



State of Louisiana
Gaming Control Board

BOBBY JINDAL
GOVERNOR

DANE K. MORGAN
CHAIRMAN

**IN RE: LOSCO, INCORPORATED D/B/A
LOUISIANA OFFICE SUPPLY COMPANY, INC.
NO. P081700934**

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of December 14, 2011. The Hearing Officer's order dated November 30, 2011, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Recommendation of Administrative Action," by and between LOSCO, Incorporated d/b/a Louisiana Office Supply Company, Inc., No. P081700934, and the State of Louisiana, Department of Public Safety and Corrections, Office of State Police, which is attached hereto and incorporated herein, is **APPROVED.**

THUS DONE AND SIGNED on this the 14th day of December, 2011.

LOUISIANA GAMING CONTROL BOARD

BY:


DANE K. MORGAN, CHAIRMAN

LGCB-1129-11-B

4307 Bluebonnet Boulevard, Suite A, Baton Rouge, LA 70809
Phone: (225) 295-8450 Fax: (225) 295-8479

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 15th DAY
OF December, 2011

APPEAL DOCKET CLERK


RECEIVED

By GERALYN COLEMAN at 1:16 pm, Nov 30, 2011

RECEIVED

NOV 29 2011

LGCB
ADMINISTRATIVE HEARING OFFICE

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: LOSCO, INCORPORATED D/B/A
LOUISIANA OFFICE SUPPLY COMPANY, INC.

CASE NO.: P081700934

JOINT MOTION FOR APPROVAL OF COMPROMISE AND
SETTLEMENT AGREEMENT

TO THE HONORABLE ADMINISTRATIVE HEARING OFFICER:

NOW COME the State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter, the "Division") and LOSCO, Inc. d/b/a Louisiana Office Supply Company, Inc. (hereinafter, "LOS CO"), who file this Joint Motion for Approval of Compromise and Settlement Agreement, and in support thereof would respectively show unto the Hearing Officer as follows:

1.

The Division and LOSCO are desirous of compromising and settling all disputes between them relative to the referenced administrative proceeding. In connection therewith, the parties have entered into a compromise and settlement agreement, which by its terms will become effective upon approval by the Administrative Hearing Office and the Louisiana Gaming Control Board.

2.

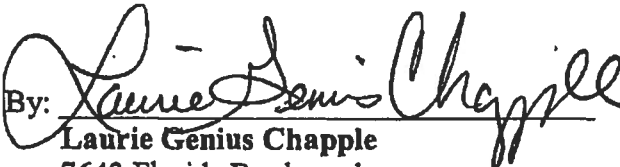
A true and correct copy of the proposed Compromise and Settlement Agreement is attached hereto as Exhibit "A" and incorporated by reference for all purposes.

TRUE COPY
[Signature]
Representative
Louisiana Gaming Control Board

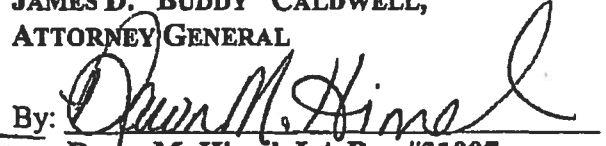
WHEREFORE, PREMISES CONSIDERED, the Division and LOSCO respectfully request that this Honorable Administrative Hearing Officer approve the parties' Compromise and Settlement Agreement.

Respectfully Submitted,

**JAMES D. "BUDDY" CALDWELL,
ATTORNEY GENERAL**

By: 

Laurie Genius Chapple
7643 Florida Boulevard
Baton Rouge, Louisiana 70806
P.O. Box 65209
Baton Rouge, Louisiana 70896
Telephone: (225) 927-1110
*President of and Authorized Representative
for LOSCO, Inc. d/b/a Louisiana
Office Supply Company, Inc.*

By: 

Dawn M. Himel, LA Bar #31007
Assistant Attorney General
1885 North Third Street, 5th Floor
Baton Rouge, Louisiana 70802
Telephone: (225) 326-6500
Facsimile: (225) 326-6599
Counsel for the Office of State Police

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

**IN RE: LOSCO, INCORPORATED D/B/A
LOUISIANA OFFICE SUPPLY COMPANY, INC.**

CASE NO.: P081700934

COMPROMISE AND SETTLEMENT AGREEMENT

The State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter, the "Division") and LOSCO, Inc. d/b/a Louisiana Office Supply Company, Inc. (hereinafter, "LOSCO") do hereby represent and agree as follows:

WHEREAS, the Louisiana Gaming Control Board has sent a Notice of Recommendation of Administrative Action to LOSCO, which Notice contains allegations of certain violations of Louisiana Gaming Control Law; and

WHEREAS, the issues raised by the said Notice of Recommendation of Administrative Action are set for hearing before the Louisiana Gaming Control Board Administrative Hearing Office on November 30, 2011; and

