

LGCB Board of Directors' Meeting, (Pages 1:1 to 73:24)

1: 1 LOUISIANA GAMING CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 Tuesday, July 20, 2010

10 Louisiana State Capitol

11 Senate Room E

12 Baton Rouge, Louisiana

13

14 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

25 Board Member

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1 APPEARANCES CONTINUED:

2

3 MAJOR MARK NOEL

4 Ex-Officio Board Member

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6

7 LANA TRAMONTE

8 Executive Assistant to the Chairman

9

10 REPORTED BY:

11 SHELLEY G. PAROLA, CSR, RPR

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1 I. CALL TO ORDER

2 CHAIRMAN MORGAN: Good morning, come
3 to order. Ms. Tramonte, if you want to
4 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: Here.

21 THE CLERK: Colonel Edmonson.
22 MAJOR NOEL: Major Noel for Colonel
23 Edmonson.
24 THE CLERK: Secretary Bridges. [No
25 response.]

9

1 II. COMMENTS FROM THE CHAIR

2 CHAIRMAN MORGAN: Okay. We have a
3 quorum. Just a couple comments.
4 Mr. Berthelot, as you notice, is not
5 here. He -- after last meeting, he
6 tendered his resignation to the Governor
7 for personal reasons, and I just want to
8 thank him publicly for his service on
9 the board and wish him the best. And
10 I'm sure that the Governor's Office will
11 be looking for a replacement.

12 Also, the August meeting, just to
13 remind you, will be August 19th, which
14 is the third Thursday. So if you are
15 here on Tuesday, you'll be by yourself.

16 So it's the third Thursday.

17 III. APPROVAL OF THE MINUTES

18 CHAIRMAN MORGAN: Okay. Members,
19 have you had an opportunity to -- the
20 minutes have been sent to you. Do you
21 have any questions on the minutes? [No
22 response.] Okay. Do we have a motion
23 to waive formal reading and approve the

24 minutes?

25 MR. STIPE: I move.

10

1 CHAIRMAN MORGAN: Motion by

2 Mr. Stipe.

3 MS. ROGERS: Second.

4 CHAIRMAN MORGAN: Seconded by Miss

5 Rogers. Is there any objection?

6 Hearing none, Item Number IV, which is

7 Revenue Reports.

8 IV. REVENUE REPORTS

9 MS. JACKSON: Good morning,

10 Mr. Chairman, Board Members, my name is

11 Donna Jackson with the Louisiana State

12 Police Gaming Audit Section.

13 Following is the riverboat revenue

14 report for June 2010. During June, the

15 13 operating riverboats generated

16 Adjusted Gross Receipts of \$128,754,089,

17 a decrease from June 2009 of four

18 percent or \$5.6 million.

19 Adjusted Gross Receipts for fiscal

20 year 2009-2010 are \$1,632,867,899, a

21 decrease of 7 percent or \$131 million

22 from fiscal year 2008-2009.

23 During June, the State collected

24 fees totaling \$27,682,129. As of

25 June 30th, 2010, the State collected

1 \$351,066,598 in fees for fiscal year
2 2009-2010, a decrease of \$28 million
3 from last fiscal year.

4 Next is a summary of the June 2010
5 gaming activity for Harrah's New Orleans
6 found on page three. During June,
7 Harrah's generated \$25,476,112 in gross
8 gaming revenue. When compared to
9 June 2009, this month's revenues
10 represent a decrease of \$1.4 million or
11 5 percent. Revenues for the 2009-2010
12 fiscal year are \$346,733,061, down
13 6 percent or almost \$21 million from
14 last fiscal year.

15 During June, the State received
16 \$4,931,507 in minimum daily payments.
17 For the period July 1st, 2009, through
18 June 30th, 2010, the State collected
19 \$75,001,147 in fees for fiscal year
20 2009-2010.

21 Slots at the Racetracks revenues are
22 shown on page four. During June, the
23 four racetrack facilities combined
24 generated Adjusted Gross Receipts of
25 \$30,420,206, a decrease of \$1.7 million

12

1 or 5.4 percent for June 2009.

2 Adjusted Gross Receipts for fiscal
3 year 2009-2010 are \$345,928,967, a

4 decrease of 16 percent or over
5 \$63 million from fiscal year 2008-2009.

6 During June, the State collected
7 fees totaling \$4,614,745. As of
8 June 30th, 2010, the State collected
9 \$52,477,424 in fees for fiscal year
10 2009-2010, a decrease of \$9.6 million
11 from last fiscal year.

12 Are there any questions?

13 CHAIRMAN MORGAN: So although down,
14 better than before.

15 MS. JACKSON: Right.

16 CHAIRMAN MORGAN: Only in single
17 digits. Are there any questions of any
18 board members? [No response.] Thank
19 you.

20 MS. JACKSON: Today I'm also
21 reporting the video gaming information
22 for June 2010, as shown on page one of
23 the video gaming handout.

24 During June 2010, eight new licenses
25 were issued: 5 bars and 3 restaurants.

13

1 Twenty-six applications are currently
2 pending the field: 17 bars, 6
3 restaurants and 3 truck stops. During
4 June 2010, the Gaming Enforcement
5 Division assessed no penalties. The
6 Gaming Enforcement Division collected

7 \$4,067 in penalties. There are
8 currently no outstanding penalties.

9 As you can see on page two, there
10 are presently 14,727 video gaming
11 devices activated at 2,257 locations.
12 Net device revenue for June 2010 was
13 \$47,479,699, a \$3.2 million decrease or
14 6.4 percent when compared to the net
15 device revenue for May 2010, and a \$1.8
16 million decrease or 3.7 percent when
17 compared to June 2009.

18 Net device revenue for fiscal year
19 2009-2010 is \$605,743,412, a \$67.5
20 million decrease or ten percent when
21 compared to net device revenue for
22 fiscal year 2008-2009. Page three of
23 your handout shows a comparison of the
24 net device revenue.

25 Total franchise fees collected for

14

1 June 2010 were \$14,104,861, a \$963,000
2 decrease when compared to May 2010, and
3 \$530,000 decrease when compared to
4 June 2009. Total franchise fees
5 collected for fiscal year 2009-2010 are
6 \$180,406,985, a \$19.7 million or
7 9.8 percent decrease when compared to
8 last year's franchise fees. Page four
9 of your handout shows a comparison of

10 the franchise fees.

11 Does anyone have any questions?

12 CHAIRMAN MORGAN: Any questions?

13 [No response.] Thank you. Members, I'd
14 ask that we entertain amending the
15 agenda. I inadvertently forgot to list
16 one of the items I had asked the
17 Attorney General's Office to report on,
18 and that's legislation -- an update on
19 legislation, so I'd ask at this time if
20 you would entertain a motion to amend
21 the agenda to include this item.

22 MR. SINGLETON: I'll make a motion.

23 CHAIRMAN MORGAN: We have a motion
24 by Mr. Singleton.

25 MR. JONES: Second.

15

1 CHAIRMAN MORGAN: Seconded by
2 Mr. Jones. Roll call vote, please.

3 THE CLERK: Major Mercer?

4 MAJOR MERCER: Yes.

5 THE CLERK: Miss Rogers?

6 MS. ROGERS: Yes.

7 THE CLERK: Mr. Bradford?

8 MR. BRADFORD: Yes.

9 THE CLERK: Mr. Jones?

10 MR. JONES: Yes.

11 THE CLERK: Mr. Stipe?

12 MR. STIPE: Yes.

13 THE CLERK: Mr. Juneau?
14 MR. JUNEAU: Yes.
15 THE CLERK: Mr. Singleton?
16 MR. SINGLETON: Yes.
17 THE CLERK: Chairman Morgan?
18 CHAIRMAN MORGAN: Yes. Mr. Smith.

