

THE ORAL HISTORY OF WILLIAM S. BOYD

EXECUTIVE CHAIRMAN OF BOYD GAMING CORPORATION



I. INTRODUCTION

William S. Boyd has been an integral part of the Las Vegas community and the national gaming industry for many decades. He began his career as a lawyer in Las Vegas where he practiced law for over fifteen years. On January 1st, 1975, Mr. Boyd formed Boyd Gaming with his father, Sam Boyd.¹ After many new ventures, acquisitions, and an initial public offering, Boyd Gaming Corporation now operates twenty-two properties in eight states.² Moreover, Mr. Boyd's success is not only reflected by his company's balance sheet; he has also maintained a life-long commitment to serving the community. The Boyd family's charitable contributions in Nevada alone are numerous; including, establishing multiple Boys and Girls Clubs, the William S. Boyd School of Law, and the United Way of Southern Nevada.

¹ See *Company History*, BOYD GAMING, <http://www.boydgaming.com/about-boyd-gaming/company-history> (last visited Nov. 1, 2013).

² *Id.*

Today, Mr. Boyd serves many different roles. He is the Executive Chairman of Boyd Gaming Corporation, the Vice Chairman of the Board of Directors of the American Gaming Association, and former President of the National Center for Responsible Gaming. Mr. Boyd is also a husband, father of three children, and grandfather of eight.³

What follows is a classic American success story. In this interview, Mr. Boyd explains how everything came together, piece by piece, since his arrival as a bare-footed fifth grader to the small town of Las Vegas in 1941. This captivating story displays how hard work, family, and treating people right can be a recipe for success.

II. EARLY LIFE

Can you tell us about yourself and your life growing up?

I want to start by telling you a little bit about my family. My lovely wife, Judy, and I have shared 29 years together and she's been a great support for me in all the different endeavors that I've had over that time. I have three children, my son Sam, my daughter Marianne,⁴ and my son Willie;⁵ they are all active in our company. I also have eight grandchildren, so I'm very blessed with a very, very nice family.

I was born in Los Angeles on November 4th, 1931. I lived in the Los Angeles/Long Beach area until I went to kindergarten. When I was in the first grade, I moved to Honolulu with my mom and dad and lived in Honolulu during first and second grade. My dad was always in the gaming business and he ran some gaming in Honolulu and in Hilo. The man that he worked for had a place in Hilo and downtown Honolulu. That was very important to me because I learned to swim there. Interestingly enough, in Honolulu, you went barefooted to school.

I moved again for third and fourth grade to Newport Beach—actually Balboa—California, and we did the same thing there; we went barefooted to school. When I moved to Las Vegas in the fifth grade, it was the first time I had to wear shoes to school. Once you've gone barefooted—it's great—you don't like to have anything on your feet. So that was quite an experience, but I got used to it. Las Vegas has been my home ever since the fifth grade.

When I came here in 1941 with my mom and dad, my dad was a dealer. There were 8800 residents living in Las Vegas, 15,000 in the whole valley. Of

³ See *Executive Profile — William S. Boyd*, BLOOMBERG BUSINESSWEEK, <http://investing.businessweek.com/research/stocks/people/persn.asp?personId=327882&ticker=BYD> (last visited Nov. 1, 2013).

⁴ See *Executive Profile — Marianne Boyd Johnson*, BLOOMBERG BUSINESSWEEK, <http://investing.businessweek.com/research/stocks/people/person.asp?personId=327900&ticker=BYD> (last visited Nov. 10 2013) (Marianne Boyd Johnson is the Executive Vice President of Boyd Gaming Corp. and serves as the company's Chief Diversity Officer).

⁵ See *William Boyd*, FORBES, <http://www.forbes.com/profile/william-boyd-3/> (last visited Nov. 10, 2013) (William R. Boyd is the Vice President of Boyd Gaming Corp. He also serves on the Board of Directors of the Better Business Bureau of Southern Nevada and is chairman of Borgata's Heart and Soul Foundation).

course, that's an amazing number when you think there are two million residents here today. The growth has been phenomenal.

So when I came here, there was only one grammar school in Las Vegas, it was called Fifth Street Grammar School, and I went there. When I went to high school, Las Vegas High School was the only high school.

Many of my classmates, unfortunately, have passed away. But every year we have a Wildcat reunion. I had it at Sam's Town for a number of years and now it's gotten so big that we have it at the Orleans, last year and this year again. Everyone is invited that went to Las Vegas High School before it became the technical academy that it is today. I graduated from there in 1949.

After I went to Las Vegas High School, I went to the University of Nevada in Reno. We just called it University of Nevada because UNLV did not exist yet.⁶ There, one of my roommates was Myron Leavitt who became a district court judge and then a supreme court justice.⁷ Ivan Eisenberg was also a roommate. He became an original stockholder in Boyd Gaming. When I was growing up, my mom usually started by saying, Billy, you don't want to grow up to be a dealer like your dad; get an education. My dad would always chime in, that's right, son, why don't you get an education?

So I decided to go to law school, and I went to law school at the University of Utah in Salt Lake. My first day in law school the dean said, look to your right and left because you probably won't see these people next year because 50% of you are going to flunk out. And that is exactly what happened. But I made it my first year and I was pretty happy because I was making it. They had the quarter system there and I passed my first two quarters.

I was studying for my third-quarter exams, and I went to the mailbox one day in May of 1953. I had a note from Uncle Sam that said report for duty at Fort Ord, California, July 1st.⁸ This was during the Korean War for which I had been exempt in my junior and senior years of college and my first year of law school. I assumed I was going to get out of law school and then go in the Judge Advocate General Corps.⁹ It said on the notice if you'd like to appeal, appeal to the state draft board in Reno.

So I went to Reno and made my pitch. I told the chairman of the draft board that I could do so much more for my country if he would let me get out of law school and then go into the service. The chairman looked at me and said,

⁶ See *Celebrating 50 Years*, UNLV HISTORY, <http://celebrating50.unlv.edu/UNLVHistory.html> (last visited Nov. 10, 2013); EUGENE P. MOEHRING, *THE UNIVERSITY OF NEVADA, LAS VEGAS: A HISTORY* 38, 69 (2007) (Nevada Southern University granted its first commencement in 1964, and adopted the name UNLV in 1969).

⁷ See Cindy Cesare, *Judge Leavitt Will Be Well Remembered*, 8 NEWS NOW (Jan. 13, 2004, 4:23 PM), <http://www.8newsnow.com/Global/story.asp?s=1598125&clienttype=printable> (Myron Leavitt was one of the most influential men in Nevada and served as a justice of the peace, lieutenant governor, county commissioner, district court judge and Nevada Supreme Court justice).

⁸ Fort Ord was a basic training center for the military during this time. See *Historic California Posts: Fort Ord*, THE CALIFORNIA MILITARY MUSEUM, <http://www.militarymuseum.org/FtOrd.html> (last visited Oct. 28, 2013).

⁹ See *generally About Army JAG Corps*, GOARMY.COM, <http://www.goarmy.com/jag/about.html> (last visited Oct. 28, 2013) (The Judge Advocate General Corps. is the legal branch of the army that deals with criminal and military law).

Boyd, I'm not sure this Korean War is ever going to end, so you're going now. So, of course I reported.

Lo and behold, during my fourth week of basic training, the Korean War ended. However, once you're in, you're in. I thought I was somewhat fortunate because when I went into basic training, everyone went to Korea. By the time I got out, half were going to Europe and half were still going to Korea for the mop-up group because we had the Berlin Crisis going on in Europe.¹⁰ I got sent to Europe, and I thought I had the luck of the draw. One would go to Korea, two to Europe and just back and forth and I got the better option. I went on a boat for about six days and landed in Bremerhaven, Germany. Then I took a train and still didn't know exactly where I was going until it stopped. It stopped in Munich, Germany. After a stint in the infantry in Munich, I got transferred out and became the legal clerk for a Munich subarea. I was eventually a PFC.¹¹ As an enlisted man, that was about the best job you could get. It was the closest job I could get to my chosen profession at that time.

I actually served a two-year stint, but you could get out three months early if you were going back to school. So I applied for an early out, got it, and went back to law school. After graduating, I came down to Las Vegas and passed the Nevada bar and then started practicing. I practiced here for fifteen years. During ten of those years, my former college roommate, Myron Leavitt was my partner.

When we were practicing, lawyers did a little bit of everything; they didn't have the great specialization that you have today. I was in a two or three man firm most of the time, and I did mostly business-type work: leases, corporations, and probate. I did a lot of probate work, wills and probate. We all did divorces though, for example. In the early days, you'd go down on a Saturday, and if you got a walk-in divorce it would pay the rent for the month, and that was important to you when you were starting out.

At that time, divorcees had to live here for six weeks. We had a lot that would come in. A lot of permanent residents ended up staying after living here for six weeks for a divorce. Some of them have been here thirty, forty, or fifty years now. So it turned out to be good in many cases.

III. EARLY CAREER IN GAMING

Can you give us the history of your career in the gaming industry?

While I was going to school, my dad was working his way up in the gaming business. He worked as a dealer, a boxman, the person that sits in the middle of a crap game, a floor person, a pit boss, a shift boss and even a casino manager. In 1948, 1949, and 1952, he ran the casino at the Cal Neva Lodge in

¹⁰ The Berlin Crisis refers to a three-year period beginning in late 1958 when Soviet Premier Khrushchev demanded that Western forces withdraw from West Berlin. The Berlin Crisis ended in 1961 when the Berlin Wall was built. For further information, see *The Berlin Crisis, 1958-1961*, U. S. DEP'T OF STATE, OFFICE OF THE HISTORIAN, <http://history.state.gov/milestones/1953-1960/berlin-crises> (last visited Nov. 22, 2013).

¹¹ PFC stands for Private First Class and is above two other ranks in the army. *Army Private First Class - Military Ranks*, MILITARY-RANKS.ORG, <http://www.military-ranks.org/army/private-first-class> (last visited Oct. 28, 2013).

Lake Tahoe.¹² During the summers between my junior and senior years in high school, and the summer after I graduated, I worked at the Cal Neva Lodge myself.

He got his first break in about 1951. He was working at the Thunderbird Hotel as a pit boss when a man by the name of Al Winter came to see him. He knew Al; he had previously worked for him in Portland, Oregon. Mr. Winter had some gaming in Portland and he was coming to Las Vegas, though, in 1951. Mr. Winter was the largest stockholder in the Sahara, which was going to open the next year.¹³ Mr. Winter asked my dad if he would come to work as a shift boss at the Sahara, and if he would buy a 1% interest. He said it would cost \$16,000. Now, this was 1951, the Sahara opened October of 1952.¹⁴ My mom and dad saved \$6000, but they needed to borrow ten.

In those early days, if you were in the gaming business you could not borrow from banks. They thought that you were a little shiftless and undependable, so they would not loan you money. So my parents borrowed the money from a friend, actually a closer friend of one of my dad's sisters. Not only did my mom and dad sign that note, but his sister and brother-in-law had to guarantee it. Fortunately, the Sahara did quite well and he was able to pay back what he borrowed.

