



State of Louisiana
Gaming Control Board

KATHLEEN BABINEAUX BLANCO
GOVERNOR

H. CHARLES GAUDIN
CHAIRMAN

IN RE: PNK (LAKE CHARLES), LLC
NO. ENF060237

ORDER


This matter was considered by the Louisiana Gaming Control Board at its meeting of May 16, 2007. The Hearing Officer's order dated April 25, 2007, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Recommendation of Administrative Action," Violation No. ENF060237, by and between PNK (Lake Charles), LLC, License No. R011001707, 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 16th day of May, 2007.

LOUISIANA GAMING CONTROL BOARD

BY:


H. CHARLES GAUDIN, CHAIRMAN

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 17th DAY
OF May 2007
APPEAL DOCKET CLERK


RECEIVED

APR 25 2007

STATE OF LOUISIANA

LOUISIANA GAMING CONTROL BOARD

ADMINISTRATIVE HEARING OFFICE

LGCB
ADMINISTRATIVE HEARING OFFICE

IN RE: PNK (LAKE CHARLES), LLC

CASE NO. ENF060237

**JOINT MOTION FOR APPROVAL OF COMPROMISE AND
SETTLEMENT AGREEMENT**

APR 26 2007
By

TO THE HONORABLE ADMINISTRATIVE HEARING OFFICER:

COME NOW State of Louisiana, Department of Public Safety and Corrections, Office of State Police ("the Division") and PNK (Lake Charles), LLC, d/b/a L'Auberge du Lac Resort and Casino (hereinafter "Licensee"), 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 Licensee 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.

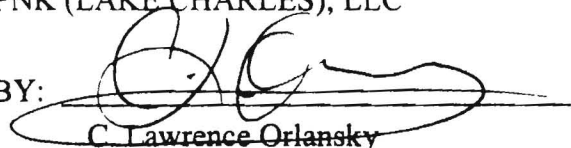
[Handwritten Signature]
Gaming Control Board

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

Respectfully Submitted,

PNK (LAKE CHARLES), LLC

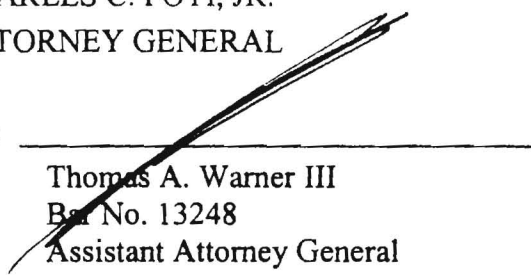
BY:



C. Lawrence Orlansky
Bar No. 2039
Stone Pigman Walther Wittmann L.L.C.
546 Carondelet Street
New Orleans, Louisiana 70130-3588
Telephone: (504) 581-3200
Facsimile: (504) 581-3361

CHARLES C. FOTI, JR.
ATTORNEY GENERAL

BY:



Thomas A. Warner III
Bar No. 13248
Assistant Attorney General
1885 North 3rd Street
Post Office Box 94005
Baton Rouge, Louisiana 70804
Telephone: (225) 326-6500
Facsimile: (225) 326-6599

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: PNK (LAKE CHARLES), LLC

CASE NO. ENF060237

COMPROMISE AND SETTLEMENT AGREEMENT

The State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter "the Division") and PNK (Lake Charles), LLC, d/b/a L'Auberge du Lac Resort and Casino (hereinafter "Licensee" or "L'Auberge") do hereby represent and agree as follows:

WHEREAS, the Louisiana Gaming Control Board has issued a Notice of Recommendation of Administrative Action to Licensee alleging certain violations of Louisiana Gaming Control Law; and

WHEREAS, the issues raised by the said Notice of Recommendation of Administrative Action are currently set for hearing on April 25, 2007, before the Louisiana Gaming Control Board Administrative Hearing Office; and

WHEREAS, the Division and Licensee 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. In June 2006, a L'Auberge employee notified the Louisiana Office of State Police that two self-excluded persons, whose identities shall remain confidential pursuant to the provisions of La. R.S. 27:27.1(D)(4), had gained access to L'Auberge's gaming floor. Office of State Police

EXHIBIT "A"

agents reviewed records establishing that one of the persons was properly placed on the state voluntary exclusion list in September 2001 and that the other person was properly placed on the state voluntary exclusion list in December 2002.

