UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:	Deborah Platt Majoras, Chairman Thomas B. Leary Pamela Jones Harbour Jon Leibowitz	
PENN NATIONA a corporation.	L GAMING, INC.,)	File No. 051 0029

AGREEMENT CONTAINING CONSENT ORDERS

The Federal Trade Commission ("Commission") having initiated an investigation of the proposed acquisition by the Penn National Gaming ("PNG"), hereinafter sometimes referred to as "Proposed Respondent," of the Argosy Gaming Company ("Argosy"), and it now appearing that PNG is willing to enter into this Agreement Containing Consent Orders ("Consent Agreement") to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondent, by its duly authorized officers and attorneys, and counsel for the Commission that:

- 1. Proposed Respondent Penn National Gaming is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its offices and principal place of business located at 825 Berkshire Blvd., Suite 200, Wyomissing Pennsylvania 19610.
- 2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint here attached.
- 3. Proposed Respondent waives:
 - a. any further procedural steps;
 - b. the requirement that the Commission's Decision and Order and Order to Hold Separate and Maintain Assets, which are attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;

- c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order and Order to Hold Separate and Maintain Assets entered pursuant to this Consent Agreement; and
- d. any claim under the Equal Access to Justice Act.
- 4. Because there may be interim competitive harm, the Commission may issue its Complaint and an Order to Hold Separate and Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
- 5. Within ten (10) Business Days of the date this Consent Agreement is signed by Proposed Respondent, the Proposed Respondent shall submit an initial report, pursuant to Commission Rule 2.33, 16 C.F.R. § 2.33, and subsequent reports every thirty (30) days thereafter until the Decision and Order becomes final or the required divestiture is accomplished, whichever is earlier, signed by the respective Proposed Respondent, setting forth in detail the manner in which the Proposed Respondent has complied and will comply with the Order to Hold Separate and Maintain Assets and the Decision and Order. Such reports will not become part of the public record unless and until the accompanying Consent Agreement and the Decision and Order are accepted by the Commission for public comment.
- 6. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
- 7. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft Complaint here attached, or that the facts as alleged in the draft Complaint, other than jurisdictional facts, are true.
- 8. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (1) issue and serve its Complaint corresponding in form and substance with the draft of Complaint here attached, (2) issue and serve its Order to Hold Separate and Maintain Assets, and (3) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to the Proposed Respondent, issue the attached Decision and Order containing the

following order to divest in disposition of the proceeding. When final, the Decision and Order and the Order to Hold Separate and Maintain Assets shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and Order to Hold Separate and Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and the Order to Hold Separate and Maintain Assets to Proposed Respondent's United States counsel by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. Proposed Respondent also waives any right it may otherwise have to service of any exhibits, attachments, or appendices incorporated by reference in the Decision and Order, and agree that it is bound to comply with and will comply with the Decision and Order to the same extent as if it had been served with copies of the Appendices, where Proposed Respondent is already in possession of copies of such Appendices.

- 9. The Complaint may be used in construing the terms of the Decision and Order and Order to Hold Separate and Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, Order to Hold Separate and Maintain Assets, or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order or Order to Hold Separate and Maintain Assets.
- 10. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can comply with the provisions of, and can accomplish the full relief contemplated by, the attached Decision and Order and the Order to Hold Separate and Maintain Assets, and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are parties to the Consent Agreement.
- 11. Proposed Respondent has read the proposed Complaint, Decision and Order, and Order to Hold Separate and Maintain Assets contemplated hereby. Proposed Respondent understands that once the Decision and Order and Order to Hold Separate and Maintain Assets have been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order and Order to Hold Separate and Maintain Assets. Proposed Respondent agrees to comply with the terms of the Decision and Order and the Order to Hold Separate and Maintain Assets, as applicable, from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order and of the Order to Hold Separate and Maintain Assets, as applicable, after they become final.

PENN NATIONAL GAMING

FEDERAL TRADE COMMISSION

Peter Carlino,	Joseph Lipinsky
Chairman and Chief Executive Officer Penn National Gaming	Attorney
Dated: July, 2005	
	APPROVED:
Janet L. McDavid	Jeffrey W. Brennan
Hogan & Hartson LLP Counsel for Penn National Gaming	Associate Director Bureau of Competition
Dated: July, 2005	
	Susan A. Creighton
	Director Bureau of Competition