Then my dad was at the Sahara as a shift boss for about three and a half years when he and his partners bought a piece of property in downtown Las Vegas where they built a hotel casino called The Mint. I believe it opened in 1957 and had a 300-room hotel.¹⁵ My dad stayed at The Mint for about ten years and had a chance to buy more stock; he owned 3.5% of the stock. In those days, corporations couldn't get a gaming license; only individuals could be licensed. So he stayed at The Mint as vice-president and general manager for about ten years and it was very, very successful, as was the Sahara.

After about nine years into it, Del Webb Corporation bought The Mint and the Sahara. My dad stayed on for about a year, but he never felt quite the same working for a corporation as when he was a partner in it, so he left.

In the meantime, I had been practicing law. I had been practicing for about three years. In about 1961, a man by the name of Paul Perry came to see me.¹⁶ I knew him quite well because he had worked for my dad in the gaming business

¹² The Cal Neva was one of Nevada's first legal casinos, opening in 1926. For further information on Cal Neva's history, see Martin Griffith, *Frank Sinatra's Lake Tahoe Casino Shuts Down*, USA TODAY, Mar. 31, 2010, http://usatoday30.usatoday.com/travel/destinations/2010-03-31-lake-tahoe-rat-pack-casino_N.htm.

¹³ See Al Moe, *Sahara Las Vegas Casino History*, ABOUT.COM, <http://casinogambling.about.com/od/casinoreviews/a/Sahara-Las-Vegas-Casino-History.htm> (last visited, Nov. 10, 2013) (The Sahara Hotel and Casino opened on October 7, 1952. The Del Webb Corporation built the Sahara for Al Winter and partner Milton Prell at a cost of \$5.5 million).

¹⁴ *History of the Sahara*, A2Z LAS VEGAS, <http://www.a2zlasvegas.com/hotels/history/h-sahara.html> (last visited Oct. 28, 2013).

¹⁵ *Mint*, UNLV ARCHITECTURE STUDIES LIBRARY, <http://www.library.unlv.edu/arch/archdb/2/index.php/projects/view/2501> (last visited Nov. 10, 2013).

¹⁶ See Caitlin McGarry, *Eldorado Still Family Business*, LAS VEGAS REV. J., June 30, 2012, <http://www.reviewjournal.com/business/casinos-gaming/eldorado-still-family-business> (Paul Perry purchased the then defunct casino, The Wheel, with the help of the Boyd family and other investors, and reopened it in 1962 under the name Eldorado. In 1966, the Boyd family bought out the other investors to become sole owners of the Eldorado).

in some of the places around Las Vegas. He said, Bill, I want to branch out on my own and I want to lease a small casino, the Eldorado, in downtown Henderson, Nevada. Would you represent me? I said yes, I will.

We decided it was going to take \$100,000 to have enough capital to open the small casino he wanted to lease. Mr. Perry only had \$20,000. The first thing he asked was if I would take my fee out in stock. I said yes. I had one partner at the time, his name was Jim Brennan.¹⁷ Jim became a district court judge in Las Vegas. He still sits occasionally although he's retired. Jim and I got 5% each for doing all the legal work, from the lease to the licensing and everything in-between. That was equivalent to a \$10,000 fee. Paul said, well, we need to find more investors; would you like to invest more? I said yes, I would. I went to the bank and I was able to, as a lawyer, borrow \$15,000.

I think lawyers were a little higher steed in those early days than somebody in the gaming business, thus I was able to get a loan. I borrowed \$15,000 and I owned 20%. Paul owned 20% as well. My partner Jim borrowed \$8000. Then I went down the hall to another lawyer I knew by the name of Francis Horsey. He was in the same building as my law office. He was a little older than Jim and I. He said he had \$12,000 saved, and after I explained it to him he said he would come in as well. My dad's youngest sister was then moving up here from the Santa Monica area where she and her husband had sold a bar that they owned, and they bought 15%. Then Paul said, well, don't you think your dad would be interested? I thought yes, I'll go talk to him, I think he would be. I went down to The Mint, saw my dad, and explained it all to him. He said, sure, I'm in for the 20%. That was my first investment in the gaming business and I really got it from being a lawyer.

The Eldorado became a family-owned company. We bought out everybody—my dad, his sister, my aunt, and I—about three years later. We had done well and everyone made a nice profit.

We then opened the Union Plaza on January 1st of 1971. My dad had been running the Eldorado about a year and a man by the name of Frank Scott,¹⁸ who owned Robert's Roof and Flooring at the time, came out to see my dad. Frank said, Sam, when I was a young man, I worked for Union Pacific Railroad and I've kept in touch with many of the people that I worked with, some of whom are now senior executives in Omaha, Nebraska at Union Pacific's headquarters. He said, I've talked to them and Union Pacific is willing to build a hotel on the old train station site in downtown Las Vegas and lease it to us. They would also sell us the land adjacent so we could build a casino next to the hotel. He said, Sam, I'd like you to join me, be an investor, and run the Union Plaza as the general manager. My dad said he'd be very interested in that.

¹⁷ For more information about James Brennan, see *Commissioner Brennan*, CLARKCOUNTY NV.GOV, <http://www.clarkcountynv.gov/Depts/parks/Documents/centennial/commissioners/commissioner-j-brennan.pdf> (last visited Nov. 10, 2013) (James Brennan served as justice of the peace for Las Vegas, drafted Clark County's first set of air pollution regulations, and served as a district court judge).

¹⁸ See generally *Entrepreneur Scott Dies*, LAS VEGAS SUN, Feb. 24, 2006, <http://www.lasvegassun.com/news/2006/feb/24/entrepreneur-scott-dies/> (Frank E. Scott served as president and chief operating officer of the Union Plaza from 1973 to 1983. He also was a Las Vegas Bank chairman, director of Nevada Power and president of the Greater Las Vegas Chamber of Commerce).

I also bought stock in the Union Plaza. The major stockholders were my dad, Frank Scott, Jackie Gaughan,¹⁹ and J.K. Houssels, Jr.,²⁰ and there were a number of smaller stockholders including myself. I bought 3.5% of the stock. In those days you still had to be licensed individually; corporations couldn't be licensed yet.

About six months before we opened, my dad said to me, did you know we're going to open with all lady 21 dealers? And I said really? Because there had never been lady 21 dealers in Las Vegas up to that time, but we did have them at the Eldorado in Henderson, and they were very good dealers. He said, I think it's time that ladies start to deal 21 as well. The dealers in town were up in arms, actually. They called my dad a traitor because he came to Las Vegas as a dealer and they said now, Sam Boyd, you're taking our jobs away; ladies belong at home with the kids and taking care of the house and you're taking our jobs away; it isn't right. He thought it was the right thing to do, so he did it. I have to say that it was a very, very smart thing to do because we had tremendous business. All of the young men were coming in. We had some nice-looking lady dealers and they had never seen lady dealers before. So it was really something different and it really worked out very, very well. My dad and I stayed at the Union Plaza for three years and then we sold our stock; that's when we decided to start our present company.

IV. THE BOYD GROUP

The California Hotel was the first property we opened under the company name the Boyd Group.²¹ That opened on January 1st, 1975. My dad and I were the co-founders. My dad owned 26.5% of the stock and I owned 25%. I gave 0.5% each to my three children. Under the Uniform Gift Act, for \$10,000, I could give them each a 0.5% interest.²² We controlled the company, but we had about thirty-three other stockholders. Many of those stockholders were people that worked at the California Hotel. My dad always said, when he was at the Sahara, he became a twenty-four-hour-a-day worker because he owned an interest, so that's what we need to do. We need to find stockholders that are going to be working at the California Hotel, then they will want to work as much as it takes to be successful. So that's what we did. The stockholders not working there were friends of ours and people we knew. That was the other thing my dad had said; we only want to sell stock to people that we know and have confidence in, so we did that too.

¹⁹ See generally John D. "Jackie" Gaughan, NEV. BUSINESS HALL OF FAME, <http://business.unlv.edu/nbhof/John-D-Gaughan/> (last visited Nov. 10, 2013) (Jackie Gaughan has been associated with the Showboat, the Golden Nugget, the Flamingo and the Royal Inn. His civic endeavors include being director of the Convention and Visitors Authority and president of the Las Vegas Chamber of Commerce).

²⁰ See generally *Gaming Hall of Fame: J.K. Houssels, Jr.*, UNLV CTR. FOR GAMING RESEARCH, http://gaming.unlv.edu/hof/1998_houssels.html (last visited Nov. 10, 2013) (John Kell "Ike" Houssels Jr. served as president of the Tropicana, he also became president, and later vice chairman of the board of the Union Plaza).

²¹ See generally CALIFORNIA HOTEL & CASINO, <http://www.thecal.com/> (last visited Nov. 10, 2013).

²² See NEV. REV. STAT. § 167.021 (2011); 26 U.S.C. § 2503(c) (1998).

The first nine months were very, very tough at the California. It was the first hotel/casino off of Fremont Street. It was on Ogden Street, a block away. My dad and I had gone to the bank a couple of times and borrowed more money, all we could. Then about nine months into it he said, you know what we need, we need a niche market and that niche market is going to be Hawaii. He said, you know when we lived in Hawaii there was a game on every block. In other words, the Hawaiians love to play. And he said, we're going to make the California their home away from home.²³ I said, wow, that's great, Dad, but how are we going to do that? He said, well, the first thing we're going to do is send our chef to Hawaii to learn to cook all the Hawaiian foods the way they like them.

So we did that. We sent our chef there for about twelve days. He learned how to cook saimin, and oxtail soup. Boyd Gaming is still the largest buyer of oxtails in the State of Nevada. The chef said he also learned a new way to cook rice. I said rice? You mean there's more than one way to cook it? He said yeah, there's a lot of ways and if you don't cook it the way the Hawaiian's like it, they're not going to eat it. So the chef learned to do all those things. Today we still have many of those same things on our menu at the California Hotel, along with all the traditional American items.

My dad and I would go to Hawaii for about five days every four or five weeks, and we would visit all the travel agents. We would go to the commercial airlines that served Las Vegas. They all went to Los Angeles or San Francisco in those early days and then they came to Las Vegas. All the travel agents were in downtown Honolulu pretty much. So we would go visit them and sell our package. We put together what we called the Hawaiian package. It was pretty simple. It was for four or five days. You would pay up front to the travel agent for your package and your package would include a round-trip air ticket and four or five nights at the California depending on the package you bought. You would also have four or five meals a day while you were there. Even if you did lose all of your money, you had a place to stay and you could get home, so it worked really well. We hoped if you had good credit, you could even cash a check if you needed to. It caught on really, really well.

That idea still works today. Now we have three properties downtown, but the California was definitely the lead property for the Hawaiian business. The Fremont and Main Street Station get a lot as well.

