 MS. WARE: Good morning, Chairman
8 Jones, Members of the Board. My name is
9 Trnessia Ware with Louisiana State
10 Police, Corporate Securities Audit.

11 Licensee Red River Entertainment of
12 Shreveport, LLC, doing business as Sam's
13 Town Hotel & Casino seeks the five-year
14 renewal of its license.

15 Sam's Town is 100 percent owned by
16 Red River Entertainment, which is
17 directly owned by Boyd Louisiana Racing,
18 LLC.

19 Boyd Gaming Corporation is the
20 ultimate parent to Boyd Louisiana Racing
21 and holds 100 percent ownership interest.

22 Sam's Town is one of six riverboat
23 casinos in the Shreveport/Bossier City
24 gaming market.

25 For fiscal year 2018-2019, Sam's

16

1 Town ranked fourth in the
2 Shreveport/Bossier City market with gross
3 receipts for approximately 74 million.

4 As shown on page three of our
5 report, Sam's Town spent approximately
6 1.3 million for capital expenditures in
7 2018, and the licensee projects it will
8 spend approximately 1 million per year
9 for capital expenditures for year 2019
10 through 2023.

11 Boyd charges Sam's Town a corporate
12 support service fee for administrative
13 services. Sam's Town recorded
14 approximately 3 million per year in
15 service fees from 2014 to 2016, and
16 2 million per year from 2017 to 2018.

17 In conclusion, no financial issues
18 came to our attention to preclude the
19 Board from approving the Sam's Town
20 license for a period of five years
21 effective March 8th, 2020.

22 Licensing will now present their
23 findings.

24 MR. BLACKWELDER: Good morning,

25 Chairman Jones, Members of the Board.

17

1 I'm Investigator Riley Blackwelder with
2 Louisiana State Police, Gaming
3 Enforcement Division.

4 The Division conducted an
5 investigation in regards to the five-year
6 license renewal of Red River
7 Entertainment of Shreveport, doing
8 business as Sam's Town Hotel & Casino and
9 its subsidiaries.

10 This investigation included their
11 officers, directors, and persons with a
12 5 percent more ownership interest in the
13 companies.

14 The investigation consisted of
15 inquiries through federal, state and
16 local law enforcement agencies,
17 computerized criminal history databases,
18 financial and civil institutions, and
19 gaming regulatory agencies.

20 At the conclusion of this
21 investigation, I discovered no
22 information which would keep the Board
23 from allowing Red River Entertainment of
24 Shreveport, doing business as Sam's Town
25 Hotel & Casino, its subsidiaries or any

18

1 of its officers, directors or board

2 members to be allowed to continue to
3 participate in the Louisiana Gaming
4 Industry.

5 MR. GATHE: If it is the Board's
6 pleasure to approve the renewal
7 application of Red River Entertainment of
8 Shreveport, LLC, doing business as Sam's
9 Town Hotel & Casino, a resolution has
10 been prepared for your consideration.

11 CHAIRMAN JONES: Thank you. Board
12 Members, are there any questions with
13 respect to this renewal application?

14 The Board is clear.

15 Do I have a motion to adopt the
16 resolution?

17 MR. JACKSON: Motion to approve.

18 CHAIRMAN JONES: By Mr. Jackson.
19 And Ms. Lewis, second.

20 Ms. Tramonte, would you read the
21 resolution into the record.

22 MS. TRAMONTE: [As read]: "On the
23 16th day of January, 2020, the Louisiana
24 Gaming Control Board did, in a dually
25 noticed public meeting, consider the

19

1 License Renewal Application of Red River
2 Entertainment of Shreveport, LLC, doing
3 business as Sam's Town Hotel & Casino,
4 and upon motion dually made and seconded,

5 the Board adopted the following
6 resolution: Be it -- excuse me -- be it
7 resolved that the riverboat casino
8 license of Red River Entertainment of
9 Shreveport, LLC, doing business as Sam's
10 Town Hotel & Casino, No. R016500097, be
11 renewed for a term of five years
12 commencing March 8th, 2020, subject to
13 all conditions previously placed on the
14 license.

15 Thus done and signed in Baton Rouge,
16 Louisiana, the 16th day of January,
17 2020."

18 Mr. Avant?

19 MR. AVANT: Yes.

20 MS. TRAMONTE: Ms. Berry?

21 MS. BERRY: Yes.

22 MS. TRAMONTE: Mr. Jackson?

23 MR. JACKSON: Yes.

24 MS. TRAMONTE: Mr. Lagasse?

25 MR. LAGASSE: Yes.

20

1 MS. TRAMONTE: Ms. Lewis?

2 MS. LEWIS: Yes.

3 MS. TRAMONTE: Mr. Poole?

4 MR. POOLE: Yes.

5 MS. TRAMONTE: Mr. Singleton?

6 MR. SINGLETON: Yes.

7 MS. TRAMONTE: Mr. Stipe?

8 MR. STIPE: Yes.

9 MS. TRAMONTE: Chairman Jones?

10 CHAIRMAN JONES: Yes. Yes. And the
11 resolution is adopted. Thank you.

12 MR. GATHE: Thank you.

13 B. Consideration of Renewal Application for the
14 Riverboat Gaming License of Louisiana-1
15 Gaming, A Louisiana Partnership in Commendam
16 d/b/a Boomtown New Orleans - No. R012600196

17 CHAIRMAN JONES: Next up is
18 Consideration of Renewal Application for
19 the Riverboat Gaming License of
20 Louisiana-I Gaming, A Louisiana
21 Partnership in Commendam, doing business
22 as Boomtown New Orleans, No. R012600196.

23 Good morning.

24 MS. LANDRY: Good morning.

25 Good morning, Chairman Jones and

21

1 Board Members. I'm Assistant Attorney
2 General Lisha Landry appearing today with
3 Patricia Bell of the Louisiana State
4 Police, Audit Division, and Trooper
5 Joseph Hall of the Louisiana State
6 Police, Gaming Enforcement Division.

7 We're here today in the matter of
8 the renewal of the riverboat gaming
9 license of Louisiana-1 Gaming, a
10 Louisiana Partnership in Commendam, doing

11 business as Boomtown New Orleans, which
12 is located in Harvey, Louisiana.

13 Pursuant to Louisiana Revised
14 Statute 27:75(A), the Board is required
15 to act on any renewal application no
16 later than 30 days prior to the
17 expiration of the current license.

18 Riverboat gaming licenses are issued
19 for a five-year term, and this license is
20 now due to expire on March 22nd, 2020.

21 The Office of State Police has
22 reviewed the financial circumstances of
23 the licensee and completed suitability
24 investigation of the licensee, its parent
25 companies and principals.

