



State of Louisiana
Gaming Control Board

KATHLEEN BABINEAUX BLANCO
GOVERNOR

H. CHARLES GAUDIN
CHAIRMAN

**IN RE: PROGRESSIVE GAMING INTERNATIONAL CORP.
F/K/A MIKON GAMING CORP. – P056501479**
**IN RE: PROGRESSIVE GAMING INTERNATIONAL CORP.
F/K/A MIKON GAMING CORP. – P066500006**
**IN RE: PROGRESSIVE GAMING INTERNATIONAL CORP.
F/K/A MIKON GAMING CORP. – P076500007**
NO. CGD050486

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of November 21, 2006. The Hearing Officer's order dated October 18, 2006, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Recommendation of Administrative Action," No. CGD050486, by and between Progressive Gaming International Corp. f/k/a Mikohn Gaming Corp., No. P056501479, Progressive Gaming International Corp. f/k/a Mikohn Gaming Corp., No. P066500006, Progressive Gaming International Corp. f/k/a Mikohn Gaming Corp., P076500007, 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 November, 2006.

LOUISIANA GAMING CONTROL BOARD

I HEREDY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 22nd DAY
OF November, 2006

APPEAL DOCKET CLERK
[Signature]

LOUISIANA GAMING CONTROL BOARD

BY:

[Signature]
H. CHARLES GAUDIN, CHAIRMAN

RECEIVED

STATE OF LOUISIANA

OCT 18 2006

LOUISIANA GAMING CONTROL BOARD

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ADMINISTRATIVE HEARING OFFICE

ADMINISTRATIVE HEARING OFFICE

IN RE: **PROGRESSIVE GAMING INTERNATIONAL
CORP. F/K/A MIKOHN GAMING CORP.
P056501479** **CGD050486**
OCT 20 2006

IN RE: **PROGRESSIVE GAMING INTERNATIONAL
CORP. F/K/A MIKOHN GAMING CORP.
P066500006** **CGD050486**

IN RE: **PROGRESSIVE GAMING INTERNATIONAL
CORP. F/K/A MIKOHN GAMING CORP.
P076500007** **CGD050486**

COMPROMISE AND SETTLEMENT AGREEMENT

The State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter "the Division") and Progressive Gaming International Corporation f/k/a Mikohn Gaming Corporation (hereinafter "Progressive"), do hereby represent and agree as follows:

WHEREAS, the Louisiana Gaming Control Board has issued a Notice of Recommendation of Administrative Action to Progressive dated May 22, 2006 relative to Progressive's manufacture of slot machines and video draw poker devices permit, Number P056501479 alleging certain violations of Louisiana Gaming Control Law; and

WHEREAS, the Louisiana Gaming Control Board has issued a Notice of Recommendation of Administrative Action to Progressive dated May 22, 2006 relative to

Progressive's manufacture of gaming equipment other than slot machines and video draw poker devices permit, Number P066500006 alleging certain violations of Louisiana Gaming Control Law; and

WHEREAS, the Louisiana Gaming Control Board has issued a Notice of Recommendation of Administrative Action to Progressive dated May 22, 2006 relative to Progressive's gaming supplier permit, Number P076500007 alleging certain violations of Louisiana Gaming Control Law; and

WHEREAS, the issues raised by the said Notices of Recommendation of Administrative Action are set for hearings on November 15, 2006, before the Louisiana Gaming Control Board Administrative Hearing Office; and

WHEREAS, the Division and Progressive are desirous of fully and finally compromising and settling all issues and disputes arising out of and in connection with the said Notices of Recommendation of Administrative Action.

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

STIPULATIONS

1. Margherita Arvanites (hereinafter "Ms. Arvanites"), pled guilty to a misdemeanor on one count of false statements on August 25, 2000 in the Maricopa County Superior Court, Arizona.
2. On or about March 19, 2001, the Table Mountain Rancheria Tribal Gaming Commission denied the gaming license of Ms. Arvanites. The reasons for

her denial were a conviction involving theft, moral turpitude, dishonesty or conspiracy, false statements on the licensing application regarding her employment and submission of an incomplete and deficient application package.

3. On or about February 15, 2002, Ms. Arvanites submitted an application to the Division for approval as Operations Director for Atronics Americas, L.L.C. The Division's investigation determined that she was disqualified from participating in the Louisiana gaming industry. On May 2, 2002, Ms. Arvanites was terminated from her position at Atronics Americas, L.L.C. for the reasons that Louisiana Gaming law precluded her continued employment.
4. On or about July 19, 2004, Progressive hired Margherita Arvanites to serve as its Executive Director of Operations.
5. Progressive was aware that Ms. Arvanites pled guilty to a misdemeanor on one count of false statements.
6. As per its normal procedure Progressive forwarded to the Division, minutes of their Compliance Committee meeting held on August 25, 2004 regarding the employment of Ms. Arvanites. These minutes were not sent until Ms. Arvanites's employment was finally approved at the Compliance Committee meeting on October 12, 2004. The Division received the August 25, 2004 minutes on October 19, 2004.

