

STATE OF NEW JERSEY
 Office of the Attorney General
 Department of Law and Public Safety
 Division of Gaming Enforcement
 Dkt Nos. 09-0424-VC
 10-0367-VC
 10-0221-VC
 10-0352-VC

STATE OF NEW JERSEY, DEPARTMENT)
 OF LAW AND PUBLIC SAFETY,)
 DIVISION OF GAMING ENFORCEMENT,)
)
 Petitioner,)
)
 v.)
)
 ADAMAR OF NJ IN LIQUIDATION, LLC f/k/a)
 ADAMAR OF NEW JERSEY, INC. f/k/a)
 TROPICANA CASINO AND RESORT;)
 and TROPICANA ATLANTIC CITY CORP)
 d/b/a TROPICANA CASINO AND RESORT,)
)
 Respondents.)
 _____)

ORDER

The Division, by Complaint filed June 26, 2009, Docket No. 09-0424-VC, sought sanctions against Adamar of New Jersey, Inc. (“Adamar”) for reasons set forth therein and, more specifically that, without obtaining prior written approval from the Commission, on or about July 24, 2008, Adamar made changes to its surveillance system and computer equipment; specifically, it installed and made operational a Storage Area Network (“SAN”) as part of its surveillance system.; and,

The Division, by Complaint filed December 8, 2010, Docket No. 10-0367-VC,

sought sanctions against Adamar and Tropicana Atlantic City Corp. ("Tropicana") for reasons set forth therein and, more specifically that, Adamar, on nine (9) occasions prior to March 8, 2010 and Tropicana on one (1) after March 8, 2010, failed to have a Slot Supervisor prepare a Jackpot Request Form for jackpots exceeding \$10,000 and/or on ten (10) occasions failed to have a Slot Manager to attest to and sign Jackpot Payout Forms for jackpots exceeding \$25,000; and,

The Division, by Complaint filed July 12, 2010, Docket No. 10-0221-VC, sought sanctions against Adamar for reasons set forth therein and, more specifically that, between August 2006 and November 2008, Adamar failed to obtain the requisite transactional waivers prior to conducting business with a gaming related casino service industry, specifically U.S. Playing Card Company; and,

The Division, by Complaint filed November 23, 2010, Docket No. 10-0352-VC, sought sanctions against Adamar and Tropicana for reasons set forth therein and, more specifically that (a) On May 10, 2008 Adamar personnel initiated a player account and issued a player card to an underage individual; (b) On 48 separate days prior to March 8, 2010, Adamar permitted the underage individual to engage in gaming activity; (c) On 2 separate days subsequent to March 8, 2010, Tropicana permitted the underage individual to engage in gaming activity; and, (d) On numerous occasions, both before and after March 8, 2010, Adamar and Tropicana issued complimentary services or items, valued at \$288, to the underage individual; and,

Having considered the relevant provisions of the Casino Control Act, N.J.S.A.
5:12-1 et seq., and the regulations promulgated thereunder; and,

Having considered the Stipulation of Settlement which the parties entered into to
and executed intending to resolve multiple outstanding administrative actions; and,

Having found sufficient legal and factual support for the recommended penalty
therein.

I hereby ORDER that the settlement be adopted and that a civil penalty in the
amount of \$65,000 be imposed upon the Respondents, payable to the Casino Revenue
Fund upon receipt of an invoice from the Division.

Dated: April 23, 2012

A handwritten signature in black ink, appearing to read "David L. Rebeck", written over a horizontal line.

