

ORDER 2021-3

ORDER RATIFYING PREVIOUSLY ISSUED ORDER 2021-1

Resolution 2012-151 allows the Executive Director, upon obtaining consent from one Commissioner, to exercise the powers and duties of the Indiana Gaming Commission (“Commission”) under Ind. Code § 4-33-4-1 and Ind. Code § 4-35-4-1.

The Commission has considered the following factors:

1. Pursuant to Ind. Code § 4-33-4-21, a casino owner’s licensee (“licensee”) must apply for and receive the Commission’s approval before an owner’s license may be transferred, sold, or purchased.
2. Pursuant to 68 IAC 5-2-2, licensees that are not publicly traded companies must comply with certain requirements before transferring an ownership interest, including the filing of a transfer of ownership application and undergoing a suitability investigation, in order to protect the Commission’s interest in the suitability of its licensees.
3. Hard Rock Gary, LLC (“Hard Rock Gary”) was approved by the Commission in December of 2019 to acquire an indirect minority share in The Majestic Star Casino, LLC (“Majestic Star”) via Commission Order 2019-254. Hard Rock Gary is a substantial owner of Spectacle Gary. Spectacle Gary, LLC (“Spectacle Gary”) is the parent of Majestic Star. Hard Rock Gary and Spectacle Entertainment Group, LLC (“SEG”), via a subscription agreement, are the sole members of Spectacle Gary.
4. On December 23, 2020, the Commission entered two Orders: (1) Order 2020-MS-03 an emergency order suspending Roderick J. Ratcliff’s (“Ratcliff”) Level 1 License, and (2) Order 2020-168 regarding Ratcliff’s equity interest in Spectacle Gary (collectively the “Orders”).
5. On February 24, 2021, a Membership Interest Purchase Agreement (“Agreement”) was entered into between SEG and SHRE/SHRI, LLC (“SHRE/SHRI”). SHRE/SHRI is a U.S. Virgin Island limited liability company that is a wholly-owned subsidiary of Seminole HR Holdings, LLC. SHRE/SHRI is the parent company of Seminole Hard Rock International, LLC which is the 100% owner of Hard Rock Gary. By the Agreement, SHRE/SHRI purchased certain of the issued and outstanding Spectacle Gary Membership Interests.
6. On or about February 25, 2021, the Commission received a waiver request letter from Hard Rock Gary in association with the transfer of a percentage of ownership of Spectacle Gary from SEG to SHRE/SHRI pursuant to the Agreement.
7. Prior to issuing Order 2019-254, the Commission completed a background and financial investigation of Hard Rock Gary, including all Key Persons as deemed necessary by Commission staff. As SHRE/SHRI is in the direct line of ownership of Hard Rock Gary and its Key Persons have previously been found suitable and are licensed by the Commission, it

was been determined that SHRE/SHRI satisfied the requirements for a transfer of ownership under 68 IAC 5-2.

8. There is little to gain from requiring new applications pursuant to 68 IAC 5-2 for the present transaction since both parties to the transaction have recently been investigated and found suitable by the Commission, and all Key Persons are currently licensed in good standing.
9. The effect of this Order will result in the immediate and complete divestiture of Ratcliff from ownership in entities associated with casino owner's licensee Majestic Star in satisfaction of Order 2020-168.
10. Approving the transfer allows a very important economic development project to move forward for the benefit of the State, City of Gary, and Majestic Star Casino employees and their families.
11. Lastly, approving the transfer is in the best interest of the public and the gaming industry and is within the authority granted via Resolution 2012-151.
12. Order 2021-1 approved the transfer of ownership, effective on the date the Order was issued.
13. Resolution 2012-151 requires that the Executive Director report any action taken under Resolution 2012-151 to the Commission for ratification or other action by the Commission.
14. Per the requirements laid out in Resolution 2012-151, the Executive Director consulted with and received approval from Commission Chairman Michael McMains to exercise the authority granted in the Resolution.

Based on the foregoing, the Commission hereby **RATIFIES** the Executive Director's March 2, 2021 Order 2021-1.

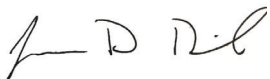
IT IS SO ORDERED THIS 23rd DAY OF MARCH, 2021.

THE INDIANA GAMING COMMISSION



Michael McMains, Chair

ATTEST:



Jason Dudich, Secretary