22

1 At this time, Ms. Bell and
2 Trooper Hall will now provide the Board
3 with their findings.

4 MS. BELL: Good morning, Chairman
5 Jones and Members of the Board. My name
6 is Patricia Bell with Louisiana State
7 Police, Corporate Securities Audit.

8 Licensee Louisiana-1 Gaming, a
9 Louisiana Partnership in Commendam, doing
10 business as Boomtown Casino New Orleans
11 seeks the five-year renewal of its
12 license.

13 Boomtown, LLC, owns 95 percent of

14 Boomtown New Orleans and Pinnacle
15 Entertainment, Inc., indirectly Pinnacle
16 MLS, LLC, owns 5 percent of Boomtown
17 New Orleans and 100 percent of Boomtown,
18 LLC.

19 Penn National Gaming and its
20 ultimate parent wholly owns Pinnacle.

21 GLPI currently owns Boomtown
22 New Orleans' real estate assets under a
23 triple net lease.

24 Boomtown New Orleans is one of three
25 riverboat casinos in the New Orleans

23

1 market, along with one Land Based casino
2 and one Slots at the Track casino.

3 For fiscal year 2018-2019, Boomtown
4 New Orleans ranked second in the
5 New Orleans market with gross receipts of
6 approximately 118 million.

7 As shown on page four of our report,
8 Boomtown New Orleans spent approximately
9 860,000 for capital expenditures in 2018.

10 The amount spent in 2018 was the
11 lowest amount spent as the prior three
12 years of expenditures, all exceeded
13 1 million. The projected amount of
14 expenditures for 2019 was approximately
15 1.9 million.

16 The licensee projects it will spend

17 approximately 10.9 million in the
18 aggregate for capital expenditures for
19 years 2020 through 2024.

20 Commencing October 2018, Boomtown
21 New Orleans pays Penn a monthly corporate
22 overhead services fee of 2 percent of net
23 revenues. For the period of October 15,
24 2018, through December 31st, 2018,
25 Boomtown paid 451,000 for corporate

24

1 overhead services.

2 In conclusion, no financial issues
3 came to our attention to preclude the
4 Board from approving the Boomtown
5 New Orleans license for a period of five
6 years effective March 22, 2020.

7 Licensing will now present their
8 findings.

9 MR. HALL: Good morning, Chairman
10 Jones and Members of the Board. I'm
11 Trooper First Class Joseph Hall with the
12 Louisiana State Police, Gaming
13 Enforcement Division.

14 The Division conducted an
15 investigation in regards to the five-year
16 license renewal of Louisiana-1 Gaming, a
17 Louisiana Partnership in Commendam, doing
18 business as Boomtown New Orleans and its
19 subsidiaries.

20 The investigation included their
21 officers, directors and persons with a
22 five percent or more ownership interest
23 in the companies.

24 The investigation consisted of
25 inquiries through federal, state and

25

1 local law enforcement agencies,
2 computerized criminal history databases,
3 financial and civil institutions, and
4 gaming regulatory agencies.

5 At the conclusion of the
6 investigation, the Division discovered no
7 information which would keep the Board
8 from allowing Louisiana-1 Gaming, a
9 Louisiana Partnership in Commendam, doing
10 business as Boomtown New Orleans and its
11 subsidiaries or any of its officers,
12 directors or board members to be allowed
13 to continue participating in the
14 Louisiana Gaming Industry.

15 MS. LANDRY: If it's the Board's
16 pleasure to renew the riverboat gaming
17 license of Louisiana-1 Gaming, a
18 Louisiana Partnership in Commendam, doing
19 business as Boomtown New Orleans, a
20 proposed resolution has been prepared for
21 the Board's adoption and the Chairman's
22 signature.

23 CHAIRMAN JONES: Board Members, are
24 there any questions with respect to
25 Boomtown New Orleans?

26

1 The Board is clear. Do I have a
2 motion? Mr. Lagasse.

3 MS. BERRY: Second.

4 CHAIRMAN JONES: And Ms. Berry.

5 Ms. Tramonte, would you read the
6 resolution into the record.

7 MS. TRAMONTE: [As read]: "On the
8 16th day of January, 2020, the Louisiana
9 Gaming Control Board, did, in a dually
10 noticed public meeting, consider the
11 license renewal application of
12 Louisiana-1 Gaming, a Louisiana
13 Partnership in Commendam, doing business
14 as Boomtown New Orleans and upon motion
15 dually made and seconded, the Board
16 adopted this resolution.

17 Be it resolved that the riverboat
18 casino license of Louisiana-1 Gaming, a
19 Louisiana Partnership in Commendam, doing
20 business as Boomtown New Orleans,
21 No. R012600196 be renewed for a term of
22 five years commencing March 22nd, 2020,
23 subject to all conditions previously
24 placed upon the license.

25 Thus done and signed in Baton Rouge,

1 Louisiana, the 16th day of January,
2 2020."

3 Mr. Avant?

4 MR. AVANT: Yes.

5 MS. TRAMONTE: Ms. Berry?

6 MS. BERRY: Yes.

7 MS. TRAMONTE: Mr. Jackson?

8 MR. JACKSON: Yes.

9 MS. TRAMONTE: Mr. Lagasse?

10 MR. LAGASSE: Yes.

11 MS. TRAMONTE: Ms. Lewis?

12 MS. LEWIS: Yes.

13 MS. TRAMONTE: Mr. Poole?

14 MR. POOLE: Yes.

15 MS. TRAMONTE: Mr. Singleton?

16 MR. SINGLETON: Yes.

17 MS. TRAMONTE: Mr. Stipe?

18 MR. STIPE: Yes.

19 CHAIRMAN JONES: "Yes."

20 MS. TRAMONTE: Oh, okay. Sorry.

21 Chairman Jones?

22 CHAIRMAN JONES: Yes. And the
23 resolution is adopted. Motion carries.

24 Thank you.

25 C. Consideration of Joint Petition for Approval of

1 Merger Agreement by and among Eldorado Resorts,
2 Inc., Caesars Entertainment Corporation and Colt

3 Merger Sub, Inc.

4 CHAIRMAN JONES: Next up is
5 Consideration of Joint Petition for
6 Approval of Merger Agreement by and among
7 Eldorado Resorts, Inc., Caesars
8 Entertainment Corporation and Colt Merger
9 Sub, Inc.

10 I think we've decided on a -- on the
11 sequence of speakers this morning. First
12 I'd like everyone who anticipates
13 speaking to stand and be sworn. At the
14 table, as well. Thank you. Thank you.

