

AMERISTAR CASINOS INC

Form DEF 14A

April 30, 2007

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**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

**Check the appropriate box:**

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**AMERISTAR CASINOS, INC.**

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- x No fee required.
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**AMERISTAR CASINOS, INC.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on June 8, 2007**

To the Stockholders of Ameristar Casinos, Inc.

Our Annual Meeting of Stockholders will be held at 2:00 p.m. (local time) on Friday, June 8, 2007, at Bellagio, 3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109, for the following purposes:

1. To elect three Class C Directors to serve for a three-year term;
2. To approve an amendment to the Amended and Restated 1999 Stock Incentive Plan;
3. To approve the Performance-Based Annual Bonus Plan; and
4. To transact any other business that may properly come before the meeting or any adjournments or postponements.

A proxy statement containing information for stockholders is annexed hereto and a copy of our Annual Report for the year ended December 31, 2006 is enclosed herewith.

Our Board of Directors has fixed the close of business on May 1, 2007 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting.

**Whether or not you expect to attend the meeting in person, please date and sign the accompanying proxy card and return it promptly in the envelope enclosed for that purpose.**

By order of the Board of Directors

John M. Boushy  
*Chief Executive Officer and President*

Las Vegas, Nevada  
April 30, 2007

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**AMERISTAR CASINOS, INC.**  
**3773 Howard Hughes Parkway**  
**Suite 490 South**  
**Las Vegas, Nevada 89169**  
**(702) 567-7000**

**PROXY STATEMENT**

**GENERAL INFORMATION**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Ameristar Casinos, Inc. ( we, Ameristar or the Company ), a Nevada corporation, for use only at our Annual Meeting of Stockholders to be held on Friday, June 8, 2007, or any adjournments or postponements (the Annual Meeting ). We anticipate that this proxy statement and accompanying proxy card will first be mailed to stockholders on or about May 7, 2007.

You may not vote your shares unless the signed proxy card is returned or you make other specific arrangements to have the shares represented at the Annual Meeting. Any stockholder of record giving a proxy may revoke it at any time before it is voted by filing with the Secretary of Ameristar a notice in writing revoking it, by executing a proxy bearing a later date or by attending the Annual Meeting and expressing a desire to revoke the proxy and vote the shares in person. If your shares are held in street name you should consult with your broker or other nominee concerning procedures for revocation. Subject to any revocation, all shares represented by a properly executed proxy card will be voted as you direct on the proxy card. **If no choice is specified, proxies will be voted FOR the election as Directors of the persons nominated by our Board of Directors, FOR the approval of the amendment to the Amended and Restated 1999 Stock Incentive Plan and FOR the approval of the Performance-Based Annual Bonus Plan.**

In addition to soliciting proxies by mail, Ameristar officers, Directors and other regular employees, without additional compensation, may solicit proxies personally or by other appropriate means. We will bear the total cost of solicitation of proxies. Although there are no formal agreements to do so, we anticipate that we will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding any proxy soliciting materials to their principals.

Only stockholders of record at the close of business on May 1, 2007 are entitled to receive notice of and to vote at the Annual Meeting. As of March 31, 2007, we had 56,903,234 shares of Common Stock outstanding, which constituted all of our outstanding voting securities. Each share outstanding on the record date is entitled to one vote on each matter. A majority of the shares of Common Stock outstanding on the record date and represented at the Annual Meeting in person or by proxy will constitute a quorum for the transaction of business.

Directors are elected by a plurality of votes cast. You may not cumulate your votes in the election of directors. Under Nevada law, the affirmative vote of a majority of the votes actually cast on the proposals to approve the amendment to the Amended and Restated 1999 Stock Incentive Plan and to approve the Performance-Based Annual Bonus Plan, and generally on any other proposal that may be presented at the Annual Meeting, will constitute the approval of the stockholders. Such approvals will also satisfy the requirements of the Nasdaq Stock Market, Inc. for the continued designation of the Common Stock as a Global Select Market Security and the requirements of Section 162(m) of the Internal Revenue Code (the Code ), applicable to the deductibility of certain compensation paid to executive officers.

