

ORDER 2011-188

**AN ORDER OF THE INDIANA GAMING COMMISSION CONCERNING:
(1) THE APPLICATION FOR TRANSFER OF THE GAMBLING GAME LICENSE
FROM HOOSIER PARK, L.P. TO HOOSIER PARK, LLC;
(2) THE APPLICATION OF CENTAUR HOLDINGS, LLC; AND
(3) THE DEBT TRANSACTION PROPOSED BY CENTAUR HOLDINGS, LLC**

On March 6, 2010, Centaur, LLC and eleven affiliates ("Centaur") filed voluntary petitions for relief under Chapter 11 of the United States Code. Centaur is the parent company of gambling game licensee Hoosier Park, L.P. On March 28, 2010, Centaur filed its Chapter 11 Plan of Reorganization and has filed several amendments and modifications since then.

Hoosier Park, LLC, an entity created in the bankruptcy reorganization of Centaur for the purpose of holding the corporate assets of Hoosier Park, L.P., including the gambling game license that the Indiana Gaming Commission ("Commission") issued to Hoosier Park, L.P. in Order 2008-25, seeks Commission approval to transfer of the gambling game license from Hoosier Park, L.P. to Hoosier Park, LLC.

Centaur Holdings, LLC ("Holdings"), an entity created in the bankruptcy reorganization of Centaur to be the sole ultimate parent company of all surviving Centaur-affiliated entities, seeks Commission approval to become the substantial owner of Hoosier Park, LLC.

As part of its reorganization approved by the United States Bankruptcy Court in Delaware, Holdings and its affiliates seek Commission approval to issue three tranches of new debt to the entities ("pre-petition First Lien lenders") that held First Lien notes issued by Centaur prior to Centaur filing its petitions for relief. Holdings and/or its affiliates plan to issue First Lien notes, Second Lien notes, and unsecured notes to the pre-petition First Lien lenders and to certain of Centaur's managers who are co-investing ("Co-Investors") with the pre-petition First Lien Lenders, in exchange for term loans and a revolving credit facility totaling \$273.7 million. The pre-petition First Lien lenders will (1) also receive the ability indirectly to select members of Holdings' Board of Managers, and (2) together with the Co-Investors, also receive warrants that are non-detachable from the unsecured notes, all of which must be exercised by all warrant holders simultaneously. If any of the pre-petition First Lien lenders wish to exercise their warrants and that exercise would result in the acquisition of a 5% or more ownership interest in Holdings after exercise, they must first obtain Commission approval.

In addition to the foregoing, the Indiana Gaming Commission has considered the following factors:

1. Terms in this Order shall have the meanings ascribed to them in Indiana Code 4-35-2 and 68 IAC 1-1, as applicable.
2. Hoosier Park, LLC has applied for transfer of ownership of the gambling game license in accordance with 68 IAC 5.
3. Hoosier Park, LLC has submitted a complete transfer of ownership interest application and caused to be submitted complete personal disclosure forms and other appropriate applications for Holdings and all key persons, as deemed necessary by Commission staff.

4. Holdings has provided evidence to the Commission's satisfaction that the proposed exit financing package will provide adequate initial capital to support successful and continuing operations of its affiliates and operations, including Hoosier Park Racing • Casino in Anderson.
5. The Commission has received and reviewed a financial analysis of the proposed financing transaction from the Commission's outside financial analyst, Dr. Charlene Sullivan of Purdue University, who recommends approval.
6. The Commission's Background and Financial Investigations Section has completed a comprehensive investigation of Hoosier Park, LLC; Holdings; and key persons of both entities. Commission staff has presented the final investigative reports to the Commission for review.
7. Representatives of Hoosier Park, LLC and Holdings have addressed the Commission at a public meeting to present information and respond to questions relevant to the proposed transfer of ownership, licensure, and financing.
8. Hoosier Park, LLC has presented evidence that it meets or possesses the standards, criteria, and qualifications necessary to be issued a gambling game license pursuant to IC 4-35-5 and 68 IAC 2-1-5(c).

COMMISSION ACTION

I. Transfer and Substantial Ownership:

Based on the foregoing, the Commission hereby **APPROVES** the application of Hoosier Park, LLC to transfer the gambling game license of the initial licensee, Hoosier Park, LP, with Holdings indirectly holding 100% of Hoosier Park, LLC's outstanding membership interests and therefore acting as Hoosier Park, LLC's sole substantial owner.

This approval is contingent upon the following continuing conditions:

- (1) Holdings and/or an affiliate successfully closing the financing package approved in this Order;
- (2) Submission to Commission staff of all final documents material to the financing package approved in this Order;
- (3) Hoosier Park, LLC obtaining from the Indiana Horse Racing Commission a transfer of Hoosier Park LP's permit to conduct horse racing meetings;
- (4) That, no less than one hundred fifty (150) days before exercising any of the non-detachable warrants that are attached to the unsecured notes issued as part of the financing approved in this Order, a pre-petition First Lien lender must provide the Executive Director with:
 - (a) notice of its intent to exercise warrants;
 - (b) an explanation of how many units of Holdings' equity the pre-petition First Lien lender will hold after exercising the warrants;
 - (c) any other information requested by the Executive Director, including an application for licensure as a substantial owner.

(5) All relevant affiliates, persons, and/or entities holding any economic, beneficial or other interest in Hoosier Park, LLC or Holdings remaining in full compliance with all laws, regulations and/or other directives that are applicable to a gambling game licensee.

The Commission reserves the right to take disciplinary action against Hoosier Park, LLC or Holdings based on information gathered from or ultimately derived as a result of the above conditions.

The transfer approved in this Order does not trigger the transfer fee listed in Indiana Code 4-35-5-7(d), pursuant to the exemption in Indiana Code 4-35-5-7(e)(i), because the transfer is occurring as a result of Centaur filing for bankruptcy.

II. Financing:

Based on the information provided by Holdings, along with the above-mentioned recommendation from the Commission's Financial Investigations Division, the Commission hereby **APPROVES** the \$273.7 million exit financing proposed by Holdings to help fund continuing operations following emergence from bankruptcy. In granting approval to this financing package, the Commission also **WAIVES** the so-called "two meeting requirement" of 68 IAC 5-3-2(b)(2) and (3).

The Commission's approval of Holdings' financing package is contingent upon: (1) the terms articulated in the final financing documentation not materially differing from the terms Holdings has presented to date; (2) the terms of the final financing documentation not violating IC 4-35-5-7(a), (b), or (c); and (3) Holdings providing the Commission upon execution of the loan documents with a legal opinion demonstrating compliance with IC 4-35-5-7. Should Holdings or any affiliate thereof willfully fail to abide by the terms and conditions set forth in this Order, the Commission reserves the right to withdraw its financing approval; require Holdings or any affiliate thereof to obtain additional approval(s); and/or take other appropriate disciplinary action.

EFFECTIVE DATE

This Order shall be effective upon the occurrence of both:

- (1) Effectiveness of the Confirmed Plan of Reorganization in the pending bankruptcy proceedings of Centaur, LLC and its affiliates; and
- (2) Successful closing of the exit financing package contemplated herein.

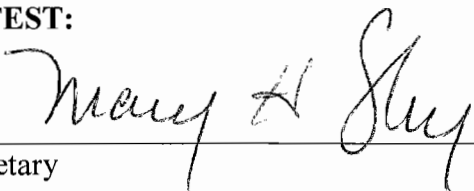
IT IS SO ORDERED THIS THE 15th DAY OF SEPTEMBER, 2011.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Secretary