



State of Louisiana

Gaming Control Board

M. J. "MIKE" FOSTER, JR.
GOVERNOR

HILLARY J. CRAIN
CHAIRMAN

IN RE: LOUISIANA GAMING CORPORATION
NO. VP0904600087B

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of August 20, 2002. The Hearing Officer's order dated July 22, 2002, based on the "Joint Motion for Entry of Stipulations and Approval of Proposed Settlement" in the matter of "The Notice of Recommendation of Revocation or Suspension," by and between Louisiana Gaming Corporation, No. VP0904600087, and the Department of Public Safety and Corrections, Office of State Police, Video Gaming Division, which is attached hereto and incorporated herein, is **APPROVED**.

THUS DONE AND SIGNED on this the 28 day of August, 2002.

LOUISIANA GAMING CONTROL BOARD

BY:

HILLARY J. CRAIN, CHAIRMAN

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 28th DAY
OF August 2002

APPEAL DOCKET CLERK

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

RECEIVED
JUL 22 2002
ADMINISTRATIVE
SECRETARIAT

IN RE: LOUISIANA GAMING CORPORATION

CASE NO. 0904600087B

JOINT MOTION FOR ENTRY OF STIPULATIONS
AND APPROVAL OF PROPOSED SETTLEMENT

ON THE JOINT MOTION OF:

1. the Louisiana Department of Public Safety and Corrections, Office of State Police, Video Gaming Division (hereinafter "Division"), through the undersigned Assistant Attorney General, and
2. Louisiana Gaming Corporation, license number 0904600087 (sometimes herein "LGC"),

who respectfully enter the following stipulations into the record:

WHEREAS:

1. On or about June 17, 2002, the Louisiana Gaming Control Board issued a Notice of Recommendation of Revocation or Suspension to the Louisiana Gaming Corporation based on the provisions found in La. R.S. 27:308(B), LAC 42:XI.2405(D)(7) and LAC 42:XI.2411(H)(2);
2. The above-referenced notice alleges that on or about October 23, 2000, Springhill Ventures, L.L.C., a corporation owned entirely by Louisiana Gaming Corporation, executed a lease with the owner of Byram's Country Kitchen, Mr. Robert Byram, and that Springhill Venture, L.L.C. then subleased the business to a third party (Mr. Emmett Coleman) until on or about December 19, 2000. Though Louisiana Gaming Corporation had knowledge of the above, it failed to notify the Division of the change in management and continued to allow the video gaming devices to operate under Mr. Byram's license in violation of LAC 42:XI.2405(D)(7);
3. The notice further alleges that upon Mr. Coleman's departure, on or about December 19, 2000, Springhill Ventures, L.L.C. purchased Byram's Country Kitchen from Mr. Robert Byram, simultaneously employing Mr. Byram to manage the establishment until March of 2001. Then in March of 2001, upon Mr. Byram's departure as manager, Springhill Ventures, L.L.C. employed Mr. William Coker to manage the establishment until June of 2001, when the business

TRUE COPY
[Signature]
Representative
Control Board

was closed. Though Louisiana Gaming Corporation had knowledge of the above, it failed to notify the Division of these transactions and continued to allow the video gaming devices to operate under Mr. Byram's license until the business closed in June of 2001, in violation of LAC 42:XI.2405(D)(7) and LAC 42:XI.2411(H)(2);

4. On or about June 18, 2002, LGC requested an administrative hearing of this action before the Louisiana Gaming Control Board's hearing office; and
5. This matter has been placed on Hearing Officer William H. Brown's docket for hearing on August 21, 2002 at 9:00 a.m.,

NOW THEREFORE, in consideration of the foregoing Stipulations, the Division and Louisiana Gaming Corporation hereby propose the following settlement:

1. Louisiana Gaming Corporation admits and acknowledges that it had knowledge of the lease between Robert Byram and Springhill Ventures, L.L.C., as well as knowledge of the sublease by Springhill Ventures, L.L.C. to Emmett Coleman, and that it failed to immediately notify the Division in writing of the change of management in violation of LAC 42:XI.2405(D)(7);
2. Louisiana Gaming Corporation admits and acknowledges that it had knowledge of the sale of Byram's Country Kitchen to Springhill Ventures, L.L.C. and had knowledge of Mr. Byram's and Mr. Coker's roles as managers of the establishment, and that it failed to immediately notify the Division in writing of the changes in ownership/management, in violation of LAC 42:XI.2405(D)(7), and failed to submit the documentation mandated by LAC 42:XI.2411(H)(2);
3. In lieu of revocation or suspension of Louisiana Gaming Corporation's Type 6 video gaming license, LGC will pay to the Division, as a civil penalty for non-compliance in the aggregate and complete sum of **ONE-HUNDRED-SIXTY-ONE-THOUSAND-THREE-HUNDRED-TWENTY-NINE DOLLARS AND FIFTY-EIGHT CENTS (\$161,329.58)**, which represents thirty (30) days average of LGC's video gaming revenues from its licensed locations, less franchise fees, received during the period of non-compliance from on or about October 23, 2000 through May 31, 2001;
4. Subject to the approval of the Hearing Office of the Louisiana Gaming Control Board, the Division hereby agrees to accept LGC's payment of the above stated penalty in full and final settlement of this administrative action;
5. 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

