



State of Louisiana

Gaming Control Board

M. J. "MIKE" FOSTER, JR.
GOVERNOR

HILLARY J. CRAIN
CHAIRMAN

IN RE: LOUISIANA CASINO CRUISES
D/B/A CASINO ROUGE
License No. R011700193
Case Report No. CGD010082

ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of April 15, 2002. The Hearing Officer's order dated April 3, 2002, based on the "Stipulation and Settlement Agreement" in the matter of "Notice of Violation and Penalty," Case Report No. CGD010082, by and between Louisiana Casino Cruises d/b/a Casino Rouge, License No. R011700193, and the Louisiana Department of Public Safety and Corrections, Office of State Police, Casino Gaming Division, which is attached hereto and incorporated herein, is **APPROVED**.


THUS DONE AND SIGNED on this the 16th day of April, 2002

LOUISIANA GAMING CONTROL BOARD

BY:


HILLARY J. CRAIN, CHAIRMAN

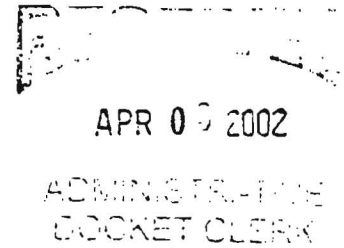
LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 17th DAY
OF April 2002

APPEAL DOCKET CLERK




STATE OF LOUISIANA
GAMING CONTROL BOARD

IN RE: LOUISIANA CASINO CRUISES
D/B/A CASINO ROUGE
VIOLATION CGD: 010082



STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (the "**Agreement**") is made and entered into by:

- (i) the Department of Public Safety and Corrections, Office of State Police, Casino Gaming Division (the "**Division**") acting herein for and on behalf of themselves and for the State of Louisiana (the "**State**"); and
- (ii) Louisiana Casino Cruises, Inc., d/b/a Casino Rouge ("**Casino Rouge**") acting herein on its own behalf and on behalf of Penn National Gaming, Inc., its parent and all of the subsidiaries of Penn National Gaming, Inc.

Stipulations:

Whereas, a Notice of Violation and Penalty was issued by the Division to Casino Rouge on January 31, 2002 alleging that Casino Rouge made payments to Ralph & Kacoo's Restaurant during calendar year 2000, after the company which owned Ralph & Kacoo's Restaurant, Piccadilly Cafeteria's Inc., had been denied it non-gaming supplier permit in 1995;

And Whereas, the Notice of Violation and Penalty assessed a penalty in the amount of \$10,000;

And Whereas, Casino Rouge did do business with Ralph & Kacoo's Restaurants during the time period beginning in 1997 and continuing through April 2001, although Ralph & Kacoo's Restaurant was sold to an entity which had not been denied in March 1999.

And now, therefore, in consideration of the foregoing Stipulations, the Division and Casino Rouge hereby propose and agree to the following Settlement:

TRUE COPY
[Signature]
Representative

1. Casino Rouge admits to failing to implement procedures, on several occasions, to reasonably insure that function duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent and qualified personnel in failing to discover that Piccadilly Cafeterias, Inc. had been denied, which is a violation of LAC 42:XIII.2715(a)(7).

2. Consistent with two violations of 42:XIII.2715(a)(7), Casino Rouge agrees to pay a fine in the amount of \$5,000 for the violations admitted in paragraph one above.

3. Subject to the approval of the Hearing Officer of the Louisiana Gaming Control Board, in consideration of the foregoing Stipulations and Settlement proposal, the Division agrees to accept the Casino Rouge payment of \$5,000 in full and final settlement of Violation CGD: 010082, and the Division agrees it will not assess violations of gaming control law against Casino Rouge relating to any payments made to Ralph & Kacoo's Restaurants or any of their parent or subsidiary companies for any time prior to May 16, 2001. The Division, however, reserves its right to take this violation into consideration during the prospective period for 42:XIII.2715(a)(7), for purposes of assessing future violations of the same regulation.

4. It is expressly understood that this proposed Agreement, if approved by the Hearing Officer is expressly conditioned upon approval by the Louisiana Gaming Control Board, but will become a binding agreement among the parties upon such approval. The parties hereby consent to this procedure.

5. If approved by the Hearing Officer and the Louisiana Gaming Control Board, the parties hereto waive their rights to appeal this Stipulation and Settlement Agreement.

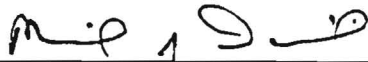
6. This Agreement is governed by the laws of the State of Louisiana.

RESPECTFULLY SUBMITTED.

LOUISIANA DEPARTMENT OF PUBLIC
SAFETY AND CORRECTIONS, OFFICE
OF STATE POLICE, CASINO GAMING
DIVISION, ACTING FOR THEMSELVES
AND ON BEHALF OF THE STATE OF
LOUISIANA

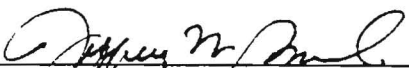
RICHARD P. IEYOUNG
ATTORNEY GENERAL

Date: 4/3/2002

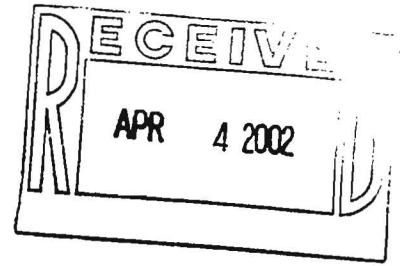
By: 
MICHAEL J. DANIELS, ESQ.
ASSISTANT ATTORNEY
GENERAL, GAMING DIVISION
339 FLORIDA STREET, SUITE 500
BATON ROUGE, LA 70801
(225) 342-2465 - PHONE
(225) 342-4244 - FACSIMILE

LOUISIANA CASINO CRUISES, INC.

Date: April 3, 2002

By: 
JEFFREY M. BARBIN (NO. 25566)
PHELPS DUNBAR, LLP
445 North Boulevard, Suite 701
Post Office Box 4412
Baton Rouge, LA 70821-4412
(225) 346-0285 - PHONE
(225) 381-9197 - FACSIMILE

STATE OF LOUISIANA
GAMING CONTROL BOARD



IN RE: LOUISIANA CASINO CRUISES, INC.
VIOLATION NO. CGD:010082

JUDGMENT ON STIPULATION

Considering the foregoing motion and stipulations.

IT IS HEREBY ORDERED, that the foregoing Stipulation and Settlement Agreement be accepted and approved and that the stipulations of the licensee to these violations of LAC 42.XIII is accepted and the fine in the aggregate total amount of \$5,000.00, as a fine for these violations are imposed upon Louisiana Casino Cruises, Inc.

DATED AND SIGNED at Baton Rouge, Louisiana, this 3rd day of April, 2002.

Judge William Brown

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 3rd DAY
OF April 2002
Alta Hayes
DOCKET CLERK, ADMINISTRATIVE HEARING OFFICE

cc: Jeffrey M. Barbin, Esq.
Mike Daniels, Esq.
Lt George Dean

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 4/3/02
Alta Hayes
BY: CLERK