15 Swear them in.

16 COURT REPORTER: Please raise your
17 right hands.

18 Do you solemnly swear or affirm that
19 the testimony you are about to give in
20 this matter is the truth, the whole truth
21 and nothing but the truth so help you
22 God?

23 ("I do" in unison.)

24 COURT REPORTER: Thank you.

25 CHAIRMAN JONES: Thank you. And if

29

1 anyone else is required to come to the
2 table based on questions or to provide
3 information that you did not anticipate
4 at the outset, we'll swear you in at that
5 time.

6 So for the record, let it reflect
7 that the three at the table have been
8 sworn. Good morning.

9 MS. MOORE: Good morning. I think
10 this is the first time I've been sworn
11 in.

12 CHAIRMAN JONES: You opened the
13 door, there, but I'm not going to -- I'm
14 not going to crawl through it, okay.

15 MS. MOORE: Okay. Chairman Jones,
16 Members of the Board, I am Assistant
17 Attorney General Charmaine Moore
18 appearing in the matter of the joint
19 petition of Eldorado Resorts, Inc., and
20 Caesars Entertainment Corporation seeking
21 the approval of Eldorado's acquisition of
22 Caesars and other related transactions
23 including new debt financing.

24 Together Eldorado and Caesars own
25 six Louisiana casino licensees. Eldorado

30

1 and Caesars have entered into an
2 agreement and plan of merger pursuant to
3 which a specially formed larger
4 subsidiary of Eldorado will merge with
5 and into Caesars, which will survive the
6 merger and then become a subsidiary of
7 Eldorado.

8 The purchase price for Caesars is

9 \$17.3 billion to consist of cash,
10 Eldorado common stock, and the assumption
11 of outstanding debt of Caesars.

12 Once the merger is effectuated, the
13 current shareholders of Eldorado will
14 hold 51 percent of Eldorado stock, and
15 the current shareholders of Caesars will
16 hold 49 percent of Eldorado stock.

17 Shareholders of both corporations
18 approved the merger on November 15th,
19 2019. Eldorado and Caesars have agreed
20 to an initial closing date of June 24th,
21 2020.

22 Once the merger is completed,
23 Eldorado will convert from a Nevada
24 entity to a Delaware entity and change
25 its name to Caesars Entertainment, Inc.

31

1 Caesars Entertainment Corporation and its
2 subsidiaries, including its Louisiana
3 licensees, with a possible exception of
4 Eldorado Shreveport, will continue to
5 exist as subsidiaries of the renamed
6 Eldorado.

7 On January 10th of this year,
8 Eldorado entered into an agreement with
9 Maverick Gaming to sell Eldorado
10 Shreveport for \$230 million.

11 Maverick is a Nevada-based entity

12 formed in 2017 and currently operates 27
13 gaming operations in three states.

14 The Shreveport/Bossier casino market
15 was one of five areas of antitrust
16 concern to the FTC, which is still
17 investigating the overall transaction;
18 however, Eldorado and Caesars are in the
19 process of divesting certain of their
20 properties to address the FTC concerns
21 and to raise additional funding for the
22 proposed merger.

23 On the effective date of the merger,
24 the currently issued slot license of
25 Louisiana Downs will be surrendered and a

32

1 new license will be issued. This is
2 because the law regarding Slots at the
3 Track licenses is -- requires that
4 anytime there's a transfer of more than
5 50 percent of the ownership interest in a
6 licensee or a transfer that results in a
7 change of control, a new license must be
8 issued.

9 The transfer of Caesars to Eldorado
10 results in both a change of ownership
11 greater than 50 percent and a change of
12 control of Louisiana Downs.

13 On the same date that Eldorado and
14 Caesars entered into the merger

15 agreement, they entered into a master
16 transaction agreement with VICI
17 Properties, Inc., which provides for the
18 transfer and leaseback of several Caesars
19 properties to and from VICI. Among those
20 properties is Harrah's New Orleans, which
21 VICI has agreed to pay \$775.5 million.
22 The current Non-CPLV lease, which orally
23 provides for the lease of the other two
24 Caesars properties in Louisiana,
25 Horseshoe and Louisiana Downs, will be

33

1 amended to add additional annual rent of
2 \$66 million for the Harrah's New Orleans
3 property.

4 The transfer of the Harrah's
5 New Orleans property and the leaseback to
6 Jazz are contingent upon the closing of
7 the merger, the extension of the casino
8 operating contract with the state, and
9 the amendment of the ground lease between
10 the City of New Orleans and Jazz.

11 As you know, the casino operating
12 contract with the state has already been
13 amended. The amendment of the city lease
14 is still being negotiated.

15 When VICI -- when VICI acquired the
16 Real Property Assets for Horseshoe and
17 Louisiana Downs in 2017, those assets

18 became assets of a lease -- leaseback --
19 of a REIT leaseback to the appropriate
20 Caesars licensees. Certain conditions
21 were placed on the Board's approval of
22 the REIT transaction. Eldorado, Caesars,
23 and VICI have agreed to the same
24 condition -- conditions for the Board's
25 approval today of the inclusion of the

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1 Harrah's New Orleans property in the
2 REIT.

3 Eldorado intends to finance the
4 merger transaction with funds from
5 multiple sources including the transfer
6 of three Harrah's properties to VICI, the
7 purchase of rent increases by VICI, the
8 sale of several Eldorado and Caesars
9 Casino operating entities to third
10 parties, the issuance of secured and
11 unsecured Eldorado notes, new bank
12 financing and cash on hand.

13 Depending on the timing of the real
14 estate and casino sales, Eldorado may
15 rely temporarily on Bridge financing.
16 Some existing Eldorado and Caesars debt
17 will be refinanced.

18 Evie Ficklin with the Audit Section
19 of State Police will now present their
20 findings.

21 MS. FICKLIN: Good morning,
22 Mr. Chairman and Board Members. I'm Evie
23 Ficklin. I'm an auditor with Louisiana
24 State Police.

25 Joint petitioners, Eldorado and

35

1 Caesars have requested Board approval of
2 multiple transactions pursuant to certain
3 agreements that will ultimately result in
4 Eldorado's acquisition of Caesars.

5 Pursuant to the June 24th, 2019,
6 agreement and plan of merger, Eldorado's
7 subsidiary and merger vehicle, Colt
8 Merger Sub, Inc., will merge with and
9 into Caesars with Caesars surviving the
10 merger as a wholly-owned subsidiary of
11 Eldorado.

12 Eldorado estimates it will pay an
13 aggregated 10.3 billion in stock and cash
14 to Caesars shareholders in consideration
15 for their interest in Caesars.