2. The Office of State Police has asserted that L'Auberge failed to comply with its own Board-approved Compulsive Gambling Program, resulting in a failure to identify self-excluded persons. Specifically, one of the self-excluded persons changed her address, obtained a preferred card, and was sent a welcome mailer. She then gamed at L'Auberge on February 16, 2006, winning a jackpot of over \$1,800.00, and on February 17, 2006, winning a jackpot of \$1,600.00. She also gamed at L'Auberge on June 4, 2006, June 18, 2006, July 1, 2006, and August 30, 2006. The second self-excluded person gamed at L'Auberge on June 17, 2006, winning a jackpot of \$1,600.00.

3. The evidence suggests that although L'Auberge's approved Compulsive Gambling Program provides that the state voluntary exclusion list shall be maintained in a player database, and this database was in fact maintained, the player database did not transfer information on self-excluded persons to the jackpot payout process.

4. As set forth above, L'Auberge failed to detect the presence of the self-excluded persons on the gaming floor on the above-listed seven separate occasions.

5. L'Auberge has implemented procedures to protect against similar situations in the future, all as outlined on the attached Exhibit I.

TERMS AND CONDITIONS

1. In lieu of further administrative or any other regulatory action against it, PNK (Lake Charles), LLC agrees to pay to the Division the amount of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00), and will additionally pay the amount of FIVE THOUSAND FIFTY-FIVE DOLLARS AND EIGHTY CENTS (\$5,055.80) to the Compulsive and Problem Gaming Fund.
2. Subject to the approval of the Hearing Officer of the Louisiana Gaming Control Board, the Division hereby agrees to accept L'Auberge's payment of the above stated amount in full and final settlement of this Notice of Recommendation of Administrative Action.
3. It is expressly understood that this proposed settlement, if approved by the Hearing Officer, is not executory and will be submitted to the Louisiana Gaming Control Board for its determination as to whether the matter should be heard by the Hearing Officer. The parties hereby consent to this procedure. In the event this settlement is not so approved, it shall be null and void and nothing herein contained shall be an admission or waiver of any position by or of any party. Failure to pay the penalty within fifteen (15) days of approval of this settlement shall result in the immediate suspension of PNK (Lake Charles), LLC, d/b/a L'Auberge du Lac's permit without the necessity of further administrative action, until such time as the penalty is paid in full.
4. The Division reserves the right to take into consideration these admitted facts in connection with any future investigation, violation or assessment of penalty, and in connection with any future assessments of the Licensee's suitability.
5. This settlement is to be interpreted under the laws of the State of Louisiana.

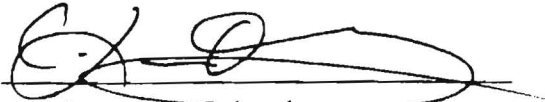
EXHIBIT "A"

6. This settlement constitutes the entire agreement between the Division and PNK (Lake Charles), LLC pertaining to the subject matter contained herein and supercedes all prior and contemporaneous agreements, representations, and understandings of the parties.

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

PNK (LAKE CHARLES), LLC

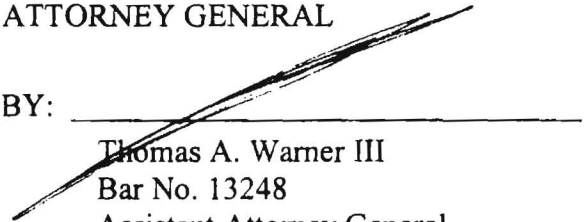
BY:



C. Lawrence Orlansky
Bar No. 2039
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546 Carondelet Street
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Facsimile: (504) 581-3361

CHARLES C. FOTI, JR.
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Bar No. 13248
Assistant Attorney General
1885 North 3rd Street
Post Office Box 94005
Baton Rouge, Louisiana 70804
Telephone: (225) 326-6500
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Exhibit I