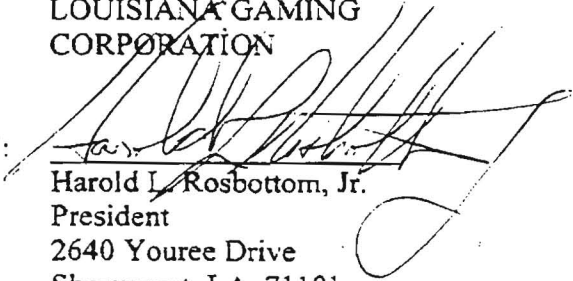
Control Board for its determination as to whether the matter should be heard by the Hearing Officer. The parties hereby consent to this procedure:

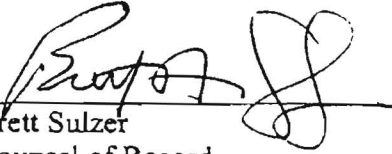
6. The Division and LGC waive their rights to appeal this Stipulation if the Order is signed by the Hearing Officer and is accepted by the Louisiana Gaming Control Board;
7. The Division reserves the right to take this matter into consideration in connection with any subsequent violations;
8. This settlement is to be interpreted under the laws of the State of Louisiana; and
9. This settlement constitutes the entire agreement between the Division and Louisiana Gaming Corporation pertaining to the subject matter contained herein and supercedes all prior and contemporaneous agreements, representations, and understandings of the parties.

Respectfully submitted,

LOUISIANA GAMING
CORPORATION


BY:


Harold L. Rosbottom, Jr.
President
2640 Youree Drive
Shreveport, LA 71101


Brett Sulzer
Counsel of Record
P.O. Box 4852
Baton Rouge, LA 70821
Telephone: (225) 709-1550
Facsimile: (225) 709-1554

RICHARD P. IEYOUB
ATTORNEY GENERAL

BY:


Karen Day White
Assistant Attorney General
339 Florida Street, Suite 500
Baton Rouge, LA 70801
Telephone: (225) 342-2465
Facsimile: (225) 342-4244

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: LOUISIANA GAMING CORPORATION

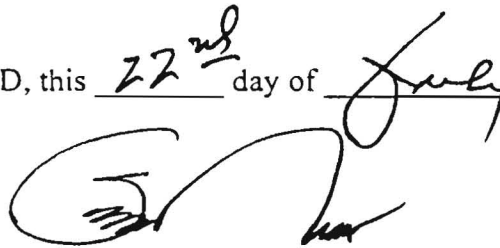
CASE NO. 090-4600087B

ORDER

Considering the foregoing Motion, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED**, that the foregoing Joint Motion for Entry of Stipulations of facts be accepted, approved and entered into the record of this proceeding;

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, that the foregoing proposed settlement be approved and that, in lieu of revocation or suspension of its Type 6 video gaming license, Louisiana Gaming Corporation pay a civil penalty in the amount of **ONE-HUNDRED-SIXTY-ONE-THOUSAND-THREE-HUNDRED-TWENTY-NINE DOLLARS AND FIFTY-EIGHT CENTS (\$161,329.58)**, which is payable within thirty (30) days from the date of receipt of written notice of approval from the Louisiana Gaming Control Board.

THUS DONE AND SIGNED, this 22nd day of July,
2002, in Baton Rouge, Louisiana.



Honorable William H. Brown
Hearing Officer
Louisiana Gaming Control Board

NOTICE SERVED TO:

Counsel for Division:

Karen Day White
Assistant Attorney General
Gaming Division
339 Florida Street, Suite 500
Baton Rouge, LA 70801

Counsel for Louisiana Gaming Corp:

Brett A. Sulzer, Esq.
Sulzer & Kershaw, L.L.C.
P.O. Box 4852
Baton Rouge, LA 70821

A TRUE COPY ATTEST

LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 7/23/02


BY: CLERK

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 23rd
OF July 2002
[Signature]
DOCKET CLERK, ADMINISTRATIVE HEARING OF

cc: Brett Sulzer, Esq.
Karen White, Esq.
Sabriwa Ballard