WHEREAS, the Division and LOSCO are desirous of fully and finally compromising and settling all issues and disputes arising out of and in connection with the said Notice of Recommendation of Administrative Action;

NOW, THEREFORE, in consideration of the foregoing, the parties hereto do hereby agree and stipulate as follows:

STIPULATIONS

1. LOSCO is a non-gaming supplier located at 7643 Florida Boulevard, Baton Rouge, Louisiana 70806.

2. James Rodney Genius was elected Treasurer on January 29, 2007, replacing James O. Corvin. LOSCO did not notify the Division of James Rodney Genius' appointment or of James O. Corvin's resignation or termination from Treasurer until May 24, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

3. Stephen Cullen Saucier was elected Secretary on January 29, 2007, replacing James O. Corvin. LOSCO did not notify the Division of Stephen Cullen Saucier's appointment or of James O. Corvin's resignation or termination from Secretary until July 30, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

4. Albert Sidney Genius was elected Chief Executive Officer on January 29, 2007. LOSCO did not notify the Division of this appointment until March 16, 2011, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

5. Laurie Genius Chapple was elected President on January 29, 2007, replacing Albert Sidney Genius. LOSCO did not notify the Division of Laurie Genius Chapple's appointment or of Albert Sidney Genius' resignation or termination from President until March 16, 2011, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

6. Prior to or on September 28, 2007, approximately twenty (20) or more stock conveyances occurred causing the ownership of LOSCO's 6,000 shares to change from Albert Sidney Genius (34%), Fielding Chadwick Phillips (33%), and Laurie Genius Chapple (33%) to the following ownership: Fielding Chadwick Phillips, 1400 shares, 23.33%; Bobie McAllen, 1150 shares, 19.17%; Kay Phillips Elliott, 500 shares, 8.33%; Pam Sulzer, 200 shares, 3.33%, Gerald and Pam Sulzer, 300 shares, 5%; James Dale Genius, 525 shares, 8.75%, Christie Peterson, 13 shares, 0.22%; Robbie McKey, 12 shares, 0.20%; Randy McAllen, 25 shares, 0.42%; James Garnet Genius, 262 shares, 4.37%; Margaret Genius, 262 shares, 4.37%, Albert

Sidney Genius, 264 shares, 4.40%; Laurie Genius Chapple, 262 shares, 4.37%; Brenda Genius Stapleton, 525 shares, 8.75%; Stephen Cullen Saucier, 25 shares 0.42%; Stephanie Saucier, 25 shares, 0.42%; Rivers Saucier, 25 shares, 0.42%; Stacy Beardslee, 25 shares, 0.42%; William Beardslee, 25 shares, 0.42%; Callie Beardslee, 25 shares, 0.42%; Andrew Chapple, 50 shares, 0.83%; Alexander Chapple, 50 shares, 0.83%; and Caroline Chapple, 50 shares, 0.83%. LOSCO did not notify the Division of the above-listed conveyances and ownership until December 7, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

7. LOSCO failed to maintain proper records and documents pertaining to the conveyances, which occurred prior to or on September 28, 2007, leading to the ownership provided in paragraph 6.

8. The conveyances which occurred prior to or on September 28, 2007, leading to the ownership provided in paragraph 6, caused Fielding Chadwick Phillips, Bobie McAllen, Kay Phillips Elliott, Pam Sulzer, Gerald Sulzer, James Dale Genius, and Brenda Genius Stapleton's ownership interests to rise to five (5%) percent or more. Their respective ownership interest required them all to submit to and meet suitability upon their acquisition of said ownership.

9. Bobie McAllen, Kay Phillips Elliott, Pam Sulzer, Gerald Sulzer, and James Dale Genius failed to submit to and meet suitability while they owned five (5%) percent or more from the unknown date(s) when they received said ownership until September 28, 2007, when LOSCO alleges their respective ownership fell below five (5%) percent, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

10. Brenda Genius Stapleton submitted to suitability on April 7, 2011. Brenda Genius Stapleton failed to submit to and meet suitability from the time she acquired said ownership,

prior to or on September 28, 2007, until April 7, 2011, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

11. On September 28, 2007, LOSCO purchased 1,190 shares of stock from Fielding Chadwick Phillips. LOSCO did not notify the Division of this conveyance until approximately October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

12. According to LOSCO, on September 28, 2007, LOSCO purchased 2,000 share of stock from Fielding Chadwick Phillips and issued the stock to James Rodney Genius. LOSCO did not notify the Division of this conveyance until December 7, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

13. Prior to or on September 28, 2007, LOSCO purchased 970 shares of stock from Bobie McAllen. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

14. Prior to or on September 28, 2007, LOSCO purchased 425 shares of stock from Kay Phillips Elliott. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

