

FULL HOUSE RESORTS INC

Form S-1

January 08, 2014

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As filed with the Securities and Exchange Commission on January 8, 2014

Registration No. 333-_____

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

FULL HOUSE RESORTS, INC.

(Exact name of registrant as specified in its charter)

Delaware

7011

13-3391527

(State or other jurisdiction of
incorporation or organization)

(Primary Standard Industrial
Classification Code Number)

(IRS Employer
Identification Number)

4670 S. Fort Apache Road, Suite 190

Las Vegas, Nevada 89147

(702) 221-7800

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Elaine L. Guidroz, Esq.

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(702) 221-7800

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated
filer

Accelerated filer

Non-accelerated
filer

(Do not check if a smaller reporting
company)

Smaller reporting
company

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1) (2)	Amount of Registration Fee (3)
Common Stock, \$0.0001 par value per share	\$46,000,000	\$5,924.80

(1)

- Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2)

- Includes shares the underwriters have the option to purchase to cover over-allotments, if any.

(3)

- Calculated pursuant to Rule 457(o) under the Securities Act of 1933, as amended, based on an estimate of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 8, 2014
PRELIMINARY PROSPECTUS

Full House Resorts, Inc.
_____ Shares

Common Stock

We are offering _____ shares of our common stock. Our common stock is listed on the NASDAQ Capital Market under the symbol “FLL”. The last sale price of our common stock on January __, 2014 was \$_____.

	Price to Public	Underwriting Discounts and Commissions	Proceeds, Before Expenses, to Full House Resorts, Inc.
Per Share	\$	\$	\$
Total	\$	\$	\$

We have granted the underwriters for this offering an option to purchase up to an additional _____ shares of common stock at the public offering price, less the underwriting discount. The underwriters may exercise this option at any time and from time to time within 30 days after the date of this prospectus.

We expect that the shares of common stock will be ready for delivery to investors on or about _____, 2014.

Investing in our securities involves risks. You should consider the risks that we have described in Risk Factors beginning on page 9 of this prospectus before buying our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Neither the Nevada Gaming Commission, the Nevada State Gaming Control Board, nor any other gaming authority has passed upon the accuracy or adequacy of this prospectus or the investment merits of the securities offered hereby. Any representation to the contrary is unlawful.

Macquarie Capital

The date of this prospectus is _____, 2014

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You should rely only on the information contained in this prospectus. Neither the underwriters nor we have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the underwriters nor we are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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Prospectus Summary

This summary highlights basic information about us and this offering. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully before making an investment decision. When we use the words “Company,” “we,” “us” or “our company” in this prospectus, we are referring to Full House Resorts, Inc., a Delaware corporation, and our subsidiaries, unless it is clear from the context or expressly stated that these references are only to Full House Resorts, Inc. Unless otherwise indicated, all information contained in this prospectus assumes that the underwriters will not exercise their over-allotment option. This prospectus contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under “Risk Factors” and elsewhere in this prospectus.

Our Company

We are a leading multi-jurisdictional developer, owner and operator of gaming-related enterprises in regional markets. We have successfully transitioned from a gaming management company to a company with operations that consist primarily of owned casino properties. The repositioning of our business plan is highlighted by the 2011 acquisition of Rising Star Casino Resort, the 2011 lease of the Grand Lodge Casino, the 2012 acquisition of Silver Slipper Casino, and the 2012 sale of the management agreement for the FireKeepers Casino. We actively explore, individually and with partners, new gaming-related opportunities with a focus on acquiring and developing casino properties. We currently own, lease and manage five casino properties in four distinct regions of the United States — the Gulf Coast, Midwest, Southwest and Northern Nevada.

Gulf Coast Casino Operations

Silver Slipper Casino

On October 1, 2012, we acquired Silver Slipper Casino located in Bay St. Louis, Mississippi. Silver Slipper Casino is approximately one hour (56 miles) from New Orleans, Louisiana. The property has over 37,000 square feet of gaming space containing approximately 1,000 slot and video poker machines, 31 table games and the only live keno game on the Gulf Coast. The property includes a fine dining restaurant, buffet, quick service restaurant and two casino bars. The property draws patrons primarily from the New Orleans metropolitan area and other communities in southern Louisiana and southwestern Mississippi. In addition, we have commenced construction of a 142-room hotel adjacent to our casino. Construction of the hotel is expected to be completed in the fourth quarter of 2014.