DAVID L. REBUCK
DIRECTOR

Jeffrey S. Chiesa
 Attorney General of New Jersey
 Attorney for Complainant
 State of New Jersey
 Department of Law and Public Safety
 Division of Gaming Enforcement
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 Atlantic City, New Jersey 08401

By: R. Lane Stebbins
 Deputy Attorney General
 (609) 317-6218

TROPICANA ATLANTIC CITY CORP.
 d/b/a Tropicana Casino and Resort
 Brighton Avenue and The Boardwalk
 Atlantic City, New Jersey 08401

By: William J. Downey, Esq.
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 1301 Atlantic Avenue, Suite 400
 Atlantic City, New Jersey 08401
 (609) 348-4515

Adamar of NJ in Liquidation
 f/k/a Adamar of New Jersey, Inc.
 d/b/a Tropicana Casino And Resort
 Brighton & The Boardwalk
 Atlantic City, New Jersey 08401

By: Sean Mack, Esq.
 Pashman Stein, P.C.
 Court Plaza South, 21 Main St.
 Hackensack, NJ 07601

STATE OF NEW JERSEY, DEPARTMENT)	
OF LAW AND PUBLIC SAFETY, DIVISION)	STATE OF NEW JERSEY
OF GAMING ENFORCEMENT,)	
)	DOCKET NOS: 09-0424-VC
Complainant,)	10-0367-VC
)	10-0221-VC
v.)	10-0352-VC
)	
ADAMAR OF NJ IN LIQUIDATION, LLC f/k/a)	Civil Action
ADAMAR OF NEW JERSEY, INC. f/k/a)	
TROPICANA CASINO AND RESORT; and)	STIPULATION
TROPICANA ATLANTIC CITY CORP d/b/a)	OF
TROPICANA CASINO AND RESORT)	SETTLEMENT
)	
Respondent.)	
)	

The above-captioned matter having been discussed by and among the parties involved, Jeffrey S. Chiesa, Attorney General of New Jersey, attorney for Complainant

State of New Jersey, Department of Law and Public Safety, Division of Gaming Enforcement (the "Division") by R. Lane Stebbins, Deputy Attorney General, Adamar of NJ in Liquidation, LLC f/k/a Adamar of New Jersey, Inc. d/b/a Tropicana Casino and Resort ("Adamar"), Respondent, by Sean Mack, Esq. and Tropicana Atlantic City Corp. d/b/a Tropicana Casino and Resort ("Tropicana"), by William J. Downey, Esq. (collectively the "Parties"), and the following Stipulation of Facts and Conclusions of Law having been agreed to, it is hereby agreed and consented to among the parties that:

License and Procedural History

1. On the dates relevant to the allegations against Adamar and Tropicana, respectively, raised in the Complaints which are the subject of this Stipulation of Settlement (collectively the "Complaints"), each of Adamar and Tropicana (i) was a New Jersey enterprise that owned and operated that certain casino, hotel and resort property known as Tropicana Casino and Resort (the "Resort Facility") and (ii) had its principal place of business located at Brighton Avenue and The Boardwalk, Atlantic City, New Jersey.

2. On December 12, 2007, Adamar's then-pending application to renew its casino license was denied by the New Jersey Casino Control Commission ("Commission") [CCC Order No. 07-12-12-27] resulting in the appointment of a conservator and causing a trust agreement to become operative vesting retired New Jersey Supreme Court Justice Gary Stein with operating control of Adamar. Upon further order of the Commission [CCC Order No. 07-12-12-27] Justice Stein was also named conservator of Adamar under the conservator provisions of the New Jersey

Casino Control Act, N.J.S.A. 5:12-1 *et seq.* ("Act").

3. Subsequent to December 12, 2007, and at all times relevant to Complaints Nos. 09-0424-VC; 10-0221 and parts of 10-367-VC and 10-352-VC, Adamar conducted business under the direction of the aforesaid conservator.

4. On April 29, 2009, Adamar and its subsidiary Manchester Mall, Inc. ("Debtors"), filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the district of New Jersey, Case No. 09-20711 (the "Bankruptcy Court").

5. Thereafter, the Debtors entered into that certain Amended and Restated Purchase Agreement, dated November 20, 2009 (the "Purchase Agreement"), pursuant to which Tropicana agreed to purchase from the Estate of the Debtors substantially all of the assets of the Debtors free and clear of all liens, claims, encumbrances and interests, all in accordance with the terms of the Purchase Agreement.