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal or matter, and so notifies us, because the nominee does not have discretionary voting power with respect to that

proposal or matter and has not received voting instructions from the beneficial owner. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business but will not be counted in any of the matters being voted upon at the Annual Meeting. Thus, abstentions and broker non-votes will have no effect on the election of Directors or the vote on the proposals to approve the amendment to the Amended and Restated 1999 Stock Incentive Plan and to approve the Performance-Based Annual Bonus Plan.

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The Estate of Craig H. Neilsen, our former Chairman of the Board and Chief Executive Officer (the Neilsen Estate ), owns 31,528,400 outstanding shares of our Common Stock, which represented approximately 55.4% of our voting power as of March 31, 2007. Ray H. Neilsen and Gordon R. Kanofsky, who are Directors and executives of Ameristar and the co-executors of the Neilsen Estate, have advised us that they intend to vote all the shares held by the Neilsen Estate FOR the election as Directors of the persons nominated by the Board of Directors and the approval of the amendment to the Amended and Restated 1999 Stock Incentive Plan and the Performance-Based Annual Bonus Plan. The Neilsen Estate s vote by itself will be sufficient to cause the election of the Directors nominated by the Board of Directors, the approval of such amendment and the approval of the Performance-Based Annual Bonus Plan.

All share and per-share information in this proxy statement has been retroactively adjusted to give effect to our 2-for-1 stock split effective June 20, 2005.

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

**Information Concerning the Nominees**

Our Articles of Incorporation provide that the Board of Directors shall be classified, with respect to the time for which the Directors hold office, into three classes, as nearly equal in number as possible as the total number of Directors constituting the entire Board permits. The Board of Directors is authorized to fix the number of Directors from time to time at not less than three and not more than 15. The authorized number of Directors is currently fixed at nine. Of the nine incumbent Directors, three are Class C Directors whose terms are expiring in 2007 and who our Board of Directors has nominated for re-election as described below. Biographical information concerning the nominees and our other Directors is set forth under the caption Directors and Executive Officers. See Security Ownership of Certain Beneficial Owners and Management for information regarding each such person s holdings of Common Stock.

The Board of Directors has nominated each of the incumbent Class C Directors, Carl Brooks, Gordon R. Kanofsky and J. William Richardson, to be elected for a term expiring at the 2010 Annual Meeting of Stockholders and until his successor has been duly elected and qualified, or until his earlier death, resignation or removal.

The Board of Directors has no reason to believe that its nominees will be unable or unwilling to serve if elected. However, should these nominees become unable or unwilling to accept nomination or election, the persons named as proxies will vote instead for such other persons as the Board of Directors may recommend.

**The Board of Directors unanimously recommends a vote FOR the election of each of the above-named nominees as Directors.**



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The following sets forth information as of April 15, 2007 with regard to each of our Directors and executive officers. The terms of office of the Class A, B and C Directors expire in 2008, 2009 and 2007, respectively.

<b>Name</b>	<b>Age</b>	<b>Position</b>
John M. Boushy	52	Chief Executive Officer, President and Class B Director
Ray H. Neilsen	43	Co-Chairman of the Board, Senior Vice President and Class A Director
Gordon R. Kanofsky	51	Co-Chairman of the Board, Executive Vice President and Class C Director
Thomas M. Steinbauer	56	Senior Vice President of Finance, Chief Financial Officer, Treasurer, Secretary and Class B Director
Peter C. Walsh	50	Senior Vice President and General Counsel
Carl Brooks	57	Class C Director
Larry A. Hodges *	58	Class A Director
Leslie Nathanson Juris	60	Class B Director
J. William Richardson*	59	Class C Director
Luther P. Cochran*	58	Class A Director

\* Member of the Audit Committee.

Member of the Compensation Committee.

*Mr. Boushy* joined the Company as President in August 2006 and was elected Chief Executive Officer in November 2006 and a member of the Board of Directors in December 2006. Prior to joining Ameristar, he was Executive Vice President, Project Development and Design & Construction of Harrah's Entertainment, Inc. (Harrah's), which owns and operates casino-hotels and entertainment facilities, since February 2006. Previously, Mr. Boushy was Senior Vice President and Chief Integration Officer of Harrah's from July 2004 to February 2006; Senior Vice President, Operations Products & Services of Harrah's from February 2001 to July 2004; and Chief Information Officer of Harrah's from February 2001 to January 2003. He was employed by Harrah's or its former parent company, Holiday Corporation or The Promus Companies, in various capacities since 1979. Mr. Boushy has received numerous honors and awards and is the holder of several U.S. patents related to service, marketing and profit improvement in a casino environment. He holds a Bachelor of Science degree in Mathematics and a Master of Science degree in Applied Mathematics, both from North Carolina State University.

