

INDIANA GAMING COMMISSION

BUSINESS MEETING

NOVEMBER 12, 2015

ORIGINAL

The Indiana Gaming Commission Business Meeting was stenographically taken down by me, Dianne Lockhart, CRR, RMR, a Notary Public in and for the County of Marion, State of Indiana, held at the Auditorium of the Indiana Government Center, South Building, 302 West Washington Street, Indianapolis, Indiana, commencing at the hour of 1:00 p.m., November 12, 2015. The following transcript is a true and accurate transcript of the proceedings held.

CIRCLE CITY REPORTING
135 North Pennsylvania
Suite 1720
Indianapolis, IN 46204
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A P P E A R A N C E S

ON BEHALF OF THE GAMING COMMISSION:

Cris Johnston, Chairman

Marc Fine, Commissioner

Susan Williams, Commissioner

Joseph Svetanoff, Commissioner

Mike Herndon, Commissioner

Rich McClain, Commissioner

Sara Gonso Tait, Executive Director

Jennifer Reske, Deputy Director

Greg Small, General Counsel

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1 CHAIRMAN JOHNSTON: Good afternoon. My name
2 is Cris Johnston. I'm chairman of the Indiana
3 Gaming Commission. I'd like to call the -- the
4 date -- November 12, 2015, Indiana Gaming
5 Commission meeting to order.

6 I don't know what we've done to qualify for
7 such great surroundings and an elevated stage,
8 but we'll do everything we can to live up to the
9 surroundings this afternoon.

10 First thing I would like to do is introduce
11 the new Commission member. Rich McClain at the
12 far end of our table here to my left, your right.
13 Rich was recently appointed by Governor Pence,
14 and it's a pleasure to have him on board.

15 Rich was formerly a representative in the
16 Indiana House of Representatives from 1994 to
17 2012 representing District 24, which covers
18 portions of Cass, Carroll, Miami and White
19 County. Prior to serving in the Statehouse, Rich
20 had a very spectacular career in both the public
21 sector and the business sector, serving in
22 various capacities. He also served in the U.S.
23 Navy, and we thank Rich for his service there.

24 Rich is a resident of Logansport, has a wife
25 Barrie, a teacher, and they have two children.

1 And last would like to mention, and this one
2 either gets the cheers or the moans, he's a
3 graduate of Purdue University, so you can take
4 whatever side you would like on that.

5 Rich, welcome. We look forward to working
6 with you.

7 I would like to note the Commission's
8 gratitude of service with -- for Bob Morgan, who
9 served many years on the Commission, and we
10 appreciate his service there.

11 With that, I will note Mr. McClain's
12 attendance and continue with the roll call.

13 Commissioner Fine.

14 COMMISSIONER FINE: Present.

15 CHAIRMAN JOHNSTON: Commissioner Svetanoff.

16 COMMISSIONER SVETANOFF: Here.

17 CHAIRMAN JOHNSTON: Commissioner Williams.

18 COMMISSIONER WILLIAMS: Here.

19 CHAIRMAN JOHNSTON: Commissioner Herndon.

20 COMMISSIONER HERNDON: Here.

21 CHAIRMAN JOHNSTON: And the chairman is
22 present. Very good. We have a quorum. Let us
23 proceed.

24 The first order of business is the approval
25 of minutes.

1 Any comments, corrections?

2 Seeing none, is there a motion for approval?

3 COMMISSIONER SVETANOFF: Motion for
4 approval.

5 COMMISSIONER HERNDON: Second.

6 CHAIRMAN JOHNSTON: There's a motion and a
7 second.

8 All those in favor, say aye.

9 (Chorus of ayes.)

10 Opposed.

11 The minutes are adopted.

12 The next order of business is the report
13 from our Executive Director, Sara Tait.

14 Sara.

15 EXECUTIVE DIRECTOR TAIT: Thank you,
16 Mr. Chair. And welcome, Commissioner McClain.
17 The staff looks forward to working with you.

18 Our Background and Financial Investigations
19 Divisions have conducted reinvestigations of
20 Global Surveillance and Data Financial. Those
21 reports have been submitted with your
22 confidential materials. Directors Leek and Brown
23 are present if you have any questions.

24 Since our last meeting, we have issued nine
25 waivers.

1 The Casino Association. At the request of
2 several casinos, we reviewed the waiver which
3 granted a second slot attendant or above the
4 ability to verify, escort and view the reset for
5 manually paid jackpots \$5,000 and below. The
6 Commission amended the waiver to allow the second
7 slot attendant the ability to verify, escort and
8 view the reset for a manually paid jackpots
9 \$10,000 and below for a 90 day trial period.

10 Belterra was allowed to install a linked
11 progressive for the bar top video poker machines
12 which will link different video poker titles with
13 some of the games have slightly different odds
14 for the award level. However, per direction from
15 the vendor, the top award odds are always
16 calculated using the "best play" strategy, which
17 maximizes the long-term payback percentage.

18 Blue Chip is allowed to have the float lid
19 key to be placed under the responsibility of the
20 Table Games and removed under -- removed from the
21 Security Department's responsibility. They are
22 also allowed to have select floor supervisors
23 obtain the keys.

24 Blue Chip was also granted approval to only
25 notify surveillance of live gaming devices --

1 live gaming device fills of \$1,000 or more.

2 Horseshoe Southern Indiana was allowed to
3 employ 18- to 20-year-olds in the positions of
4 banquet setup, cafe attendant, cook, deckhand,
5 EDR attendant and EVS porter.

6 Horseshoe Hammond and Horseshoe Southern
7 Indiana. The Commission on August 16, 2010,
8 granted a waiver allowing the licensees the
9 ability for more than one security officer to
10 witness, escort and sign the documentation for a
11 manually paid slot machine jackpot. This waiver
12 is expanded to allow more than one slot attendant
13 or above the same privilege for manually paid
14 jackpots of \$10,000 or below.

15 The Horseshoes were also granted approval
16 for even-money chip exchanges between two live
17 table games under certain limited conditions.
18 The even exchanges would be limited to \$1,000 or
19 less and surveillance and table games management
20 would be notified of all exchanges. Also, the
21 exchange would be documented on a form. Granted
22 with the condition that internal controls will be
23 submitted and approved, prior to implementing the
24 exchanges.

25 Majestic Star is allowed to use U.S.

1 quarters for baccarat, mini-baccarat and pai gow
2 table games when a commission is taken.

3 And last, but not least, Rising Star was
4 granted relief from the requirement of check
5 cashing aggregate prior to establishing check
6 cashing privileges. The Commission grants an
7 increase to the aggregate amount for checks
8 cashd utilizing a check guarantee service to
9 \$20,000.

10 IGC staff has added 19 individuals to the
11 Exclusion List since the September Commission
12 meeting, which effectively and permanently bars
13 those patrons from entering any casino in
14 Indiana.

15 Of those 19 individuals, four were placed on
16 the Exclusion List for past-posting, pinching or
17 capping bets while at an Indiana casino.
18 Thirteen were placed on the Exclusion List for
19 taking illegal possession of a TITO, casino
20 chips, cell phone or U.S. currency in excess of
21 \$500. And two were placed on the Exclusion List
22 for using counterfeit U.S. currency.

23 For the year 2015, the IGC has placed 75
24 patrons on the Exclusion List, bringing the total
25 to 511 individuals who are barred from Indiana

1 casinos and racinos.

2 Since our last meeting, we have welcomed one
3 new employee to the IGC staff. John Hawxby is
4 joining us as our Assistant Director of the
5 Athletic Division. Where is John? You want to
6 stand up.

7 John recently moved here from Chicago,
8 Illinois. He has worked in the industry for over
9 three years as a judge and referee for club
10 shows, as well as for televised events including
11 Invicta and Bellator.

12 Welcome, John.

13 Ron McClain, are you here? Ron McClain
14 recently transferred positions within the IGC
15 from background investigator to a field auditor.
16 Ron graduated from Indiana University in 1973
17 with a BA in economics. Ron joined the
18 Indianapolis Police Department in 1975 and served
19 for 21 years, during which time he graduated from
20 IU Law, Indianapolis. He retired in 1996 as a
21 Detective Sergeant and went on to work for the
22 Marion County Prosecutor's Office as a Deputy
23 Prosecuting Attorney. He left there in 2007 and
24 has been with the Commission ever since.

25 Thank you, Ron.

1 And, lastly, on a very sad note, the
2 Commission lost one of our own on September 27,
3 2015. Investigator John Westmoreland, who was
4 stationed in the northern zone, was involved in
5 an accident while in downtown Indianapolis. As
6 Governor Pence said in a letter to John's wife
7 Dianne, which was read at his funeral, "John was
8 a hardworking servant leader. From his service
9 with the Gary Police Department, the Merrillville
10 Police Department and the Indiana Gaming
11 Commission, John's accomplishments in public
12 service speak of a man committed to serving
13 others. He's a role model for people everywhere,
14 and will no doubt be remembered always by those
15 who knew and loved him."

16 Staff is still heartsick over this
17 tremendous loss, and we will continue to keep
18 John's family in our thoughts and prayers.

19 And that, Commissioners, concludes the
20 Executive Director's Report.

21 CHAIRMAN JOHNSTON: Thank you, Sara.

22 Any questions for Sara?

23 Very good.

24 Any old business to come before the
25 Commission?

1 Seeing none, let's proceed into new
2 business. The first order is to consider our
3 Patrons matters. Tami Timberman-Wright is going
4 to walk us through the Voluntary Exclusion
5 Program orders.

6 Welcome.

7 MS. TIMBERMAN-WRIGHT: Thank you. Good
8 afternoon, Commissioners and Executive Staff.

9 You have before you 18 orders regarding the
10 Voluntary Exclusion Program. Pursuant to the
11 rules of the program, the identities of the
12 Voluntary Exclusion Program participants must
13 remain confidential.

14 Pursuant to 68 IAC 6-3-2(g), a participant
15 in the program agrees that if he or she violates
16 the terms of the program and enters a gaming area
17 of a facility under the jurisdiction of the
18 Commission, they will forfeit any jackpot or
19 thing of value won as a result of the wager.

20 Under Orders 2015-164 through 2015-181, a
21 total sum of \$19,360.82 was forfeited by John
22 Does 76 through 93. These winnings were
23 collected at Ameristar, Belterra, Blue Chip,
24 Hollywood, Hoosier Park, Horseshoe, Horseshoe
25 Southern Indiana, Indiana Grand, and Majestic

1 Star. These winnings were withheld as required
2 by Commission regulation.

3 Commission staff recommends that you approve
4 these orders.

5 CHAIRMAN JOHNSTON: Thank you.

6 Any questions?

7 Seeing none, what's the pleasure of the
8 Commission? Yeah, we're going to consider them
9 all, all 18 orders, 164 through 181.

10 COMMISSIONER FINE: I'll move for approval.

11 COMMISSIONER SVETANOFF: Second.

12 CHAIRMAN JOHNSTON: There's a motion and a
13 second.

14 Any further questions, or any questions?

15 All those in favor, say aye.

16 (Chorus of ayes.)

17 Opposed.

18 Thank you very much. The orders are
19 adopted.

20 We have a couple of orders pertaining to
21 settlements. Natalie Raver, please, present the
22 orders.

23 MS. RAVER: Good afternoon.

24 CHAIRMAN JOHNSTON: Thank you.

25 MS. RAVER: Members of the Commission, you

1 have before you Orders 2015-182 and 2015-183
2 regarding settlements reached in lieu of
3 administrative proceedings of VEP forfeiture
4 appeals.

5 Order 2015-182 relates to John Doe 15-67,
6 whose remittance of winnings was approved by the
7 Commission in Order 2015-125. John Doe 15-67
8 submitted an application for one year placement
9 in the VEP on November 21, 2009, and was
10 discovered on the gaming floor at Majestic Star
11 Casino on July 1, 2015, after winning gaming
12 chips worth \$4,995. Commission staff offered to
13 settle the matter by refunding half of the monies
14 seized, less applicable taxes, to John Doe 15-67
15 in exchange for John Doe 15-67 withdrawing the
16 appeal. John Doe 15-67 agreed to the settlement,
17 and the Administrative Law Judge issued an order
18 approving the agreement.

19 Order 2015-182 would approve the ALJ's order
20 approving the settlement.

21 Order 2015-183 relates to John Doe 15-61,
22 whose jackpot remittance was approved by the
23 Commission in Order 2015-119. John Doe 15-61
24 submitted an application for one year placement
25 in the VEP on February 13, 2013, and was

1 discovered on the gaming floor at Horseshoe
2 Hammond Casino on July 8, 2015, after winning a
3 jackpot worth \$2,000. Commission staff offered
4 to settle the matter by refunding half of the
5 monies seized, less applicable taxes, to John Doe
6 15-61 in exchange for John Doe 15-61 withdrawing
7 the appeal. John Doe 15-61 agreed to the
8 settlement, and the Administrative Law Judge
9 issued an order approving the agreement. Order
10 2015-183 would approve the settlement agreement.

11 Commission staff respectfully recommends
12 that you approve Orders 2015-182 and 2015-183 at
13 this time.

14 CHAIRMAN JOHNSTON: Thank you, Natalie.

15 Any questions for Natalie?

16 Seeing none, is there a motion to approve
17 these two orders affirming the ALJ's orders?

18 COMMISSIONER WILLIAMS: So moved.

19 COMMISSIONER SVETANOFF: Second.

20 CHAIRMAN JOHNSTON: There's a motion and a
21 second.

22 All those in favor say aye.

23 (Chorus of ayes.)

24 Opposed.

25 The orders are adopted. Thank you.

1 The final patron matter is dealing with the
2 Exclusion List Removal request.

3 Ed.

4 MR. HARCOURT: Thank you, Mr. Chair.

5 Members of the Commission, you have before
6 you Order 2015-184 concerning Howard McCree's
7 petition for removal from the Commission's
8 statewide Exclusion List.

9 On August 22, 2011, Mr. McCree was observed
10 at Hollywood Casino cheating at a game of Texas
11 Hold'em by pinching. Specifically, he was
12 pulling back a wagered bonus bet from the bonus
13 circle. On September 21, 2011, Mr. McCree was
14 placed on the Exclusion List.

15 The Prosecuting Attorney's Office of
16 Dearborn County charged Mr. McCree with one
17 felony count of cheating at a gambling game.
18 Mr. McCree entered into a plea agreement. After
19 he successfully completed all terms of the plea
20 agreement, the original charge was reduced to a
21 misdemeanor.

22 On August 18, 2015, Mr. McCree petitioned
23 for removal from the Exclusion List. I was
24 appointed as review officer. On October 6, 2015,
25 a hearing was conducted. My Findings of Fact and

1 Recommendation are included in your confidential
2 documents.

3 As are discussed in greater detail in the
4 Findings of Fact and Recommendations, Mr. McCree
5 admitted to his actions and fully cooperated with
6 Commission agents at all times. The criminal
7 charges against Mr. McCree were reduced and
8 resolved, and he has no other criminal record.
9 Mr. McCree has repeatedly apologized for his
10 actions and shows sincere remorse for what
11 happened over four years ago. Since his
12 exclusion, Mr. McCree has visited many
13 out-of-state casinos without issue.

14 Based on the totality of the circumstances,
15 the Findings of Fact and Recommendation, and the
16 specific criteria for removal listed in
17 68 IAC Section 6-1-11, I concluded that
18 Mr. McCree would not threaten the honesty or
19 integrity of Indiana's gambling operations or
20 interfere with the orderly conduct of gambling
21 operations if removed from the Exclusion List.

22 After reviewing the records of this
23 proceeding, which are included in your
24 confidential documents, you must issue an order
25 that adopts, rejects or takes the Findings of

1 Fact and Recommendation under review.

2 Commission staff recommends that you adopt
3 the Finds of Fact and Recommendation, which would
4 have the effect of approving Howard McCree's
5 petition for removal.

