



State of Louisiana
Gaming Control Board

BOBBY JINDAL
GOVERNOR

RONNIE JONES
CHAIRMAN

**IN RE: FULL SERVICE SYSTEMS CORPORATION
NO. P086502444**

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of August 15, 2013. The Hearing Officer's order dated July 18, 2013, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Recommendation of Administrative Action" by and between Full Service Systems Corporation, No. P086502444, and the State of Louisiana, Department of Public Safety and Corrections, Office of State Police, which is attached hereto and incorporated herein, is **APPROVED**.

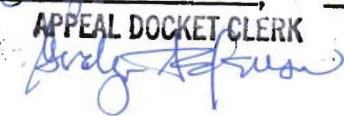
THUS DONE AND SIGNED on this the 15th day of August, 2013.

LOUISIANA GAMING CONTROL BOARD

BY:



RONNIE JONES, CHAIRMAN

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 16th DAY
OF August, 2013
APPEAL DOCKET CLERK


LGCB-2321-13-B

RECEIVED

By GERALYN COLEMAN at 9:41 am, Jul 18, 2013

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

RECEIVED

JUL 15 2013

LGCB
ADMINISTRATIVE HEARING OFFICE

IN RE: FULL SERVICE SYSTEMS
CORPORATION

CASE NO.: P086502444

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

MAY IT PLEASE THE COURT:

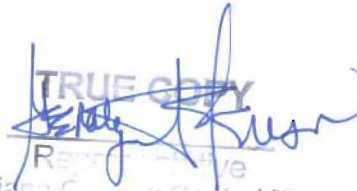
NOW COME the State of Louisiana, on behalf of the Department of Public Safety and Corrections, Office of State Police, Gaming Division ("Division"), and Full Service Systems Corporation ("Full Service"), which respectfully submit this Joint Motion for Approval of Compromise and Settlement Agreement, and in support thereof represent as follows:

1.

The Division and Full Service 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.

TRUE COPY

Representative
Louisiana Gaming Control Board

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

Respectfully submitted,

JAMES D. "BUDDY" CALDWELL
Attorney General

BY:


ASHLEY MILNER SCOTT, Bar No. 27875

Assistant Attorney General

LOUISIANA DEPARTMENT OF JUSTICE

Gaming Division

1885 North Third Street, 3rd Floor

Baton Rouge, Louisiana 70804-9005

Telephone: 225-326-6500

Facsimile: 225-326-6599

***ATTORNEY FOR THE STATE OF LOUISIANA,
ON BEHALF OF THE DEPARTMENT OF PUBLIC
SAFETY AND CORRECTIONS, OFFICE OF
STATE POLICE, GAMING DIVISION***

Respectfully submitted,

PHELPS DUNBAR LLP

BY:


JEFFREY M. BARBIN, Bar No. 25566

II City Plaza | 400 Convention Street, Suite 1100

Baton Rouge, Louisiana 70802-5618

Post Office Box 4412

Baton Rouge, Louisiana 70821-4412

Telephone: 225-346-0285

Facsimile: 225-381-9197

***ATTORNEY FOR FULL SERVICE SYSTEMS
CORPORATION***

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

**IN RE: FULL SERVICE SYSTEMS
CORPORATION**

CASE NO.: P086502444

COMPROMISE AND SETTLEMENT AGREEMENT

The State of Louisiana, on behalf of the Department of Public Safety and Corrections, Office of State Police, Gaming Division (“Division”), and Full Service Systems Corporation (“Full Service”), do hereby represent and agree as follows:

WHEREAS, the Louisiana Gaming Control Board (“Board”) sent a Notice of Recommendation of Administrative Action (“Notice”) to Full Service dated January 8, 2013, which contained allegations of numerous violations of Louisiana Gaming Control Law pertaining to the failure to timely report management and ownership changes.

WHEREAS, the Board sent a second Notice of Recommendation of Administrative Action to Full Service dated April 15, 2013, which contained allegations of violations of Louisiana Gaming Control Law subsequent to the violations contained in the Board’s January 8, 2013, Notice.

WHEREAS, the issues raised by the Board’s January 8, 2013, and April 15, 2013, Notices are set for hearing before the Louisiana Gaming Control Board Administrative Hearing Office on July 15, 2013.

WHEREAS, the Division and Full Service are desirous of fully and finally compromising and settling all issues and disputes arising out of and in connection with the Notices referenced hereinabove.

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

STIPULATIONS

1. Full Service and its affiliate, 21 TSC Voteco LLC, did not timely notify the Division of the following management changes:
 - a. Graeme Gothall resigned as Director and CEO of Full Service on October 22, 2008;
 - b. Bruce Ballard hired as CFO of Full Service on January 31, 2010;
 - c. John Barrett elected as Director of Full Service on February 19, 2010;
 - d. On March 22, 2010, Jay Wilkins resigned as Director of Full Service and was removed as member of 21 TSC Voteco; Robert Kelly resigned as Director of Full Service; Stephen Howard elected as Director of Full Service on March 22, 2010; and Neil Pomroy elected as Director of Full Service and admitted as member of 21 TSC Voteco LLC on March 22, 2010;
 - e. Stephen Howard resigned as Director of Full Service on November 12, 2010;
 - f. Matthew Shafer elected as Director of Full Service on March 22, 2011;
 - g. John Barrett resigned as Director of Full Service on May 1, 2011;
 - h. Nikolaos Vasilatos elected as Director of Full Service and admitted member of 21 TSC Voteco on May 16, 2011;
 - i. Edward Johnson resigned as Director of Full Service and removed as member of 21 TSC Voteco LLC on May 16, 2011;
 - j. Henry DeLeon resigned as Director of Full Service on June 2, 2011.

