

## SETTLEMENT AGREEMENT

This Settlement Agreement is by and between the Iowa Ethics and Campaign Disclosure Board and Peninsula Gaming Partners, LLC (“PGP”) on behalf of PGP and its executives.

WHEREAS, PGP has advised the Board as follows:

1. In October of 2009, Webster County Entertainment, LLC (“WCE”) approached PGP about the possibility of establishing a joint venture for the purpose of building and operating a casino in Fort Dodge, Webster County, Iowa.
2. WCE members include Steve Daniel, James Kesterson and Merrill D. Leffler.
3. In November of 2009, PGP and WCE submitted an application for a gaming license to operate a casino in Webster County, Iowa.
4. On November 13, 2009, Brent Stevens, Chief Executive Officer of PGP, received a solicitation from Iowa Governor Chet Culver to contribute \$25,000 to his re-election campaign.
5. On November 14, 2009, CEO Stevens and Jonathan Swain, Chief Operating Officer of PGP, sought the advice of outside regulatory and political affairs legal counsel Curtis Beason and Bonnie Campbell. Counselors Beason and Campbell advised it would be fine to comply with the Governor’s request and it would be appropriate for WCE to make the contribution.
6. Upon the advice and direction of Counselor Beason, PGP paid WCE \$25,000 with the expectation that WCE would contribute \$25,000 to Culver’s re-election campaign.
7. Counselor Beason and not PGP executives discussed the \$25,000 with WCE member Daniel.
8. Campaign disclosure reports filed with the Board by the Culver campaign indicate WCE members Daniel, Kesterson, and Leffler contributed a combined total of \$12,500 to the Culver campaign on November 23, 2009 and another combined total of \$12,500 to the Culver campaign on December 7, 2009.
9. Based upon the advice of counselor Beason cited above, PGP did not report the \$25,000 campaign contribution to the Board.

WHEREAS, Iowa Code section 68A.502 provides “[a] person shall not make a contribution or expenditure in the name of another person, and a person shall not knowingly accept a contribution or expenditure made by one person in the name of another.”

WHEREAS, Iowa Code section 68A.402(9) provides “[a] permanent organization temporarily engaging in activity described in section 68A.102, subsection 18,<sup>1</sup> shall organize a political committee and . . . shall file reports on the appropriate due dates as required by this section. The reports filed under this subsection shall identify the source of the original funds used for a contribution made to a candidate or a committee organized under this chapter.”

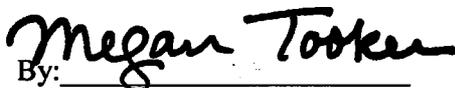
WHEREAS, Iowa Administrative Code section 351-4.35(1) provides “[a] permanent organization that makes a one-time contribution in excess of \$750 to a committee may, in lieu of filing a statement of organization, disclosure reports, and a notice of dissolution, file Form DR-OTC.”

WHEREAS, PGP and its executives deny they intended to violate or willfully violated section 68A.502, section 68A.402(9) or any other campaign finance laws of Iowa.

ACCORDINGLY, it is agreed to resolve the foregoing matter in a voluntary settlement as follows:

1. PGP shall pay \$4,000 to the Iowa Ethics and Campaign Disclosure Board, which amount shall be deemed a civil administrative penalty.
2. The foregoing payment does not constitute an admission that PGP or its executives intended to violate or willfully violated section 68A.502, section 68A.402(9) or any other campaign finance laws of Iowa, and PGP and its executives specifically deny that they intended to violate or willfully violated the law.
3. This Settlement Agreement shall not be admissible for any other purpose.
4. This Settlement Agreement was approved by the Iowa Ethics and Campaign Disclosure Board on July 19, 2011.

Dated this 22<sup>nd</sup> day of July, 2011.

  
By: \_\_\_\_\_

Megan Tooker, Executive Director/Legal Counsel  
Iowa Ethics and Campaign Disclosure Board

---

<sup>1</sup> Iowa Code section 68A.102(18)(a) defines a “political committee” to include a “[a] committee, but not a candidate’s committee, that accepts contributions in excess of seven hundred fifty dollars in the aggregate, makes expenditures in excess of seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of seven hundred fifty dollars in the aggregate in any one calendar year to expressly advocate the nomination, election, or defeat of a candidate for public office, or to expressly advocate the passage or defeat of a ballot issue.”

By: Natalie Schramm  
Natalie A. Schramm, Chief Financial Officer  
Peninsula Gaming Partners, LLC

By: Guy R. Cook  
Guy R. Cook, Counsel for Peninsula  
Gaming Partners, LLC