

ORDER 2020-168

AN ORDER OF THE INDIANA GAMING COMMISSION REGARDING 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”).

Roderick J. Ratcliff is a Substantial Owner by virtue of his being a Class A unitholder interest in Spectacle and previously served as Spectacle’s Chief Executive Officer and Chairman of the Board of Managers. The Commission, by Emergency Order 2020-MS-03, issued an emergency suspension of Mr. Ratcliff’s occupational gaming license.

On July 6, 2020, Mr. Ratcliff executed and submitted a Letter of Assurance to the Commission regarding actions he agreed to take in the event certain actions occurred. A copy of the Letter of Assurance is attached hereto as Exhibit A. Paragraph 2 of the Letter of Assurance provides that in the event the Commission initiates an administrative action, such as a license suspension, Mr. Ratcliff agrees to “promptly amend and restate the Roderick J. Ratcliff Trust ... by replacing myself as trustee with a person acceptable to the Commission to serve as the sole trustee during the pendency of any criminal action or administrative action against me.”

In addition, on July 6, 2020, Spectacle Gary executed and submitted a Letter of Assurance to the Commission regarding actions the company agreed to take should certain events occur. In the event an administrative action is initiated against Mr. Ratcliff, Spectacle Gary assured the Commission that during the pendency of the action, Mr. Ratcliff would not “exercise any responsibilities or duties on behalf of the company.” Spectacle Gary further assured the Commission that it understood failure to do so could result in the imposition of the trustee-in-waiting. A copy of Spectacle Gary’s Letter of Assurance is attached hereto as Exhibit B.

Consistent with the voluntary assurances provided to the Commission by Mr. Ratcliff and Spectacle, it is the intention of this Order to remove Mr. Ratcliff from any ability to exercise control, management, or voting related to Spectacle. 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 takes the following actions:

1. **ORDERS** Spectacle and Mr. Ratcliff by January 8, 2021, to remove Mr. Ratcliff, individually and/or as trustee of his trust, from any ability to exercise control, management, or voting related to Spectacle Gary and Spectacle Entertainment, including but not limited to amending

and restating the Roderick J. Ratcliff Trust Agreement by replacing the current trustee with a person acceptable to the Commission to serve as trustee during the pendency of the administrative action against Mr. Ratcliff.

2. **ORDERS** Spectacle and Mr. Ratcliff to immediately advise the Commission of notice of Mr. Ratcliff's revocation of the Roderick J. Ratcliff Trust.
3. **ORDERS** Spectacle to ensure Mr. Ratcliff ceases to exercise any responsibilities or duties on behalf of the company. Failure for Spectacle to do so will result in disciplinary action.
4. **DELEGATES** to the Executive Director the authority to approve or disapprove of the new trustee, the methods selected by Spectacle and Mr. Ratcliff to effectuate this Order, the implementation of such methods selected, and to approve of alternative legal instruments proposed in order to more efficiently comply with the intentions of this Order.

This Order is subject to the following conditions:

1. An acceptable trustee to the Commission must be independent from Spectacle and Mr. Ratcliff and cannot have a current or past interest in any Spectacle-related entity or affiliates thereof.
2. Spectacle and Mr. Ratcliff shall, in good faith, do what is necessary to indemnify and protect the Commission-approved trustee from any negative legal action resulting from this appointment.
3. Mr. Ratcliff's voting rights must be vested in the Commission-approved trustee.
4. Revocation of the Trust Agreement during the pending administrative action is prohibited.

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 23rd DAY OF DECEMBER, 2020.

THE INDIANA GAMING COMMISSION:



Michael McMains, Chair

ATTEST:



Jason Dudich, Secretary

Exhibit - A

July 6, 2020

Sara Gonso Tait, Esq.
Executive Director
Indiana Gaming Commission
East Tower, Suite 1600
200 West Washington Street
Indianapolis, Indiana 46204

Re: Roderick J. Ratchiff Letter of Assurance

Dear Ms. Tait,

This Letter of Assurance (Letter) is intended to provide the Indiana Gaming Commission (Commission) with assurance that I will take the actions described below. It is my understanding that the Commission is currently conducting a suitability review concerning my licensure status as a Level 1 licensee with the Commission. The Commission has informed me that it believes that certain pleadings filed in criminal proceedings in the United States District Court for the Eastern District of Virginia referred to me as a participant in illegal conduct, despite the fact that I was not identified by name (Virginia Matter), and also that it has recently received additional information that alleges violations of the Indiana Riverboat Gaming Act. In light of these circumstances, I provide this Letter.