One thing we found out was that the Hawaiians loved Coors beer, and in those days, they couldn't get it in Hawaii. You could only get it in those early days in Colorado, where it was from, in California, or in Nevada. They had tasted it in one of their trips to California or Nevada or Colorado, they really liked it, and we found that out. So when we were going to visit forty travel agents, we would load forty cases of Coors beer on the commercial airline with us. We would always go with salespeople as well, so we would have a couple of cars and we would load all the Coors in the cars. When we would go down the next morning, for example, if we were going to visit six travel agents, we'd

²³ The Boyd family was so successful that Hawaiians now often refer to the California as "the ninth island." E.C. Gladstone, *A Hawaiian Island in the Las Vegas Desert*, LAS VEGAS WEEKLY, Feb. 16, 2012, <http://www.lasvegasweekly.com/news/2012/feb/16/island-desert-how-hawaii-arrived-las-vegas/>.

have six cases of Coors with us. We would park downtown. They were all close together. We'd each put a case of Coors on our shoulder, take it in, and that was our gift to the travel agents. Hawaiians are great gift givers; they love to give gifts and they always take home gifts when they come to Las Vegas. So that was very important.

Really, the most important thing was that they considered my dad to be a local boy because he had lived in Honolulu. He had run a gaming establishment there. They thought he was one of them and that's why they've been very loyal. But we've been very loyal to them for all these years as well. We've had a lot of competitors that have tried to get into that business. In fact, Michael Gaughan of Coast Casinos—I'll tell you later that we merged with Coast Casinos—was telling me after he came on our board that he tried for about sixteen months to get into the Hawaiian market and finally gave up. He couldn't make it because we had that market tied up.

Honolulu has grown tremendously from what it was. I remember in those early days, we would make an occasional trip to Maui. Today Maui is a very important part of our business from Hawaii, and also Hilo and Kauai. They go to the outer islands as well. Today they're much more important than they were in the early days, because we've expanded to them much more than we did early on. What we have found at the California is that we're now getting some of the children that came with their parents to the California years ago, like if it was in the summertime or on a vacation. They are now adults and customers there as well.

One of the things that is different today, is that in those early days, there were commercial airlines. Now we have our own charters called Vacations Hawaii, which we've had for about ten years.²⁴ We found the best way to protect our business was to get our own charters and we now run four charters a week from Honolulu to Las Vegas. In the early days, we were the only way to get nonstop from Honolulu to Las Vegas; that was before the other airlines started nonstop service here. So for several years, we had that advantage. We started with six. We run four now, but we have bigger airplanes now. We can hold more people, so we don't need quite as many flights. So we have Vacations Hawaii, which started out as just a wholesale; I mean, just to handle our planes. Now we're a retail travel agency as well. In other words, when we're going somewhere in our company, and we're taking a commercial airline, we all use Vacations Hawaii. If we happen to be flying anywhere commercial, we use our own travel agency.

In 1979, we opened our second property, which was called Sam's Town Hotel and Gambling Hall, named after my dad.²⁵ It was kind of interesting how that occurred. I gave up my law practice when we opened the California, January 1st of 1975. I didn't practice after that, although I did the legal work for several years for our company. I used to drive a lot at night out to Henderson to the Eldorado to see what was going on out there. One night, I was coming back from the Eldorado into Las Vegas. I had purchased, along with three other

²⁴ See generally VACATIONS HAWAII, <http://www.boydvacationshawaii.com/> (last visited Nov. 10, 2013).

²⁵ See generally SAM'S TOWN HOTEL AND GAMBLING HALL, <http://www.samstownlv.com/> (last visited Nov. 10, 2013).

fellows, five acres on Boulder Highway and I had an early phone in my car. One of my partners was in the real estate business and I called him up. Chuck Ruthe was his name.²⁶ I called Chuck up and I said, Chuck, I'm driving by our property. I owned 25%, he owned 25%, and my then law partner and another fellow that I went to college with each owned 25%. I said, we've only got one payment left and we're going to own that; why don't we develop it and build a motel or something? He said, that's a great idea but he got an eleven acre listing today right on the corner of Boulder Highway and Nellis Boulevard. I said, gee, that's really interesting. I asked him if he would come down tomorrow and show that to my dad and me. He said sure.

He came down and showed us the property. It was \$635,000. I said, boy, I think that's a great piece of property. My dad liked it as well. I said, you know Chuck, we're going to talk to our board about buying that. But there was nothing developed out in that area yet other than a lot of tumbleweeds and jackrabbits. I said, they may think it's a little early. So I said, I don't want anybody else to get that property. I told him to put it in escrow, and if need be, my dad and I will buy it and we'll land bank it for the company when it's ready. He said okay, so he did that. We started calling all of our board members and they all said, yeah, if you think it's ready, let's do it now. So we started to build Sam's Town.

The calls started coming into us asking if we lost our minds. You're going to lose the California and you're going to lose the Eldorado. You can't possibly make it out in the middle of nowhere. Where is the business coming from?

We had thought about it, and we said, the west side hadn't developed yet at all; it was only the east side that we had. We thought, why wouldn't people go if you built a nice place? Everybody that lived in the east side went downtown for their entertainment. Why wouldn't they go if we built a nice place with nice restaurants and entertainment? Why wouldn't they go there rather than downtown because it would be much closer? People that I've talked to in Las Vegas have told me that they wondered why we were building it too.

Anyway, we opened and we were successful from the first day. We really never looked back at Sam's Town. We've had eight additions to Sam's Town since we first opened it. I did get a call from one of the naysayers about six or eight weeks into it. He called me one day and said, Bill, you know I've been to Sam's Town three times and every time I'm there it's packed. He asked if there was any stock available. I was very happy to say no, no stock is available.

We thought that we had a good chance to be successful, we had a nice place when we opened even though it was smaller. We modeled it more after the Eldorado than anything and it was very small. We had 200 rooms, but we knew the business would be mostly local business. We had a nice restaurant, and we built a nice upscale restaurant called Diamond Lil's, and we had a coffee shop. We had a western dance hall on the second floor. Western dancing was the craze in the country in 1979; everybody was starting to western dance. So we built that and it was very successful.

²⁶ For further information about Charles "Chuck" Ruthe, who served as president of Boyd Gaming Corp. from 1988 until 1996, see *Executive Profile-Charles L. Ruthe*, BLOOMBERG BUSINESSWEEK, <http://investing.businessweek.com/research/stocks/private/person.asp?personId=630629&privcapId=303230> (last visited Nov. 12, 2013).

It had a nice casino and a nice lounge called Roxie's Lounge. Do you know why it was called Roxie's? Well, my dad asked, what are we going to name the lounge? I said, Dad, you've got to name it Roxie's. Roxie's was an internationally known house of prostitution, and it was located very close to where Sam's Town was in Four Mile.²⁷ It was called Roxie's Four Mile. In fact, Lou Wiener²⁸ who was a partner in Jones, Wiener, and Jones, the first firm I worked for even before I passed the bar, was their attorney. I said, Dad, you've got to name it Roxie's, so we did. I don't think most people know why it's named Roxie's. So, we started doing quite well at Sam's Town.

The next milestone that really happened in our company happened in 1983. I got a call one day from Patty Becker.²⁹ Patty was a lawyer, but she was also on the Nevada Gaming Control Board at the time. She was the Las Vegas member. She said, Bill, I'm out at the Gaming Control Board offices, which were right near UNLV at the time. She asked if I would come out and talk to her. She told me she wanted to talk to me about the Stardust. I said sure. I got Perry Whitt; he was a stockholder and a long-time executive in our company, and he was right next to my office.³⁰ I asked Perry to go with me. Perry and I went out to the Gaming Control Board offices. Patty said there was a problem at the Stardust; that the board could prove there was skimming going on.³¹

Skimming is taking money off the top without being counted. In other words, if you had a cash register and you had money, instead of putting it in the cash register, you put it in your pocket and take it. So the state was losing tax money because of that. Patty said we can prove there's skimming going on there. She said there's a statute that the legislature has passed called the Supervisory Statute which allows the Gaming Control Board, with the approval of a district court judge, to appoint somebody to go in and supervise gaming only, pending a license revocation action.³²

²⁷ See F. Andrew Taylor, *Over a Century, Four Mile Has Gone from Trailside Oasis to Brothel to Bar*, LAS VEGAS REV. J., Apr. 3, 2012, <http://www.reviewjournal.com/life/community-organizations/over-century-four-mile-has-gone-trailside-oasis-brothel-bar> (Four Mile was a small community, formally called Formyle, now incorporated into Las Vegas. Roxie's was a brothel, bar, and motel owned by Eddie and Roxie Clippinger).

²⁸ See *Our Namesake*, LOUIS WIENER JR. ELEMENTARY SCHOOL, <https://sites.google.com/site/louiswiener2/our-namesake> (last visited Nov. 22, 2013).

²⁹ See generally Richard N. Velotta, *Q&A: Patricia Becker*, LAS VEGAS SUN, Nov. 13, 2009, <http://www.lasvegassun.com/news/2009/nov/13/q-patricia-becker/> (Patricia Becker served as a senior vice president, general counsel and secretary for Harrah's in Reno and senior vice president of corporate affairs for Aladdin Gaming. She also was executive director of UNLV's International Gaming Institute).

³⁰ See *Executive Profile, Perry B. Whitt*, BLOOMBERG BUSINESSWEEK, <http://investing.businessweek.com/research/stocks/people/person.asp?personId=327884&ticker=BYD&previousCapId=327880&previousTitle=Boyd%20Gaming%20Corp> (last visited Nov. 12, 2013) (Perry Whitt serves as director emeritus of Boyd Gaming and was the director of the United Way of Southern Nevada).

³¹ See Jeff Burbank, *Stardust Hotel*, ONLINE NEVADA ENCYCLOPEDIA (Mar. 20, 2009), <http://www.onlinenevada.org/articles/stardust-hotel> (describing the history of Stardust and the mob activity surrounding it).

³² Nevada law states that if a casino is closed due to suspension of its license, a supervisory official may step in and protect its value for its creditors and investors. NEV. REV. STAT. § 463B.050(4) (2011)

First, Patty said, well, I've got a couple of names of people we can use to supervise the Stardust, what do you think of this person? I remember one of them was the controller at Caesars Palace. Perry and I both said, oh, he's very, very capable. She asked me what I thought. Then she had a second name and Perry and I said, oh, he's good too. Well, she kept talking and in a few minutes she said, well, you know we want somebody to go in within the next seventy-two hours and take over the Stardust, the gaming. I said, well, Patty, that's going to be next to impossible for some individual to put together a team that quick. So she said, well, how about you; would your company do it? I've always been a little suspicious that she had that in mind from the start, but I thought it was very cool the way she played it. I said, well, let me get back to you. This was in the morning. I said, I'll talk to my dad and our board, and I'll call you back this afternoon. Everybody said sure, we owe it. My dad and I felt personally that our family owed it to Southern Nevada particularly, and also to the state, because Patty said there were 2000 jobs at stake, and they were going to close the Stardust if somebody did not go in there right away. They were anxious to move in. So we all said yeah, we would do it. I was pretty naive and the company, of course, thought that it was the right thing to do because Southern Nevada had been good to the company.