6. On or about March 3, 2010, the Commission granted Tropicana Interim Casino Authorization ("ICA"), which became effective on March 8, 2010. Tropicana has continuously operated the Resort Facility since March 8, 2010.

7. On November 10, 2010, Tropicana was granted its plenary casino license by the Commission.

8. At all times relevant to the Complaints, either Adamar or Tropicana was authorized to conduct casino gaming within the Resort Facility.

9. This Stipulation of Settlement was agreed upon among the Division, Adamar and Tropicana to resolve four (4) outstanding administrative complaints, which complaints allege violations to have occurred both prior and subsequent to March 8,

2010.

COMPLAINTS

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Dkt No 09-0424-VC

10. N.J.A.C. 19:45-1.10(i) provides, in pertinent part, that:

The Commission's principal inspector and the Division shall be notified immediately of any incident of failure... In addition, the Commission's inspector and the Division shall be notified prior to:

* * *

4. Any addition or change to the CCTV system and computer equipment in the monitoring room.

11. The Division, by Complaint filed June 26, 2009, Docket No. 09-0424-VC, sought sanctions against Adamar for reasons set forth therein and, more specifically that, without obtaining prior written approval from the Commission, on or about July 24, 2008, Adamar made changes to its surveillance system and computer equipment; specifically, it installed and made operational a Storage Area Network ("SAN") as part of its surveillance system. The Division further alleged that installation of such digital equipment in the Adamar surveillance room was prohibited without the prior written consent of the Commission under Paragraph 9 of a Stipulation of Settlement entered into by the Division and Adamar under Docket No. 06-0539-VC.

12. The Parties acknowledge that all allegations described in Paragraphs 10 and 11, above, relate to periods prior to (i) Tropicana obtaining its ICA; (ii) Tropicana's closing on the purchase transactions contemplated by the Purchase Agreement; and, (iii) the date of Tropicana's plenary licensure by the Commission.

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13. N.J.A.C. 19:45-1.40(a) requires a Jackpot Request Form to be prepared by a Slot Supervisor for jackpots exceeding \$10,000; and, N.J.A.C. 19:45-1.40(m)3ii requires a Slot Manager to verify and sign Jackpot Request Forms for jackpots exceeding \$25,000.

14. N.J.A.C. 19:45-1.40(m)4 requires a Slot Manager to attest to and sign Jackpot Payout Forms for jackpots exceeding \$25,000, thereby confirming the payment to the patron.

15. The Division, by Complaint filed December 8, 2010, Docket No. 10-0367-VC, sought sanctions against Adamar and Tropicana for reasons set forth therein and, more specifically that, Adamar and Tropicana, on ten (10) occasions failed to have a Slot Supervisor prepare a Jackpot Request Form for jackpots exceeding \$10,000 and/or on ten (10) occasions failed to have a Slot Manager to attest to and sign Jackpot Payout Forms for jackpots exceeding \$25,000.

16. The Parties acknowledge that one (1) of the jackpot payouts included in the Division's complaint, referenced in Paragraph 15, above, is alleged to have occurred on September 23, 2010, at a time when Tropicana owned and operated the Resort Facility. However, all allegations regarding the other nine (9) jackpot payouts relate to periods prior to (i) Tropicana obtaining its ICA; (ii) Tropicana's closing on the purchase transactions contemplated by the Purchase Agreement and (iii) the date of Tropicana's plenary licensure by the Commission.

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17. N.J.A.C. 19:43-1.10.1(a) and N.J.A.C. 19:51-1.2B required casino licensees to obtain transactional waivers when seeking to transact business with entities which do not hold gaming related casino service licenses.

18. The Division, by Complaint filed July 12, 2010, Docket No. 10-0221-VC, sought sanctions against Adamar for reasons set forth therein and, more specifically that, between August 2006 and November 2008, Adamar failed to obtain the requisite transactional waivers prior to conducting business with a gaming related casino service industry, specifically U.S. Playing Card Company.