19 UPDATE ON LEGISLATION

20 MR. SMITH: Chairman Morgan, Members
21 of the Board, our office had tracked a
22 number of pieces of legislation this
23 year relating to gaming; however, only
24 five of them made it through the
25 legislative process, the ones we were

16

1 tracking, and I've given you a copy of
2 each of those bills and a brief summary
3 of the more salient points in those
4 bills. It's -- these are summaries.
5 They may or may not contain every little
6 point that's been enacted but the ones I
7 felt like were most important.

8 Look first at House Bill 32, which
9 became Act 455; and this related to the
10 St. Landry Parish Education Excellence
11 Fund, and the primary effect of that
12 appears to be that they struck out a
13 number of uses for which this money
14 could be applied, and just added the
15 language enhancement to public

16 elementary and secondary education in
17 St. Landry Parish. So the gaming money
18 that's going to that fund is now limited
19 enhancements for elementary and
20 secondary education.

21 The second bill --

22 MR. JONES: Same amount of money, no
23 change?

24 MR. SMITH: There are no changes.

25 MS. ROGERS: Five percent.

17

1 MR. SMITH: And, again, I do have
2 attached a copy of the act if you want
3 to look at it in any more detail.

4 House Bill 47, which became Act 908,
5 amended Revised Statute 27:3 and 308.1E,
6 and it edited a language to the
7 definition to institutional investor.

8 It's sort of a catch-all thing, which is
9 any other related investor as the Board
10 may determine in its sole discretion
11 consistent with the provisions of this
12 title. So that gives you kind of a
13 little bit more of latitude with what is
14 considered an institutional investor.

15 And then this -- I might add, too,
16 that this was a State Police sponsored
17 bill, and the part I think that they
18 were probably most concerned with is the

19 amendment to 3084.1, which says, failure
20 to remit civil penalties shall result in
21 the remote shut down in video draw poker
22 devices operated at or owned by the
23 location refusing to remit the civil
24 penalty. The provision of this
25 subparagraph shall apply only to those

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1 instances where no administrative
2 hearing has been timely requested. Upon
3 payment of the penalty, the devices
4 shall be reactivated. So that gives
5 something too to help enforce the
6 payment of penalties.

7 Then probably the bill that's of the
8 most concern to the Board was Senate
9 Bill 53, which became Act 425; and this
10 is the Deadbeat Parents Bill, and it
11 provides that the Board shall institute
12 rulemaking procedures of not later than
13 January the 1st, 2011. And this is for
14 withholding winnings on people that have
15 outstanding child support judgments, et
16 cetera.

17 A number of provisions in this, a
18 procedure; it says, the Board will make
19 rules on these things, and some of the
20 things that are included in the areas
21 that the Board is required to make

22 rules, a procedure for requiring the
23 withholding of payments of progressive
24 slot machine annuities and cash gaming
25 winnings of persons who have outstanding

19

1 child support arrearages or owing child
2 support overpayments prior to the
3 payment of a progressive slot machine
4 annuity beginning with the second
5 annuity payment or cash gaming winnings,
6 applies only to winnings for which the
7 entity licensed or permitted is required
8 to file form W-2G or a substantially
9 equivalent form with the United States
10 Internal Revenue Service.

11 The Board may require that the
12 agency reporting current child support
13 arrearages or overpayment to provide
14 information relating to such arrearages
15 or overpayments in a matter, format or
16 record approved by the Board that gives
17 the entity real-time or immediate
18 electronic database access to the
19 information. And here's kind of the
20 kicker: If real-time or immediate
21 electronic database access is not
22 available, then the licensee shall not
23 be responsible for withholding cash
24 winnings.

25 Any of the board or any other

20

1 licensee or -- license or permitted
2 entity shall be civilly or criminally
3 liable to any person for any disclosure
4 of information made in accordance with
5 this section of the statute or
6 encumbering or surrendering assets in
7 response to the information provided by
8 the Department of Social Services or for
9 any claims or damages arising from
10 withholding or failing to withhold any
11 progressive slot machine annuities or
12 cash gaming winnings based upon
13 information provided. So if they -- if
14 they are working off of information that
15 DSS has provided, then the Board and the
16 entities are protected.

17 Next, any licensed or permitted
18 entity that determines that a winner of
19 a progressive slot machine annuity or
20 cash gaming winnings is a person who has
21 outstanding child support arrearages or
22 owed child support overpayments, the
23 entity shall deduct the amount of the
24 arrearages or owed payments from the
25 winnings and forward within seven days

21

1 that amount to DSS. If there is more in

2 winnings than arrearages or
3 overpayments, then the entity shall pay
4 the difference to the winner.

5 So, in other words, if somebody owes
6 \$500 and they won a thousand, they take
7 out the 500 and forward it, but they can
8 pay the rest to the individual, as we
9 understand the bill. If after the
10 deduction none of the winnings remain,
11 the winner will receive no payment. So,
12 in other words, if you win a thousand,
13 you owe 1,500, you don't see any
14 winnings.

15 A licensed or permitted entity may
16 deduct administrative fee from each
17 payment of progressive slot machine
18 annuity beginning with the second
19 annuity payment or cash gaming winnings
20 for a singular or periodic payment not
21 to exceed \$35. So one of the rules the
22 Board will be adopting is the amount of
23 the payment can't exceed \$35, but there
24 is an administrative fee that can be
25 charged for withholding and forwarding

22

1 these funds.

2 And finally, the Board shall require
3 licensed or permitted entities to adopt
4 procedures designed to prevent employees

5 from willfully failing to withhold
6 payments from persons who have
7 outstanding arrearages or overpayments
8 based upon the information provided by
9 the DSS that allows the licensee to
10 identify such persons.

11 So, in other words, the last area of
12 rulemaking would be to do something to
13 keep employees at the boat from just
14 blinking. That if it's there, they've
15 got to do something about it.

16 MR. JUNEAU: How much administration
17 fee are they charging?

18 MR. SMITH: No more than \$35 per
19 payment.

20 MR. JUNEAU: That's max?

21 MR. SMITH: Yes, sir, that's the
22 max, and what it, will be is a rule set
23 by the Board. But it cannot exceed \$35
24 per payment. And this would be -- now,
25 if you have somebody that has a

23

1 long-term annuity and they're collecting
2 funds for a year or two or more, then
3 that could get to be, you know, a fair
4 sum in total. But on the other hand, it
5 takes time and everything for the
6 licensees to process this. So the Board
7 can determine up to \$35 what that

8 administrative fee will be.

9 Then the next bill that we're
10 looking at was kind of interesting for a
11 couple of reasons. Senate Bill 364,
12 which became Act 643, and this increased
13 the distance between a truck stop and
14 listed entities from 2,500 feet to one
15 mile. And the amendments also add the
16 following entities to the entities from
17 which the truck stop facilities must be
18 removed the required distance. In
19 addition to what was there, any property
20 that is on the National Register of
21 Historic Places; any public playground
22 or building used exclusively as a
23 church, school -- church, synagogue,
24 public library or school. Now, a couple
25 of them are already there, but most of

24

1 them are new.

2 The amendment also adds a second
3 instruction that the law contained a way
4 of measuring to certain things, schools
5 and so forth. Well, it added a second
6 provision which tells you how to measure
7 the residential property.