Here I thought, well, we have a reputation for integrity, we know the business, those licensees are going to be glad that it's us walking in there. But, was I ever wrong. We walked in with the state and it was like a war, not because we were the Boyd Group, but because it was their place. They didn't care who it was; they didn't want them in there. So the first week or ten days, we couldn't get any cooperation. I mean they had the showroom, the hotel rooms and all of those things, and we just had the slot machines, the keno, the sports book, and all the table games. So we would want reservations in the showroom, for example, and they were always full. These were their customers actually. We received around \$86,000 a month, which was the stipend we got for operating, but they were making much, much more money than that on their end. I think they thought they were going to frustrate us into leaving; I really believe that's what they thought, but we weren't going to. So I think after a week or ten days they said, gee, we're only hurting ourselves; they're going to stay. So from that standpoint they cooperated, but no other standpoint. They didn't like us being there at all. But we stayed for sixteen months for the state.

Now, allegedly, the Chicago and the Kansas City mob were involved in the Stardust. Freddie Richmond, their attorney, called me and said, Bill, we've exhausted all of our appeals. He said the Stardust is going to lose its license; he asked me if I would like to buy the Stardust. I said yes, definitely, because we had done well with the Stardust for them, but we knew we could do even better if we were operating everything. So he said, well, you've got to buy the Fremont, too; it's a package deal because we're losing our license there too. Now, we didn't supervise the Fremont; Del Webb did. So I said yeah. We knew downtown because we had had the California for a number of years. I said we'll buy them both.

So what did I do? I went to the bank, First Interstate Bank of Nevada, which had put together the loan on Sam's Town. I went to the head of their gaming division who I knew and I said, we've got a chance to buy the Stardust

and the Fremont. The state was really pushing to get the so-called mob out of Las Vegas, and the Stardust was one of the last places. Jay Kornmayer was the banker's name. He still works for First Interstate, now part of Wells Fargo. First Interstate was the largest bank in Nevada at the time. He said, well, Bill, that's going to be really tough, because we needed to borrow \$165 million. That was what they wanted, \$115 million for the Stardust and \$50 million for the Fremont. We had enough cash for the bankroll in both places, and all the startup expenses, but we needed to borrow the whole 165. So he said, wow, that's going to be very tough. Up to that time, there had never been that large of a loan made. Today that's not much money at all, but in those days it was.

I kept getting calls from Patty Becker. Well, how's it going? Where's the loan? They wanted to get us in there and the "mob" out. I had talked to Jay a couple of times, asking him, but he just kept saying we're working on it, we're working on it. Finally, he called one day and said, Bill, I've got the loan put together, but there's one condition. I said, well, what's that? He said, you have to personally guarantee it. I said, well, wait a minute, that wasn't part of the deal. He said, I know but it is now if you want the loan. So I thought about it.

I was going to have to guarantee \$165 million that was going to be borrowed. Everything I owned would be at stake. I said okay because I thought to myself, if we don't make it with the Stardust and the Fremont, we're going to go down the tubes anyway. So I said okay. Well, we went into the Stardust and it did quite well, the Fremont too. After about three and a half years, I got a call from Jay Kornmayer. He said let's have lunch. At lunch, he said, you know, I've got some good news. He pulled out my guarantee and said the banks are comfortable now that you're going to make it, so here is your guarantee back. That was a very happy day for me. There were about sixteen banks that were members of the consortium that made up the loan; one bank doesn't take that big of a risk. They still do that today; they break up the amounts of money.

We were doing quite well with the Stardust, the Fremont, the California, and Sam's Town, and my family still owned the Eldorado. We closed on the Fremont and the Stardust on February 28th of 1985; that's when they became ours. I got an interesting call from Steve Wynn a few days after we bought it.³³ He owned the Golden Nugget at the time. He called and said, Bill, you paid too much for the Fremont. I said really, Steve? He said, yeah, you paid too much for it; it's not worth that. I said, well, I don't know; I think it is. I said we'll see.

Well, I thought a lot about that and I believe that what Steve had was buyer's remorse. I think he thought to himself, why in the heck didn't I buy the Fremont? Why did I let them get the Fremont? Because the Fremont has turned out to be one of the best returns on investment in our whole company.

Next, we opened Sam's Town Gold River in Laughlin, Nevada in 1984. We had a management contract with John Midby and his associates. We owned a 17% ownership interest and the operation was quite successful. We stayed there until 1991 when our management contract ended and we sold our ownership interest. That property is operated today as the River Palms Resort Casino.

³³ See generally *Steve Wynn*, BIOGRAPHY.COM, <http://www.biography.com/people/steve-wynn-201198> (last visited Nov. 12, 2013) (Steve Wynn renovated the Golden Nugget before building the Mirage and Bellagio. After selling Mirage Resorts to MGM Grand Inc., he built the Wynn Las Vegas and Encore and expanded into Macau).

Then, it was 1986 when a man by the name of Bob Snow had come to Las Vegas and opened a place in downtown Las Vegas called Main Street Station.³⁴ Unfortunately, he went into bankruptcy and Bank of America took the property back. Our company felt that, because the California Hotel was right across the street from it, we were the only company that could make it successful. So we bought it as I recall for about \$16 million from Bank of America. We spent another \$40 million doing things that would put it in a position to make money. Bob Snow had done a wonderful job decorating it and bringing in a lot of the things from around the world that were very, very interesting, and he even brought trains there. In fact, the train in Main Street Station says Church Street Station, which he owned in Orlando, Florida. We bought it, redecorated it, and now operate it. We put a bridge between the California and Main Street Station for people to walk back and forth.³⁵

V. BOYD GAMING CORPORATION

The next milestone in the company happened in 1993. We had done great for all those years in between operating the four places. In 1993, gaming was proliferating all over the country. New Jersey opened gaming in 1978, but at that point there was still only Nevada and New Jersey. By 1993, Illinois, Indiana, Missouri, Mississippi, Louisiana were all legalized or legalizing. They were getting close. So I said to myself, if only people in Nevada and Atlantic City know the gaming business, who's going to operate these places? We've got great opportunities; we have to take advantage of it. I said the only way we can do it is to have a public equity offering. So we did that. The secondary reason was all of these stockholders that had invested with us had been very, very loyal. At the time that we sold stock, you could buy stock down to a quarter of one percent and that was \$5000, but you had to also make a \$5000 loan to the company. I set up a note that everybody had to loan an equivalent amount. So it was \$5000 for your stock, and a \$5000 loan that was a ten-year note interest only annually; and \$10,000 and \$10,000 for 0.5% of stock; \$20,000 and \$20,000 for 1% of stock; and so on. Besides my dad and me, there were only about five stockholders that had more than 1%. Perry Whitt was one of them and he owned 5%.

We had never given a dividend in all those nineteen years between 1975 and 1993, but we paid back that loan money; that was a ten-year note. About three and a half to four years into it, we paid all the loan money back to everybody, so they did get that paid back, but they'd never had a dividend. Many of them put their life's savings in, and many like me went to the bank and borrowed all the money that they needed. Some were still paying for it. I thought, gee, a secondary reason to go public is that these people are getting older now,

³⁴ See generally MAIN STREET STATION CASINO, <http://www.mainstreetcasino.com/> (last visited Nov. 11, 2013).

³⁵ See generally Gary Thompson, *Main Street Station Reopens with New Look*, LAS VEGAS SUN, Nov. 15, 1996, <http://www.lasvegassun.com/news/1996/nov/15/main-street-station-reopens-with-new-look/> (describing the renovation of the Main Street Station and a brief history of Bob Snow).

many of them, and planning their estates and it's a good thing for them to get liquid.

So we had the public equity offering and I got everybody together. I thought it was appropriate to do it on the second floor of the California where we have meeting rooms since that was our first property. I got everybody there and I said, okay, I've got some news for everybody. I had a special stockholders' meeting. I said, we're going to have a public equity offering. Everybody shook their head, oh? I said, well, if you had a 0.25% of the stock, you're going to get \$800,000 of Boyd Gaming stock, and if you had a 0.5% you're going to get \$1.6 million worth of Boyd Gaming stock. The stock came out at seventeen dollars a share. If you had 1% it would be about \$3.2 million worth of stock.

That was the happiest day of my gaming life, because everybody was smiles. It had been nineteen years, but that was still a nice return on investment. So everybody was very happy and we went and had our public equity offering.

The first place we opened as Boyd Gaming Corporation was in Tunica, Mississippi, which is thirty-five miles from Memphis, Tennessee.³⁶ We went down, bought some cotton fields, built Sam's Town Tunica, and opened it around mid-May of 1994. It was really in the middle of nowhere, right next to the Mississippi River, of course. It had to be right by the river. Mosquitoes are tortuous down there. Anyway, we built Sam's Town Tunica. We opened it and we had everybody there. Keith Smith,³⁷ who is our president and CEO, was our corporate controller then, he was parking cars that night. Everybody was working. I remember my son Sam was selling change. They were all there. Everybody pitched in to get through our opening. Sam's Town Tunica has been very successful for us over the years and remains very competitive today. We were one of the early ones to open there and we had a lot of business from within 300 to 400 miles. We will be celebrating our twentieth anniversary there in May of 2014. That was our first property, of course, outside of Nevada. Hard to believe it's been that long.

Sam's Town Tunica is on a barge. Most of the states require you to have a riverboat. Mississippi said you could have a barge. It had to be floating, but it was a little better than a riverboat. You could make it look more like a normal land-based casino when you were on a barge. Most states now allow barges. It's bigger, wider, and much better than a riverboat. The original thought was, I think, that the Mississippi River, for example, had gambling in the early days. In the early days, they sailed up and down the Mississippi River and there was gambling. So we're going back to our roots. Back then you would actually cruise. You would have cruising times. People would come in, and if they got there when you were cruising, they had to wait until you came back. That didn't last but a few years because they had some boats that got into rough water and they had some boats that crashed. They finally said this is crazy, and they decided to make them barges. So that's the way it is today. Many states

³⁶ See generally SAM'S TOWN HOTEL & CASINO, TUNICA, <http://www.samstowntunica.com/> (last visited Nov. 12, 2013).

³⁷ In addition to being president and CEO of Sam's Town, Tunica, Keith Smith was appointed by the Federal Reserve Bank of San Francisco to serve as chairman of the board of directors of its Los Angeles branch. See *Keith Smith*, FORBES, <http://www.forbes.com/profile/keith-smith/> (last visited Nov. 12, 2013).

have even gone to land-based today. But barges are so very, very close to that. Although, we still have riverboats because of the investment we have in them.

Then, on July 1st, 1994, we opened our second place away from Nevada, and that was called the Silver Star Hotel and Casino in Philadelphia, Mississippi. A friend of mine that lived in Jackson, called me and said he was from Philadelphia and he knew Chief Phillip Martin very well. Martin was the chief of the Mississippi band of Choctaw Indians.³⁸ He said Chief Martin is looking for somebody to go to the National Indian Gaming Commission and get a five or seven-year contract to operate a casino for him and he wants them to loan the money to him to build the place and supervise the building of it. Would you be interested? I said yeah, I'd love to meet Chief Martin. So we did. We went down to Philadelphia. We probably had three or four trips there.