6 CHAIRMAN JOHNSTON: Thank you.

7 Questions for Ed?

8 Now what's the pleasure of the Commission
9 regarding the Findings of Fact and the
10 Recommendation to approve the removal?

11 COMMISSIONER SVETANOFF: Motion to adopt.

12 CHAIRMAN JOHNSTON: There's a motion. Is
13 there a second?

14 COMMISSIONER HERNDON: Second.

15 CHAIRMAN JOHNSTON: Motion and a second.

16 All those in favor, say aye.

17 (Chorus of ayes.)

18 Opposed.

19 The order is adopted.

20 Thank you, Ed.

21 You're staying with us for Suppliers, is
22 that right?

23 MR. HARCOURT: I am, right.

24 CHAIRMAN JOHNSTON: Have at it.

25 MR. HARCOURT: Thank you again.

1 Members of the Commission, you have before
2 you Order 2015-185 concerning the renewal of
3 supplier licenses. Pursuant to Indiana Code
4 Section 4-33-7-8 and 68 IAC Section 2-2-8, a
5 supplier's license must be renewed annually with
6 a \$7,500 renewal fee.

7 Each of the following licensees has
8 requested renewal of its license and has paid the
9 appropriate renewal fee.

10 The order before you would approve the
11 renewal for the following supplier licensees:
12 Global Surveillance Associates, Inc.; Aristocrat
13 Technologies, Inc.; and Cummins-Allison Corp.

14 Commission staff recommends that you approve
15 the renewal of the licenses of these suppliers.

16 CHAIRMAN JOHNSTON: Thank you.

17 Any questions?

18 Seeing none, is there a motion approving
19 Order 185?

20 COMMISSIONER FINE: So moved.

21 CHAIRMAN JOHNSTON: There's a motion. Is
22 there a second?

23 COMMISSIONER SVETANOFF: Second.

24 CHAIRMAN JOHNSTON: Motion and a second.

25 All those in favor, say aye.

1 (Chorus of ayes.)

2 Opposed.

3 The motion is adopted.

4 MR. HARCOURT: Thank you.

5 CHAIRMAN JOHNSTON: Thank you. Permanent
6 licensing, Danielle Leek.

7 MS. LEEK: Good afternoon. Order 2015-186
8 will -- is an order granting a permanent supplier
9 license to AGS, LLC.

10 AGS submitted a supplier's license
11 application on January 2, 2015. AGS manufactures
12 and distributes Type II and Type III gaming
13 machines, wide-area progressives and specialty
14 games in the United States and in Canada.

15 Commission staff issued a temporary license
16 to AGS on March 5, 2015, after reviewing the
17 application. The temporary license permitted AGS
18 to begin conducting business in Indiana.

19 Commission staff conducted a background and
20 financial investigation on AGS and its
21 substantial owners and key persons. Commission
22 staff found no material derogatory information
23 that would affect suitability. Staff's final
24 report regarding AGS was included in the
25 Commission meeting documents.

1 Commission staff recommends AGS's
2 application for permanent supplier license be
3 granted.

4 CHAIRMAN JOHNSTON: Thank you, Danielle.
5 Any questions?

6 Seeing none, is there a motion to approve
7 this permanent license?

8 COMMISSIONER FINE: Move for approval.

9 COMMISSIONER SVETANOFF: Second.

10 CHAIRMAN JOHNSTON: There's a motion and a
11 second.

12 All those in favor of approving Order 186,
13 say aye.

14 (Chorus of ayes.)

15 Opposed.

16 The order is adopted.

17 Thank you, Danielle.

18 MS. LEEK: Thank you.

19 CHAIRMAN JOHNSTON: Disciplinary actions,
20 Chris Gray.

21 Chris.

22 MS. GRAY: Good afternoon, Commissioners and
23 Executive Staff.

24 You have before you three settlement
25 agreements concerning disciplinary actions

1 against licensed suppliers.

2 Order 2015-187 is a settlement agreement
3 with Aristocrat wherein the supplier failed to
4 notify the Commission of two different shipments.
5 Aristocrat has agreed to a monetary settlement of
6 \$2,000 in lieu of a disciplinary action.

7 Order 2015-188 is a settlement agreement
8 with Bally wherein the supplier on two separate
9 occasions shipped EPROMs with slot machines.
10 Bally has agreed to a monetary settlement of
11 \$3,000 in lieu of a disciplinary action.

12 Order 2015-189 is a settlement agreement
13 with IGT wherein the supplier shipped items that
14 had not been included in the request ID. IGT has
15 agreed to a monetary settlement of \$1,500 in lieu
16 of disciplinary action.

17 The Commission staff recommends that you
18 approve Orders 2015-187 through 2015-189.

19 CHAIRMAN JOHNSTON: Thank you, Chris.

20 Are there any questions on any of the three
21 orders?

22 Seeing none, we'll consider all three, 187
23 through 189.

24 Is there a motion?

25 COMMISSIONER FINE: Move for approval.

1 COMMISSIONER SVETANOFF: Second.

2 CHAIRMAN JOHNSTON: There's a motion and a
3 second.

4 All those in favor, say aye.

5 (Chorus of ayes.)

6 Opposed.

7 The orders are granted.

8 MS. GRAY: Thank you.

9 CHAIRMAN JOHNSTON: Natalie Raver,
10 Occupational Licensing.

11 MS. RAVER: Members of the Commission, you
12 have before you Order 2015-190. This order
13 concerns a settlement agreement between
14 Commission staff and Diane Atkins, a Level 3
15 Occupational Licensee.

16 In order to renew her license, Ms. Atkins
17 submitted a three-year reinvestigation
18 application for her Level 3 permanent
19 occupational license on July 20, 2015. The
20 background reinvestigation process revealed
21 Ms. Atkins failed to timely disclose or update
22 the Commission on a charge or arrest within ten
23 calendar days pursuant to 68 Indiana
24 Administrative Code Section 2-3-9.1.

25 In lieu of a disciplinary action being

1 filed, Commission staff offered Ms. Atkins a
2 settlement agreement which would have her agree
3 to an unpaid, voluntary relinquishment of her
4 permanent occupational license for a period of
5 three regularly scheduled working days, with no
6 vacation or other paid time off to be used. She
7 has agreed to the terms of this settlement.

8 Order 2015-190 would approve the settlement
9 agreement entered into by the parties, and
10 Commission staff respectfully recommends that you
11 approve Order 2015-190 at this time.

12 CHAIRMAN JOHNSTON: Thank you very much,
13 Natalie.

14 Any questions?

15 If not, is there a motion to approve Order
16 190?

17 COMMISSIONER WILLIAMS: So moved.

18 CHAIRMAN JOHNSTON: There's a motion. Is
19 there a second?

20 COMMISSIONER HERNDON: Second.

21 CHAIRMAN JOHNSTON: Motion and a second.

22 All those in favor, say aye.

23 (Chorus of ayes.)

24 Opposed.

25 The order is adopted. Thank you.

1 Casino matters, renewals, four, four of
2 them. Ed.

3 MR. HARCOURT: Thank you, Mr. Chair.

4 Members of the Commission, you have before
5 you Orders 2015-191 through 194 regarding the
6 annual casino owner's license renewals for
7 Belterra Resort Indiana, LLC; Indiana Gaming
8 Company, LLC, doing business as Hollywood Casino
9 Lawrenceburg; Caesars Riverboat Casino, LLC,
10 doing business as Horseshoe Southern Indiana; and
11 Aztar Indiana Gaming Company, LLC, doing business
12 as Tropicana Evansville. All four casinos have
13 filed the required paperwork and fees necessary
14 for renewal.

15 Belterra's renewal date was October 22,
16 2015. Under Resolution 2003-13, the Executive
17 Director has issued an interim renewal of
18 Belterra's license to bridge the time between
19 that date and today's Commission meeting.

20 Hollywood's license will expire
21 December 9th.

22 Horseshoe South's license will expire
23 November 15.

24 Tropicana's license will expire December 4.
25 Concurrently with the request for renewal,

1 all casinos must either request renewal of the
2 Commission's approval of the Power of Attorney or
3 present the Commission with a new Power of
4 Attorney naming a new trustee-in-waiting.

5 Belterra and Tropicana have requested
6 renewal of Ron Gifford; Hollywood has requested
7 renewal of Larry Kinser; and Horseshoe South has
8 requested renewal of Tom Thanas, as their
9 respective Power of Attorneys.

10 Commission staff recommends that you approve
11 Order 2015-191 renewing Belterra's casino owner's
12 license and Power of Attorney. In addition,
13 Commission staff recommends that you approve
14 Orders 2015-192 through 194 prospectively
15 renewing Hollywood, Horseshoe South and
16 Tropicana's casino owner's licenses and Power of
17 Attorneys.

18 CHAIRMAN JOHNSTON: Any questions on these
19 renewal orders?

20 Seeing none, we'll consider all four of the
21 Orders 191 through 194.

22 Is there a motion for approval?

23 COMMISSIONER SVETANOFF: Motion to approve.

24 CHAIRMAN JOHNSTON: There's a motion.

25 COMMISSIONER FINE: Second.

1 CHAIRMAN JOHNSTON: And a second.

2 All those in favor, say aye.

3 (Chorus of ayes.)

4 Opposed.

5 The orders are adopted.

6 MR. HARCOURT: Thank you.

7 CHAIRMAN JOHNSTON: Thank you, Ed.

8 Disciplinary actions. Chris.

9 MS. GRAY: Good afternoon again,

10 Commissioners and Executive Staff. You have
11 before you nine settlement agreements concerning
12 disciplinary actions. The first settlement is
13 with Ameristar, Order 2015-195, and includes two
14 counts.

15 In the first count, the casino allowed an
16 underage person on the casino floor on two
17 separate occasions.

18 The second count violated the rules and
19 their internal controls regarding emergency bill
20 validator boxes.

21 Ameristar has agreed to a total monetary
22 settlement of \$12,500 in lieu of disciplinary
23 action.

24 Order 2015-196 is a settlement agreement
25 with Belterra wherein the casino allowed an

1 underage person on the casino floor. Belterra
2 has agreed to a monetary settlement of \$3,000 in
3 lieu of a disciplinary action.

4 Order 2015-197 is a settlement agreement
5 with French Lick wherein the casino allowed an
6 underage person on the casino floor. French Lick
7 had agreed to a monetary settlement of \$1,500 in
8 lieu of disciplinary action.

9 The fourth order, 2015-198, is a settlement
10 agreement with Hollywood wherein the casino
11 violated the rules and their internal controls
12 regarding the safeguarding of assets. Hollywood
13 has agreed to a monetary settlement of \$3,000 in
14 lieu of disciplinary action.

15 Order 2015-199 is a settlement agreement
16 with Horseshoe Southern Indiana and includes two
17 counts.

18 In the first count, the casino allowed an
19 underage person on the Casino floor on two
20 separate occasions, and in the second count, the
21 casino was unable to determine the exact amount
22 of a progressive machine. Horseshoe Southern
23 Indiana has agreed to a monetary settlement of
24 \$13,000 in lieu of disciplinary action.

25 Order 2015-200 is a settlement agreement

1 with Indiana Grand and includes three counts.

2 In the first count, the casino failed to
3 timely notify the gaming agents of four
4 terminations.

5 In the second count, on two separate
6 occasions an underage person was allowed on the
7 casino floor.

8 In the third count, the casino allowed
9 employees in one department to work in another
10 department without approval of the Commission
11 staff.

12 Indiana Grand has agreed to a total monetary
13 settlement of \$19,000.

14 Order 2015-201 is a settlement agreement
15 with Majestic Star and includes two counts.

16 In count one, the casino allowed vendors on
17 the casino floor without following the proper
18 process for vendors.

19 Count two violated the rules regarding
20 revoked EPROMs.

21 Majestic Star has agreed to a total monetary
22 settlement of \$3,500 in lieu of disciplinary
23 action.

24 Order 2015-202 is a settlement agreement
25 with Rising Star and includes two counts.

1 In the first count, the casino failed to
2 follow the approved procedures for a small gaming
3 area on the fourth deck of the casino.

4 The second count violated the rules
5 regarding surveillance coverage of detained
6 individuals.

7 Rising Star has agreed to a total monetary
8 settlement of \$10,500 in lieu of disciplinary
9 action.

10 The final order, 2015-203, is a settlement
11 agreement with Tropicana and includes two counts.

12 In the first count, the casino failed to
13 secure assets.

14 In the second count, they violated the rules
15 regarding progressive machines.

16 Tropicana has agreed to a total monetary
17 settlement of \$7,000 -- I'm sorry, \$7,500 in lieu
18 of disciplinary action.

19 The Commission staff recommends that you
20 approve Orders 2015-195 through 2015-203, each of
21 which approves one of the settlement agreements
22 that we have just discussed.

23 CHAIRMAN JOHNSTON: Thank you, Chris.

24 Any questions on any of the nine orders?

25 Seeing none, is there a motion to adopt

1 Orders 195 through 203?

2 COMMISSIONER WILLIAMS: So moved.

3 COMMISSIONER SVETANOFF: Second.

4 CHAIRMAN JOHNSTON: Motion and second.

5 All those in favor, say aye.

6 (Chorus of ayes.)

7 Opposed.

8 The orders are adopted. Thank you.

9 MS. GRAY: Thank you.

10 CHAIRMAN JOHNSTON: The next matter before
11 the Commission is the culmination of the
12 rules-making process. We've received updates on
13 this, both the introduction and extension of
14 rules relating to limited mobile gaming, and so,
15 Michelle, bring us up to speed, and what are we
16 considering?

17 MS. BALDWIN: Great, thank you. In 2013,
18 limited mobile gaming was authorized by the
19 legislature. This final rule addresses the
20 requirements of Indiana Code 4-33-4-5 requiring
21 the Commission to adopt standards and rules for
22 limited mobile gaming systems and limited mobile
23 gaming devices.

24 As you are aware, the Commission has been
25 operating under a set of emergency rules while

1 this final rule has worked its way through the
2 promulgation process.

3 The following steps have been completed
4 during this process: The Indiana Register posted
5 the Notice of Intent to adopt a rule on May 6,
6 2015, which was approved by the Office of
7 Management and Budget and the State Budget
8 Agency. The Indiana Register posted the proposed
9 rule on July 8, 2015.

10 The Commission staff held a public hearing
11 on August 27, 2015, and all the comments that we
12 have received on this rule are included in your
13 packets.

14 Following the Commission's approval, staff
15 will file the final rule with the Office of the
16 Attorney General and the Governor's Office.
17 Following those other approvals, the Indiana
18 Register will post this as a final rule.

19 Based on the Commission's experience, the
20 Commission estimates the implementation of the
21 proposed rule will have no fiscal impact and no
22 effect on expenditures.

23 Further, the Indiana Office of Small
24 Business and Entrepreneurship does not object to
25 the economic impact of this rule, and the State

1 Budget Agency recommends that the rule be
2 approved.

3 Commission staff recommends approval, and by
4 adopting Resolution 2015-204, the final rule will
5 be approved.

6 CHAIRMAN JOHNSTON: Thank you very much.

7 Any questions for Michelle?

8 Seeing none, what's the pleasure of the
9 board regarding the adoption of this resolution
10 approving the final rule?

11 COMMISSIONER SVETANOFF: Motion to adopt.

12 CHAIRMAN JOHNSTON: There's a motion. Is
13 there a second?

14 COMMISSIONER FINE: Second.

15 CHAIRMAN JOHNSTON: Motion and a second.

16 All those in favor, say aye.

17 (Chorus of ayes.)