8 Now, a couple of notes on this, as
9 you'll see here, note one: Neither of
10 these provisions that says how you

11 measure from the truck stop, a mile to
12 whatever it is, includes property on the
13 National Register of Historic Places or
14 any public playground or public library.
15 So, I guess, we will see how that works
16 out as to how we measure that mile. I
17 think this might be an area right for
18 some legislative remediation in the next
19 session.

20 Second note I think holds the
21 potential for even more problems. When
22 the Legislature enacted this, they said
23 that one of the things that would be
24 involved was a building used
25 exclusively -- added that word

25

1 "exclusively" -- as a church, synagogue,
2 public library or school. And I
3 think -- Leonce and I talked about it --
4 what we think they were trying to do was
5 stop a practice of maybe having a
6 building that six or seven days a week
7 was a store front or something else and
8 they'd bring a church in there one day
9 or two a week to try and fend off a
10 truck stop. We think that may -- we
11 don't know -- we think that may be what
12 they were trying to do.

13 But I think the problem is, when you

14 add that qualifier exclusively, how many
15 churches allow other groups to use their
16 buildings for stuff? I mean, I can
17 think of my own church has allowed the
18 local civic association to use it. Some
19 churches have Boy Scout troops that can
20 use their facilities. What if you have
21 a public library that permits a group to
22 have a classic car show in their
23 driveway?

24 So to point this out, just because I
25 think that the potential there is there

26

1 for some interesting litigation, I think
2 they may be -- opened a door here that
3 they didn't intend to and, perhaps, this
4 might be another area that would need a
5 little remediation, a little refining
6 for next year. Just thought I'd point
7 that out to you.

8 Then the final bill was House Bill
9 334; and this would have established a
10 casino support services fund, and this
11 would have been to provide compensation
12 to the parish governing authority
13 pursuant to a casino supports services
14 contract. This passed, and it went to
15 the Governor. The Governor vetoed it.
16 In his veto message he said that he was

17 doing it because it created -- because
18 this bill -- the fund created by this
19 bill and the revenues deducted to the
20 fund would cause a \$3.6 million
21 shortfall in the fiscal year 2011
22 appropriations for higher education and
23 the MEP diverting moneys dedicated to
24 salary expenses for Pre-K through K
25 grade teachers and college faculty.

27

1 I've attached a copy of his veto
2 message, and these are the five bills
3 that we were monitoring most closely and
4 we thought the Board would have more
5 interest in.

6 CHAIRMAN MORGAN: Are there any
7 questions? [No response.]

8 MR. SMITH: Thank y'all.

9 V. CASINO GAMING ISSUES

10 A. Consideration of petition for approval of
11 Plan of Reorganization of Boyd Gaming
12 Corporation

13 CHAIRMAN GAUDIN: Back on the
14 regular agenda, Item V, Casino Gaming
15 Issues: A, Consideration of the
16 petition for approval of plan of
17 reorganization of Boyd Gaming
18 Corporation.

19 MR. GAUTREAUX: Good morning,

20 Chairman, Members of the Board, Leonce
21 Gautreaux, Assistant Attorney General.

22 At the table with me is Collin Gros,
23 Louisiana State Police Audit Section,
24 and Paul West, who is counsel for Boyd.

25 What you have before you, Boyd

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1 petitioned the Board for approval of
2 several transactions it needed to
3 accomplish a corporate reorganization.
4 The transactions represent a transfer of
5 interest under the Board rules and
6 therefore require Board approval.

7 In a nutshell, Boyd is streamlining
8 its Louisiana operations. It's
9 eliminating several subsidiaries and
10 affiliates in between the parent company
11 and the three licensees, and this is
12 being accomplished through a series of
13 contributions and mergers. The result
14 of these transactions results in the
15 elimination of Boyd Louisiana, LLC; Boyd
16 Red River, LLC; Boyd Kenner, Inc., and
17 Boyd Shreveport, LLC, from the Louisiana
18 corporate structure.

19 What you'll get down to is the
20 parent, Boyd Gaming Corporation, owning
21 100 percent of the subsidiary, Boyd
22 Louisiana Racing. Boyd Louisiana,

23 Racing, in turn, will own 100 percent of
24 the three licensees: Treasure Chest, in
25 Kenner; Sam's Town in Shreveport; and

29

1 Delta Downs in Vinton. So, basically,
2 they're going from nine corporate
3 entities, which make up the Louisiana
4 corporate structure, to five.

5 Also, in this they are doing a
6 conversion of the Red River
7 Entertainment of Shreveport, which is
8 Sam's Town up in Shreveport. Right now
9 it's a partnership in commendam.

10 They're converting it to an LLC. This
11 is not a transfer. It's a conversion.
12 It is allowed under Louisiana law. It
13 doesn't require Board approval.

14 Basically, they're going from calling
15 themselves a partnership to calling
16 themselves an LLC, and it's the same
17 entity.

18 There are certain post conversion
19 notifications that are required by law
20 to be made of any Board that issues a
21 license so that the Board knows a
22 conversion happened and can issue the
23 license in the name of the new entity to
24 reflect the change in the licensee from
25 the partnership in commendam to the LLC.

1 I've added in the proposed
2 resolution that they have a timeline to
3 submit these items to the Board, which
4 is the conversion plan, the certificate
5 of conversion, the old license, and then
6 proof that the surety bond has been now
7 taken up by the new LLC.

8 That in a nutshell is what they're
9 doing. It's just basically a
10 simplification of their corporate
11 structure. No new entities are involved
12 in this; no new people are required to
13 meet suitability. It's all the same
14 members or same officers and directors.
15 They're just eliminating some of the
16 companies in the middle so that they can
17 get to a more streamline structure.

18 CHAIRMAN MORGAN: Nothing?

19 MR. WEST: I'd be happy to answer
20 any questions.

21 MR. SINGLETON: Can I just go back
22 one more time? How many entities are
23 you going to end up with?

24 MR. GAUTREAUX: Page -- if you look
25 on page six of the memo, that's the

1 final structure.

2 MR. SINGLETON: So I thought you

3 said five before, but is it five or
4 four?

5 MR. GAUTREAUX: They're going to
6 five Louisiana. They're eliminating
7 four, so they're going from nine to five
8 in the Louisiana corporate structure.

9 MR. SINGLETON: So how do you do
10 that? Boyd Gaming, Boyd Louisiana
11 Racing?

12 MR. GAUTREAUX: And then the three
13 licensees.

14 MR. SINGLETON: Then the three --
15 okay.

16 CHAIRMAN MORGAN: What about the
17 structure with regard to oversight in
18 Louisiana, no change there?

19 MR. WEST: Managerial, no. Jack
20 Bernsmeier will still be over all three
21 properties and Delta Downs, and Vincent
22 Schwartz at Treasure Chest and Kim at
23 Sam's Town.

24 CHAIRMAN MORGAN: Okay. Any
25 questions? [No response.] Okay. We

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1 have a resolution that was prepared by
2 the Attorney General's Office, and we
3 would entertain a motion to adopt and
4 approve the resolution.

5 MR. JONES: So moved.

6 CHAIRMAN MORGAN: Moved Mr. Jones.

7 MAJOR MERCER: Second.

8 CHAIRMAN MORGAN: Seconded by Major
9 Mercer. Miss Tramonte, if you can read
10 it into the record.

11 THE CLERK: On the 20th day of July,
12 2010, the Louisiana Gaming Control Board
13 did, in a duly noticed public meeting,
14 consider the issue of Boyd Gaming
15 Corporation's amended and restated
16 petition for approval of plan of
17 reorganization for Boyd Gaming
18 Corporation, and upon motion duly made
19 and seconded, the Board adopted the
20 following resolutions: Be it resolved
21 that the following transfers are hereby
22 approved.

