



State of Louisiana
Gaming Control Board

KATHLEEN BABINEAUX BLANCO
GOVERNOR

H. CHARLES GAUDIN
CHAIRMAN

**IN RE: THE OLD EVANGELINE DOWNS, LLC
D/B/A EVANGELINE DOWNS RACETRACK AND CASINO
NO. ENF060377**

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of June 20, 2007. The Hearing Officer's order dated June 6, 2007, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Violation and Penalty," Violation No. ENF060377, by and between The Old Evangeline Downs, LLC d/b/a Evangeline Downs Racetrack and Casino, License No. T012802160, 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 20th day of June, 2007.

LOUISIANA GAMING CONTROL BOARD

BY:

H. Charles Gaudin
H. CHARLES GAUDIN, CHAIRMAN

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 21st DAY
OF June, 2007

APPEAL DOCKET CLERK
Judy Adams

RECEIVED

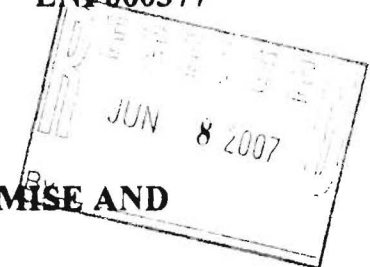
**STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE**

JUN 06 2007

LGCB
ADMINISTRATIVE HEARING OFFICE

**IN RE: THE OLD EVANGELINE DOWNS, LLC
DBA EVANGELINE DOWNS
RACETRACK AND CASINO**

ENE060377



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

TO THE HONORABLE ADMINISTRATIVE HEARING OFFICER:

COME NOW State of Louisiana, Department of Public Safety and Corrections, Office of State Police ("the Division") and The Old Evangeline Downs, LLC, d/b/a Evangeline Downs Racetrack and Casino (hereinafter "EDRC"), 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 EDRC 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.

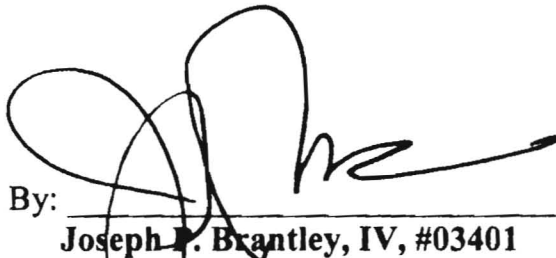
TRUE COPY

Representative

of the Louisiana Gaming Control Board

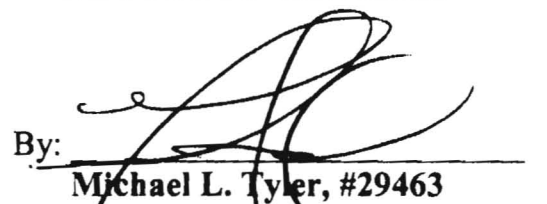
WHEREFORE, PREMISES CONSIDERED, The Division and EDRC respectfully request that this Honorable Administrative Hearing Officer approve the parties' Compromise and Settlement Agreement.

Respectfully Submitted,


By: _____

Joseph P. Brantley, IV, #03401
6513 Perkins Road
Baton Rouge, LA 70808
Telephone: (225) 769-9555
Facsimile: (225) 769-0023
Counsel for EDRC

CHARLES C. FOTI, JR.
ATTORNEY GENERAL


By: _____

Michael L. Tyler, #29463
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: THE OLD EVANGELINE DOWNS, LLC
D/B/A EVANGELINE DOWNS
RACETRACK AND CASINO

ENF060377

COMPROMISE AND SETTLEMENT AGREEMENT

The State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter "the Division") and The Old Evangeline Downs, LLC, d/b/a Evangeline Downs Racetrack and Casino (hereinafter "EDRC") do hereby represent and agree as follows:

WHEREAS, the Division has issued a Notice of Violation and Penalty to EDRC alleging certain violations of Louisiana Gaming Control Law; and

WHEREAS, the issues raised by the said Notice of Violation and Penalty are set for hearing on June 6, 2007, before the Louisiana Gaming Control Board Administrative Hearing Office; and

WHEREAS, the Division and EDRC are desirous of fully and finally compromising and settling all issues and disputes arising out of and in connection with the said Notice of Violation and Penalty;

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

STIPULATIONS

1. In the first quarter of 2006, a Division agent conducted an audit of EDRC's sensitive key procedures.

2. The audit consisted of samples from four (4) time periods: January 17, 2006 through January 19, 2006; February 7, 2006 through February 9, 2006; February 11, 2006 through February 12, 2006; and February 14, 2006 through February 16, 2006.

