

## ORDER 2020-169

### AN ORDER OF THE INDIANA GAMING COMMISSION REGARDING THE DISASSOCIATION OF AN EQUITY INTEREST IN A CASINO OWNER'S LICENSE

By Order 2020-22, and in accordance with Ind. Code article § 4-33 and Title 68 of the Indiana Administrative Code, the Indiana Gaming Commission (the "Commission") issued a casino owner's license to Majestic Star Casino, LLC ("Majestic Star") to conduct riverboat gambling operations at a casino in Gary, Indiana under the laws and related regulations of the State of Indiana. The ultimate parent of Majestic Star is Spectacle Gary, LLC ("Spectacle Gary") and Spectacle Entertainment Group, LLC ("Spectacle Entertainment") is an entity which has a majority position in Spectacle Gary (both entities, and any other affiliated entities, collectively referred to as "Spectacle").

On or about September 24, 2020, an Indictment was filed in the matter *United States of America v. Darryl Brent Waltz, and John S. Keeler* charging that Mr. John S. Keeler engaged in a conspiracy to make and receive corporate campaign contributions in violation of federal election laws, made false statements, and obstructed justice. On September 29, 2020, the Commission issued an Emergency Order suspending the level 1 occupational license of Mr. Keeler. At the time, Mr. Keeler served as the Vice President and General Counsel for Spectacle and also the Secretary of the Board of Managers.

On December 3, 2020, paperwork was filed with the Commission denoting that Mr. Keeler had been terminated as Vice President, General Counsel, and an Authorized Person and employee of Spectacle. Mr. Keeler remains under the jurisdiction of the Commission as a result of his ownership interest in the company, a Class A unitholder. In accordance with its authority, the Commission, on December 1, 2020, requested an interview with Mr. Keeler regarding matters of concern that have emerged during a review of actions involving Mr. Keeler before his suspension. Mr. Keeler refused to comply with the Commission's request citing his Fifth Amendment right, undermining the Commission's investigation and in violation of Commission rules. And while the constitutional right to avoid self-incrimination can be claimed, the Commission may draw an adverse inference from an individual's refusal to testify before the Commission.

The Commission is charged with ensuring that gambling operations are conducted with the utmost credibility and integrity. Indeed, the public's confidence and trust can only be maintained through strict regulation of facilities, persons, and associations. A casino owner's license is a privilege, and not a right. Such privilege is jeopardized when a casino owner's licensee has associations that call into question its suitability to hold that license.

The Commission hereby:

1. **ORDERS** Spectacle and Mr. Keeler to disassociate by January 15, 2021, which shall include a disposition of all of Mr. Keeler's units and interests in Spectacle and any affiliated entities.

2. **DELEGATES** to the Executive Director the authority to approve or disapprove of Spectacle's proposed method to accomplish and implement the terms of this Order, including the authority to approve or disapprove any purchaser of Mr. Keeler's units.

The disposition of Mr. Keeler's equity interest is subject to the following conditions:

1. Pursuant to Commission regulations, the disposition of the equity interest must be commercially reasonable. The burden is upon Spectacle to demonstrate reasonableness to the Commission but in conducting its review, the Commission will consider market price, the purchase price and any formulas contained within relevant agreements.
2. Any ongoing association with Mr. Keeler, whether it be via trust or familial relations, is expressly prohibited and does not constitute compliance with this Order.
3. In addition, any disposition of Mr. Keeler's equity shall not be contingent on future events or subject to promissory notes, security agreements, or proxy agreements of any kind.

The above conditions, and this Order, are in accordance with the Commission's statutory charge of ensuring the strict regulation of licensees and the ongoing requirement of suitability. And furthermore, to ensure the public's trust and confidence are maintained.

Pursuant to Ind. Code § 4-21.5-3-5 this Order is effective fifteen (15) days following this action.

**IT IS SO ORDERED THIS THE 23<sup>rd</sup> DAY OF DECEMBER, 2020.**

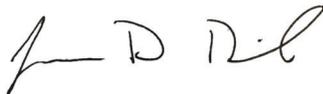
**THE INDIANA GAMING COMMISSION:**



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Michael McMains, Chair

ATTEST:



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Jason Dudich, Secretary