



State of Louisiana
Gaming Control Board

BOBBY JINDAL
GOVERNOR

H. CHARLES GAUDIN
CHAIRMAN

**IN RE: NICHOLS S. KARNO, III, INC. D/B/A
FAT CATZ MUSIC CLUB
NO. 3601115024**

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of April 21, 2009. The Hearing Officer's order dated April 13, 2009, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Recommendation of Revocation," No. 3601115024, by and between Nicholas S. Karno, III, Inc. d/b/a Fat Catz Music Club, 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 21st day of April, 2009.

LOUISIANA GAMING CONTROL BOARD

BY:



H. CHARLES GAUDIN, CHAIRMAN

HJC/gac

RECEIVED

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LGCB
ADMINISTRATIVE HEARING OFFICE

**STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE**

**IN RE: Nicholas S. Karno, III, Inc.
d/b/a Fat Catz Music Club**

VP#: 3601115024

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

TO THE HONORABLE ADMINISTRATIVE HEARING OFFICER:

COMES NOW the State of Louisiana, Department of Public Safety and Corrections, Office of State Police (the "Division") and Nicholas S. Karno, III, Inc. (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.

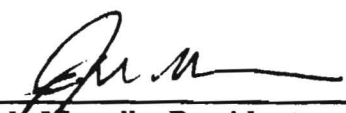
A true and correct copy of the proposed Compromise and Settlement Agreement is attached hereto as Exhibit "A" and incorporated by reference for all purposes.

A handwritten signature in black ink, appearing to be "Nicholas S. Karno, III", written over a horizontal line. The signature is stylized and somewhat cursive.

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

Respectfully submitted,


NICHOLAS S. KARNO, III, INC.

By: 

Jude Marullo, President
440 Bourbon Street
New Orleans, LA
Telephone: (504) 525-0303

Authorized Representative for Licensee

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

By: 

Jonathon B. Wagner, #29693
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: Nicholas S. Karno, III, Inc.
d/b/a Fat Catz Music Club**

VP#: 3601115024

COMPROMISE AND SETTLEMENT AGREEMENT

The State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter, the "Division") and Nicholas S. Karno, III, Inc. (hereinafter "Licensee") do hereby represent and agree as follows:

WHEREAS, the Louisiana Gaming Control Board has issued a Notice of Recommendation of Revocation ("Notice") to Licensee alleging certain violations of Louisiana Gaming Control Law; and

WHEREAS, the issues raised by the said Notice are set for hearing on April 20, 2009, 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;

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

STIPULATIONS

1. On December 31, 2007, Licensee amended its Articles of Incorporation to change its name from Nicholas S. Karno, III, Inc. to Fat Catz Music Club, Inc. Licensee admits to violating both LAC 42:XI.2405(A)(13) and LAC 42:XI.2417(B)(4) when it failed to notify the Division of this corporate name change within ten calendar days of the event.

2. Licensee admits to allowing its Director, Jude Marullo, to simultaneously serve as both President and Secretary/Treasurer in violation of LA R.S. 12:82(A)(1) which requires a corporation to maintain a minimum of two individuals as officers of the corporation.

3. Licensee admits that it violated LAC 42:2405(A)(9) when it failed to timely respond to a ten-day demand letter sent by the Division requesting that it provide documentation pertaining to its name change as well as copies of all licenses and permits bearing the new company name.

TERMS AND CONDITIONS

1. In lieu of Revocation in this matter, Licensee agrees to pay a civil penalty of Five Hundred Dollars (\$500.00).

2. After payment of the aforementioned penalty has been received by the Division, Licensee agrees to surrender its Video Draw Poker licensee.

3. The Division hereby agrees to accept Licensee's payment of the above stated civil penalty and the surrender of its licensee in full and final settlement of the Notice of Recommendation of Revocation issued on August 18, 2008.

4. The Division reserves the right to take into consideration these admitted violations in connection with any future investigation, violation or assessment of penalty.

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


6. 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.

7. 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. Failure to pay the penalty within fifteen (15) days of approval of this settlement by the Louisiana Gaming Control Board, and to comply with each term and condition listed herein, shall result in the continued suspension of Licensee's permit without the necessity of further administrative action, until such time as the penalty is paid in full.

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



**Nicholas S. Karno, III, Inc.
Jude Marullo, President**



**Jonathon B. Wagner, 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: Nicholas S. Karno, III, Inc.
d/b/a Fat Catz Music Club

VP#: 3601115024

ORDER

BE IT REMEMBERED that on the 13th day of April, 2009, 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, 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 13th day of
April, 2009, in Baton Rouge, Louisiana.

LOUISIANA GAMING CONTROL BOARD
HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 13th day of April, 2009
OF [Signature]
DOCKET CLERK, ADMINISTRATIVE HEARING OFFICE

[Signature]
Richard L. Reynolds
HEARING OFFICER

cc: Jude Marullo
Jonathan Wilson
Sgt. Leonel Sibley

BE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 413-89
[Signature]
BY: CLERK