16 The transaction overview schedule on
17 page seven shows the consideration
18 allocated between cash and stock. The
19 merger agreement provides Caesars
20 shareholders with an option to receive
21 the merger consideration in the form of
22 cash or stock; however, the total amounts
23 Eldorado will pay out in cash and stock

24 are set amounts. Proration, provisions,
25 and the merger agreement insure that

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1 those limits aren't exceeded. If either
2 the election to receive cash or stock
3 consideration is oversubscribed, Caesars
4 shareholders elected form of
5 consideration will be adjusted so as not
6 to exceed the set amounts.

7 Consummation of the merger agreement
8 will result in two transfers of interest.
9 The transfer of 100 percent interest in
10 Caesars to Eldorado, and the transfer of
11 approximately 49 percent interest in
12 Eldorado to Caesars shareholders as a
13 result of Eldorado's issuance of
14 approximately 77 million of its shares to
15 Caesars shareholders as consideration.

16 The number of shares comprising
17 Eldorado's stock issuance to Caesars
18 shareholders is of a size sufficient to
19 trigger a change in control.

20 In connection to the merger
21 agreement and in addition to the pay out
22 of consideration, Eldorado also plans to
23 refinance its existing debt and a Term
24 Loan B debt held by Caesars Operating
25 Company, CEOC, LLC. The sources and uses

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1 scheduled shown on page seven identifies
2 that debt.

3 In regards to financing agreements,
4 Eldorado intends to enter into a new
5 credit agreement and possibly issue new
6 senior notes. It has not finalized the
7 financing for the acquisition of Caesars
8 or the refinancing of its existing debt.

9 The exact financing next will remain
10 in flux dependent on the conditions
11 existing at the time Eldorado enters the
12 market to secure the funding.

13 The most recent correspondence
14 Eldorado received -- Audit received from
15 Eldorado's local counsel on January 6th,
16 2020, requests approval of Eldorado's
17 \$3.3 billion Term Loan B, its \$1 billion
18 revolver, a \$3.3 billion issuance of
19 Eldorado senior secured notes, a
20 \$2.5 billion issuance of Eldorado senior
21 unsecured notes, a \$2.2 billion
22 incremental Term Loan B to be borrowed
23 under Caesars Resort Collection, LLC's
24 existing credit agreement. Caesars
25 Resort Collection is a Caesars operating

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1 company.

2 There's also a provision for a
3 \$3.6 billion Bridge loan that Eldorado

4 can use in the alternative should
5 proceeds expecting from the closing of
6 certain transactions under the master
7 transaction agreement not be available in
8 time for merger closing. Those master
9 agreement transactions will provide
10 additional funding to Eldorado in
11 addition to the financing obtained
12 through new debt. Eldorado and VICI
13 Properties, Inc., a Maryland real estate
14 investment trust, entered into the master
15 transaction agreement concurrently with
16 the execution of the merger agreement.
17 Under the master transaction agreement,
18 Eldorado will monetize certain of its
19 assets and VICI will modify certain
20 existing lease agreements with Caesars.

21 Eldorado anticipates receiving a
22 total approximate 3.2 billion from VICI
23 via the following transactions: VICI
24 intends to exercise three call option
25 agreements dated October 6th, 2017,

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1 through its consummation of three
2 purchase and sale agreements with
3 Eldorado dated September 26th, 2019.

4 Pursuant to the purchase and sale
5 agreements, VICI will acquire from
6 Eldorado for a total of \$1,809,500,000,

7 Harrah's New Orleans Casino for
8 775.5 million, Harrah's Resort Atlantic
9 City in Atlantic City, New Jersey, for
10 599,250,000, and Harrah's Laughlin
11 Hotel & Casino in Laughlin, Nevada, for
12 \$434,750,000.

13 Pursuant to the master transaction
14 agreement, VICI will also modify certain
15 of its existing leases with Caesars
16 including lease modifications to the
17 leases for Caesars Properties, Harrah's
18 Las Vegas and Caesars Palace Las Vegas.

19 VICI will pay Eldorado 213.8 million
20 and approximately 1.2 billion for
21 modifying the Harrah's Las Vegas lease
22 and the Caesars Las Vegas lease
23 respectfully.

24 Ultimately, VICI will combine both
25 Las Vegas properties under one lease. In

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1 exchange, VICI will receive new rental
2 payments and incremental rental payments
3 under its existing leases from Eldorado
4 as well as certain rights of first
5 refusal agreements in connection with
6 certain other Caesars properties.

7 Eldorado will also use the proceeds
8 it receives from the sale of its
9 properties towards its cost to acquire

10 Caesars. Eldorado recently sold three of
11 its properties for a total of 385 million
12 and anticipates selling the equity
13 interest in two more properties for
14 approximately 230 million.

15 Further, additional funding will
16 also be provided to Eldorado for the
17 acquisition as a result of Caesars sale
18 of Rio All-Suites Hotel & Casino in
19 Las Vegas for approximately 516.3 million
20 on December 6th, 2019.

21 No financial issues came to our
22 attention to preclude the Board's
23 approval of Eldorado's acquisition of
24 Caesars. Licensing will now present the
25 results of their investigation.

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1 MASTER TROOPER LANDRY: Good
2 morning, Chairman Jones and Members of
3 the Board. I'm Master Trooper Jeremy
4 Landry with Louisiana State Police,
5 Gaming Enforcement Division.

6 The Division conducted an
7 investigation in regards to the merger
8 agreement by and among Eldorado Resorts,
9 Inc., Caesars Entertainment Corporation
10 and Colt Merger Sub and VICI Property,
11 Inc.

12 The investigation included their

13 officers, directors, and persons with a
14 5 percent more ownership interest in the
15 companies.

16 The investigation consisted of
17 inquiries through federal, state and
18 local law enforcement agencies,
19 computerized criminal history databases,
20 financial and civil institutions, and
21 gaming regulatory agencies.

22 At the conclusion of the
23 investigation, I discovered no
24 information which would keep the Board
25 from approving the merger of Eldorado

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1 Resorts, Inc., Caesars Entertainment
2 Corporation, Colt Merger Sub, and VICI
3 Property, Inc.

4 MS. MOORE: If it is the Board's
5 decision to approve the proposed merger
6 and related transaction including
7 financing, a resolution has been prepared
8 for the Board's adoption and the
9 Chairman's signature.

10 CHAIRMAN JONES: Board Members,
11 before we proceed to hear from the
12 parties involved in the transaction, do
13 you have any questions of the Attorney
14 General's Office or State Police?