18 Opposed.

19 The motion and rules are adopted.

20 MS. BALDWIN: Thank you.

21 CHAIRMAN JOHNSTON: The next matters to come
22 before the Commission are a series of
23 presentations.

24 The first matter is one that has been -- the
25 staff of the Commission and the Executive

1 Director have been keeping me informed of
2 developments that are involving the Lawrenceburg
3 Local Development Agreement. And recently before
4 the -- or as this agenda was being prepared, I
5 asked the staff to give the Commission a full
6 update. I felt that the matters as they were
7 being presented to me should be brought before
8 the entire Commission.

9 And so with that, I'd like to receive the
10 update from staff. So, Sara, do you want to
11 introduce the matters?

12 EXECUTIVE DIRECTOR TAIT: Sure. You stole
13 my intro, but that's okay. No.

14 Really, as Mr. Chair said, this is an
15 ongoing dispute that staff has been aware of and
16 involved in since April, and we have kept the
17 Chair informed.

18 So the purpose of this is merely a staff
19 presentation. The parties are present, but we
20 are just going to ask Greg to provide an update
21 to the commissioners. The goal is to make the
22 full Commission aware of these issues and to
23 receive some guidance moving forward, so, Greg,
24 if you could take it away.

25 MR. SMALL: Thank you. Thank you,

1 Commissioners. Good afternoon. Although titled
2 Lawrenceburg LDA, this action involves a dispute
3 between the City of Lawrenceburg and the
4 Lawrenceburg Conservancy District, or the LCD.

5 Conservancy districts are established via
6 statute under Indiana Law 14-33-2. The process
7 involves filing a petition signed by the
8 requisite number of freeholders within the
9 district. The petition is then filed with the
10 Circuit Court. Once the court determines that
11 the necessary signatures have been obtained, the
12 National Resource Commission conducts a hearing,
13 gathers information and reports to the court.
14 The district is established when approved by
15 court order.

16 The Lawrenceburg Conservancy District was
17 established May 5, 1983. The purpose of the
18 conservancy district was augmentation, drainage,
19 erosion, flood control, irrigation, operation,
20 maintenance and recreation.

21 On April 13, 1994, the City of Lawrenceburg
22 entered into a Local Development Agreement with
23 the Indiana Gaming Company. The LDA specifically
24 designated an LCD parcel for the casino project.

25 Further, the LDA states that the City will

1 enter into a lease with the LCD and pay \$500,000
2 in development funds to the LCD.

3 On December 29, 1995, the City and the LCD
4 entered into a ground lease for the conservancy
5 district parcel.

6 On August 26, 1996, the City entered into a
7 sublease with Indiana Gaming Company for the
8 conservancy district parcel.

9 The LCD and the City are in an ongoing
10 dispute related to the ground lease. In April of
11 2015, the LCD threatened to block the emergency
12 access road. It is the only access available to
13 emergency vehicles to respond to situations at
14 the casino property. The LCD board authorized
15 the superintendent to barricade the road without
16 further approval from the board. The board
17 thereafter rescinded that unilateral power.

18 Blocking access to the road would put
19 patrons and casino staff at risk. The IGC would
20 force the casino to evacuate the facility
21 immediately if emergency access was blocked. It
22 is imperative that the access road remain
23 unobstructed regardless of the dispute between
24 the City and the LCD.

25 Pursuant to Indiana Code 4-33-6, a riverboat

1 must obtain a certificate of compliance from the
2 Coast Guard or the American Bureau of Shipping
3 for marine structural and life safety issues. A
4 certificate of compliance would not be issued if
5 there was no emergency access for vehicles to
6 reach the casino property.

7 Further, pursuant to Indiana Code 4-33-23-7,
8 the IGC has continuous jurisdiction over
9 development agreements. This includes compliance
10 with this article, the rules of the Commission
11 and federal law, the integrity of gambling
12 operations in Indiana and compliance with the
13 purposes of the underlying LDA.

14 In this case, the fourth amendment to the
15 LDA also added required language from Indiana
16 Code 4-33-23-8 that states, "All parties to this
17 agreement recognize the authority of the Indiana
18 Gaming Commission over this agreement, including
19 the authority to disapprove all or part of the
20 agreement, to verify and ensure payments by
21 recipients, to verify and ensure compliance with
22 the purposes of the agreement, and to act
23 concerning modifications to the agreement. All
24 parties to this agreement agree to comply fully
25 with any requests for information or directives

1 related to the exercise of the Commission's
2 authority."

3 Lastly, any requests to modify the LDA must
4 be submitted to the Commission for approval under
5 Indiana Code 4-33-23-14.

6 Per the Chair's instructions, the staff will
7 continue to monitor the situation and we will
8 look to the Commission for further instructions.

9 Thank you.

10 CHAIRMAN JOHNSTON: Thank you.

11 Any questions for Greg?

12 COMMISSIONER SVETANOFF: I do, Mr. Chair.

13 CHAIRMAN JOHNSTON: Commissioner Svetanoff.

14 COMMISSIONER SVETANOFF: We have a situation
15 where evidently a vital public access, emergency
16 access road is going to be potentially shut down
17 by the Lawrenceburg Conservancy District; is that
18 correct?

19 MR. SMALL: There have been threats in the
20 past, yes.

21 COMMISSIONER SVETANOFF: In your opinion,
22 would that jeopardize the health, safety and
23 welfare of patrons on that boat?

24 MR. SMALL: Absolutely. With our
25 requirements and with the certificate of

1 compliance under state law, the Commission would
2 be forced to have the casino evacuate the
3 property.

4 COMMISSIONER SVETANOFF: I have to tell you,
5 it's my personal opinion, I'm appalled. I'm
6 appalled that this action would even be
7 threatened.

8 And I -- I don't know if I speak for the
9 rest of my Commission members at this time, but I
10 would like -- if this matter is not resolved by
11 the next Commission meeting, I would like to
12 invite all parties down, but specifically
13 Lawrenceburg Conservancy District, to explain why
14 they would even threaten this action.

15 CHAIRMAN JOHNSTON: Thank you, Commissioner.
16 Any -- Commissioner Williams.

17 COMMISSIONER WILLIAMS: Could you clarify
18 for me before I start to reach my conclusion what
19 our legal authority is in this matter?

20 MR. SMALL: Yes. Well, it comes in a couple
21 different forms here. One is under the LDA
22 statute and our continuing jurisdiction, we have
23 the obligation to maintain -- maintain compliance
24 with the LDA, the parties, recipients and the
25 unintended recipients under that.

1 We also have an obligation under 4-33-6-6 to
2 maintain the life safety issues and public safety
3 of the public.

4 COMMISSIONER WILLIAMS: Thank you.
5 Mr. Chairman, I concur with my colleague. When I
6 first heard about this, while I haven't been able
7 to get my brain around it since, it's -- the
8 Commission has the obligation to protect the
9 integrity of gaming, but this goes so far beyond
10 that.

11 This is an absolutely unacceptable means of
12 resolving a dispute by anybody's standards, and I
13 think that it's unconscionable for a body politic
14 to threaten the safety of the people that are in
15 the building, and the livelihood, because we have
16 no choice but to turn -- you know, but to close
17 the casino, therefore putting all of these
18 people's jobs in jeopardy, people that are
19 members of very community that they're supposed
20 to serve.

21 So it seems to me that in addition to trying
22 to resolve the dispute and whether we have the
23 authority to or not, that they need to take these
24 barricades off the premises so that threat is no
25 longer viable and so we can understand that

1 they're negotiating in good faith, and I don't
2 know how we accomplish that, but I think that
3 absolutely has to happen, because we know they're
4 running along the roadside there just ready to be
5 installed.

6 MR. SMALL: Excuse me. Commissioner
7 Williams, I do want to clarify. The barricades
8 have been removed.

9 COMMISSIONER WILLIAMS: So they're off the
10 premises?

11 MR. SMALL: They are off the premises.

12 COMMISSIONER WILLIAMS: All right. Thank
13 you.

14 COMMISSIONER SVETANOFF: But the threat
15 still remains; correct?

16 MR. SMALL: It's possible. There's nothing
17 imminent at this time.

18 CHAIRMAN JOHNSTON: Do our gaming agents, in
19 the normal course of their surveillance
20 activities, do walk-arounds and look at the
21 property and so would this be part of their
22 normal routine?

23 MS. RESKE: Commissioners, it seems like
24 there's a question about whether or not the
25 threat is imminent here. I do know we've been

1 watching the negotiations. We certainly never
2 want to be in the position of having to arbitrate
3 a disagreement like this.

4 We've been very disappointed. Really, there
5 hasn't been any movement toward a resolution that
6 we've been able to see. But in these
7 conversations, it has been said to us numerous
8 times that our licensee has no legal right to the
9 property, so with that kind of allegation
10 looming, I think it does jeopardize something
11 that is at the very core of our responsibilities,
12 and that's ensuring that the casino remains
13 eligible to receive a certificate of compliance.
14 And we are not satisfied that the looming threat
15 is gone.

16 COMMISSIONER FINE: This may be asking the
17 obvious, but so they're threatening to barricade.
18 Is there -- what do they want in return?

19 MS. RESKE: Let me clarify. There was the
20 threat to barricade. Staff's response, as you
21 can imagine, was it's unacceptable, we'll have to
22 evacuate the casino, it would not be allowed to
23 reopen until the barricade was removed.

24 There was a discussion of having the parties
25 come speak at a prior meeting, and I think

1 perhaps in an effort to avoid that, the board met
2 and they rescinded that order, so it's not
3 standing now.

4 We don't really want to get into I think the
5 details of the dispute at this meeting. You
6 know, when we're more prepared at a future
7 meeting we can discuss it better, but it looks
8 like there's a movement toward renegotiating
9 their agreement.

10 Currently the agreement, as Greg said, is
11 between the conservancy district and the City,
12 with our licensee entering into a sublease
13 agreement for access to the emergency road.
14 Beyond that, we're not sure where they are in
15 reaching agreement, if they've maybe taken some
16 items off the table and some items are resolved
17 and some are outstanding, or if there's been, you
18 know, really no movement at all.

19 CHAIRMAN JOHNSTON: When was the last time
20 that staff, anybody on our staff has spoken with
21 the parties?

22 MR. SMALL: As late as last week.

23 CHAIRMAN JOHNSTON: Okay. And is the spirit
24 to at least continue these discussions, hopefully
25 they're constructive, I mean is that still

1 intact?

2 MR. SMALL: That has been what has been
3 represented to us by both parties.

4 CHAIRMAN JOHNSTON: Okay. Are there any
5 other questions from the commissioners?

6 EXECUTIVE DIRECTOR TAIT: And that's part
7 of, you know, why we're presenting this issue to
8 the commissioners. If it is the commissioners'
9 will for the staff to receive more updates, then
10 we are happy to do that, so if you have a
11 recommendation for us moving forward, if you'd
12 like us to get monthly updates or weekly or
13 whatever. Our common practice has been in the
14 past to get updates before Commission meetings,
15 so if you'd like us to increase speaking to the
16 parties or if you would like us to more closely
17 review our authority under the LDA statute, we
18 are happy to do those things.

19 CHAIRMAN JOHNSTON: That's where I was
20 going.

21 EXECUTIVE DIRECTOR TAIT: I stole from you
22 this time.

23 CHAIRMAN JOHNSTON: That's right. If there
24 aren't any further questions, I would like to
25 continue -- I would like you to expand just more

1 than just me, distribution to me. I'd like
2 updates to the entire Commission as needed, but
3 then what I would ask is 30 days -- whenever we
4 schedule our next Commission meeting, I'd like to
5 have a more formal summary of the discussions and
6 whether there is a resolution and if there are
7 any options that this Commission should consider,
8 and I'd like that 30 days in advance of the next
9 scheduled meeting.

10 MR. SMALL: Absolutely.

11 CHAIRMAN JOHNSTON: Anything else that
12 people -- the commissioners would like?

13 Thank you very much. Hopefully we'll have
14 some resolution.

15 The next matter is a couple of presentations
16 with a financial transaction under review. I'll
17 turn it over to Sara.

18 EXECUTIVE DIRECTOR TAIT: Thank you.

19 In July, Real Estate Investment Trust Gaming
20 and Leisure Properties proposed a deal to acquire
21 the real estate owned by regional gaming operator
22 Pinnacle Entertainment for \$4.75 billion. This
23 impacts several states, but specifically includes
24 two Indiana casinos, Ameristar and Belterra.

25 Staff has met with representatives of both

1 Pinnacle and GLPI regarding this deal, and this
2 proposed transaction is not on the agenda for
3 official action by the Commission today.

4 The purpose of today's presentation is for
5 the parties to provide information to our
6 commissioners in an effort to help aid the
7 Commission's decision when it does take official
8 action likely in the first quarter of next year.
9 Staff is still contemplating its investigation of
10 the proposed deal and will ensure that all issues
11 are addressed in our final report to the
12 commissioners.

13 The Commission at its June 2013 business
14 meeting, by Order 2013-121, issued GLPI a
15 supplier's license when they became the REIT for
16 Hollywood Casino Lawrenceburg's real estate.

17 In issuing a supplier's license, the
18 Commission relied upon 68 IAC 2-2-1, which
19 provides that certain businesses are required to
20 hold a supplier's license, including a lessor of
21 a riverboat or dock facility. This is a
22 Commission rule that has been in effect for over
23 20 years and which ran through the normal
24 promulgation process of all administrative rules.

25 Staff appreciates Pinnacle and GLPI's

1 willingness to travel to Indiana to preview this
2 transaction for our commissioners.

3 I don't know who's going first. Okay,
4 Pinnacle is up first. So on behalf of Pinnacle,
5 we have Jack Godfrey, their general counsel, and
6 Carlos Ruisanchez, their president and chief
7 financial officer.

8 MR. GODFREY: Thank you, Sara.

9 Mr. Chairman, members of the Commission,
10 Executive Director Tait, Deputy Director Reske
11 and General Counsel Small, as Sara said, I'm Jack
12 Godfrey, executive vice president, secretary and
13 general counsel of Pinnacle Entertainment. And
14 I'm very pleased to appear with my colleague,
15 Carlos Ruisanchez, who is president and chief
16 financial officer of Pinnacle.

17 We've worked together since 2008, and we've
18 worked very closely on a number of transactions,
19 including this one.

20 I'd also like to note the appearance of our
21 counsel in the audience, Libby Cierzniak, our
22 Indiana gaming counsel from Faegre & Baker, and
23 our East Chicago labor counsel, Lauren Novak,
24 from Schiff Hardin.

25 So with that, we very much appreciate a

1 chance to go over this transaction with you. And
2 I'll turn over the initial presentation to
3 Mr. Ruisanchez.

4 MR. RUISANCHEZ: Thank you, Jack. And good
5 afternoon, Chairman, Commissioners, members of
6 the staff.

7 Let me step back a bit to give you some
8 perspective as to where -- what we are and
9 where -- what we come from. Back last year,
10 about a little over a year ago, we came to the
11 determination that we wanted to split the real
12 estate assets of our company, the vast majority
13 of the real estate assets of our company from the
14 operations. We have been focused over the last
15 six plus years on improving our operations and
16 investing heavily into our business as we
17 continue to try to improve both as operators and
18 members in our community.

19 Over that time, once we made that
20 determination, we made an announcement publicly
21 that our intention was to create a newly formed
22 REIT that would have -- real estate investment
23 trust that will have the real estate assets of
24 our -- of our gaming operations in a completely
25 separate, distinct company.

1 Following that, Gaming and Leisure
2 Properties approached us about effectively
3 doing -- ending up in the same place, but ending
4 up with them buying our real estate in lieu of us
5 creating a brand-new real estate investment
6 trust.

7 As part of that transaction, let me take you
8 through the real rationale for the split. Our
9 company has continued to improve over the last
10 five years, both in our operations as well as
11 growing the assets that we have under management,
12 and getting better as to how we deal with both
13 our team members, our guests and our
14 shareholders. And that has been primarily
15 through the operation of each one of our
16 facilities.