19. The Parties acknowledge that all allegations described in Paragraphs 17 and 18, above, relate to periods prior to (i) Tropicana obtaining its ICA; (ii) Tropicana's closing on the purchase transactions contemplated by the Purchase Agreement; and, (iii) the date of Tropicana's plenary licensure by the Commission.

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Dkt No 10-0352-VC

20. N.J.S.A. 9:17B-1(b) and N.J.S.A. 5:12-119(b) establish 21 years of age as the minimum age at which a person may engage in casino gaming.

21. N.J.A.C. 19:43-16.1(a)1, -2 and -3 provide that casino licensees shall not allow, permit or suffer any person under the age of 21 to enter, remain, wager in its licensed casino facility, or to be rated or receive complimentary services or items.

22. The Division, by Complaint filed November 23, 2010, Docket No. 10-0352-VC, sought sanctions against Adamar and Tropicana for reasons set forth therein and,

more specifically that:

(a) On May 10, 2008 Adamar personnel initiated a player account and issued a player card to an underage individual;

(b) On 48 separate days prior to March 8, 2010, Adamar permitted the underage individual to engage in gaming activity;

(c) On 2 separate days subsequent to March 8, 2010, Tropicana permitted the underage individual to engage in gaming activity; and,

(d) On numerous occasions, both before and after March 8, 2010, Adamar and Tropicana issued complimentary services or items, valued at \$288, to the underage individual.

23. The Parties acknowledge that the allegations which relate to conduct prior to March 8, 2010 occurred prior to (i) Tropicana obtaining its ICA; (ii) Tropicana closing on the purchase transactions contemplated by the Purchase Agreement; and, (iii) the date of Tropicana's plenary licensure by the Commission.

Corrective Action Of The Licensee(s) And Mitigating Factors

24. Docket No. 09-0424-VC – Adamar took immediate action to get both the equipment and Surveillance Department's submission approved to bring the Surveillance Department back into compliance.

25. Docket No. 10-367-VC – Adamar and Tropicana took the following remedial measures:

(a) Both Adamar's Security Department and Tropicana's Security Department, during roll call, routinely remind(ed) its security staff of the need for vigilance for underage persons on the casino floor and such reminders are emphasized

significantly during the summer months and holiday periods.

(b) Both Adamar's Surveillance Department and Tropicana's Surveillance Department routinely scans(ed) the casino floor for underage persons and notifies(ed) the Security Department of the suspected presence of underage persons on the casino floor.

(c) Tropicana's casino floor staff from dealers, pit personnel, waitresses and slot personnel, on a daily basis work in conjunction with Security and Surveillance in the identification, apprehension and prevention of underage individuals gambling on Tropicana's casino floor.

(d) This past year alone, Tropicana has taken the following actions in the identification, apprehension and prevention of underage gamblers on Tropicana's casino floor:

- 7,034 – underage persons were prevented from entering the casino
- 3,474 – underage persons were walked off (not gambling)
- 9 – underage persons were arrested for playing at a table
- 20 – underage persons were arrested for playing at a slot machine
- 2 – ejections of underage persons for playing at a table
- 10 – ejections of underage persons playing at a slot machine

(e) The efforts of all of Departments that work on Tropicana's s casino floor, as described in Paragraphs 25(a) through –(d) above, are part of its responsible gaming program, a component of which is dedicated to prevention of underage gambling.

Settlement Agreement

IT IS THEREFORE AGREED AND STIPULATED:

A. Adamar and Tropicana agree that the facts stated in this Stipulation of Settlement ("Stipulation") are true and accurate.

B. **Docket No. 09-0424-VC:** Adamar admits that on July 24, 2008, with the installation of the equipment in the Surveillance Department, it violated the provisions of N.J.A.C. 19:45-1.10 and 1.11 and Paragraph 9 of the Stipulation of Settlement under Docket No. 06-0539-VC.

