

STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:

THE PETITION OF CAESARS ENTERTAINMENT)
COMPANY, AND CAESARS RESORTS COLLECTION,))
LLC FOR: (1) ALL NECESSARY APPROVALS)
INCLUDING APPROVAL TO ACQUIRE ALL OF THE)
OWNERSHIP OF CENTAUR HOLDINGS, LLC, AND)
ITS DIRECT AND INDIRECT SUBSIDIARIES)
INCLUDING CENTAUR ACQUISITION, LLC AND)
HOOSIER PARK, LLC AS SET FORTH IN THE UNIT)
PURCHASE AGREEMENT; (2) FINDS THE CHANGE)
IN OWNERSHIP IS IN THE BEST INTERESTS OF THE)
STATE OF INDIANA AND HORSE RACING; (3))
APPROVAL OF THE ACQUISITION FINANCING;)
(4) APPROVAL OF PRESERVATION OR TRANSFER)
OF RECOGNIZED MEETING PERMITS AND)
SATELLITE FACILITY LICENSES RELATED TO THE)
OPERATIONS OF INDIANA GRAND AND HOOSIER)
PARK; AND (5) SUCH OTHER APPROVALS AS MAY)
BE NECESSARY OR TO IMPLEMENT THE)
CONTEMPLATED TRANSACTION)

INDIANA
HORSE RACING COMMISSION

2018 JUN 19 A 11:10

**OFFICIAL NOTICE OF THE INDIANA HORSE RACING COMMISSION PURSUANT
TO I.C. 4-21.5-3-26(f)**

Consistent with the Amended Notice of Hearing and Amended Pre-Hearing Order of the Indiana Horse Racing Commission (the "Commission") dated June 7, 2018, the undersigned counsel for the Commission respectfully requests that the Commission take official notice, pursuant to I.C. 4-21.5-3-26(f), of the following:

1. That Centaur Holdings, LLC, and its Direct and Indirect Subsidiaries Including Centaur Acquisition, LLC and Hoosier Park, LLC, as set forth in the Unit Purchase Agreement (hereinafter "Centaur") and Caesars Entertainment Company and Caesars Resorts Collection, LLC (hereinafter "Caesars") are subject to, among other things, laws and regulations contained in Title 4, Articles 31, 33 and 35 of the Indiana Code (I.C. 4-31, I.C. 4-33 and I.C. 4-35) and Titles 68 and 71 of the Indiana Administrative Code (Indiana Gaming Commission and Indiana Horse Racing Commission Articles). This includes but is not limited to the following:
 - a. I.C. 4-31-3-9 (Commission's Powers);
 - b. I.C. 4-31-3-8 (Commission's Duties);
 - c. I.C. 4-31-5-1(c) (Commission may not issue permits for more than two recognized meetings);
 - d. I.C. 4-31-5-8 (Decision by Commission on Permit Application);

- e. I.C. 4-31-5-9 (Dates and Number of Racing Days);
 - f. I.C. 4-31-5-12 (Permit; Contents)
 - g. I.C. 4-31-5-12 (Transfer of Permits);
 - h. I.C. 4-31-8-1 (Rules governing horse races);
 - i. I.C. 4-35-5-4.5 (Horse racing permit required by gambling games licensee);
 - j. I.C. 4-35-7-1 *et seq.* (Conduct of Gambling Games at Racetracks)
 - k. 71 IAC 11-1-6 (Permit Criteria)
2. Any and all Commission records, exhibits, transcripts and prior Orders of the Commission issued during the ownership and/or operation of any Indiana pari-mutuel facility by Centaur including but not limited to:
- a. Commission Final Order (In re: Centaur's Acquisition of Indiana Grand) dated Jan. 7, 2013.
 - b. Commission Final Order (In re: Approval of Initial Distribution Agreement) dated December 10, 2013, file marked Jan. 2, 2014.

WHEREFORE, counsel for the Commission respectfully requests that the Commission take official notice, pursuant to I.C. 4-21.5-3-26(f) of the materials referenced herein during the public hearing noticed and scheduled to take place on June 27, 2018.



Robin L. Babbitt, Ind. Att. #3765-49
Attorney for Indiana Horse Racing Commission

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following parties by email this 19th day of June, 2018:

Philip C. Borst
pborst@iquest.net

Greg Schenkel, Vice-Chair
schenkelgreg@gmail.com

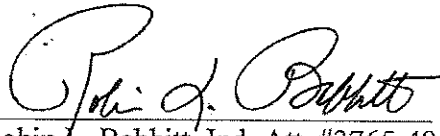
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Robin L. Babbitt, Ind. Att. #3765-49
Attorney for Indiana Horse Racing Commission

STATE OF INDIANA
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INDIANA
HORSE RACING COMMISSION

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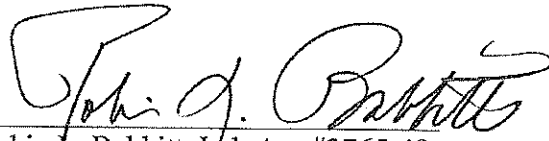
(REDACTED) EXHIBIT LIST OF INDIANA HORSE RACING COMMISSION

Comes now the Indiana Horse Racing Commission (“Commission”), by counsel, pursuant to the Amended Notice of Hearing and Amended Pre-Hearing Order dated June 7, 2018 and submits the following (Redacted) List of Exhibits that counsel will offer into evidence during the hearing of the above-captioned matter scheduled for June 27, 2018:

- A. Petition of Caesar’s Entertainment Company and Caesars Resorts Collection, LLC (“Caesars”) dated June 15, 2018, requesting any and all necessary Commission approvals to acquire all of the ownership interests of Centaur Holdings, LLC, and its direct and indirect subsidiaries (“Centaur”).
- B. Caesars’s Application to Transfer Ownership Interests in Racing Licenses filed with the Commission on March 14, 2018 (“Transfer Application”). Designated Binders are **CONFIDENTIAL** and the others are not.
- C. Redacted Staff Report of the Commission’s Executive Director filed on June 13, 2018, with attached exhibits:
 1. Copy of **71 IAC 11-1-6 “Permit Criteria”**.
 2. RG & E Report titled “A Report for the Indiana Horse Racing Commission- Considerations and Recommendations for the Commission” dated May 29, 2018.
 3. **CONFIDENTIAL** Report. This Report is **not attached to the public version of this exhibit list**.

4. **CONFIDENTIAL** report. This report is **not attached to the public version of this exhibit list**.
 5. **CONFIDENTIAL document**. Caesars and the IGC entered into a Settlement Agreement (Confidential when provided to the IHRC). A copy of this Settlement Agreement is **not attached to the public version of this exhibit list**.
 6. Hoosier Park and Indiana Grand Equipment Summary, Revised May 18, 2018.
 7. Centaurs 2017 State and Community Impact Report. A copy is not attached but a digital version may be downloaded directly from www.hoosierpark.com or www.indianagrand.com.
- D. Commission Final Order (In re: Centaur's Acquisition of Indiana Grand) dated Jan. 7, 2013.
 - E. Commission Final Order (In re: Approval of Initial Distribution Agreement) dated December 10, 2013, file marked Jan. 2, 2014.
 - F. Indiana Equine Industry Economic Impact and Health Study, September 2011, Authored by Susan E. Conners, Ph.D., Purdue University Calumet, Laurent Couetil, DVM, Ph.D., Purdue University, Jonathan M. Furdek, Ph.D., Purdue University Calumet, and Mark A. Russell, Ph.D., Purdue University. A digital version may be downloaded directly from 'www.vet.purdue.edu/esmc/files/documents/Indiana-Equine-Industry-Economic-Impact-and-Health-Study-2011.pdf'.
 - G. Indiana Standardbred Association ("ISA") Letter to Commission dated 6/11/2018;
 - H. IHBPA and QHRAI Letter to Commission (with attachments) dated 6/12/2018;
 - I. Letter from Indiana Gaming Commission Executive Director, Sara Tait, to Commission Executive Director dated 6/8/2018 re good standing and suitability of CEC Board Members/Directors, CEC and CEOC, LLC.
 - J. Caesars Biographies of CEC Board Members.
 - K. Caesars Press Release dated 11/20/17 (in re: Centaur and Caesars Joining Forces").
 - L. **CONFIDENTIAL document**. Powerpoint provided by Caesars to the Commission following IGC/IHRC Staff Meeting on April 9, 2018. A copy of this document is **not attached to the public version of this exhibit list**.
 - M. **CONFIDENTIAL document**. Letter from Cierzniak to Commission Executive Director dated 4/6/18 (In re: Financing of Proposed Transaction). A copy of this document is **not attached to the public version of this exhibit list**.
 - N. **CONFIDENTIAL document**. Letter from Caesars (Spoletini) to Regulators dated 2/18/18 (In re: Notice of Position Changes for Donovan and Carletta). A copy of this document is **not attached to the public version of this exhibit list**.

WHEREFORE, counsel for the Commission respectfully requests that the Commission make the designated exhibits a part of the record of the proceedings during the public hearing noticed and scheduled to take place on June 27, 2018.



Robin L. Babbitt, Ind. Att. #3765-49

Attorney for Indiana Horse Racing Commission

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following parties by email this 19th day of June, 2018:

Philip C. Borst, Chair
pborst@iquest.net

Greg Schenkel, Vice-Chair
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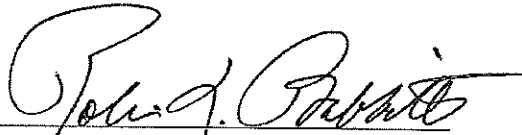
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Robin L. Babbitt, Ind. Att. #3765-49

Attorney for Indiana Horse Racing Commission

STATE OF INDIANA

BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:)
THE PETITION OF CENTAUR HOLDINGS, LLC,)
NEW CENTAUR, LLC, CENTAUR ACQUISITION,)
LLC, AND HOOSIER PARK, LLC, FOR:)
(1) APPROVAL TO TRANSFER LICENSES AND)
PERMITS FROM THE BANKRUPTCY ESTATE OF)
INDIANAPOLIS DOWNS, LLC AND INDIANA)
DOWNS CAPITAL CORP.; (2) APPROVAL TO)
ACQUIRE ALL OF THE ASSETS OF THE ESTATE AS)
SET FORTH IN THE ASSET PURCHASE)
AGREEMENT; (3) FIND THAT THE TRANSFER)
IS IN THE BEST INTERESTS OF THE STATE OF)
INDIANA AND HORSE RACING; (4) APPROVAL OF)
ACQUISITION FINANCING; (5) APPROVAL TO)
AMEND RACING DATES FOR ONE-BREED /)
ONE-TRACK RACING; (6) APPROVAL FOR)
CONSTRUCTION OF ADDITIONAL STALLS;)
(7) APPROVAL OF CONTINUED EXISTENCE OF)
EVANSVILLE SATELLITE FACILITY INCLUDING)
FUTURE ABILITY TO MOVE FACILITY; AND)
(8) SUCH OTHER APPROVALS AS MAY BE)
NECESSARY TO IMPLEMENT THE TRANSFER, THE)
PURCHASE OF ASSETS AND ALL OTHER MATTERS)
AS A PART OF AND NECESSARY TO THE)
APPROVALS.)

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INDIANA HORSE RACING COMMISSION

FINAL ORDER

This matter came before the Indiana Horse Racing Commission (the "Commission") on December 14, 2012 (the "Hearing") pursuant to The Petition (the "Transfer Petition") of Centaur Holdings, LLC, New Centaur, LLC, Centaur Acquisition, LLC, and Hoosier Park, LLC, filed on or about November 14, 2012, for: (1) Approval to Transfer Licenses and Permits from the Bankruptcy Estate of Indianapolis Downs, LLC and Indiana Downs Capital Corp.; (2) Approval to Acquire All of the Assets of the Estate as Set Forth in the Asset Purchase Agreement; (3) Find that the Transfer is in the Best Interests of the State of Indiana and Horse Racing; (4) Approval

of Acquisition Financing; (5) Approval to Amend Racing Dates for One-Breed/One-Track Racing; (6) Approval for Construction of Additional Stalls; (7) Approval of Continued Existence of Evansville Satellite Facility Including Future Ability to Move Facility; and (8) Such Other Approvals as May be Necessary to Implement the Transfer, the Purchase of Assets and all Other Matters as a Part of and Necessary to the Approvals filed on or about November 14, 2012. The undersigned Members of the Commission¹ having considered the Transfer Petition, the presentation of the Petitioners, the Commission Staff and others at a public meeting of the Commission which was conducted on December 14, 2012, and the various exhibits and other materials admitted into evidence which were referenced and considered at the meeting and being in all respects duly advised hereby render the following Final Order:

The Record Before the Commission

1. Petitioners Centaur Holdings, LLC, New Centaur, LLC, Hoosier Park, LLC, and Centaur Acquisition, LLC (collectively "Petitioners" or "Centaur") filed the Transfer Petition on November 14, 2012. The Transfer Petition included Centaur's Application and a significant number of exhibits, exceeding five hundred pages of detailed information regarding Centaur's proposed acquisition of Indianapolis Downs, LLC ("Indiana Downs"), Centaur's business plans for (a) operating Indiana Downs and (b) operating Hoosier Park and Indiana Downs together, and Centaur's related financial projections.

2. Pursuant to the Commission's Pre-Hearing Order, Centaur also submitted Pre-Filed Testimony on December 7, 2012, which included testimony from three Centaur employees, each of the State's horsemen's associations (the Indiana Standardbred Association, the Indiana

¹ Jason Barclay, a member of the Commission, recused himself from this matter pursuant to I.C. § 4-21.5-3-9(c) and the applicable provisions of the Indiana Rules of Professional Responsibility. Mr. Barclay attended the December 14, 2012 hearing but did not participate in the hearing, the related deliberation and vote, or the issuance of this Order.

Horsemen's Benevolent & Protective Association, the Indiana Thoroughbred Owners and Breeders Association, and the Quarter Horse Racing Association of Indiana), and several public officials. The testimony further attached letters from several veterinarians. These materials each expressed support for the Transfer Petition.

3. Pursuant to the Commission's Pre-Hearing Order and pursuant to I.C. § 4-21.5-3-26(f), Centaur also submitted a Request For Official Notice. The Commission granted that request and officially took administrative notice that Hoosier Park and Indiana Downs were subject to, among other things, laws and regulations contained in Title 4, Articles 31 and 35 of the Indiana Code (I.C. § 4-31 and I.C. § 4-35) and Titles 71 and 68 of the Indiana Administrative Code (Indiana Horse Racing Commission and Indiana Gaming Commission, respectively).

4. Pursuant to the Commission's Pre-Hearing Order, the Commission Staff submitted its Staff Report on December 10, 2012, recommending that the Transfer Petition be granted, subject to certain operational covenants such as the construction of additional stalls and obtaining additional certification of Indiana Downs' race track and operations.

5. The Commission further engaged Dr. Charlene Sullivan (Associate Dean of Undergraduate Programs and Professor of Finance at Purdue University's Krannert School of Management) to review and evaluate Centaur's financial projections. Dr. Sullivan has been engaged by the Indiana Gaming Commission for numerous similar matters over several years and has, from time-to-time also served as a consultant for the Commission.

6. Dr. Sullivan issued a preliminary draft report based upon information relating to the proposed transfer that was initially provided to her. That preliminary draft report was provided to Centaur on or about December 7, 2012. Thereafter, Centaur filed a Response to Dr.

Sullivan's report on December 12, 2012, together with Centaur's detailed financial model for the anticipated operations of Hoosier Park and Indiana Downs.

7. The Commission further requested additional information from Centaur on December 12, 2012 concerning other aspects of the financial terms and projections associated with Centaur's Transfer Petition. Centaur provided such information to the Commission that same day.

8. The Commission held a (public) Hearing on December 14, 2012. Notice of the Hearing, including the Commission's consideration of the Transfer Petition, was timely provided to the public on December 4, 2012.

9. All of the documents and information referenced above were offered and admitted into evidence at the Hearing. Certain exhibits were admitted pursuant to Stipulation and others were admitted after a proper foundation (under oath) was established at the Hearing.

10. Dr. Charlene Sullivan testified at the December 14, 2012 Hearing regarding her preliminary draft report that recommended "that the IGC and IRC should force management to provide a more detailed explanation of operating plans and have the opportunity to examine carefully the final debt contracts before approving the acquisition." Dr. Sullivan also testified after her subsequent review of the supplemental materials provided to her by Centaur. Dr. Sullivan further answered questions posed to her at the hearing by the Commission and the Petitioners.

11. Centaur also presented the testimony of seven individuals, five of whom were employed by Centaur and two of whom were engaged as independent expert witnesses to testify regarding industry trends and the reasonableness of Centaur's financial projections. These

witnesses were available to and did answer questions posed to them at the Hearing by the Commission.

12. The Executive Director of the Commission, Mr. Joe Gorajec, testified at the Hearing regarding his analysis that the Transfer Petition met applicable standards and was in the best interests of racing as long as certain conditions regarding additional stalls and NTRA accreditation were met. Mr. Gorajec did not address Centaur's financial projections or the proposed financing.

13. As reflected in the Commission's Pre-Hearing Order, the Commission further provided an opportunity for interested individuals or entities to speak on behalf of, or in opposition to, the Transfer Petition. Five individuals testified before the Commission. This testimony was overwhelmingly in support of the Transfer Petition.

14. Subject to the conditions and/or covenants contained in this Final Order, the Commission heard credible evidence and reviewed reasonable financial projections to consider the Transfer Petition and render this decision.

The Governing Criteria

1. The Commission has specifically evaluated and considered this Application against the Indiana General Assembly's stated criteria, as set forth in Indiana Code § 4-31-5-8. In particular, pursuant to Indiana Code § 4-31-5-8(c)(3), the Commission considered pre-filed testimony, witness testimony at the Hearing on December 14, 2012, the report of the Commission Staff, and other information which it deemed relevant, then deliberated in an open meeting and determined that granting the Transfer Petition, subject to the conditions and/or covenants herein, would be in the best interests of the Indiana horse racing industry and the State of Indiana.

2. The Commission also has considered and determined that Centaur's Transfer Petition is consistent with the Commission's permit requirements and factors, as outlined in 71 I.A.C. § 11-1-6.

Findings of Fact

1. The State of Indiana has cultivated a horse racing and breeding industry over the last two decades that has generated a significant state-wide economic impact. According to the Indiana Racing and Breeding Industry Survey (which has been admitted into evidence through the pre-filed testimony of Jim Brown), "the State of Indiana is generating extraordinary economic activity from its far-sighted design of an ongoing investment in the state horse racing and breeding industry." That Survey specifically concluded that the industry generates a direct impact of \$733 million and a total impact of more than \$1 billion on the State's economy. Also according to that Survey, the industry is responsible for the direct and related employment of 9,865 jobs across Indiana and further responsible for approximately \$69 million in state and local tax revenue.