I assure the Commission of the following:

1. I will promptly notify the Commission if I am contacted by the Federal Bureau of Investigation or any other federal or state law enforcement agency for any reason;
2. If I am indicted or charged with any crime that arises out of the facts and circumstances alleged in the Virginia Matter, any violation of the Indiana Riverboat Gaming Act, or any crime described in IC 4-33-8-3(2) (Crimes), or if the Commission initiates an administrative action pursuant to IC 4-33-8-8, I will, promptly amend and restate the Roderick J. Ratchiff Revocable Trust dated August 24, 2018 (Trust) by replacing myself as trustee with a person acceptable to the Commission to serve as the sole trustee during the pendency of any criminal action or administrative action against me;
3. If a final non-appealable determination is made by any court of competent jurisdiction that I have committed any Crimes, and if requested to do so by the Commission, I will (a) promptly submit to the Commission a plan of divestiture for the units of Spectacle Entertainment Group, LLC of which I, the Trust, or any entity that I control is a substantial owner and (b) relinquish my gaming license; and
4. I acknowledge that the Commission reserves all rights and remedies under Indiana's Gaming Laws and Regulations.

Sincerely,



Roderick J. Ratcliff



July 6, 2020

Sara Gonso Tait, Esq.
Executive Director
Indiana Gaming Commission
East Tower, Suite 1600
200 West Washington Street
Indianapolis, Indiana 46204

Re: Spectacle Gary Letter of Assurance

Dear Ms. Tait,

This Letter of Assurance (Letter) is intended to provide the Indiana Gaming Commission (Commission) with assurance that Spectacle Gary, LLC and its subsidiaries (Company) will take the actions described below. It is the Company's understanding that the Commission is currently conducting a suitability review concerning the licensure status of Roderick J. Ratcliff and John S. Keeler as a Level 1 licensees of the Commission. The Commission has informed the Company that it believes that certain pleadings filed in criminal proceedings in the United States District Court for the Eastern District of Virginia referred to Mr. Ratcliff and Mr. Keeler as a participants in illegal conduct, despite the fact that neither were identified by name (Virginia Matter), and also that it has recently received additional information that alleges violations of the Indiana Riverboat Gaming Act. In light of these circumstances, the Company provides this Letter.

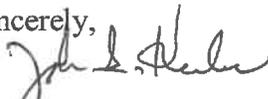
The Company assures the Commission of the following:

1. It will promptly notify the Commission if the Company is contacted by the Federal Bureau of Investigation or any other federal or state law enforcement agency for any reason;
2. If either Mr. Ratcliff or Mr. Keeler are indicted or charged with any crime that arises out of the facts and circumstances alleged in the Virginia Matter, any violation of the Indiana Riverboat Gaming Act, or any crime described in IC 4-33-8-3(2) (Crimes), or if the Commission initiates an administrative action pursuant to IC 4-33-8-8, the Company will promptly place Mr. Ratcliff or Mr. Keeler on administrative leave for the pendency of any criminal or administrative action against them, during such period they shall not exercise any responsibilities or duties on behalf of the Company. If there is a final non

appealable determination that Mr. Ratcliff or Mr. Keeler committed a Crime or violated the Indiana Riverboat Gaming Act, the Company will immediately terminate the employment of and remove Mr. Ratcliff or Mr. Keeler from any positions with the Company that they may hold;

3. The Company acknowledges that failure to adhere to the provisions of this Letter may result in the Commission appointing an interim trustee; and
4. The Company acknowledges that the Commission reserves all rights and remedies under Indiana's Gaming Laws and Regulations.

Sincerely,



Spectacle Gary, LLC

By: John S. Keeler

Its: Vice President & General Counsel