23 One, Boyd Gaming Corporation's
24 contribution of its 100 percent
25 membership interest in Boyd Red River,

33

1 LLC, to Boyd Kenner, Inc. Two, merger
2 of Boyd River, LLC, into Boyd Kenner,
3 Inc. Three, merger of Boyd Shreveport,
4 LLC, into Red River Entertainment of
5 Shreveport, LLC. Four, Boyd Gaming
6 Corporation's contribution of its 99
7 percent membership interest in Boyd,
8 Louisiana, LLC, to Boyd Kenner, Inc.

9 Five, the merger of Boyd Louisiana, LLC,
10 into Boyd Kenner, Inc., and six, the
11 merger of Boyd Kenner, Inc., into Boyd
12 Louisiana Racing, Inc.

13 Be it further resolved that Boyd
14 Gaming Corporation submit the following
15 documents to the Board within ten days
16 of completion of the conversion of Red
17 River Entertainment of Shreveport, LLC.

18 One: A copy of the conversion
19 application filed with the Louisiana
20 Secretary of State; two, a copy of the
21 certificate of conversion issued by
22 Louisiana Secretary of State; three, the
23 current license issued to Red River
24 Entertainment of Shreveport partnership
25 in commendam; and four, a copy of the

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1 surety bond required by LAC
2 42.XIII.2713F, issued in the name of Red
3 River Entertainment of Shreveport, LLC.

4 This done and signed in Baton Rouge,
5 Louisiana, this 20th day of July, 2010.

6 CHAIRMAN MORGAN: Will you call the
7 roll, please.

8 THE CLERK: Major Mercer?

9 MAJOR MERCER: Yes.

10 THE CLERK: Miss Rogers?

11 MS. ROGERS: Yes.

12 THE CLERK: Mr. Bradford?
13 MR. BRADFORD: Yes.
14 THE CLERK: Mr. Jones?
15 MR. JONES: Yes.
16 THE CLERK: Mr. Stipe?
17 MR. STIPE: Yes.
18 THE CLERK: Mr. Juneau?
19 MR. JUNEAU: Yes.
20 THE CLERK: Mr. Singleton?
21 MR. SINGLETON: Yes.
22 THE CLERK: Chairman Morgan?
23 CHAIRMAN MORGAN: Yes. It's
24 approved.
25 MR. WEST: Thank you.

35

1 CHAIRMAN MORGAN: You're welcome.
2 B. Consideration of Certificate of
3 Compliance for the Riverboat Gaming
4 Alternate Inspection Program for Belle of
5 Orleans, LLC, d/b/a Amelia Belle Casino,
6 License No. - R0136000020
7 CHAIRMAN MORGAN: Item B is,
8 Consideration of certificate of
9 compliance for the riverboat gaming
10 alternate inspection program for Belle
11 of Orleans, LLC, doing business as
12 Amelia Belle Casino, License No.
13 RO13600020.
14 Good morning.

15 MR. TYLER: Morning, Chairman
16 Morgan, Board Members, I'm Assistant
17 Attorney General, Michael Tyler, and
18 today I am joined by John Francic of
19 ABSC. Today we come before you seeking
20 the acceptance of the alternate
21 inspection report of the Amelia Belle as
22 performed and prepared by ABSC, as well
23 as the renewal of the certificate of the
24 compliance for the Amelia Belle.

25 On or about June 17th, 2010, the

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1 Amelia Belle began the process of
2 renewing its certificate of compliance.
3 For more on this process and the
4 findings of the alternate inspection of
5 the Amelia Belle, I turn this
6 presentation over to John Francic of
7 ABSC.

8 MR. FRANCIC: Good morning, Chairman
9 and Board Members. I'm John Francic
10 with ABS Consulting here to report the
11 results of the annual inspection for the
12 Amelia Belle Casino.

13 The surveyors for ABS Consulting,
14 Morton Downey and John Taylor, did
15 attend the riverboat, Belle of Orleans,
16 also known as Amelia Belle Casino, on
17 June 17th. The inspection was carried

18 out in accordance with the Louisiana
19 Gaming Control Board Riverboat Gaming
20 Checklist, and the follow items were
21 found deficient.

22 The emergency lighting in pit number
23 one was found not to have sufficient
24 lighting; fire screen doors were found
25 in need of repair to facilitate closure;

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1 the sprinkler pump was not tested due to
2 cross connect valve being repaired;
3 three pressure vessels or air receivers
4 to be tested by third party; shore side
5 evacuation procedures not posted; valve
6 thrusters not properly labeled, and the
7 cable run through the main vertical zone
8 frame 81 not properly sealed. The
9 deficient items were not considered life
10 safety by the attendant surveyors, and
11 the work list was presented at the
12 closing meeting.

13 On July 9th, a follow-up examination
14 was conducted and all deficiencies were
15 tested and found to be in compliance
16 with the Alternate Inspection Program
17 for riverboat gaming vessels. It is the
18 recommendation of ABS Consulting that
19 the Amelia Belle be reissued the
20 certificate of compliance for one year.

21 MR. TYLER: We now present these
22 findings to this honorable board for
23 acceptance and approval and request that
24 upon accepting the inspection report,
25 the Board will move for the renewal of a

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1 certificate of compliance for the Amelia
2 Belle.

3 CHAIRMAN MORGAN: Any questions?
4 [No response.] Okay. Do we have a
5 motion to accept the report and approve
6 the renewal of the inspection?

7 MR. SINGLETON: I so move.

8 CHAIRMAN MORGAN: Moved by
9 Mr. Singleton.

10 MS. ROGERS: Second.

11 CHAIRMAN MORGAN: Seconded by Miss
12 Rogers. Is there any objection?
13 Hearing none, that's approved.

14 C. Discussion of ABS Consulting Matter

15 CHAIRMAN MORGAN: And Item C is,
16 Discussion of ABC [sic.] Consulting. If
17 you remember in the -- I think two
18 meetings ago we had some discussion with
19 regard to the inspection program and the
20 criteria with regard to annual
21 inspection versus semi-annual, and I had
22 a meeting with ABSC. And, Lana, do we
23 have these passed out, the color copies?

24 THE CLERK: Yes.

25 CHAIRMAN MORGAN: Okay. We should

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1 have a color copy of the --

2 THE CLERK: It was what I handed out
3 this morning.

4 CHAIRMAN MORGAN: That delineates
5 the difference between the annual and
6 the semi-annual. Do you want to cover
7 that briefly ?

8 MR. FRANCIC: Yes.

9 COURT REPORTER: Can you check and
10 see if your mike is on.

11 MR. FRANCIC: What we've done is
12 I've taken the Board approved checklist
13 for the riverboat gaming vessels and
14 sectioned it off to where -- what we're
15 going to be doing during the annual
16 examinations and the semi-annual
17 examinations. We kind of color coated
18 it to make sure that the sections that
19 was presented here, the blue sections
20 would be done at the annual -- let me
21 see here. At the annual examination,
22 all the blue sections, which is section
23 one: Vessel documentation, fire
24 protection, bridge navigation equipment,
25 moor equipment, water tight integrity;

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1 section eight, casino crew and spaces;
2 nine, emergency drills; and ten, eleven,
3 twelve and thirteen sections of all the
4 operating systems.