2. By way of background, Hoosier Park opened in 1994 and was the State's only racetrack until December 2002, when Indiana Downs opened. The State's handle and directly-related tax revenue peaked a few years later in 2005, but has decreased each year since.

3. The Indiana General Assembly has passed several laws designed to support the racing and breeding industry. For example, in 2007 the General Assembly expressly limited competition within Indiana by fixing the number of track permits (2) and off-track betting facilities to the number of tracks and facilities that existed on the effective date of the legislation. By statute, therefore, there could (and can) be no more than two racetracks in the State of Indiana. The General Assembly (in 2007) also authorized the two tracks to conduct electronic

gambling games operations with the express requirement that fifteen percent of their adjusted gross gaming receipts be redirected to reinvestment in the horse racing industry. The permit to conduct such gaming operations was conditioned upon an initial license fee of \$250 million and capital improvements of another \$100 million.

4. Hoosier Park and Indiana Downs obtained their gambling games licenses and paid the requisite license and capital improvement fees. However, the debt burden and downturn in the economy proved too much to bear and both companies ultimately filed for bankruptcy. Centaur filed for bankruptcy in March 2010 and Indiana Downs filed for bankruptcy in April 2011.

5. In April 2011 (as Hoosier Park was emerging from bankruptcy and Indiana Downs was entering bankruptcy), the General Assembly considered, debated, and ultimately passed SB-36, which was commonly referred to as the "Two-Track Bill." Until that law was passed, the State's racetracks were required to have completely separate ownership structures. Pursuant to that amendment in the law (I.C. § 4-31-5-8(c)(3)), the General Assembly specifically authorized the two facilities to be owned by the same person (or entity) provided that this Commission determined such ownership to be in the best interests of the Indiana horse racing industry and the State of Indiana.

6. The General Assembly has specifically delegated to this Commission the responsibility and authority to determine if single-entity ownership is in the industry's and State's best interests. As noted throughout this Final Order, the Commission hereby finds that Centaur has met its burden of showing it is.

7. Centaur has emerged from bankruptcy and after the restructuring of its debt, it is a financially viable company.

8. Centaur presented multiple witnesses who described the thorough process that it used to develop its financial (revenue and profitability) projections and further described the specific bases for those projections. The confidential financial details underlying Centaur's projections and testimony were also submitted to the Commission and its Staff in advance of the Hearing. The testimony of Centaur's employees was supported by Centaur's independent expert witnesses who are very familiar with the gaming industry and attested to the reasonableness of Centaur's projections, including the reasons that consolidated ownership is in the State's best interests.

9. The Commission is mindful of the concerns and reservations expressed by Dr. Sullivan. Many of those have been addressed by the supplemental information provided by Centaur to Dr. Sullivan after she issued her Preliminary Report. The Commission also notes the testimony presented by Centaur that its gaming revenues, while not immune from competition from neighboring states, is not as vulnerable inasmuch as the vast majority of Centaur's customer base is from Central Indiana. While the terms and conditions of the final loan documents are not yet known, the Commission has been provided with parameters of the conditions and interest rates for the new debt. While there are no guarantees in going forward, the Commission finds there is a reasonable expectation that Centaur will be able to generate sufficient revenues to service the new debt obligations.

10. As noted below, the Commission has reserved the right and delegated to its Chair the responsibility to review Centaur's final financing documents to confirm that the financing plan remains feasible and that there has been no material change to the terms and conditions of the preliminary loan documents. Centaur's current revenue, operating, and EBITDA projections are reasonable. The detailed financial projections for a combined entity operating both facilities

reflect consistent revenue growth, significant operational savings and efficiencies, and the continued ability to make capital investments.

11. Centaur has a reputable management team that is well-known to the Commission and well-respected throughout the industry and across Indiana. The management team includes Rod Ratcliff (Chairman, Chief Executive Officer and Equity Manager), Kurt Wilson (Executive Vice President and Chief Financial Officer), Jim Brown (President and Chief Operating Officer), John Keeler (Vice President and General Counsel), Brian Elmore (Vice President of Racing), and others, each of whom has significant experience with racing issues. The suitability of these individuals was confirmed by Commission Ex. 7, the letter from Garth Brown, IGC Director of Background Investigation, to R. Babbitt dated December 11, 2012 regarding the suitability of Centaur's current Managers and Directors, which was admitted into the record.

12. The Commission Staff and each of the state-wide horsemen associations have endorsed Centaur's Transfer Petition. These endorsements collectively speak highly of Centaur's proven commitment to support the racing industry in Indiana. For example, the President of the Indiana Standardbred Association stated that: "This management team has demonstrated a commitment to the sport of horse racing not found at other tracks. It is responsive to the needs of horsemen, and has enthusiastically, financially, and creatively supported and promoted the sport. The management has operated Hoosier Park as an integrated facility, blending the entertainment attributes of racing and gaming in a manner that benefits the horse racing industry. The ISA is confident that the Centaur team's positive commitment to the horse racing industry would carry over to its operation of the Downs facilities."

13. Contrary to current industry trends, Centaur is increasing its investment in the racing side of its operations. Centaur recently made capital expenditures of approximately \$3

million to move and expand its satellite wagering facility in downtown Indianapolis to a new location at a time when satellite facilities are being closed in other States. Centaur also recently expended approximately \$750,000 to construct and install a new Jumbotron for the benefit of racing patrons at Hoosier Park.

14. Centaur's Transfer Petition also reflects its detailed plans to conduct single-breed races at each track (flat racing featuring thoroughbreds and quarter horses exclusively at Indiana Downs and standardbred racing exclusively at Hoosier Park). Each of the State's horsemen associations have submitted testimony fully supporting and endorsing this concept, often described as "one-breed/one-track racing".

15. According to all of the testimony submitted to the Commission, this change will provide the best and safest racing surface for the horses since each track can be specifically and permanently configured for the unique features of each breed. It will also significantly reduce industry expenses since horses will no longer need to rotate between tracks (twice each year), it will increase the safety of the equine athletes through a better track surface and fewer transitions between venues, and it will improve the quality of life for horsemen and jockeys who focus on a specific breed.

16. According to the testimony, this change is expected to also generate higher-quality and more-exciting races for customers. Centaur has indicated that it intends to specifically support one-breed/one-track racing with an extended and even more-effective racing-based marketing program. Centaur intends to support this initiative by building 300 additional stalls at Indiana Downs at significant expense, currently estimated to be \$2 million. Centaur has committed to seek certification for Grade 1 status for certain races at Indiana Downs. The improved races, featuring longer seasons and supported by new marketing

campaigns, are expected to increase race attendance and overall handle, which would generate better financial results for the industry as a whole and the State of Indiana.

17. This change is expected to further improve the quality of racing in Indiana. First, customers who regularly visit one facility will have the opportunity to become more familiar with the specific horses that are racing there. Second, the longer meetings, the increased purses, the enhanced safety measures, and the decreased transition expenses are expected to encourage more breeders to participate at Indiana's racetracks, thereby increasing the quality of racing.

18. All of these changes (including the capital expenditure investments, the change in management, and the single-breed seasons) are important to the Indiana horse racing industry given the financial and other perils the industry is facing both in Indiana and across the country. As noted above, for example, Indiana's total racing handle peaked at \$190 million in 2005, but has fallen each year through 2011 to approximately \$125 million. This decline is consistent with national trends.

19. Indiana's racing industry, moreover, has long been supported by State gaming revenues. Those funds have been reduced in recent years and future amounts are uncertain.

20. The Indiana horse racing industry, itself, is critical to the State of Indiana. In particular, it is critical to the State's broader agri-business initiatives. As previously stated, the Indiana Racing and Breeding Industry Survey concluded that the industry generated a direct impact of \$733 million and a total impact of more than \$1 billion on the State's economy. The Survey also recognized that the industry is responsible for the direct and related employment of 9,865 jobs across Indiana and further responsible for approximately \$69 million in state and local tax revenue.

21. The Industry Survey also recognized that “the State of Indiana is generating extraordinary economic activity from its far-sighted design of an ongoing investment in the state horse racing and breeding industry” and that “the equine industry is a significant export industry, generating in-state revenues from out-of-state sources.” The Survey further concluded: “This is an industry that is especially important to the two communities, Anderson and Shelbyville, and the surrounding areas, but the impact is statewide because of the broad statewide involvement of the breeding services, and likely other equine industry activity.”

22. Hoosier Park and Indiana Downs also directly provide significant financial support to the State of Indiana. Hoosier Park alone has paid approximately \$700 million in state and local taxes since 2008 and both facilities collectively employ approximately 2,500 people.

23. Indiana’s racino model (allowing electronic gaming at the State’s racetracks) was implemented by the General Assembly in 2007 based on the apparent recognition that racing and gaming have grown inseparable, with the dependence of racing on gaming revenues. As mentioned above, fifteen percent of the facilities’ gambling games revenues are directed to the racing industry, while the State also collects over \$100 million per year in wagering taxes from these facilities.

24. The 2010 Annual Report of the Gaming Study Committee (authorized by the Indiana Legislative Council – a bipartisan group of leaders from both chambers) concluded that casinos provided employment for approximately 15,000 workers in Indiana and that “it is in the best interests of the state and its taxpayers to take reasonable actions designed to protect jobs and future tax revenues from increased competition in neighboring states.”

25. Indiana’s casino and gaming industry has an increasingly significant impact on the State as a whole. According to the 2012 IGC Annual Report, Hoosier Park and Indiana

Downs are part of a state-wide gaming industry that provides approximately 15,000 jobs across the State and generates more than \$850 million in wagering and admission taxes (more than \$100 million of which is paid by Hoosier Park and Indiana Downs).

26. According to the Report on Distribution of Build Indiana Fund and Lottery and Gaming Revenues, the State's proceeds from gaming, racing, and lottery (the vast majority of which are from gaming) have been distributed to the State's General Fund, Teachers' Retirement Fund, Build Indiana Fund, Police/Fire Pension Relief Fund, Administrative Funds (including IHRC, IGC, and DOR), Other State Funds (as defined in the Report), and Local Distributions. A recent news publication admitted into evidence reported that "money from Indiana's expansive gambling industry [is] the third-largest source of money for the state [but] is dropping amid competition from neighboring states."

27. The Transfer Petition includes projections that appear to maximize gaming revenues as best as can reasonably be expected in this environment. Centaur's projections, for example, are based in part upon expected capital improvements including the addition of several hundred slot machines at both facilities and the construction of showrooms/performance theatres at both facilities. Centaur's proposed acquisition remains subject to review and approval by the Indiana Gaming Commission (the "IGC"), which is tasked with considering (among other things) the prospective total revenue to be collected by the State from the conduct of gambling games and the positive economic impact that the applicant's plan will have on the entire State of Indiana.

28. In addition, the Commission has considered a pending settlement between Centaur and the State of Indiana that will only become effective if this transaction is completed. In October 2011, the United States Bankruptcy Court for the District of Delaware (Court)

entered an order in the matter of *In re Indianapolis Downs, et al*, No. 11-11046 (Bankr. D. Del.) determining that neither Indiana Downs nor Hoosier Park were obligated to pay the graduated wagering tax on funds they were required to pay others pursuant to I.C. § 4-35-7-12(b). That decision is currently the subject of an appeal filed with the Third United States Circuit Court of Appeals; however, if the underlying decision were affirmed, there would be a very substantial financial loss to the State of Indiana (in excess of \$100 million). The terms of the Settlement have been submitted to the Commission as Confidential pursuant to applicable Rules, though the Commission is comfortable stating that the impact of the Settlement to the State of Indiana is substantially more favorable than if the decision against the State were to be affirmed.

29. Centaur's operation of both Hoosier Park and Indiana Downs will also remain under the strict supervision of this Commission and the IGC. As an initial matter, the licenses and permits issued by the Commission and the IGC remain subject to annual applications, consideration, and renewal.² Both the Commission and the IGC also share the overall regulation of their respective interests in the operations of the racinos.

30. For example, the Commission prescribes the rules and conditions of racing and initiates safeguards to account for the amount of money wagered at each track. The Commission also is empowered to adopt rules pertaining to the integrity of racing and related wagering, including dates/times of racing, procedures for wagering, and the wagering information to be provided to the public. The manner in which each race's wagering pools, pay-outs, and commissions are calculated also are further explicitly regulated by statute and the Commission.

31. The Commission may also demand at any time that a permit holder furnish the Commission with a full and complete statement of receipts, expenditures, attendance, and any

² Centaur understands and acknowledges that this Final Order will result in the issuance of two separate racing permits and will obligate Centaur to make the payments for each permit and license required by I.C. § 4-35-7-12 and I.C. § 4-35-8.7-2.

other information that the Commission requires. Each track must also provide and maintain equipment that displays the totals wagered in a manner that permits ready tabulation and recording of those totals by the Commission's representative before the wagering proceeds are cleared.

32. The Commission is further responsible for approving or denying licenses for every individual or employee associated with racing. The Commission must also approve (i) any contract exceeding \$50,000 that a permit-holder wishes to execute, (ii) any plans to modify the racing facility that exceed \$50,000 in costs, and (iii) certain transfers or pledges of an individual's or entity's ownership interest(s) in a permit-holder.

Conclusions of Law

A. Centaur's Transfer Petition Satisfies the Factors Set Forth in I.C. § 4-31-5-8

1. Pursuant to I.C. § 4-31-5-8(b)(1), the Commission may deny a permit to any applicant if denial is in the public interest. Pursuant to I.C. § 4-31-5-8(c)(3), moreover, the Commission shall deny a permit to any applicant that (either directly or through the applicant's owners) already holds the State's other racing permit unless the Commission determines that the applicant's petition is in the best interests of the Indiana horse racing industry and the State of Indiana.³

2. The Commission has fully considered the voluminous and detailed record before it and has unanimously determined that Centaur's Transfer Petition is in the best interests of the Indiana horse racing industry and the State of Indiana pursuant to I.C. § 4-31-5-8(c)(3), and that it is also therefore in the public interest pursuant to I.C. § 4-31-5-8(b)(1).

³ The remaining elements of I.C. §§ 4-31-5-8(b) and (c) do not apply to Centaur's Transfer Petition since Centaur has not defaulted on any payments described therein.

3. Centaur's Transfer Petition is in the best interests of the Indiana horse racing industry based upon all of the facts set forth above, including:

- (a) the combination will create an Indiana company with enhanced financial strength;
- (b) Centaur's proposed one-breed/one-track racing platform has been universally applauded by horsemen and the entire industry;
- (c) Centaur has an excellent management team that is fully-committed to cultivating a successful racing industry in Indiana; and
- (d) Centaur's Transfer Petition would create an enhanced customer experience, all of which are likely to generate increased attendance and handle (wagering revenues) than would otherwise be expected or could reasonably be achieved with separate enterprises.

Centaur's Transfer Petition will help provide higher-quality and more entertaining races for fans, while also increasing the horsemen's and the state's revenues and maximizing equine safety.

4. The Commission further finds that Centaur's Transfer Petition is in the best interests of the State based upon all of the facts set forth above, including:

- (a) the anticipated effect of increasing capital expenditures and economic development;
- (b) increased tax revenues and employment opportunities that Indiana derives from its racing and gaming industries;
- (c) positive impacts upon Indiana's agribusiness economy; and
- (c) resolution of pending tax litigation involving significant financial exposure to the State.

Maintaining the viability of the State's racetracks is critical to preserving the jobs and tax revenues that the State General Assembly has consistently sought to generate and protect. The racing industry faces many challenges that would be mitigated by approving the Transfer Petition. The Commission also is mindful of the financial difficulties that both racetracks have

experienced (with Indiana Downs currently in bankruptcy), such that the Commission believes that approving this Transfer Petition is clearly the best way to continue and support the racing and breeding industries in Indiana.

The Commission also is mindful that Hoosier Park and Indiana Downs are part of the State's gaming operations, which provide approximately 15,000 jobs across the State and generate more than \$850 million in wagering and admission taxes (more than \$100 million of which is paid by Hoosier Park and Indiana Downs). It also has been reported that gaming-related taxes are the State's third largest revenue source. Based on the testimony above, the Commission finds that Centaur's increased volume and, therefore, increased revenues projections are credible and reasonable.

B. Centaur's Transfer Petition Also Satisfies the Factors Set Forth in 71 I.A.C. § 11-1-6

5. 71 I.A.C. § 11-1-6 sets forth the regulatory factors this Commission shall apply when considering whether to grant an applicant's petition for a new permit. That same section also applies to transfer petitions such as Centaur's, though certain factors set forth therein clearly apply only to new permits (and, thus, not to transfer petitions).

6. As relevant here, the Commission concludes (among other things), pursuant to 71 I.A.C. § 11-1-6(a), that Centaur is qualified and financially able to operate a race track and that transferring the permit will ensure that racing will be conducted with the highest of standards and the greatest level of integrity, and will further ensure the protection of the public interest. Pursuant to 71 I.A.C. § 11-1-6(b), the Commission also has considered (among other things) Centaur's integrity, the quality of physical improvements and equipment being proposed by Centaur, Centaur's management ability, and Centaur's efforts to promote, develop, and improve the horse racing industry in Indiana.

7. The Commission, having considered all of the facts set forth above and the entire record presented to the Commission, hereby concludes that Centaur's Transfer Petition establishes by credible and substantial evidence that all of the applicable factors outlined in 71 I.A.C. § 11-1-6 have been met.

* * *

WHEREFORE, for the foregoing reasons, the Commission concludes that Centaur's Transfer Petition meets or exceeds all of the applicable statutory and regulatory standards and specifically finds that Centaur's Transfer Petition is in the best interests of the Indiana horse racing industry and the State of Indiana. The Commission, therefore, **ORDERS AND DECREES** that Centaur's Transfer Petition is **GRANTED**, and specifically that the Permit to conduct racing at Indiana Downs, the License to operate a satellite wagering facility in Clarksville, IN, and the (currently inactive) License to operate a satellite wagering facility in Evansville, IN shall be transferred to Centaur subject to the following conditions and covenants:

1. Centaur's Permit to conduct racing at Indiana Downs (and related Licenses) is subject to the condition of receiving approval from the IGC to transfer Indiana Downs' gambling games license to Centaur and other Federal approvals and/or authorizations as may be required by law.
2. Centaur's Permit (and related Licenses) is subject to the condition that the Chairman of the Commission shall review and approve the final financing documentation, which authority has been delegated in whole to the Chairman by the Commission and which approval shall be independent of any similar approval which is required from the IGC.
3. Centaur's Permit (and related Licenses) is subject to the pre-closing condition of continuity in management such that Mr. Rod Ratcliff shall not voluntarily or involuntarily be

removed as Chief Executive Officer or Equity Manager without Commission approval, nor shall his employment contract be terminated (notwithstanding any such right to terminate held by Centaur or its Managers) without Commission approval. Centaur's Permit (and related Licenses) is similarly subject to the pre-closing condition that no other management-level employee who is subject to an employment agreement shall be terminated (notwithstanding any such right to terminate held by Centaur or its Managers) without Commission approval.