17 What's occurred in the meantime, we -- in
18 almost every instance we own the actual real
19 estate of all our facilities, but in reality we
20 focus on the use of that real estate and have
21 come to the determination that there was official
22 value to be realized if we were to separate the
23 two.

24 In this transaction with GLPI, they have
25 actually allowed us to do two things: One, the

1 transaction can close materially sooner than it
2 otherwise would if we were do it on our own.
3 Secondly, our intention has always been to
4 provide our shareholders with shares in this
5 REIT, and our shareholders will now, as part of
6 this transaction, will get shares in a larger,
7 more diversified REIT than it otherwise would be
8 if it was just the Pinnacle assets, Pinnacle real
9 estate assets.

10 As part of this transaction, as you can see
11 here, the transaction has two components of
12 consideration. One will be that GLPI will
13 address about two and three-quarters billion of
14 our debt, and, secondly, our shareholders will
15 receive .85 shares of GLPI for every share they
16 own of Pinnacle.

17 As part of the transaction we will enter
18 into a lease that initially will start out with
19 an annual rent of \$377 million and it will be
20 subject to escalators over time.

21 The premise here is just like they would be
22 in every landlord under a triple-net lease, you
23 have a landlord that will be completely passive
24 as relates to our operations, making no decisions
25 or having practically no input into how we run

1 our business and how we proceed going forward.

2 And if we can spend one minute talking about
3 a triple-net lease and how that works.

4 Essentially the -- as was described earlier, this
5 is a financing transaction, so all capital
6 expenditures to maintain the property, all the
7 property taxes, all operational requirements
8 are -- all continue to be the -- specifically the
9 obligation of Pinnacle Entertainment and that
10 will continue to be the case for the duration of
11 us operating on these facilities. In effect,
12 what they're getting is a rent stream in exchange
13 for the consideration that they're providing.

14 When you look through what this does for
15 Pinnacle, it basically unlocks the value of the
16 real estate that we have within the company, and
17 it effectively will allow us to be at the
18 operating with substantially less conventional
19 debt than we have today. As I mentioned, GLPI
20 will be addressing two and three-quarters billion
21 of our debt. And it allows us to basically focus
22 on the things that have been successful the last
23 five or six years while this management team has
24 been together, to capitalize on what we view as
25 better trends broadly in the industry,

1 particularly here in Indiana, as well the ability
2 to leverage the infrastructure operationally that
3 we have within our company.

4 And those are exactly the things that have
5 allowed us to create value for our shareholders,
6 our team members and the communities that we're
7 in.

8 As part of the transaction, by virtue of the
9 stock consideration, our shareholders, which are
10 largely institutional investors, will own
11 27 percent of GLPI going forward. They will be
12 free to trade it just like they do with any of
13 our existing securities in the marketplace.

14 The structure itself, what -- we will
15 actually spin off our operations into a company
16 that will be called Pinnacle Entertainment and
17 will have the exact same ticker that we have and
18 it will be traded on NASDAQ just like we are
19 today.

20 The sole difference is we'll not have legal
21 ownership of the actual real estate, but will
22 continue to operate it in the exact same fashion
23 that we have recently and expect to continue to
24 grow our business under this -- under this
25 format, and hopefully at a faster rate than we

1 have historically.

2 There are a few things that are not part of
3 this transaction. There was excess land in
4 Baton Rouge and as well as Lake Charles and in
5 Central City that are not part of the transaction
6 with GLPI and they will remain part of Pinnacle.

7 Belterra Park is our latest facility that we
8 opened in Ohio, just outside Cincinnati, will
9 also remain -- including its real estate will
10 remain within Pinnacle.

11 And then the Retama Park is an entity that
12 we do not own a hundred percent of, so therefore
13 not part of the transaction, and the Heartland
14 Poker Tour and ACDL are not good assets as
15 relates to real estate investment trusts and
16 therefore not part of it.

17 All the other facilities will essentially be
18 the exact same licensee that we have today, it
19 will be the exact same entities that we have
20 today, but we'll transfer the real estate itself
21 into an entity that GLPI will end up acquiring,
22 merging into GLPI subject to a lease payment of
23 \$377 million that we'll put forward.

24 As we looked at our operating profile, we've
25 actually spent a lot of time thinking through

1 what's actually made a difference for us and made
2 a difference for us operationally as we continue
3 to hopefully getting better and continue to learn
4 from our environment as to ways to provide the
5 level of service and entertainment that we do to
6 our guests.

7 And here you see a list of the things that
8 we identified as under our current structure
9 today are key to us continuing to build value,
10 starting with the product offering that we have
11 by virtue of the facilities; our loyalty program
12 that is now a little over five years old and
13 continues to get traction; our team members are a
14 key part of our offering to our guests; our
15 capabilities of operating and the scale of our
16 company are two things that have allowed us to
17 get better and we believe assets that we will be
18 able to continue to deploy and get better at as
19 we move forward. The culture that we have, and I
20 often talk about being a learning organization
21 and a place that embraces our ability to get
22 better as we move forward; the service level
23 which is really possible by virtue of the
24 combination of all these things put together.
25 Intellectual property, the brand names of our

1 facilities such as Belterra, Ameristar; the
2 gaming license that we have the privilege to --
3 to have, and today we actually own the real
4 estate.

5 The only thing that's actually changing is
6 we're monetizing that real estate, reducing our
7 debt, providing our shareholders with an
8 investment in a very large real estate investment
9 trust, but still continue to use that real estate
10 in the same fashion that we have historically.
11 Point being that on the other side of this
12 transaction, operationally absolutely nothing
13 will change.

14 It will be -- really our ability to continue
15 to derive value, continue to grow our business is
16 actually enhanced by virtue of having less debt
17 and having the ability to go and deploy the
18 things that we have focused on as a company over
19 the last few years.

20 Under the master lease itself, the master
21 lease has an initial term of ten years and there
22 will be five five-year extensions, for a total of
23 35 years.

24 Effectively the lease -- lease terms are
25 intended to provide us the option to continue to

1 renew. Practically speaking, the licenses are
2 tied to the specific facilities, so all
3 expectations is that this will continue to renew
4 even beyond the 35-year period.

5 The breakdown of the lease of the
6 377 million is broken down in three parts. There
7 is land rents, that is \$44 million, and that is
8 fixed and they will not be subject to an
9 escalator. There will be building rent, which is
10 the vast majority, a little over 75 percent of
11 the lease, and that will be subject to an
12 escalator, but that escalator is subject to us
13 having a minimum rent coverage of at least 1.8
14 times and that is intended -- it's a bit unusual
15 in real estate investment trusts, but it's
16 intended to protect the operations, that to be
17 able to pay the what is fairly common to have
18 annual escalators, but only in the event that it
19 can afford to do so.

20 And then, lastly, there is a piece, a small
21 piece, \$44 million, that is subject to revenue of
22 the portfolio as a whole, and it includes all 13
23 properties that are in it. It's very common in
24 real estate transactions where you have leases to
25 have a small participation in rent, and that will

1 change based on the changes in revenue to the
2 tune of 4 percent of revenue that we get out of
3 the 13 properties that are part of the
4 facilities.

5 With that, let me turn it over to Jack to
6 talk about some of the master lease covenants.

7 MR. GODFREY: Thank you, Carlos.

8 As you might have gleaned from Carlos'
9 portion of the presentation, one of the things
10 that Pinnacle focused on when we negotiated this
11 transaction with GLPI is we wanted to make sure
12 we had a very strong OpCo coming out of this
13 action.

14 We operate best-in-class facilities, and we
15 will continue to do that and that was really a
16 major focus of our negotiations with the folks at
17 GLPI, and I think we achieved that through this
18 agreement.

19 So we do expect to continue to operate
20 best-in-class facilities. And this transaction
21 we believe will enhance our ability to do so.

22 Let me talk about certain of the master
23 lease covenants. The master lease, as you might
24 imagine, is a pretty extensive document. The
25 Commission has already reviewed in the past in

1 connection with Penn spinning off their real
2 estate assets into GLPI a form master lease which
3 is substantially identical to the one that we
4 currently have.

5 There's a provision in there for a minimum
6 of maintenance capex that we're required to spend
7 on the properties. It's at least 1 percent of
8 net revenues on assets with an expected life of
9 at least three years. This is a floor. This is
10 not a target. We spend far in excess of
11 1 percent of our net revenues, and our actual
12 capital expenditures will exceed this figure.
13 Again, this is simply a floor. We spend capital
14 expenditures to maintain our properties and to
15 enhance them as we believe that we can.

16 In terms of the capital improvement process,
17 as Carlos mentioned, GLPI is going to be a
18 passive landlord, just as they are with our
19 competitor Penn National Gaming, but obviously
20 they're going to hold these real estate assets,
21 so to the extent that we are going to make
22 alterations to those assets, there is a procedure
23 that does involve GLPI. And as you can see in
24 this slide, there are certain elements of that.

25 Really when you boil this down, there are

1 two aspects of the capital improvement process
2 that we'll focus on.

3 Number one, is the proposed capital
4 improvement consistent with the use of the
5 property as a casino and entertainment facility,
6 and, of course, in our lease that's a broad
7 definition, so there's very few restrictions on
8 that.

9 Number two, are the improvements going to be
10 made according to code. In other words, will
11 they maintain the structural integrity of the
12 assets.

13 So those are really the only two elements
14 that we're going to focus on and that GLPI will
15 focus on.

16 It's obviously in our interests to continue
17 to make capital expenditures for those assets and
18 the use of the real estate that we have, and it's
19 obviously in GLPI's interests for their tenant to
20 maintain those assets in a first-class manner,
21 and, of course, that will happen.

22 There's one other factor involved in the --
23 in the master lease that I'd like to draw your
24 attention to, and it deals with new developments
25 and acquisitions within 60 miles of the existing

1 PNK property. GLPI has the right of first offer
2 to fund and include as a leased property under
3 master lease, subject to a negotiation process,
4 new developments. And if they do not fund
5 greenfield development, the existing property's
6 lease payment will be subject to a floor.

7 And then, of course, it also addresses
8 acquisitions of existing operations within
9 60 miles of an existing PNK property.

10 This floor, by the way, is simply related to
11 the percentage rent, and the floor would be based
12 on the net revenues from the year prior to the
13 acquisition, the acquisition or operation of the
14 new facility.

15 Let me go to the expected transaction
16 timeline. We entered into this agreement in July
17 of this year. We have filed all of our
18 applications for gaming regulatory approvals, and
19 we're proceeding, we've got certain other
20 approvals, lease assignments, local permits and
21 other facets of the transaction that we need to
22 complete prior to the close.

23 So what we expect to complete in this
24 quarter and then through the first quarter of
25 2016 is clear the SEC review related to the S-4

1 registration statement, merger proxies and the
2 Form 10, which is the registration statement for
3 OpCo, or the new Pinnacle, and that's in process
4 right now.

5 Once the merger proxy becomes effective, we
6 will, with the appropriate notice, schedule our
7 shareholder meetings to approve the transaction.
8 The companies will have their shareholder
9 meetings on the same day, whenever that is
10 scheduled. We'll continue to work toward
11 obtaining remaining gaming regulatory approvals.

12 As noted on the slide, the Mississippi
13 Gaming Commission did approve the transaction in
14 October, and we have remaining for prior approval
15 Iowa, Louisiana, of course Indiana, Missouri,
16 Nevada.

17 Colorado, where we also operate, will issue
18 some approvals in connection with this
19 transaction, but they don't require a prior
20 approval.

21 By way of an example, we bought Ameristar in
22 August of 2013, and it was just in February of
23 2015 that Colorado Limited Gaming Commission
24 finished their review and gave us the necessary
25 approvals that we needed for that transaction.

1 We'll also begin the execution of and
2 completing of all financing transactions, and the
3 fellows and Bill Clifford from GLPI can
4 illuminate you on those financing transactions if
5 you have questions.

6 We'll do the spin-off of OpCo from Pinnacle
7 Entertainment, and then Pinnacle Entertainment
8 will merge into the GLPI subsidiary and the
9 transaction will be complete.

10 So with that, we'd be happy to answer any
11 questions about this transaction. We think it's
12 a very good transaction, not only for our
13 shareholders, but for the state of Indiana.

14 And, again, we're happy to answer any
15 questions you might have.

16 CHAIRMAN JOHNSTON: Thank you very much,
17 Mr. Godfrey and Mr. Ruisanchez.

18 It was my original intention to hear both
19 presentations and wait until the end, but there's
20 a lot of material here, so I think in particular
21 since you're our licensee, we will have questions
22 at the end of each presentation and may call you
23 back up even at the end of the second one. So
24 thank you very much for the presentation.

25 Mr. Godfrey, maybe I'll start off with your

1 closing. And you said not only good for your
2 shareholders and your business, but the state of
3 Indiana.

4 Can you expound a little bit more on why
5 it's good for the state and the casino operations
6 here.

7 MR. GODFREY: Well, as Carlos alluded to,
8 our focus of this transaction was to focus on
9 those things that we believe are -- have been
10 important factors in growing the company, and
11 that's operations.

12 We believe that our real estate assets have
13 not been given the proper value, and this
14 transaction does not reflect on that at all.

15 So we'll continue to focus on our operations
16 and the real estate will be put in that portion
17 of the market with these real estate assets, and
18 it will have no negative impact whatsoever on our
19 operations in Indiana.

20 MR. RUISANCHEZ: Let me add there, as part
21 of this transaction, on the other side of it, we
22 will have less than a billion dollars of debt
23 within the company, which will open up financial
24 flexibility for us to not only grow as a company,
25 but continue to invest similarly to how we have

1 done both in Belterra and Ameristar in Chicago
2 going forward, so having that financial
3 flexibility is something that will be good for
4 the state. And these are two very important
5 assets for us that we will continue to invest in
6 as part of our program going forward.

7 CHAIRMAN JOHNSTON: Thank you. I have one
8 other question, and I encourage my fellow
9 commissioners to ask their questions, and please
10 speak into the microphones so we have a good
11 recording of our conversation here.

12 You had mentioned that you had made the
13 business decision back maybe November of '14 that
14 you were pursuing this type of transaction and
15 possibly establishing your own REIT; is that
16 correct?

17 MR. RUISANCHEZ: That is correct.

18 CHAIRMAN JOHNSTON: Okay. And that -- so
19 you were considering it as a good business
20 decision as much as a year ago. Is it -- I think
21 I was inferring from your comments that
22 establishing a REIT may be in this -- for this
23 particular industry type property, a lot of work,
24 a lot of expense that goes into it, so maybe it
25 was just the good fortune that GLPI came along

1 or -- I mean why -- why now and this
2 organization?

3 MR. RUISANCHEZ: Certainly, and I know they
4 can address that as well. We believe that this
5 will be a wave in the future in this sector
6 generally where folks will look to separate the
7 real estate assets and continue to lease them and
8 operate them in the same way that they have in
9 the past.

10 We came up to -- after a long study, and
11 this trail had been blazed by the preparation of
12 Penn and GLPI in the first place.

13 Our process on our own required a number of
14 other steps that won't be needed here, including
15 getting rulings from the IRS, going through time
16 enough to actually lower our debt balance before
17 our transaction could come together.

18 And GLPI will address sort of their
19 rationale for the transaction, but clearly this
20 is a big transaction for them.

21 This allowed us to both do it faster by
22 virtue of cutting a few steps that would be
23 required ahead of us doing it on our own and,
24 secondly, our shareholders would end up in a
25 larger, more diversified real estate investment

1 trust that by its definition will be more stable
2 over time as it relates to that -- that company
3 relative to what our own stand-alone would have
4 been.

5 And the combination of those two in the
6 value proposition made it compelling to go this
7 route instead of the other one.