15 The Board appears to be clear.

16 We'll hear from Eldorado.

17 Good morning, gentlemen. Let the
18 record reflect that the three gentlemen
19 at the seat -- at the table have been
20 sworn.

21 MR. BARBIN: Good morning,
22 Mr. Chairman. Jeff Barbin from Phelps
23 Dunbar representing Eldorado Resorts.
24 And to my right is Tom Reeg. Tom is the
25 Chief Executive Officer for Eldorado

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1 Resorts. And to Tom's right is
2 Ed Quatmann. Ed is the EVP and Chief
3 Legal Officer for Eldorado Resorts. And
4 also joining us in the audience, Jeffrey
5 Hendricks is the Vice-President of
6 Compliance for Eldorado. And from
7 Caesars Entertainment, Dan Real, who's
8 the Regional President for the south.
9 And from VICI Properties, John Payne and
10 Samantha Gallagher. And VICI and Caesars
11 counsel, Paul West.

12 So we're excited to be in front of
13 you today to present the merger. And I'm
14 going to hand it over to Tom Reeg. We'll
15 go through the presentation, and then
16 we'll be happy to answer any questions
17 you have.

18 MR. REEG: Good morning,

19 Mr. Chairman, Members of the Board. We
20 are indeed excited to be here today. And
21 I'm going to hit the highlights of the
22 transaction. You just got quite a bit of
23 detail.

24 In terms of the headline numbers,
25 we're paying 12.75 a share for Caesars.

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1 It's 840 per share in cash and .0899
2 shares of Eldorado stock for each share
3 of Caesars stock. And that, when you
4 take it through the wash, gets you to
5 51 percent of the combined company will
6 be owned by Eldorado shareholders,
7 49 percent by Caesars. We have financing
8 that was well described earlier, that
9 June 24th, 2020, date that was described
10 is the outside closing date in the merger
11 agreement. It's our expectation that we
12 will close very early in the second
13 quarter of -- of 2020 at this point.

14 In terms of the leadership team
15 post-transaction, there will be an
16 11-member board. Six members are from
17 the Eldorado side, five members from
18 Caesars. We will take the Caesars
19 Entertainment name and ticker symbol
20 closing each of the shareholder bases of
21 the companies, overwhelmingly approve the

22 deal in November. We are in the process
23 of obtaining gaming regulatory and FTC
24 approval, and, as I said, expect to close
25 in, likely, the very early second

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1 quarter.

2 In Louisiana it is -- a bittersweet
3 part of the transaction is Shreveport is
4 really where we started outside of
5 Nevada. So as part of this, the FTC had
6 issues with our combined presence in
7 Shreveport. So we announced our sale
8 agreement to Maverick of Eldorado
9 Shreveport a little over a week ago, and
10 subject to your approval, you'll have a
11 new owner of that -- that asset in the
12 state. And we'll continue with the five
13 assets that the combined company
14 currently owns.

15 In terms of financing, all of the
16 Caesars level debt stays in place, same
17 for the -- the new term loan at Caesars
18 Resort Collection that was described
19 earlier, that will refinance the data
20 CEOC level, and the purpose of that is so
21 that cash can move freely among the --
22 among the enterprise post that
23 refinancing.

24 All of the Eldorado debt will be

25 refinanced, and then we -- we close on

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1 our lease financing through our partners
2 at VICI. As Jeff said, John Payne and
3 Samantha are here from VICI today.

4 We use cash on hand proceeds of the
5 VICI transaction, the proceeds of the
6 refinancing, and then Caesars existing
7 debt structure to close the transaction.

8 On the VICI side, as described, VICI
9 will acquire the real estate of Harrah's
10 New Orleans and two other properties for
11 1.8 billion of the 3.2 billion of VICI's
12 proceeds. The other 1.4 billion comes
13 from an amendment to the existing
14 Las Vegas lease. In the transaction as
15 we announced it, the Century Casino sale
16 with 385 million was in place and known
17 at the time, so is part of the Bridge
18 financing. The Bridge financing is to
19 backstop the VICI proceeds and the
20 Century proceeds. The Century proceeds
21 are already in the bank. VICI has
22 already executed its equity financing in
23 connection with the transaction and is
24 currently executing its debt financing.
25 So those proceeds should be entirely in

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1 place shortly. Subsequent to the

2 transaction, we announce asset sales in
3 Kansas City and Vicksburg, Mississippi,
4 to Twin River for \$230 million. We'd
5 expect that transaction to close shortly
6 after the broader deal closes. Caesars
7 announced its -- and closed its
8 transaction for the Rio in Las Vegas for
9 an additional half a billion dollars, and
10 then we announced our Eldorado Shreveport
11 transaction just recently.

12 So on a combined basis, you can see
13 our map will be the largest domestic
14 casino operator in the country. We'll
15 have approximately 60 properties, over
16 50,000 hotel rooms, and the slots tables
17 and F&B outlets that you see in the
18 slide.

19 Louisiana is a big piece of the
20 combined company. We're excited to step
21 into the new development at Harrah's
22 New Orleans. We know that Dan and his
23 team at Caesars, John and his team at
24 VICI, have spent a great deal of time
25 negotiating the agreement that extends

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1 the license and calls for the 325 million
2 of incremental investment. And we're
3 excited to make that a flagship of the
4 company in the south.

5 There's a handful of properties
6 within -- and markets in the portfolio
7 that will be used as drivers of
8 visitation for significantly beyond the
9 local market, and Harrah's New Orleans is
10 certainly one of those.

11 As you know, we've recently
12 announced a significant new investment in
13 Lake Charles, Louisiana. We have a
14 demonstrated commitment to minority and
15 woman owned business spend on both sides
16 of this transaction. Expect that to
17 continue. And you should expect to see
18 continuity in the leadership teams in
19 Louisiana.

20 Dan Real who's here today will have
21 a significant leadership role on a
22 regional basis in the south, and it's
23 people like Dan that make us excited to
24 close this transaction. Caesars has
25 incredible brand equity, has incredible

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1 people working for it, and, you know,
2 we're excited to be the next step in
3 taking Caesars back to where it was pre
4 the LBO and bankruptcy period. And so
5 we'd expect to spend over half a billion
6 dollars in Louisiana in the next four
7 years between the expansions at Harrah's

8 New Orleans and in Lake Charles in
9 addition to -- the additional fees for
10 licenses and minimum payments to the
11 state.

