

ORDER 2021-65

**AN ORDER OF THE INDIANA GAMING COMMISSION
CONCERNING GRANTING TRANSFER OF OWNERSHIP
INTEREST IN CASINO OWNER'S LICENSE**

I. BACKGROUND

On July 10, 2020, the Indiana Gaming Commission (the "Commission") issued Order 2020-87 approving Eldorado Resorts, Inc.'s ("Eldorado") acquisition of Caesars Entertainment Corporation. As a condition of the approval granted in Order 2020-87, the Commission required Eldorado to divest three (3) of its five (5) Indiana casino owner's licenses on or before December 31, 2020. Accordingly, on November 20, 2020, the Commission received a request from Bally's Corporation f/k/a Twin River Worldwide Holdings, Inc. ("Bally's") seeking the Commission's approval to acquire Aztar Indiana Gaming Company, LLC d/b/a Tropicana Evansville ("Tropicana"), which currently holds and will continue to hold a casino owner's license, from Caesars Entertainment, Inc. f/k/a Eldorado ("Caesars") for \$140 million.

In connection with the acquisition, Gaming Leisure Properties, Inc. ("GLPI") will: (i) acquire substantially all of Tropicana's real estate interests (located in Evansville, Indiana) for \$340 million, (ii) acquire from an affiliate of Bally's substantially all of its real estate interests in Bally's Dover, Delaware facility, and (iii) enter into a Master Lease agreement with Twin River Management Group, Inc., a subsidiary of Bally's, covering both the Indiana and Delaware facilities (the "Master Lease"), pursuant to which GLPI will lease the Indiana real estate to Bally's for \$28 million per year in rent, subject to escalation. GLPI is a publicly traded gaming-focused real estate investment trust, and it currently holds a supplier's license issued by the Commission pursuant to 68 IAC § 2-2-1(c)(5) and through Order 2013-121, which was most recently renewed under Order 2020-94.

Finally, Bally's will acquire Tropicana without any cash outlay. Accordingly, Bally's will not undertake any debt activity that would require the Commission's advanced approval.

Ind. Code § 4-33-4-21 provides that a licensed owner must apply for and receive Commission approval before an owner's license is transferred, sold, or purchased.

In consideration of Bally's request, the Commission has considered the following factors:

1. Bally's has submitted a complete transfer of ownership interest application and caused to be submitted complete personal disclosure forms and other appropriate applications for Bally's and all key persons, as deemed necessary by Commission staff;
2. Bally's has submitted payment of \$50,000 required by Ind. Code ch.4-33-6 and 68 IAC 2-1-2 to acquire an Indiana casino owner's license;
3. The approvals required by the board of directors has occurred;
4. The Commission's Background and Financial Investigations Divisions have completed a comprehensive investigation of Bally's, including key persons and Commission staff has presented the final investigative reports to the Commission for review;
5. The Commission's Financial Investigations Division has completed a comprehensive investigation of the proposed acquisition and confirmed no cash outlay;
6. Representatives of Bally's have addressed the Commission at a public meeting to present information relevant to the proposed transfer of the casino owner's license; and

7. Bally's has presented evidence that it meets or possesses the standards, criteria, and qualifications necessary to be issued a casino owner's license pursuant to Ind. Code ch. 4-33-6 and 68 IAC 2-1-5(c).

II. COMMISSION ACTION

Conditional Approval of the Transfer.

The Commission hereby:

APPROVES the transfer of ownership interest in the casino owner's license for Aztar Indiana Gaming Company, LLC d/b/a Tropicana Evansville to Bally's Corporation.

The Commission's approval is subject to and contingent upon satisfaction of the following continuing conditions:

1. No adverse rulings or decisions are entered by the Federal Trade Commission, the Office of the Indiana Attorney General, or the Internal Revenue Service that would materially impact the transaction;
2. Bally's, key persons of Bally's, and relevant affiliates, persons and/or entities holding an economic, beneficial, or other interest in Bally's remaining in compliance with laws, regulations, and/or other directives that are applicable to a casino owner's licensee; and
3. Upon the transaction's closing, Bally's shall submit to the Commission a written power of attorney identifying a trustee-in-waiting for Tropicana.

In addition, the Commission hereby requires Bally's and GLPI (sometimes collectively referred to as the "the parties") to provide notice to Commission staff regarding the following:

1. Bally's shall annually report capital expenditures at Tropicana as a percentage of net revenue;
2. The parties shall report all Bally's capital expenditure requests on a monthly basis submitted to GLPI for its consent and GLPI's responses;
3. The parties shall report the annual rental amount required by the Master Lease on or before January 31st of each year;
4. The parties shall promptly report any Master Lease dispute relating to the Indiana properties that remains unresolved for more than fifteen (15) days of the dispute occurring;
5. The parties shall report any uncured Master Lease event of default immediately;
6. The parties shall report any bankruptcy filing or any default on the terms of any financing agreements immediately;
7. The parties shall report any Master Lease amendment that materially impacts Indiana properties thirty (30) days before such an amendment would become effective, unless such amendment is necessary to comply with any material law, rule, or regulation, in which case such amendment may be effective immediately and thereafter reported promptly;
8. The parties shall report any Master Lease renewal thirty (30) days before the renewal date (or promptly in the event of any renewal that is finalized less than thirty (30) days before the renewal date);

9. The parties shall promptly report any change in their respective bond rating from Fitch and Ratings, Inc., Standard & Poor's Rating Services, Inc., Moody's Investors Service, Inc., or any other rating agency designated by the Commission;
10. GLPI shall report any other transactions it pursues that are approved by the GLPI Board of Directors, regardless if such transactions involve property in Indiana;
11. GLPI shall report any new financing or refinancing of any of its debt obligations; and
12. GLPI shall report any changes in corporate structure, including but not limited to, any changes in key personnel.

The foregoing notice requirements, as applied to GLPI, also extend to all Indiana real properties to which GLPI is authorized to be a supplier licensee.

III. EFFECTIVE DATE

This Order shall be effective on the date set forth below at the request of the parties to facilitate the transaction's closing date. The parties have been informed that this request means that their respective appeal rights related to this Order as set forth in Ind. Code § 4-21.5-3-5 will be waived.

IT IS SO ORDERED THIS 25th DAY OF MAY, 2021.

THE INDIANA GAMING COMMISSION:

ATTEST:



Michael B. McMains, Chair



Jason Dudich, Secretary