



State of Louisiana
Gaming Control Board

BOBBY JINDAL
GOVERNOR

H. CHARLES GAUDIN
CHAIRMAN

IN RE: HILL CITY OIL COMPANY, INC. D/B/A PROSPECT STATION- NO. 5500511411
IN RE: HILL CITY OIL COMPANY, INC. D/B/A JUBILEE TRAVEL PLAZA #4361- NO. 2900514354
IN RE: HILL CITY OIL COMPANY, INC. D/B/A JUBILEE TRUCK STOP AND CASINO- NO. 5500503918A
IN RE: HILL CITY OIL COMPANY, INC. D/B/A JUBILEE TRUCK STOP AND CASINO- NO. 4700512626
IN RE: HILL CITY OIL COMPANY, INC. D/B/A TOP HAT- NO. 5501111082
IN RE: CHABERT BROS. INC. D/B/A MARTY J'S BAYOU STATION- NO. 5500509976
IN RE: DRAKE AMUSEMENT GROUP. L.L.C. D/B/A DRAKE AMUSEMENT - NO. 5501614074
HERBERT E. STATHES- NO. 5501607564, NO. 06008
ERIC STATHES- NO. 06009
ELIZABETH JANE THOMPSON STATHES- NO. 06010
AMANDA STATHES- NO. 06011

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of January 20, 2009. The Hearing Officer's order dated January 12, 2009, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Recommendation of Revocation," No. 5500511411, "Notice of Recommendation of Revocation," No. 2900514354, "Notice of Recommendation of Revocation," No. 5500503918A, "Notice of Recommendation of Revocation," No. 4700512626, "Notice of Recommendation of Revocation," No. 5501111082, "Notice of Recommendation of Revocation," No. 5500509976, "Notice of Recommendation of Revocation," No. 5501614074, "Notice of Recommendation of Revocation," No. 5501607564, "Notice of Recommendation of Finding of Unsuitability," No. 06008, "Notice of Recommendation of Finding of Unsuitability," No. 06009, "Notice of Recommendation of Finding of Unsuitability," No. 06010, "Notice of Recommendation of Finding of Unsuitability," No. 06011, by and between Hill City Oil Company, Inc. d/b/a Prospect Station, Hill City Oil Company, Inc.

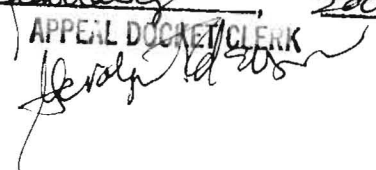
d/b/a Jubilee Travel Plaza #4361, Hill City Oil Company, Inc. d/b/a Jubilee Truck Stop and Casino, Hill City Oil Company, Inc. d/b/a Julilee Truck Stop and Casino, Hill City Oil Company, Inc. d/b/a Top Cat, Chabert Bros., Inc. d/b/a Marty J's Bayou Station, Drake Amusement Group, L.L.C. d/b/a Drake Amusement, Herbert E. Stathes, Eric J. Stathes, Elizabeth Jane Thompson Stathes, Amanda Stathes, 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 January, 2009.

LOUISIANA GAMING CONTROL BOARD

BY: 
H. CHARLES GAUDIN, CHAIRMAN

HJC/gac

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 21st DAY
OF January, 2009
APPEAL DOCKET CLERK


RECEIVED

JAN 12 2009

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

LGCB
ADMINISTRATIVE HEARING OFFICE

IN RE:

HILL CITY OIL COMPANY, INC.	
D/B/A PROSPECT STATION	LICENSE NO. 5500511411
D/B/A JUBILEE TRAVEL PLAZA #4361	LICENSE NO. 2900514354
D/B/A JUBILEE TRUCK STOP AND CASINO	LICENSE NO. 5500503918A
D/B/A JUBILEE TRUCK STOP AND CASINO	LICENSE NO. 4700512626
D/B/A TOP HAT	LICENSE NO. 5501111082
CHABERT BROS. INC.	
D/B/A MARTY J'S BAYOU STATION	LICENSE NO. 5500509976
DRAKE AMUSEMENT GROUP, L.L.C.	
D/B/A DRAKE AMUSEMENT	LICENSE NO. 5501614074
HERBERT E. STATHES	LICENSE NO. 5501607564
	REFERENCE NO. 06008
ELIZABETH JANE THOMPSON STATHES	REFERENCE NO. 06010
ERIC J. STATHES	REFERENCE NO. 06009
AMANDA STATHES	REFERENCE NO. 06011