12 So on behalf of our 17,000 Eldorado
13 team members, I want to thank
14 Mr. Chairman, you, the Board, your staff.
15 We know that this is complex stuff.
16 These are big numbers. Your staff was
17 outstanding in working through this for
18 us. You know, we've been doing
19 transactions for quite a while. The time
20 between signing and closing is a
21 difficult time on both sides with people
22 in limbo and wondering what the answers
23 are. And so we try to keep that as short
24 as possible by being efficient on our
25 end, but that depends on, you know,

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1 efficiency on your end for the important
2 work that you have to do. And you-guys
3 were fantastic, so thank you for that.
4 And with that, I ask if there's any
5 questions.

6 CHAIRMAN JONES: I'll have some
7 questions. I'll defer to my Board first.
8 Members, any questions for Eldorado?

9 Okay. Thank you. Thank you for
10 being here.

11 The Board is pleased that Eldorado
12 has made a commitment in the Lake Charles
13 area. That's huge. And when Gary was
14 here just last month, we talked about
15 that. And I'm appreciative of that. I'm
16 also appreciative that Eldorado maintains
17 the commitment that's required by law and
18 improving the property in New Orleans.
19 And we got the assurance from those folks
20 a couple of months ago that everything
21 that had been promised to the Legislature
22 is going to be done. And we're certain
23 you're going to -- you're going to do
24 those things. So we appreciate that.

25 When did you-guys come in?

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1 Yesterday?

2 MR. REEG: Yes.

3 CHAIRMAN JONES: Where did y'all
4 spend the night last night?

5 MR. REEG: I spent the night at
6 L'Auberge last night.

7 CHAIRMAN JONES: So what I don't see
8 in here is what you intend to do with
9 this boat sitting down here on the dock
10 in Baton Rouge. So I'd like to hear
11 about that.

12 MR. REEG: Yes. So as we've
13 discussed in the past, that asset is not

14 in the state that we want to be
15 representative of our company.

16 As you know, we acquired that last
17 October. We are in the process of
18 evaluating a move from the boat into the
19 atrium. I'll tell you that the -- the
20 economics of that are not as simple as
21 they are in Lake Charles from a return
22 standpoint, but we understand 100 percent
23 that that asset in its current state is
24 not acceptable to the state, and it's not
25 acceptable to us either. And we are

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1 working to get that into a different
2 state as quickly as we can.

3 Obviously, we have competing
4 interests for capital, but rest assured
5 that that is, you know, certainly in our
6 current mix for how do we make that
7 situation better. And I understand that
8 the fact that I stayed at L'Auberge last
9 night is a comment on our view of the
10 state of that property as it sits today.

11 CHAIRMAN JONES: Thank you for that.
12 I -- Gary and I had an opportunity to
13 meet I think back in December of '18, I
14 think. And we had a very candid
15 discussion about that property. I had
16 gone down and walked around it the day

17 before. And I want to say that you have
18 a general manager who is enthusiastic and
19 energetic and wants to turn that into
20 something really special. So let me say
21 that on the front end. But since
22 Eldorado has purchased that asset in
23 conjunction with other assets for
24 Tropicana, I understand that they have
25 failed every quarter to meet their goal

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1 for employees. And I understand it's a
2 challenge in the market. I understand.
3 You know, nobody bargained for, you know,
4 what was going to happen to gaming in
5 Louisiana based on regional competition
6 or the impact that perhaps the smoking
7 ban might have on operations, and there
8 are three properties in Baton Rouge. And
9 that's tough. You know, I wasn't here
10 when that was done. But all my
11 predecessors on the Board approved it,
12 and in their wisdom, they thought it was
13 a good idea. And that's what we're faced
14 with today is a property that is
15 underperforming, and the longer it stays
16 in its current condition, the more
17 complicated it becomes for the city and
18 the parish and the state.

19 Based on some information the State

20 Police Audit provided to me, it looks
21 like since the Tropicana transaction
22 occurred and you've taken over the
23 property, you spent about \$1.1 million.
24 Most of that going to gaming equipment,
25 except for an air conditioning unit for

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1 the hotel. You spent less than \$50,000
2 in the hotel.

3 When people come to Baton Rouge and
4 they drop off the bridge and they're from
5 out of state, and they've never been to a
6 casino in Louisiana, "Well, let's go
7 there," they leave not just with an
8 impression of your company but of this
9 state. And that's troubling to me,
10 because it's our responsibility to
11 provide entertainment options to
12 customers, and I look at that property
13 and I don't see a lot. I just don't. So
14 my point -- and I'm not fussing at you.
15 I want you to understand. This is a --
16 this is a candid business discussion.
17 When I was first appointed, your
18 footprint was a beautiful hotel in
19 Shreveport, and it still is even though
20 you've entered into an agreement to sell
21 it, and I understand why. You're going
22 to pick up a great property. You're

23 going to pick up the top performing
24 casino in that market as a result of this
25 transaction. But you're going to have a

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1 fivefold increase in the number of
2 properties in Louisiana. And I just
3 worry that by becoming one of the world's
4 largest gaming providers and
5 entertainment companies, are you and your
6 executive staff up to the task to make
7 sure that -- that you've spread the
8 attention to all of the properties in all
9 the states that you operate.

10 MR. REEG: And I appreciate your
11 remarks. We believe that we are. I know
12 that we've had this discussion ongoing
13 with -- on Baton Rouge for a little while
14 now. I can give you assurance from me
15 personally that we are going to get that
16 to a different state. We're invest -- as
17 I said earlier, we're investing half a
18 billion dollars in the state over the
19 next four years. I tell you that one of
20 the effects of this transaction is the
21 size of what would be required to make a
22 substantial difference in Baton Rouge
23 becomes a much smaller percentage of our
24 free cash flow. So it becomes easier to
25 make decisions like that and improve that

1 property. And we've -- we've had an
2 ongoing dialogue. We'll continue to have
3 an ongoing dialogue. I will personally
4 assure you that we are looking to -- the
5 next time that we're in front of you,
6 that situation will be different.

7 CHAIRMAN JONES: And I will hold you
8 to that.

9 MR. REEG: I know you will.

10 CHAIRMAN JONES: And I appreciate
11 that and the city appreciates that and
12 the state appreciates that. And you --
13 this discussion isn't anything for me and
14 you. We've had this discussion, and I've
15 had it with Gary. But for the benefit of
16 my board members and the people that we
17 represent in this state, not just in the
18 industry, but the citizens who we're
19 supposed to be representing, they need to
20 hear that. And we expect great things
21 from your company. And based on your
22 track record, you know, up until all of
23 the acquisitions began, it's been
24 superlative as far as I'm concerned. I
25 treasure the relationship I've had with

1 your management team. I think it's -- I
2 think it's professionally been good for

3 the state, good for the Board. And I
4 intend to continue that relationship.
5 But I don't want Baton Rouge to get lost
6 in the weeds. I can't permit that to
7 happen on my watch.