4. Centaur covenants that, post-closing, Mr. Rod Ratcliff shall not voluntarily or involuntarily be removed as Chief Executive Officer or Equity Manager without Commission approval, nor shall his employment contract be terminated (notwithstanding any such right to terminate held by Centaur or its Managers) without Commission approval. Centaur similarly covenants that, post-closing, no other management-level employee who is subject to an employment agreement shall be terminated (notwithstanding any such right to terminate held by Centaur or its Managers) without Commission approval.

5. Centaur covenants to conduct one-breed/one-track racing as discussed above on racing dates to be approved annually by the Commission and to construct 300 additional stalls at Indiana Downs. If the transaction is completed by March 1, 2013, Centaur agrees to conduct one-breed/one-track racing in 2013 and agrees to complete the construction of 150 stalls at Indiana Downs by July 29, 2013 and another 150 stalls by July 29, 2014. If the transaction is not completed by March 1, 2013, then Centaur shall conduct one-breed/one-track racing in 2014 on approved dates and all (300) stall-construction deadlines shall be extended to no later than July 29, 2014.

6. Centaur covenants not to construct the required additional stalls without first submitting the plans and construction contracts for such stalls to the Executive Director of the

Commission, who is delegated the authority to review and approve such plans and contracts on behalf of the Commission.

7. Centaur covenants to cause the Indiana Downs racing facility to become fully-accredited by the National Thoroughbred Racing Association within eighteen months of completing its acquisition of Indiana Downs.

8. Centaur covenants to seek and obtain the Commission's approval before re-opening or re-locating (if Centaur so desires) the satellite wagering facility previously operated by Indiana Downs in Evansville, IN and acknowledges that such determination will be deferred pending an appropriate petition (that complies with statutory and regulatory requirements); and

9. Centaur acknowledges that warrants issued under the third lien term loans cannot be exercised without the prior written approval of the Commission.

10. Centaur covenants that each Member and/or Controlling Person of Centaur Holdings, LLC (as listed in response to Question V.D. 9 and V.E. of the Transfer Application and as identified in Commission Ex. 7) or their successors will maintain a current license and a status of "good standing" with the Indiana Gaming Commission.

11. Centaur's operations shall remain subject to the continued review and regulation by the Commission and the IGC (pursuant to laws and regulations contained in Title 4, Articles 31 and 35 of the Indiana Code, I.C. § 4-31 and I.C. § 4-35, and Titles 68 and 71 of the Indiana Administrative Code).

ORDERED this 7th day of January, 2013, by the Indiana Horse Racing Commission.



William Diener, Chairman

FROM :

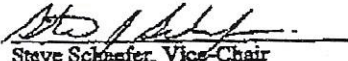
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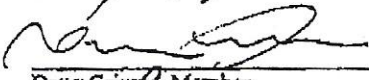
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Steve Schaefer, Vice-Chair


Doug Grimm, Member


Greg Schenkel, Member

CONDITION AND COVENANT JOINDER

Petitioners hereby join in this Order to evidence their acceptance of and agreement to the conditions and covenants imposed upon Petitioners by the foregoing Final Order.

Dated this _____ day of January, 2013.

Centaur Holdings, LLC

By: _____

Title: _____

New Centaur, LLC

By: _____

Title: _____

Hoosier Park, LLC

By: _____

Title: _____

Centaur Acquisition, LLC

By: _____

Title: _____

STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:)
THE PETITION OF CENTAUR HOLDINGS, LLC,)
NEW CENTAUR, LLC, HOOSIER PARK, LLC,)
CENTAUR ACQUISITION, LLC, INDIANA)
HORSEMEN'S BENEVOLENT & PROTECTIVE)
ASSOCIATION, INC., INDIANA STANDARD-)
BRED ASSOCIATION, INC. AND QUARTER)
HORSE RACING ASSOCIATION OF INDIANA,)
INC. REQUESTING THAT THE COMMISSION)
APPROVE INITIAL DISTRIBUTION)
AGREEMENT)

FINAL ORDER

This matter came before the Indiana Horse Racing Commission (the "Commission") on October 29, 2013 and December 10, 2013 ("October Hearing", "December Hearing" collectively referred to as the "Hearings") pursuant to The Petition (the "Petition to Approve the IDA") of Petitioners, Centaur Holdings, LLC ("Old Centaur"), New Centaur, LLC ("New Centaur"), Hoosier Park, LLC ("Hoosier Park"), and Centaur Acquisition, LLC ("Indiana Downs") (Hoosier Park and Indiana Downs are collectively referred to as the "Licensees") (Old Centaur, New Centaur and Licensees are collectively referred to as "Centaur"), by counsel, and Indiana Horsemen's Benevolent & Protective Association, Inc. ("IHBPA"), Indiana Standardbred Association, Inc. ("ISA"), and Quarter Horse Association of Indiana, Inc. ("QHRAI") (IHBPA, ISA and QHRAI are collectively referred to as the "Associations"), to approve the Initial Distribution Agreement executed on or about September 26, 2013 ("IDA"). The undersigned Members of the Commission having considered the above referenced Petition, the presentation of the Petitioners, the testimony of the Commission Staff and others at the Hearings conducted before the Commission during public meetings, and the various exhibits and other materials admitted into evidence which were referenced

and considered at the Hearings and being in all respects duly advised hereby render the following Final Order:

The Record Before the Commission

1. Petitioners filed the Petition to Approve the IDA on September 27, 2013. The Petition included the IDA signed on Sept. 26th, 2013 with attachments. (Centaur Exhibits 1 & 2)

2. Pursuant to the Commission's Oct. 3, 2013 Pre-Hearing Order ("October Pre-Hearing Order"), Centaur submitted Pre-Filed Testimony on November 15, 2013, which included testimony from four Centaur representatives, both Licensee and Association representatives of the Negotiation Committees as well as representatives testifying from and/or on behalf of each of the State's horsemen's associations (the ISA, the IHBPA, the QHRAI, and the Indiana Thoroughbred Owners and Breeders Association, "ITOBA"). These materials separately expressed support for the Petition to Approve the IDA.

3. Pursuant to the Commission's October Pre-Hearing Order, the Commission's November 13, 2013 Pre-Hearing Order ("November Pre-Hearing Order") and pursuant to I.C. § 4-21.5-3-26(f), Centaur also submitted two separate Requests For Official Notice. The Commission separately granted those requests and officially took administrative notice that Hoosier Park and Indiana Downs and the Negotiation Committees were subject to, among other things, laws and regulations contained in Title 4, Article 35 of the Indiana Code (I.C. § 4-35) and Title 71 of the Indiana Administrative Code .

4. Pursuant to the Commission's October Pre-Hearing Order, the Commission Staff submitted its Staff Report: Analysis of Initial Distribution Agreement ("IDA") on Oct. 21, 2013 ("Staff Report"), recommending that the Petition to Approve the IDA be granted by the Commission. It recognized that the potential refinance contemplated by the IDA "appears to be the only vehicle to take the horse racing program to the next level." (Staff Report, p. 3)

5. The Commission Staff requested additional information from Centaur on October 16, 2013 relating to four (4) questions concerning to the Petition to Approve the IDA and the Pre-filed testimony submitted on October 15, 2013. Centaur provided such information to the Commission on October 17, 2013. (Letter from Robin Babbitt to Joe Gorajec dated Oct. 17, 2013, admitted into the administrative record, October Hearing Transcript, p. 120)

6. Thereafter, the Commission's counsel requested that Centaur submit a filing specifically outlining the proposed structure of subordinated distributions under the existing statutory structure. (Memo from Ice Miller to the Commission dated Oct. 22, 2013, admitted into the administrative record, October Hearing Transcript, p. 120)

7. The Commission held an initial (public) Hearing on Oct. 29, 2013. Notice of the Hearing, including the Commission's consideration of the Petition to Approve the IDA, was timely provided to the public.

8. In compliance with the October Pre-Hearing Order, Centaur's Witness and Exhibit List was filed on October 15, 2013. All of the documents and information referenced above were offered and admitted into evidence at the October Hearing.

9. At the October Hearing, the Petitioners presented the testimony of twelve individuals, four of whom were employed by and/or representatives of Centaur, and eight horsemen representing all of the racing breeds and 2013 recognized horsemens' associations. All of these witnesses were available to answer questions posed to them at the Hearing by the Commission.

10. As reflected in the October Pre-Hearing Order, the Commission further provided an opportunity for interested individuals or entities to speak on behalf of, or in opposition to, the Petition. At the October Hearing, no one testified during this portion of the hearing.

11. At the October Hearing, having heard testimony and considering the evidence and filings before it, the Commission took two votes but was unable to take action on the Petition to Approve the IDA. (October Hearing Transcript, pp. 142 – 145.)

12. In compliance with the November Pre-Hearing Order, on Nov. 26, 2013, Centaur submitted a Supplemental Pre-Hearing Brief. That brief was made a part of the administrative record (along with the PowerPoint of Centaur's oral presentation) during the December Hearing. (December Hearing Transcript, pp. 5, 30)

13. At the December Hearing the Chair announced that sometime between the Hearings the Commission's counsel, at the request of one of the Commission members, had prepared and circulated a legal analysis to the Commission addressing whether the horsemen's associations, as a matter of law, could subordinate monies distributed for breed development and purses. That document was made an (*in camera*) part of the administrative record. (December Hearing Transcript, p. 62). That legal analysis remains confidential.

14. As reflected in the Commission's November Pre-Hearing Order, the Commission provided an additional opportunity at the December Hearing for the Petitioners to make an oral presentation and for interested individuals or entities to speak on behalf of, or in opposition to, the Petition to Approve the IDA. Pursuant to the November Pre-Hearing Order, Centaur's counsel addressed the Commission on behalf of the Petitioners. In addition, during the public testimony portion of the December Hearing, one (1) witness testified. That testimony supported the Petition to Approve the IDA. There was no testimony presented or offered at either the October or December Hearings opposing the IDA or expressing concerns about its subordination provisions.

15. The Commission considered the exhaustive administrative record presented and the thorough, credible, substantial and reliable evidence presented by the Petitioners in evaluating the Petition to Approve the IDA and in rendering this decision.

The Governing Criteria

1. The Commission has specifically evaluated and considered the Petition to Approve the IDA against the Indiana General Assembly's stated criteria, as set forth in I.C. § 4-35-7-18. In particular, the Commission considered pre-filed testimony, witness testimony and evidence presented at the October Hearing, the report of the Commission Staff, other documents and information made a part of the administrative record pursuant to the October and November Pre-Hearing Orders, the oral presentation made at the December Hearing on behalf of the petitioners as well as public comment and then publicly deliberated at the October and December Hearings. Following those deliberations, the Commission unanimously¹ decided that granting the Petition to Approve the IDA would be in the best interests of pari-mutuel horse racing in Indiana and approved the IDA.

Findings of Fact

1. Indiana's racino model (allowing electronic gaming at the State's racetracks pursuant to IC 4-35-7-1 *et seq.*; "Gambling Games at the Racetracks Act") was implemented by the General Assembly in 2007 based on the apparent recognition that racing and gaming have grown inseparable, with the dependence of racing on gaming revenues. (Commission Final Order, Jan. 7, 2013, Centaur Exhibit 3, Finding of Fact #23)

2. During the 2013 legislative session, substantial changes were made to the Gambling Games at the Racetrack Act as a result of the enactment of SB 609. This essentially

¹ Chairman Bill Diener abstained from the vote. Commissioners Steve Schaefer, Greg Schenkel, Tom Weatherwax and George Pillow voted in favor.

removed the provisions that would redirect cap money to the State of Indiana and established a mechanism whereby the Licensees and Associations could negotiate an agreement that would provide for at least 10% and no more than 12% of adjusted gross receipts from the slot machine wagering ("AGR") to be paid to the statutorily identified horse racing interests. I.C. § 4-35-7-16.

3. The General Assembly has specifically delegated to this Commission the responsibility and authority to determine if a proposed distribution agreement is in the best interests of pari-mutuel racing in Indiana and has met the other criteria of I.C. § 4-35-7-18.

4. Petitioners presented multiple witnesses who described the thorough and public process utilized to arrive at the IDA presented to the Commission. The pre-filed testimony of John Keeler (with attachments) (Centaur Exhibit 12), Jack Kieninger (Centaur Exhibit 6), Joe Davis (Centaur Exhibit 8), Chris Duke (Centaur Exhibit 9), Rod Ratcliff (Centaur Exhibit 11) and the corresponding live testimony presented to the Commission at the October Hearing clearly established that the Associations and Licensees negotiation committees were constituted in compliance with the statutory directives and that the negotiation committees fully complied with all statutory procedural requirements necessary to enter into a binding distribution agreement. (October Hearing Transcript, pp. 19-32, 89-96, 99-102, 105-119)

5. The testimony of those same witnesses and the related testimony of Tom Mosley (October Hearing Transcript, pp. 62-76), Nat Hill (Centaur Exhibit 7; October Hearing Transcript, pp. 79-87), Mike Brown (October Hearing Transcript, pp. 92-99) and Herb Likens (Centaur Exhibit 10; October Hearing Transcript, pp. 102-105) confirmed that the IDA was unanimously supported by the Licensees (both tracks and the at-large representative of the negotiations committee) and the constituents of all four of the 2012 registered horsemen's associations, that it was freely and voluntarily entered into by the parties, and that it was the result of extended, good faith, give-and-take negotiations.

6. The IDA has a number of key terms. First, the distribution percentage is set at the maximum percentage allowed by law (12%). The initial term is one (1) year, but the agreement automatically renews (unless cancelled in writing) each year. If certain conditions and obligations, as described in Paragraph 7, are satisfied, the IDA will extend to an additional seven (7) year term. In agreeing to a long-term contract, the Associations and their constituents are the beneficiaries of predictability and stability. The IDA provides for immediate racing side investment/capital improvements at the tracks that are to be completed no later than the start of the 2015 race meet.² (Exhibit "A" to the IDA). Contrary to current industry trends, Centaur is continuing to increase its investment in the racing side of its operations. (October Hearing Transcript, pp. 67-68, 81-82; See also, Commission Final Order, Jan. 7, 2013, Centaur Exhibit 3, Finding of Fact #13). The distribution of funds under the IDA follows the current statutory guidelines and regulatory requirements and the IDA does not impact or impair any enforcement rights or tools currently available to the Commission.

7. Moreover, if certain IDA conditions and requirements are satisfied (Extension Conditions and Extension Requirements) then the IDA will extend to an additional seven (7) year term. This would give rise to the Licensees' obligation to make addition capital expenditures of up to \$31,500,000 (thirty one and a half million dollars) to improve the tracks. In addition, it would effectuate the Licensees' and Associations' agreement to implement a number of operational changes for the benefit of racing. (Exhibit "B" to the IDA). *See* Pre-Filed Testimony of Jack Kieninger, Joe Davis, Chris Duke, Herb Likens (Centaur Exhibit 7), John Keeler and Brian Elmore (Centaur Exhibit 5; Testimony of Brian Elmore, October Hearing Transcript, pp. 33-40)

² Subject to Commission approval of the IDA, Centaur was prepared (and actually began) to set in motion the completion of the expensive near-term capital improvements at Indiana Downs (including significant track surface improvements, renovation of existing dorm rooms and construction of new dorm rooms, and the addition of 100 new stalls for quarter horses).

8. Centaur has a reputable management team that is well known to the Commission and well respected throughout the industry and across Indiana. The management team includes Rod Ratcliff (Chairman, Chief Executive Officer and Equity Manager), Tammy Schaeffer (Chief Financial Officer), Jim Brown (President and Chief Operating Officer), John Keeler (Vice President and General Counsel), Brian Elmore (Vice President of Racing), and others, each of whom has significant experience with racing issues. (Commission Final Order, Jan. 7, 2013, Centaur Exhibit 3, Finding of Fact #11; October Hearing Transcript, pp. 41-47, 69-70)

9. The Commission Staff and each of the statewide horsemen's associations have strongly and unanimously endorsed the Petition to Approve the IDA. These endorsements collectively speak highly of Centaur's proven commitment to support the racing industry in Indiana. (October Hearing Transcript, pp.98-99; *See also*, Commission Final Order, Jan. 7, 2013, Centaur Exhibit 3, Finding of Fact #12)

10. Association representatives made clear during their testimony that they have trust and confidence in the Centaur management team and that an important IDA benefit to the Associations was that they would be able to continue their positive relationship with the current Centaur management team. (Testimony of Tom Mosley, Nat Hill, Mike Brown, Jack Kieninger, October Hearing Transcript, pp. 75-76, 81, 83-84, 91-92, 96-99)

11. The Licensees have represented that the IDA provides flexibility for Centaur to explore refinancing options in the marketplace that can benefit both Licensees and the Associations. *See* Pre-Filed Testimony of Rod Ratcliff (Centaur Exhibit 11) and Tammy Schaeffer (Centaur Exhibit 13). A refinancing would provide additional capacity for future capital projects and would likely lead to a simplified debt structure for Centaur. The subordination provisions of the IDA allow Centaur to explore potential financing options that could reduce the cost of capital. These provisions put Centaur in the position to attempt to

negotiate favorable financing arrangements that could potentially be presented to the Commission (and the Indiana Gaming Commission). (Testimony of Rod Ratcliff, October Hearing Transcript, pp. 105-119; Testimony of Tammy Schaeffer, October Hearing Transcript, pp. 41-47)

12. The provisions of the IDA are interdependent – not independent. (IDA, ¶¶ 5(b) and (c); Testimony of Nat Hill, October Hearing Transcript, p.81; See also, Testimony of Tom Mosley, October Hearing Transcript, p.76).

13. Prior to the October Hearing, the Commission's counsel requested that Centaur submit a filing specifically outlining the proposed structure of subordinated distributions under the existing statutory structure. That memo provided that "[u]pon an event of default, at the senior lender's discretion, some or all of the Payments may be temporarily redirected to pay the obligations of the Debtors." That same memo identified "Payment" as a defined term that constitutes 100% of the 12% distributions contemplated by the IDA, which includes purse and breed development distributions. (Oct. 22, 2013 Memo from Ice Miller to IHRC, pp.1, 3)

14. Moreover, the potential subordination of the full amount of the 12% distributions was fully discussed and considered when the IDA was negotiated and executed by the negotiation committees and was fully disclosed (by the Petitioners) to and understood by the Commission during its consideration of the IDA. (October Hearing Transcript, pp. 57-60, 130-132; December Hearing Transcript, pp. 28-29, 66-67) The three Associations' negotiation committee members understood the potential scope and extent of subordination as they evaluated the benefits and risks presented by the IDA when the terms were negotiated. (October Hearing Transcript, pp. 91-92)

15. In compliance with the November Pre-Hearing Order, on November 26, 2013, Centaur submitted a Supplemental Pre-Hearing Brief addressing: (1) the authority of the Associations' negotiation committee representatives to enter into an agreement to subordinate

with respect to purse and breed development funds; and (2) whether the subordination of all monies distributed pursuant to a distribution agreement (including purses and breed development payments) would be lawful pursuant to the provisions of I.C. § 4-35-7-12 and SB 609.