Midwest Casino Operations

Rising Star Casino Resort

On April 1, 2011, we acquired all of the operating assets of Grand Victoria Casino & Resort, L.P., located in Rising Sun, Indiana. We renamed the property Rising Star Casino Resort in August 2011. The property has 40,000 square feet of casino space and includes over 1,200 slot and video poker machines, 34 table games, 190 hotel rooms, five dining outlets and an 18-hole Scottish links golf course. In addition, a third party has constructed a 104-room hotel on property adjacent to Rising Star Casino Resort which opened on November 15, 2013, bringing total room capacity to 294 rooms. On August 16, 2013, we entered into a 10-year lease which commenced on November 15, 2013 and provides us with full management control and option to own the hotel at the end of the lease term.

Northern Nevada Casino Operations

Grand Lodge Casino

On September 1, 2011, we purchased the operating assets of Grand Lodge Casino and entered into a lease with Hyatt Equities LLC for the casino space in the Hyatt Regency Lake Tahoe Resort, Spa and Casino in Incline Village, Nevada on the north shore of Lake Tahoe. The term of the lease runs to

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August 31, 2018. The lease has an option, subject to mutual agreement, to renew the lease for an additional 5-year term. Grand Lodge Casino has 18,900 square feet of casino space integrated with the Hyatt Regency Lake Tahoe Resort, Spa and Casino, featuring approximately 260 slot machines, 16 table games and a poker room.

Stockman's Casino

On January 31, 2007, we acquired Stockman's Casino in Fallon, Nevada. Stockman's Casino has approximately 8,400 square feet of gaming space with approximately 263 slot machines, four table games and keno. The facility has a bar, a fine dining restaurant and a coffee shop.

Development / Management Operations

Buffalo Thunder Casino and Resort

In May 2011, we entered into an agreement with the Pueblo of Pojoaque in New Mexico to manage the tribe's gaming operations including Buffalo Thunder Casino and Resort in Santa Fe, New Mexico, the Pueblo's Cities of Gold Casino and other small gaming routes. The agreement was approved by the National Indian Gaming Commission as a management contract. For our management services, we receive a base consulting fee of \$100,000 per month plus quarterly success fees based on achieving certain financial targets. The Pueblo of Pojoaque agreement covers approximately 1,200 slot machines, 18 table games (including poker) and a simulcast area. The Pueblo of Pojoaque agreement expires on September 23, 2014 and we are currently in discussions with the Pueblo of Pojoaque regarding the potential extension of the agreement.

Prior Projects

Until March 30, 2012, we owned 50% of Gaming Entertainment (Michigan), LLC, a joint venture with RAM Entertainment, LLC, that held the management rights and responsibilities under an agreement to manage the FireKeepers Casino, a tribal gaming casino, located near Battle Creek, Michigan. During the development and construction of the FireKeepers Casino, Gaming Entertainment (Michigan), LLC provided site acquisition, design, budgeting, financing, construction oversight and pre-opening planning and implementation services. Following opening, Gaming Entertainment (Michigan), LLC managed FireKeepers Casino's operations and entered into a hotel consulting services agreement with respect to the FireKeepers Casino phase II development project. The Company and RAM sold Gaming Entertainment (Michigan), LLC and the related management agreement to FireKeepers Development Authority for approximately \$97.5 million on March 30, 2012.

Until August 31, 2011, we were a 50%-investor in Gaming Entertainment (Delaware), LLC, an unconsolidated joint venture with Harrington Raceway, Inc., which had a management contract with Harrington Casino located in Harrington, Delaware.

Operating and Marketing Strategy

Our marketing strategy is to target primarily local patrons that are able to easily drive to our casinos from the surrounding communities. We believe that patrons are attracted to our casinos based on our ability to create favorable experiences through customer service, employee engagement and entertainment. Our primary operating strategy is focused on maintaining and increasing the volume of patrons that currently frequent our casino properties. Our management philosophy is based on a decentralized model in which property level management maintains significant autonomy in daily operations, but are provided with corporate oversight of business planning, accounting and finance, human resources, risk management, procurement of shared resources, marketing strategy and capital allocation.

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Our Growth Strategy

Target the acquisition of high quality regional casino properties that provide an opportunity to create value for our shareholders

Our strategy is to identify high quality gaming opportunities with strong demographics, in attractive and accessible locations, at purchase valuations that provide opportunities for us to create shareholder value through improved management and/or capital investment. Our management team will focus on implementing best practices in accounting and finance, business planning, human resources, risk management, marketing, and procurement at our current properties and potential future acquisitions.

