

ORDER 2006-95

AN ORDER RATIFYING THE PREVIOUSLY AWARDED INTERIM WAIVER AND APPROVAL OF THE REFINANCING PACKAGE PROPOSED BY RIH ACQUISITIONS IN, LLC

Pursuant to IC 4-33-4-21 and 68 IAC 5-3-2, the Indiana Gaming Commission (“Commission”) reviews proposed debt transactions to analyze the financial health of riverboat licensees and to ensure that a riverboat owner’s license is not leased or hypothecated, or that money is not borrowed or loaned against a riverboat owner’s license.

The Commission has considered the following factors:

1. In letters dated October 13, 2006 and October 18, 2006, RIH Acquisitions IN, LLC d/b/a Resorts East Chicago (“Resorts”) requested, through counsel, that the Commission approve a refinancing package for the company and its affiliates.
2. According to Resorts’ submissions, the proposed refinancing will be implemented through a product known as Commercial Mortgage Backed Securities (“CMBS”). The refinancing will include a \$960,000,000 mortgage loan from JP Morgan Chase Bank N.A. (“JPMorgan”). Resorts shall utilize the proceeds of the refinancing to, among other things, completely repay all debts accrued under its previous financing package. JPMorgan will likely elect to securitize the loan by transferring the mortgage into a trust which may contain a number of other non-gaming mortgage loans. The trust is expected to issue multiple classes of certificates evidencing ownership interest in the trust
3. Pursuant to Resolution 2006-10, after analyzing the proposed debt transaction and receiving the requisite concurrences from the Commission’s Chair William Barrett and outside financial expert Dr. Charlene Sullivan, Executive Director Ernest Yelton issued an interim approval and waiver of 68 IAC 5-3-2 via letter dated October 23, 2006.
4. Subject to certain enumerated and continuing conditions, the October 23rd letter authorized Resorts to carry out the proposed refinancing without receiving prior approval from the full Commission and without satisfying the “two meeting requirement” of 68 IAC 5-3-2(b)(2) and (3).
5. Resorts closed on the proposed refinancing package on October 24, 2006.
6. The Commission members have received a confidential financial analysis of the transaction from the Commission’s outside financial expert, Dr. A. Charlene Sullivan who recommends approval of Resorts’ proposed refinancing.
7. Resolution 2006-10 requires that Executive Director Yelton’s interim approval and waiver be reported to the full Commission at the next business meeting held under 68 IAC 2-1-5. Additionally, 68 IAC 5-3-7 requires that such waiver be reported to the Commission in order that it may have the opportunity to direct the Executive Director to take additional or different action.

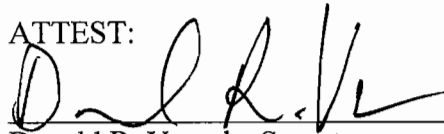
The Commission hereby **RATIFIES** the Executive Director's interim approval and waiver of 68 IAC 5-3-2 permitting Resorts to proceed with its proposed refinancing package without the approval of the full Commission and without satisfying the "two meeting requirement" of 68 IAC 5-3-2(b)(2) and (3). The Commission's ratification is subject to Resorts continuing compliance with the terms and conditions included in Executive Director Yelton's October 23rd letter. Should Resorts willfully fail to abide by said terms and conditions, the Commission reserves the right to withdraw this ratification; require Resorts to obtain additional approval(s); and/or take other appropriate disciplinary action.

IT IS SO ORDERED THIS THE 9TH DAY OF NOVEMBER, 2006.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:


Donald R. Vowels, Secretary