16. To the extent that a Finding of Fact in this Final Order would be more properly stated as a Conclusion of Law, it is considered to be restated as such.

Conclusions of Law

First Conclusion of Law: The Licensees and Associations have acted in compliance with I.C. § 4-35-5-16 to establish negotiation committees on behalf of the Associations and Licensees and to negotiate and enter into an initial distribution agreement that meets the statutory criteria.

1. Subsections (b) and (c) of I.C. § 4-35-7-16 set forth the procedures that must be followed with respect to appointing and constituting the negotiating committee representing all racing breeds of horsemen (the Associations' negotiation committee) and the tracks (the Licensees' negotiation committee).

2. Subsection (d) of I.C. § 4-35-7-16 sets forth the procedural requirements that must be met to enter into a binding distribution agreement.

3. The pre-filed testimony of John Keeler (with attachments), Jack Kieninger, Joe Davis, Chris Duke and Rod Ratcliff and the corresponding testimony presented to the Commission at the October Hearing clearly established that the Associations' and Licensees' negotiation committees were constituted in compliance with the statutory directives and that the negotiation committees fully complied with all statutory procedural requirements necessary to enter into a binding distribution agreement.

4. Each official meeting of the Negotiation Committee complied with the requirements of the Indiana Open Door Law, was held in a public place, was open to the public and solicited and allowed public comment. Pre-filed Testimony of John Keeler, (Centaur Exhibit 12, ¶ 3)

5. The First Conclusion of Law is supported by the Findings of Fact and by the other Conclusions of Law (and supporting information) contained in this Final Order which are incorporated herein by reference.

Second Conclusion of Law: The IDA complies with the requirements of I.C. § 4-35-7-16(e).

1. The IDA submitted to the Commission by Petition dated September 27, 2013, was in compliance with I.C. § 4-35-7-35(e) in that it was in writing; was in compliance with I.C. § 4-35-7-35(f), in that it provides for 12% of AGR to be distributed pursuant to I.C. § 4-35-7-12(b)(2); contains terms determined to be necessary and appropriate by the negotiation committees, including the potential subordination of all distributions made pursuant to the IDA³ that are lawful and in compliance with I.C. § 4-35-7-12; and was unconditionally approved by a unanimous Commission vote of 4-0 at the December Hearing.⁴

2. The Second Conclusion of Law is supported by the Findings of Fact and by the other Conclusions of Law (and supporting information) contained in this Final Order which are incorporated herein by reference.

Third Conclusion of Law: The IDA Submitted by the Petitioners Satisfies the Criteria Set Forth in I.C. § 4-35-7-18, is in the public interest and should be approved.

1. The IDA satisfies the statutory criteria set forth in I.C. § 4-35-7-18 and provides important tools and concessions to both Licensees and Associations.

a) The IDA serves the “best interests of pari-mutuel wagering”. I.C. § 4-35-7-18(1):

³ Section 5(c) of the IDA identifies the horsemen’s associations “right to receive”, which is three percent of the 12 percent of AGR that will go to the horsemen. However, evidence before the Commission, including testimony and filings, which has been made part of the record makes clear that Centaur and the Associations intended to subordinate the entire 12 percent of AGR that the associations are authorized to negotiate on behalf of the horsemen. The Commission had the opportunity to consider the IDA and question witnesses from that vantage point.

⁴ Chairman Diener abstained from the vote. See footnote 2, supra.

- 1) It creates a multi-year agreement providing for continuity of the relationship between the Licensees and the horsemen;
 - 2) It provides for an immediate racing side capital investment of \$5 million; and
 - 3) It provides a realistic path towards an additional \$16-31 million of capital expenditures at the facilities.
- a) The IDA maintains “the highest standards and greatest level of integrity” of racing. I.C. § 4-35-7-18 (2):
- 1) The Negotiation Committees meetings were conducted at arms’ length, with the benefit of counsel and advisors, utilizing the Open Door/Public Meeting safeguards;
 - 2) The Associations’ Negotiation Committee members kept their members fully informed;
 - 3) All Negotiation Committee members acknowledged the respect and civility of the negotiation process; and
 - 4) The agreement provides funding levels at the maximum statutory amount and provides a path for significant capital expenditures, all of which would allow the parties to maintain the highest standards of breeding and horsemen involvement.
- b) The IDA is fair to all parties. I.C. § 4-35-7-18 (3):
- 1) All parties are unanimous that the agreement is fair;
 - 2) The Licensees and Associations each get the benefit of a potentially long term deal; and
 - 3) The Licensees obtain the opportunity to seek favorable long term financing.
 - 4) Assuming that a favorable refinancing option becomes available to Licensees, the subordination of distributions⁵ is an acceptable risk in that it creates the opportunity for significant benefits for the Licensees and Association members, but has five levels of safeguards to protect against any potential downside:
 - i. The Licensees must demonstrate by the \$27.5 million cash-on-hand projection to the Associations’ Negotiation Committee that there will be an appropriate cash cushion;

⁵ See footnote 3, supra.

- ii. A majority of the Associations' Negotiation Committee must reasonably agree that the cushion will be in place;
- iii. The Indiana Gaming Commission must approve the refinancing and its terms, including the subordination;
- iv. This Commission must approve the refinancing and its terms, including the subordination; and
- v. This Commission retains enforcement powers to impose penalties for non-compliance in the event the subordination is triggered and the Licensees do not honor the terms of the IDA.

c) The IDA supports the financial stability of the Licensees. I.C. § 4-35-7-18(4):

- 1) A long term agreement provides predictability of expense loads and insures continuity of well bred horses to race at the tracks; and
- 2) The IDA provides the best path for stable, long term financing with significant capital expenditure funding to continue to promote racing

2. While the Commission recognizes that horsemen's associations do not have a right to directly receive purse and breed development payments, the Commission finds as a part of this Order that the Associations have the power and authority to enter into this IDA which empowers the Associations to enter into, as part of a potential refinance package, subordination agreements that contain provisions allowing the senior lenders in the event of default to subordinate to any and all of the (12%) distributions made pursuant to I.C. § 4-35-7-12, including purse and breed development distributions, subject to the Commission's approval.

3. Permitting Centaur (pursuant to the IDA and subject to the necessary contractual and regulatory approvals) to explore entering into a refinancing agreement that contains provisions allowing the senior lenders to subordinate to any and all distributions made pursuant to I.C. § 4-35-7-12 in the event of default is lawful and is in accord with the provisions of I.C. § 4-35-7-1 *et seq.* Any such refinance is subject to this Commission's consideration and approval. This Order should in no way be construed to give prospective approval to any refinancing by Centaur.

4. As a part of this Order and at this time, the Commission is not considering or approving a refinance by the Licensees, is not considering or approving specific subordination provisions that may be presented as a part of any potential refinance, is not altering any of the provisions or requirements of I.C. § 4-35-7-12 (including the enforcement authority contained in subsection (j)) and is not altering any of the provisions of 71 IAC that relate to the maintenance of separate horsemen's trust accounts for various I.C. § 4-35-7-12 distributions. Moreover, the Commission is hereby affirming that there are items contained in IDA Exhibits "A" and "B" that may require regulatory approval at an appropriate time in the future.

5. The distribution and allocation of funds from slot revenues for purses and breed development are prescribed by statute and remain unchanged by this Order.

6. The Commission, having considered the Petition to Approve the IDA, all of the facts set forth above and the entire record presented to the Commission, hereby concludes that Petitioners have established by credible and substantial evidence that all of the applicable criteria outlined in I.C. § 4-35-7-18 have been met. In doing so, the Petitioners have met and carried their burden of establishing the matters set forth herein as provided for by I.C. § 4-21.5-3-14(c).

7. The Commission finds that the IDA is in the public interest. The IDA is in the best interests of the Indiana horse racing industry and the State of Indiana.

8. The Third Conclusion of Law is supported by the Findings of Fact and by the other Conclusions of Law (and supporting information) contained in this Final Order which are incorporated herein by reference.

9. To the extent that a Conclusion of Law in this Final Order would be more properly stated as a Finding of Fact, it is considered to be restated as such.

* * *

WHEREFORE, for the foregoing reasons, the Commission concludes that the Petition to Approve the Initial Distribution Agreement meets or exceeds all of the applicable statutory and regulatory standards and specifically finds that the Petition is in the best interests of the Indiana horse racing industry and the State of Indiana. The Commission, therefore, **ORDERS AND DECREES** that the Petition to Approve the Initial Distribution Agreement is **GRANTED**, and that the Initial Distribution Agreement dated September 26, 2013 submitted by the Associations' and Licensee's negotiation committees is hereby unanimously **APPROVED**.


ORDERED this 10th day of December, 2013, by the Indiana Horse Racing Commission.

(Abstaining)

William Diener, Chairman

Steve Schaefer, Vice-Chair

Greg Schenkel, Member



Tom Weatherwax, Member

George Pillow, Member



WHEREFORE, for the foregoing reasons, the Commission concludes that the Petition to Approve the Initial Distribution Agreement meets or exceeds all of the applicable statutory and regulatory standards and specifically finds that the Petition is in the best interests of the Indiana horse racing industry and the State of Indiana. The Commission, therefore, **ORDERS AND DECREES** that the Petition to Approve the Initial Distribution Agreement is **GRANTED**, and that the Initial Distribution Agreement dated September 26, 2013 submitted by the Associations' and Licensee's negotiation committees is hereby unanimously **APPROVED**.

ORDERED this ___ day of December, 2013, by the Indiana Horse Racing Commission.

(Abstaining)

William Diener, Chairman

Steve Schaefer

Steve Schaefer, Vice-Chair

Greg Schenkel, Member

Tom Weatherwax, Member

George Pillow, Member

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INDIANA HORSE RACING COMMISSION

WHEREFORE, for the foregoing reasons, the Commission concludes that the Petition to Approve the Initial Distribution Agreement meets or exceeds all of the applicable statutory and regulatory standards and specifically finds that the Petition is in the best interests of the Indiana horse racing industry and the State of Indiana. The Commission, therefore, **ORDERS AND DECREES** that the Petition to Approve the Initial Distribution Agreement is **GRANTED**, and that the Initial Distribution Agreement dated September 26, 2013 submitted by the Associations' and Licensee's negotiation committees is hereby unanimously **APPROVED**.

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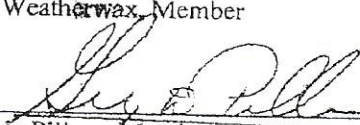
(Abstaining)

William Diener, Chairman

Steve Schaefer, Vice-Chair

Greg Schenkel, Member

Tom Weatherwax, Member



George Pillow, Member



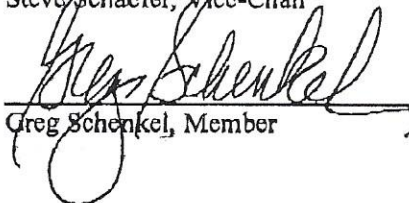


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ORDERED this ___ day of December, 2013, by the Indiana Horse Racing Commission.

(Abstaining)

William Diener, Chairman

Steve Schaefer, Vice-Chair


Greg Schenkel, Member

Tom Weatherwax, Member

George Pillow, Member

East Tower, Suite 1600
101 W. Washington Street
Indianapolis, Indiana 46204



(317) 233.0046 phone
(317) 233.0047 fax
www.in.gov/igc

Sara Gonso Tait
Executive Director

June 8, 2018

Mike Smith, Executive Director
Indiana Horse Racing Commission
1302 N. Meridian, Suite 175
Indianapolis, IN 46202

Dear Mr. Smith,

The following is in regards to your request for information from the Indiana Gaming Commission, Investigations Division. We hope this information will assist you in your suitability investigation.

The following individuals are licensed in good standing with the Indiana Gaming Commission:

Thomas Benninger

License #: HH18310-L1

Associated with: Caesars Entertainment Corp (CEC), Independent Director

Licensed since: 7/12/2017

License in good standing with no derogatory information noted, license never suspended or revoked.

John Boushy

License #: HH18312-L1

Associated with: Caesars Entertainment Corp (CEC), Independent Director

Licensed since: 7/12/2017

License in good standing with no derogatory information noted, license never suspended or revoked.

John Dionne

License #: HH18313-L1

Associated with: Caesars Entertainment Corp (CEC), Independent Director

Licensed since: 7/12/2017

License in good standing with no derogatory information noted, license never suspended or revoked.

Matthew Ferko

License #: HH18596-L1

Associated with: Caesars Entertainment Corp (CEC), Independent Director

Licensed since: 11/2/2017 (temporary status pending complete investigation)

License in good standing with no derogatory information noted, license never suspended or revoked.

Don Kornstein

License #: HH18315-L1

Associated with: Caesars Entertainment Corp (CEC), Independent Director

Licensed since: 7/12/2017

License in good standing with no derogatory information noted, license never suspended or revoked.

Richard Schifter

License #: HH18311-L1

Associated with: Caesars Entertainment Corp (CEC), Independent Director

Licensed since: 7/12/2017

License in good standing with no derogatory information noted, license never suspended or revoked.

James Hunt

License #: HH18314-L1

Associated with: Caesars Entertainment Corp (CEC), Independent Director

Licensed since: 7/12/2017

License in good standing with no derogatory information noted, license never suspended or revoked.

Mark Frissora

License #: HH16831-L1

Associated with: Caesars Entertainment Corp (CEC), CEO
CEOC, LLC, Director

Licensed since: 3/12/2015

License in good standing with no derogatory information noted, license never suspended or revoked.

Eric Hession

License #: HH15226-L1

Associated with: Caesars Entertainment Corp (CEC), SVP Finance

Licensed since: 10/5/2015

License in good standing with no derogatory information noted, license never suspended or revoked.

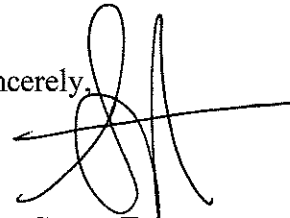
Ronald Baumann

Associated with: Indiana Grand, SVP and General Manager of Casino Gaming Operations

Application received: 5/11/2018

Caesars Entertainment Corp and CEOC, LLC have been investigated and found suitable as substantial owners of Indiana licensees Horseshoe Hammond, LLC (dba Horseshoe Hammond) and Caesars Riverboat Casino, LLC (dba Horseshoe Southern Indiana). The casino licenses are in good standing with no derogatory information noted, license never suspended or revoked.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sara Gonso Tait'. The signature is stylized with a large loop at the top and a long horizontal stroke extending to the right.

Sara Gonso Tait
Executive Director
Indiana Gaming Commission
East Tower, Suite 1600
101 W. Washington Street
Indianapolis, IN 46204



Director

TOM BENNINGER

Appointed By: Second Lien Creditors

Current Board Positions:

- Caesars Entertainment Corporation- 10/6/2017 to present
 - Member of the Audit Committee and Strategy & Finance Committee
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- Chairman of the Board, Truckee Gaming (**Private Company**), since 2013
 - Member of Audit and Compensation Committees
 - Employees: 500 - 700 (Current)
- Chairman of the Board of VKGS LLC dba Video King (**Private Company**), since 2015
 - Member of Compensation Committee
 - Employee: 130 (12/31/14); Bloomberg
- Chairman of Ford Committee, DAPER Investment Fund (**Non-Profit**, for the benefit of the Stanford Athletic Department), since 2008

Former Leisure and Gaming Board Positions:

- Tropicana Entertainment Holdings (**Public Company**), since 2008-2010
 - Chairman of the Board and Chairman of Compensation Committee
 - Market Cap: \$960.7M/FY16 Revenues: \$847.2M; Bloomberg
 - Employees: 7,000 (12/31/16); Bloomberg
- Affinity Gaming (**Public Company**), 2010-2014
 - Chairman of Audit and Compensation Committees
 - Chairman of CEO Search Committee
 - Member of Strategic Committee
 - FY15 Revenue: \$393.3M; Bloomberg
 - Employees: 4,046 (12/31/11); Bloomberg
- Squaw Valley Ski Corporation (**Private Company**), 2008-2011
 - Employees: 250 (12/31/14); Bloomberg
- Revel Casino and Hotel (**Closed - Private**), 2013-2014
 - Chairman of Audit Committee

Executive Experience:

- Founding Managing General Partner, Global Leveraged Capital (**Private Company**), 2006 - present
- Managing Director and Chairman, GLC Advisors & Co. (**Private Company**), 2009 - present
- Global Head of Restructuring and Head of Growth Capital, UBS Investment Bank (**Public Company**), 2001-2006
 - UBS GRP Market Cap: \$65.19B/FY16 Revenue: \$28.4B
 - UBS GRP Employees: 59,416 (3/31/17); Bloomberg
- Head of Restructuring for Donaldson, Lufkin and Jenrette/CSFB (**Private Company**), 1994-2001
 - Employees: 1000-5000 (Current); LinkedIn
- Co-Head of Restructuring, Smith Barney (**Public Company**), 1990-1994
- Vice President, Drexel Burnham Lambert (**Closed**), 1986-1990
- Audit/Accounting Manager for Arthur Andersen & Co. (**Closed**), 1979-1986



- Certified Public Accountant, California (inactive)
- FINRA certifications (active); Series 7, 63, 24 (broker dealer) and 66 (RIA)

Education:

- Stanford University, MBA, 1986, Bachelors in Economics, 1979



Director

JOHN BOUSHY

Appointed By: Second Lien Creditors

Current Board Positions:

- Caesars Entertainment Corporation- 10/6/2017 to present
 - Member of the Nominating and Corporate Governance Committee
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- RM Holdings BV (**Private Company** - the Netherlands), since 2015
 - Chairman of the Board
 - Employees: 1-20; LinkedIn

Former Board Positions:

- The Cosmopolitan of Las Vegas (**Private Company**), 2010-2014
 - Advisor to the Board
- C2 Rewards, Inc. (**Private Company**), 2013-2014
- City of Hope (**Non-Profit**), 2009-2014

Executive Experience:

- Zolfo Cooper (**Public Company subsidiary**, Marsh & McLennan Companies), 2015-2016
 - Restructuring and forensic advisors (CEOC Bankruptcy)
 - FY15 Revenue: £32.46M; Bloomberg
- Boushy Consulting (**Private Company**), management consulting, founder, since 2008
- Director, CEO, & President of Ameristar Casinos (**Private Company**), 2006-2008
 - Market Cap: \$863.2M/FY12 Revenue: \$1.19B; Bloomberg
 - Employees: 4,680 (12/31/12); Bloomberg
- EVP, Project Development Design & Construction, Harrah's Entertainment, now known as Caesars Entertainment (**Public Company**), 1979-2006
 - In last role from 2005-2006
 - Market Cap: \$1.85B/FY16 Revenue: \$3.87B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg

Education:

- North Carolina State University, Master of Science & Applied Mathematics, 1976
- North Carolina State University, Bachelors in Mathematics, 1975



Director

JOHN DIONNE

Appointed By: First Lien Creditors

Current Board Positions:

- Caesars Entertainment Corporation- 10/6/2017 to present
 - Chairman of the Audit Committee
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- Momentive Performance Materials (**Public Company**, formerly GE Silicones), since 2014
 - Audit Committee and Nominating and Governance Committees
 - Market Cap: \$3bn/FY16 Revenue: \$2.29B; Bloomberg
 - Employees: 4,900 (12/31/16); Bloomberg
- Cengage Learning (**Private Company**), educational publishing and software, since 2014
 - Member of Audit Committee
 - Market Cap: \$2bn est/FY15 Revenue: \$1.66B; Bloomberg
 - Employees: 5,500 (6/30/12); Bloomberg
- Pelmorex Media (**Private Company**), multi-media company, since 2013
 - One of Canada's largest broadcasting companies
- Scranton/Wilkes-Barre Rail Riders (**Private Company**), NY Yankee AAA Baseball Team, since 2014
 - NY Yankees own 50%
 - Value: \$28M/FY15 Revenue: \$9.5M; Forbes
 - Employees: 11-50 (Current); LinkedIn

Former Board Positions:

- Former Corporate Board Positions
 - Continental Graphics Holdings (Subsidiary of a **Public Company**), Olympic Manufacturing (**Private Company**), United Linen (**Private Company**)
- Former **Non-Profit** Boards
 - University of Scranton - a 5,000 student Jesuit-led university
 - Chairman (2004-2007); Head of Finance Committee (2000-2007)
 - Neighborhood Trust (2014 -present)
 - Turnaround for Children (2010-2013)

Past Ad-hoc and Official Creditor Committees:

- Amerco (U-Haul) (**Public Company**), CitiFinancial (Subsidiary of a **Public Company**), Hagemeyer (**Sonepar – Private Company**), Huntsman (**Public Company**), Pioneer, Polymer (**Private Company**), Laidlaw/Greyhound (**Public Company**), National Equipment Rental (**Private Company**), HealthSouth (**Public Company**)

Executive Experience:

- Senior Advisor, The Blackstone Group (**Public Company**), 2013-Present
 - Market Cap: \$40.11B/FY16 Revenue: \$4.97B
 - Employees: 2,240 (12/31/16); Bloomberg
- Senior Managing Director, The Blackstone Group (**Public Company**), 2004-2013



- Private Equity Partner, 2009 - 2013
 - Global Head of Business Development
 - Member of Investment Committee (BCP and GSO)
 - Member of Valuation Committee
- Founder and CIO - Blackstone Distressed Securities, 2004-2009
 - Blackstone's first single-manager hedge fund
 - Peak AUM of \$ 2B prior to acquisition of GSO
- Partner and Managing Director, Bennett Restructuring Funds (**Private Company**), 1998-2004
 - Multi-billion distressed debt funds
 - Personal 26% compounded realized annual IRR through tenure
- Senior Lecturer and Faculty Member at The Harvard Business School, 2014 -Present
- Certified Financial Analyst ("CFA") and Certified Public Accountant ("CPA") (inactive)
 - Certifications - Series 7, 24, 63, 79 and 99

Education:

- Harvard Business School, Masters of Business, 1991
- University of Scranton, BS in Economics/Finance, 1986



Director

MATTHEW FERKO

Appointed By: First Lien Bank Lender / Subsidiary Guarantee Noteholders

Current Board Positions:

- Blackhawk Mining, LLC- January 5, 2018 to present
- Caesars Entertainment Corporation- 10/6/17 to present
 - o Member of the Audit Committee and Member of the Nominating & Corporate Governance Committee
 - o Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - o Employees: 68,000 (12/31/16); Bloomberg
- member of audit, nominating and corporate governance committees

Former Board Positions:

- Chi Energy (**Private Company**), June 2000 – December 2000

Official Ad Hoc and Restructuring Committees:

- Tropicana Hotel and Casino (**Private**)
 - FY13 Revenue: \$96.76M; Bloomberg
 - Employees: 1,432 (As of 12/31/2013); Bloomberg
- Trump Entertainment Resorts (**Private Company**)
 - FY11 Revenue: \$473.4M; Bloomberg
 - Employees: 3,700 (As of 12/31/12); Bloomberg
- Realogy (**Public Company**)
 - Market Cap: \$4.61B/FY16 Revenues: \$5.8B; Bloomberg
 - Employees: 11,800 (As of 12/31/2016); Bloomberg
- Dana Automotive (**Private Company**)
 - FY12 Revenues: \$6.76M; Bloomberg
 - Employees: 12 (As of 12/31/2011); Bloomberg
- Armstrong World (**Public Company**)
 - Market Cap: \$2.41B/FY16 Revenues: \$1.2B; Bloomberg
 - Employees: 3,800 (As of 3/31/2017); Bloomberg
- Owens Corning (**Public Company**)
 - Market Cap: \$7.41B/FY16 Revenues: \$5.7B; Bloomberg
 - Employees: 16,000 (As of 12/31/2016); Bloomberg
- Eurotunnel (**Public Company**)
 - Market Cap: \$5.21B/FY16 Revenues: \$1B; Bloomberg
 - Employees: 3,336 (As of 12/31/2016); Bloomberg

Executive Experience:

- Senior Distressed Debt Analyst Franklin Templeton Investments Mutual Series Funds (**Public Company**), 2006-2012
 - ~\$70B AUM



- Market Cap: \$25.89B/FY16 Revenues: \$6.6B; Bloomberg
- Employees: 9,167 (3/31/2017); Bloomberg
- Senior Analyst and Director of Investments at Harbinger Capital Partners (formerly known as Harbert Management Corporation) (**Private Company**), 2004-2006
- Head of U.S. Distressed Debt Research at UBS (**Public Company**), 2000-2004
 - Market Cap: \$67.27B/FY16 Revenues: \$28.4B; Bloomberg
 - Employees: 59, 416 (As of 3/31/2017); Bloomberg
- Director at ING Barings (**Private Company**), 1999-2000
- High-yield Gaming and Distressed Analyst for Bankers Trust (**Private Company**) and Oppenheimer (**Public Company**), 1996-1998 and 1993-1995
 - Market Cap: \$219.1M (Oppenheimer)/FY16 Revenues: \$857.8M(Oppenheimer); Bloomberg
 - Employees: 3,039 (Oppenheimer) (As of 3/31/2017); Bloomberg
- Adjunct professor at Case Western Reserve University, 2015, Spring semester

Education:

- M.B.A. from New York University, Leonard N. Stern School of Business, 1993
- B.S. from Miami University, magna cum laude, 1988



Director

MARK FRISSORA

Current Board Positions:

- Caesars Entertainment Corporation (**Public Company**), 2015-present
 - CEO & President, Director on the Board
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- Delphi Corporation (**Public Company**), 2009-present
 - Chairman of Compensation Committee and Member of Nominating & Governance Committee
 - Market Cap: \$23.04B/FY16 Revenue: \$16.66B; Bloomberg
 - Employees: 145,000 (12/31/16)

Former Board Positions:

- Walgreens Alliance Boots (**Public Company**), 2009-2015
 - Chairman of Finance Committee and member of Nominating and Governance Committees
 - Market Cap:\$88.06B/FY16 Revenue: \$117.35B; Bloomberg
 - Employees: 240,000 (8/31/16); Bloomberg
- The Hertz Corporation (**Public Company**), 2006-2014
 - Chairman and Chief Executive Officer
 - Market Cap: \$10.8B Jun 14/FY14 Revenue: \$11B; Bloomberg
 - Employees: 36,000 (12/31/16); Bloomberg
- Tenneco Corporation (**Public Company**), 2000-2006
 - Chairman and Chief Executive Officer
 - Served in various executive roles from 1996-2000 before becoming CEO
 - Market Cap: \$3.01B/FY16 Revenue: \$8.59B; Bloomberg
 - Employees: 31,000 (12/31/16); Bloomberg
- FMC Corporation (**Public Company**), 2004-2006
 - Member of Audit Committee
 - Market Cap: \$10.21B/FY16 Revenue: \$3.28B; Bloomberg
 - Employees: 5,900 (12/31/16); Bloomberg
- NCR Corporation (**Public Company**), 2002-2009
 - Chairman of the Compensation Committee
 - Market Cap: \$4.88B/FY16 Revenue: \$6.54B; Bloomberg
 - Employees: 33,500 (12/31/15); Bloomberg

Chief Executive Officer Experience:

- Chief Executive Officer and President of Caesars Entertainment Corporation (**Public Company**), 2015-present
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg



- Chairman and Chief Executive Officer of The Hertz Corporation (**Public Company**), 2006-2014
 - Market Cap:\$760.1M/FY16 Revenue:\$8.80B; Bloomberg
 - Employees: 36,000 (12/31/16); Bloomberg
- Chairman and Chief Executive Officer of Tenneco (**Public Company**), 2000-2006
 - Served in various executive roles from 1996-2000 before becoming CEO
 - Market Cap:\$3.01B/FY16 Revenue: \$8.59B; Bloomberg
 - Employees: 31,000 (12/31/16); Bloomberg
- Member of the CEO Roundtable of the American Gaming Association (**Private Company**), 2015-Present
- Member of G100 (**Private Company**), eight years
- Former Member of The Business Roundtable (**Private Company**), 1999-2006
- Former Member McKinsey's CEO Advisory Council (**Private Company**), five years

Education:

- The Ohio State University, B.A., 1977
- Executive development programs at Babson College and Thunderbird International School of Management



Chairman

JAMES HUNT

Appointed By: Second Lien Creditors

Current Board Positions:

- Caesars Entertainment Corporation- 10/6/2017 to present
 - Chairman of the Board
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- Brown & Brown, Inc. (**Public Company**), since 2013
 - Chairman of Audit Committee, Member of Compensation & Acquisitions Committees, Designated SEC financial expert
 - Market Cap: \$6.03B/FY16 Revenue: \$1.76B; Bloomberg
 - Employees: 8,297 (12/31/16); Bloomberg
- The St. Joe Company (**Public Company**), since 2017
 - Member of Audit & Compensation Committees
 - Market Cap: \$1.35B/ FY16 Revenue: \$95.74M
 - Employees: 47 (12/31/16); Bloomberg
- Nemours Foundation (**Private Foundation**), since 2016
 - Revenues: \$1.13B: S&P Rating Service
 - Chairman of Audit & Finance Committee
- Penn Mutual Life (**Private Company**), since 2015
 - Chairman of Audit Committee
 - FY16 Revenue: \$2.53B; Penn Mutual 10K
 - Employees: 3,000 (12/31/11); Bloomberg
- Children's Hospital Los Angeles (**Non-Profit**), since 2005
 - Chairman of Compensation Committee; previously a member of CEO search committee
 - Finance Committee, 2nd Chair
 - FY15 Revenue: \$1.1B; Form 990
 - Employees: 5000 (Current); Glassdoor

Former Board Positions:

- JobSync Inc. (**Private Company**) (2012 – 2015)
 - Employees: 1-10
- Orlando Health (**Non-Profit**) (1997 – 2003)
 - Chairman of Audit & Finance Committees

Executive Experience:

- Executive Vice President/Chief Financial Officer of Disney Global Parks & Resorts (**Public Company**), 1992-2012
 - Last position held from 2003 – 2012
 - Disney Market Cap: \$165.75B/FY16 Revenue: \$55.6B
 - Parks & Resorts FY16 Revenue: \$16.97B; Disney 10K
 - Employees: 62,000 (12/31/15); Bloomberg



- Ernst & Young partner (**Private Company**), 1977-1992
 - Became partner in 1989
 - FY16 Revenue: \$29.6B; Ernst & Young Earnings Release
 - Employees: 27,390 (12/31/15)
- Certified Public Accountant

Education:

- University of Central Florida, Bachelors in Business Administration, Summa Cum Laude, Accounting, 1977
- Completed Stanford University Directors' College

Certification:

- CPA, State of Florida, currently licensed



Director

DON KORNSTEIN

Appointed By: CAC Special Committee

Current Board Positions:

-Caesars Entertainment Corporation- 10/6/2017 to present

- Chairman of the Strategy and Finance Committee
- Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
- Employees: 68,000 (12/31/16); Bloomberg

Former Board Positions:

- Independent Director of Caesars Acquisition Company (**Public Company**), 2014-10/6/2017
 - Chairman of the Audit Committee and Member of Human Resource, Special, Merger and Transaction Committees
 - Market Cap: \$2.66B
 - Employees: 1,034 (12/31/14)
- Gala Coral Group (**Private UK Company**), 2010-2016
 - Member of the Audit, Nominating & Corporate Governance and Compensation Committees
 - FY13 Revenue: £1.2B; Bloomberg
 - Employees: 18,760 (09/26/2009); Bloomberg
- Affinity Gaming, Inc. (**Private Company**), 2010-2014
 - Chairman of the Board and Audit Committee, and Member of the Nominating & Corporate Governance and Compensation Committees
 - FY15 Revenue: \$393.3M; Bloomberg
 - Employees: 4,046 (12/31/11)
- Bally Total Fitness Corporation (**Public Company**), 2006-2008
 - Chairman & Chief Restructuring Officer
 - Chairman of the Compensation and CEO Search Committees, Co-Chairman of the Strategic Alternatives Committee, and Member of the Audit and Nominating & Corporate Governance Committees
 - Employees: 19,200 (12/31/06); Bloomberg
- Circuit City Stores, Inc. (**Public Company**), 2008-2010
 - Member of the Executive Committee and Nominating & Corporate Governance Committee
 - 2008 Market Cap: \$746.4M/FY08 Revenue: \$11.74B; Bloomberg; Delisted in 2008
 - Employees: 42,974 (2/29/08)
- Cash Systems, Inc. (**Public Company**), 2006-2008
 - Member of the Audit, Compensation and Governance Committees
 - Co-Financial Advisor to Cash Systems in its sale to Everi Holdings in 2008
 - 2007 Market Cap: \$81.5M/FY07 Revenue: 104.9M; Bloomberg; Employees: 900 (12/31/16); Bloomberg
- Shuffle Master, Inc. (**Public Company**), 2003-2005
 - Member of the Audit, Nominating & Corporate Governance and Compensation Committees
 - 2012 Market Cap: \$790.9M/FY12 Revenue: \$259M; Bloomberg; Acquired by Bally Technologies in 2013



- Employees: 805 (10/31/12); Bloomberg
- Jackpot Enterprises, Inc. (**Public Company**), 1994-2000
 - Chief Executive Officer, President and Director
 - 2012 Market Cap: \$537.7M/FY12 Revenue: \$92.4M
 - Employees: 63 (12/31/13); Bloomberg
- Varsity Brands, Inc. (**Public Company**), 1995-2003
 - Chairman of the Audit, Compensation and Strategic Alternatives Committees
 - 2002 Market Cap: \$45.6M/FY02 Revenue: \$156.4M; Bloomberg; Privatized in 2008
 - Employees: 3,700 (12/31/15); Bloomberg

Executive Experience:

- Founder and Managing Member of Alpine Advisors LLC (**Private Company**), 2002 – Present
- Chief Restructuring Officer, Bally Total Fitness - NYSE, (**Public Company**), 2007
- President and CEO, Jackpot Enterprises – NYSE, (**Public Company**), 1994-2000
- Consultant/Interim Chief Operating Officer, First World Communications, Inc.-NASDAQ, (**Public Company**), 2000 – 2001
- Investment banker and Senior Managing Director of Bear, Stearns & Co. Inc.-NYSE, (**Public Company**), 1977 - 1994

Education:

- Stanford Law School Directors' College, 2004
- Columbia University Graduate School of Business, M.B.A. with a concentration in Finance & Accounting, 1975
- University of Pennsylvania, B.A. magna cum laude, 1973



Director

CHRISTOPHER WILLIAMS

Current Board Positions:

- Caesars Entertainment Corporation- 10/6/2017 to present
 - Member of the Compensation & Management Development Committee, Member of the 162 (M) plan Committee
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- Ameriprise Financial (**Public Company - AMP**) 2016-Present
 - Serves as member of the Audit Committee
 - Market Cap: \$22.8B/FY16 Revenue: \$11.7B; Bloomberg
 - Employees: 13,000 (12/31/16); Bloomberg
- The Clorox Co. (**Public Company - CLX**), 2015-Present
 - Serves as member of the Audit Committee
 - Market Cap: \$16.8B/FY16 Revenue: \$5.8B; Bloomberg
 - Employees: 8,000 (6/30/17); Bloomberg
- Cox Enterprises, Inc. (**Private Company**), 2012 - Present
- Caesars Entertainment Corporation (**Public Company - CZR**), 2015-Present
 - Chairman of the Audit Committee and serves as member of 162(m) Plan Committee
 - Market Cap (CZR+CACQ): \$4.49B/FY16 Revenue: \$8.4B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- Williams Capital Management, LLC (**Private Company**) 2002-Present
 - Chairman of the Board
 - Assets approximately \$88M
- Williams Capital Group, LP (**Private Company**) 1994-Present
 - Chairman of the Board
- Lincoln Center for the Performing Arts (**Non-Profit**), Present
- Tuck School of Business, Dartmouth College, Present
 - Chairman of the Board

Former Board Positions:

- Wal-Mart Stores (**Public Company - WMT**), 2004-2014
 - Market Cap: \$256.1B/FY16 Revenue: \$482.1B; Bloomberg
 - Employees: 2.3M (1/30/17); Bloomberg

Executive Experience:

- Williams Capital Group, LP (**Private Company**), 1994-Present
 - Founder
 - Chief Executive Officer
 - Employees: 53 (12/31/12); Bloomberg
- Williams Capital Management, LLC (**Private Company**), 2002-Present
 - Founder



- Chief Executive Officer
- Lehman Brothers (**Private Company**), 1984-1992
 - Senior Vice President
 - Employees: 125 (12/31/14); Bloomberg

Education:

- Howard University, Bachelor of Arts, Architecture, 1979
- Tuck School of Business at Dartmouth College, Master of Business Administration, 1981



Director

DAVID SAMBUR

Appointed By: CEC/CAC (Apollo)

Current Board Positions:

- Caesars Entertainment Corporation (**Public Company**), 2010 - present
 - Chairman of the Compensation & Management Development Committee and Member of the 162 (M) Plan Committee
 - Market Cap: \$1.90B/FY16 Revenue: \$3.87B
 - Employees: 68,000 (12/31/16); Bloomberg
- Coinstar LLC (dba Outerwall) (**Public Company**), September 2016-Present
 - Creation TEV: \$1.0B
 - FY 2016 Revenues: \$328M
 - 12.31.2016 Employees: 463
- Diamond Resorts International Inc. (**Private Company**), September 2016 - Present
 - Creation TEV: \$2.9B
 - FY2016 Revenues: \$1.0B
 - Employees (12/31/16): 8,650
- Rackspace (**Public Company**), 11/3/2016 - Present
 - 2016 Enterprise Value: \$4.4B/FY16 Revenue: \$2.077B; Bloomberg
 - Employees: 6,090 (12/31/16); Sourced from Company Materials
- AP Gaming Holdco, Inc. (**Private Company**), December 2013 - Present
 - TEV: ~\$1.0B
 - FY2016 Revenues: \$166.8M
 - Employees (12/31/16): ~500
- ecoATM (**Private Company**), September 2016-Present
 - Creation TEV: \$50M
 - FY 2016 Revenues: \$202M
 - 12.31.2016 Employees: 299
- Redbox Automated Retail LLC (**Private Company**), September 2016-Present
 - Creation TEV: \$667M
 - FY 2016 Revenues: \$1,510M
 - 12.31.2016 Employees: 1,436
- Member of the Mount Sinai Department of Medicine Advisory Board, 2016-Present

Former Board Positions:

- Caesars Acquisition Company (**Public Company**), 2013 – 10/6/2017
 - Chair of the Compensation & Management Development Committee
 - Member of the 162(M) Plan Committee
 - Market Cap: \$2.84B; Bloomberg
 - Employees: 1,034 (12/31/14); Bloomberg
- Hexion Inc. (**Public Company**), September 2010 – October 2014
 - FY16 Revenue: \$3.43B; Bloomberg
 - Employees: 4,300 (12/31/16); Bloomberg



- Momentive Performance Materials Inc. (**Public Company**), October 2010 – October 2014
 - FY15 Revenue: \$2.29B; Bloomberg
 - Employees: 4,900 (12/31/16); Bloomberg
- Verso Paper Corp. (**Public Company**), August 1st, 2006 - July 2016
 - Served as Member of the Compensation Committee
 - Market Cap: \$120.8M/FY16 Revenue: \$2.64B; Bloomberg
 - Employees: 4,500 (12/31/16); Bloomberg

Executive Experience:

- Senior Partner of Apollo Global Management (**Public Company**), 2004 - Present
 - Market Cap: \$11.36B/FY16 Revenue: \$2.07B; Bloomberg
 - Employees: 986 (12/31/16); Bloomberg
- Salomon Smith Barney Inc. (**Private Company**), 2002-2004

Education:

- Emory University, Bachelor's degree in Economics summa cum laude, Phi Beta Kappa, 2002



Director

RICHARD SCHIFTER

Appointed By: CEC/CAC (TPG)

Current Board Positions:

- Caesars Entertainment Corporation (**Public Company**), May 4, 2017-present (positions below from 10/6/2017 to present)
 - Chairman of the Nominating and Corporate Governance Committee
 - Market Cap: \$1.85B/FY16 Revenue: \$3.87B; Bloomberg
 - Employees: 68,000 (12/31/16); Bloomberg
- American Airlines Group (**Public Company**), since 2013
 - Chairman of the Finance Committee
 - Market Cap: \$23.33B/FY16 Revenue: \$40.18B; Bloomberg
 - Employees: 124,300 (03/31/17); Bloomberg
- LPL Financial Holdings Inc. (**Public Company**), since 2005
 - Nominating and Governance Committee
 - Market Cap: \$3.68B/FY16 Revenue: \$4.09B
 - Employees: 3,306 (3/31/17); Bloomberg
- ProSight Specialty Insurance Group, Inc. (**Private Company**), since 2017
- Board of Overseers of the University of Pennsylvania Law School (**Private University**), since 2005
- American Jewish International Relations Institute (**Non-Profit**), since 2008
- Youth I.N.C. (**Non-Profit**), since 2001

Former Board Positions:

- EverBank (**Public Company**), 2010 – 2017
 - Director, Compensation Committee
 - FY16 Revenue: \$897.4M; Bloomberg
 - Employees: 2,900 (As of 12/31/16); Bloomberg
 - Acquired by TIAA FSB Holdings in 2017

Executive Experience:

- TPG Global LLC Senior Advisor (**Private Company**), 2014-Present
- TPG Global LLC Partner (**Private Company**), 1994-2013

Education:

- University of Pennsylvania Law School, JD cum laude, 1978
- George Washington University, B.A. with distinction, 1975



DATE: November 20, 2017
TO: All Centaur Gaming Team Members
FROM: Mark Frissora, President and CEO, Caesars Entertainment
SUBJECT: **Centaur and Caesars Joining Forces**

As you know, last week we announced the exciting news that Caesars Entertainment has agreed to acquire Centaur Gaming. We see a bright future for Centaur Gaming as part of the Caesars Entertainment family and look forward to working with you following the completion of the acquisition process. We expect that process to be complete by the middle of next year.

Much like Centaur Gaming, Caesars Entertainment prides itself in offering guests the best possible gaming, dining, entertainment and, of course, racing experiences. We are committed to providing great service and excellent products across a geographically diversified casino-entertainment portfolio. We are also committed to maintaining and strengthening our company's culture to provide a work environment where team members at all levels feel motivated, appreciated and feel that they are part of the Caesars family.

These efforts – together with our focus on operational excellence, technology leadership and corporate citizenship – have made us a global leader in gaming and hospitality. We are proud to have been acknowledged around the world for our commitment and progress on these efforts, and in particular, for conducting our operations responsibly in line with our pledge to honor the trust our team members, guests and communities place in us.



Over our nearly 80-year history, Caesars has grown by developing new properties on its own as well as through the acquisition of properties and operating companies. We are proud of our long track record of integrating different brands and cultures seamlessly into our company.

This transaction represents a prime opportunity for both companies. Centaur Gaming has seen extraordinary growth since its founding in 1993 with more than seven million people visiting its properties each year. We have always been impressed with Centaur's operations and culture, and the strong presence it has built in its host communities. Together, we will expand on our respective value creation and execution achievements for the benefit of customers, team members and local partners.

We eagerly anticipate the day, in the not too distant future, when we are able to formally welcome you to Caesars. We thank you for your continued commitment to delivering the best possible guest experiences and look forward to reinforcing the success of our companies as we build a path forward together.

Sincerely,

Mark Frissora
President and CEO of Caesars Entertainment

INDIANA
HORSE RACING COMM.

IN RE:
THE PETITION OF CAESARS ENTERTAINMENT)
COMPANY, AND CAESARS RESORTS COLLECTION,)
LLC FOR: (1) ALL NECESSARY APPROVALS)
INCLUDING APPROVAL TO ACQUIRE ALL OF THE)
OWNERSHIP OF CENTAUR HOLDINGS, LLC, AND)
ITS DIRECT AND INDIRECT SUBSIDIARIES)
INCLUDING CENTAUR ACQUISITION, LLC AND)
HOOSIER PARK, LLC AS SET FORTH IN THE UNIT)
PURCHASE AGREEMENT; (2) FINDS THE CHANGE)
IN OWNERSHIP IS IN THE BEST INTERESTS OF THE)
STATE OF INDIANA AND HORSE RACING; (3))
APPROVAL OF THE ACQUISITION FINANCING;)
(4) APPROVAL OF PRESERVATION OR TRANSFER)
OF RECOGNIZED MEETING PERMITS AND)
SATELLITE FACILITY LICENSES RELATED TO THE)
OPERATIONS OF INDIANA GRAND AND HOOSIER)
PARK; AND (5) SUCH OTHER APPROVALS AS MAY)
BE NECESSARY OR TO IMPLEMENT THE)
CONTEMPLATED TRANSACTION)

**AMENDED NOTICE OF HEARING AND AMENDED PRE-HEARING ORDER
ON PETITION OF CAESARS ENTERTAINMENT COMPANY AND CAESARS
RESORTS COLLECTION, LLC, FOR APPROVAL TO TRANSFER PERMITS
AND LICENSES**

This matter comes before the Indiana Horse Racing Commission (hereinafter "the Commission") on a Petition for (1) All Necessary Approvals Including Approval To Acquire All Of The Ownership Of Centaur Holdings, LLC, and Its Direct and Indirect Subsidiaries Including Centaur Acquisition, LLC and Hoosier Park, LLC as Set Forth in the Unit Purchase Agreement; (2) Finds the Change In Ownership is in the Best Interests of The State Of Indiana and Horse Racing; (3) Approval of the Acquisition Financing; (4) Approval of Preservation or Transfer Of Recognized Meeting Permits and Satellite Facility Licenses Related To The Operations Of Indiana Grand and Hoosier Park; and (5) Such Other Approvals As May Be Necessary Or To Implement The Contemplated Transaction (hereinafter "the Petition"), submitted by Caesars Entertainment Company ("CEC") and Caesars Resorts Collection, LLC ("CRC" and together with CEC, "Caesars" (hereinafter "the Petitioners" or "Caesars") with the Amended Application on or about March 12, 2018. The Commission, by its Chair, issues this notice and order pursuant to the provisions of the Indiana Administrative Orders and Procedures Act, Indiana Code sections 4-21.5-1-1 *et seq.*

AMENDED NOTICE OF HEARING

The Indiana Horse Racing Commission will hold a hearing on Wednesday, June 27, 2018, as soon as this matter advances on the Commission's agenda during its regularly scheduled meeting which will commence at 9:00 A.M. in the Indiana State Library, History Reference Room 211, 315 W. Ohio St., Indianapolis, IN 46202 (Southwest corner of Senate and Ohio Streets – across from the State Parking garage). The Hearing will relate to the following Petition that relates to the Amended Application that was submitted to the Commission on or about March 12, 2018:

Petition of Caesars Entertainment Company, and Caesars Resorts Collection, LLC for: (1) All Necessary Approvals Including Approval To Acquire All Of The Ownership Of Centaur Holdings, LLC, and Its Direct and Indirect Subsidiaries Including Centaur Acquisition, LLC and Hoosier Park, LLC as Set Forth in the Unit Purchase Agreement; (2) Finds the Change In Ownership is in the Best Interests of The State Of Indiana and Horse Racing; (3) Approval of the Acquisition Financing; (4) Approval of Preservation or Transfer Of Recognized Meeting Permits and Satellite Facility Licenses Related To The Operations Of Indiana Grand and Hoosier Park; and (5) Such Other Approvals As May Be Necessary Or To Implement The Contemplated Transaction.

The Hearing will be held for the purpose of providing: the Petitioners an opportunity to make a presentation of their Petition to the Indiana Horse Racing Commission; an opportunity for the Commission to ask questions of any representatives and witnesses who may testify at the Hearing; and an opportunity for applicant's nonparty organizations and persons to provide testimony in support of or adverse to the Application.

The Hearing is to be held by the Indiana Horse Racing Commission pursuant to the authority granted to it by Indiana Code section 4-31-1-1, 71 LAC sections 11-1-1- et seq., and Indiana Code sections 4-21.5-3-1 et seq. All members of the Indiana Horse Racing Commission intend to act as the Administrative Law Judge for the Hearing. The members include: Philip Borst, Chairperson; Greg Schenkel, Vice Chair; George Pillow, Susie Lightle, and, Bill McCarty, Members. Robin L. Babbitt, Esq., of counsel to the law firm of Cline, Farrell, Christie & Lee, 951 N. Delaware St., Indianapolis, Indiana 46202 (tel. no. (317) 488-5500), will act as legal counsel to the Indiana Horse Racing Commission during these proceedings. Mike Smith, Executive Director, will also appear for the Indiana Horse Racing Commission Staff and may be contacted for information concerning the proposed Hearing schedule, the procedure to be followed at the Hearing, and for inspection of copies of the notice to the parties, at the offices of the Indiana Horse Racing Commission, 1302 North Meridian Street, Indianapolis, Indiana 46202 (tel. no. (317) 233-3119).

AMENDED PRE-HEARING ORDER

The following Amended Pre-Hearing Order is being issued pursuant to the authority provided for by Indiana Code section 4-21.5-3-19(d):

I. Purpose of the Hearing on Applicant's Petition.

The purpose of the hearing scheduled for June 27, 2018, is to hear evidence and argument on the Petition by Caesars for: (1) All Necessary Approvals Including Approval To Acquire All Of The Ownership Of Centaur Holdings, LLC, and Its Direct and Indirect Subsidiaries Including Centaur Acquisition, LLC and Hoosier Park, LLC as Set Forth in the Unit Purchase Agreement; (2) Finds the Change In Ownership is in the Best Interests of The State Of Indiana and Horse Racing; (3) Approval of the Acquisition Financing; (4) Approval of Preservation or Transfer Of Recognized Meeting Permits and Satellite Facility Licenses Related To The Operations Of Indiana Grand and Hoosier Park; and (5) Such Other Approvals As May Be Necessary Or To Implement The Contemplated Transaction.

II. Petition Process Time Line.

a. New Hearing Location, Date and Time.

The hearing will commence in the Indiana State Library, History Reference Room 211, 315 W. Ohio St., Indianapolis, IN 46202 (Southwest corner of Senate and Ohio Streets – across from the State Parking garage) on Wednesday, June 27, 2018, as soon as it advances on the agenda of the Commission meeting commencing at 9:00 A.M. EST. This matter will be heard and will continue, with appropriate recesses until completed. The record will be closed at the conclusion of the hearing. Thereafter, the Commission will deliberate on and decide whether the Petition will be approved, approved with conditions or denied and does not comprehend discussion during the deliberation with the Petitioners or others interested parties.

b. Exhibits the Commission Proposes to Make a Part of the Record.

A list of exhibits, if any, which the Commission intends to make a part of the record will be prepared by the Commission's counsel and will be distributed to the parties on or before the close of business on Tuesday, June 19, 2018. It should be understood that even in the absence of filing a list of exhibits, the Commission will offer into evidence the Petition, any amendments and any non-confidential attachments thereto timely filed by the Petitioners. It should also be understood that the Commission will take official notice of any records of prior related hearings (including Final Orders) involving the Petitioners and/or Centaur Holdings, LLC, and Its Direct and Indirect Subsidiaries (including Centaur Acquisition, LLC and Hoosier Park, LLC) pursuant to Indiana Code section 4-21.5-3-26(c). The Petitioners must notify the Commission in writing of any exhibits to which they object on or before 4:30 P.M. EST on Monday, June 25, 2018. If no objection is timely made, all specified exhibits will be made a part of the record at the commencement of the hearing.

c. Request for Official Notice.

The Petitioners should submit in writing any request for matters to be officially noticed pursuant to Indiana Code section 4-21.5-3-26(f) on or before 4:30 P.M. on Monday, June 24, 2018.

d. Report of the Commission Staff.

The Commission Staff will review the Petition and related information provided and may submit a Staff Report relating to the Petition. If one is prepared, it will be distributed to the Petitioners, on or before the close of business on Friday, June 15, 2018.

e. Exhibits and/or Pre-Filed Testimony.

The Petitioners must submit any exhibits and/or pre-filed testimony on or before close of business on Tuesday, June 19, 2018. If no objection is made, all specified exhibits and/or pre-filed testimony will be made part of the record at the commencement of the hearing.

III. Matters Relating to the Conduct of the Hearing.

a. The Commission will be sitting as an Administrative Law Judge at the Hearing.

The Commission is sitting both as Administrative Law Judge and as the "ultimate authority" pursuant to the provisions of the Indiana Orders and Procedures Act. Indiana Code section 4-21.5-3-11 provides in part that an Administrative Law Judge serving in a proceeding may not communicate, directly or indirectly, regarding any issue in the proceeding while the proceeding is pending with any party or any individual who has a direct or indirect interest in the outcome of the proceeding. Such communications are prohibited and are referred to as "ex parte communications." Additionally, while a Commission Member may communicate separately with another Commission Member and may receive aid from members of the Commission's Staff, the Commission Staff is prohibited from having ex parte communications with a Commission Member which contain information that would furnish, augment, diminish, or modify the evidence in the record. If the Commission receives an ex parte communication in violation of this statute, please contact counsel for the Commission so that an appropriate public disclosure can be prepared pursuant to the Administration Orders and Procedures Act. In certain circumstances a Commission Member receiving or otherwise participating in such a prohibited communication can be disqualified from acting further on the Petition before the Commission. Additionally, when acting as an Administrative Law Judge, each Commission Member is prohibited (pursuant to Indiana Code section 4-21.5-3-12) from commenting publicly, except as to hearing schedules or procedures, about pending proceedings. Accordingly, both the Commission Members and the members of the public are to be mindful of this limitation as the Commission moves forward to consider the evidence and to make

a decision on the Petition.

b. Proposed Hearing Schedule.

The Commission understands the importance to the Petitioners and to the public of having an adequate amount of time to present their respective positions but encourages the Petitioners and the public to move as expeditiously as possible during the hearing so that all the information can be effectively presented to the Commission as promptly as possible. While it is understood that circumstances may occur that could result in an adjustment to this schedule, each and every person who may testify at the hearing is expected to conduct his or her testimony or presentation in a manner that comports with the order established herein. The Commission encourages all persons who testify at the hearing to be brief and succinct in order to allow for as much and varied testimony as possible. Further, the Commission reserves the right to exercise its statutory power to impose conditions to avoid unreasonably burdensome or unduly repetitious presentations by any person. Any adjustment to this order shall be at the sole discretion of the Commission:

- Hearing to be convened by the Commission
- Commission to offer into evidence certain written materials pertaining to the Petition
- Petitioners' Presentation
- Presentation of Commission Staff
- Testimony of Organizations/Public Comment
- Rebuttal and Final Statement

c. Parties' Presentations May be in Narrative Form.

The Petitioners may submit information in support of the Petition in narrative, as opposed to question and answer, form. It is necessary, however, that any such statements be given upon oath or affirmation.

d. Chairman to Rule on Procedural Issues.

The Chair will rule on any procedural issues requiring an immediate ruling which are raised at the hearing on the Petition.

e. Commission Free to Ask Questions.

During the hearing on the Petitioners' presentation, any Commissioner, the Commission's counsel, or the Commission's Executive Director may ask questions of any witness in the nature of cross-examination or to assist the Commission's understanding of the issues relevant to the Petition and any appropriate action to be taken.

f. Hearing to be Conducted under Oath.