15. Prior to or on September 28, 2007, LOSCO purchased 170 shares of stock from Pam Sulzer. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

16. Prior to or on September 28, 2007, LOSCO purchased 255 shares of stock from Gerald and Pam Sulzer. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

17. Prior to or on September 28, 2007, LOSCO purchased 380 shares of stock from James Dale Genius. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

18. Prior to or on September 28, 2007, LOSCO purchased 13 shares of stock from Christie Peterson. LOSCO did not notify the Division of this conveyance until December 7, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

19. Prior to or on September 28, 2007, LOSCO purchased 12 shares of stock from Robbie McKey. LOSCO did not notify the Division of this conveyance until December 7, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

20. Prior to or on September 28, 2007, LOSCO purchased 25 shares of stock from Randy McAllen. LOSCO did not notify the Division of this conveyance until December 7, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

21. On September 28, 2007, LOSCO sold 50 shares of stock to James Garnet Genius. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

22. The purchase of 50 shares of stock by James Garnet Genius listed above in paragraph 21 caused his ownership interest to increase from 4.37% to 5.20%, which required him to submit to and meet suitability as of September 28, 2007. James Garnet Genius did not submit to suitability until April 7, 2011, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

23. On September 28, 2007, LOSCO sold 137 shares of stock to Margaret Genius. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

24. The purchase of 137 shares of stock by Margaret Genius listed above in paragraph 23 caused her ownership interest to increase from 4.37% to 6.65%, which required her to submit to and meet suitability as of September 28, 2007. Margaret Genius did not submit to suitability until April 7, 2011, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

25. On September 28, 2007, LOSCO sold 625 shares of stock to Albert Sidney Genius. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

26. On September 28, 2007, LOSCO sold 918 shares of stock to Albert Chris Chapple and Laurie Genius Chapple. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

27. The purchase of 918 shares of stock by Albert Chris Chapple listed above in paragraph 26 caused him to be a co-owner of 15.30%, which required him to submit to and meet suitability as of September 28, 2007. Albert Chris Chapple did not submit to suitability until November 22, 2011, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

28. On September 28, 2007, LOSCO sold 1,185 shares of stock to James Rodney Genius. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

29. The purchase of 1,185 shares of stock by James Rodney Genius listed above in paragraph 28 caused his ownership interest to be 19.75%, which required him to submit to and meet suitability as of September 28, 2007. James Rodney Genius did not submit to suitability until May 24, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

30. On September 28, 2007, LOSCO sold 50 shares of stock to Leslie Cassels. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

31. On September 28, 2007, LOSCO sold 50 shares of stock to Charles Jarreau, Jr. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

32. On September 28, 2007, LOSCO sold 50 shares of stock to Greg McConnell. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

33. On September 28, 2007, LOSCO sold 50 shares of stock to Michael Owen. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

34. On September 28, 2007, LOSCO sold 50 shares of stock to Michael Seamans. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

35. On September 28, 2007, LOSCO sold 75 shares of stock to Gloria Tangarifee. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

36. On September 28, 2007, LOSCO sold 150 shares of stock to Roger Fleshman. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

37. On September 28, 2007, LOSCO sold 50 shares of stock to Brenda Genius Stapleton. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

38. In 2008, Albert Sidney Genius donated 25 shares of stock to Caroline Chapple, 25 shares of stock to Alexander Chapple, and 25 shares of stock to Andrew Chapple. LOSCO did not notify the Division of these conveyances until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4)..

39. In 2008, Laurie Genius Chapple donated 25 shares of stock to Caroline Chapple, 30 shares of stock to Alexander Chapple, and 25 shares of stock to Andrew Chapple. LOSCO did not notify the Division of these conveyances until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

40. In 2009, Charles Jarreau, Jr. sold 25 shares of stock to Brenda Genius Stapleton and 25 shares of stock to Gloria Tangerifee. LOSCO did not notify the Division of these conveyances until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

41. On January 4, 2010, Kay Phillips Elliott donated 32 shares of stock to Neal Risley Elliott, Jr. LOSCO did not notify the Division of this conveyance until October 25, 2010, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

42. In or around March 2007, LOSCO relocated its business and changed its physical address from 5550 Florida Boulevard, Baton Rouge, Louisiana 70806 to 7643 Florida Boulevard, Baton Rouge, Louisiana 70806. LOSCO did not notify the Division of its relocation

and change in its physical address until November 22, 2011, in violation of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4);

43. LOSCO did not notify the Division of the changes that had occurred prior to the respective annual affidavit for 2007, 2008, and 2009.

