

RESOLUTION 1998-26

A RESOLUTION CONCERNING THE REQUEST OF GRAND VICTORIA CASINO & RESORT, LLC TO AMEND ITS OWNERSHIP STRUCTURE AND TO TRANSFER THE RIVERBOAT OWNER'S LICENSE TO THE NEW ENTITY, GRAND VICTORIA CASINO AND RESORT, LP.

The Indiana Gaming Commission ("Commission") adopts the following resolution pursuant to the authority granted to it under IC 4-33 and pursuant to 68 IAC 1-2-6.

The following factors have been considered by the Commission:

1. The ownership structure of Grand Victoria Casino and Resort, LLC located in Rising Sun, Indiana is currently structured as a limited liability company. Grand Victoria Casino and Resort, LLC would like to restructure and become Grand Victoria Casino and Resort, LP, a limited partnership. The LLC consisted of an 80% ownership interest by Indiana RBG, LP which is those individuals and entities that are commonly referred to as the Hyatt Group. The remaining 20% ownership interest is held by RSR, LLC, consisting of American and Canadian investors and American Gaming Entertainment, Ltd.¹
2. RSR, LLC shareholders request the approval of the following:
 - a. That the interest of Patrick F. Daly be transferred to the Daly Group, LLC (an Illinois corporation) which will be owned 100% by Patrick F. Daly.
 - b. That the interest of Paul R. Partridge be transferred to the DePaul Corporation (a Delaware corporation) which will ultimately be owned 100% by Paul R. Partridge.
 - c. That the interest of James A. Everatt be transferred to JAE Investments, Ltd. (a Delaware corporation) which will ultimately be owned by James A. Everatt individually and in trust for his wife, Janeane.
3. Currently, the riverboat utilized by Grand Victoria is owned by a separate entity, G.V. II, Inc. an Indiana corporation, and is leased to the riverboat licensee. This transaction will ultimately transfer the ownership of the riverboat to Grand

¹ American Gaming Entertainment Ltd. owns 24.5% of RSR, LLC which translates to 4.9% of the riverboat licensee. American Gaming is controlled by the Bennett Funding Group which entered into bankruptcy proceedings in 1997. American Gaming is to divest itself of the ownership interest in the riverboat licensee. This matter is still proceeding in bankruptcy court.

Victoria Casino and Resort, LP, resulting in direct ownership of the riverboat by the riverboat licensee.

4. At the present time the Jay Arthur Trust owns 21.064% of Indiana RBG, LP. Under the proposed transaction, the Jay Arthur Trust ownership interest will be transferred in equal shares to three new trusts, Hoinfad Trust Number 1, Hoinfad Trust Number 2 and Hoinfad Trust Number 3. Indiana RBG also seeks an amendment to its partnership agreement that would provide for partnership redemption in the event of licensing difficulties.

5. The riverboat licensee is seeking approval of Nicholas J. Pritzker as a member of the Management Committee of the new limited partnership and his appointment as an officer of the general partner, Indiana RBG, LP.

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING COMMISSION, THAT THE FOLLOWING RESOLUTION IS ADOPTED:

SECTION 1. SCOPE.

This resolution applies to Grand Victoria Casino and Resort, LLC and all persons holding an ownership interest in Grand Victoria Casino and Resort, LLC.

SECTION 2. DEFINITIONS.

The definitions set forth in IC 4-33-2 and 68 IAC apply to this resolution.

SECTION 3. ACTION ON REQUEST OF GRAND VICTORIA CASINO AND RESORT, LLC TO AMEND ITS OWNERSHIP STRUCTURE AND TO TRANSFER THE RIVERBOAT OWNER'S LICENSE TO THE NEW ENTITY, GRAND VICTORIA CASINO AND RESORT, LP.

The Commission hereby:

GRANTS

GRANTS OR DENIES

Grand Victoria Casino and Resort, LLC's request to do the following:

1. Restructure its ownership from a limited liability company to a limited partnership to be known as Grand Victoria Casino and Resort, LP and transfer the Riverboat Owner's License to Grand Victoria Casino and Resort, LP.
2. Transfer the ownership interests of RSR, LLC's investors to entities that are ultimately controlled by the transferring members.

3. Transfer the ownership interest of the riverboat from G.V. II, Inc. to the riverboat licensee, Grand Victoria Casino and Resort, LP.
4. Transfer the ownership interest of the Jay Arthur Trust in equal shares to three new trusts, Hoinfad Trust Number 1, Hoinfad Trust Number 2, Hoinfad Trust Number 3. Approve an amendment to the Indiana RBG partnership agreement that provides for partnership redemption in the event of licensing difficulties.
5. Approve Nicholas Pritzker as a member of the Management Committee of the new limited partnership and his appointment as an officer of the general partner for Indiana RBG, LP.

SECTION 4. EFFECTIVE DATE.

This RESOLUTION is effective immediately.

ADOPTED THIS THE 14TH DAY OF SEPTEMBER, 1998:

THE INDIANA GAMING COMMISISON:



Donald R. Vowels, Chair

ATTEST:



Thomas Milcarek, Secretary