**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 ("Division") and Hill City Oil Company, Inc., a Mississippi corporation authorized to do business in Louisiana, d/b/a Prospect Station VGL 5500511411, d/b/a Jubilee Travel Plaza #4361 VGL 2900514354, d/b/a Jubilee Truck Stop and Casino VGL 5500503918A and 4700512626, and d/b/a Top Hat VGL 5501111082 ("Hill City"); Chabert Bros. Inc., a Louisiana corporation d/b/a Marty J's Bayou Station, VGL 5500509976 ("Chabert"); Drake Amusement Group, L.L.C., a Louisiana limited liability company d/b/a Drake Amusement VGL 5501614074 ("Drake"); and Herbert E. Stathes, VGL 5501607564, Elizabeth Jane Thompson Stathes, Reference No. 06010, Eric J. Stathes, Reference No. 06009, and Amanda Stathes, Reference No. 06011, each a competent individual domiciled in the Parish of Terrebonne, State of Louisiana (Hill City, Chabert, Drake and Herbert E. Stathes, each a "Licensee" and

collectively the "Licensees"; each Licensee, Elizabeth Jane Thompson Stathes, Eric J. Stathes and Amanda Stathes each a "Hill City Party" and collectively the "Hill City Parties"), 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 the Hill City Parties 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 the Hill City Parties respectfully request that this Honorable Administrative Hearing Officer approve the parties' Compromise and Settlement Agreement.

Respectfully submitted,

**JAMES D. CALDWELL,
ATTORNEY GENERAL**

By: Jeffrey L. Oakes
W. Christopher Beary, Bar Roll #22283
Jeffrey L. Oakes, Bar Roll #30281
Orrill, Cordell & Beary, LLC
1010 Common Street, Suite 3100
New Orleans, Louisiana 70112
Telephone: (504) 299-8724
Facsimile: (504) 299-8735
Counsel for the Hill City Parties

By: Christopher Hebert
Christopher Hebert, Bar Roll # 29044
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:

HILL CITY OIL COMPANY, INC.	
D/B/A PROSPECT STATION	LICENSE NO. 5500511411
D/B/A JUBILEE TRAVEL PLAZA #4361	LICENSE NO. 2900514354
D/B/A JUBILEE TRUCK STOP AND CASINO	LICENSE NO. 5500503918A
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CHABERT BROS. INC.	
D/B/A MARTY J'S BAYOU STATION	LICENSE NO. 5500509976
DRAKE AMUSEMENT GROUP, L.L.C.	
D/B/A DRAKE AMUSEMENT	LICENSE NO. 5501614074
HERBERT E. STATHES	LICENSE NO. 5501607564
ELIZABETH JANE THOMPSON STATHES	REFERENCE NO. 06010
ERIC J. STATHES	REFERENCE NO. 06009
AMANDA STATHES	REFERENCE NO. 06011

COMPROMISE AND SETTLEMENT AGREEMENT

The State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter "the Division"), and Hill City Oil Company, Inc., a Mississippi corporation authorized to do business in Louisiana, d/b/a Prospect Station VGL 5500511411, d/b/a Jubilee Travel Plaza #4361 VGL 2900514354, d/b/a Jubilee Truck Stop and Casino VGL 5500503918A and 4700512626, and d/b/a Top Hat VGL 5501111082 ("Hill City"); Chabert Bros. Inc., a Louisiana corporation d/b/a Marty J's Bayou Station, VGL 5500509976 ("Chabert"); Drake Amusement Group, L.L.C., a Louisiana limited liability company d/b/a Drake Amusement VGL 5501614074 ("Drake"); and Herbert E. Stathes, VGL 5501607564, Elizabeth Jane Thompson Stathes, Reference No. 06010, Eric J. Stathes, Reference No. 06009, and Amanda Stathes, Reference No. 06011, each a competent individual domiciled in the Parish of Terrebonne, State of Louisiana (Hill City, Chabert, Drake and Herbert E. Stathes, each a "Licensee" and collectively the "Licensees"; each Licensee, Elizabeth Jane Thompson Stathes, Eric J. Stathes and Amanda

Stathes each a "Hill City Party" and collectively the "Hill City Parties"), do hereby represent and agree as follows:

WHEREAS, the Louisiana Gaming Control Board has issued Notices of Recommendation of Revocation of License to each Licensee, and Notices of Recommendation of Finding of Unsuitability to each of Herbert E. Stathes, Elizabeth Jane Thompson Stathes, Eric J. Stathes and Amanda Stathes (each a "Notice" and collectively the "Notices"), which Notices allege certain violations of Louisiana Gaming Control Law; and

WHEREAS, the issues raised by the Notices are set for a revocation hearing on January 12, 2009, before the Louisiana Gaming Control Board Administrative Hearing Office; and

WHEREAS, the parties hereto are desirous of fully and finally compromising and settling all disputes and issues raised in connection with the Notice;

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

STIPULATIONS

1. Hill City and Chabert are licensed establishment owners. Drake is a licensed device operator. Herbert E. Stathes was licensed as a device owner (he surrendered such license), and he is an owner, director and officer of other licensees, Hill City and Chabert. Elizabeth Jane Thompson Stathes is an officer and director of certain licensees, including Hill City. Eric J. Stathes is an owner, director and officer of various licensees, including Drake. Amanda Stathes is the spouse of Eric J. Stathes.

2. On or about March 7, 2006, the Louisiana Gaming Control Board issued the Notices to the Hill City Parties alleging certain violations of Louisiana Gaming Control Law.