The hearing will be conducted under oath or affirmation pursuant to Indiana Code section 4-21.5-3-26(b). In order to insure consistency, any non-party statements are to be given under oath or affirmation pursuant to Indiana Code section 4-21.5-3-25(f).

g. Individuals Requesting Time to Speak to the Application.

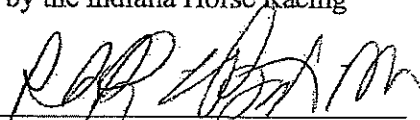
A sign-up sheet will be made available on the date of the hearing for those interested in speaking during the time allotted for Public Testimony of Persons and Organizations. An appropriate amount of time will be determined by the Chair at the hearing with consideration of the number of individuals who wish to speak and the total amount of time available in which to do so.

IV. Notice of Amended Pre-Hearing Order.

This Amended Order is being served upon counsel representing the Petitioners and supersedes the Notice and Pre-Hearing Order dated May 21, 2018.

The Petitioners are advised that if they fail to attend or participate in the scheduled hearing, or any other stage of the proceeding, the proceeding may be dismissed pursuant to Indiana Code section 4-21.5-3-24.

This Amended Pre-Hearing Order is issued by the Indiana Horse Racing Commission this 7th day of June, 2018.



Philip C. Borst, DVM, Chairperson on
behalf of the Indiana Horse Racing
Commission

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following parties by email and/or by first class United States mail, postage prepaid, this 7th day of June, 2018:

Greg Schenkel, Vice-Chair
schenkelgreg@gmail.com

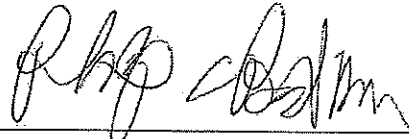
George Pillow
gpillow@pillowlogistics.com

Susie Lightle
susielightle@gmail.com

Bill McCarty
bmccarty@bluemarble.net

Michael D. Smith, Executive Director
Indiana Horse Racing Commission
1302 North Meridian Street
Indianapolis, IN 46202
MDSmith@hrc.IN.gov

Elizabeth Kelley Cierzniak
Faegre Baker Daniels LLP
300 N. Meridian Street, Suite 700
Indianapolis, IN 46204 USA
elizabeth.cierzniak@FaegreBD.com



Philip C. Borst

STATE OF INDIANA

BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:

THE PETITION OF CAESARS ENTERTAINMENT)
 COMPANY, AND CAESARS RESORTS COLLECTION,)
 LLC FOR: (1) ALL NECESSARY APPROVALS)
 INCLUDING APPROVAL TO ACQUIRE ALL OF THE)
 OWNERSHIP OF CENTAUR HOLDINGS, LLC, AND)
 ITS DIRECT AND INDIRECT SUBSIDIARIES)
 INCLUDING CENTAUR ACQUISITION, LLC AND)
 HOOSIER PARK, LLC AS SET FORTH IN THE UNIT)
 PURCHASE AGREEMENT; (2) FINDS THE CHANGE)
 IN OWNERSHIP IS IN THE BEST INTERESTS OF THE)
 STATE OF INDIANA AND HORSE RACING; (3))
 APPROVAL OF THE ACQUISITION FINANCING;)
 (4) APPROVAL OF PRESERVATION OR TRANSFER)
 OF RECOGNIZED MEETING PERMITS AND)
 SATELLITE FACILITY LICENSES RELATED TO THE)
 OPERATIONS OF INDIANA GRAND AND HOOSIER)
 PARK; AND (5) SUCH OTHER APPROVALS AS MAY)
 BE NECESSARY OR TO IMPLEMENT THE)
 CONTEMPLATED TRANSACTION)

INDIANA
HORSE RACING COMMISSION

2018 JUN 15 P 2:31

PETITION

Comes Now Petitioners, Caesars Entertainment Company (“CEC”) and Caesars Resorts Collection, LLC (“CRC” and together with CEC, “Caesars”), by counsel, to respectfully request that the Indiana Horse Racing Commission (the “Commission”) enter an order that:

- (1) Approves and Authorizes Petitioners to acquire all of the ownership of Centaur, and its direct and indirect subsidiaries as identified in the Petitioners’ Application to Transfer Ownership Interest in A Racing License of March 14, 2018 filed with the Commission, the terms of which are incorporated by reference and made a part hereof (the “Transfer Application”);
- (2) Finds, among other things, that the change in ownership of the License and Permit holder is in is the best interest of the horse racing industry and the State of Indiana;
- (3) Approves the acquisition financing;
- (4) Approves and Authorizes any necessary Transfer of the Licenses and Permits as a result of the change in the ownership of Centaur all as more particularly set forth in the Transfer Application;

- (5) Grant such other authorizations as may be necessary to implement the transfer of the Licenses, Permits, ownership interest and all other matters as part of and necessary to the requested approvals

In support of such Petition, Petitioners show the Commission as follows:

1. Hoosier Park, LLC will continue to be the owner of the Hoosier Park facilities and Centaur Acquisition, LLC will continue to be the owner of the Indiana Grand facilities, and further, Hoosier Park, LLC and Centaur Acquisition, LLC will continue to hold the Recognized Meeting Permits issued pursuant to IC 4-31-5 and five Satellite Facility Licenses (three are active) pursuant to IC 4-31-5.5 for Hoosier Park and Indiana Grand as last renewed by the Commission at the December 6, 2017 regular meeting of the Commission.
2. Centaur, through its existing subsidiary New Centaur, LLC will continue to be the owner of Hoosier Park, LLC and Centaur Acquisition, LLC.
3. Centaur is currently owned by certain unit holders, which have agreed to sell their interest in Centaur, upon the satisfaction of certain regulatory and customary conditions, to Caesars.
4. Petitioners, who seek to preserve and support the recent history of success of Centaur while bringing the substantial benefits of its nearly 50 years of experience in the entertainment industry and 20 years as an operation in the State of Indiana, believe that the Transfer of the Licenses and Permits is in the best interest of the horse racing industry and the State of Indiana as required by IC 4-31-5-8(c)(3).
5. Petitioners respectfully request that the Commission:
 - a. Schedule a hearing on this Petition, open to the public with appropriate notices as to the time and place of the hearing;
 - b. Allow the Petitioners to present evidence, through the use of pre-filed testimony, and live witnesses to establish that the requested change in ownership is in the best interest of the horse racing industry and the State of Indiana;
 - c. Allow testimony, pre-filed testimony and other filings from the horse racing industry, the affected communities, all other affected entities and the public at large to set forth their respective views;
 - d. Make a record of the proceeding, including any live testimony, and all other evidence regardless of the form of evidence, including but not limited to exhibits, pre-filed testimony and any other admissible matters;

- e. Enter Findings of Fact and Conclusions of Law setting forth the basis for the conclusion that the requested Transfers are in the best interest of the horse racing industry and the State of Indiana; and further outlines the jurisdiction and expectations of the Commission in overseeing and regulating the Petitions in the future.
 - f. Make such other Findings and Conclusions as the Commission may find necessary to the change in ownership and operations in the future.
6. Approve the Petitioner's financing of the acquisition as set forth in the Transfer Application.

WHEREFORE, Petitioners respectfully request that the Commission enter an order that: (1) Approves the acquisition of all of the ownership of Centaur Holdings, LLC and all of its direct and indirect subsidiaries including New Centaur LLC Hoosier Park, LLC, and Centaur Acquisition, LLC as set forth in the Unit Purchase Agreement and the Transfer Application, (2) Finds the change in ownership to be in the best interest of the State of Indiana and Horse Racing, (3) Approves the acquisition financing, (4) Approves the preservation or transfer of the Recognized Meeting Permits and Satellite Facility Licenses necessary for the operations of Indiana Grand and Hoosier Park, (5) Approves other such items as may be necessary or required to implement the contemplated acquisition and provides such other relief or authorizations as may be right and proper.

Respectfully Submitted,



FAEGRE BAKER DANIELS LLP
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Certificate of Service

I hereby certify that a copy of the foregoing was served upon Mr. Robin Babbitt, Esq., 1302 N. Meridian Street, Suite 175, Indianapolis, Indiana 46202 by electronic mail, this 15th day of June, 2018.



Staff Report of the Executive Director, IHRC

In Re: Caesar's Petition To Acquire the IHRC Permits and Licenses of Centaur

Introduction

This review of Caesar's (operating as CEC and CRC and collectively referred to as "Caesars") Petition for Transfer of Ownership has been guided by the provisions of the Indiana Pari-Mutuel Wagering on Horse Races Act (I.C. 4-31-1-1 et seq.), The Gambling Games at the Race Tracks Act (I.C. 4-35-1-1 et seq.) and the Indiana racing regulations found at 71 IAC 1-1-1 et seq.

A review of the current state of racing in the State of Indiana provides context for this report and support for the Staff recommendations to the Indiana Horse Racing Commission ("IHRC") contained herein. One of the IHRC's retained consultants is F. Douglas Reed ("Reed"), a principal in Racing, Gaming and Entertainment, LLC ("RG & E"). Reed is well known in international racing circles and perhaps best known from his 22-year association with the University of Arizona Race Track Industry Program (RTIP) where he served in virtually every capacity – including a stint as the program's director. In addition, Reed also served for many years as the director of the RTIP's highly respected annual Global Symposium on Racing & Gaming, North America's largest pari-mutuel racing conference. As a part of his assignment relative to this matter, Reed performed interviews and on-site inspections to evaluate the current state of racing in Indiana. [A complete copy of the RG & E Report titled "A Report for the Indiana Horse Racing Commission- Considerations and Recommendations for the Commission" dated May 29, 2018, is attached and identified as Exhibit "2".] The IHRC Executive Director finds Reed's observations and opinions below both flattering and accurate:

Another thing to consider is the level of satisfaction of the stakeholders with the state of the industry. When evaluating Indiana by this measure, it is clear to me this is almost an anomaly in the fact that all stakeholders (while still having different economic concerns and priorities) are unanimous in their opinion of the cooperative efforts that exists. It would be easy to say that despite the groups having small differences they are all rowing the boat in the same direction.

I have worked in the industry in 10 states and consulted in many other states and I would say that when comparing the level of cooperation currently found in Indiana it would be unlikely to find it this good statewide elsewhere. There may be pockets or individual situations where a few stakeholders at one track cooperate as well, but nothing surpassing the current situation/racing environment in Indiana.

* * *

It was clear that currently the racing side of the business is not looked at solely by ROI. Currently racing loses money at the tracks when isolated from the rest of the operations. Nonetheless, as one manager observed, the philosophy here is that security, housekeeping, and other departments also lose money but it is all about the overall operation and that the customers are facility customers not racing or gaming customers. It would appear that the racing and gaming operations and managers are very integrated in

Indiana. Racinos in other jurisdictions often look more like they are run by two distinctly different management teams, racing and gaming, or in some cases they have no upper management with racing experience.

The amount of CAPEX invested on the racing side of the business at both properties seemed exemplary when comparing to other similar venues and especially when considering the age of the facilities when making the comparison. Even currently, with a sale pending the racing operations are moving forward with upgrades, something many other sellers would forego given the lack of return for the current owner. Moving forward any management team would have to examine the question of what “if we lost less on racing?” This could be an issue and the question might be: what is reasonable versus what would have an impact on the existing culture and stakeholder relationships?

* * *

Perhaps the most telling responses were when persons were asked to identify some of the best things and what could be improved, many struggled with the later part of that question. This in itself would not be the case if this same question were posed in many other jurisdictions. When areas of improvement were cited they were things like: would like more purse money, more racing days, worried about money leaving the state to outside owners, or small issues like the racing secretary or stewards perceptions of bias. (Note: these responses can be labeled as normal and would be heard in every jurisdiction almost worldwide.)

* * *

As a closing comment on this situational analysis one often hears that the grass is greener on the other side, but that was not the case in Indiana. There is a concern among a few stakeholders that the ownership change will be “trading down.” This will be a challenge for any new ownership, it would be like replacing some other Indiana born greats: John Wooden, Larry Bird, or Oscar Robertson. If you were in the basketball world any of those three would be hard acts to follow. (RG & E Report, The Current Situational Analysis- Indiana Horse Racing Industry Today, pp. 4-6)

Reed’s complimentary observations are well-deserved and on-point. The current, enviable state of Indiana racing did not happen by accident. It came about as a combined result of legislative wisdom and foresight, thoughtful implementation of policy by previous IHRC Commissions and Staff, a 25 + year history of contributions of “the blood, sweat and tears” of Indiana racing participants and the visionary leadership of Centaur Gaming.

Relevant Legislative History

The legislature, being extremely mindful of the storied history of horse racing in Indiana, enacted the Pari-mutuel wagering Act in 1989. This cleared the way for legalized pari-mutuel wagering in Indiana. Initially, a percentage of the admission fees paid to board riverboats was directed to the Commission and included monies to be distributed for purses, to horsemen’s associations and for administrative expenses of the Commission. In 2007, the General Assembly enacted legislation that allowed racetrack permit holders to seek gambling games (slots) at the tracks as long as a certain percentage (15%) of the adjusted gross receipts of the slot machine wagering each month was paid to support the horse racing industry.

The legislature made clear that gaming at the tracks was permitted if, and only if, a race track permit holder was in good standing with the IHRC:

IC 4-35-5-4.5

Horse racing required of licensee

Sec. 4.5. **A license issued under this article is null and void** if the licensee fails to:

- (1) obtain or maintain a permit issued under [IC 4-31-5](#) to conduct a pari-mutuel wagering horse racing meeting in Indiana; or
- (2) satisfy the requirements of [IC 4-31](#) concerning the amount of live horse racing that the licensee must conduct at the licensee's racetrack.

As added by P.L.233-2007, SEC.21.

(Emphasis added.)

In other words, the “price of admission” to operate gambling games at the two centrally located Indiana racetracks mandated a recognition by track ownership that slots (and potentially table games) were only possible because of the existence of and as a means of supporting the Indiana horse racing industry. At the same time, the legislature limited the number of permits for pari-mutuel racing to two (2). That number mirrored the number of tracks in operation at that time. These are the same two tracks (Hoosier Park and Indiana Grand) that continue to operate today and are the subject of the Caesars’ Petition.

In addition, pursuant to the initial legislation enabling pari-mutuel wagering, joint ownership of Indiana racetracks was prohibited. This changed in 2011 when the General Assembly determined that joint ownership of the two Indiana racetracks would be allowed (effectively creating a monopoly) if, and only if, the proposed joint ownership was determined to be: “in the best interests of the: (A) Indiana horse racing industry; and (B) state”. IC 4-31-5-8 (c)(3). Centaur met this burden in late 2012 when it petitioned the Commission to approve its purchase of Indiana Grand and move to “one breed/one track” racing in Indiana. There is little dispute within the industry that Centaur’s ownership and the advent of “one breed/one track” racing in Indiana has been a resounding success.

In 2013, the legislature established an intricate process of negotiation between the tracks and the representatives of the horsemen’s associations (subject to final approval by the Commission) which allowed the track payments of adjusted gross receipts to horsemen to fall between 10 and 12% (inclusive).

Transfer Criteria

The criteria for transferring ownership of the tracks mirrors the original permit criteria which are found at 71 IAC 11-1-6. [For the benefit of the Commission, a complete copy of this regulation is attached to this report and identified as Exhibit “1”.] Many of the referenced criteria (scheduled completion of the facility, types and variety of racing offered, status of governmental actions needed to develop the facility, extent of public support or opposition to horse racing, effects of location, etc.) have already been established and/or are not much in dispute with respect to the Transfer Petition filed. There are, however, a number of critical issues which the Commission must weigh and determine with respect to Caesars’ Petition.

Financial Ability of the Applicant

71 IAC 11-1-6(b)(5) essentially provides that the applicant (CEC and CRC) must have the financial ability to “successfully” own and operate a pari-mutuel facility. In this particular case, the applicant must have the financial ability to “successfully” own and operate two pari-mutuel facilities. CEC and CRC have submitted numerous financial documents to the IGC and IHRC that relate to its ability to operate the racinos and “successfully” conduct pari-mutuel wagering operations in Anderson and Shelbyville.¹

[A portion of this section has been redacted- Confidential Financial Information/Trade Secrets/Intra-agency Deliberative Materials.]

In addition, Gaming has already approved VICI (the REIT associated with other Caesar’s operations) as a licensed supplier- and has generally approved the concept of utilizing a REIT with respect to the operation of an Indiana Gaming license. [Note that high level representatives of Caesar’s during an April 9, 2018 meeting at the IGC’s offices attended by representatives of the IHRC Staff, indicated that there was no present or foreseeable intention to utilize a REIT structure at the Indiana race track/racinos.] It should be understood by the applicant that the IHRC takes no position in this proceeding as to whether a REIT operation would be appropriate and/or permitted at one of the Indiana racetracks or OTB facilities. To date, neither VICI or any other REIT has been licensed or permitted by the IHRC, and there is no expectation or guarantee that this would be done in the future if an appropriate request were to be made to the IHRC.

Overall, it appears that Caesars and its affiliates meet the financial requirements of 71 IAC 11-1-6(b)(5). That being said, it is recommended that the Commission provide a separate condition in any Final Order that it may issue approving this transaction that obligates Caesars to pay the 12% amount as Horsemen’s’ Distributions at least through 2022.

Integrity

71 IAC 11-1-6(b)(1). Caesars is a licensee currently in good standing with the IGC in the State of Indiana. A letter to that effect has been requested and should be included in the exhibits offered into evidence by the Commission.

Recently, however, Caesars and the IGC entered into a Settlement Agreement (Confidential at the time provided to the IHRC). A copy of this Settlement Agreement is attached to the Commission’s version of this Staff report and identified as Exhibit “5”. Exhibit “5” **is not attached to the public version of this document.**

Overall, it appears that Caesar’s and its affiliates meet the integrity requirements of 71 IAC 11-1-6(b)(1).

¹ The IGC Staff has been extremely helpful and generous in sharing both confidential information and resources with the IHRC under the “intra-agency deliberative materials” exception to the PRA. These materials have either been designated as “Confidential” when submitted to the IGC/IHRC by the applicant and/or by the IGC.

