



State of Louisiana

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Gaming Control Board

H. CHARLES GAUDIN
CHAIRMAN

ANNE LACOUR NEEB
EXECUTIVE DIRECTOR

IN RE: V. J. VENDING SERVICE, INC. NO. 1001600118

ORDER


This matter was considered by the Louisiana Gaming Control Board at its meeting of October 19, 2004. The Hearing Officer's order dated September 7, 2004, based on the "Joint Motion for Entry of Stipulations and Approval of Proposed Settlement" in the matter of the "Notice of Recommendation of Denial of Renewal Application", between V. J. Vending Service, Inc., No. 1001600118, and the State of Louisiana, Department of Public Safety and Corrections, Office of State Police, which is attached hereto and incorporated herein, is **APPROVED**.

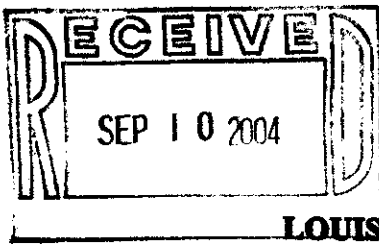
THUS DONE AND SIGNED on this the 19 day of October, 2004.

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 20 DAY
OF October 2004
APPEAL DOCKET CLERK




STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

RECEIVED

SEP 10 2004

LGCB
ADMINISTRATIVE HEARING OFFICE

IN RE: V. J. VENDING SERVICE, INC.

CASE NO. 1001600118

**JOINT MOTION FOR ENTRY OF STIPULATIONS AND
APPROVAL OF PROPOSED SETTLEMENT**

ON THE JOINT MOTION OF:

1. the State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter "Division"), represented by the undersigned Assistant Attorney General, and
2. V. J. Vending Service, Inc., license number 1001600118 (herein "licensee"),

who respectfully enter the following stipulations into the record:

WHEREAS:

1. The Division discovered a counter letter dated December 2, 1991, which gave Salvador Tantillo and Emile Colona each a 33 1/3 % ownership interest in the licensee once it was acquired by the current 100% owner, Christ Kanellakis; this counter letter was not disclosed to the Division in the licensee's 1992 Original Type 6 Video Gaming License Application;
2. On September 30, 1992, Mr. Tantillo and Mr. Colona sold their respective interest in the licensee to Christ Kanellakis, thereby making Mr. Kanellakis the 100% shareholder; contemporaneous with this sale, Mr. Kanellakis, Mr. Tantillo and Mr. Colona entered into a royalty agreement, which assigned a portion of the licensee's video gaming device revenue to Mr. Tantillo and Mr. Colona for a period of 6 years, though royalty payments ceased around December of 1992; this royalty agreement was not listed in the licensee's 1993 through 1998 Renewal Applications filed with the Division;
3. The licensee failed to disclose Mr. Kanellakis' 1983 arrest for DWI and Reckless Operation in its applications filed with the Division;
4. The licensee and Mr. Kanellakis have a history of tax delinquencies with various taxing authorities, including the Internal Revenue Service and the Louisiana Department of Revenue; the licensee and Mr. Kanellakis are now both current in the filing and/or payment of taxes with all federal, state and local agencies;

TRUE COPY

Representative
Louisiana Gaming Control Board

5. In its applications filed with the Division, the licensee failed to reveal that the licensee and Mr. Kanellakis had been party to several lawsuits;
6. Based on the above findings, the Louisiana Gaming Control Board issued a Notice of Recommendation of Denial of Renewal Application to the licensee on January 13, 2004, citing violation of La. R.S. 27:310(B)(a)(e), LAC 42:XL.2405(A) and (B), LAC 42:XL.2411(H)(2) and LAC 42:XL.2417(B) and (C); and
7. This matter is scheduled for hearing on September 7, 2004 at 9:00 a.m. before the Honorable William H. Brown,

NOW THEREFORE, in consideration of the foregoing Stipulations and the particular facts and circumstances of this matter, the Division and the licensee hereby propose the following settlement:

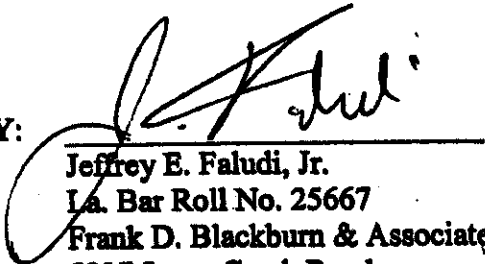
1. The licensee acknowledges that it violated La. R.S. 27:310(B), LAC 42:XL.2405(A & B), LAC 42:XL.2411(H)(2) and LAC 42:XL.2417(B & C)), in that it failed to notify the Division of the above-referenced counter letter, royalty agreement, prior arrest and involvement in lawsuits, and that it did not remain current in the filing and/or payment of taxes to all taxing agencies;
2. The licensee having become current with all federal, state and local tax agencies, and in lieu of denying renewal of the licensee's Type 6 video gaming license, the licensee shall pay a civil penalty for non-compliance in the aggregate and complete sum of **TEN THOUSAND DOLLARS (\$10,000.00)**;
3. The Division hereby agrees to accept the licensee's payment of the above stated penalty in full and final settlement of the Notice of Recommendation of Denial of Renewal Application; however, the Division reserves the right to take into consideration these violations in connection with any future violation;
4. The form and substance of this settlement are to be interpreted under the laws of the State of Louisiana;
5. This settlement constitutes the entire agreement between the Division and V. J. Vending Service, Inc. pertaining to the subject matter contained herein, and supercedes all prior and contemporaneous agreements, representations, and understandings of the parties;
6. This settlement is subject to approval by the Hearing Officer of the Louisiana Gaming Control Board; it is expressly understood that if this proposed settlement is approved by the Hearing Officer, this agreement is not executory and will be submitted to the Board for its determination as to whether the matter should be heard by the Hearing Officer; if approved, however, the licensee must pay the above civil penalty to the state within thirty (30) days of approval - failure to do so shall result in the suspension of the licensee's Type 6 video gaming license until the civil penalty is paid in full; and

7. The Division and the licensee waive their rights to appeal this settlement if the Order is signed by the Hearing Officer and accepted by the Board.

Respectfully submitted,

V. J. VENDING SERVICE, INC.


BY:



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**CHARLES C. FOTI, JR.
ATTORNEY GENERAL**

BY:



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STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: V. J. VENDING SERVICE, INC.

CASE NO. 1001600118

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, to-wit:

1. in lieu denial of renewal of its Type 6 video gaming license, the licensee shall pay a civil penalty in the amount of \$10,000.00, which is payable within thirty (30) days from the date of approval of this settlement by the Louisiana Gaming Control Board; and
2. failure of the licensee to pay the above penalty within the allotted time shall result in the suspension of the licensee's Type 6 video gaming license until the civil penalty is paid in full.

THUS DONE AND SIGNED, this 7th day of Sept, 2004,
in Baton Rouge, Louisiana.

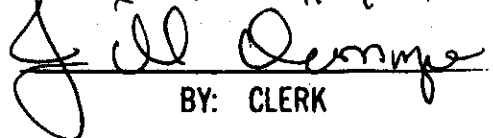


William H. Brown
Hearing Officer

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 15 DAY
OF September, 2004
Jill Deming
DOCKET CLERK, ADMINISTRATIVE HEARING OFFICE

cc: Jeffrey Faldut Jr.
Karen White
Sabrina Ballard

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 9/7/04



BY: CLERK