Pursue casino development opportunities in existing and new regional gaming jurisdictions

We believe that there are significant opportunities to grow our operations in existing and new regional casino markets throughout the United States. We evaluate projects on a number of factors, including forecasted profitability, development period, regulatory and political environment and our ability to secure the funding necessary to complete the development. We believe that our expertise as a multi-jurisdictional casino operator and our experience with the development of the FireKeepers Casino position us well to expand our operations with new project openings. We, together with Keeneland Association, Inc., are currently pursuing potential gaming opportunities in Kentucky, including the installation of instant racing machines at racetrack properties.

Invest in organic growth opportunities at our existing properties

We are focused on maximizing the performance of our properties through capital spending programs designed to maintain asset quality and add or improves amenities. We are currently constructing a 142-room hotel adjacent to Silver Slipper Casino, which we believe will favorably impact customer loyalty and financial performance by allowing guests to extend their visits at Silver Slipper Casino. A third party also recently opened a 104-room hotel adjacent to Rising Star Casino Resort which we have leased and began operating in November 2013.

Risks That We Face

You should carefully consider the risks described under “Risk Factors” beginning on page 9 and the other information included in this prospectus before deciding to invest in our common stock. These risks could materially and adversely impact our business, results of operations and financial condition, which could cause the trading price of our common stock to decline and result in a partial or total loss of your investment.

Additional Information

We were incorporated in Delaware on January 5, 1987. Our principal executive offices are located at 4670 S. Fort Apache Road, Suite 190, Las Vegas, Nevada 89147, and our telephone number is (702) 221-7800. Our website is www.fullhouserestorts.com. The information contained in our website is not a part of this prospectus.

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The Offering

Issuer

Full House Resorts, Inc.

Common Stock offered

_____ shares

Common Stock outstanding prior to this offering

18,750,681 shares (1)

Common Stock to be outstanding after this offering

_____ shares (1)

Use of proceeds

We intend to use the net proceeds of this offering for future strategic acquisitions or investments and general corporate purposes, including paying down existing indebtedness and working capital. See "Use of Proceeds."

Listing

Our common stock is listed on the NASDAQ Capital Market under the symbol "FLL."

(1)

- Excludes the following:

-

- 1,356,595 shares of common stock held as treasury stock.

-

- 137,000 shares of common stock available for future issuance under our Amended and Restated 2006 Incentive Compensation Plan.

All information in this prospectus assumes no exercise by the underwriters of their right to purchase up to an additional _____ shares of common stock to cover over-allotments.

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Summary Financial Data

The following summary consolidated historical financial information of the Company as of December 31, 2012 and 2011 and for the years then ended was derived from the audited consolidated financial statements of the Company included in this prospectus. The summary consolidated historical financial information of the Company as of and for the nine months ended September 30, 2013 and for the nine months ended September 30, 2012, was derived from the unaudited condensed consolidated financial statements of the Company included in this prospectus, which have been prepared on a basis consistent with the annual audited consolidated financial statements. In the opinion of management, such unaudited financial data reflect all adjustments necessary for a fair presentation of the results for such periods. The following summary historical financial information of Silver Slipper Casino Venture, LLC as of the nine months ended September 30, 2012 and year ended December 31, 2011 was derived from audited financial statements included in this prospectus. Silver Slipper Casino Venture, LLC was purchased by the Company on October 1, 2012. The pro forma combined financial information for the year ended December 31, 2012 presents the combined results, after adjustments, of the Company and Silver Slipper Casino Venture, LLC, as if the purchase had occurred on January 1, 2012.

The following information is only a summary and should be read in conjunction with the audited and unaudited consolidated financial statements and the related notes appearing elsewhere in this prospectus, the financial information included in this prospectus in the sections entitled "Selected Consolidated Financial Data," "Unaudited Pro Forma Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the section entitled "Risk Factors." The summarized unaudited pro forma results below have been updated with more current information than the pro forma information provided in Note 13 to the audited financial statements for Full House Resorts, Inc. as of and for the year ended December 31, 2012.