TERMS AND CONDITIONS

1. In lieu of Administrative Action of its Non-Gaming Supplier Permit, LOSCO will pay a civil penalty of THIRTY THOUSAND AND NO/100 (\$30,000.00) DOLLARS for its violations of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

2. The Division hereby agrees that payment of a civil penalty of THIRTY THOUSAND AND NO/100 (\$30,000.00) DOLLARS shall be in full and final settlement of all matters set forth in the Notice of Recommendation of Administrative Action for LOSCO's violations of LAC 42:VII.2901(B)(4), LAC 42:IX.2901(B)(4), and LAC 42:XIII.2901(B)(4).

3. The Division reserves the right to take into consideration these admitted violations in connection with any future investigation, violation or assessment of penalty and in connection with any future assessments of LOSCO's suitability.

4. The terms of this Compromise and Settlement Agreement shall be interpreted under the laws of the State of Louisiana.

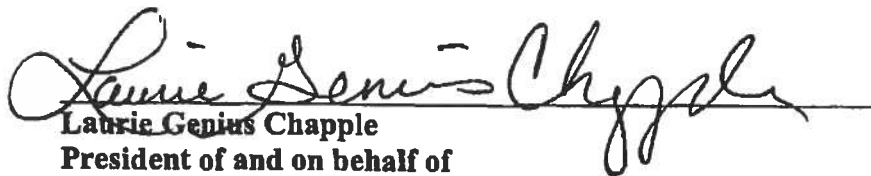
5. This Compromise and Settlement Agreement constitutes the entire agreement between the Division and LOSCO, pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties.

6. This Compromise and Settlement Agreement is subject to approval by the Hearing Officer and the Louisiana Gaming Control Board. It is expressly understood that if this proposed settlement is approved by the Hearing Officer, this agreement is not thereby executory,

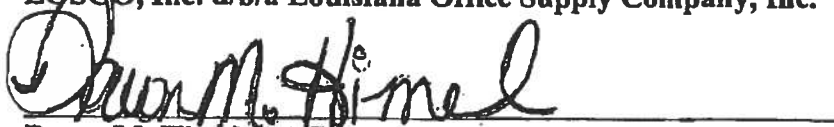
but will be submitted to the Louisiana Gaming Control Board for its determination as to whether to approve same or to remand the matter to the Hearing Officer for a full hearing on the merits.

7. If approved, LOSCO agrees to make full payment of the civil penalty to the Division within fifteen (15) days of approval of this settlement by the Louisiana Gaming Control Board. LOSCO agrees that failure to meet this requirement shall result in immediate suspension of the non-gaming supplier permit without the necessity of any further administrative action until such time as the penalty is paid in full.

I have read this entire Compromise Settlement Agreement and agree to all stipulations and terms and conditions hereof.



Laurie Genius Chapple
President of and on behalf of
LOSCO, Inc. d/b/a Louisiana Office Supply Company, Inc.



Dawn M. Himel, AAG, on behalf of
State of Louisiana, Department of Public Safety &
Corrections, Office of State Police

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: LOSCO, INCORPORATED

CASE NO.: P081700934

D/B/A LOUISIANA OFFICE SUPPLY COMPANY, INC.

ORDER

BE IT REMEMBERED that on the 30 day of Nov, 2011, came for consideration the Joint Motion for Approval of Compromise and Settlement Agreement, and the parties having appeared by and through their respective attorneys of record or representing themselves, and the Hearing Officer having considered the pleadings on file, the proposed Settlement Agreement, and the said Motion, and it appearing to the Hearing Officer that the said Compromise and Settlement Agreement should be approved; it is, therefore,

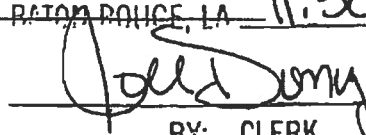
ORDERED, ADJUDGED, AND DECREED that the Compromise and Settlement Agreement attached to the parties' Joint Motion for Approval of Compromise and Settlement Agreement be, and the same is hereby, **APPROVED**; that LOSCO, Inc. d/b/a Louisiana Office Supply Company, Inc. must pay THIRTY THOUSAND AND NO/100 (\$30,000.00) DOLLARS to the Division within fifteen (15) days of approval by the Louisiana Gaming Control Board. Failure to do so shall result in the immediate suspension of the non-gaming supplier permit without the necessity of any further administrative action until such time as the penalty is paid in full.

LOUISIANA GAMING CONTROL BOARD
TRUSTY CERTIFIED MAIL PERMITTED
COPIES HAVE BEEN MAILED OR SERVED ON
ALL PARTIES THIS 30th DAY
OF November, Louisiana, 2011
DOCKET CLERK, ADMINISTRATIVE HEARING OFFICE

cc: Daurie Genius
Chappelle
Dawn Humel
Sgt. Lonell Subler

SIGNED AND ENTERED this 30th day of Nov, 2011, in Baton


WILLIAM H. BROWN
HEARING OFFICER

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL
HEARING OFFICE
BATON ROUGE, LA 11.30

BY: CLERK