7. On October 28, 2004, the Division requested that Ms. Arvanites submit a Key Gaming Employee Permit Application knowing that Ms. Arvanites was not suitable to participate in the Louisiana gaming industry.
8. On May 2, 2005, Ms. Arvanites and Progressive entered into a post-employment agreement due to Ms. Arvanites accepting a position with Mikohn Signs and Graphics. Mikohn Signs and Graphics became a separate entity from Progressive due to a divestiture transaction whereby a third party acquired such entity.
9. On October 27, 2005, the Louisiana Gaming Control Board issued a Notice of Recommendation of Finding of Unsuitability to Ms. Arvanites.
10. On April 17, 2006, the Louisiana Gaming Control Board approved a settlement of the Notice of Recommendation of Finding of Unsuitability issued to Ms. Arvanites. She stipulated "Pursuant to LA. R.S. 27:28, Arvanites is not eligible to obtain a license, permit or any approval."
11. The Notices of Recommendation of Administrative Action issued to Progressive allege that Progressive violated La. R.S. 27:28(A)(2), L.A.C. 42:VII.2901(B)(1), L.A.C. 42:VII.2113(A)(2), L.A.C. 42:IX.2141(A)(2), L.A.C. 42:IX.290(B)(1), L.A.C. 42:XIII.2113(A)(2) and L.A.C. 42:XIII.2901(B)(1).


NOW, THEREFORE, in consideration of the foregoing, the Division and Progressive hereby propose to settle this matter pursuant to the following terms and conditions:


1. Progressive Gaming International Corporation will pay FORTY-FIVE THOUSAND DOLLARS (\$45,000.00) to the State of Louisiana within fifteen (15) days of the approval of this Agreement by the Louisiana Gaming Control Board.
2. The Division hereby agrees to accept payment in full and final settlement of Notices of Recommendation of Administrative Action issued to Progressive.
3. Any and all information discovered throughout the course of this investigation and these stipulations may be used in future investigations to determine the suitability of Progressive Gaming International Corporation as well as any natural or juridicial person with whom any of it is or becomes, directly or indirectly, affiliated. The Division reserves the right to take into consideration this investigation in connection with any future investigation, violation or assessment of penalty.
4. The terms of this Compromise and Settlement Agreement shall be interpreted under the laws of the State of Louisiana.
5. This Compromise and Settlement Agreement constitutes the entire agreement between the Division and Progressive, pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the parties.
6. This Compromise and Settlement Agreement shall be of no force or effect unless and until it is approved by both the Administrative 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.

7. Failure to submit the FORTY FIVE THOUSAND DOLLARS (\$45,000.00) to the State of Louisiana within fifteen (15) days of the approval of this Agreement by the Louisiana Gaming Control Board shall result in the immediate suspension of Progressive Gaming International Corporation's permits.

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


Daniel K. Rester on behalf of
PROGRESSIVE GAMING INTERNATIONAL
CORP. F/K/A MIKOHN GAMING CORP.


Michael J. Daniels, 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: PROGRESSIVE GAMING INTERNATIONAL
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**IN RE: PROGRESSIVE GAMING INTERNATIONAL
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**IN RE: PROGRESSIVE GAMING INTERNATIONAL
CORP. F/K/A MIKOHN GAMING CORP.
P076500007** **CGD050486**

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

TO THE HONORABLE ADMINISTRATIVE HEARING OFFICER:

NOW COMES the State of Louisiana, Department of Public Safety and Corrections, Office of State Police (“the Division”) and Progressive Gaming International Corporation f/k/a Mikohn Gaming Corporation (hereinafter “Progressive”), 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 Progressive 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.

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

Respectfully Submitted,

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

BY:



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Counsel for the Division

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: PROGRESSIVE GAMING INTERNATIONAL
CORP. D/B/A MIKOHN GAMING CORP.
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IN RE: PROGRESSIVE GAMING INTERNATIONAL
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P066500006

CGD050486

IN RE: PROGRESSIVE GAMING INTERNATIONAL
CORP. D/B/A MIKOHN GAMING CORP.
P076500007

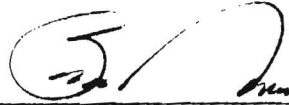
CGD050486

ORDER

BE IT REMEMBERED that on this the 18th 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,

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 18th day of October, 2006, 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
THIS 18th DAY
Jill Daminger
CLERK, ADMINISTRATIVE HEARING OFFICE

cc: Daniel Rester
Michael Daniels
Sgt Rebeland Falcon

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 10/18/06
Jill Daminger
BY: CLERK