About the last time that I and several other executives were in Philadelphia, I said to the team that was with me there, that if Chief Martin will have us, we're going to loan him the money to build the place and go to the National Indian Gaming Commission to operate it. I got some strange looks from the other members of the team; kind of like, have you been drinking something or smoking something? Finally, one of them said, well, it's kind of in the middle of nowhere here; where's the business going to come from? I said, well, don't you all remember when we opened the Eldorado in downtown Henderson? It became the social center of the community; it was the gathering place, the place where people went to meet; and I think you all remember that when we opened Sam's Town on April 1st of 1979, it also became a meeting place and a gathering place for people even when they didn't come in to play. They would come in and have their coffee and just meet their friends. I said, I think that's what's going to happen here.

I said the other thing that makes me feel like we can definitely make it work is that I've talked to Chief Martin and asked him if we could serve whiskey and he said yes, you can serve alcohol. Many Indian casinos don't allow alcohol to be served on their reservations, but he said it was okay. In checking, I found that all of the counties around us were dry; so I thought that we would be quite popular if we opened.

The Chief loved Las Vegas, so he would come out here a lot too. We showed him our properties and what we could do. Finally, the Chief called one day and said, Bill, I've narrowed it down to two, you and Hilton Hotels Corporation. He said, I'm coming out, I'm going to Hilton first, and then I'm going to come and see you. I said, okay, Chief, we'll be ready for you. Our corporate offices were on Industrial Road at that time.

So the Chief came roaring over in a limo. He came in and I could see that he was really, really upset. I said, Chief, what's the matter? Just looking at him you could tell. He said, well, I went to Hilton and Barron Hilton wasn't there to greet me.³⁹ Barron Hilton at the time was the CEO of Hilton Hotels and evi-

³⁸ For further information about Chief Martin and the Choctaw Tribe, see Dennis Hevesi, *Phillip Martin, Who Led His Tribe to Wealth, is Dead at 83*, N. Y. TIMES, Feb. 15, 2010, at A19, http://www.nytimes.com/2010/02/15/us/15martin.html?_r=0.

³⁹ See *W. Barron Hilton*, FORBES, <http://www.forbes.com/profile/william-hilton/> (last visited Nov. 18, 2013) (Barron Hilton was CEO of Hilton Hotels until he sold the company to a private equity firm for \$26 billion dollars).

dently the Chief had been told that Barron was going to be there, but he wasn't there. So the Chief was personally offended because, in his mind, he had been stood up. Frankly, it was pretty easy from there for us to get the deal because he was mad. Hopefully we would have gotten it anyway, but we didn't have to worry about that because he said okay.

I must say, the Silver Star had the largest opening we had ever seen at any of our properties until we opened Borgata later in Atlantic City.⁴⁰ We did get a seven-year contract with the National Indian Gaming Commission and had a wonderful experience there. Chief Phillip Martin was, I thought, a great chief in that he gave each tribal member \$1,000 at Christmas time and put all the money that they were making back into hospitals, schools, housing, and education. Chief Martin, after five and a half years, decided that he would like to run it himself with the tribal members and bought us out at a very fair price. We had a great experience at the Silver Star.

The next thing that happened was I got a call from Ellis Landau, who was our CFO at the time. He had gotten a call from an attorney representing Bobby Guidry in New Orleans, Louisiana. The attorney said Mr. Guidry is looking around, talking to various operators about operating with him. He believes he's going to get his gaming license in Lake Pontchartrain. He wanted to know if Boyd Gaming would be interested in talking with him. I said, yeah, call him back and tell him we're happy to meet with him. So we did. For our first meeting, we flew down to New Orleans. He operated tugboats on the Mississippi River. We went to see him in his office and talked to him. He said, I'm looking around; I'm going to come out and see your properties in Las Vegas. We told him that we were building in Tunica and in Philadelphia. Anyway, he came out and we showed him our properties.

Finally, Bob Guidry called me one day and said, well, Bill, you've got the deal if you want it. He told us before that he wanted to keep 85% of the stock for him and his sons, and he would sell 15 percent to us and give us a management contract. We negotiated a fair management contract and bought 15 percent of what became the Treasure Chest Casino.⁴¹ That was the only place that we did not own a hundred percent, so we started to operate it. We owned 15 percent of Treasure Chest and operated it for about eighteen months, and we were doing quite well. The boat was doing really well there. That was located in Kenner, Louisiana, which is a suburb of New Orleans, but it's a nice residential area around there.

One day, Bob Guidry called me after we had been open about eighteen months and said, Bill, I'd like to talk to you. I said okay and we got together. He said, I'd like to sell you the Treasure Chest. I said okay. So he presented a figure. I said, gee, Bobby, that doesn't seem to me like a good return on investment, but I'm going to go back, we're going to look at it, and I'll get back to you tomorrow. So we did and I called him back and I said, no, Bobby, we're going to continue; we're doing well, you're doing well, we're going to keep

⁴⁰ For more information on the Borgata Hotel Casino & Spa, see Christopher Palmeri, *Boyd Bets the Pot in Atlantic City*, BLOOMBERG BUSINESSWEEK (July 1, 2003), <http://www.businessweek.com/stories/2003-07-01/boyd-bets-the-pot-in-atlantic-city>.

⁴¹ See generally TREASURE CHEST CASINO, <http://www.treasurechest.com/> (last visited Nov. 18, 2013).

running this place, but we're not interested in the purchase. He said, okay, thank you.

About three or four weeks later, he called back and said let's meet again. So we met. He said, I've got a new price for you and he'd come down a lot on the price. I said, well, I think this might be okay, Bobby. I said the same thing; we'll go look it over and I'll call you back. I did and I said sure, we'll buy it for that. We were already licensed in Louisiana, so it went rather quickly, we bought it, and we own 100 percent today.⁴² Bobby and his sons, we bought them out.

I was at home reading the paper maybe three weeks later and I saw the headline "Bob Guidry Indicted for Bribing the Governor of Louisiana."⁴³ It turns out—we knew absolutely nothing about this—but Bob Guidry had evidently made a deal with the governor. The governor of Louisiana is much more powerful than most governors I've found. Bobby had been promised a license for gaming. Bobby had promised, I guess, to pay the governor. Evidently, Bobby was paying him at a designated alley, in a designated tin can which he would deposit money in for the governor. The governor must not have picked it up himself; he must have sent a henchman to pick it up. But the governor served jail time, he actually just recently got out of jail. It was Governor Edwin Edwards. The federal government had been after him for some time. He was quite a player here in Las Vegas too. Anyways, they really wanted him, not Bob Guidry; but Bob Guidry was indicted too. Bobby served six months and paid a very big fine.

I realized then why Bob Guidry had called back and came down on the sales price so much. If he were convicted of a felony, which he was, he would have lost his gaming license in Louisiana. So he must have had some inkling that this was going to happen and decided he better sell his interest before that happened. At any rate, I have to say that Bob Guidry was always very, very upfront with us, and we had no integrity problems with him whatsoever, so our relationship had been very good with him.

We opened Sam's Town Tunica in May of 1994; we opened the Silver Star in July of 1994; and we opened the Treasure Chest in September of 1994. We opened those three properties within about four and a half months. One of the reasons that we were able to do that was because of teamwork. Teamwork is part of our mission statement, which says we only operate with the highest degree of integrity.⁴⁴ That's first because that's most important to our company. It also says that through teamwork, we strive to increase shareholder

⁴² See *Boyd Gaming Seeks to Own Louisiana Riverboat Casino*, N.Y. TIMES (July 16, 1997), <http://www.nytimes.com/1997/07/16/business/boyd-gaming-seeks-to-own-louisiana-riverboat-casino.html>; *Business Brief — Boyd Gaming Corp.; Pact to Buy Remaining 85% of Treasure Chest is Set*, WALL ST. J., July 16, 1997, at B2.

⁴³ See Natalie Gott, *Casino Operator Details Alleged Kickback Scheme in Louisiana Trial*, LAS VEGAS SUN (Jan. 31, 2000), <http://www.lasvegassun.com/news/2000/jan/31/casino-operator-details-alleged-kickback-scheme-in/>.

⁴⁴ See *Mission and Vision*, BOYD GAMING, <http://www.boydgaming.com/about-boyd-gaming/mission-and-vision> (last visited Nov. 15, 2013). ("We, as members of Boyd Gaming Corporation, operate with only the highest degree of integrity, and rely on the competence and friendliness of each person in our organization to provide entertainment and service to satisfy our customers' wants. Through teamwork, we strive to maximize shareholder value,

value and that's what happened with those three openings. I had asked many of our employees in Las Vegas to go to those properties to help with the opening, to be a shadow with the new employees. You have to realize, they had never had gaming in any of those states before, so this was something new and everyone had to be trained. When I asked everyone about that, no one refused; everyone said of course we'll do it. I asked them to go, not to stay longer than two weeks at a time, and then come home to visit with their families and to get clean clothes. Everyone was very willing to do that. I think that was a great example of how teamwork can really help you in what you're trying to accomplish in your business.

After we opened those three properties, we answered a couple of requests for proposals, RFP's, to operate in a couple of areas. What I learned was that they always favored the local people, the local investors, and I thought that was very good. Unfortunately, they didn't tell us about that in advance, so we spent a lot of time and effort and money preparing for those requests for proposals. I decided that rather than do anymore of those, we would be better off to go out and see if we could purchase properties from some of those local investors who weren't really intending to stay in the business, but were just making good investments.

The first place we went was to East Peoria, Illinois, and bought another riverboat called Par-a-Dice.⁴⁵ Par-a-Dice was located on the Illinois River. East Peoria is right in the middle of the State of Illinois. There were a group of local people that had bought and opened the Par-a-Dice. We started to negotiate with them. One of their owners was their representative, and they had a lawyer. We started to negotiate to purchase it and we did purchase the Par-a-Dice. That was several years after we opened up the first three properties.

When we purchased the Par-a-Dice in East Peoria, they had about a 170-room hotel under construction; we finished that, opened it, and still have that hotel there today. We still operate the riverboat, but it doesn't have to cruise anymore. Neither did the one in Kenner, Louisiana. It originally cruised, but doesn't have to cruise anymore. We've never really expanded Par-a-Dice; although we had plans to do so several times. When we had those plans and were about ready on a couple of occasions, the governor of Illinois decided to raise the gaming tax.⁴⁶ He evidently thought that it was a good way for him to gain money for the state. So we never did finish our expansion there, but we've continued to do well there. It just became too expensive to finish. We figured we could not get that good of a return on our investment with the raising of the gaming taxes.

The next place that we bought was Blue Chip, and that was again from some local people from that area. Blue Chip is located in Michigan City, Indi-

to be among the leading companies in our industry and to provide opportunities for all while we support and enhance our communities").

⁴⁵ For more information about Boyd Gaming's purchase of the Par-a-Dice, see Bruce Orwall, *Boyd Gaming to Unveil Plans to Buy Par-a-Dice*, WALL ST. J., Apr. 29, 1996, at B7.

⁴⁶ See Rick Pearson, *Edgar's Plan to Increase Riverboat Tax Looks Like a Trial Balloon to Daniels*, CHI. TRIB., Oct. 26, 1995, http://articles.chicagotribune.com/1995-10-26/news/9510260131_1_riverboat-gambling-gaming-tax-trial-balloon.

ana, about sixty-five miles east of Chicago.⁴⁷ Blue Chip was not thought to be one of the better locations; in fact, I think it was thought to be maybe the least desirable location because it was further from Chicago than the other sites. We investigated it before we bought it, and we felt that it was a very good location because it was close to the Michigan border. We felt that we had a very good opportunity to gain business from Kalamazoo, Michigan and to the south towards Michigan City, because we would be the closest for those folks to come to. We had a nice facility there and Michigan City was known to be a very safe city; some of our customers told us that.