Full House Resorts, Inc. ("the Company") (1)				Silver Slipper Casino Venture, LLC (2)		Pro Forma Combined Pro Forma year ended December 31, 2012 (unaudited)
Nine Months Ended September 30, 2013 (unaudited)	Nine Months Ended September 30, 2012 (3) (unaudited)	Year Ended December 31, 2012 (3)	Year Ended December 31, 2011	Nine Months Ended September 30, 2012	Year Ended December 31, 2011	
(in thousands)						
\$113,272	\$91,300	\$128,760	\$105,461	\$42,735	\$57,260	\$171,495
3,913	50,771	49,638	19,173	509	5,435	49,761
(1,617)	28,666	27,834	2,343	(5,582)	(1,774)	22,097
\$(0.09)	\$1.53	\$1.49	\$0.13	\$—	\$—	\$1.18

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	Full House Resorts, Inc. (“the Company”) (1)		
	As of September 30, 2013 (unaudited)	As of December 31, 2012 (3)	As of December 31, 2011
	(in thousands)		
Balance Sheet Data:			
Cash and cash equivalents	\$25,364	\$20,603	\$14,707
Total assets	156,807	162,725	94,618
Long-term debt (including current maturities)	66,250	68,750	26,937
Current liabilities	14,175	15,332	17,186
Retained earnings	36,461	38,078	8,508
Total stockholders’ equity	80,122	81,133	55,445
Other Financial Data (6):			
Adjusted EBITDA	\$15,440	\$15,862	\$21,235
Property EBITDA	19,134	21,100	25,673

(1)

- Full House Resorts, Inc. consolidated.

(2)

- Silver Slipper Casino Venture, LLC operations. The entity was purchased by the Company on October 1, 2012.

(3)

- Results from 2012 include a pre-tax gain of \$41.2 million on the sale of the management rights and management agreement for the FireKeepers Casino to the FireKeepers Development Authority in March 2012.

(4)

- The Company results of operations for 2012 and 2011 may not be comparable. We acquired Rising Star Casino Resort in April 2011, sold the management rights and management agreement for the FireKeepers Casino in March 2012 and acquired Silver Slipper Casino in October 2012.

(5)

- Excluding the \$4.0 million goodwill impairment charge recognized in September 2013, net of tax effect, the Company’s net income and earnings per share would have been \$1.0 million and \$0.05 respectively, for the nine months ended September 30, 2013. During the periods indicated, there were no common equivalent shares that would have been dilutive and, therefore, the calculations for basic and diluted are equal.

(6)

- For the period ended on the reference date. An explanation of Adjusted EBITDA and Property EBITDA and a reconciliation to net income (loss) is set forth below.

We define EBITDA as net income (loss) plus (i) interest expense, net, (ii) provision for taxes and (iii) depreciation and amortization. We define Adjusted EBITDA as EBITDA, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. We define Property EBITDA as Adjusted EBITDA reduced by the corporate operating loss (adjusted for corporate stock compensation, severance costs and depreciation).

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Full House Resorts, Inc. ("the Company") (1)				Silver Slipper Casino Venture, LLC (2)		Pro Fo Combi Pro fo year en Decemb 201
Nine Months Ended September 30, 2013 (unaudited)	Nine Months Ended September 30, 2012 (unaudited)	Year Ended December 31, 2012	Year Ended December 31, 2011	Nine Months Ended September 30, 2012	Year Ended December 31, 2011	(unaud
(in thousands)						
\$(1,617)	\$28,666	\$27,834	\$2,343	\$(5,582)	\$(1,774)	\$22,097
5,615	805	2,731	2,838	5,367	7,153	10,271
6,906	4,736	6,884	7,001	3,705	4,735	12,448
(91)	17,417	15,175	3,240	—	—	12,771
10,813	51,624	52,624	15,422	3,490	10,114	57,587
4,000	—	—	4,920	—	—	—
586	1,242	724	—	—	931	1,242
(9)	1,558	735	—	—	133	1,558
—	1,711	513	—	—	1,711	1,711
—	(41,189)	—	—	—	(41,200)	(41,189)
50	(431)	(84)	(1,079)	724	56	(28
\$15,440	\$12,768	\$15,862	\$21,235	\$4,214	\$10,170	\$20,881
4,289	4,869	6,818	5,190			6,818
(586)	(931)	(1,242)	(724)			(1,242
—	—	(330)				(330
—	—	—			—	
(9)	(6)	(8)	(28)			(8

Full House Resorts, Inc. (“the Company”) (1)

**Silver Slipper Casino Venture,
LLC (2)**

**Pro Fo
Combi**

\$19,134

\$16,700

\$21,100