

The Indiana Casino Gaming News

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New owner coming to Resorts

AmeriStar finalizes purchase of Resorts East Chicago in \$675 million deal

Visitors to Resorts East Chicago in northwestern Indiana may soon have to get used to another name for their destination, after AmeriStar Casino, Inc., finalized its purchase of the casino.

AmeriStar paid \$675 million for the Resorts International Holdings, LLC, subsidiary that owns the former Resorts East Chicago. And this month, the company announced the company's new general manager, Tim Wright, and assistant GM, Pete Longi.

Now, the company will move to take advantage of the large Chicagoland casino market.

"We moved quickly to acquire Resorts East Chicago because it hits the bulls-eye of our acquisition criteria," John Boushy, CEO and president of AmeriStar, told *Inside Indiana Business*. "It allows us to enter an extremely attractive market, diversifies our cash flow, enhances our distribution chan-



nels, and provides a platform from which we can substantially grow an already well-positioned property, while achieving an appropriate return.

"By applying AmeriStar's proven management model, operational discipline and development expertise, we expect to compete effectively in this dynamic market."

Many also expect AmeriStar now to move forward on a series of capital investments on the property. While these projects remain in the early planning phases, reports are that AmeriStar plans to expand gaming facilities, improve access to the casino, build additional parking

and upgrade non-gaming amenities at the property. According to officials, much of this work is expected to be completed by the third year of AmeriStar's ownership, at which point they expect to see a significant increase in annual revenue.

"AmeriStar has a proven track record of maximizing the value of our acquired properties, and we are confident this acquisition will mirror our previous successes," AmeriStar Co-Chairman and Executive Vice President Gordon Kanofsky told *Inside Indiana Business*. "As we complete our due diligence over the next few weeks, we will begin developing more detailed expansion and integration plans to ensure AmeriStar realizes the full benefit of this acquisition."

The property was most recently purchased by Resorts, which re-branded it with the company's name in 2004.

Stay tuned next month for profiles of AmeriStar Casino's new GM and assistant GM.

INSIDE THIS ISSUE:

In Brief ...	2
Gaming Taxes for September	2
French Lick employee celebrates opportunity	3
Competition Update	3
Rollins cracks down on illegal gambling	4
Majestic Star's gift to the United Way	4
Gaming Terms	4

Out-of-state competition is hitting northern casinos

Evidence of the danger from out-of-state competition is pouring in from the northern half of Indiana, after the Four Winds Casino in Michigan opened this August.

Blue Chip Casino in Michigan City, Ind., has suffered consecutive revenue dips since Four Winds opened its doors, and the decline shows no sign of slowing. According to numbers published in the *Northwest Indi-*

ana Times, revenue at Blue Chip fell by \$5.6 million in September – a drop of 23 percent from the same month in 2006.

That follows a slow August, when the casino's revenue dropped 12.7 percent. In all, Indiana's northern casinos brought in just less than \$100 million in revenue this September – a drop of 7 percent from the \$107.6 million made in September 2006.

"People who visited Four Winds obviously liked what they saw," John Busam, editor of *Midwest Gaming & Travel*, told the *Times*. "Blue Chip knew they were going to take a hit and attempted to counteract with a giant marketing effort. They're going to have to work to adapt their marketing strategy to retain their customers."

Many Indiana casinos already are embarking on sig-

nificant capital investment projects to improve their properties against possible out-of-state competition. Many experts expect that also now will happen at Blue Chip.

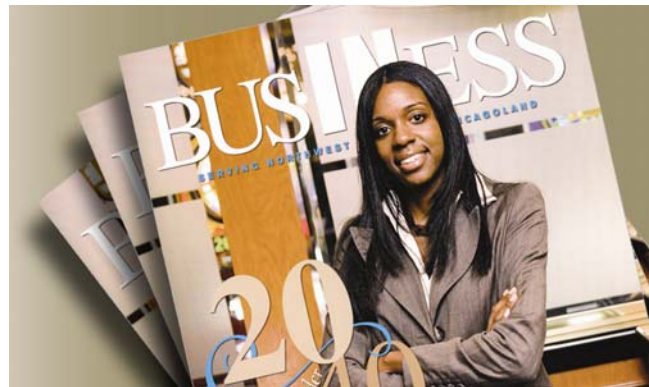
It could, however, take as much as a year to see what Four Winds' full effect will be on the northern Indiana casino market.

In the meantime, see the stories on page four for details on other coming competition.

In Brief...