Again, Blue Chip had 170 rooms that were under construction when we bought it. We finished those, but we originally operated it as a riverboat. We were able to, because the states all saw the folly in making the riverboats cruise, and allowed them to stay anchored and not cruise anymore. We did more than that at Blue Chip; we were able to have a barge there. So we did sell our riverboat, and we were able to build a barge on that same location. Even though you're floating, it's very difficult to tell when you're going from land onto the barge, so it worked much better.

So we did that expansion and we've had another expansion a little over two years ago when we built 300 more rooms. Now we have close to 500 rooms there. The rooms that we built were much nicer than the original 170 rooms. We also built a beautiful spa and several restaurants.⁴⁸ We find now that we get a lot more business from the Chicago area and the suburbs because folks will come over on a weekend, for example, to get away from the city for a few days and take advantage of the spa and some of the nice restaurants that we have. That's been a very nice operation for us in Michigan City, Indiana.

Our next investment was in Delta Downs.⁴⁹ That was in Vinton, Louisiana, which is near the Texas border and about 100 miles from Houston, Texas. That was our first experience in horse racing. Delta Downs was a track that had thoroughbred and also quarter horse racing. We had no experience there. In Louisiana, if you have a track, you can only have slot machines, no table games are allowed. Nonetheless, we thought it made some sense for us so we bought Delta Downs. We bought it from a fellow that was having trouble getting licensed. We bought it from him and we were already licensed, of course, at Treasure Chest, so the licensing was fairly easy.

We remodeled it and opened it up, and we were right in the eye of the storm of hurricane Rita.⁵⁰ We had about \$50 million worth of damage. I think we had a million-dollar deductible on our insurance, but we recovered most of

⁴⁷ For more information about the history and current state of the Blue Chip Casino, see John G. Brokopp, *Taking Stock of New Blue Chip Casino*, CHI. SUN-TIMES, Feb. 10, 2006, at NC17.

⁴⁸ For details about the most recent renovation of the Blue Chip, see Sarah Crone, *New Hotel Tower Aims for Las Vegas Experience: \$130 Million Expansion to Blue Chip Adds Restaurants, Spa, and Event Center*, KALAMAZOO GAZETTE (Jan. 28, 2009, 2:26 PM), http://www.mlive.com/casino/index.ssf/2009/01/new_hotel_tower_aims_for_las_v.html.

⁴⁹ For details about Boyd Gaming's purchase of Delta Downs, see David Strow, *Boyd to Buy Horse Track: Firm May Pay \$100 Million*, LAS VEGAS SUN, Apr. 26, 2001, <http://www.lasvegassun.com/news/2001/apr/26/boyd-to-buy-horse-track-firm-may-pay-100-million/>.

⁵⁰ See *Thoroughbreds Return to Delta Downs*, ASSOCIATED PRESS, Nov. 1, 2006, available at <http://sports.espn.go.com/espn/wire?section=horse&id=2645510>.

the damage from our insurance company. We decided at that time to also add some of our own capital to that amount and to make it much nicer. And we did; we made it much, much nicer. We have done very, very good business there. If you come from Houston, Texas, you hit us first before you hit the Lake Charles market. The Lake Charles market is another thirty-five minutes further away. We now have a million-dollar race every year there. Last year, 2012, three of our horses that were in the million-dollar race were in the Kentucky Derby.⁵¹ So it's been quite a great experience for us.

After Delta Downs, in about 1998, I got a call from Steve Wynn. He said, Bill, you know we were downtown together. What he meant by that was we were competitors; he owned the Golden Nugget and we owned the Fremont and the California and we worked very closely together to put together the Fremont Street Experience.⁵² I think without either of us, if either of us had opposed it, it probably wouldn't have happened because we were the major operators downtown along with Binion's Horseshoe.

Steve was calling me first to see if I was interested in Atlantic City; he had acquired one hundred acres in Atlantic City. He was going to build his own place and he wanted to know if we were interested in being his partner; he would throw in the land and we would be his partner and we would operate it, of course, and develop it. I said yes, we're very interested. He said, well, there are two conditions. He said, I don't want you to build over 1,200 rooms, and I want to be the Mirage and I want you to be the Treasure Island. By that time, he owned the Mirage and the Treasure Island on the Las Vegas Strip. I said fine, Steve, because we knew the Treasure Island had done quite well and he wanted to have the more upscale place. That's what he meant by I'll have the Mirage and you'll have the Treasure Island, a little more upscale. I agreed to that, and we negotiated a deal and put it together. We owned 50 percent and he owned 50 percent.

I had asked Bob Boughner,⁵³ who was our chief operating officer at the time, if he would go back, supervise the building, and stay there long enough to get it going. He said yes, he would be happy to do that. Bob went back there and spent two and a half or three years there before we opened, getting ready for the opening and supervising the construction. Before we opened, about nine months after we made the deal with Steve Wynn, I opened the paper one morning and saw that Steve Wynn had sold his company to MGM including his interest in the Borgata, along with all of his properties in Las Vegas. Well, then,

⁵¹ See *Kentucky Derby History: 2013*, KENTUCKYDERBY.COM, <http://www.kentuckyderby.com/history/year/2013> (last visited Nov. 19, 2013) (Goldencents and Mylute finished first and third, respectively, in the 2012 Delta Downs Million Dollar Race and went on to race in the 139th Annual Kentucky Derby, where Mylute placed fifth and Goldencents finished seventeenth).

⁵² For more information on the renaissance of downtown Las Vegas, and the Fremont Street Experience, see Geoff Schumacher, *Reinventing Fremont Street*, LAS VEGAS CITYLIFE (Aug. 18, 2005, 3:31 PM), http://archives.lasvegascitylife.com/articles/2005/08/22/local_news/news05.txt.

⁵³ For a brief biography of Mr. Boughner, see Chris Hedges, *Public Lives; a Casino Boss Who Started With a Bucket of Coins*, N.Y. TIMES, Aug. 26, 2003, <http://www.nytimes.com/2003/08/26/nyregion/public-lives-a-casino-boss-who-started-with-a-bucket-of-coins.html>.

MGM became our partner. That was fine with us. MGM has been a very good partner for us all these years.

After that happened, we talked to MGM and told them about the restrictions that Steve put on us with the rooms and also of him being the Mirage and us being the Treasure Island. I had the conversation with Terry Lanni,⁵⁴ who at the time was the CEO of MGM. Terry said, well, we're not going to go to Atlantic City for a while, so you can go ahead and build as many rooms as you want and build them as nice as you want. So we did. We already had some plans in place that we had designed, but we were able to change them enough to accommodate the 2,000 rooms that we built. We wanted to build a much nicer place. The reason for that was Bob Boughner. He had gone to Atlantic City and was living back there. He had done some research and what he found was that many East Coast customers didn't go to Atlantic City; they bypassed it and they would go to the Indian casinos in Connecticut⁵⁵ or they would come to Las Vegas and they just didn't go to Atlantic City; it had nothing that they were interested in. That was one thing.

The second thing he found was that whenever they needed more slot machines in Atlantic City, they would take out table games and just have less table games to add slot machines.⁵⁶ So we decided to do two things: to bring Las Vegas to Atlantic City and to feature not only slot machines but table games. We opened in 2003 with 2,000 rooms and we featured both slot machines and table games. Atlantic City had never seen anything to compare with Borgata; it was something completely different for them. The Borgata opened on July 3, 2003.

We had great entertainment, great restaurants, which were kind of the ring around the casino. The Borgata would fit on the Las Vegas Strip. We were very fortunate because we had over thirty acres to build on. Most of the casinos in Atlantic City are down at the boardwalk and they were unfortunately restricted to maybe seven or eight acres to build on. They were very vertical and they didn't have the same opportunity that we had, in fairness. Now, Harrah's in Atlantic City is very close to us, and they have more of a spread out type of casino. Now the third casino—we're in the Marina District— was the Golden Nugget; it was originally Trump Marina and now it's the Golden Nugget.⁵⁷ We have been very, very successful at Borgata. I don't say this because it's our

⁵⁴ See Howard Stutz, *Longtime Gaming Industry Veteran Terry Lanni Dies at 68*, LAS VEGAS REV. J., July 15, 2011, <http://www.reviewjournal.com/business/casinos-gaming/long-time-gaming-industry-veteran-terry-lanni-dies-68> (Terry Lanni is credited for implementing one of the first diversity programs at MGM Resorts, Mr. Lanni was also one of the founders of the American Gaming Association).

⁵⁵ The Foxwoods and Mohegan Sun are both located in southeastern Connecticut and feature a vast array of slot machines, table games, and dining options. See Marshall S. Berdan, *Face-Off: Foxwoods vs. Mohegan Sun*, WASH. POST, Feb. 22, 2004, <http://www.washingtonpost.com/wp-dyn/content/article/2004/02/22/AR2005041501862.html>.

⁵⁶ See Karen DeMasters, *Briefing: Atlantic City; Removing Table Games*, N. Y. TIMES, Apr. 28, 2002, <http://www.nytimes.com/2002/04/28/nyregion/briefing-atlantic-city-removing-table-games.html>.

⁵⁷ See Donald Wittkowski, *Trump Marina Becomes Golden Nugget Today; New Owner to Give Casino \$100 Million Face-Lift*, PRESS OF ATL. CITY, http://www.pressofatlanticcity.com/news/top_three/trump-marina-becomes-golden-nugget-today-new-owner-to-give/article_3e92c33c-8559-11e0-84df-001cc4c002e0.html (last updated Aug. 11, 2011).

place, but I think it's kind of well-known that the Borgata is the nicest place in Atlantic City.

We still only own 50 percent, but we're the developer and operator. MGM is more of what you would call a silent partner. Every three months, we meet and go over the financial statement and talk about business. They've been very supportive, helped us wherever they could, and it's been a very, very good relationship. We just celebrated our tenth anniversary at Borgata.⁵⁸

Borgata is very important to us today. We have a lot of competition around Atlantic City. No one does quite as well as they were doing before because now you have gaming in Pennsylvania, Delaware and Maryland, all very close to Atlantic City. But the Borgata has continued to do the best in Atlantic City and we're still doing fine.

What we're looking at now is the opening of Internet gaming in Atlantic City. We have been licensed for Internet gaming in Nevada and in New Jersey. We haven't proceeded in Nevada yet because Nevada is a very small state and liquidity or the number of players is what's important when you talk about Internet gaming. Nevada has around 2.8 million people. New Jersey has about 8 million people. We think the opportunity is much better there and the governor and Gaming Commission have set a date towards the end of November for the opening of the Internet gaming.⁵⁹ We're hoping that doesn't get delayed and we're ready to open. We'll have the Borgata brand there, which we think is a very well known brand on the East Coast. We think we will do well there.