8 MR. REEG: I understand, and we
9 understand.

10 CHAIRMAN JONES: Board Members, are
11 there any questions either of our
12 colleagues at the table or VICI or
13 Caesars? Wow. Okay.

14 There being no further questions, do
15 I have a motion to adopt the resolution?

16 MR. LAGASSE: So moved.

17 CHAIRMAN JONES: Mr. Lagasse.
18 Mr. Avant.

19 Ms. Tramonte, would you read the
20 resolution into the record.

21 MS. TRAMONTE: [As read]: "On the
22 16th day of January, 2020, the Louisiana
23 Gaming Control Board did, in a dually
24 noticed public meeting, consider the
25 joint petition of Eldorado Resorts,

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1 Incorporated, ("Eldorado") and Caesars
2 Entertainment, Corporation ("Caesars")
3 for approval of the transfer of ownership
4 of Caesars, the parent company of Jazz
5 Casino Company, LLC, doing business as

6 Harrah's New Orleans Casino, number
7 (C01300001), Horseshoe Entertainment,
8 L.P., doing business as Horseshoe Bossier
9 City, number (R010800198), Harrah's
10 Bossier City Investment Company, LLC,
11 doing business as Harrah's Louisiana
12 Downs, number (T010802871) to Eldorado,
13 the transfer and leaseback of certain of
14 Harrah's New Orleans' real property
15 assets to and from VICI Properties,
16 Incorporated ("VICI"), the issuance of
17 Eldorado common stock to Caesars
18 shareholders, and the financing to be
19 entered into by Eldorado and Caesars for
20 funding the transactions, and upon motion
21 dually made and seconded, the Board
22 adopted this resolution.

23 Whereas, on June 24th, 2019,
24 Eldorado and Caesars did enter into an
25 "Agreement and Plan of Merger," providing

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1 for the transfer of Caesars to Eldorado
2 by merger of Colt Merger Sub,
3 Incorporated, with and into Caesars with
4 Caesars surviving, and

5 Whereas, on June 24th, 2019,
6 Eldorado and VICI did enter into a
7 "Master Transaction Agreement" providing
8 for the transfer of Harrah's New Orleans'

9 real property assets used in the
10 operation of its casino to VICI, and the
11 leaseback of those assets to Jazz Casino
12 Company, LLC, and

13 Whereas, many of the transactions
14 provided for in the Agreement and Plan of
15 Merger and the related agreements entered
16 into in connection therewith, require
17 Board approval including, without
18 limitation, a portion of the financing of
19 the transactions.

20 Be it resolved that the transfer of
21 100 percent of the equity interest in
22 Caesars to Eldorado Resorts,
23 Incorporated, by merger of Colt Merger
24 Sub, Incorporated, with and into Caesars,
25 with Caesars as the surviving entity, is

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1 hereby approved.

2 Be it resolved that the transfer of
3 100 percent of the equity interests in
4 Caesars Entertainment Operating Company,
5 LLC, from Caesars to Caesars Growth
6 Partners, LLC, and then to Caesars Resort
7 Collection, LLC, is hereby approved.

8 Be it resolved that the issuance of
9 49 percent of common stock of Eldorado to
10 the shareholders of Caesars is hereby
11 approved.

12 Be it resolved that the exercise of
13 the call right option granted to VICI
14 Properties, L.P., pursuant to that
15 certain Call Right Agreement, dated
16 October 6th, 2017, by and between VICI
17 Properties, L.P., and Caesars, is hereby
18 approved.

19 Be it resolved that the sale and
20 assignment of the ownership in the "Owned
21 Property" and the leasehold interest in
22 the "Leased Property," as those terms are
23 defined in the "Purchase and Sale
24 Agreement" by and between Eldorado and
25 VICI Properties, L.P., dated

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1 September 26th, 2019, from Jazz Casino
2 Company, LLC, and JCC Fulton Development,
3 LLC, to VICI Properties, L.P., or its
4 subsidiary, is hereby approved.

5 Be it resolved that the execution of
6 the Regional Lease by and between certain
7 designated subsidiaries of VICI
8 Properties, L.P., jointly as Landlord,
9 CEOC, LLC, and certain of its
10 subsidiaries, jointly as Tenant, which
11 Regional Lease amends and supercedes the
12 October 6, 2017, Non-CPLV lease, as
13 amended, is hereby approved.

14 Be it resolved that the conversion

15 of Eldorado from a Nevada entity to a
16 Delaware entity and the change of its
17 name to Caesars Entertainment,
18 Incorporated, is hereby approved.

19 Be it resolved that the issuance of
20 a license to conduct slot machine gaming
21 to Harrah's Bossier City Investment
22 Company, LLC, doing business as Harrah's
23 Louisiana Downs and the surrender of its
24 current license, both upon the effective
25 date of the merger, is hereby approved.

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1 Be it resolved that the execution of
2 all documents necessary to effectuate the
3 transactions contemplated by and provided
4 for in the Agreement and Plan of Merger,
5 the Master Transaction Agreement and the
6 Purchase and Sale Agreement, all as more
7 particularly described hereinabove is
8 hereby approved.

9 Be it resolved that Eldorado's
10 request for approval of a \$1 Billion
11 Senior Secured Revolving Credit Facility,
12 is hereby approved.

13 Be it resolved that Eldorado's
14 request for approval of a \$3.3 Billion
15 Senior Secured Term Loan B Credit
16 Facility, is hereby approved.

17 Be it resolved that Eldorado's and

18 Caesars' request for approval of a
19 \$2.2 Billion Senior Secured Term Loan B
20 Incremental Credit Facility for Caesars
21 Resort Collection, LLC, pursuant to its
22 Existing Credit Agreement with Credit
23 Suisse, dated December 22nd, 2017, is
24 hereby approved.

25 Be it resolved that Eldorado's

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1 request for approval of a \$3.6 Billion
2 Bridge Loan Facility, is hereby approved.

3 Be it resolved that Eldorado's
4 request for approval of the issuance of
5 \$3.3 Billion in Senior Secured Notes by
6 Eldorado, is hereby approved.

7 Be it resolved that Eldorado's
8 request for approval of the issuance of
9 \$2.5 Billion in Senior Unsecured Notes by
10 Eldorado, is hereby approved.

11 Be it resolved that the approvals
12 granted hereby are subject to the
13 conditions set forth on the
14 Acknowledgment and Acceptance of
15 Conditions, a copy of which is attached
16 hereto and incorporated herein.

