

Shareholders OK Station Casinos Takeover

Las Vegas (AP) – Shareholders of Station Casinos Inc. approved a USD 5.4 billion takeover bid Monday from a private equity investor group that includes key members of the neighborhood casino operator's founding family.

At a special meeting attended by more than 100 shareholders, chief executive Frank J. Fertitta III said the going-private transaction, for USD 90 a share, had been approved. There was no shareholder discussion, and the meeting was over in about 20 minutes.

„I think you will all agree it has been a very successful 15 years at Station Casinos,“ Fertitta said, referring to the company's first public offering of shares in 1993. Adjusted for splits and dividends, the stock closed on its first day of trading on May 25, 1993, at USD 12.54.

A group known as Fertitta Colony Partners LLC is taking the company private after offering an 8 percent premium to the Feb. 23 share price. That offer was better than its previous bid of USD 82 a share made Dec. 4. The deal also includes the assumption of USD 1.1 billion in debt.

At least six shareholder groups sued the company and the investor group after the December offer, saying it was too low.

The company said in a proxy statement after the higher bid was submitted that it anticipated all parties would cooperate in seeking dismissal of the litigation.

Some shareholders said Monday that they were disappointed with the deal.

„I feel that there’s a lot of growth left in the company and I liked the dividend they were paying,“ said M. Holmes, a 69-year-old Las Vegas retiree, who first owned the stock when it was between USD 10 and USD 12 a share.

University of Nevada, Las Vegas English professor Bruce Janoff, 65, said he would buy other casino stocks, such as MGM Mirage Inc., Wynn Resorts Ltd. or Las Vegas Sands Corp., with the money he makes from the transaction – a more than a 30 percent return since buying the stock two years ago.

„I think this industry is just about recession-proof,“ he said. „Gambling is always going to be good.“

Shares fell 3 cents to USD 82.72.

Fertitta Colony Partners was formed by chief executive Frank J. Fertitta III, president Lorenzo J. Fertitta, and Colony Capital Acquisitions LLC, part of Colony Capital LLC, the Los Angeles-based real estate investment giant run by billionaire Tom Barrack.

The Fertitta family owned about 24 percent of the company and directors and executives owned about 22 percent. The approval of other investors was required to obtain the two-thirds majority needed.

CtW Investment Group, which works with pension funds that hold 2.7 million shares, or 4.6 percent of the company, dropped its opposition to the takeover proposal after the higher bid was received.

Colony Capital already has casino holdings, including Kerzner International, Resorts Atlantic City, Accor Casinos and the Atlantic City Hilton and Las Vegas Hilton. The Fertittas will maintain a 20.9 percent stake in the new company after the takeover.

It was not clear when the deal would close because it still

requires regulatory approval.

Frank Fertitta Jr. founded Station Casinos with a 100-slot gambling parlor and snack bar in 1976, and his sons took the company public in 1993. It has grown to 16 properties, including several Las Vegas-area neighborhood casinos, such as the Red Rock Casino Resort Spa that opened last year in the city's northeast. Many include movie theaters, food courts and even bowling alleys to entice local residents.

It also is part owner in the Green Valley Ranch Station Casino in Henderson and manages Thunder Valley Casino near Sacramento, Calif., on behalf of the United Auburn Indian Community.