

ORDER 2007-57

AN ORDER CONCERNING THE FRENCH LICK CASINO SETTLEMENT AND TRANSFER OF OWNERSHIP INTEREST OF LAUTH RESORTS & CASINO, LLC TO BSR OC ACQUISITIONS, LLC

On November 9, 2005, the Indiana Gaming Commission (“Commission”) entered into an operating agent contract with Blue Sky Casino, LLC to operate the French Lick Resort • Casino, which contract was amended by an amendment dated January 4, 2007. Blue Sky Casino, LLC is a subsidiary of Blue Sky Resorts LLC (“Blue Sky”) which is co-owned by Lauth Resorts & Casino LLC (“LRC”) and Orange County Holdings, LLC (“OCH”). The ownership of Blue Sky has been a source of dispute between LRC and OCH. On June 5, 2007, LRC and OCH entered into a Settlement and Purchase Agreement (“Buy-Out Transaction”) under which, among other things, (i) LRC has agreed to sell one hundred percent (100%) of its ownership and other interests in Blue Sky to OCH and/or OCH’s affiliates or designees, and (ii) LRC and OCH agreed that they would cause Blue Sky Management, LLC to cancel or otherwise transfer the membership interest of LRC in such company. OCH subsequently assigned to BSR OC Acquisitions, LLC (“BSR”), a newly created limited liability company, all of OCH’s rights to acquire LRC’s ownership interests in Blue Sky. BSR is owned by the Carl A Cook Trust and is managed by Carl A. Cook, William A. Cook, Stephen L. Ferguson, and Robert L. Santa. BSR will acquire LRC’s interests in Blue Sky by a cash transaction at a fixed price agreed to by LRC and OCH. After closing, Blue Sky Casino LLC shall remain the operating agent.

In addition to the above, the Commission has considered the following factors in contemplating the parties’ request for approval of the proposed transfer of ownership interest:

1. All key persons of BSR have previously submitted personal disclosure forms and maintain licenses in good standing with the Commission.
2. BSR has indicated and established to the Commission’s satisfaction that it shall have sufficient funds at its disposal to finance this transaction.
3. It is in the interest of this Commission and riverboat gaming in Indiana to permit an expedient resolution to the ownership dispute between LRC and OCH.
4. BSR has presented sufficient evidence that it meets or possesses the standards, qualifications, or criteria necessary to be issued a riverboat owner’s license pursuant to 68 IAC 2-1-5(c) and IC 4-33-6.
5. 68 IAC 5-2-6 authorizes the commission to waive, alter, or restrict any requirement or procedure set forth in 68 IAC 5-2 relating to the transfer of ownership interests.
6. Under the circumstances of this transfer, it is impractical and burdensome to require BSR to immediately and completely abide by the procedures and requirements set forth in 68 IAC 5-2-2(b)(3),(4),(5),(6) or 68 IAC 5-2-3. A waiver, alteration, or restriction of such rules is in the best interest of the public and the gaming industry, and is not outside the technical requirements necessary to serve the purpose of the rule.

COMMISSION ACTION

I. Buy-Out Transaction

Based on the foregoing, the Commission hereby **WAIVES** the provisions of 68 IAC 5-2-2(b)(3),(4),(5),(6) and 68 IAC 5-2-3, and **APPROVES** the Buy-Out Transaction described herein.

The Commission's approval of the Buy-Out Transaction is contingent upon the following: (1) BSR's successful closing of the financing package approved herein; (2) completion of the Buy-Out Transaction in a manner that is materially consistent with the representations made and documents submitted by the representatives or agents of LRC, OCH (or their affiliates), including, but not limited to, the settlement and purchase agreement submitted to the Commission on June 5, 2007; (3) submission to Commission staff of all final documents material to effectuating the Buy-Out Transaction, and (4) acceptance of the continuing condition that BSR, OCH, Blue Sky, and all relevant affiliates remain in full compliance with all laws, regulations and/or other directives which are properly applicable to this acquisition, and/or to the ownership and operation of a riverboat gambling operation in the State of Indiana.


II. Financing

Based on the documentation and information provided by BSR to date, the Commission hereby **APPROVES** the financing package proposed by BSR as the funding mechanism for the Buy-Out Transaction. In granting such approval, the Commission also hereby **WAIVES** the "two meeting requirement" of 68 IAC 5-3-2(b)(2) and (3).

The Commission's approval of BSR's financing package is contingent upon the following: (1) the provisions of the final financing package must not materially differ from the terms which have been presented by BSR to date; (2) BSR must provide, as soon as practicable, all information and documentation contemplated by 68 IAC 5-3-2, including relevant portions of final executed closing documents, for final review by Commission staff; and (3) the terms of the final financing documentation must contain language which ensures that the operating agent agreement, or any interest therein, is not leased, hypothecated, or borrowed against in any way. Should BSR willfully fail to abide by said terms and conditions, the Commission reserves the right to withdraw this financing approval; require BSR to obtain additional approval(s); and/or take other appropriate disciplinary action.

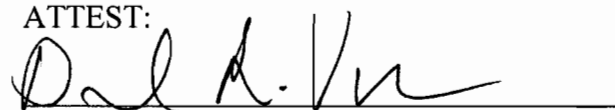
IT IS SO ORDERED THIS THE 7TH DAY OF JUNE, 2007.

THE INDIANA GAMING COMMISSION:



William W. Barrett, Chair

ATTEST:



Donald R. Vowels, Secretary