8 The other one still would have been
9 available. It's just that this just ended up
10 being the better transaction ultimately and one
11 that we can get to faster and the ultimate goal
12 being more financially flexible than we are
13 today.

14 CHAIRMAN JOHNSTON: Thank you very much.

15 Questions from the other commissioners?

16 COMMISSIONER HERNDON: You mentioned
17 operating in Mississippi and Colorado. I was
18 just curious about how many other states you're
19 involved in.

20 MR. GODFREY: Well, we're involved in
21 several other states. We're involved in Iowa,
22 Louisiana, Missouri, Nevada. We're involved in
23 seven states right now in casino operations.

24 In Ohio where we have a racino, we're
25 keeping that asset, as Carlos alluded to, so no

1 approvals are implicated there.

2 And in Texas we own approximately 75 percent
3 of a partnership that has the racing license at a
4 racing track in San Antonio called Retama Park.
5 We also manage that racetrack, so neither of
6 those assets, Iowa or -- I'm sorry, Ohio or Texas
7 are implicated in this transaction.

8 COMMISSIONER HERNDON: Thank you.

9 COMMISSIONER FINE: So if the lease comes to
10 an end, license holder and landowner for whatever
11 reason can't work it out, what happens?

12 MR. RUISANCHEZ: Well, that is -- that
13 scenario is highly unlikely, but I suppose it's
14 technically possible.

15 You know, obviously these -- as I mentioned,
16 the licenses are tied to these locations and
17 we're the licensee, so certainly the value of
18 that real estate is in part predicated by what
19 actually takes place at that location, just like
20 in every other real estate transaction where the
21 values get predicated on what rents get
22 formulated out of those businesses.

23 Likewise, as I'm sure is well known, moving
24 a license is not an easy task.

25 So there will be great incentives on both

1 sides to go ahead and figure out a way that makes
2 sense to both of us.

3 COMMISSIONER FINE: So you may have said
4 this in the documents, I just don't know. So I
5 can see where you have the right to do future
6 financings, so if they expand their footprint or
7 make new improvements.

8 Is the right reciprocal? So, for example,
9 if you -- could you acquire the properties back?

10 MR. RUISANCHEZ: If they were to be able to
11 sell them or want to sell them?

12 COMMISSIONER FINE: So if the REIT wants to
13 spin off the underlying ground again.

14 MR. RUISANCHEZ: I'm certain that we would
15 be an interested party to the extent --

16 COMMISSIONER FINE: That's not part of the
17 contracts now?

18 MR. RUISANCHEZ: It is not part of the
19 contract or not the intention. Similar to --
20 there's a number of places including some --
21 Belterra Resort as well as Ameristar where we
22 have leases, and those leases will get renewed
23 over time.

24 The financing for new facilities, the
25 agreement is that they'll have the right of first

1 offer for that financing. We do not have any
2 obligation to take their financing, but obviously
3 we will, as part of our fiduciary responsibility
4 to do what's in the best interests of the
5 company, we'll no doubt engage in a discussion
6 about that.

7 MR. GODFREY: And let me add one other
8 point, subject to the 60 mile restriction that we
9 talked about briefly. Pinnacle will not be
10 restricted in making other investments or
11 developing other operations outside of this
12 master lease if that's what we determine is
13 appropriate, so, you know, as we move forward and
14 consider our strategic alternatives, we could
15 consider alternatives in that vein as well.

16 COMMISSIONER FINE: So just thinking through
17 this. So hypothetically Caesars could end up
18 owning your underlying ground.

19 MR. RUISANCHEZ: If they were to get into
20 the business of buying a lease.

21 COMMISSIONER FINE: Just buy the property
22 from the REIT.

23 MR. RUISANCHEZ: Yeah, but they won't be
24 able to operate because under the contract
25 they'll have no say in the operations, but

1 somebody could -- anybody could buy any building
2 to the extent that there is somebody willing to
3 sell on the other side.

4 And one thing worth noting is this lease, if
5 you were to buy it, you'd be subject to this
6 lease under the other side, and it's as a whole.
7 It's not one piece versus another. You have to
8 buy all 13 facilities that are subject to the
9 lease.

10 CHAIRMAN JOHNSTON: Other questions?

11 MS. RESKE: I have a question. So is it
12 concerning to you that GLPI also owns the
13 property of one of your nearest and most
14 important competitors?

15 MR. GODFREY: No, that is of no concern to
16 us.

17 MR. RUISANCHEZ: Just to add on, there is --
18 by virtue of having no ability to opine on
19 operations, dovetail that with the fact that the
20 information they're getting is the same
21 information that's publicly available, so they're
22 not getting anything that the public doesn't have
23 as it relates to our operations, so no concerns.

24 MS. RESKE: Mr. Ruisanchez, in your
25 presentation you said that GLPI would have

1 practically no input, and I know we've talked
2 about capex and financing.

3 Beyond that, what other aspects would GLPI
4 be able to confer to any kind of --

5 MR. RUISANCHEZ: None.

6 MS. RESKE: Nothing?

7 MR. RUISANCHEZ: Practically nothing.

8 MS. RESKE: Practically nothing?

9 MR. GODFREY: Well, we referred to the capex
10 process, but in terms of operations, business
11 plans, zero, zero influence or other ability to
12 impact.

13 EXECUTIVE DIRECTOR TAIT: Regarding capex,
14 can you guys go into a little bit more detail
15 about how much you typically spend on capex at
16 each property, why is it at 1 percent, and do you
17 have to get GLPI's permission to spend above
18 1 percent of capex?

19 MR. RUISANCHEZ: I'll -- to the last part of
20 the question, no. There are -- that's intended
21 to have a covenant to make sure that we're
22 maintaining the property, which is in our best
23 interests and is consistent with the way that we
24 dealt with it.

25 We have spent about a hundred million

1 dollars a year throughout our portfolio. And,
2 actually, Indiana has been a big portion of that
3 over the last couple of years, particularly
4 Belterra and some improvements that we've had in
5 East Chicago.

6 There -- as Jack mentioned, the process will
7 be just to provide notice that we intend to do
8 this, and as long as it is consistent with what
9 we do in those facilities, and that is really
10 broadly as entertainment.

11 EXECUTIVE DIRECTOR TAIT: Can you give an
12 example of a capital expenditure you would do?

13 MR. RUISANCHEZ: For instance, a perfect
14 example. We just built a stadium that opened up
15 earlier this year in East Chicago and it's a
16 restaurant, it's a bar/restaurant there, a
17 facility that we changed over. That facility, it
18 was in excess of about three and a half million
19 dollars we spent in that restaurant. We just
20 provide notice we intend to make this change. It
21 is exactly -- it was replacing an existing
22 restaurant that was there.

23 And by virtue of being consistent with the
24 premise of what we do in those facilities, and
25 obviously by law, we have to adhere to code, it

1 basically becomes just a notice and a required
2 consent on their side.

3 So that will happen upfront where we make a
4 decision of we want to make a change. In some
5 instances it'll be a requirement to do something
6 that could take place.

7 And it's important to keep in mind that
8 they're not in the business to operate. They're
9 in the business of acquiring assets and just
10 getting rents and to making sure that you have a
11 healthy tenant that continues to pay that rent
12 over time.

13 So as Jack mentioned, it's in their best
14 interests to not only allow, but encourage
15 additional capital that's maintaining the asset
16 that they own.

17 Our incentive is really determined by trying
18 to improve our business to make sure that it's
19 here for as long as we have the privilege to
20 operate, so, you know, in that respect, it's
21 fully deployed.

22 MR. GODFREY: And one other point that we
23 should focus on. The new Pinnacle Entertainment
24 Inc., OpCo as we referred to it, will be a
25 publicly traded corporation, and so in order to

1 derive shareholder value, it's very important
2 that we continue generating revenue, having good
3 operations, so with this separate company that
4 will be the tenants, it's in our interests, just
5 as it is today, to maximize shareholder value and
6 we'll continue to do that.

7 COMMISSIONER FINE: At the end -- so part of
8 the transaction is that the shareholders of
9 Pinnacle end up with I guess .85 shares.

10 What portion of GLPI is -- will that
11 represent? What will the shareholders of
12 Pinnacle own?

13 MR. RUISANCHEZ: It's largely institutions,
14 but it will be 27 percent, and it's folks like
15 Baron and Fidelity and the like that will have it
16 and they'll be shares that they can trade just
17 like they would in any other company.

18 CHAIRMAN JOHNSTON: Jack, I think you had
19 mentioned spending, did you say a hundred million
20 on capex?

21 MR. GODFREY: Carlos referred to about a
22 hundred million a year.

23 MR. RUISANCHEZ: A hundred million dollars a
24 year, roughly, for all of our properties.

25 CHAIRMAN JOHNSTON: All properties?

1 MR. RUISANCHEZ: Yes.

2 CHAIRMAN JOHNSTON: I would be interested,
3 can you put a percentage of the revenue for
4 Indiana properties, not -- I mean in the future
5 when you come back and talk to us again?

6 MR. RUISANCHEZ: Sure. You know, I can tell
7 you that we spent over the last two years tens of
8 millions of dollars in the two facilities that we
9 have in this state, and those have been
10 investments that have paid off well for us,
11 they're important, and I think the philosophy
12 that you've seen us operate over the last five
13 years will absolutely continue to be the same
14 philosophy going forward. And part of the
15 premise on having a strong, financially sound
16 operating company is absolutely to continue to
17 make sure that we continue to invest in our
18 existing facilities as a way to maximize revenue
19 for the sake of ourselves and everyone we operate
20 with.

21 CHAIRMAN JOHNSTON: Any other questions?

22 Just curious. On the -- the transaction,
23 how does it help your balance sheet? It takes
24 the debt, pays off some debt, and then a second
25 question would be 377 million seems to me like

1 it's a hybrid of market valuation of the real
2 property but then also an operating performance
3 component. Is that sort of the norm that the
4 investment banker, how you negotiate these, what
5 the lease rental is?

6 MR. RUISANCHEZ: Yeah, the -- so, right, in
7 some ways it's a hybrid. So our debt as of the
8 end of last quarter was 3.6 billion, a little
9 over that, 3.64 billion to be exact.

10 What GLPI will address at the time of the
11 transaction, assuming we can get all the
12 approvals, will be a little more than 2.7 billion
13 of that figure; hence my comment that we'll have
14 less than a billion dollars left of what I would
15 call conventional debt.

16 We are entering into a -- we'll actually pay
17 rent, and obviously going to be starting out at
18 377. That rent will get addressed, you know,
19 clearly, but it is akin to a financing that at
20 least it's 35 years and, practically speaking,
21 expectations are that they will get renewed at
22 the end of 35 years, so it's -- you know, it's a
23 payment that will become an obligation that the
24 expectations are that the principal you never
25 really get to address, unless it comes up for

1 sale, and I am sure we'll be a party, given that
2 we're the tenant, if that gets addressed if that
3 ever happens, but.

4 So as a result, we'll have the flexibility
5 with materially lower leverage, and our
6 conventional leverage will be about three and a
7 half times as opposed to now we're just south of
8 six times. And we -- our intentions are to
9 continue to invest our facilities and continue to
10 look for ways to grow the company.

11 MS. RESKE: Speaking of investment, do you
12 have any plans for your Indiana properties?

13 MR. RUISANCHEZ: Well, next week we have
14 budget sessions, so, and there was a number of
15 projects there at both facilities that are on the
16 docket to consider. But nothing specific that --
17 right now that we absolutely have committed to,
18 other than projects that continue to happen that
19 are underway there and the renovations taking
20 place at hotels, as well as considering changing
21 some of the restaurants for those facilities that
22 we have, and, I mean, I know that there is a list
23 of things on both of those facilities.

24 MS. RESKE: Are there any discussions about
25 perhaps building (inaudible)?

1 MR. RUISANCHEZ: We have had some
2 discussions, but no conclusions as of yet.

3 MS. RESKE: Thank you.

4 CHAIRMAN JOHNSTON: You obviously have to
5 seek approval from all the regulatory bodies.

6 Are there any other entities, state or
7 federal, that particularly deal with the area of
8 competition, concentration of competition?

9 MR. GODFREY: Yes, we have provided
10 information to the Federal Trade Commission.

11 This subject -- this transaction is not
12 subject to Hart-Scott-Rodino because it's a --
13 filing because it's a real estate transaction,
14 but we had a consent decree or have a consent
15 decree with the Federal Trade Commission relating
16 to our acquisition of Ameristar. In connection
17 with that consent decree, we are required to
18 notify the FTC at least 30 days in advance of the
19 closing of a transaction like this of the
20 transaction. Obviously we didn't wait that long,
21 we did it promptly.

22 And both GLPI and Pinnacle have responded to
23 voluntary -- request of voluntary provision of
24 information to the FTC, and we've met those
25 obligations. And we do not believe that there is

1 any competitive aspect of this that they will be
2 concerned about.

3 CHAIRMAN JOHNSTON: One final time for these
4 gentlemen, at least for today.

5 EXECUTIVE DIRECTOR TAIT: Sorry, last
6 question from me. I know you and GLPI have been
7 talking a lot lately, so I just wanted to paint a
8 picture for our commissioners moving forward.

9 If this deal is done, what do you anticipate
10 your relationship being like with them? Will you
11 talk every week, will you just send them a check
12 and not email, I mean just -- just paint the
13 picture of your relationship so that we have a
14 vision of what this is like going forward.

15 MR. RUISANCHEZ: The relationship has been
16 terrific. We do connect every week, in part to
17 coordinate this process.

18 Throughout, our expectations, certainly we
19 will send the check every month as required and
20 we'll provide notices as required.

21 It -- really the interactions will be driven
22 more by potential other financings. You know, in
23 practical terms, this creates yet another
24 potential financing source for other
25 acquisitions, and in that context we will have

1 discussions about that to see whether that
2 financing source is one that is compelling for
3 our company.

4 Again, no obligation, but -- but it's been
5 very good relations and don't expect any issues
6 or anything that would cause, at least us, any
7 concern about that. And I talk with Bill just
8 about every week and I probably will continue to.

9 MR. GODFREY: At least through March.

10 (Laughter)

11 CHAIRMAN JOHNSTON: Thanks very much. Very
12 helpful and informative. Thank you.

13 MR. GODFREY: Thank you.

14 CHAIRMAN JOHNSTON: Now, GLPI, Mr. Carlino
15 and Mr. Clifford or whoever else you want to
16 bring to the podium. Welcome. Thank you very
17 much.

18 MR. CARLINO: Thank you. I have my
19 reinforcements. That's critical. I have my
20 pack.

21 Good afternoon, Mr. Chairman, members of the
22 Commission, Executive Staff.

23 I am Peter Carlino, chairman and chief
24 executive officer of Gaming and Leisure
25 Properties. And I'm very pleased to be here

1 today.

2 I should probably admit in light of full
3 disclosure that I am a graduate of Penn State,
4 which might not be a popular thing this year, but
5 I've spent a lot of happy years in Happy Valley.

6 Let me give you just a little bit of
7 background about my involvement with GLPI,
8 involvement with Penn State, in fact, my
9 involvement here in Indiana.

10 I was formerly the chief executive officer
11 of Penn National. And that's a role that goes
12 back to the beginnings of Penn National Race
13 Course in 1972. I was president as it was built.
14 I was chairman by 1974. I've spent most of my
15 adult life in and around the racing and gaming
16 business, by pure happenstance.

17 In 1994 we went public with that single
18 racetrack and a couple of off-track facilities in
19 Pennsylvania. And over the years from 1994 until
20 just a couple years ago we became the largest
21 regional gaming company in the United States.
22 That's kind of everywhere outside of Las Vegas
23 and Atlantic City.

24 It's been a very happy trip for me, for our
25 shareholders and for our employees as the company

1 grew over the years.