5 This list, as you can see, is not
6 intended to be -- how I would say, the
7 extend of the inspection on the items.
8 It's up to the discretion of the
9 surveyor at the time to make sure that
10 the vessel is in compliance with
11 everything, everything be checked within
12 that one year. But we took the -- the
13 checklist, and we kind of divided it up
14 to say, we will do these things at the
15 annual exam; and then we will do these
16 items here at the semi-annual exam. But
17 at no time if, say, the surveyor went
18 onboard, the inspector, and he found
19 that -- you know, he walked by the fire
20 extinguisher, even though it wasn't on
21 for the semi-annual exam, he's going to
22 check it to make sure that it's in
23 compliance still, because sometimes they
24 can be extinguished on-site and needs to
25 be replaced.

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1 So this list here will be presented
2 when we send out the notice to the
3 casino operators, the letter saying,

4 your annual exam will be conducted; it's
5 coming up, you know, within the next 90
6 days, because we're going to go at 90
7 days. So in the next 30 days we'll have
8 the examination done, and then it gives
9 us at least two months to present this
10 certificate to make sure they're in
11 compliance before the board members.

12 So the copy of this checklist will
13 be presented to the casinos, the general
14 managers, so they're sure that they know
15 what is going to be done with the exam.

16 CHAIRMAN MORGAN: In furtherance, I
17 requested that be in writing to the
18 general managers, also, and that the
19 State Police field office be aware of
20 when the inspection's being conducted,
21 because one of the issues was the --
22 area for improvement of the
23 communications. So I think we're going
24 to try to have that addressed, and we
25 will get some feedback from industry to

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1 ensure that happens.

2 Is there any questions of the board
3 to the checklist? I think this
4 clarifies. This is a living document
5 that we're going to have to tweak as
6 time goes on.

7 MR. FRANCIC: But like I said, I
8 just don't want this to limit the
9 inspectors when they go onboard. They
10 want to make sure that when they go
11 onboard, that the safety of the patrons
12 onboard are going to be the most adhered
13 to. So even though we kind of divide it
14 up in the annual and semi-annual list,
15 all the items will be done during
16 that -- that year, but we want to make
17 sure that, you know, if they do walk
18 onboard and see something, that that
19 will be taken care of.

20 CHAIRMAN MORGAN: Well, I think the
21 feedback I've gotten from industry is
22 that they're -- they have the same
23 concerns as we do as a board and want to
24 make sure for the safety of the patrons
25 and their employees, so I don't think

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1 we're going to have any problem with
2 that. Thank you.

3 VI. VIDEO GAMING ISSUES

4 A. Consideration of the following truckstop
5 applications:

- 6 1. T & D Ventures, LLC, d/b/a Lucky Dollar
7 Casino - No. 4701512880 (transfer of
8 interest)

9 CHAIRMAN MORGAN: Video gaming

10 issues: Consideration of the truckstop
11 applicants, T & D Ventures, LLC, doing
12 business as Lucky Dollar Casino,
13 4701512880.

14 MR. WAGNER: Good morning,
15 Mr. Chairman, Members of the Board. I'm
16 Assistant Attorney General, Jonathan
17 Wagner, before you in regard to the
18 transfer of membership interest for
19 Minnows Too, LLC, which is the property
20 owner and a revenue recipient of T & D
21 Ventures, LLC, the licensee which holds
22 gaming license 4701512880 and operates
23 as Lucky Dollar Casino in Gramercy.

24 On March 24th, 2010, Edward A. Amar,
25 Jr., and his wife, Janice, donated a 1.5

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1 membership interest in Minnows Too, LLC,
2 to their grandson, Edward A. Amar, IV.

3 Prior to the donation, Edward Amar,
4 IV, already held a 20 percent interest
5 of Minnows Too, and Edward A. Amar, IV,
6 had been -- excuse me, had already been
7 found suitable and held 2.5 percent.

8 Senior Trooper Eddie Daigle with the
9 Office of State Police investigated the
10 transaction and is here to present his
11 findings.

12 SR. TROOPER DAIGLE: Good morning,

13 Chairman and Board Members. I'm Trooper
14 Eddie Daigle, State Police. I reviewed
15 the transactions and found no
16 information which would preclude --
17 would prevent continuing participation
18 in the video gaming industry by either
19 Edward Amar, Jr., or his grandson,
20 Edward Amar, IV.

21 MR. WAGNER: The Office of the
22 Attorney General has reviewed the file
23 compiled as a result of State Police's
24 investigation, and our review indicates
25 that no information has been found which

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1 would preclude -- which would contradict
2 their finding. At this time, I'd be
3 happy to answer any of your questions.

4 CHAIRMAN MORGAN: Okay. Are there
5 any questions with regards to this
6 transfer of interest? [No response.]
7 Do we have a motion?

8 MR. JUNEAU: I make a motion.

9 CHAIRMAN MORGAN: We have a motion
10 by Mr. Juneau.

11 MAJOR MERCER: Second.

12 CHAIRMAN MORGAN: Seconded by Major
13 Mercer. Is there any objection?
14 Hearing none, that's approved.

15 2. LAG Oasis, LLC, d/b/a Elmwood Oasis - No.

16 2604515927 (transfer of interest)

17 CHAIRMAN MORGAN: The next item is
18 LAG Oasis, LLC, doing business as
19 Elmwood Oasis.

20 MR. WAGNER: Again, Mr. Chairman and
21 Members of the Board, I'm Assistant
22 Attorney General, Jonathan Wagner,
23 before you in regard to the 50 percent
24 membership transfer of interest for LAG
25 Oasis, LLC, doing business as Elmwood

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1 Oasis.

2 LAG, Oasis is a Louisiana, LLC,
3 organized on October 23rd, 2008. The
4 establishment is located on 6025
5 Jefferson Highway in Harrahan. George
6 J. Ackel, Jr., held 50 percent of LAG
7 Oasis in his individual capacity until
8 his death on November 11th, 2009, at
9 which time his interest passed equally,
10 12 and a half percent each, to his
11 children: Namely, George A. Ackel, III;
12 Adam A. Ackel; Alexander A. Ackel and
13 Alana A. Tallo.

14 Terrence M. Power was appointed as a
15 Provisional Administrator of the estate,
16 and the 50 percent membership in LAG
17 Oasis is the -- the remaining 50 percent
18 that did not pass to the four heirs is

19 held 25 percent by Brandon 1, LLC, and
20 25 percent by Geocor Properties.

21 Trooper Vincent Lenguyen conducted
22 the suitability investigation of the
23 relevant persons and is here to present
24 the Office of State Police's findings.

25 TROOPER LENGUYEN: Good morning,

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1 Chairman and Board Members. My name is
2 Trooper Vincent Lenguyen with Louisiana
3 State Police. I conducted a suitability
4 investigation on the relevant persons
5 associated with the applicant and found
6 no information that would preclude a
7 finding of suitability for George J.
8 Ackel, III; Adam A. Ackel; Alexander A.
9 Ackel; Alana A. Tallo or Terrence M.
10 Power.

11 MR. WAGNER: The Office of the
12 Attorney General has reviewed the file
13 compiled as a result of the Office of
14 State Police's investigation, and our
15 review indicates that no information has
16 been found which would preclude the
17 issuance of the Type 5 video gaming
18 license to LAG Oasis, doing business as
19 Elmwood Oasis, or the continued
20 operation under this license.

21 At this time, I would be happy to

22 answer any of your questions.

23 CHAIRMAN MORGAN: Are there any
24 questions?

25 MR. JONES: Yeah, I just have one

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1 question. George Ackel, III, had a
2 charge of felony theft against him which
3 was dismissed. I was just curious as to
4 what the nature of that was.

5 MR. WAGNER: According to our
6 records that State Police provided, a
7 restitution was made to the victim, and
8 no charge -- and the case, as you said,
9 was dismissed from thereon.

