

# THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<http://www.wsj.com/articles/z-capital-offers-to-buy-outstanding-shares-of-affinity-gaming-1428088582>

## MARKETS

# Z Capital Offers to Buy Outstanding Shares of Affinity Gaming

Private equity firm owns 40% of casino operator, offers \$9.75 a share for remaining shares



Affinity Gaming has had a mixed record since emerging from bankruptcy in 2010. Above, Buffalo Bill's Resort & Casino in Primm, Nev. *PHOTO: ETHAN MILLER/GETTY IMAGES*

By CRAIG KARMIN

April 3, 2015 3:16 p.m. ET

An Illinois private-equity firm that is the largest shareholder in Affinity Gaming, a casino owner and operator, is offering to buy the remaining shares in the company.

Z Capital Partners, which has about 40% of the equity, said it is offering \$9.75 a share, according to a letter the firm sent to the Affinity board on Friday. That price would put the company's enterprise value at about \$487 million, according to a person familiar with the company.

Shares of Affinity are registered with the Securities and Exchange Commission, but they don't trade on an exchange and rarely change hands. Trading desks recently have quoted prices of between \$8 and \$10 a share, says a person familiar with the company.

Affinity, which owns and operates 11 properties in four states, including the Primm Valley Resort & Casino and four others in Nevada, filed for Chapter 11 bankruptcy protection in 2009 after taking on too much debt for expansion.

The company has had a mixed record since emerging from bankruptcy in 2010. In the past year, Affinity has brought in a new chief executive and other top management, and refinanced its debt with \$400 million in bonds and bank loans.




Regional operators such as Affinity that appeal to locals rather than tourists have had mixed success in recent years as the number of casino operators has grown and new competitors have entered markets offering more modern products and accommodations.

Affinity, based in Las Vegas and with casinos also in Colorado, Iowa and Missouri, has made only limited investments in its properties since emerging from bankruptcy and has tried to lure customers with sharply discounted room rates and concerts from acts including Beach Boys.

Recently, the company has seen better results. Affinity said in March that its net revenue for the fourth quarter was \$92.3 million, up 2.6% from the year-ago period. Z Capital began to acquire Affinity debt in 2012, which it later converted to shares as part of a corporate restructuring.

Other major Affinity shareholders include the Greenwich, Ct.-based hedge fund Silver Point Capital and Highland Capital Management in Dallas.

Write to Craig Karmin at [craig.karmin@wsj.com](mailto:craig.karmin@wsj.com)

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008  or visit [www.djreprints.com](http://www.djreprints.com).