1. As a sanction for the foregoing violations, and giving due consideration to the mitigating circumstances set forth above, the Division recommends imposition of and Adamar accepts a civil penalty of \$30,000.

2. Without admitting any wrongdoing or assuming any liability in connection with the events described in Paragraphs 10 and 11 of this Stipulation or in the Complaint, and without acknowledging any obligation to do so, Tropicana agrees to pay the civil penalty recommended and accepted herein against Adamar.

C. **Docket No. 10-0367-VC:** Adamar and Tropicana admit that by failing to have a Slot Manager verify and attest to the payment of a patron jackpot, their respective companies were in violation of N.J.A.C. 19:45-1.40(m)3ii and (m)4.

1. As a sanction for the foregoing violations, and giving due consideration to the mitigating circumstances set forth above, the Division recommends an aggregate imposition of and Adamar and Tropicana accept a civil penalty of \$3,000.

2. Without admitting any wrongdoing or assuming any liability in connection with the events described in Paragraphs 15 and 16 of this Stipulation or in

the Complaint for dates prior to March 8, 2010, Tropicana agrees to pay the entire civil penalty recommended and accepted herein against Adamar and Tropicana.

D. **Docket No. 10-0221-VC:** Adamar admits that from August 2006 through November 2008, it failed to obtain the requisite transactional waivers prior to conducting business with a gaming related casino service industry, specifically U.S. Playing Card Company in violation of N.J.A.C. 19:43-1.10.1(a).

1. As a sanction for the foregoing violations, and giving due consideration to the mitigating circumstances set forth above, the Division recommends and Adamar accepts a civil penalty of \$12,000.

2. Without admitting any wrongdoing or assuming any liability in connection with the events described in Paragraph 18 of this Stipulation or in the Complaint, and without acknowledging any obligation to do so, Tropicana agrees to pay the civil penalty recommended and accepted herein against Adamar.

E. **Docket No. 10-352-VC:** Adamar and Tropicana admit that by permitting an underage person to enter and remain in the casino, wager at games and get rated, their respective companies were in violation of N.J.S.A. 5:12-119(B), N.J.A.C. 19:43-16.1(A)1, N.J.A.C. 19:43-16.1(a)2, N.J.A.C. 19:43-16.1(a)3, N.J.A.C. 19:43-16.1(a)4 and N.J.A.C. 19:43-16.1(A)5 as set forth in Paragraphs 22 and 23 above.


1. As a sanction for the foregoing violations, and giving due consideration to the mitigating circumstances set forth above, the Division recommends imposition of and Adamar and Tropicana accept a civil penalty of \$20,000.

2. Without admitting any wrongdoing or assuming any liability in connection with the events described in Paragraph 22 of this Stipulation or in the

Complaint for dates prior to March 8, 2010, and without acknowledging any obligation to do so, Tropicana agrees to pay the civil penalty recommended and accepted herein against Adamar and Tropicana.

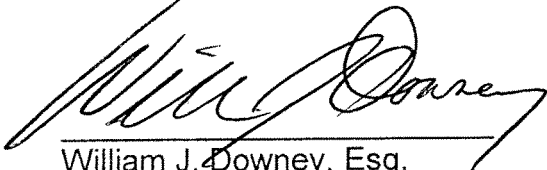
F. Incorporating the agreed to and stipulated facts as set forth in Paragraphs B – E above, Tropicana agrees to pay the aggregate amount of \$65,000 as a civil penalty to resolve the four (4) administrative complaints referenced herein

The undersigned consent to the form and entry of the above Stipulation.




R. Lane Stebbins
Deputy Attorney General
Attorney for Complainant

Dated: 4/20/12



William J. Downey, Esq.
Attorney for Tropicana Atlantic City Corp.,
d/b/a Tropicana Casino and Resort

Dated: 4/20/12



Sean Mack, Esq.
Attorney for Adamar of NJ
in Liquidation, LLC

Dated: 4-20-12