3. The audit disclosed that EDRC failed to implement procedures to reasonably ensure that all assets were safeguarded when the following incidents occurred in violation of EDRC's Internal Controls: (a.) a soft count room entry key, a restricted sensitive key, was issued to a dual rate security officer/lead on two (2) separate occasions; (b.) an EDRC employee improperly signed a restricted sensitive key in at the same time she signed the key out, and signed as verifier that three (3) restricted sensitive keys were being returned at the same time she signed to verify that the keys were being taken out; and (c.) an EDRC employee who did not witness the issuance of sensitive keys to an employee signed verifying that she witnessed the issuance of the sensitive keys.

4. The audit also disclosed that EDRC failed to control sensitive keys as prescribed by its Internal Controls when on sixteen (16) occasions dual rate leads/security shift supervisors signed out security keys to the main bank dual lock box and/or the security kiosk keys, whereas EDRC's Internal Controls state that only employees at the level of shift supervisor and above are authorized to sign out such keys.

5. The audit also disclosed that on nineteen (19) occasions EDRC's security failed to properly log access to the main bank.

6. The audit further disclosed that access to sensitive keys was not properly documented on the sensitive key control log as on two (2) occasions EDRC personnel recorded incorrect time or no time at all on the log.

7. EDRC does admit it violated LAC 42:VII.2715(A)(1), LAC 42:VII.2715(A)(10), LAC 42:VII.2715(A)(12) and LAC 42:VII.2723(P)(1).


TERMS AND CONDITIONS

1. EDRC will pay a civil penalty of ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$ 125,000.00).
2. Within three (3) months of the approval of this Compromise and Settlement, Evangeline Downs shall develop a comprehensive plan (the "Comprehensive Plan") and submit a copy of the plan to the Audit Section of the Division. The submission of the Comprehensive Plan to the Audit Section of the Division shall in no way operate as an approval of the Comprehensive Plan. Further, the development and implementation of this plan by EDRC shall in no way prevent, nor preclude, the Division from taking regulatory action against EDRC for future infractions of any and all Louisiana Gaming Control Laws, including those laws that were violated under the Notice of Violation and Penalty at issue herein. The Comprehensive Plan shall include the following:
 - A.) A comprehensive plan for the training and re-training of all EDRC gaming employees.
 - B.) A meaningful incentive plan ("Incentive Plan") for the economic benefit of EDRC gaming employees and/or departments that demonstrate continued superior regulatory compliance at or above a standard to be included and defined in the Comprehensive Plan.
3. The Division hereby agrees to accept EDRC's payment of the above stated penalty in full and final settlement of ENF060377.
4. 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 the Licensee's suitability.
5. The terms of this Compromise and Settlement Agreement shall be interpreted under the laws of the State of Louisiana.

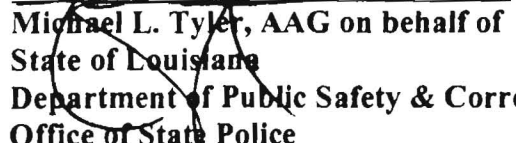
6. This Compromise and Settlement Agreement constitutes the entire agreement between the Division and EDRC, pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the parties.

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, and to comply with each term and condition listed herein, shall result in the immediate suspension of The Old Evangeline Downs, LLC, d/b/a Evangeline Downs Racetrack and Casino's license without the necessity of further administrative action, until such time as the penalty is paid in full and EDRC is in compliance with all terms and conditions.

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



**Joseph P. Brantley on behalf of The Old Evangeline Downs, LLC,
d/b/a Evangeline Downs Racetrack and Casino**



**Michael L. Tyler, 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: THE OLD EVANGELINE DOWNS, LLC
DBA EVANGELINE DOWNS
RACETRACK AND CASINO

ENF060377

ORDER

BE IT REMEMBERED that on this the 6th day of June, 2007, 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**.

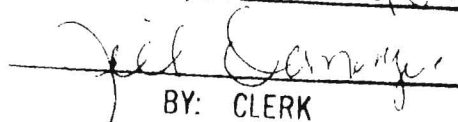
SIGNED AND ENTERED this 6th day of June, 2007, in Baton Rouge,

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 6th DAY
OF June 18 2007
SECRETARY, ADMINISTRATIVE HEARING OFFICE

cc: Joseph Brantley
Michael Tyler
Lt. Leland Falcom


HON. WILLIAM H. BROWN
HEARING OFFICER

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 6/18/07


BY: CLERK