2 We made the difficult decision, I did, along
3 with our board at Penn, that we, again responsive
4 to our shareholders, could create more value by
5 doing what you see happening here today, create a
6 real estate investment trust, and we talked a
7 little bit about the arbitrage, if you will, I'm
8 not sure, everybody's kind of scattered as I look
9 at the empty seats, I'll turn around a little
10 bit, but the reality is that a real estate
11 investment trust trades at a higher multiple in
12 the marketplace than does a gaming facility, a
13 casino.

14 So in a sense, as was mentioned earlier by
15 Carlos, there was unrealized value on our balance
16 sheet at Penn. And the REIT had the effect of
17 unlocking that value and creating liquidity for
18 shareholders because we pay a dividend as part of
19 that process.

20 So we made the tough determination, I had to
21 pack up my office and leave that company and go
22 into a new horizon, if you will, at Gaming and
23 Leisure Properties.

24 One of the first goals, of course, was to
25 build some scale, diversification, with the clear

1 recognition that bigger is better in the REIT
2 business, safer, and will create an even better
3 recognition in the marketplace.

4 There are some slides. Is there a button
5 someplace? I'll make a few brief comments, and
6 with me today is Bill Clifford, our chief
7 financial officer, Brandon Moore, our general
8 counsel, and of course we'd be delighted to
9 answer questions, so I'm going to go very quickly
10 and let's see what happens here.

11 Skip all of that. Not quite.

12 We are, then, at GLPI a spin-off from Penn
13 National. And I should say that as we acquired
14 these assets, and now we're two years out from
15 the -- from the split, Penn National has done
16 very well, offer that editorial comment.

17 They won the license to build the first
18 gaming facility in Massachusetts, and that is up
19 and running. They're building a massive
20 facility, an Indian gaming facility out in
21 San Diego that they are themselves financing and
22 then will manage under the contract. It's a
23 terrific facility. And they recently announced
24 the -- the acquisition of Tropicana in Las Vegas
25 and a host of other things that have happened,

1 plus, by the way, along the way making many other
2 capital investments at our various properties, so
3 life is -- goes on, without me, but it goes on,
4 and Penn is doing extremely well today, post
5 split, two years into this process.

6 So that's kind of our segue, if you will,
7 into what we hope will happen with -- with
8 Pinnacle.

9 As somebody observed, I think the number one
10 goal for us is to get our check on a regular
11 basis. That kind of is the business.

12 We have -- and I'll maybe outline a couple
13 of things that -- if I can find the right page.
14 Skip over the map. I'll let others talk about
15 that.

16 We will have absolutely no control over
17 operations, and the information that we will have
18 at GLPI from Pinnacle is exactly what one can
19 find in the newspaper day to day. And I just
20 can't emphasize that enough. There is absolutely
21 no connection with any marketing, no connection
22 or right to receive any confidential information,
23 so I mean I could go all through the noes that
24 you see in the list and what have you before, but
25 suffice it to say that no means no. We just hope

1 to get our check every quarter.

2 And, by the way, as I think about it, the
3 1 percent, I know that -- it looks like a low
4 number. I would have liked to have stuck in
5 there 5 percent, but as we talked about it with
6 Penn and as we did this process at Penn, the
7 folks who were going to remain at Penn became, in
8 a sense, around the same table antagonists, it
9 was kind of fun to watch this process, because
10 they're the ones who are going to have to live
11 with it when I walked out the door with Bill and
12 others and went to a new facility in a different
13 world.

14 The 1 percent was just a minimum with me.
15 We want them to spend as much money as possible
16 keeping that asset up and in high quality,
17 thrilled to have them build new restaurants,
18 anything that's going to build value.

19 So the 1 percent is only in case they fall
20 asleep completely, that we wanted to make sure
21 some money got spent. I would have loved to
22 stuck in 5, but the objection was well, you can't
23 really hold them to that, and maybe you're having
24 a bad year in one place, and so that was just the
25 absolute minimum number.

1 Expectations, of course, at Penn National
2 with whom we had that relationship and at
3 Pinnacle is they're going to spend a whole lot
4 more, so I hope I put to bed the thought that
5 somehow 1 percent is the requirement. No, that's
6 the absolute minimum.

7 And looking further through this, so if you
8 look at the following slide, we'll have no impact
9 on operations, in fact, no information, no impact
10 on management whatsoever, no impact on marketing,
11 no impact on maintenance, other than I hope they
12 do a terrific job with that, no impact on
13 competition.

14 We've improved financial stability, and as I
15 think we've demonstrated pretty well with Penn,
16 the world doesn't come to an end, they can invest
17 and grow, and I still have a shareholder interest
18 there and I trust they do well.

19 So that we are really like a bank. We are a
20 financing mechanism and really nothing more.

21 So I'm going to stop for a moment and let
22 Bill Clifford come up and say a couple of words
23 and Brandon will have a couple of comments and
24 then happily here to answer your questions.

25 MR. CLIFFORD: Thank you, Peter.

1 Let me get the slide presentation back to
2 where it's supposed to be. There we go.

3 This is just a real quick map of where we're
4 involved. The red dots represent the Pinnacle
5 properties. The green dots are the two
6 properties that we own, that we actually operate
7 ourselves. One is in Baton Rouge, the other is
8 in Perryville. The blue dots represent Penn
9 National. And then we have another one which
10 didn't get a dot which is the Casino Queen, or
11 maybe it did, it's one of the purple dots right
12 outside of St. Louis.

13 The thing I would draw people's attention to
14 is that we're licensed -- and I know other people
15 have talked about it -- we're licensed in
16 Illinois, obviously we're going to seek licensing
17 here, we are already licensed as part of the Penn
18 transaction in Louisiana, Maryland, Mississippi,
19 Missouri, Ohio and Pennsylvania. We're subject
20 to, you know, rather intricate and detailed and
21 complex IRS regulations relative to what we --
22 you know, in terms of what we do and how we
23 operate our business, most specifically around
24 how large -- from your perspective, you might be
25 concerned about -- how large our TRS, which is

1 our taxable REIT subsidiary, can be. What it
2 means is that no more than 25 percent of our
3 assets can be in a TRS. And that means we're not
4 in the business of being gaming operators. We're
5 in the business of being landlords, we're in the
6 business of owning real estate, and there are --
7 there is a big, bad federal government out there
8 that will make sure that even if we had
9 inclinations of deciding we wanted to become an
10 operator, we'd lose our tax-free status, so the
11 very concept that we might think that some day
12 we'd like to somehow convert all of these
13 properties and take over the operations of the
14 facilities I think is absolutely nonsensical and
15 clearly not in our financial interests to do
16 that. We will always remain as a landlord.

17 We're also subject to the Securities and
18 Exchange Commission and their rules and
19 regulations just like any other publicly traded
20 company.

21 I don't want to be redundant on anything
22 Peter's talked about. I will talk just a little
23 bit on the capex concept. I was part of the, as
24 Peter referred to, in some ways I was going to
25 GLPI but I was also kind of the leader of

1 negotiations and kind of arbitrator between the
2 two sides, GLPI and Penn, in negotiating.

3 And the concept behind the 1 percent floor
4 was that we clearly wanted to give -- if there
5 were financial hardships for the operator, we
6 didn't want that -- we didn't want to have a
7 burden so high that we would imperil the
8 company's ability to remain in business and
9 remain viable financially, so we set a level that
10 we felt like we could live with for a short
11 period of time in order to give the operator the
12 flexibility that they might need in order to, you
13 know, weather a storm similar to what we saw with
14 the financial crisis in '08 or 9-11 or any other
15 thing where potentially gaming revenues might
16 slump for a short period of time, that there was
17 a mechanism that wouldn't require them to be
18 spending capex over a -- you know, in a given
19 year where the conditions might be tight.

20 Certainly the expectation -- and we are
21 absolutely thrilled for every dollar that they
22 spend inside of our buildings. I think the
23 likelihood that we would ever say no to a capex
24 project, unless it's just a disaster of a project
25 where it would impact the structural integrity of

1 the building or something like that, I can't
2 imagine scenarios where we'd ever want to say no.

3 The transaction is very similar to what
4 happened to Penn National Gaming. Our
5 transaction reduced Penn's leverage. Also as
6 part of the Penn transaction, we had -- basically
7 before we did the transaction, we had a
8 transaction where we were trying to sell Penn
9 National Gaming to some private equity interests.
10 That fell apart during the financial crisis.

11 We then entered into an arrangement with the
12 private equity funds where they made some
13 preferred equity investments, and this was a nice
14 mechanism also from Penn's perspective to not
15 only deleverage themselves, although they were in
16 pretty good shape from a leverage perspective,
17 but it also resolved the situation relative to
18 converting the preferred equity into common
19 shares. And obviously we also paid down some of
20 that preferred equity with the -- with Fortress
21 and Centerbridge at the time.

22 Post Penn -- Penn has, you know -- and these
23 have all been independent of us. When we say
24 that -- you know, when we look at the leverage
25 levels for Pinnacle versus Penn, you know,

1 Pinnacle will be in a very similar position, if
2 not maybe a little bit better even than where
3 Penn was at the spin, spin-off.

4 And Penn, if you look at them as an example
5 to say well, is this a situation where a company
6 is going to be constrained in terms of its
7 ability to grow and do good things for their
8 shareholders obviously within the state, the
9 state which you most care about, they've built
10 and opened a facility in Massachusetts, they're
11 doing the project in Jamul, which is right
12 outside of San Diego, they purchased the
13 Tropicana in Las Vegas. None of these involved
14 us, and that's all happened in the last two
15 years.

16 So clearly the concept that somehow this is
17 a transaction that constrains Pinnacle's ability
18 to grow I think is not proven out by the history
19 of what's happened with Penn, which is a
20 transaction that's incredibly similar to what
21 we're talking about here today.

22 We've actually provided -- been provided
23 notice and received approval or requests for
24 approval for capital improvement projects; in
25 fact, there's been 27 capital improvement

1 projects they've asked for since lease inception.
2 We have not denied a single one. We have said
3 yes, we are 27 and 0 in terms of approving
4 requests for capital expenditures. Not that the
5 past is an indicator of the future, but I think
6 you continue that trend -- you can expect that
7 trend to continue for both Penn as well as for
8 GLPI.

9 You know, they have spent more than the
10 minimum capital in both of the two years since
11 the lease. Again, we're 2 and 0 on that one as
12 well. In terms of the two years sales month by
13 month, they've spent more, but for two years
14 they've spent more than what was required on the
15 minimum capex.

16 From the -- from the perspective of Indiana,
17 I think there's -- you know, when we say that we
18 believe that -- that -- not to step on our own
19 story, but we believe that there's a lot of
20 advantages that come about of our involvement.
21 You know, from a REIT perspective, we're very
22 well -- we are -- S&P, we're currently investment
23 grade. Moody's has us one notch down at just
24 below investment grade. We have access to
25 capital that is -- you know, in the REIT world

1 and the real estate investment trust world,
2 issuing equity is very much a part of our
3 everyday existence and everyday REIT existence.
4 It's not like it is with normal C corporations
5 where issuing equity is perceived as diluted, so
6 what that means is that we are -- we have the
7 ability to access the capital markets in a way
8 that many C corporations choose not to. They
9 can, of course, issue equity just like we can,
10 but the reality is that their shareholders don't
11 expect them to.

12 You know, obviously we have a hundred
13 percent occupancy. We have these master
14 cross-modified leases and, you know, obviously
15 our cash flow streams are incredibly stable,
16 which is part of the reason why we trade at a
17 multiple which is significantly better than what
18 you'll see with normal C corps. And it's also
19 helpful that we don't have to pay any federal
20 income tax. Our shareholders do.

21 The operator will end up with a lower
22 leverage level, the ability to access capital.
23 And I would mention that the -- on the next
24 point, the operator has an incentive to improve
25 their properties with capex. They retain

1 96 percent of the cash generated, the rental
2 revenues generated of what they retain, so when
3 they're retaining 96 percent of the revenues, the
4 4 percent is in the land lease concept, they are
5 very much incentivized to continue to spend capex
6 at their property. We do share in that a little
7 bit, but obviously that's going to be a positive
8 development from a tenant's perspective.

9 I think another advantage that we provide is
10 that, you know, we're licensed by yourselves, and
11 so with that comes all of the expectations of
12 being a licensee. And that means that when we
13 stand up here, we take with great, you know,
14 seriousness what we say. What we say is -- you
15 know, we're obviously not up here to indicate any
16 information to you that's not true. You have
17 insights into our financial performance, you have
18 insights into who's operating and who's making
19 the decisions in terms of our suitability, you
20 know, and that's more than what you have with
21 traditional bank financing and other forms of
22 financing. Now, given they're large banking
23 institutions and it's a small part of their
24 business, but your visibility into the company,
25 to us, I think is -- is unparalleled relative to

1 other financing sources for casinos.

2 We are also an entity that is very much
3 aligned with the state of Indiana in terms of we
4 want healthy operators. We want operators to
5 continue to be able to pay their rent. We want
6 those people -- we're looking for them to be
7 stable. And I would say -- I would argue that if
8 we ran into situations where a tenant ran into
9 problems, that it should be comforting to a
10 certain degree to know that there's another
11 entity with a very significant balance sheet
12 who's got a tremendous amount of access to
13 capital that can be there to support an operator.
14 We're going to be incentivized to do that because
15 the last thing we want to do is to have a tenant
16 close their doors or not generate the maximum
17 amount of revenue that they can. We are very
18 much aligned with the state.

19 And I would expect that going forward you
20 will -- I really do believe that we are the wave
21 of the future, at least in the gaming industry.
22 And I think time will prove that it's actually
23 been an involvement that's been positive -- that
24 will be positive for the industry.

25 I think I may have touched on some of these

1 out of order. You know, the properties are
2 not -- all of our debt is unsecured, which that
3 means there's no lien from our creditors relative
4 to the actual -- having a lien against the
5 property. There's no doubt that the best use of
6 this land and building is to be operated as a
7 casino, so there's no -- no at least foreseeable
8 potential that any of these -- that somehow these
9 things can be converted into something besides
10 gaming facilities. And it's -- the lease
11 provides significant, I would argue all of our
12 income, we do have -- other than, I guess, the
13 two boats in Baton Rouge, and -- and the Penn
14 lease obviously.

15 Pinnacle, no change. Pinnacle will be
16 licensed by you guys and you'll continue to have
17 all of the insights and all of the control
18 features that you've had since the beginning.

19 Timing. I think Carlos did a marvelous job
20 of explaining the timeline. Clearly the
21 transaction -- we expect the transaction will
22 close by the end of March, and we think our
23 shareholder meeting, although it's running tight
24 right now given the calendar, will probably be in
25 early January.

1 With that, I will --

2 CHAIRMAN JOHNSTON: Thank you very much.
3 Thank you very much. I'll allow the
4 commissioners to return.

5 In the meantime, are there any questions
6 from the commissioners?

7 So is Pinnacle the first non-Penn National
8 participant in a REIT affiliate?

9 MR. CLIFFORD: We did a small transaction
10 with Casino Queen in Illinois that was right off
11 the get-go. We also have a transaction with The
12 Meadows outside of Pittsburgh. It hasn't closed.
13 That's a transaction that's -- it's been signed
14 and we're having a little bit of a dispute
15 relative to some of the representations that were
16 made as part of the purchasing process.

17 But so those -- effectively it would be our
18 third.

19 CHAIRMAN JOHNSTON: Those are smaller
20 transactions. This is the first relatively major
21 transaction outside of the Penn National
22 affiliates.

23 MR. CLIFFORD: This is the -- the first
24 transaction in excess of a billion dollars for
25 sure, well in excess, right. We're talking about

1 almost five billion.

2 CHAIRMAN JOHNSTON: So this will really get
3 your operating guidelines set for future growth
4 in terms of not -- nonaffiliated investments.

