

**ORDER 2021-47  
IN RE SETTLEMENT AGREEMENT**

**SPECTACLE ENTERTAINMENT GROUP, LLC  
21-SEG-01**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

**APPROVED**

---

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 23<sup>rd</sup> DAY OF MARCH, 2021.**

**THE INDIANA GAMING COMMISSION:**



---

Michael B. McMains, Chair

ATTEST:



---

Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>SPECTACLE ENTERTAINMENT</b>	)	
<b>GROUP, LLC</b>	)	<b>21-SEG-01</b>
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Spectacle Entertainment Group, LLC (“Spectacle”), on behalf of itself and its subsidiaries, desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 I.A.C. 13-1-18(a). The Commission and Spectacle (collectively, the “Parties”) stipulate and agree that the following facts are true:

**LAW**

1. IC 4-33-4-1 vests in the Commission all powers and duties necessary to properly and fully execute IC 4-33 and to take appropriate administrative action against a licensee.
2. The Commission is empowered to take “any reasonable or appropriate action to enforce” IC 4-33. IC 4-33-4-1(a)(16).
3. It is the intention of the Riverboat Gambling Act to maintain the public’s confidence and trust only through the strict regulation of persons and associations. IC 4-33-1-2.
4. The Commission may investigate a licensed owner at any time the Commission determines it is necessary to ensure that the licensee is in compliance with the Riverboat Gambling Act. IC 4-33-6-12; IC 4-33-8-2.
5. A license does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for licensure. 68 I.A.C. 2-1-4; 68 I.A.C. 2-1-10; 68 I.A.C. 13-1-1.
6. A casino owner’s licensee must present the necessary evidence to demonstrate it meets all the required standards, qualifications and criteria to hold a license. 68 I.A.C. 2-1-5. Furthermore, casino licensees must notify the Commission of a material change in the information submitted to the Commission, or regarding a matter that renders the licensee ineligible to hold a casino owner's license. 68 I.A.C. 1-2-10.
7. If a licensee violates the Riverboat Gambling Act, the Commission may, among other things, impose a civil penalty of ten thousand dollars (\$10,000) for each violation. IC 4-33-4-8.
8. References to violations of the Riverboat Gambling Act include any rules or orders adopted by the Commission pursuant to its authority. IC 4-33-1-3.

9. The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling is a factor the Commission shall consider. IC 4-33-6-4.

#### **FINDINGS OF FACT**

10. The Commission commenced a suitability and compliance review concerning Spectacle on January 24, 2020. The regulatory investigation involves, but is not limited to, matters previously disclosed in court filings out of the Eastern District of Virginia and the Southern District of Indiana.
11. Subjects of the Commission's review are either current or past licensees of Centaur Gaming or Spectacle and/or Spectacle unit holders.
12. The Commission issued Order 2020-168 regarding Roderick Ratcliff's ("Ratcliff") equity interest in a casino owner's license whereby Spectacle and Ratcliff were ordered by the Commission to remove Ratcliff individually and/or as trustee of his trust from the ability to exercise control, management, or voting related to Spectacle, 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 Ratcliff.
13. Order 2020-168 became effective on January 8, 2021.
14. Spectacle failed to ensure that all parties to Order 2020-168 complied with all of the requirements of the Order. Despite prior efforts, Spectacle was unable to reach the agreement necessary to complete the disassociation of Ratcliff from Spectacle until February 28, 2021.
15. On March 2, 2021, the Commission issued Orders 2021-1 and 2021-2, which approved the transfers of ownership interests in Spectacle pursuant to the agreements referenced above and effectuated the disassociation of Ratcliff from Spectacle, fifty-three (53) days following the adoption of Order 2020-168.
16. The Commission's suitability and compliance review, referenced above, among other things, implicated certain key executives of Spectacle who previously had been key executives of Centaur Gaming. Spectacle knew for months – and reasonably should have known for over a year – that the ongoing associations would undermine the public's confidence in the integrity of gaming and its suitability. Despite such information, Spectacle failed to act as quickly as the situation required. Ultimately, it was the Commission which was forced to take the necessary action to mandate the disassociation of Ratcliff and John Keeler from Spectacle.
17. Spectacle's inability to address its troublesome associations impacted its suitability and caused the delay of an important economic development project to the State and City of Gary, resulting in the State not collecting the highest prospective total revenue, a fundamental statutory factor for the privilege of holding a casino owner's license.
18. The Commission's review is ongoing. Given the serious nature of Spectacle's noncompliance with a Commission order, this Settlement Agreement is offered based on its merits alone. This Settlement Agreement will not limit the Commission from pursuing additional action as a result of its previous findings or additional findings discovered in the course of the continuing investigation.

**TERMS AND CONDITIONS**

The overall impact of the actions articulated above served to undermine the public’s confidence and trust in the integrity of the gaming industry in Indiana. This Agreement is intended to correct any public perception that such conduct will be tolerated in Indiana.

The Commission and Spectacle hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Spectacle and its subsidiaries. Spectacle shall pay, or cause to be paid, to the Commission a total of five hundred and thirty thousand dollars (\$530,000) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in this Agreement.

This Agreement extends only to known incidents specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Spectacle agrees to promptly remit payment in the amount of five hundred and thirty thousand dollars (\$530,000) and shall waive all rights to further administrative or judicial review of this Agreement.

This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by the Parties.

This Agreement shall be binding upon the Commission and Spectacle Entertainment Group, LLC.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Sara Gonso Tait  
Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

March 18, 2021  
Date

Jahnae Erpenbach  
Jahnae Erpenbach, CEO/President  
Spectacle Entertainment Group, LLC

3-18-21  
Date