17 Thus done and signed in Baton Rouge,
18 Louisiana, this 16th day of January,
19 2020.

20 Mr. Avant?

21 MR. AVANT: Yes.
22 MS. TRAMONTE: Ms. Berry?
23 MS. BERRY: Yes.
24 MS. TRAMONTE: Mr. Jackson?
25 MR. JACKSON: Yes.

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1 MS. TRAMONTE: Mr. Lagasse?
2 MR. LAGASSE: Yes.
3 MS. TRAMONTE: Ms. Lewis?
4 MS. LEWIS: Yes.
5 MS. TRAMONTE: Mr. Poole?
6 MR. POOLE: Yes.
7 MS. TRAMONTE: Mr. Singleton?
8 MR. SINGLETON: Yes.
9 MS. TRAMONTE: Mr. Stipe?
10 MR. STIPE: Yes.
11 MS. TRAMONTE: Chairman Jones?
12 CHAIRMAN JONES: Yes. And the
13 resolution is adopted.
14 MR. REEG: Thank you.
15 CHAIRMAN JONES: Best of luck with
16 the rest of the states.
17 MR. REEG: Thank you.
18 MR. BARBIN: Thank you.
19 CHAIRMAN JONES: Go forth and
20 prosper.

21 VI. CONSIDERATION OF THE FOLLOWING SETTLEMENT:

22 1. In Re: Da Metry Store, LLC, d/b/a Acme
23 Oyster House - No. 2600214444

24 CHAIRMAN JONES: And we now move to
25 the Consideration of the Following

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1 Settlement in regard to Da Metry Store,
2 LLC, doing business as Acme Oyster House,
3 No. 2600214444.

4 Good morning.

5 MR. GATHE: Good morning, Chairman
6 Jones, Board Members. I'm Assistant
7 Attorney General Jeremy Gathe present
8 before the Board in the matter of the
9 settlement of Da Metry Store, LLC, doing
10 business as Acme Oyster House.

11 The settlement addresses the
12 licensee's failure to notify the Division
13 of a transfer of ownership interest. The
14 licensee is a Type II licensed
15 establishment located in Jefferson
16 Parish.

17 The Division's previous records
18 indicated that Michael Rodrigue and Lori
19 Rodrigue each held a 50 percent
20 membership interest in the licensee.

21 On January 4th, 2019, the Division
22 received a letter from the licensee
23 notifying the Division that as of
24 December 31st, 2018, its membership
25 interest had changed with Michael

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1 Rodrigue and Lori Rodrigue now each
2 holding a 25 percent membership interest
3 in the licensee, and the Rodrigue 2012
4 Trust holding the remaining 50 percent
5 membership interest in the licensee.

6 During the Division's investigation
7 into the transfer, it was discovered that
8 on December 28th, 2012, Michael and Lori
9 Rodrigue each donated 25 percent of their
10 membership interest in the licensee into
11 the Rodrigue 2012 Trust.

12 The licensee -- I'm sorry. The
13 Division conducted a suitability
14 investigation into the beneficiaries and
15 the trustee of the Rodrigue 2012 Trust
16 and did not discover any information
17 which would preclude their participation
18 in the Louisiana Gaming Industry.

19 The licensee failed to notify the
20 Division within ten calendar days of the
21 transfer and remained noncompliant for
22 six years between the dates of
23 December 28th, 2012, and January 4th,
24 2019, in violation of Louisiana Gaming
25 Law.

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1 The civil penalty contained in the
2 settlement is \$3,000. The settlement has
3 been signed by the Hearing Officer and is

4 now before the Board for final approval.

5 And at this time, I'd be happy to
6 answer questions that you may have.

7 CHAIRMAN JONES: Board Members, any
8 questions with respect to the proposal?

9 There are no questions.

10 Do I have a motion of approval?

11 MR. POOLE: Mr. Chair.

12 CHAIRMAN JONES: I'm sorry. Yes,
13 sir?

14 MR. POOLE: In the future, I'm just
15 curious, is there --

16 CHAIRMAN JONES: Pull your
17 microphone in for me, please.

18 MR. POOLE: In the future, is there
19 any way for something not to go from 2012
20 to 2019 in change of ownership like that
21 without us being able to pick it up in
22 some audit somewhere?

23 CHAIRMAN JONES: How about State
24 Police?

25 MR. ALBRIGHT: Well, it's -- there's

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1 a --

2 MS. TRAMONTE: Mic.

3 MR. ALBRIGHT: Sorry. There are
4 1,300 licensees in the state, and, you
5 know, when it comes to these restaurants
6 and bars, it would be very difficult for

7 us to audit, I think, each of them every
8 year. So there is a self-notification
9 process where they're -- where we're
10 allowing them to notify us of these
11 changes. So we do look -- I mean, we do
12 look into it any time we get information
13 about those -- you know, these changes or
14 anything. And I think that's just what
15 happened here is it just went a little
16 long, and we didn't receive notification,
17 so we didn't know about it.

18 MR. POOLE: Thank you, Mr. Chairman.

19 CHAIRMAN JONES: Thank you.

20 Any other questions? Do I have a
21 motion to approve? Ms. Lewis and
22 Mr. Lagasse.

23 Any objection? Without objection,
24 motion carries. The settlement is
25 approved. Thank you.

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1 VII. ADJOURNMENT

2 CHAIRMAN JONES: And finally, do I
3 have a motion to adjourn?

4 Ms. Berry and Mr. Stipe.

5 Any objection? Without objection,
6 we stand adjourned. Thank you.

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8 (CONCLUDED AT 11:01 A.M.)

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1 REPORTER'S CERTIFICATE
2 I, BRITTANY E. VIDRINE, Certified Court
Reporter in and for the State of Louisiana,
3 Registered Professional Reporter, and as the
officer before whom this testimony was taken, do
4 hereby certify that the foregoing 69 pages are a
true and correct transcript of the proceedings held
5 before the Louisiana Gaming Commission Board on
January 16th, 2020, as taken by me in Stenographic
6 machine shorthand, complemented with digital
recording, and thereafter reduced to transcript by
7 me or under my personal direction and supervision,

and is a true and correct transcript to the best of
8 my ability and understanding; that the transcript
has been prepared in compliance with transcript
9 format guidelines required by statute or by rules
of the Board, that I have acted in compliance with
10 the prohibition on contractual relationships, as
defined by Louisiana Code of Civil Procedure
11 Article 1434 and in rules and advisory opinions of
the Board

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

15 This certificate is valid only for this
transcript accompanied by my original signature and
16 original raised seal on this page.

Baton Rouge, Louisiana, this 19th day of
17 February, 2020.

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BRITTANY E. VIDRINE, CCR, RPR
CCR NO. 2014025, RPR NO. 963689

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