A public company from Europe called Bwin.party, from England actually, is providing the software for us and helping us with Internet gaming since it's a brand-new business for us.⁶⁰ We're also a 10 percent owner in their own company that will do business in New Jersey. So we're excited about the opportunity.

About the time that we were opening Borgata, we decided that we wanted to expand in the local business in Las Vegas. I approached Michael Gaughan from Coast Resorts.⁶¹ I knew Michael. His dad had been my and my dad's partner in the Union Plaza downtown. We knew his dad quite well and we knew Michael even when he was younger. I approached Michael and asked him if he would be interested in a joint venture with merging our companies.

⁵⁸ For more information on the Borgata's tenth anniversary celebration, see Donald Wittkowski, *10 Years Later, Borgata Still Atlantic City's Top Casino*, PRESS OF ATL. CITY (June 30, 2013, 11:45 PM), http://www.pressofatlanticcity.com/news/press/atlantic_city/years-later-borgata-still-atlantic-city-s-top-casino/article_354726ae-6d05-5dc3-a5dd-c310158fd597.html.

⁵⁹ Internet gambling in New Jersey is set to begin on November 26, 2013. Jennifer Bogdan, *A.C. Casinos Ready to Offer Online Gambling by Nov. 26*, PRESS OF ATL. CITY (Nov. 9, 2013, 12:01 AM), http://www.pressofatlanticcity.com/news/press/casinos_tourism/a-c-casinos-ready-to-offer-online-gambling-by-nov/article_876d0c7b-300b-596e-9954-8bc8a5dc6053.html.

⁶⁰ See Sue Zeidler, *Boyd's Borgata Gets First New Jersey Online Gaming Permit*, REUTERS, Oct. 9, 2013, available at <http://www.reuters.com/article/2013/10/09/us-usa-gambling-newjersey-idUSBRE9981B920131009> (Boyd Gaming will be working on internet gambling with Bwin.party Digital Entertainment.).

⁶¹ See Michael Gaughan Sr., NEV. BUSINESS HALL OF FAME, <http://business.unlv.edu/nbhof/Michael-Gaughan-Sr/> (last visited Nov. 19, 2013) (Michael Gaughan Sr. founded Coast Casinos in 1979 with the opening of Barbary Coast Hotel and Casino).

He said no, at the time he was looking at maybe having a public equity offering.

I was encouraged by some of our executives, our management committee, to call him back. They said, get back to Michael because he hasn't gone public yet or we haven't heard anything about it. I waited about another month or six weeks and I called Michael back and said can we meet again? We did meet again. Michael said he was interested now; he'd decided that the timing wasn't good for a public equity offering.

It was very difficult to open a new property then because the state and the county had made it so difficult to open a local property. You had to really jump through hoops to get it done. We decided the best way to do it was to try and buy a company and Michael's Coast Resorts made the most sense to us.

We negotiated a deal, and Michael came into our company with one of the other stockholders. All the other stockholders in his company, Coast Resorts, were paid off in cash, but Michael became the second largest stockholder behind me and came into the company.⁶²

He had the Suncoast in Summerlin, and the Gold Coast, which is located in China Town. It has tremendous Asian play. He had the Orleans, which is our largest property in Las Vegas now with about 1,880 rooms. He also had the South Coast, which was under construction when we bought it. Then the other property was at the intersection of Flamingo and the Strip called the Barbary Coast. That was on about two and a half acres on the Strip. So all of those properties came into Boyd Gaming.

But Michael never really liked corporate life. He used to say, how can you stand all this BS with the Securities Exchange Commission, Sarbanes-Oxley?⁶³ He had never gone through any of that owning his own nonpublic company. Finally, one day—I think he was in our company for about eighteen months—he called me and said he'd like to come over and talk. Bill, he said, I just don't enjoy corporate life. So, we negotiated a deal where he would take over the South Coast,—it was open by then— he would change the name to the South Point, and we would take the other properties.⁶⁴

That's worked out well for him. I have lunch with Michael probably once every several months and he's happy as a lark. He's remained private and he's very happy doing that. It worked out well for us as well.

I was back in Atlantic City on a gaming panel one day with Gary Loveman.⁶⁵ There were several others on the panel. There was a second where nobody was saying anything and Gary said in the open mike, Bill, I want to buy

⁶² See *Company News; Boyd Gaming to Buy Coast Casinos for \$820 Million*, N. Y. TIMES (Feb. 10, 2004), <http://www.nytimes.com/2004/02/10/business/company-news-boyd-gaming-to-buy-coast-casinos-for-820-million.html>.

⁶³ *The Laws that Govern the Securities Industry*, U.S. SECURITIES AND EXCHANGE COMMISSION, <http://www.sec.gov/about/laws.shtml> (last visited Oct. 30, 2013) (The Sarbanes-Oxley Act enhanced corporate responsibility and financial disclosures and helped combat corporate and accounting fraud).

⁶⁴ Howard Stutz, *Making a Point*, LAS VEGAS REV. J., Oct. 25, 2006, available at <http://search.proquest.com.ezproxy.library.unlv.edu/lasvegasreviewjournal/docview/260242930/141CD5AD01C7736E0C3/6?accountid=3611>.

⁶⁵ Boyd and Loveman were both speakers at the 9th Annual East Coast Gaming Congress. See *Industry Leaders to Headline 9th Annual East Coast Gaming Congress*, PR NEWSWIRE,

the Barbary Coast. I said back in the open mike, well, Gary, it's not for sale. The audience laughed, of course.

When we were finished with that panel, I went to Gary and said, Gary, you know it's really not for sale, but we might trade it for some property. At that time we had about sixty-three acres in the Stardust site. I said, if we could trade for property next to the Stardust, we could make a deal. So our CFO and his CFO started talking. I think it took about a year, but about a year later we made a deal where we traded the Barbary Coast for twenty-four acres right next to the Stardust. We then had eighty-seven acres in our inventory. So that was what happened to the Barbary Coast.

The Barbary Coast was the best location on the Strip, I think. That is why Gary Loveman was so interested in the property; it was right in the middle of all Harrah's other properties. So we think it was a good deal for us and a good deal for them as well.

What happened next was we had an opportunity to buy a place in Shreveport, Louisiana, which would be our third property in Louisiana. Now, how that happened is Harrah's had bought Binion's. Binion's owned a place in Shreveport and Harrah's owned two; Harrah's Shreveport and a racetrack there. The Louisiana Gaming Commission said you have too much control of that area between Shreveport and Bossier City.⁶⁶ They said to sell a place.

We bought what was Harrah's Shreveport, changed the name to Sam's Town Shreveport, so now we operate that as well. They had a very nice hotel and great rooms that we've recently redecorated. That is also a riverboat that does not have to cruise anymore.

I think I've talked about all of our openings up until we got the IP.⁶⁷ We opened that in Biloxi, Mississippi. We've owned the IP for over two years now. It was kind of interesting how that happened. One day Don Snyder⁶⁸ called me. Don had been the president of our company and was with us for seven or eight years and was then on the board of trustees at UNLV. Don said, Bill, I'm going to go with the president and with the dean of the business school and the provost out to meet with the Engelstad family.⁶⁹ We hope that they might donate \$50 million to the business school and we'll change the name to the Engelstad Business School; would you go with us? I had made a donation,

Apr. 29, 2005, <http://www.prnewswire.com/news-releases/industry-leaders-to-headline-9th-annual-east-coast-gaming-congress-54445262.html>.

⁶⁶ See *Boyd Gaming Buying Harrah's Casino in Shreveport*, LAS VEGAS SUN, Jan. 21, 2004, <http://www.lasvegassun.com/news/2004/jan/21/boyd-gaming-buying-harrahs-casino-in-shreveport/>.

⁶⁷ See generally IP CASINO RESORT SPA, <http://www.ipbiloxi.com/> (last visited Nov. 19, 2013).

⁶⁸ For more information about Mr. Snyder's career, see *Donald Snyder*, UNIV. OF NEV., LAS VEGAS, <http://www.unlv.edu/people/donald-snyder> (last visited Nov 17, 2013).

⁶⁹ The Engelstad family is well known for their philanthropic work around the nation. Although patriarch Ralph Engelstad, owner of the Imperial Palace and co-developer of the Las Vegas Motor Speedway, died in 2002, the Engelstad Foundation continues to donate money to a wide variety of causes. See Liz Benston, *Imperial Palace Owner Engelstad Dies*, LAS VEGAS SUN, Nov. 27, 2002, <http://www.lasvegassun.com/news/2002/nov/27/imperial-palace-owner-engelstad-dies/>.

which I will get to a little later, to the law school. So I said sure, I'll be happy to come along.

We went out to the house where Mrs. Engelstad was living. Mr. Engelstad had passed away, but Mrs. Engelstad was still living there, and we met with her daughter, Kris McGarry and two members of their foundation board. So we had the meeting. The IP in Biloxi, incidentally, was owned by the foundation.

We had the meeting for the business school and everybody talked. When it came to me I talked a little bit about my history and my dad being a dealer when he came to Las Vegas and growing up here and everything. Then Kris, Mrs. Engelstad's daughter, said, gee, that sounds a lot like my dad; he came here as a carpenter and he built the Imperial Palace on the Strip pretty much himself. So we kind of connected well and it was a very nice meeting. They ended up not donating the \$50 million to the business school, but I think they did make a nice donation to the business school.

I got a call a couple of months later from Barbara Buckley about the Legal Aid Center in Las Vegas.⁷⁰ Barbara said, Bill, do you happen to know Kris Engelstad McGarry? I said yes, I happened to meet her when I went with the university. Barbara said, do you think you could get her to go to lunch? I said sure, I think so, I'll certainly try. Barbara wanted to talk to her about helping Legal Aid.

Legal Aid was in a position where they had to expand because they had outgrown their premises and they needed to raise the money; they had bought the land, but they needed to do the building and the parking garage.

I said sure and I called Kris McGarry. I said, Kris, we'd like to invite you to lunch with Legal Aid; they would like to talk to you. She said sure. We met at the Las Vegas Country Club where I'm a member. Barbara Buckley and Lynn Etkins were there also. Lynn is active on a day to day basis along with Barbara in running Legal Aid. Dick Morgan might have been with them at that meeting too. Dick, of course, was the first dean of the law school.

At any rate, we had the meeting. We finished the meeting and Kris had said yes, she would donate, I think, a half million dollars to Legal Aid, but the foundation might do more if you'll come and make a presentation to our entire foundation board. They said, of course, they would do that. And they did that later and Kris was very kind and the foundation board was very kind in giving them more money to help with the building.

We finished that meeting and Kris said, Bill, would you stay a minute? So everybody else left and I stayed. She said the foundation owns the IP in Biloxi and we would like to sell it. She said I've talked to some investment banking companies and they frankly turned me off; I don't really like dealing with them. Do you know somebody in the industry that might be interested in buying it? I said, yeah, I can certainly get some names for you, but would you mind if Boyd Gaming looks at it first? She said no, that's fine, go right ahead.

⁷⁰ Ms. Buckley has worked for the Legal Aid Center of Southern Nevada since 1989, and currently serves as its executive director. *Biographical Statement of Barbara E. Buckley*, LEGAL AID CTR. OF S. NEV., http://www.lacsn.org/images/leadership/BEB_Bio_2013.pdf (last visited Nov. 17, 2013).

