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Attorney for Complainant
State of New Jersey
Department of Law and Public Safety
Division of Gaming Enforcement
1300 Atlantic Avenue
Atlantic City, New Jersey 08401

By: Lon E. Mamolen
Deputy Attorney General
609-317-6218

STATE OF NEW JERSEY
DIVISION OF GAMING ENFORCEMENT
DOCKET NO. 13-0198-VC

STATE OF NEW JERSEY, DEPARTMENT)
OF LAW AND PUBLIC SAFETY,)
DIVISION OF GAMING ENFORCEMENT,)
)
Complainant,)
)
v.)
)
HARRAH'S ATLANTIC CITY OPERATING)
COMPANY, d/b/a HARRAH'S CASINO HOTEL,)
)
Respondent.)
_____)

Civil Action
STIPULATION
OF SETTLEMENT

The matter involved in the above-captioned action, having been discussed by and between the parties involved, Jeffrey S. Chiesa, Attorney General of New Jersey, Department of Law and Public Safety, Division of Gaming Enforcement ("Division"), by Lon E. Mamolen, Deputy Attorney General, and Harrah's Atlantic City Operating Company, d/b/a Harrah's Casino Hotel ("Harrah's"), Respondent, by Michael A.

Magazzu, Esq., Corporate Counsel, Caesars Entertainment Corporation, and said matter having been resolved, it is hereby consented to and agreed by and between the parties.

PRELIMINARY FACTS

1. Respondent Harrah's is a New Jersey enterprise located at 777 Harrah's Boulevard, Atlantic City, New Jersey 08401.
2. Harrah's is the holder of a casino license first issued on or about November 23, 1980, and most recently renewed by the Casino Control Commission (Commission) on or about June 18, 2008. Harrah's is a wholly owned subsidiary of Caesars Entertainment Corporation. At all relevant times herein Harrah's was authorized by the Commission to conduct casino hotel operations.

APPLICABLE LAW

3. An optional, additional wager in the authorized game known as "Flop Poker" is the "flop wager," for which there are prescribed minimum payout odds for specified hand types at *N.J.A.C. 13:69F-29.11(c)* as follows:

Each winning flop wager shall be paid once for the highest ranking qualifying hand that can be formed at no less than the odds set forth below:

Hand	Payout Odds
Royal Flush	1,000 to 1
Straight Flush	500 to 1
Four of a Kind	100 to 1
Full House	30 to 1
Flush	20 to 1
Straight	10 to 1
Three of a Kind	4 to 1
Two Pair	2 to 1

[Emphasis added.]

4. *N.J.A.C. 13:69F-29.11(e)* provides:

(e) Notwithstanding the payout odds set forth in (b) and (c) above, the aggregate payout limit for a player on winning ante and flop wagers on any hand shall be \$50,000 or the maximum amount that one patron could win per round when betting the minimum wager, whichever is greater.

ALLEGATION AND ADMISSIONS

5. The Division, by Complaint filed April 3, 2013, Docket No. 13-0198-VC, a copy of which is attached hereto as Exhibit "A", sought sanctions against Harrah's for reasons set forth therein and, more specifically that Harrah's (1) for approximately 12 months ending December 21, 2012, and after notice by the Division of its non-compliance, offered unauthorized 3 to 1 payout odds to its patrons, and underpaid its playing patrons who placed a flop wager and were able to form a three-of-a-kind as the highest ranking qualifying hand, and (2) from at least as early it commenced offering the unauthorized payout for three-of-a-kind, posted an unauthorized payout limit for a player per hand on winning ante and flop wagers of \$25,000.

6. Respondent Harrah's acknowledges the accuracy of the facts set forth in Paragraph 5, *supra*, and the attached Complaint, and admits that its actions violate the provisions of *N.J.A.C. 13:69F-29.11(c)* and (e).

PRIOR REGULATORY HISTORY OF LICENSEE

7. Harrah's has not been the subject of any regulatory complaints within the preceding three year period that involved the rules of the games.

CORRECTIVE ACTION OF THE LICENSEE AND MITIGATING FACTORS

8. On or about October 19, 2011, Harrah's submitted to the Division a Certification as to its Flop Poker layout, which included the non-compliant payout odds that are the subject of this matter. Harrah's mistakenly believed that upon such submission the layout and the payout odds imprinted thereon were approved.

9. Once Harrah's personnel had a clear understanding from the Division that Harrah's was not in compliance by utilizing unauthorized payout odds and aggregate payout limitation, Harrah's immediately replaced its table felts with authorized payout odds and signage for the authorized aggregate payout limitation.

SETTLEMENT AGREEMENT

IT IS THEREFORE AGREED AND STIPULATED by and between the parties hereto that:

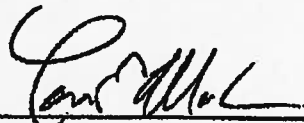
- A. The facts stated herein are true and accurate.

- B. Respondent Harrah's, admits that it violated the provisions of the Act and the regulations promulgated thereunder, specifically *N.J.A.C. 13:69F-29.11(c)* and (e) in that it offered unauthorized payout odds to the public and posted an unauthorized payout limit in the game of Flop Poker.

C. For the violations admitted in Paragraphs B, *supra.*, Respondent Harrah's shall pay to the New Jersey Casino Revenue Fund, as a civil penalty pursuant N.J.S.A. 5:12-129(5), and in recognition of the provisions of N.J.S.A. 5:12-130, the sum of \$7,000.

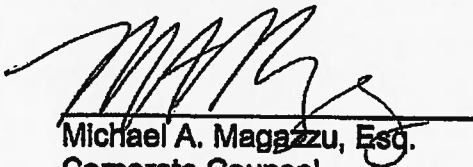
D. The parties agree that a monetary penalty in the total amount of \$7,000 is just and equitable and in accordance with the criteria set forth in N.J.S.A. 5:12-130, and shall be in full and final settlement of the allegations set forth in the above-captioned complaint.

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



Lon E. Mamolen
Deputy Attorney General
Attorney for Complainant

Dated: 4/3/13



Michael A. Magazzu, Esq.
Corporate Counsel
Caesars Entertainment Corporation

Dated: 4/3/13

STATE OF NEW JERSEY
Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
Docket No. 13-0198-VC

STATE OF NEW JERSEY, DEPARTMENT)
OF LAW AND PUBLIC SAFETY,)
DIVISION OF GAMING ENFORCEMENT,)
)
Petitioner,)
)
v.)
)
HARRAH'S ATLANTIC CITY OPERATING)
COMPANY, d/b/a HARRAH'S CASINO HOTEL,)
)
Respondent.)
)
)

ORDER

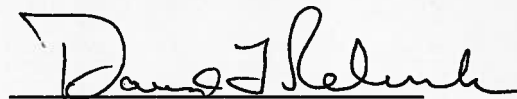
The Division, filed a Complaint on April 3, 2013, Docket No. 13-0198-VC, seeking sanctions against Harrah's Casino Hotel for reasons set forth therein and, more specifically that Harrah's offered to the public unauthorized payout odds and aggregate payout limit for the game of Flop Poker; and

Having considered the relevant provisions of the Casino Control Act, *N.J.S.A. 5:12-1 et seq.* and the regulations promulgated thereunder, specifically *N.J.A.C. 13:69F-29.11(c)* and *(e)*; and

Having considered the Stipulation of Settlement which the parties executed and finding 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 \$7,000 be imposed upon Harrah's Casino Hotel, payable upon receipt of an invoice from the Division.

Dated: April 5, 2013

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

DAVID L. REBUCK
DIRECTOR