5 MR. CLIFFORD: Yeah, no, it's definitely
6 going to be -- it's a major transformation for
7 us. It clearly increases our scale
8 significantly, as well as reduces the percentage
9 of our rents that are coming from Penn National,
10 obviously, with the inclusion of Pinnacle. Penn
11 formerly represented in excess of 90 percent. It
12 will drop down to just slightly more than
13 50 percent of our rents.

14 CHAIRMAN JOHNSTON: Commissioner Fine.

15 COMMISSIONER FINE: I want to clarify. You
16 mentioned you're licensed in various states and
17 licensed by Indiana also. It's -- they're all
18 supplier licenses; is that right?

19 MR. CLIFFORD: I will let --

20 MR. MOORE: That's not quite right. Each
21 state has different licensing regimes. So
22 sometimes a supplier license isn't where we fit.
23 And I think when we went through the spin-off of
24 Penn National Gaming, part of the challenge for
25 some states was where are we going to put you and

1 what do we do with you.

2 So here in Indiana we're a supplier,
3 Illinois we're a supplier, Mississippi we're a
4 supplier. In other states we're a key entity.
5 So it's all different, but I'll tell you we're
6 all treated the same for the most important. How
7 we're licensed in the sense of our management
8 team has all been found suitable in those states,
9 our board of directors have all been found
10 suitable in those states. And our reporting
11 requirements are generally about the same as a
12 supplier even in the other states because we
13 don't operate or run these casinos, so we can't
14 offer much in the way of visibility into the
15 operation, so most of the time it's just renewing
16 our application.

17 So the answer to your question is no, we are
18 something other than a supplier in certain
19 states, but overall, yes, we're licensed in
20 pretty much the same way.

21 CHAIRMAN JOHNSTON: Any other questions?
22 Commissioner Williams.

23 COMMISSIONER WILLIAMS: Yes, this is for
24 staff as we're thinking through this and I know
25 you're doing your due diligence and will have

1 something ready for us at the next meeting. I'm
2 looking at the staff report of the legal analysis
3 of what's been called the two boat rule, and very
4 clearly this does not come in the crosshairs of
5 the letter of the law, but there's the spirit of
6 the law that I think we need to think about, and
7 as we evaluate the benefits and risks to the
8 state of Indiana, I think as a group that it
9 behooves us to really talk about or at least
10 consider the possibility that there would be a
11 large number of entities controlled by this REIT,
12 and REITs were not in anybody's mind, didn't even
13 exist when our code was passed, so I'd just like
14 to at some point have some conversation about
15 that.

16 And -- and generally I'm kind of a column
17 person. As you review the deal, it would be
18 really nice to have a risk and benefit kind of
19 analysis that really thinks through and as sort
20 of an offshoot of the two boat rule ought to be
21 looked as either potential risk or not a risk at
22 all. I'd like to see some thinking about that.

23 EXECUTIVE DIRECTOR TAIT: Absolutely. Staff
24 will prepare those.

25 COMMISSIONER FINE: Let me ask a tangential

1 question, because I also sort of, you know, are
2 making parallels.

3 Is there -- is there any implied prohibition
4 that if Bank of America wanted to finance every
5 casino in the state, can they do that? We have
6 one creditor do it all.

7 MS. RESKE: There's no prohibition.

8 Is there any interest by GLPI in obtaining
9 the assets of other Indiana casino licensees?

10 MR. MOORE: I think it certainly -- there's
11 no direct interest today. We're not in
12 negotiations with anybody at the moment. But
13 we're always in negotiation with different
14 potential entities that want to monetize their
15 assets just as the Pinnacle folks have done, and
16 so when you look at Caesars or you look at the
17 Centaur properties, those are all things we've
18 looked at, they're all things that we might be
19 interested in, but all of those transactions will
20 be the same as this one and the one with Penn
21 National where we really don't have any control
22 over those licensees.

23 It's not only do we not control the
24 marketing programs, but we don't have any
25 ownership interest in those entities. We won't

1 have any ownership interest in the Pinnacle
2 entity moving forward, so it's not just that we
3 don't control the operations or influence the
4 operations, we have no ownership interest in any
5 of those facilities. And that'll continue to be
6 the structure, I think the foreseeable structure
7 in any transaction we would do wouldn't be to
8 take an ownership interest in the facility.

9 MS. RESKE: So you've not approached any
10 additional Indiana casinos or there are no
11 discussions, there have been no discussions about
12 obtaining their assets?

13 MR. MOORE: You're pushing me into a public
14 forum and we're a public company, so. We have
15 had discussions with various operators in this
16 state. I won't say any of them are anywhere
17 close to being a transaction.

18 We have -- they have approached us, as have
19 many operators across the country, interested in
20 is there something that we can do to help them
21 monetize their assets, reduce their leverage,
22 help them out of perhaps a situation with their
23 current creditors or debtors that they can't get
24 out of on their own, and so, yes, we've had some
25 conversations with operators in Indiana, as we

1 have every state, but nothing to the point now I
2 think any of us would say are at any level of
3 advancing.

4 EXECUTIVE DIRECTOR TAIT: Just to help staff
5 when we prepare to answer Commissioner Williams'
6 questions, why -- and I asked this to Pinnacle,
7 but why is this good for Indiana and why is it
8 good for one REIT to control three real estate --
9 real estate of three properties?

10 MR. MOORE: I think it's good for Indiana, I
11 mean for the reasons that Carlos stated and Peter
12 and Bill alluded to, but for us, we're bringing a
13 new partner to the state of Indiana for each of
14 these properties, and we feel as though with our
15 structure, we have a tremendous amount of cash
16 flow. We're paying dividends to our shareholders
17 in excess of two dollars a year. That's all free
18 cash flow that we have, so from a financial
19 stability standpoint, you now have someone that
20 owns the land under these buildings that if your
21 operator were to be in trouble, we're highly
22 incentivized and aligned with you to make sure
23 that if they can't do it, somebody can, because
24 the last thing we want as a REIT is to have empty
25 buildings.

1 I mean we'll strive for a hundred percent
2 occupancy for every day that we can get it, and
3 every day that we don't have it is lost rental
4 income to us.

5 So I think what we bring is a highly stable,
6 financially driven company that's got a lot of
7 free cash flow that brings an additional layer of
8 stability to the properties, whether it's us or
9 another REIT, quite frankly. It doesn't
10 necessarily need to be us.

11 It's just in this case, we have the
12 expertise to help some of these casino operators
13 monetize their real property, because it's not
14 easy. These are not easy transactions to
15 structure. They're highly complex. Most of
16 these properties are all in C corporations or
17 LLCs that don't lend themselves readily to
18 splitting apart your operating assets from your
19 real property assets, so that's a very complex
20 endeavor.

21 And I think that we're better suited than
22 any other REIT presently to attack that type of
23 transaction.

24 As Peter mentioned, MGM has recently
25 announced obviously they're going to pursue a

1 REIT transaction of their own that's much
2 different than ours, the structure of it is much
3 different than ours, but their goals are largely
4 the same, and, you know, you can find them here
5 seeking to acquire one of your properties and put
6 it into their transaction.

7 EXECUTIVE DIRECTOR TAIT: Sorry, one more
8 follow-up. As you know from our previous meeting
9 with you, we like to throw a lot of very probably
10 unexpected hypotheticals at you, so here's one.

11 So what happens if Pinnacle -- the Gaming
12 Commission revokes Pinnacle's license, under the
13 master lease agreement, what will happen?

14 MR. MOORE: So if Pinnacle's license were to
15 be revoked under the master lease agreement,
16 their rent will still need to be paid. So if
17 they've done something wrong that you come in and
18 said we're taking your license, they would still
19 have to continue to pay the rent.

20 What you would decide to do if you kicked
21 them out of the state is you would seek to get a
22 new licensee to run that facility, so I'm sure
23 Pinnacle will say that's a far-fetched and highly
24 unlikely scenario.

25 EXECUTIVE DIRECTOR TAIT: An unexpected

1 hypothetical.

2 MR. MOORE: And obviously we feel as though
3 it is as well, but their obligations under the
4 lease would continue, and it would be a problem
5 we would have. I mean we wouldn't take that
6 lightly. Clearly if they were kicked out of your
7 casinos here in Indiana, their ability to
8 continue to pay the rent would be in jeopardy and
9 it would be a problem for us too, so, again, I
10 think we would have the same aligned incentives
11 in that if you didn't feel they were capable of
12 operating that facility, then we want to get
13 somebody in there that could. And I think if you
14 found that they were incapable of operating that
15 facility, they're going to probably have problems
16 in other states in rapid succession and so the --
17 it's likely to crumble quickly and we're going to
18 be desperate to find somebody that can take over
19 those assets as well.

20 EXECUTIVE DIRECTOR TAIT: That the Gaming
21 Commission would approve of.

22 MR. MOORE: Would approve of, yeah. And
23 when you look at the lease, I mean when you get
24 to the end of term -- I think a question was
25 raised earlier about the end of the term -- when

1 you look at the lease, you try to anticipate all
2 those things, right, so if we get to the end of
3 the term and Pinnacle's not interested in
4 operating those properties anymore or if we can't
5 reach an agreement on that, there's mechanisms in
6 that lease that are designed to ensure that the
7 Pinnacle folks get fair market value for their
8 operating assets, but that those assets are
9 transferred to someone that's licensed by
10 yourself that can continue to operate in that
11 building under a new lease, so it's always our
12 goal to make sure that that building has gaming
13 in it, and that if Pinnacle doesn't want to do
14 it, we can get somebody else in there that does
15 want to do it that's licensable by the state and
16 that they can get fair value for their assets.

17 MS. RESKE: So the scenario you're setting
18 up is that you will bring to us the licensee that
19 you've reached an agreement with for us to
20 evaluate?

21 MR. MOORE: Yeah, I think that there's a
22 mechanism in there. It wouldn't just be us.
23 There is a process in there whereby it's an
24 auction process. If we can't agree with Pinnacle
25 as to who the new operator will be, there's

1 provisions in the master lease that require an
2 auction to be set and they set certain lease
3 terms so that we can create certain objective
4 standards by which to run that process on. And
5 when we found an operator that we both agreed to,
6 we would obviously bring it to you and to
7 Missouri and to Louisiana and all the other
8 states and say here's our new proposed tenant,
9 and if you license them, they'll become our new
10 tenant. If you don't license them, we'll be back
11 to the drawing board.

12 MS. RESKE: What if the company came in
13 without an agreement and we licensed them, would
14 you be obligated to enter into an agreement with
15 them?

16 MR. MOORE: If a company came to you without
17 going through a process with us or to buy
18 Pinnacle's assets, I don't -- well, this may be a
19 trick question, Jenny, I don't know.

20 If you tell me I have to take them, we'd
21 have to think about that. It would not be our
22 expectation that you would select an operator
23 that will be imposed upon us, if that's a fair
24 answer.

25 MS. RESKE: So you will bring to us the

1 operator you selected?

2 MR. MOORE: That's right. That would be our
3 idea. And it may be more than one operator. We
4 may have two or three operators in the auction
5 process, and maybe as part of that process we'll
6 say we can't objectively get to an agreement
7 unless we know they're licensable, so we may come
8 to you and say we're looking at these entities,
9 what do you think, I mean do you see any problems
10 with any of them and the experience you've had in
11 the past. We may seek to partner with you as
12 part of that process to ensure that the operator
13 we ultimately select is one that you think can be
14 licensed. Otherwise we'd have to ask you to go
15 through the licensing process with three or four
16 operators, and I don't think we would do that to
17 you, but we would seek to get your input. If
18 there's an operator that you said look, we've had
19 a bad experience or something happened, that
20 makes our lives easier.

21 EXECUTIVE DIRECTOR TAIT: Okay, I'm going to
22 put you on the spot because at our last meeting
23 you very -- you dumbed down the answer for me of
24 why the 1 percent of the capex, and -- do you
25 remember telling me that?

1 MR. MOORE: I mean, to put it at a very
2 incredibly simplistic level --

3 EXECUTIVE DIRECTOR TAIT: Has something to
4 do about with the banks.

5 MR. MOORE: Right. We sat in a room in
6 New York with all of our executives and we had
7 banks that represented REITs and banks that
8 represented -- I mean we brought in every
9 possible contingency you could think of to create
10 a master lease that we felt addressed all the
11 needs of the operator, addressed all the needs of
12 the landlord, would be acceptable to the REIT
13 world, would be acceptable to the financing and
14 the gaming community. And one of the answers
15 that we got was hey, REITs all have minimum capex
16 in their leases. We didn't have a minimum capex
17 in our lease.

18 I don't think either party necessarily
19 thought it was required, but when we heard from
20 the banks and the REITs that you really need to
21 have certain features in your lease, an
22 escalator, a minimum capex, there are all sorts
23 of features in this lease that I think as between
24 us and Penn at the time we hadn't necessarily
25 contemplated be a requirement in the lease, but

1 when we heard those things, we realized that if
2 we're going to walk and talk like a REIT, our
3 lease needed to be accepted in the REIT community
4 as a REIT type of lease. And our lease is quite
5 unique even in the REIT community.

6 So there's certain features that I think
7 were designed to ensure that it was accepted, and
8 I think the minimum capex was one of them.

9 Now, where we got from 5 percent to
10 1 percent, Peter and Bill have been through a lot
11 of that, but initially I think it was really just
12 written by our side.

13 MR. CARLINO: If I can make one comment
14 about that. As you might imagine, in the Penn
15 National situation, we really wanted to end up
16 with two healthy companies, so that the real
17 balance effect was if you suck all the money out
18 of the C corp, out of Penn National operating,
19 send it over to the REIT where it's tax
20 advantaged, that would be kind of cool for the
21 REIT and maybe cool for some shareholders, but it
22 would be not so good for Penn National.

23 So great, great pains were taken to sort of
24 balance this out, all stuff reflected, by the
25 way, in the Pinnacle lease.

1 You want a healthy tenant. I mean the last
2 thing you want is a problem. So that what you'll
3 find is a lot of excruciating work in that
4 document, all aimed to create a balance of
5 success for both entities.

6 EXECUTIVE DIRECTOR TAIT: Thank you.

7 CHAIRMAN JOHNSTON: Any other questions?

8 EXECUTIVE DIRECTOR TAIT: Okay. Again, to
9 help aid staff for Commissioner Williams'
10 request, can I ask -- where did the Pinnacle
11 folks go -- do you mind addressing again, because
12 you didn't get into specifics, how is this good
13 for Indiana?

14 You said it'll enhance operations. I'm
15 wondering -- and if you'd like to present this
16 later, that's fine, but are there any specifics
17 of how it will enhance operations of the Indiana
18 properties? And, again, if at our next meeting
19 is more appropriate, that's fine.

20 MR. RUISANCHEZ: No, I'm happy to touch on
21 that. Certainly from our perspective, our goal
22 is to make sure that we have a healthy operating
23 company going forward that will allow us to focus
24 on operations the same way that we have.

25 This will essentially allow -- will bring

1 down our debt materially, allowing more financial
2 flexibility to go and leverage those things going
3 forward, so as it relates to investments that we
4 put into our properties, our ability to go and
5 grow by -- to have a healthier company through
6 diversity, other facilities, or other assets,
7 this will create more financial flexibility to go
8 through that.

9 And ultimately we think that, just as they
10 would like a healthy tenant, you would want a
11 healthy operator, and that was first and foremost
12 in our thoughts when we went through the
13 negotiation.

14 MR. GODFREY: The other perspective that I'd
15 like to add is when the state of Indiana licenses
16 a company, finds a company suitable, we go
17 through a variety of considerations: Are we
18 suitable both from a company standpoint, an
19 individual standpoint, do we have adequate
20 financing, and is the financing from a suitable
21 source. And then you rely on us within the rules
22 that you set to operate our business as
23 successfully as we possibly can.

