

**ORDER 2013-197
IN RE SETTLEMENT AGREEMENT**

**SHFL ENTERTAINMENT
13-SHFL-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 21st DAY OF NOVEMBER, 2013.

THE INDIANA GAMING COMMISSION:



Matt Bell, Chair

ATTEST:



Cris Johnston, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
SHFL ENTERTAINMENT, INC.)	13-SHFL-01
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and SHFL Entertainment, Inc. (“SHFL”) (collectively, the “Parties”) desire to settle this matter prior to the initiation of a disciplinary proceeding. The Parties stipulate and agree to the following:

FINDINGS OF FACT

1. 68 IAC 19-1-1(a) states this rule applies to supplier licensees.
(b) If a supplier licensee has a warehouse located in Indiana, electronic gaming devices or live gaming devices, or both, may be shipped to the warehouse only in accordance with this rule.
2. 68 IAC 19-1-2(c) states the supplier licensee must provide security measures and surveillance coverage that is deemed adequate by the executive director or the executive director's designee to ensure:
 - (1) compliance with the Act and this title; and
 - (2) that the devices are not used for gambling or any entertainment purpose.
3. On April 18, 2013 a Gaming Agent and Supervisor discussed the shipment of processors sent to Hollywood Casino by SHFL. Since the shipment was not entered into the EGDS and the Casino and Gaming Agents were unaware of the shipment, the processors were to be returned to SHFL. The Agent and Supervisor were contacted by Hollywood’s F&B Receiving Supervisor and informed that he had been contacted by the SHFL Service Supervisor with the request to ship the processors to another location in Indiana. Since the F&B Receiving Supervisor did not get any further information, he was told he could not change the shipping location. The Gaming Supervisor requested the F&B Receiving Supervisor to ask the SHFL Service Supervisor where he wanted the processors shipped to in Indiana, but still ship the processors back to SHFL. The Receiving Supervisor informed the Gaming Supervisor that he had spoken to the SHFL Service Supervisor and was told to ship the processors to the SHFL Technician’s residence in Sunman, IN. Then, the Technician would take the processors to the SHFL warehouse in Rising Sun, IN. The Gaming Supervisor later spoke to the

SHFL Service Supervisor about the warehouse in Rising Sun and if it had been approved by the Commission. The Service Supervisor responded that he was unaware that the warehouse had to be approved and if that were true they had a problem since there was a similar facility in northern Indiana.

4. In November of 2012 the Commission was contacted by the SHFL Regulatory and Licensing Compliance Analyst about a warehouse in northern Indiana. The Commission requested a list of items to be stored and once the list was received, it was reviewed for regulated items/parts. Several of the items were found to be regulated and on December 20, 2012 the Commission informed the SHFL Analyst that the warehouse would need to follow the rules regarding warehouses. As of August 16, 2013 the Commission had not heard back from the SHFL Analyst if SHFL wanted to have a warehouse in northern Indiana. The Commission checked into the warehouse in Rising Sun and found it to be a public storage unit. The Commission asked for a copy of item/parts contained in this unit and identified two regulated parts. The SHFL Technician was told to remove the parts from the unit and instructed not to use this unit for regulated items/parts.

TERMS AND CONDITIONS

Commission staff alleges that the acts and omissions of SHFL by and through its agents as described herein constitute a breach of the IC 4-33 and/or 68 IAC. The Commission and SHFL hereby agree to a monetary settlement of the alleged violations in lieu of the Commission pursuing formal disciplinary action against SHFL. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

SHFL shall pay to the Commission a total of \$20,000 in settlement of the violations explained in this Settlement Agreement (“Agreement”). This agreement extends only to those violations and findings of fact, specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

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, SHFL agrees to promptly remit payment in the amount of \$20,000 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 shall be binding upon the Commission and SHFL.

IN WITNESS WHEREOF, the parties have signed this Agreement on the below date and year.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

11.14.13
Date



Dawn Hinman
Deputy General Counsel
SHFL entertainment, Inc.

11/13/13
Date