2. Full Service did not timely notify the Division of the following ownership changes to one of its parent entities, 21 Acquisition Corp.,:
 - a. On July 13, 2009, 21 Acquisition on Corp. issued 1,000,000 shares to 21 TSC, LLC
 - b. On January 29, 2010, 21 Acquisition Corp. issued 1,000,000 shares to 21 TSC, LLC
 - c. On February 16, 2011, 21 Acquisition Corp. issued 65,000 shares to 21 TSC, LLC
 - d. On May 4, 2011, Sterling sold the following: 163,998 shares of 21 Acquisition Corp. to 21 TSC, LLC; 81,023 shares of 21 Acquisition Corp. to Vision TSC; 24,307 shares of 21 Acquisition Corp. to Henry DeLeon; and 5,672 shares of 21 Acquisition Corp. to York Street Mezzanine
 - e. On December 21, 2011, 21 Acquisition Corp. issued 786,879 shares to Vision TSC and 395,797 shares to 21 TSC, LLC.
 - f. On January 20, 2012, 21 Acquisition Corp. issued 38,952 shares to 21 TSC, LLC and 77,441 shares to Vision TSC
3. Full Service committed additional violations subsequent to the foregoing by failing to timely notify the Division of the following:
 - a. On August 14, 2012, Nikolaos Vasilatos was removed as director of 21 Acquisition Corp., removed as director of The Service Companies, Inc., and removed as member of 21 TSC Voteco, LLC; and on August 16, 2012, he was removed as director of Full Service;
 - b. On October 29, 2012, Jennie Benza was elected as director of Full Service, elected as director of The Service Companies, Inc., and elected as director of 21 Acquisition Corp.

TERMS AND CONDITIONS

1. In lieu of administrative action, Full Service will pay a penalty of TEN THOUSAND AND NO/100 (\$10,000.00) DOLLARS for its violations of LAC 42:III.2901(B)(4) as outlined hereinabove and in the Board's January 8, 2013, Notice of

Recommendation of Administrative Action. Full Service will further pay a penalty of THREE THOUSAND AND NO/100 (\$3,000.00) DOLLARS for its subsequent violations of LAC 42:III.2901(B)(4), as outlined hereinabove and in the Board's second Notice of Recommendation of Administrative Action dated April 15, 2013.

2. The Division hereby agrees that payment of a civil penalty of THIRTEEN THOUSAND AND NO/100 (\$13,000.00) DOLLARS shall be in full and final settlement for Full Service's violations of LAC 42:III.2901 detailed in the Board's January 8, 2013, Notice of Recommendation of Administrative Action, as well as full and final settlement for Full Service's subsequent violations of LAC 42:III.2901(B)(4) detailed in the Board's April 13, 2013, Notice of Recommendation of Administrative Action.

3. The Division reserves the right to take into consideration these admitted violations in connection with any future investigation, violation or assessment of penalty and in connection with any future assessments of Full Service's suitability. If the Division determines that Full Service has committed a third violation or set of violations within the proscriptive period as defined in 42 LAC III:2325(F), the base fine shall be multiplied by three (3) for each violation.

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 Full Service, pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the parties.

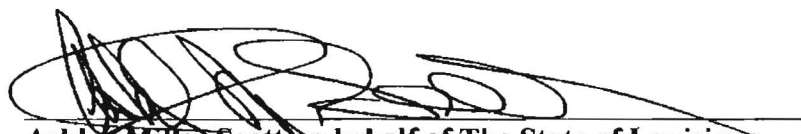
6. This Compromise and Settlement Agreement is subject to approval by the Hearing Officer and the Board. It is expressly understood that if this proposed settlement is approved by the Hearing Officer, this agreement is not thereby executory, but will be submitted to the Board for its determination as to whether to approve same or to remand the matter to the Hearing Officer for a full hearing on the merits.

7. If approved, Full Service agrees to make full payment of the civil penalty within fifteen (15) days of approval of this settlement by the Board. Full Service agrees that failure to meet this requirement shall result in immediate suspension of its gaming permit without the necessity of any 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 HEREOF.



Jeffrey M. Barbin, on behalf of Full Service Systems Corporation



**Ashley Miller Scott on behalf of The State of Louisiana,
Department of Public Safety and Corrections, Office of
State Police, Gaming Division**

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE: FULL SERVICE SYSTEMS CORPORATION

CASE NO.: P086502444

ORDER

BE IT REMEMBERED that on the 18th day of July, 2013, 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 Compromise and 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**; that the Permittee must pay a total penalty of **THIRTEEN THOUSAND AND NO/100 (\$13,000.00) DOLLARS** to the Division within fifteen (15) days of approval by the Louisiana Gaming Control Board. Failure to do so shall result in the immediate suspension of the gaming permit without the necessity of any further administrative action until such time as the penalty is paid in full.

SIGNED AND ENTERED this 18th day of July, 2013, in Baton

A TRUE COPY ATTEST
Rouge, Louisiana
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE LA 7-18-13

Jul Dwyer
BY: CLERK

[Signature]
HEARING OFFICER
LOUISIANA GAMING CONTROL BOARD
JULY 18 2013
DAY
JUL Dwyer
JULY 18 2013
ADMINISTRATIVE HEARING OFFICE