Efforts to Promote and Improve the Horse Racing Industry in Indiana

71 IAC 11-1-6(b)(9) provides that the Commission may consider an applicant's: "[E]fforts to **promote**, develop and **improve** the horse racing industry in Indiana." (Emphasis added.) This criterion does not allow an applicant to simply make efforts to *maintain* the current state of the industry. Because of the high standards of operation currently in place, the required commitment to improve the industry must be substantial. It will require meaningful accountability. The Commission's adoption of the recommendations made in the RG & E Report would go a long way towards providing the accountability necessary for the applicant to measure and demonstrate its efforts to improve the horse racing industry in Indiana:

" . . . [t]he following two major recommendations were suggested. One, that Caesars present a detailed operational plan each year that must be approved by the commission before race dates would be allocated. After approval by the Commission, this operational plan would be a commitment by Caesars. If changes were necessary after approval, Caesars would be required to seek approval for such changes. Two, that some safeguards be put in place to ensure the racing management is empowered and knowledgeable of all aspects of racing and foster the key relationships with stakeholders similar to what was viewed in the case of Indiana, Louisiana and Philadelphia." (RG & E Report, Executive Summary, p.1)

The RG & E Report also made the following specific comments/recommendations relating to the proposed operational plan which the Executive Director also adopts and incorporates into his Recommendations:

The two major recommendations are a direct result of the conclusions reached. One requires the approval on an annual basis of an operations plan before race dates are allocated. This operational plan would be a commitment by the owner and any changes that need to be made during the year would be subject to commission approval. Violations of the operational plan without commission approval would be tied to the license and depending on the nature of the violation it would be up to the discretion of the commission as to the extent of any penalties that might be imposed. If the change/deviation would be deemed an emergency then the executive director of the commission should be empowered to approve any part that could not wait for full commission approval.

* * *

1. **An outline for a yearly operational plan needing approval before race date allocation** (*the commission may want to consider the following elements and add/delete as they see necessary given the Indiana statutes and regulatory scheme, with consideration of what is practical, fair and reasonable and being careful to guard against unintended consequences.*)

- a. Contracts with the necessary horsemen groups should be approved beforehand and included as a part of the operational plan.
- b. An overview of changes planned for the upcoming year. It could/should also include changes made to address opportunities to enhance or better racing for employees, customers, horsemen and/or other stakeholders. (See SWOT analysis for more detail.) Examples may be post time changes, new personnel, changes in strategy to attract more handle, any legislative agenda, surveillance or other technological improvements, training initiatives, Total Reward changes, ADW changes, any synergistic efforts with other Caesars properties, etc. It would be helpful to include any data analytics to support any change that might be made.

- c. Racing CAPEX expenditures should be identified with a timeline and cost estimates. The allocation should address what is necessary for safety, upkeep, frontside and backside racing related expenditures, new initiatives and/or what need is to be addressed with each outlay of capital (i.e., the expenditure enhances integrity or surveillance, or is enhancing racing customer or horsemen comfort, etc.)
- d. The racing marketing plan. There should be a commitment to spend an agreed upon amount for the marketing of racing during the plan year. The plan should identify specific promotions, marketing advertising buys, CRM efforts, social media and any other appropriate marketing outlays. The plan should cover the marketing of live racing but should also include some key simulcast events. The racing marketing plan should include the amount of spending on racing specific events and initiatives. Of course, some marketing expenditures would be for the entire facility and may be more inclusive. This budget should fairly allocate expenditures based upon reasonable metrics.
- e. Any of the usual, normal and necessary things needing approval for race dates would be included in the operational plan: the race dates, post times, staffing etc. The plan should be specific as to staffing of racing personnel at each track in that this was a critical component of the good relationships at the various jurisdictions reviewed. A process that increases the chance that quality hires are made should be considered.
- f. The commission may want to consider, given the opportunities that the new ownership may bring to the table, that one item each year on the plan specifically address an issue of safety, integrity, promotion, industry growth, increase of an industry standard that is forward looking and may be an outcome of discussions during the previous year.
- g. Prior to any consideration of the approval of the operational plan for an upcoming year, the commission must be presented year end projected results and validation to demonstrate to the satisfaction of the commission that the current year's plan was accomplished in good faith.
- h. Other items as may be deemed necessary by the commission or its Executive Director. (See the other recommendations for additional suggestions.)
- i. A force majeure type clause or similar provision that would apply to any elements of the operational plan that could not be completed due to issues beyond Caesars control.

While communications between other racing commissions and Caesars is already a “strength”, this recommendation would provide transparency to all racing constituents and would formalize a process that provides for an annual review of the racing side of the business and the discussion of forward-looking issues that would impact racing. It would help to insure accountability (which is a corporate strength of Caesars) on the racing side of the product. (RG & E Report, Conclusions and Recommendations, pp.20-22)

On a related note, 71 IAC 11-1-6(b)(2) requires the Commission to consider the proposed physical improvements and equipment at the applicant's facilities. As stated in the RG & E Report:

“The amount of CAPEX invested on the racing side of the business at both properties seemed exemplary when comparing to other similar venues and especially when considering the age of the facilities when making the comparison. Even currently, with a sale pending the racing operations are moving forward with upgrades, something many other sellers would forego given the lack of return for the current owner.” (RG & E Report, The Current Situational Analysis- Indiana Horse Racing Industry Today, p. 4.)

The point is that Caesars will begin with racing properties (physical improvements) and equipment that are in good to excellent condition. Centaur has done an exemplary job of meeting the needs of the horsemen and investing in the facilities, equipment and property- even to this day. The challenge will be for Caesar's to **improve** that trend. A document entitled Hoosier Park and Indiana Grand Equipment Summary, Revised May 18, 2018 is attached to this report and identified as Exhibit "6". This schedule identifies equipment associated with a specific track (Hoosier Park or Indiana Grand) for track maintenance/racing operations, backside maintenance and operations, snow management, and frontside operations and includes a replacement schedule through and including 2033. The Executive Director recommends that Caesars agree to comply with this equipment replacement schedule (Exhibit 6) and is proposing a recommended condition to this effect.

In addition, Caesars should agree to maintain and improve the current number and condition of stalls, maintain and improve the current condition of the racetrack surfaces, maintain and improve the response to any backside maintenance issues that may arise and promptly address any safety and or integrity concerns that may present in the future.

Moreover, the Executive Director also adopts Reed's recommendation that Indiana Grand maintain its certification/accreditation with the NTRA Safety and Integrity Alliance:

The thoroughbred race track is accredited by the NTRA Safety & Integrity Alliance and the last time they were inspected there were only minor issues and no concerns. The Alliance is due to update their accreditation soon and if it is done prior to the sale this would be normal SOP. If it is not accomplished by the time of the sale, it certainly would be a recommendation to continue this. (RG & E Report, The Current Situational Analysis- Indiana Horse Racing Industry Today, p. 5; *See also*, Conclusions and Recommendations, pp.22-23.)

Management Ability of the Applicant

71 IAC 11-1-6(b)(7) requires an applicant to retain qualified racing management- among other things (i.e. plans for human health and safety, concession plans, personnel plans, etc.). Historically, Caesars has been known more for its knowledge and strengths in the gaming area. As for the racing side, there is a related concern that since "Caesars is a "gaming not a racing company" – that there will be a distinct drop-off from the current operations at each track. (RG & E Report, SWOT Analysis, p.18) The Reed analysis, however, indicates that Caesar's has strengths in the racing area- and that their best racing operations were a function of having knowledgeable racing management and racing managers that were trusted and familiar. (RG & E Report, SWOT Analysis, p.17)

Caesar's has indicated that they will be retaining the racing managers at each track (Rick Moore at Hoosier Park and John Schuster at Indiana Grand) and this is certainly a step in the right direction. That being said, it is important to have knowledgeable racing people in the upper management of at least one (if not both) racinos so that Caesars communicates in a meaningful way that racing has a "seat at the table" and is valued.

Moreover, it is important that racing management be appropriately empowered. As Reed indicated in his report:

The second recommendation is that Caesars continue its general practices regarding racing management but that it further empower its racing managers so as not to tie their hands any more than necessary.

* * *

2. The second recommendation is an attempt to create some assurance that the status quo (regarding Caesars having racing management with racing experience and knowledge in place) will be maintained in Indiana- and preferably improved. Commission approval is required of executive management and changes to those positions. The importance of the need for qualified racing management (whenever such approvals come about) cannot be overstated.

Often times the racing manager is the “face” of Caesars before the commission at most meetings. The person (or another authorized representative) attending the commission meetings should be empowered to make decisions up to a certain level. The person(s) designated to attend the meetings could be identified as part of the operational plan and the approximate dollar level of authority identified. This would allow certain commitments to be made that would minimize the need to unnecessarily involve corporate management. This might help alleviate the stakeholders feeling that racing man[ag]ers hands are tied and the fear that things cannot get done or will be delayed unnecessarily because another layer of bureaucracy is in place. It is understood that Caesars is a large corporation and may legitimately feel that decisions at one facility may have an impact elsewhere. However, if an operational plan (as recommended) is in place for the year, that plan would cover most major decisions and the personnel attending the commission meetings throughout the year should be expected and able to handle any other type of decision. (Perhaps crisis/emergency and anomalies aside.) (RG & E Report, Conclusions and Recommendations, pp.20-22)

Impact of Racing on Anderson, Shelbyville and the State of Indiana

71 IAC 11-1-6(b)(10) and (13) allow the IHRC to examine the impact of the racing operations on the state and the local communities where the tracks operate. If the Commission approves this transfer, Caesars will become the sole operator of Indiana’s two pari-mutuel racetracks. The importance of this position cannot be understated. The Commission should effectively consider Caesars to occupy a position with the horsemen and local communities that is akin to a fiduciary relationship.

In the past, Centaur has been an excellent steward of these same relationships. For 2017, Centaur’s efforts have been summarized and reported in the 2017 State and Community Impact Report. A digital version may be downloaded directly from www.hoosierpark.com or www.indianagrand.com. If the proposed transfer is approved by the Commission, the 2017 Centaur report should serve as a template for Caesars moving forward. A copy of this document is identified as Exhibit “7”. Exhibit “7” is **not attached to this report**.

One other point should be made here. Pari-mutuel racing has become an integral part of the Anderson and Shelbyville communities over the past several years. The state, local communities and racing industry have all benefitted from the one breed/one track racing instituted in 2013. The Executive Director would emphatically make the point that he can foresee no circumstance where he would recommend returning to past practices and support a

recommendation to consolidate racing operations at one of the two existing pari-mutuel racing facilities.

Executive Director Recommendations

The Executive Director recommends Commission approval of the proposed transfer as long as the Commission includes “Conditions” (drafted by the Commission’s counsel) that provide for “meaningful accountability” and are agreed to by Caesars.

Those conditions should include:

1. A commitment by Caesar’s to pay the maximum statutory distribution amount to horsemen (as provided by IC 4-35-7-16(f)) of 12% through calendar year 2022, regardless of whether table games and/or hotels are added at either facility in the interim. Thereafter, the payment percentage rate would change only if Caesars was to comply with the appropriate statutory prerequisites/requirements and was able to establish to the satisfaction of the Commission clear and convincing evidence that some other percentage was in the best interests of the state and the horse racing industry;
2. The requirement that the Commission approve, on an annual basis, a racing operations plan for the upcoming calendar before race dates are allocated. This comprehensive, operational plan would become a commitment of the owner/Caesars and any needed changes during the year would be subject to Commission approval. Violations of the operational plan without commission approval would be tied to the license and (depending on the nature of the violation) it would be up to the discretion of the commission as to the extent of any penalties that might be imposed or any other appropriate action that might be taken. If a change/deviation were deemed an emergency then the executive director of the commission should be empowered to approve any part that could not wait for full commission approval;
3. That Caesars commits to continue to employ racing management that is knowledgeable, trusted and familiar and that is appropriately empowered/authorized to address any concerns or issues raised by the Commission or its Executive Director;
4. That Caesars commits to comply with the schedule for equipment replacement through 2033 as set forth in the documents titled “Hoosier Park and Indiana Grand Equipment Summary, Revised May 18, 2018” and identified as Exhibit 6;
5. That Caesars commits to have Indiana Grand seek and maintain its certification/accreditation with the NTRA Safety and Integrity Alliance;
6. That Caesars acknowledges and understands that the issuance of a Final Order will result in the issuance of two separate racing permits and will obligate Caesars to make the payments for each permit and license required by IC 4-35-7-12 and IC 4-35-8.7-2;
7. That Caesars commits to continue to support the state of Indiana, and the communities of Anderson and Shelbyville consistent with the Centaur efforts summarized and reported in the 2017 State and Community Impact Report referenced herein;

8. That any Final Order of the Commission approving the transaction be effective on the date issued and as soon as it is signed by the Commission **and** Caesars' Representatives consenting to any conditions imposed. Assuming that final approval has been extended by the IGC which allows closing to proceed and with the understanding that all other conditions precedent to closing have been met by the parties, this would allow the closing to occur as soon thereafter as could be arranged by the parties to the transaction; and
9. Any other conditions that the Commission or its counsel determines are necessary and appropriate.

A handwritten signature in black ink, appearing to read "M. Smith", written over a horizontal line.

Michael D. Smith, Executive Director
Indiana Horse Racing Commission

APPENDIX

- Exhibit 1 Copy of **71 IAC 11-1-6 “Permit Criteria”**
- Exhibit 2 RG & E Report titled “A Report for the Indiana Horse Racing Commission- Considerations and Recommendations for the Commission” dated May 29, 2018.
- Exhibit 3 **CONFIDENTIAL** report. This report **is not attached to the public version of this document.**
- Exhibit 4 **CONFIDENTIAL** report. This report **is not attached to the public version of this document.**
- Exhibit 5 Caesars and the IGC entered into a Settlement Agreement (Confidential when provided to the IHRC). A copy of this Settlement Agreement is **not attached to the public version of this document.**
- Exhibit 6 Hoosier Park and Indiana Grand Equipment Summary, Revised May 18,2018.
- Exhibit 7 Centaurs 2017 State and Community Impact Report. A copy is not attached but a digital version may be downloaded directly from www.hoosierpark.com or www.indianagrand.com.

71 IAC 11-1-6 Permit criteria

Authority: IC 4-31-3-9

Affected: IC 4-31-4; IC 4-31-5

Sec. 6. (a) The commission may issue a permit under IC 4-31-5 if the commission determines that the applicant meets all of the requirements under IC 4-31 and this title and, that on the basis of all the facts before it, the following is shown:

- (1) The applicant is qualified and financially able to operate a race track.
- (2) Racing meetings at a race track will be operated in accordance with all applicable laws and rules.
- (3) The appropriate county fiscal body has adopted the ordinance required under IC 4-31-4.
- (4) The issuance of a permit will ensure that racing will be conducted with the highest of standards and the greatest level of integrity, and ensure the protection of the public interest.

(b) In reviewing an application, the commission may consider any information, data, reports, findings, factors, or indices available which it considers important or relevant to its determination of whether an applicant is qualified to hold a permit under IC 4-31-5, including, without limitation, the following:

- (1) The integrity of the applicant, its partners, directors, officers, policymakers, owners, directly or indirectly, of any equity, security, or other ownership interest in the applicant, including, but not limited to, the following:

- (A) Criminal record.
- (B) Whether a party to litigation over business practices, disciplinary actions over a business license or permit or refusal to renew a license or permit.
- (C) Proceedings in which unfair labor practices, discrimination, or government regulation of pari-mutuel wagering was an issue or bankruptcy proceedings.
- (D) Failure to satisfy judgments, orders, or decrees.
- (E) Delinquency in filing of tax reports or remitting taxes.
- (F) Any other indices related to the integrity of the applicant which the commission considers important or relevant to its determination.

- (2) The quality of physical improvements and equipment proposed or existing in the applicant's facility, including, but not limited to, the following:

- (A) Race track or tracks.
- (B) Stables and stable area.
- (C) Detention barn.
- (D) Paddock, jockeys' and drivers' quarters.
- (E) Grandstand.
- (F) Totalizator equipment.
- (G) Parking.
- (H) Access by road and public transportation.
- (I) Perimeter fence.
- (J) Other security improvements and equipment.
- (K) Starting, timing, photo finish, photo-patrol, or video equipment.
- (L) Commission work areas.
- (M) Concessions areas.
- (N) Pari-mutuel management areas.
- (O) Any other indices related to the quality of physical improvements and equipment which the commission considers important or relevant to its determination.

- (3) Schedule for completion of facility and feasibility of meeting schedule, including commitments of architects, engineers, contractors, suppliers, materialmen, and vendors.

- (4) The types and variety of pari-mutuel horse racing which applicant seeks to offer.

- (5) Financial ability of the applicant to develop, own, and operate a pari-mutuel facility successfully, including, but not limited to, the following:

- (A) Ownership and control structure; amounts and reliability of development costs.

PERMIT APPLICATION REQUIREMENTS AND CRITERIA

- (B) Certainty of site acquisition or lease.
 - (C) Current financial condition.
 - (D) Sources of equity and debt funds, amounts, terms and conditions, and certainty of commitment.
 - (E) Provisions for cost overruns, nonreceipt of expected equity or debt funds, failure to achieve projected revenues, or other financial adversity.
 - (F) Feasibility of financial plan.
 - (G) Expert opinions relative to feasibility.
 - (H) Any other indices related to financial ability which the commission considers important or relevant to its determination.
- (6) Status of governmental actions required by the applicant's facility, including, but not limited to, the following:
- (A) Necessary road improvements.
 - (B) Necessary public utility improvements.
 - (C) Required governmental approvals for development, ownership, and operation of the facility, including appropriate zoning approvals.
 - (D) Any other indices related to the status of governmental action which the commission considers important or relevant to its determination.
- (7) Management ability of the applicant, including, but not limited to, the following:
- (A) Qualifications of managers, consultants, and other contractors to develop, own, or operate a pari-mutuel facility.
 - (B) Security plan.
 - (C) Plans for human and animal health and safety.
 - (D) Marketing, promotion, and advertising plans.
 - (E) Concession plan.
 - (F) Personnel training plan.
 - (G) Equal employment and affirmative action plans.
 - (H) Any other indices related to management ability which the commission considers important or relevant to its determination.
- (8) Compliance with applicable statutes, charters, ordinances, or regulations.
- (9) Efforts to promote, develop, and improve the horse racing industry in Indiana.
- (10) Impact of facility, including, but not limited to, the following:
- (A) Employment created, purchases of goods and services, public and private investment, and taxes generated.
 - (B) Ecological and environmental impact.
 - (C) Social impact.
 - (D) Cost of public improvements.
 - (E) Any other indices related to the impact of the proposed facility which the commission considers important or relevant to its determination.
- (11) Extent of public support or opposition to horse racing and pari-mutuel wagering at the location where the permit is sought.
- (12) Effects of location of track, including, but not limited to, the following:
- (A) Number, nature, and relative location of other permits.
 - (B) Minimum and optimum number of racing days sought by the applicant.
 - (C) Any other indices relating to location of track which the commission considers important or relevant to its determination.
- (13) The commission may consider any other information which the commission considers important or relevant to a proper determination by the commission.

(Indiana Horse Racing Commission; 71 IAC 11-1-6; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1210; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA)