24 In the case of a public company like
25 Pinnacle Entertainment, Inc. or GLPI, we have

1 obligations to our shareholders, we have a
2 fiduciary responsibility to our shareholders to
3 maximize revenues, do the best thing we can for
4 the company. And in our case that means our
5 shareholders, our team members and our customers.

6 So I think there's a great deal of reliance
7 that you place on companies once you find them
8 suitable to operate their businesses not only in
9 accordance with the law, but in accordance with
10 current financial trends and other things that we
11 determine to strengthen our company or be in the
12 best interests of those constituencies that I
13 mentioned, shareholders, team members, customers.
14 And that transaction in this case is all those
15 boxes are checked.

16 So I think you've seen over time a variety
17 of capital market trends. This is the current
18 one, and you'll see more in the future, so that's
19 what our job is, to follow the law, but also to
20 stay current with trends and advance the
21 interests of our company.

22 As Carlos said, we wouldn't do this if we
23 didn't think this was in the best interests of
24 our company. And if it's in the best interests
25 of our company, I think you'll find that in

1 almost every jurisdiction in which we operate,
2 it's also in the best interests of that
3 jurisdiction.

4 MS. RESKE: Mr. Godfrey, I'd like to say to
5 you I feel like we may have put you on the
6 defensive today. Pinnacle is a top-notch
7 operator.

8 MR. GODFREY: Thank you.

9 MS. RESKE: And we don't mean to make it
10 seem as though you're not, but this deal -- and I
11 think a lot of our questions showed that this is
12 something we know we're going to probably deal
13 with in the future because, as you said, it's the
14 wave of the future, so I just wanted to state
15 that we have no problem with you as an operator,
16 and the nature of our questioning is more about
17 the deal and about how as a regulatory body we're
18 going to move forward and properly oversee these
19 deals and the entities that come from the deals.

20 MR. RUISANCHEZ: We appreciate that, and
21 certainly we've worked hard every day trying to
22 get better at operating.

23 I think that, to put a finer point on the
24 premise of what we're talking about, for us, we
25 need to have the wherewithal to actually operate

1 and then the financial capability to go and
2 deliver to try to get better.

3 Certainly our operating capabilities, we are
4 hopefully getting better, will continue to get
5 better in this state and every other jurisdiction
6 that we put in, and this will allow us to have
7 further financial flexibility to go and try to
8 operate as best we can.

9 So, in essence, that's really what it comes
10 down to, that we'll have more financial
11 flexibility to continue to try to grow our
12 business in Indiana, which we intend to, and
13 these are two key facilities for us, and if we
14 could have more in Indiana, we would. Absolutely
15 it's a great state for business, so we
16 certainly --

17 MS. RESKE: We're not the people you talk to
18 for that.

19 MR. RUISANCHEZ: I understand.

20 CHAIRMAN JOHNSTON: Thank you very much. On
21 behalf of the Commission, I just want to thank
22 the representatives of Pinnacle and GLPI for
23 coming out today and giving us this presentation,
24 as well as answering all of our questions. We
25 look forward to continuing the discussion. Thank

1 you very much.

2 The last group we have to speak on this
3 matter is Unite Here, and I believe that we have
4 Noah Carson-Nelson and whoever else you'd like to
5 introduce.

6 MR. CARSON-NELSON: Good afternoon. Thank
7 you for allowing us to speak to the Commission
8 today.

9 I'm Noah Carson-Nelson from Unite Here, as
10 you just said, Mr. Chairman. Unite Here is a
11 North American hospitality union. We represent
12 approximately a hundred thousand casino workers
13 across the United States, including about 1,500
14 here in Indiana.

15 With me today is Jeff Macey of Macey,
16 Swanson and Allman.

17 As you know, we are here today to comment on
18 the proposed acquisition that we just heard a lot
19 about.

20 And Unite Here believes that the proposed
21 transaction is contrary to the best interests of
22 workers, casino patrons and to the state of
23 Indiana.

24 We also believe it would, as currently
25 proposed, violate Indiana law.

1 As you know, Unite Here has petitioned this
2 Commission to become a party in the matter, and
3 we appreciate this opportunity to raise our
4 concerns.

5 As you've just heard, GLPI was created in
6 the fall of 2013 when Penn National spun off the
7 majority of its real estate assets to create the
8 first and thus far only real estate investment
9 trust. GLPI then leased the properties back to
10 Penn under a triple-net lease.

11 Because REITs can exclude the rent they
12 receive from state and federal business taxation,
13 GLPI's spin-off resulted in a lower cost of
14 capital than what its gaming company competitors
15 enjoy.

16 But that wasn't the only reason that Penn
17 created GLPI. Another reason was to overcome
18 regulatory constraints, including here in
19 Indiana. According to GLPI's initial prospectus,
20 "Regulatory constraints in Ohio, Indiana,
21 Maryland, Illinois," pardon me -- "and Illinois
22 limit the number of licensed gaming facilities
23 that Penn can own in such jurisdictions. In
24 addition to the mechanical limitations, certain
25 jurisdictions impose other limitations such as

1 economic concentration. Thus, although Penn has
2 expressed an interest in acquiring other gaming
3 facilities in each of the above states, it is
4 precluded from doing so by virtue of its existing
5 ownership of gaming licenses. GLPI expects to
6 have significant expansion opportunities in
7 constrained jurisdictions that will be prohibited
8 or restrained absent the spin-off."

9 And now we have an example right here in
10 Indiana of what GLPI might have meant by avoiding
11 regulatory constraints.

12 As you know, Indiana limits one owner to a
13 maximum of two licensed casinos, as was
14 previously mentioned. GLPI already owns the
15 Hollywood in Lawrenceburg, and if Pinnacle -- if
16 the Pinnacle deal is consummated as planned, GPL
17 Capital would come to own Pinnacle's two
18 properties in the state, the Belterra and the
19 Ameristar, giving them 100 percent ownership in
20 three licensed Indiana casinos.

21 So why does GLPI think they can get away
22 with such an obvious circumvention of Indiana
23 law?

24 We surmise it must be -- we surmise they
25 must believe if they can avoid being licensed as

1 an owner, they will somehow be exempt from the
2 two casino limit.

3 That must be why in 2013 they took the odd
4 step of seeking a supplier's license, which until
5 that time this Commission had only issued to
6 actual suppliers of goods and services, such as
7 video gaming equipment, chips, tokens or security
8 systems. Never before had the IGC issued a
9 supplier's license to a gaming company.

10 This Commission also approved the transfer
11 of Hollywood's owner's license to a newly created
12 Penn affiliate, which seems a curious move
13 considering Penn would no longer own the casino
14 once the spin-off transaction had been completed.

15 One could argue that GLPI, although a gaming
16 company founded and run by gaming industry
17 veterans, was actually in this instance a
18 supplier of real estate. And that might have
19 been a reasonable assumption if GLPI was, as they
20 claimed, a passive landowner. After all, it is
21 not uncommon in our industry for local landlords
22 with no history of involvement in gambling
23 operations to lease out vacant land to casino
24 companies via long-term ground leases.

25 But that's not at all what happened here.

1 GLPI is anything but passive, as is clear from a
2 close read of the company's master lease
3 agreement with Penn and the proposed lease with
4 Pinnacle.

5 It is not clear from the public record if
6 the commissioners at the time had access to a
7 draft of the proposed Penn master lease or were
8 briefed on its terms at the time of the vote in
9 July of 2013. The lease wasn't signed until
10 November 1st of that year, four months after GLPI
11 obtained a supplier's license in Indiana.

12 In case those terms were not brought to your
13 attention, allow me to summarize and highlight
14 some of the things that have already been
15 discussed today.

16 Under both the Penn and Pinnacle leases, the
17 operators make fixed rental payments in an amount
18 that is approximately 60 percent of their
19 respective earnings before rent and are
20 responsible for all upkeep, taxes and insurance
21 under the triple-net lease. Additional rent may
22 also be due if GLPI -- or due to GLPI if
23 operators achieve certain revenue triggers.

24 As was previously discussed, master
25 leases -- both master leases set a 1 percent

1 floor on making capital expenditures, well below
2 the 3 percent industry average we estimate was
3 spent in the past few years by other gaming
4 companies.

5 In both cases, the lease payments are
6 cross-guaranteed, so if a property fails to
7 generate sufficient income to make required
8 rental payments, parent companies and other
9 properties collectively are on the hook for the
10 amount in arrears.

11 GLPI has veto power over both operators'
12 ability to construct new amenities, such as
13 hotels or retail outlets on leased facilities.

14 GLPI also has veto power over an operator's
15 ability to develop new casinos or take over
16 management of existing casinos in a 60 mile
17 radius, as was already presented.

18 In both leases, GLPI has veto power over an
19 operator's ability to sublease space in
20 properties they manage, and GLPI has the right of
21 first refusal to act as a lender on any
22 significant financing undertaken by an operator.

23 In the Pinnacle lease, GLPI will have veto
24 power over Pinnacle's ability to undergo a change
25 in control.

1 GLPI has the right to evict either operator
2 for uncured defaults, such as the nonpayment of
3 rent. And, finally, if either operator for any
4 reason cannot continue discharging its management
5 responsibilities on leased property, GLPI
6 reserves the right to seek another operator,
7 subject, of course, to this -- to regulatory
8 approval.

9 In addition to these restrictions imposed by
10 the lease, the spin-off necessitated that Penn
11 take on new secured and unsecured debt
12 obligations that could also impose certain
13 requirements on its operations. In last year's
14 10-K filing, Penn told its shareholders that
15 these new fixed rent and debt obligations could
16 "increase our vulnerability to general or
17 regional adverse economic and industry conditions
18 or a downturn in business and require us to
19 dedicate a substantial portion of our cash flow
20 from operations to satisfy our rental obligation
21 and debt service, thereby reducing our -- the
22 availability of our cash flow to fund working
23 capital, capital expenditures and other corporate
24 purposes."

25 Were these concerns shared with the

1 Commission?

2 It is interesting to note that just this
3 week Moody's downgraded Penn National's corporate
4 family debt rating based on the expectation that
5 the company will not be able to reduce its
6 leverage at a sufficient pace.

7 In 2013 Penn National's CEO, Tim Wilmot,
8 assured this Commission that GLPI will be a
9 completely passive landlord.

10 You just heard the lease terms. If that's
11 what he calls passive, what is his definition of
12 active?

13 Now that these restrictive lease terms are
14 known, the decision to grant GLPI a supplier's
15 license rather than an owner's license seems
16 worthy of review.

17 How many other Indiana suppliers have the
18 power -- have the veto power over a licensee's
19 ability to add amenities or develop new casinos?
20 How many suppliers can dictate a licensee's
21 minimum level of capital expenditures or prevent
22 a licensee from being acquired by another
23 company?

24 These terms give GLPI mechanisms of control
25 over business decisions that could profoundly

1 affect the financial health, the physical
2 condition and the continuing viability of the
3 leased casinos.

4 Given its level of control, licensing GLPI
5 as a supplier is not just an absurdity, it also
6 sets a dangerous precedent as other national
7 gaming companies are considering creating their
8 own REITs and leasing their properties to captive
9 or third-party operators.

10 In Indiana we believe such a licensing
11 scheme is contrary to the law. As you know, the
12 Indiana code provides that a person may not have
13 an ownership interest in more than two riverboat
14 licenses, but if the sale of Pinnacle's casinos
15 goes forward as proposed, GLPI will own three
16 casinos: The Hollywood, which it currently owns,
17 the Belterra and the Ameristar, which it will
18 acquire from Pinnacle.

19 In our view, this is an unambiguous
20 violation of the statute, GLPI supplier's license
21 notwithstanding.

22 Fortunately the architects of Indiana's
23 riverboat statute saw fit to define a license
24 owner -- licensed owner as a person who owns a
25 riverboat that is licensed under this article.

1 The wording here is significant. It doesn't
2 say the owner is a person who holds an owner's
3 license. It says an owner is a person who holds
4 a riverboat that is licensed under the article.

5 And if the sale goes through as proposed,
6 GLPI will clearly own three riverboats licensed
7 under the article.

8 Other parts of the code recognize that
9 operational management of casinos is different
10 from an owner's license, so the fact that GLPI
11 failed to seek an owner's license does not change
12 the fact that it is an owner as defined by the
13 statute.

14 Pinnacle, on the other hand, may not be such
15 an owner and may more properly be considered a
16 manager, requiring a manager's license.

17 Allowing GLPI to own three casinos without
18 obtaining an owner's license would not only
19 undermine the letter and the intent of the
20 riverboat act, it would also put other gaming
21 companies in Indiana at a competitive
22 disadvantage.

23 What you would be saying, in essence, is
24 that there's only one company on the face of this
25 earth, GLPI, that will be allowed to own an

1 unlimited number of casinos in Indiana. The rest
2 of you can only own two.

3 As commissioners, you have a paramount duty
4 to uphold the statutes as they are written and
5 take into consideration the considerable degree
6 of control GLPI has and will have over the
7 casinos it owns.

8 In considering GLPI's proposal to purchase
9 the Pinnacle casinos, we hope you take our
10 concerns to heart. We hope you won't accept
11 GLPI's dubious argument that this company founded
12 and run by seasoned gaming industry executives is
13 merely acting as a passive landowner and
14 supplier.

15 Thank you for allowing us to present our
16 concerns today and provide you with information
17 about the master leases that may not have
18 previously come to your attention. We expect the
19 Commission -- we expect to provide the Commission
20 with additional information in the coming weeks.

21 And if you have any questions, I'm happy to
22 answer.

23 CHAIRMAN JOHNSTON: Thank you very much,
24 Mr. Carson-Nelson.

25 Any questions?

1 Many of the matters that you raised, I
2 believe my fellow commissioners asked staff to do
3 research on those, and so please be assured that
4 those legal matters will be part of the due
5 diligence that's performed by our advisers as
6 well, so thank you very much for your time.

7 MR. CARSON-NELSON: Of course, thank you.

8 CHAIRMAN JOHNSTON: Thank you.

9 Any other business to come before the
10 Commission today?

11 If not, I'll entertain a motion to adjourn.

12 COMMISSIONER FINE: So moved.

13 COMMISSIONER SVETANOFF: Second.

14 CHAIRMAN JOHNSTON: There is a motion and a
15 second.

16 All those in favor, say aye.

17 (Chorus of ayes.)

18 We're adjourned.

19 In terms of our next meeting, it will be
20 contingent on things that we learn about in terms
21 of the presentations that we've just heard in
22 terms of their timing, and we will let everyone
23 know as soon as possible. It will probably be
24 late February to early March, I would anticipate.

25 Thank you.

1 (At 3:22 p.m., November 12, 2015, this
2 meeting of the Indiana Gaming Commission was
3 adjourned.)
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1 STATE OF INDIANA)
 2 COUNTY OF MARION) SS:

3
 4 I, Dianne D. Lockhart, a Notary Public and
 5 Stenographic Reporter within and for the County of
 6 Marion, State of Indiana at large, do hereby certify
 7 that the Indiana Gaming Commission Business Meeting
 8 held on November 12, 2015, commencing at 1:00 p.m.
 9 at the Auditorium of the Indiana Government
 10 Center, South Building, 302 West Washington
 11 Street, Indianapolis, Indiana, was taken down in
 12 stenograph notes and afterwards reduced to
 13 typewriting under my direction, and that the
 14 typewritten transcript is a true record of the
 15 proceedings had.

16 IN WITNESS WHEREOF, I have hereunto set my hand
 17 and affixed my notarial seal this 30th day of
 18 November, 2015.

19 

20 _____
 21 N O T A R Y P U B L I C

22
 23 My Commission Expires:
 24 June 4, 2023

25 County of Residence:
 Marion County