



State of Louisiana
Gaming Control Board

KATHLEEN BABINEAUX BLANCO
GOVERNOR

H. CHARLES GAUDIN
CHAIRMAN

**IN RE: PNK (LAKE CHARLES), L.L.C. D/B/A
L'AUBERGE DU LAC
NO. CGD050482**

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of October 17, 2006. The Hearing Officer's order dated October 11, 2006, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Violation and Penalty," Violation No. CGD050482, by and between PNK (Lake Charles), L.L.C. d/b/a L'Auberge du Lac, 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 17 day of October, 2006.

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 15th DAY
OF October, 2006

APPEAL DOCKET CLERK



RECEIVED

OCT 05 2006

STATE OF LOUISIANA

LOUISIANA GAMING CONTROL BOARD

LGCB
ADMINISTRATIVE HEARING OFFICE

ADMINISTRATIVE HEARING OFFICE

**IN RE: PNK (LAKE CHARLES), L.L.C.
D/B/A L'AUBERGE DU LAC**

**CASE NO. CGD050482
SAR NO. 05-2-42-201-5244**

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

TO THE HONORABLE ADMINISTRATIVE HEARING OFFICER:


COME NOW State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter the "Division") and PNK (LAKE CHARLES), L.L.C. d/b/a L'Auberge du Lac, License No. R01100170 (hereinafter "Licensee" or "L'Auberge"), 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.

A handwritten signature in black ink is written over a faint, rectangular stamp. The stamp contains some illegible text, possibly a date or a reference number. The signature is written in a cursive style.

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

Respectfully submitted,

STONE PIGMAN WALTHER WITTMANN, LLC

By: 

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Attorneys for **PNK (LAKE CHARLES)**
L.L.C. d/b/a L'Auberge du Lac

CHARLES C. FOTI, JR.,
ATTORNEY GENERAL

By: 

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**Counsel for the Office of State
Police**

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: PNK (LAKE CHARLES), L.L.C.
D/B/A L'AUBERGE DU LAC

CASE NO. CGD050482
SAR NO. 05-2-42-201-5244

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), L.L.C. d/b/a L'Auberge du Lac, License No. R0111001707 (hereinafter "Licensee" or "L'Auberge") do hereby represent and agree as follows:

WHEREAS, the Louisiana Gaming Enforcement Division has issued a Notice of Violation and Penalty to Licensee, alleging certain violations of Louisiana Gaming Control Law; and

WHEREAS, the issues raised by the said Notice of Violation and Penalty are set for hearing on October 11, 2006, 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 Violation and Penalty;

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

STIPULATIONS

1. Licensee stipulates that in October 2005, an auditor with the Louisiana Office of State Police conducted a monthly meter drop comparison inspection at L'Auberge. State Police advised Licensee that the audit disclosed unusually high variance for each denomination of electronic gaming device ("EGD"). Licensee stipulates that in conducting a drop on October 7, 2005, empty bill validator acceptor ("BVA") cans were inadvertently commingled with full BVA cans, in violation of **LAC 42:XIII.2715(A)(1)**. As a result of this conduct, a significant action report was issued on November 10, 2005.

2. Licensee further stipulates that the BVA cans were scanned incorrectly by employees, resulting in the money from BVA cans being assigned to incorrect EGDs in violation of **LAC 42:XIII.2715(A)(7)**.

3. Licensee further stipulates that once in the count room, the dropped BVA cans were not all individually emptied and counted on the count room table in violation of **LAC 42:XIII.2723(Q)(15) BVA CAN CONTENTS NOT RECORDED**.

TERMS AND CONDITIONS

1. Within fifteen (15) days of the approval of this settlement by the Louisiana Gaming Control Board, Licensee shall pay a total of Fifteen Thousand and No/100 (\$15,000.00) Dollars for the above-referenced violations, specifically, violations of LAC 42:XIII:2715(A)(1) (\$2,500.00), LAC 42:XIII.2715(A)(7) (\$2,500.00) and LAC 42:XIII:2723(Q)(15) (\$10,000.00).

2. The Division hereby agrees to a total of Fifteen Thousand and No/100 (\$15,000.00) Dollars in fines for the Licensee's violation of LAC 42:XIII:2715(A)(1), 42:XIII.2715(A)(7) and LAC 42:XIII:2723(Q)(15).

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

4. This Compromise and Settlement Agreement constitutes the entire agreement between the Division and Licensee, pertaining to the subject matter contained herein and

supersedes all prior and contemporaneous agreements, representations and understandings of the parties.

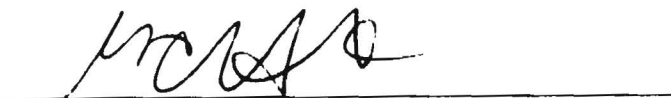
5. This Compromise and Settlement Agreement is subject to approval by the Hearing Officer and the Louisiana Gaming Control Board. It is expressly understood that if this proposed settlement is approved by the Hearing Officer, this agreement is not thereby executory, but will be submitted to the Louisiana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

6. If approved by the Louisiana Gaming Control Board, Licensee must pay Fifteen Thousand and No/100 (\$15,000.00) Dollars within fifteen (15) calendar days of such approval. Any failure to meet this requirement will result in immediate suspension of the gaming license until payment of penalty is received without the necessity of any further administrative action.

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



C. Lawrence Orlansky, Stone Pigman Walther Wittmann, L.L.C., Attorneys for PNK (LAKE CHARLES)L.L.C. d/b/a L'Auberge du Lac



Gail C. Holland, 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: PNK (LAKE CHARLES), L.L.C.
D/B/A L'AUBERGE DU LAC

CASE NO. CGD050482
SAR NO. 05-2-42-201-5244

ORDER

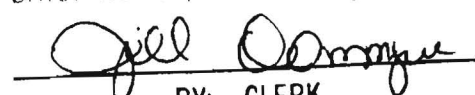
BE IT REMEMBERED that on the 11th day of Oct, 2006, came on for consideration the Joint Motion for Approval of Compromise and Settlement Agreement, and the parties having appeared by and through their respective attorneys of record, and the Hearing Officer having considered the pleadings on file, the 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,

ORDER, 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 11th day of Oct, 2006, in Baton Rouge, Louisiana.

LOUISIANA GAMING CONTROL BOARD
SECRETARY, ADMINISTRATIVE HEARING OFFICE
RECEIVED ON
10/11/06
BY
Jill Dominger
CC: C. Lawrence Orlansky
Gail Holland
Sgt. Roland Falcom


WILLIAM H. BROWN
HEARING OFFICER

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 10/11/06

BY: CLERK