10 MR. JONES: What was the theft
11 regarding; do you know?

12 MR. WAGNER: I do not know, sir. I
13 contacted the East Baton Rouge Sheriff's
14 Department, which is where the theft
15 took place, and requested a copy of the
16 arrest report and was told that he was
17 arrested on a warrant, I believe, out of
18 New Orleans, and I was unable to find
19 any further information beyond that
20 point.

21 MR. JONES: Okay.

22 MR. STIPE: Just a couple of
23 questions. There were two separate
24 property agreements --

25 MR. WAGNER: Yes, sir.

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1 MR. STIPE: -- and the effect of
2 them is that the spouses don't need to
3 undergo a suitability evaluation; is
4 that correct?

5 MR. WAGNER: Correct, sir. There
6 was not only the separate property
7 agreements, but also a reservation of
8 fruits, so any money produced from the
9 business remains with the license -- the
10 husbands.

11 MR. STIPE: Yeah, one of those was
12 executed before the marriage -- before
13 the marriage, and I take from this that
14 then they executed something to make it
15 clear that the fruits of the community
16 don't --

17 MR. WAGNER: That is correct.

18 MR. STIPE: And you're comfortable
19 that that satisfies the requirements?

20 MR. WAGNER: Yes, sir, I am.

21 MR. STIPE: Secondly, that it looks
22 to me like this separation of property
23 occurred after or in the midst of your
24 investigation. Am I misreading the
25 timeline?

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1 MR. WAGNER: No, you're not

2 misreading the timeline; however, that
3 doesn't affect the end result. The
4 spouse has agreed that any fruits
5 produced as a result of her husband's
6 ownership shall remain his separate
7 property, so even though it came kind of
8 after the fact, it's still -- the effect
9 is still the same.

10 MR. STIPE: Had you begun your
11 investigation before that document was
12 executed with respect to the spouse?

13 MR. WAGNER: Trooper Lenguyen will
14 have to answer that.

15 TROOPER LENGUYEN: Yes, I have.

16 MR. STIPE: And your representation
17 is that we approve the transfer? Your
18 recommendation is that we approve this?

19 TROOPER LENGUYEN: Yes, sir.

20 MR. WAGNER: Charmaine Moore just
21 reminded me something that I overlooked
22 in the file, that because this is
23 inherited property, it is automatically
24 separate property. So the reservation
25 of fruits is all that was needed to

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1 maintain the nature of both of the
2 ownership of the property, as well as
3 the fruits produced therefrom.

4 CHAIRMAN MORGAN: All right. Any

5 other questions? When does this license
6 expire?

7 TROOPER LENGUYEN: This is a new
8 license. It just got approved last
9 year, and during the time Mr. Ackel,
10 Jr., passed away, so we're just redoing
11 it, so it's still active.

12 CHAIRMAN MORGAN: We need to approve
13 the transfer or issuance of a Type 5?

14 MR. WAGNER: You're approving the
15 transfer.

16 CHAIRMAN MORGAN: Okay. Any other
17 questions? Do we have a motion? Do we
18 want to entertain a motion to approve,
19 disapprove?

20 MS. ROGERS: There's so many.

21 CHAIRMAN MORGAN: Well, are there
22 any other questions?

23 MR. BRADFORD: I have a question.
24 You had mentioned something about a
25 grandson. This is just from a father to

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1 a son, is that correct, from George
2 Ackel, Jr., to George Ackel, III?

3 MR. WAGNER: Correct, and George
4 Ackel, III's, siblings as well. There
5 were four children left by George Ackel,
6 Jr., and his shares are passing equally
7 to each of the four children.

8 MR. BRADFORD: Okay.

9 MR. WAGNER: In this case, Jr. was
10 the deceased, and the third is the
11 remaining child.

12 MS. ROGERS: And all the criminal
13 histories, that doesn't enter into this
14 at all?

15 MR. WAGNER: The Office of State
16 Police considered their criminal
17 histories, and our office reviewed them
18 as well and found that other than the
19 felony theft, which I addressed earlier,
20 everything else was fine. And because
21 the charges had been dismissed and
22 restitution made that, in essence,
23 George Ackel, III, he was as well -- his
24 criminal past would not prohibit his
25 receiving a video poker interest.

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1 CHAIRMAN MORGAN: I guess the
2 concern: There's no automatic
3 disqualifier for these folks by law, but
4 there is the general suitability of the
5 act itself that could be considered.
6 And, I guess, before the Board, we're
7 not hearing that y'all -- did you
8 investigate the --

9 TROOPER LENGUYEN: The felony theft?

10 CHAIRMAN MORGAN: -- the felony

11 theft?

12 TROOPER LENGUYEN: Yes, I have.

13 CHAIRMAN MORGAN: Can you elaborate?

14 TROOPER LENGUYEN: The felony theft
15 was -- what happened was: Mr. Ackel
16 opened a charge account with a supplier
17 company during around the Katrina era
18 time, and what happened was when he
19 thought he'd paid all his bills and
20 everything -- and when he moved away,
21 the bill was sent to an address where he
22 was no longer there. So he never got a
23 bill to pay the supplier back for
24 whatever materials and supplies that he
25 got from the company, and, therefore,

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1 the company filed a felony theft charge
2 on Mr. Ackel.

3 So when he got -- he got subpoenaed
4 and got arrested. Mr. Ackel took that
5 case and basically paid for the supplies
6 and stuff that -- and paid for the
7 supplies and stuff, which was around
8 \$5,000, and since that the D.A.'s Office
9 in East Baton Rouge considered it was a
10 misunderstanding regarding to the whole
11 ordeal, and that's the reason why they
12 dismissed the charge.

13 MAJOR MERCER: What was the second

14 degree battery?

15 TROOPER LENGUYEN: Second degree

16 battery was with regard to his -- they

17 pressed charges on him for hitting his

18 wife accidentally, and so, therefore,

19 his wife just dismissed the charge.

20 MAJOR MERCER: She didn't --

21 CHAIRMAN MORGAN: Hitting his wife

22 accidentally?

23 TROOPER LENGUYEN: That's what I got

24 from him.

25 CHAIRMAN MORGAN: You got that from

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1 him?

2 TROOPER LENGUYEN: Yes.

3 MS. ROGERS: How about the drug

4 charges?

5 TROOPER LENGUYEN: The drug charges

6 was misdemeanor, and that's why they

7 went through Diversion with St. Tammany

8 Parish to get it clear, and from that

9 time on, he has been clear of any of

10 these drugs or anything. And he went

11 to -- he went through college and

12 graduating and now have a full-time job

13 and everything.

14 MR. WAGNER: I would like to clarify

15 for the record that the drug charges you

16 just referenced were not George J.

17 Ackel, III. They were the other
18 individual.

19 MS. ROGERS: I see that it was
20 Alexander, but we are voting on all of
21 them.

22 MR. WAGNER: Correct.

23 MS. ROGERS: So.

24 MR. BRADFORD: Mr. Chairman, for the
25 purpose of bringing this to a vote, I

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1 move for approval of the transfer.

2 CHAIRMAN MORGAN: Move for approval
3 by Mr. Bradford. Is there a second?

4 MAJOR MERCER: I'll second.

5 CHAIRMAN MORGAN: Second by Major
6 Mercer. Is there any objection?

7 Hearing no objections, it's approved.

8 3. Shop Rite, Inc., d.b/a/ Shop Rite #82

9 Jennings Travel Center - No. 2703512949

10 (transfer of interest)

11 CHAIRMAN MORGAN: Item three is Shop
12 Rite, Incorporated, doing business as
13 Shop Rite #82, Jennings Travel Center.