Rick Mazer, Indiana Regional President & General Manager for Harrah's Entertainment. Mazer receives the Quality of Life Council's Sustainability Award for helping to maintain a high quality of life in Northwest Indiana.



Horseshoe Communications Director Shelby Curry was featured on the cover of a local magazine's "20 Under 40" issue this month.



Don H. Barden, Owner, Chairman and CEO of Majestic Star Casinos & Hotel was the recipient of the Heroes and Legends Award (HAL). The award is to spotlight positive role models from diverse backgrounds and honor individuals on their heroic and legendary accomplishments. The HAL Awards were held at the Beverly Hills Hotel in Beverly Hills California .



Chareice White (left), Corporate Director of Community Relations for Majestic Star & Fitzgerald's Casinos & Hotel and Vice President of Barden Gary Foundation was the recipient of the "Woman of the Year Award 2007-08" from Women Looking Ahead Magazine.



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Admission and Wagering Taxes

Admission Tax, September '07	\$ 6,971,287
Wagering Tax, September '07	\$ 53,108,785
Admission Tax, Fiscal YTD	\$ 22,051,817
Wagering Tax, Fiscal YTD	\$136,432,382
Total Admission and Wagering Tax	\$158,484,199

*Fiscal Year Defined as July 1 to June 30

French Lick brings job security, opportunity to region

To many, Indiana's casinos mean entertainment for patrons and revenue in the local economy.

To French Lick Casino employee Gayla Merry, it means a better quality of life.

"You have security here," said Merry, employee dining room supervisor. "That, in itself, means a lot. You know this place is going to be here. If you want to buy a major item, you know you're going to have the funds to pay for it."

While job security may not be of much concern to many people across the country, it has been of concern to Merry and other residents of Orange County, Ind., for many years, as the county has long held one of the highest unemployment

rates in the state.

Merry resides with her husband in the nearby town of Orleans and has a daughter who attends Indiana State University. A native of neighboring Lawrence County and graduate of Bedford North Lawrence High School, she was employed by a national-chain discount store when she learned of the job fair for the French Lick Casino in July 2006.

"I liked my job, but it didn't pay anything and the hours were not consistent," she said.

She had worked for 13 years in the employee cafeteria at General Motors and owned her own business for 10 years before having to seek employment at the discount store, which paid only minimum



Gayla Merry

wage. She waited in line for six hours in the summer heat to "get a better job" before being hired as an employee dining room attendant. Merry said her goal was to better herself.

She started her new job on

Sept. 11, 2006, and became employee dining room supervisor in only four months. "I actually have five employees under me," she said.

According to Merry, if the casino had not opened, she would most likely still be back at her old job making less than six dollars per hour because of the lack of job opportunity in Orange County and surrounding areas.

Today, according to the human resource department at French Lick Resort Casino, 57 percent of the nearly 1,600 people employed by the resort, as a whole, are residents of Orange County.

"I don't think people realize the impact," she said of the casino. "It has changed a lot of people's lives."

Competition Update

The argument against casino gambling doesn't seem to be sticking with Kentucky voters.

Governor Ernie Fletcher, a Republican whose re-election hinges on voters opposing casino gambling, now faces an imposing deficit as the campaign rolls into its final month. According to a Louisville *Courier-Journal* Blue-grass poll, Fletcher trails Democrat Steve Beshear by 20 points, 55 percent to 35 percent, with 10 percent of voters remaining undecided.

Members of Beshear's camp believe that the large gap reflects Fletcher's inability to connect his message – namely, that Beshear is likely to bring casino gambling to Kentucky, while Fletcher opposes it – with voters.

"It might be that he's talking about one thing, and we're talking to Kentuckians about things we'd like to do for them," Beshear campaign manager Jim Cauley told the *Courier-Journal*. "I think there is a lot more on the minds of Kentucky voters than gaming."

Fletcher's people have said they believe Kentuckians will change their minds once they realize that Beshear "doesn't share the values of most Kentuckians." But as the election looms closer, that looks increasingly unlikely.

A Beshear win doesn't guarantee that Kentucky will adopt casino gaming - the issue still must be put to voters. But his victory would signify that voters may be, for the first time, ready to approve such a measure.

Competition from Illinois also may be looming for Indiana casinos, with the passage of an Illinois Senate bill calling for expanded gaming.

The bill, which would allow three new casinos – including one in Chicago – would pay for a long-delayed construction package for transportation and school needs. The deal was worked out between Illinois Governor Rod Blagojevich and Senate leadership, and passed, 37-15.

