

Not so fast, we might be for sale

Written by Administrator

Monday, 13 October 2014 20:01 -



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Amy Witherby, from Taylor Creek, Kentucky, pulls the handle for the slot machine while gambling at Grand Victoria Casino (now Rising Star) in Rising Sun, Indiana. (Photo: Enquirer file) [Buy Photo](#)

Rising Star Casino Resort's parent company fired back Monday at a group of investors that is urging a shareholder uprising.

Las Vegas-based Full House Resorts Inc. said they are exploring "strategic alternatives" for the company, including merging or selling it to a rival. The company also attacked the investor group's qualifications for the board seats they are seeking.

The investor group, led by former Pinnacle Entertainment CEO Daniel Lee, filed a letter with regulators last week, seeking a shareholder vote to add board seats. Pinnacle is the parent company of Belterra Casino Resort & Spa in Florence, Ind. and Belterra Park in Anderson Township.

The Lee group controls 6.2 percent of the company and needs investors holding a total 40 percent of shares to call a special meeting for vote on the board proposal.

"The company believes that the proposals by the dissident group are inappropriate and disruptive at this time and encourages stockholders to not take any action with respect to the proposals," Full House said in a statement. "The company also believes that the dissident group are the wrong people, with the wrong agenda at the wrong time."

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The spat comes after a decidedly unlucky streak at Full House Resorts: shareholders have lost half their investment in the last year as the stock has plunged more than 50 percent to \$1.31 in late trading on Monday; the company has lost \$14.1 million in the last 12 months on revenues of \$130.7 million; and its largest casino, the Rising Star in southeast Indiana has seen its market share dwindle to just 7 percent of Greater Cincinnati's increasingly competitive landscape.

Lee's group lambasted Full House management for buying "binge" that racked up \$65.2 million in debt as well as an aborted Mississippi casino acquisition.

Full House said Lee only lasted eight months at Palms Casino Resort and had a "disruptive departure" from Pinnacle. The company also said Lee's partners lacked a track record of building shareholder value from their other ventures.

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