We did, and it was about a year and a half later that we finally put the deal together to buy the IP.⁷¹ So I often think of how important relationships are to doing something like that. That was a very good example of how just meeting somebody and getting to know them opened up an opportunity.

We bought the IP. It's a thousand rooms and a very, very nice place. If there is a place nicer in the Biloxi area, it's the Beau Rivage,⁷² but the IP is a very, very nice place. What happened was that a lot of it had been destroyed in one of the hurricanes and they rebuilt it and made it even nicer.

The other thing that happened more recently, about November of last year, was that we bought five properties that were owned by Peninsula Gaming.⁷³ We had been negotiating for some time with Peninsula. They owned three properties in areas where we weren't. Two of them were in Louisiana, but they weren't really competitive to where we were in Louisiana. So we purchased two properties in Iowa from them: one in Dubuque, Iowa, called Diamond Jo Dubuque and the other one is called Diamond Jo Worth, located near the Minnesota border in the northern part of Iowa.⁷⁴ Much of their business comes from Minnesota; Minneapolis/St. Paul is only a hundred miles away. It's interesting that there are two bridges in Dubuque; one goes to Wisconsin and one goes to Illinois. So they're right there on a tip. They get business not only from Iowa, but from Wisconsin and Illinois as well. Those were the two in Iowa.

The other place, the Kansas Star, is in Wichita, Kansas — another state we hadn't been before.⁷⁵ That was really the star of all of their places. It had just opened within the year we bought it. There isn't any competition in Wichita. The only competition is from some Indian casinos in Oklahoma. But it was a very nice place. When we bought it, they were having the gaming in what was eventually going to be an arena. They had a very nice gaming facility but no restaurants; they just had several snack bars and they were doing very, very well. But a couple of months after we bought it, they opened the full facility, which gave them restaurants. Then they moved into the main casino and where they were previously having gaming, the arena site, was then developed as an arena. We now have an arena there where you can have major concerts and

⁷¹ For details on Boyd Gaming's acquisition of the IP Biloxi, see Chris Sieroty, *Boyd Gaming Acquires Second Mississippi Hotel-Casino*, LAS VEGAS REV. J., June 16, 2011, <http://www.reviewjournal.com/business/casinos-gaming/boyd-gaming-acquires-second-mississippi-hotel-casino>.

⁷² See Larry Olmstead, *The Best Casino Hotel Outside Las Vegas*, FORBES (Oct. 24, 2013, 2:26 AM), <http://www.forbes.com/sites/larryolmsted/2013/10/24/the-best-casino-hotel-outside-las-vegas/> (The Beau Rivage was designed by Steve Wynn to be similar to the Bellagio Las Vegas, and is currently owned and operated by MGM Resorts).

⁷³ See Howard Stutz, *Boyd Gaming Completes \$1.45 Billion Acquisition of Peninsula Gaming*, LAS VEGAS REV. J. Nov. 20, 2012, <http://www.reviewjournal.com/business/casinos-gaming/boyd-gaming-completes-145-billion-acquisition-peninsula-gaming>.

⁷⁴ See generally DIAMOND JO CASINOS, <http://www.diamondjo.com/> (last visited Nov. 19, 2013).

⁷⁵ See generally KANSAS STAR CASINO, <http://www.kansasstarcasino.com/> (last visited Nov. 19, 2013).

eventually we're going to have a horse arena there; that part of it is under construction as we speak.⁷⁶

There were two other places in Louisiana, one of them was called the Amelia Belle in Amelia, Louisiana.⁷⁷ That's about sixty-five miles from New Orleans, but it's in an industrial area of Louisiana. It's really not competitive to our place in Kenner, Louisiana, and it's also a cruise riverboat that doesn't cruise anymore.

The other place was another racetrack and that was located in Opelousas, Louisiana, which is very close to Lafayette. Coincidentally, the former law school dean, the current provost at UNLV, John White, is from Opelousas, Louisiana. He had been to Evangeline Downs a number of times and his father still practices law there. In fact, I looked up his father's name in the phonebook, found the street that he was on, and I told John about that. So we bought those five properties.

For the future, we're looking at two other opportunities. One of them is right out of Sacramento, California off of Interstate 99.⁷⁸ We made a deal there with the Wilton Rancheria Tribe, an Indian tribe again. We're in the process of going through our environmental phase. It will probably be 2016 before we open that, but we will go to the Indian Gaming Commission and hopefully get a seven-year contract to operate that. It will be nice. We're going to build some rooms as well as a beautiful casino there. We think it will do quite well.

The other opportunity we hope we have is in Florida. It's in Sunrise, Florida, which is right next to Fort Lauderdale. The Florida Panthers, the hockey team, have a site there, and they have a site in Sunrise where they lease 120 acres from the city or the county. Anyway, they're on forty acres of it. If Florida passes full-scale gaming next year, and we think there's probably better than a 50/50 chance that they will although there's no guarantee, we think that we have a site that could be chosen for full-scale gaming. We like the site. Not only are the Florida Panthers right there, we would take forty acres on either side of them, and on one of the forty acres, we would build rooms and a very nice casino. It's right across from the Sawgrass Mills Mall, which is the second largest tourist attraction in Florida next to Disneyworld. In fact, a lot of people go to the arena because besides having the hockey games, they have concerts too. A lot of folks that go there park for free at the mall instead of paying for parking at the arena. So it's very, very close. So we think that we have a real opportunity there.

⁷⁶ See Fred Mann, *Sale of Kansas Star Casino Brings Boyd Gaming Chief Closer to His Roots*, WICHITA EAGLE, <http://www.kansas.com/2013/01/11/2632986/sale-of-kansas-start-casino-brings.html> (last updated July 10, 2013, 9:44 AM).

⁷⁷ See generally AMELIA BELLE CASINO, <http://www.ameliabellecasino.com/> (last visited Nov. 19, 2013).

⁷⁸ See generally Richard Sharp, *Wilton Rancheria Tribe Plans Casino for Sacramento County*, KCRA.COM, Mar. 05, 2013, <http://www.kcra.com/news/Wilton-Rancheria-Tribe-plans-casino-for-Sacramento-County/-/11797728/19181146/-/x7ky66z/-/index.html> (discussing the Wilton Rancheria Tribe's plan for a casino).

VI. COMMUNITY SERVICE

Can you tell us about the community service you do?

A big part of our mission statement is giving back to the community. My dad was most proud of it. I'm most proud of him for starting the Boys and Girls Clubs in Las Vegas and in Henderson. It was very close to his heart that he thought there should be a Boys and Girls Club in Las Vegas and in Henderson. In fact, the one in Henderson is named after my mom and him, the Mary and Sam Boyd Club.⁷⁹ He even went to Reno and talked to some of his contemporaries there and they started a club and they have a number of clubs in Reno now, too. That was one thing that he did.

Of course, I was raised to believe, and it was instilled in me when I was a young boy, that if you're successful, you always want to give back to your communities. We've tried to do that in our company and I've tried to do that personally.

In about 1983, I got a call from the athletic director at UNLV. The athletic director said, Bill, we can't play football next year unless we get new AstroTurf because our turf is so bad. So our company donated \$1.5 million to put in the new AstroTurf. They said, well good, since you're going to do that, we'll name the stadium after your dad. I said that's wonderful, do that. It's called Sam Boyd Stadium now. That was a very, very nice thing for them to do. I'm kind of a sports junkie, so that was a very easy thing for us to do.

We do that in all the towns in which we operate. We're also giving back to all of those communities. My dad was one of the businessmen that started the United Way here and that's always been something very close to us.⁸⁰ He was also in the Rotary Club.⁸¹ He and some of those fellows got together and started the United Way. That's been something that's been very close to our company. Our company continues to donate to the United Way, but we also ask all of our team members to donate to it as well.

Can you tell us about the William S. Boyd School of Law at UNLV?

I think I mentioned earlier that I went to law school at the University of Utah and it's very expensive to go out-of-state to law school. While I was practicing law, I said to myself, I'd really like to see us have a law school in Nevada. I mentioned it to some of my contemporaries then and generally they said, Bill, what do you want to do that for? We don't need more competition. That's going to bring a lot of competition. I thought to myself if I'm ever in a position to do it, I would like to do it because I knew there were a lot of men and women that were capable of going to law school, but they really couldn't afford to leave the state or they might have a job that required them to stay

⁷⁹ See generally *Mary & Sam Boyd Unit*, BOYS & GIRLS CLUBS OF HENDERSON, http://bgchenderson.org/main_sublinks.asp?id=21&sid=58 (last visited Nov. 19, 2013).

⁸⁰ For more information on the Boyd family's involvement with the United Way of Southern Nevada, see *Faces of Change: Bill*, UNITED WAY OF S. NEV., <http://uwsn.org/faces-bill-boyd/> (last visited Nov. 19, 2013).

⁸¹ See generally *History of Rotary International*, ROTARY, <https://www.rotary.org/en/history-rotary-international> (last visited Nov. 17, 2013) (The Rotary Club is an international organization dedicated to humanitarian efforts and community service).

here. I also knew that Alaska and Nevada were the only two states without one. So when I was in a position to do it, I decided to start one.

Kenny Guinn was on our board at the time, but he had announced that he was going to run for governor. So he was resigning from the board and was going to run for governor. He was thought to be the favorite, I think, and I enlisted his support, too, and we went to the Nevada Legislature and got their backing. Kenny went with me; we went around to all of the legislators that we could talk to, and they gave a lot of support to us. I think it had kind of been understood that with the medical school in Reno that the law school would come to Las Vegas.

I originally donated \$5 million, and later another \$25 million as my commitment to the law school. The \$5 million originally helped them get going.

I think it was really great because Dick Morgan was the opening dean, and I think he was the perfect dean for the job. I don't think I ever went to a community event where Dick was not there. Some of those lawyers that said you shouldn't open a law school were so impressed with Dick Morgan, that we started to get a lot of donations at the law school from local law firms.

The other thing that's been so important is that the law school is very highly rated for a new law school. I think originally there might have been, in some law firms, a hesitation to get Boyd Law School graduates because it was a new school, but now I think that they're much sought after.

I think we've done a great job. Dick Morgan was a great choice, and what Dick did was he got some fantastic professors from all over the country. After he retired, John White came in. I think John did a great job and was able to keep and acquire some more really great professors. John left to become the provost of the University of Nevada, Las Vegas. It was very nice to see John get to take that opportunity. I know how hard he works because I've had lunch with him a few times now. He's enjoying it and that's good. The interim dean was Nancy Rapoport who was also a very effective dean. Our present dean is Dan Hamilton. I think he's going to be another really great dean for the law school.⁸²

⁸² Dan Hamilton was installed as Dean of the William S. Boyd School of Law on September 12, 2013. For more details on Dean Hamilton and his plans for the future of the law school, see Paul Takahashi, *UNLV's New Law Dean Ready to Raise School's Profile*, LAS VEGAS SUN, Sept. 17, 2013, <http://www.lasvegassun.com/news/2013/sep/17/unlvs-new-law-dean-ready-raise-boyd-schools-profil/>.