

**ORDER 2021-155
IN RE SETTLEMENT AGREEMENT**

**WHITE HAT GAMING, INC.
21-WH-01**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

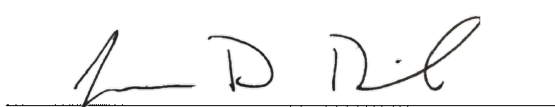
IT IS SO ORDERED THIS THE 29th DAY OF SEPTEMBER, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
WHITE HAT GAMING, INC.) **21-WH-01**

SETTLEMENT AGREEMENT

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

FINDINGS OF FACT

1. 68 IAC 5-2-1(a)(2) provides that this rule applies to casino licensees, casino license applicants, and supplier licensees that are persons other than publicly traded corporations.
2. 68 IAC 5-2-1(c) provides a person that is not a publicly traded corporation may transfer a direct or indirect ownership interest of five percent (5%) or greater in a casino licensee, a casino license applicant, or a supplier licensee only in accordance with this rule.
3. 68 IAC 5-2-2(a) provides an applicant must receive prior approval from the Commission before taking an ownership interest in a supplier licensee who is not a publicly traded company.
4. White Hat holds a permanent supplier license with the Commission. Their ownership structure included institutional investor, Westgrove Partners. Westgrove Partners had an Institutional Investor Form on file with the Commission and held about 8% of White Hat shares.
5. In May 2020, without notice to the Commission, White Hat transferred 7.2% of White Hat shares to another Westgrove Partners fund, resulting in Westgrove Partners being a beneficial owner of 15.8% in White Hat shares, which placed them over the institutional investor threshold.
6. In September 2020, White Hat transferred another 8.9% in White Hat shares to the second Westgrove Partners fund, resulting in Westgrove Partners having a total of 24.4% in White Hat shares.
7. As a privately held company, each of these transactions required disclosure and pre-approval by the Commission. Since Westgrove Partners exceeded the threshold for an institutional investor, two (2) of their key persons were required to file PD1’s. The PD1’s have since been received.

TERMS AND CONDITIONS

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

White Hat shall pay to the Commission a total of \$10,000 in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

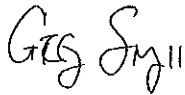
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, White Hat agrees to promptly remit payment in the amount of \$10,000 and shall waive all rights to further administrative or judicial review.

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

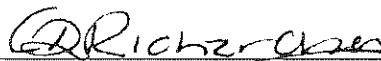
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by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

This Agreement shall be binding upon the Commission and White Hat.

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



Greg Small, Executive Director
Indiana Gaming Commission



Emma Richardson, General Counsel and Head
of Legal, Compliance and Regulation
White Hat Gaming, Inc.

9/28/21

Date

20th September 2021

Date