3. Hill City admits that it failed to notify the State Police regarding a loan agreement with Imperial Trading Company that provides as collateral for the transaction a pledge of gaming

revenue from a video poker truck stop. Hill City admits that it failed to provide suitability paperwork for Ken Halford, who was an Assistant Secretary/Treasurer of Hill City until July 2004. Hill City admits that Ken Halford is listed as Secretary in Hill City's annual reports for 1996 through 1999 and 2002 in the Secretary of State's office of Mississippi but he is not listed for those same years in the Louisiana Secretary of State's office reports.

4. Each of the Hill City Parties stipulates that all of the statements, responses, disclosures and representations provided in the documents bearing its signatures, are true and correct to the best of such Hill City Party's knowledge, information and belief, and represent a complete and accurate account of the requested information.

TERMS AND CONDITIONS

1. The Division reserves the right to take into consideration the violations admitted herein in connection with any future investigation, violation or assessment of penalty and in connection with any future assessments of the suitability of any Hill City Party.

2. Hill City shall pay a civil penalty of Forty-Five Thousand Dollars (\$45,000.00).

3. Hill City shall dedicate an employee to ensuring compliance with all applicable gaming laws and regulations. At this time, such employee is Eric J. Stathes.

4. In each of the years 2009, 2010 and 2011, Hill City shall undergo an annual audit by a licensed attorney or certified public accountant to determine compliance with applicable gaming laws and regulations. On or before July 31 of each such year, the attorney or accountant shall deliver an opinion letter to the Office of State Police stating that Hill City's application for a gaming license is compliant with applicable gaming laws and regulations.

5. The Notices of Recommendation of Finding of Unsuitability issued to Herb Stathes, Eric J. Stathes, Amanda Stathes, and Elizabeth Jane Thompson Stathes are hereby dismissed.

6. The Notice of Recommendation of Denial of Original Application issued to Hill City Oil Company Inc. of Mississippi d/b/a Jubilee Travel Plaza # 4631 is hereby dismissed.

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

8. 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.

9. If approved, the civil penalty set forth in Section 3, above, must be paid to the Division within ten (10) days of approval by the Louisiana Gaming Control Board. Failure to do so shall result in the immediate suspension of the Hill City license without the necessity of any further administrative action until such time as the penalty is paid in full.

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

[SIGNATURES BEGIN ON THE FOLLOWING PAGE.]

I have read this entire Compromise Settlement Agreement and agree to all stipulations and terms and conditions hereof on behalf of the Division.



**Christopher Hebert, AAG on behalf of
State of Louisiana
Department of Public Safety & Corrections
Office of State Police**

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

HILL CITY OIL COMPANY, INC.

By: [Signature]
Herbert E. Stathes, President

[Signature]
Herbert E. Stathes, VGL 5501607564
and Ref. 06008

CHABERT BROS. INC.

By: [Signature]
Herbert E. Stathes, President

[Signature]
Elizabeth Jane Thompson Stathes, 06010

DRAKE AMUSEMENT GROUP, L.L.C.

By: [Signature]
Eric J. Stathes, Managing Member

[Signature]
Eric J. Stathes, 06009

[Signature]
Amanda Stathes, 06011

Sworn to and subscribed before this 09 day of January, 2009.

Anastasia B. DeHart #40586

NOTARY PUBLIC

ANASTASIA B. DEHART / 40586

Printed Name Bar-Roll #

AT DEATH

Notary Commission Expires

STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE

IN RE:

HILL CITY OIL COMPANY, INC.

D/B/A PROSPECT STATION

D/B/A JUBILEE TRAVEL PLAZA #4361

D/B/A JUBILEE TRUCK STOP AND CASINO

D/B/A JUBILEE TRUCK STOP AND CASINO

D/B/A TOP HAT

CHABERT BROS. INC.

D/B/A MARTY J'S BAYOU STATION

DRAKE AMUSEMENT GROUP, L.L.C.

D/B/A DRAKE AMUSEMENT

HERBERT E. STATHES

ELIZABETH JANE THOMPSON STATHES

ERIC J. STATHES

AMANDA STATHES

LICENSE NO. 5500511411

LICENSE NO. 2900514354

LICENSE NO. 5500503918A

LICENSE NO. 4700512626

LICENSE NO. 5501111082

LICENSE NO. 5500509976

LICENSE NO. 5501614074

LICENSE NO. 5501607564

REFERENCE NO. 06008

REFERENCE NO. 06010

REFERENCE NO. 06009

REFERENCE NO. 06011

ORDER

BE IT REMEMBERED that on the 12th day of January, 2009, came on for consideration the Joint Motion for Approval of Compromise and Settlement Agreement. 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 12th day of January, 2009, in Baton Rouge,

Louisiana GAMING CONTROL BOARD
1000 PINE STREET, SUITE 1000
BATON ROUGE, LOUISIANA 70801
ALL BUSINESS INQUIRIES
CALL (504) 389-2200
OF
W. Christopher Barry
LeFray
Christopher Hebert


HEARING OFFICER

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 1/12/09