Now, it must pass the state's House of Representatives, which has – in the past – been averse to approving such casino expansion. House Speaker Michael Madigan already has representatives on the record expressing doubt for the bill's passage.

Blagojevich, who has

long opposed expanded gambling, called on House members to approve it, despite its flaws.

It is "an imperfect means to get to good ends," Blagojevich said.

If passed, the bill could create even more competition to Indiana's northern casinos, many of which recently finished capital investment projects to fend off competition from Michigan's Four Winds Casino (see story, Page 1). Should new competition spring up from Illinois, the Indianapolis *Business Journal* speculates that another round of upgrades could begin on those casinos.

However, with the size and scope of the Chicago-land market, the casinos could still do fairly well, even with few changes, the publication concluded.

Law enforcement career makes it to Gaming Commission

Larry Rollins has done about everything a man can in law enforcement.

After college, he went into the Army. After the Army – and a short stint at a factory job – he went to the Academy to become an Indiana State Police trooper. And after more than 30 years as a trooper, he moved behind a desk as the ISP’s assistant superintendent.

So when the Legislature decided to create a new area of the Indiana Gaming Commission to police gaming crimes, Rollins was a natural fit for the position.

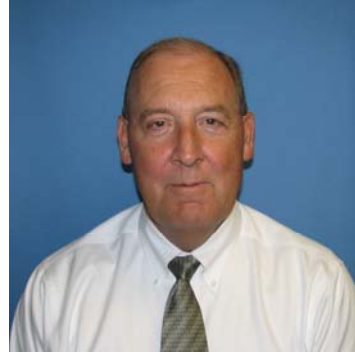
“The Gaming Control Division is a full law enforcement entity,” said Rollins, the IGC’s director of gaming control. “We have full police pow-

ers; we do criminal investigation. We investigate illegal gambling – that’s our thrust.

“Right now, we’re focusing on the electronic gaming devices that are obviously illegal in the state.”

In the three-plus months of the division’s existence, Rollins has overseen staffing the office, filling it with the necessary equipment, and – finally – hitting the road to investigation. But despite the hurdles, Rollins now says that the job is “flying by,” and that it feels like he’s been at the job only weeks, instead of months.

Hiring men and women who already were trained as police – and who, thus, didn’t have to go through the Academy – certainly helped. And it



Larry Rollins

helped that his employees are, by nature, “unquestionable in their work ethic and integrity.”

And, of course, it doesn’t hurt that there are many similarities between this job and the one he did for 34 years.

“Well, we are still a law enforcement agency,” Rollins

said. “The difference is that our focus is more narrow; we basically focus on illegal gambling, whereas with the police, it was whatever police function needed to be provided.

“So that’s the main difference – it’s just more narrowly focused.”

Which means that, when he’s not at work, Rollins has to find something else to relax his mind. That’s why he’s a golfer, and he and his wife of 30 years like to travel, sightsee, and just generally “spend time together” when he’s not working.

Not that this happens too terribly often.

“There’s more than enough work out there in the illegal gambling arena to keep us busy,” he said.

Chareice White and David Schugar (center pair) of Majestic Star present a check for \$82,051 to Lou Martinez (left), President, and Richard Komyatte, Volunteer Community Chairman, of the Lake County United Way.



Majestic Star gives \$82,051 to United Way

The Lake Area United Way received a nice present last month in the form of a hefty check from Majestic Star Casino.

The casino handed over \$82,051 as a corporate gift to United Way, aimed at supporting community programs that prepare children and youth for success in the classroom and throughout life, ensure healthy and productive individuals and families, assist the elderly, and provide opportunities for people with developmental challenges.

“The management and employee team at Majestic Star Casino is dedicated to the enrichment of Northwest Indiana’s quality of life,” said David Schugar, vice president and general manager of Majestic Star. “We have a strong commitment to community, and we’re proud to support United Way’s mission.”

Lake Area United Way President Lou Martinez credited the diligence of Schugar and Chareice White, Corporate Director for Community Relations, for securing the contribution.

Gaming terms

Bet Blind – A wager made without looking at one’s cards.

Chicken Feed – An insignificant amount of money; small change.

Dead Table – A table to which a dealer has been assigned, but no players are present.

Index – The numbers in the upper left and lower right of a playing card that indicate its value.

Open Up – 1) A casino term to start a game; 2) Usually in a criminal context, a person who gives information or “opens up” with some pressure.

Stand - A blackjack term that refers to a player’s decision not to draw any additional cards.

