

**ORDER 2021 -214
IN RE SETTLEMENT AGREEMENT**

**BOYD GAMING CORPORATION
21-BOYD-01**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

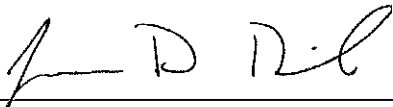
IT IS SO ORDERED THIS THE 21th DAY OF DECEMBER, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
BOYD GAMING CORPORATION) **21-BOYD-01**

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Boyd Gaming Corporation (“Boyd” or “Licensee”), (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

1. Ind. Code § 4-33-8-3(4) provides the commission may not issue an occupational license to an individual unless the individual has met standards adopted by the commission for the holding of an occupational license.
2. Ind. Code Ann. § 4-33-8-8 provides the commission may suspend, revoke, or restrict an occupational licensee for a cause that if known to the commission would have disqualified the applicant from receiving the occupational license.
3. 68 IAC 1-5-1 provides, in relevant part, that a casino licensee shall provide a written notice to the executive director as soon as the casino licensee becomes aware of the following: (4) a criminal, civil, or administrative action, threatened action, or investigation initiated by any governmental entity against the casino or supplier licensee.
4. 68 IAC 2-3-9(a) provides all occupational licensees have a continuing duty to maintain suitability for licensure. An occupational license does not create a property right, but is a revocable privilege granted by the state contingent upon continuing suitability for licensure.
5. 68 IAC 2-3-9.1(a)(6) provides all occupational licensees must submit, in writing, any other information that would affect the occupational licensee's suitability to maintain a license under the Act or this rule.
6. 68 IAC 13-1-1 provides (a) all commission licensees have a continuing duty to maintain suitability for licensure. A commission license does not create a property right but is a privilege contingent upon continuing compliance and suitability for licensure. (b) The commission may initiate an investigation or a disciplinary action, or both, against a licensee if the commission has reason to believe at least one (1) of the following: (1) The

licensee is not maintaining suitability for licensure. (2) The licensee is not complying with licensure conditions. (3) The licensee is not complying with the Act or this title.

7. On June 23, 2021, Licensee, through its outside counsel provided notice to the Commission that it had entered into a consent agreement with the Enforcement Division of the Pennsylvania Gaming Control Board (the "PGCB") after Licensee failed to disclose certain facts related to a Licensee executive surrendering his gaming license pursuant to a specific regulation requiring formal license surrender during the course of his retirement in 2019.
8. On July 1, 2019, following the Board of Director's receipt of a demand letter from the legal counsel of a then current female executive who was seeking separation from the company, the Licensee formed a Special Committee of its Board of Directors to investigate several allegations, included in the demand letter, with the guidance and direct involvement of experienced independent counsel. Those allegations included a complaint regarding her compensation relative to her male peers, her treatment in an earlier investigation that resulted in her being stripped of responsibility over Licensee's human resource's function, as well as an allegation that she was forced to engage in inappropriate sexual activity with an unspecified male executive.
9. In September 2019, a male executive discussed with Licensee's President/Chief Executive the possibility of retiring. However, unbeknownst to the Licensee at the time, that same executive would become the subject of the above referenced ongoing internal investigation.
10. After several denials, in late September/early October 2019, the male executive admitted that he did engage in a consensual sexual relationship with the female executive approximately ten (10) years before the investigation but denied that he pressured the female executive into the sexual relationship.
11. At Licensee's December 5, 2019 Board of Director's meeting, the Special Committee issued its findings. The Special Committee found that the executive violated the company's non-fraternization policy. The Special Committee (and the independent counsel retained) was unable to substantiate whether the sexual relationship between the male executive and the female executive was consensual or pressured.
12. As a result of the Special Committee's findings related to a human resources policy violation, the Licensee treated the matter as an internal employment issue and accepted the male executive's resignation/retirement on December 9, 2019, with an effective date of December 15, 2019. Licensee refused to provide the male executive with his 2019 annual cash bonus, and he did not receive the career restricted stock units.
13. The male executive identified in Licensee's consent agreement with PGCB was also licensed as a Level 1 Occupational Licensee in Indiana and held the position of Executive VP, Secretary and General Counsel at Licensee.

14. On December 16, 2019, Licensee provided notice to the Commission of the male executive's retirement, as required under applicable regulations. Licensee also provided the separation of service form as required; however, Licensee did not disclose any facts related to the internal investigation, special committee, or the female executive's allegations with the submission. Therefore, Licensee failed to report material information on a Level 1 licensee with the Commission that could question his suitability for licensure in Indiana. Even though the male executive was surrendering his license due to retirement, this material information should have been provided to the Commission, giving the Commission the opportunity to conduct a suitability review.
15. Licensee had a regulatory obligation to fully and properly disclose this information to the Commission as soon as it became aware of the issue. If it had disclosed this information to the Commission as required, the Commission could have had cause to seek disciplinary action against a Level 1 licensee, the highest licensing level in Indiana. Level 1 licensees are held to the highest standard.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Licensee by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38 and/or 68 IAC. The Commission and Licensee hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Licensee.

Licensee shall pay to the Commission a total of \$150,000 in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact of this Agreement. This Agreement extends only to those violations and findings of fact 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, Licensee agrees to promptly remit payment in the amount of \$150,000 and shall waive all rights to further administrative or judicial review.

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 all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the

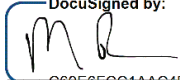
receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and Licensee.

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

Greg Small, Executive Director
Indiana Gaming Commission

Date

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Michelle Rasmussen, Corporate Director
Regulatory Compliance, Corporate
Compliance Officer
Boyd Gaming Corporation

12/16/2021

Date

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



Greg Small, Executive Director
Indiana Gaming Commission

12/17/21

Date

Michelle Rasmussen, Corporate Director
Regulatory Compliance, Corporate
Compliance Officer
Boyd Gaming Corporation

Date