

ORDER 2013-120

AN ORDER OF THE INDIANA GAMING COMMISSION CONCERNING: THE APPLICATION OF PINNACLE ENTERTAINMENT TO ACQUIRE AMERISTAR CASINOS, INC.

On December 20, 2012, Pinnacle Entertainment, Inc. (“Pinnacle”) agreed to purchase Ameristar Casinos, Inc. (“Ameristar”). Pinnacle is the parent company of Belterra Resort Indiana, LLC, a casino licensee operating in Florence, Indiana. Ameristar is the parent company of Ameristar Casino East Chicago, LLC, a casino licensee operating in East Chicago, Indiana.

On May 28, 2013, the Federal Trade Commission (“FTC”) issued an administrative complaint alleging that the proposed merger transaction pursuant to the Agreement and Plan of Merger dated as of December 20, 2012, as amended (the “Merger Agreement”), would violate federal anti-trust law by reducing competition in the St. Louis, Missouri and Lake Charles, Louisiana areas. No Indiana properties were identified by the FTC as problematic. The complaint authorized FTC staff to seek a temporary restraining order and preliminary injunction in federal district court to block the transaction.

On June 17, 2013, Pinnacle publicly announced that it has reached an agreement in principle with the Federal Trade Commission staff to resolve the issues as related to the St. Louis and Lake Charles markets raised by the FTC in the administrative complaint.

In light of the agreement in principle, Pinnacle and Ameristar seek the Commission’s approval to complete the transaction in accordance with IC 4-33-4-21 and 68 Ind. Admin. Code 5-3-2.

In consideration of Pinnacle’s request, the Commission has considered the following factors:

1. Ameristar’s shareholders approved the acquisition of Ameristar by Pinnacle on April 25, 2013;
2. Commission staff have completed a thorough background and financial investigation of the merger;
3. The Commission consulted Dr. Charlene Sullivan, an independent financial analyst, who reviewed the financial aspects of the proposed merger between Pinnacle and Ameristar and recommended approval;
4. Pinnacle has proposed a financing package related to the acquisition which has been considered by staff and Dr. Sullivan;
5. The acquisition was approved by the Nevada Gaming Commission on May 16, 2013, by the Iowa Racing and Gaming Commission on June 6, 2013, and by the Mississippi Gaming Commission on June 20, 2013;
6. Pursuant to IC 4-33-4-21(d), Pinnacle has submitted a transfer fee of two million dollars (\$2,000,000).

COMMISSION ACTION

Purchase of Second Casino Owner's License:

Subject to the following considerations, the Commission hereby **APPROVES** Pinnacle's acquisition of Ameristar and Indiana licensee, Ameristar Casino East Chicago, LLC.

The Commission's approval of this purchase of a second casino license is conditioned upon: (1) the processes initiated by the FTC under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 concluding in such a way that would permit closing of Pinnacle's purchase of Ameristar; and (2) Pinnacle, key persons of Pinnacle, and relevant affiliates, persons, and/or entities holding an economic, beneficial, or other interest in Pinnacle remaining in compliance with laws, regulations, and/or other directives that are applicable to a casino owner's license.

Financing:

The Commission **WAIVES** the "two meeting requirement" of 68 IAC 5-3-2(b)(2) and (3) and **APPROVES** Pinnacle's debt financing transaction.

The approval of Pinnacle's debt financing transaction is conditioned upon: (1) the terms articulated in the final financing documentation do not materially differ from the terms that Pinnacle has presented in writing for approval to date; (2) the terms of the final documentation do not violate IC 4-33-4-21; (3) Pinnacle provide the Commission with a legal opinion demonstrating compliance with IC 4-33-4-21; and (4) Pinnacle close the proposed financing on or before October 31, 2013.

Delegation of authority to issue a stop order:

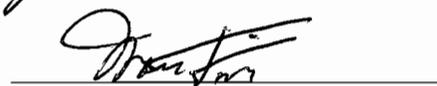
Pursuant to IC 4-33-3-18, the Commission **ASSIGNS** to the Executive Director the authority to issue an interlocutory stop order if the Executive Director determines that any amendment of the Merger Agreement, final terms of the financing, or the failure to obtain any required regulatory approval materially alters the transaction. Issuance of a stop order would require Pinnacle to appear before the Commission to resolve the material differences upon such terms as are satisfactory to the Commission.

IT IS SO ORDERED THIS THE 27TH DAY OF JUNE, 2013.

THE INDIANA GAMING COMMISSION:



Matt Bell, Chair



Marc Fine, Vice-Chair