PNK (Lake Charles), LLC d/b/a "L'Auberge du Lac" has always strived to comply with all rules and regulations governing the State self-exclusion list and L'Auberge's Compulsive Gambling Program, which was implemented in accordance with the provisions of La. R.S. 27:27.1 and was approved by the Louisiana Gaming Control Board (the "Plan"). L'Auberge is committed to the public policy concerns of problem gaming and to its Board-approved Plan, but remains open to exploring new ideas with the potential to improve or enhance the effectiveness of its Plan and existing procedures. In addition to continued enforcement of the procedures already employed pursuant to the Plan, L'Auberge has reviewed and/or implemented the following procedures in response to the excluded patron matter:

1. L'Auberge's approved Plan provides that the security department will ensure that the current self-exclusion list is internally distributed to the compliance, surveillance, marketing, cage, games, and player development departments. The marketing department will upload the current list to the player database (sometimes referred to as the "patron management database").
2. L'Auberge has implemented changes in procedures to the slots jackpot payout process in response to the excluded patron matter and to the discovery that information available in the patron management database was not being transmitted to the slot system.
3. L'Auberge's IT Department has created an additional computer program to pull self-excluded patron information from the patron management database and make it available to the slot system as a separate database. Slot employees are required to access this new database and to verify patron information before processing a jackpot for payment.
4. L'Auberge will continue to post the current self-exclusion list upon receipt, in a secure manner in the security, surveillance, marketing, cage, games, slots and player development

departments. L'Auberge will continue to upload the current self-exclusion list to the player database and to the new slot system database.

5. In addition, L'Auberge's compliance department has instituted quarterly audits to verify that the latest self-exclusion list is contained in each pit, cage, slot stand, credit office, and security office. The compliance department, as a part of its self-exclusion audit, also takes a test sample of individuals from the exclusion list and determines whether they have been entered into the patron management database properly and whether this information transfers properly to the new slot system database.

6. L'Auberge will continue to emphasize to all gaming related employees, both during orientation sessions and during periodic and annual training, the public policy concerns regarding problem gaming and the importance of complying in all respects with the provisions of the Plan.

7. L'Auberge will continue to monitor its player database for potential issues of problem gaming and persons identified on the State self-exclusion list and will ensure full communication among its departments regarding these issues. L'Auberge will continue to seek support and software enhancements from its vendors that will aid L'Auberge in ensuring that only active and valid gaming patrons are contacted by casino employees and are allowed to play on the casino floor.

PNK (LAKE CHARLES), LLC

BY: 

ITS: V.P. and General Manager

DATED: 4/24/07

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: PNK (LAKE CHARLES), LLC

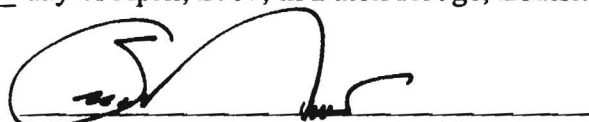
CASE NO. ENF060237

ORDER

BE IT REMEMBERED that on this the 21 day of April, 2007, came on 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, 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**

SIGNED AND ENTERED this 21 day of April, 2007, in Baton Rouge, Louisiana.



William H. Brown, Hearing Officer
Louisiana Gaming Control Board

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT THE ENCLOSED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 21 DAY
OF April 2007
DOCKET CLERK, ADMINISTRATIVE HEARING OFFICE

cc. C. Lawrence Orlansky
Thomas Warner, Lt. Richard Talan

NOTICE SERVED TO:

Counsel for Division:

Charles C. Foti, Jr.
Attorney General
By: Thomas A. Warner III
Assistant Attorney General
1885 North 3rd Street
Post Office Box 94005
Baton Rouge, Louisiana 70804

Counsel for PNK (Lake Charles), LLC

C. Lawrence Orlansky
Stone Pigman Walther Wittmann L.L.C.
546 Carondelet Street
New Orleans, Louisiana 70130-3588

A TRUE COPY ATTEST

LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 4/25/07



BY: CLERK