

Casino company announces it's for sale

Written by Administrator

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Happier times: Matt Freije, from Brownburg, Indiana, ponders his cards while playing blackjack in 2005(Photo: Enquirer file)[Buy Photo](#)

The struggling parent company of Rising Star Casino Resort announced Wednesday it's putting itself up for sale.

"The board of directors has determined that pursuing a sale of the the company is the best course of action to maximize stockholder value," said Las Vegas-based Full House Resorts.

Full House shares closed at \$1.33, up 6 cents or 4.9 percent on Wednesday.

The company's market capitalization (full value of all outstanding shares) is \$25.1 million. Between outstanding shares and assuming the company's \$66.8 million in debt, whoever buys Full House could easily spend more than \$80 million.

But it's unclear if a buyer might be interested in a company with the No. 7 gambling outlet in Greater Cincinnati as their crown jewel.

The announcement comes less than two weeks after the board and management drew criticism from a group of shareholders seeking board seats and control of the company. Full House's stock has lost half its value this year.

The group of shareholders demanded a special meeting to consider changing the board's

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composition – the company's largest shareholder endorsed the idea of a special meeting early this week. The dissident shareholder group is led by former Daniel Lee, former CEO of Pinnacle Entertainment, the parent company of Belterra Park in Anderson Township and Belterra Casino Resort in Florence, Indiana.

Full House invited the shareholder group to participate in the sale process, but maintained its opposition to changing the company's board.

Rising Star Casino Resort in Rising Sun is Full House's largest casino property, generating nearly half the company's \$144.7 million in revenue last year. The company also owns one casino each in Nevada and Mississippi and manages a fourth in Nevada.

The spat comes after a decidedly unlucky streak at Full House Resorts: 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 less than 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.

Formerly the Grand Victoria Casino & Resort, Rising Star was bought and renamed by Full House in 2011 for \$43 million. Since then, Full House invested \$8 million to add a second hotel on the property with 104 rooms.

Opened in 1996 as the Cincinnati region's first casino, Rising Star has seen its fortunes decline as the region added several gambling venues closer to Hamilton County. In its heyday, the casino raked in nearly \$163 million in gambling revenue in 1998, but last year generated \$65 million.

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