14 MR. PITRE: Chairman Morgan, Board
15 Members, I'm Assistant Attorney General,
16 Earl Pitre, Jr., here in the matter of
17 Shop Rite, Incorporated, doing business
18 as Shop Rite #82, Jennings Travel
19 Center.

20 The licensee is a Louisiana company
21 incorporated on May 16, 1967. Shop
22 Rite, Incorporated, the licensee,
23 redeemed 502 shares of stock from Lazar
24 Gielen. Lazar Gielen resigned as
25 officer and director of the licensee.

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1 Stephen Stefanski donated his 200 shares
2 of stock in the licensee to his spouse,
3 Mary Ann Stefanski, as her separate
4 property.

5 John Dan Gielen, as owner and
6 stockholder with 81 percent ownership,
7 was elected as President and Director of
8 the licensee. Mary Ann Stefanski was an
9 owner and stockholder with 19 percent
10 ownership. She was elected as Director
11 of the licensee. Mike Donohue was
12 elected as Chief Executive Officer and
13 as Director of the licensee. Scott
14 Stefanski was elected as Director of the
15 licensee, Stephen Lambousy was elected
16 as Chief Financial Officer of the
17 licensee; Louis Saab was elected as
18 Vice-President of Fuel Operations, as
19 Secretary and as Director of the
20 licensee.

21 Trooper Kevin Smith conducted the
22 suitability investigation of the added

23 officers and directors. He will present
24 the Office of State Police's findings to
25 the Board.

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1 TROOPER SMITH: Good morning,
2 Mr. Chairman, Members of the Board, I'm
3 Trooper Kevin Smith, Louisiana State
4 Police. I conducted a suitability
5 investigation on Michael Donohue, Scott
6 Stefanski, Stephen Lambousy, Louis Saab
7 and found no information that would
8 preclude them from participating in the
9 video gaming industry. John Dan Gielen,
10 Peggy Gielen, spouse of John, Mary Ann
11 Stefanski, Stephen Stefanski, spouse of
12 Mary Ann, met suitability in a previous
13 investigation of the gaming license of
14 Shop Rite, Incorporated, d/b/a Shop Rite
15 #82, Jennings Travel Center.

16 MR. PITRE: The Office of the
17 Attorney General has reviewed the file
18 compiled as a result of the
19 investigation conducted by the Office of
20 State Police. Our review indicates that
21 no information has been found which
22 would object to the stock redemption or
23 the donation, nor preclude Michael
24 Donohue, Scott Stefanski, Stephen
25 Lambousy or Louis Saab from

1 participating in the video gaming
2 industry.

3 CHAIRMAN MORGAN: Okay. Thank you.
4 Are there any questions? Any questions?
5 [No response.] Do we have a motion to
6 approve the transfer of interest?

7 MR. JUNEAU: I'll make it.

8 CHAIRMAN MORGAN: Okay, we've got a
9 couple: Mr. Juneau and seconded by
10 Mr. Stipe. Is there any objection?
11 Hearing none, it's approved. Thank you.

12 VII. PROPOSED SETTLEMENTS/APPEALS FROM HEARING

13 OFFICERS' DECISIONS

14 1. In Re: Galliano Inn, LLC, d/b/a
15 Galliano Inn - No. 2900311726 -
16 (proposed settlement)

17 CHAIRMAN MORGAN: Item VII, Proposed
18 Settlements/Appeals from Hearing
19 Officers' Decisions. Number one,
20 Galliano Inn, LLC, doing business as
21 Galliano Inn.

22 MR. HEBERT: Good morning, Chairman,
23 Members of the Board, Christopher Hebert
24 representing the Louisiana Office of
25 State Police in the matter as Galliano

1 Inn, LLC, doing business of Galliano
2 Inn.

3 On December 29th, 2009, Galliano
4 Inn, LLC, doing business as Galliano
5 Inn, submitted a multiple use reporting
6 form to the Division in which it stated
7 that it had converted to a limited
8 liability company, and that's from a
9 corporation.

10 An investigation was conducted which
11 discovered that the conversion took
12 place approximately one year prior to
13 Galliano Inn's notifying the Division.
14 Galliano Inn failed to timely notify the
15 Division of this conversion in violation
16 of gaming law.

17 In lieu of an administrative action,
18 the Division hereby agrees to accept
19 Galliano Inn's payment of the stipulated
20 settlement of \$500 in full and final
21 settlement of the penalty. The hearing
22 officer has signed off on this
23 settlement, and we're here this morning
24 seeking the Board's approval of the
25 settlement.

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1 CHAIRMAN MORGAN: Are there any
2 questions? [No response.]

3 MR. JUNEAU: Motion a motion.

4 CHAIRMAN MORGAN: We have a motion
5 by Mr. Juneau to approve.

6 MR. JONES: Second.

7 CHAIRMAN MORGAN: Seconded by

8 Mr. Jones. Is there any objection?

9 Hearing none, it's approved.

10 MR. HEBERT: Thank you.

11 2. In Re: Leroy Carey d/b/a Leroy's Place -

12 No. 3601115272 (proposed settlement)

13 CHAIRMAN MORGAN: The second one is

14 Leroy Carey doing business as Leroy's

15 Place.

16 MS. BOGRAN: Good morning, Chairman

17 Morning, Board Members, I'm Olga Bogran,

18 Assistant Attorney General. Leroy

19 Carey, the violation here arose from the

20 licensee's submission of improperly

21 notarized documents. The investigation

22 revealed that Miss Carey was overheard

23 by a bar patron discussing with her

24 device owner that she needed to get

25 gaming documents notarized, and the bar

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1 patron, who they knew casually as a

2 customer, told Miss Carey that she

3 worked at a law firm and she could get

4 the documents notarized for her for ten

5 dollars. Since that was a substantial

6 savings over what they normally paid for

7 notarization, Mrs. Carey got Mr. Carey

8 to sign the documents, handed it to

9 her -- to the patron. She took them and
10 the ten dollars, and the next day she
11 dropped off documents that were
12 supposedly notarized at the bar, put
13 them in an envelope and mailed them to
14 the Division.

15 When the Division received the
16 documents, the investigating trooper
17 noticed the bar roll or notary number
18 was missing next to the signature of the
19 notary, and while researching the number
20 and the notary, they found out that the
21 attorney, whose name was on the
22 document, had actually died in 2001.
23 This all happened in 2009. When they
24 contacted the licensee, she -- Mrs.
25 Carey, who hadn't shared a lot of this

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1 with Mr. Carey, had admitted that she
2 was trying to save some money and so she
3 had given the documents to the customer
4 who they have not seen since that day.

5 The Division investigated further
6 and found out that there was no
7 connection between the licensees, the
8 purported notarizing attorney, and
9 nobody has heard or seen the former
10 patron. The civil penalty included in
11 the settlement agreement is \$1,000, and

12 that's consistent with penalties levied
13 for other improper notarization
14 violations. The parties and the hearing
15 officer have signed off on the
16 settlement, and it's now before you for
17 final approval.

18 CHAIRMAN MORGAN: What is there
19 track record, regulatory track record at
20 this licensee?

21 MS. BOGRAN: This, as far as I know,
22 was their first violation.

23 CHAIRMAN MORGAN: Okay.

24 MR. BRADFORD: Question, I have a
25 question. Is that fine set by

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1 regulatory? Is that in the fine
2 schedule?

3 CHAIRMAN MORGAN: No. We do not
4 have a fine schedule as of yet for
5 video. This is one we promulgated --
6 this is -- this stands on its own each
7 case.

