

## ORDER 2008-95

### AN ORDER RATIFYING THE PREVIOUSLY AWARDED INTERIM WAIVER AND APPROVAL OF THE REFINANCING OF EXISTING SENIOR SUBORDINATED NOTES PROPOSED BY PINNACLE ENTERTAINMENT, INC.

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 a letter dated May 30, 2008, Pinnacle Entertainment, Inc. (“Pinnacle”), through counsel, requested Commission approval to refinance its existing 8.75% and/or 8.25% senior subordinated notes.
2. Specifically, Pinnacle sought authorization to use any of a number of proposed mechanisms, or some combination thereof, including making changes to Pinnacle’s bank facility and/or issuing new senior subordinated notes.
3. In accordance with Resolution 2008-74, after analyzing Pinnacle’s proposal, consulting with Commission financial analyst Dr. Charlene Sullivan, and receiving the requisite concurrence from Chairman Barrett, Executive Director Yelton issued an interim approval and waiver of 68 IAC 5-3-2, via letter dated August 6, 2008.
4. Subject to certain enumerated and continuing conditions, the August 6 letter authorized Pinnacle to proceed with its 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. Resolution 2008-74 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.

Based on the foregoing, the Commission hereby **RATIFIES** the Executive Director’s August 6, 2008 interim approval and waiver. The Commission’s ratification is subject to Pinnacle’s continuing compliance with the terms and conditions included in Executive Director Yelton’s August 6 letter. Should Pinnacle willfully fail to abide by said terms and conditions, the Commission reserves the right to withdraw this ratification; require Pinnacle to obtain additional approval(s); and/or take other appropriate disciplinary action.

**IT IS SO ORDERED THIS THE 28<sup>TH</sup> DAY OF AUGUST, 2008.**

THE INDIANA GAMING COMMISSION:



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William Barrett, Chair

ATTEST:



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Thomas Swihart, Secretary