8 MS. ROGERS: And she has agreed to
9 the fine?

10 MS. BOGRAN: Oh, yes.

11 MS. ROGERS: She's really saved a
12 lot of money.

13 MS. BOGRAN: That's what her husband
14 pointed out to her.

15 CHAIRMAN MORGAN: I think I read
16 that everything was accurate with regard
17 to the submission, right?

18 MS. BOGRAN: Yes. There were no
19 problems. This was the only issue.

20 CHAIRMAN MORGAN: Just used a notary
21 that's been dead for eight years.

22 MR. JUNEAU: Have they found the
23 stamp and stuff?

24 MS. BOGRAN: I don't know if they
25 needed the stamp. It was a signature.

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1 Maybe she's got the stamp, who knows,
2 and she's off doing this someplace else.

3 CHAIRMAN MORGAN: I will tell you
4 this: I had reservations looking at
5 that at first because there's nothing
6 more sacred or important in gaming than
7 to have documents that are accurate and
8 submitted, and the whole purpose of the
9 notary is that you don't have to do it
10 in front of a Division Agent.

11 MS. BOGRAN: Right.

12 CHAIRMAN MORGAN: So I know we joke
13 on this, but I hope these persons learn
14 a lesson, because next time if I have to
15 vote on it, they wouldn't have a
16 license. That's how I feel about that,
17 because I...

18 MS. BOGRAN: They attended the
19 compliance conference, and they --

20 CHAIRMAN MORGAN: First blush, I was
21 not going to go along with this. Okay.

22 MR. STIPE: Can I just -- and so we
23 don't know who actually signed this
24 notary blank?

25 MS. BOGRAN: No. It could have been

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1 the bar patron.

2 MR. STIPE: Have -- and I'm not
3 suggesting that you had to -- but has
4 anybody in your office referred or
5 informed the Bar Association of this? I
6 mean -- apparently, I mean, when the
7 attorneys pass away, there's supposed to
8 be a wrap up procedure and somebody is
9 supposed to be in charge of their files?
10 Has anybody done that? Was there any
11 kind of notification to the Bar
12 Association?

13 MS. BOGRAN: Well, they found out
14 from the Bar Association that he was
15 dead, this is how he found out, so they
16 know.

17 MR. STIPE: Okay.

18 MR. BRADFORD: Okay. I move for
19 approval.

20 CHAIRMAN MORGAN: Moved by

21 Mr. Bradford to approve. Is there a
22 second?

23 MR. JUNEAU: Second.

24 CHAIRMAN MORGAN: Mr. Juneau. Any
25 objection? Hearing none, that's

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1 approved.

2 3. In Re: Country Club Restaurant & Lounge,
3 LLC, d/b/a The Whistle Stop - No.
4 2605101172 (proposed settlement)

5 MS. BOGRAN: Okay. The next one is
6 Country Club Restaurant and Lounge, LLC,
7 d/b/a The Whistle Stop, Number
8 2605101172. The violation cited in this
9 settlement agreement is the licensee's
10 failure to disclose an arrest, and that
11 pertained to an arrest of the owner.
12 His wife came to their bar, an argument
13 ensued. The owner pulled a knife,
14 threatened to cut her tires, threatened
15 her. The police were called, and he was
16 arrested. He's 75 years old. The
17 charges were refused.

18 So this settlement penalty is \$250,
19 and the settlement is before you for
20 final approval.

21 CHAIRMAN MORGAN: Okay. Any
22 questions? [No response.] Do we have a
23 motion?

24 MR. JONES: I'll move.

25 CHAIRMAN MORGAN: Motion by

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1 Mr. Jones to approve.

2 MR. JUNEAU: Second.

3 CHAIRMAN MORGAN: Seconded by

4 Mr. Juneau. Any objection? Hearing

5 none, it's approved. Thank you.

6 4. In Re: Kevin Tran - No. PO40053005

7 (appeal)

8 CHAIRMAN MORGAN: We have one appeal

9 on the docket which is Kevin Tran. Is

10 he here?

11 MS. BROWN: He wasn't last I

12 checked.

13 CHAIRMAN MORGAN: He was not?

14 MS. BROWN: He was not.

15 CHAIRMAN MORGAN: And he took the

16 appeal?

17 MS. BROWN: That's correct.

18 CHAIRMAN MORGAN: Well, go ahead and

19 create the record.

20 MS. BROWN: Okay. Good morning,

21 Chairman Morgan, Members of the Board.

22 I'm Mesa Brown, Assistant Attorney

23 General, representing the Division. I

24 am appearing in the matter of, In Re:

25 Kevin Tran, case number P040053005.

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1 Here Mr. Tran repeatedly, knowingly
2 issued worthless checks. He also failed
3 to disclose an arrest on his renewal
4 application which was submitted after
5 the arrest. Failing to disclose this
6 information on the application is just
7 another instance where Mr. Tran has
8 exhibited behavior contrary to that of a
9 person of good character, honesty and
10 integrity.

11 Accordingly, the Division asks that
12 the Board affirm the decision of the
13 hearing officer denying Mr. Kevin Tran's
14 renewal application.

15 CHAIRMAN MORGAN: Okay. Any
16 questions? Do we have a motion to
17 affirm?

18 MS. ROGERS: I move.

19 MAJOR MERCER: Second.

20 CHAIRMAN MORGAN: Moved by Miss
21 Rogers, seconded by Major Mercer. Is
22 there any objection to the motion to
23 affirm? Hearing none, that's affirmed.

24 MS. BROWN: Thank you.

25 CHAIRMAN MORGAN: Item VIII is

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1 Executive Session matters. I would need
2 a motion to enter into Executive
3 Session.

4 MR. STIPE: So moved.

5 CHAIRMAN MORGAN: Motion by

6 Mr. Stipe.

7 MR. SINGLETON: Second.

8 CHAIRMAN MORGAN: Seconded by

9 Mr. Singleton. Is there any objection?

10 We'll be entering into Executive Session

11 just for a few minutes, and then we'll

12 come back for Public Comment.

13 VIII. EXECUTIVE SESSION

14 (Board enters Executive Session.)

15 [OFF OPEN RECORD.]

16 (Board resumed regular session at 11:17 a.m.)

17 CHAIRMAN MORGAN: If there's no

18 objection, we'll come out of Executive

19 Session.

20 IX. PUBLIC COMMENTS

21 CHAIRMAN MORGAN: Public comments.

22 We're back on the record. The last item

23 is Public Comments. Do we have any

24 public comments? Lucien, you don't have

25 anything? He wants to say something.

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1 Good to see him anyway.

2 X. ADJOURNMENT

3 CHAIRMAN MORGAN: Do we have a

4 motion to adjourn?

5 MS. ROGERS: So moved.

6 CHAIRMAN MORGAN: Motion by Miss

7 Rogers.
8 MAJOR MERCER: Second.
9 CHAIRMAN MORGAN: Seconded by Major
10 Mercer. Any objection? [No response.]
11 Were adjourned.

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1 REPORTER'S PAGE

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

7 That due to the spontaneous discourse of this
8 proceeding, where necessary, dashes (--) have been
9 used to indicate pauses, changes in thought,

10 and/or talkovers; that same is the proper method
11 for a Court Reporter's transcription of a
12 proceeding, and that dashes (--) do not indicate
13 that words or phrases have been left out of this
14 transcript;

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

18

19

20

21

22

23

24 SHELLEY PAROLA

Certified Court Reporter #96001

25 Registered Professional Reporter

73

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 July 20, 2010, as taken by me

8 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 17th day of
20 August, 2010.

21

22

23

SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

24