*Mr. Neilsen* has been Senior Vice President of the Company since January 2007 and was elected Co-Chairman of the Board in November 2006. He was Vice President of Operations and Special Projects of the Company from February 2006 to January 2007. Prior thereto, he was Senior Vice President and General Manager of Ameristar Vicksburg from June 2000 to February 2006 and Senior Vice President and General Manager of Ameristar Council Bluffs from October 1997 to January 2000. Mr. Neilsen has held other management positions with Ameristar or its subsidiaries since 1991. Mr. Neilsen is co-executor of the Nielsen Estate, and he serves as co-trustee and a member of the board of directors of The Craig H. Nielsen Foundation (the Nielsen Foundation), a private charitable foundation that is primarily dedicated to spinal cord injury research and treatment, and has been actively involved as an advisory board member of the Nielsen Foundation since its inception in 2003. Mr. Neilsen serves on the board of directors of Vicksburg Riverfest and the Alliance of Vicksburg-Warren County. He holds a Bachelor of Science degree in History

from the Albertson College of Idaho and a Master in Business Administration degree from the Monterey Institute of International Studies. Mr. Neilsen is the son of Craig H. Neilsen, Ameristar's founder and former Chairman of the Board and Chief Executive Officer.

*Mr. Kanofsky* joined the Company in September 1999 and has been Executive Vice President since March 2002 after initially serving as Senior Vice President of Legal Affairs. He was elected Co-Chairman of the Board in November 2006. Mr. Kanofsky oversees the Company's legal, regulatory compliance, business development and governmental affairs departments. Mr. Kanofsky was in private law practice in Washington, D.C. and Los Angeles,

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California from 1980 to September 1999, primarily focused on corporate and securities matters. While in private practice, he represented the Company beginning in 1993. Mr. Kanofsky is co-executor of the Neilsen Estate, and he is co-trustee and a member of the board of directors of the Neilsen Foundation. He also has been actively involved as an advisory board member of the Neilsen Foundation since its inception in 2003. In addition, he serves on the board of directors of the American Gaming Association and on the Association's Task Force on Diversity. Mr. Kanofsky is a long-time member of the board of directors of the Southern California chapter of the Cystic Fibrosis Foundation, and he is the 2007 chair of its volunteer leadership initiative for Los Angeles County. Mr. Kanofsky is a graduate of the Duke University School of Law and holds an undergraduate degree in History from Washington University in St. Louis.

*Mr. Steinbauer* has been Senior Vice President of Finance of the Company since 1995 and Treasurer and a Director since our inception. Mr. Steinbauer was appointed as Secretary of the Company in June 1998 and as Chief Financial Officer in July 2003. He served as Vice President of Finance and Administration and Secretary of the Company from our inception until 1995. Mr. Steinbauer has 30 years of experience in the gaming industry in Nevada and elsewhere. From April 1989 to January 1991, he was Vice President of Finance of Las Vegas Sands, Inc., the owner of the Sands Hotel & Casino in Las Vegas. From August 1988 to April 1989, he worked for McClaskey Enterprises as the General Manager of the Red Lion Inn & Casino, handling the day-to-day operations of seven hotel and casino properties in northern Nevada. Mr. Steinbauer was Property Controller of Bally's Reno from 1987 to 1988. Prior to that time, he was employed for 11 years by the Hilton Corporation and rose from an auditor to be the Casino Controller of the Flamingo Hilton in Las Vegas and later the Property Controller of the Reno Hilton. Mr. Steinbauer holds Bachelor of Science degrees in Business Administration and Accounting from the University of Nebraska-Omaha.

*Mr. Walsh* joined the Company as Senior Vice President and General Counsel in April 2002. From June 2001 to April 2002, he was in private law practice in Las Vegas, Nevada. Mr. Walsh was Assistant General Counsel of MGM MIRAGE from June 2000 to June 2001, also serving as Vice President of that company from December 2000 to June 2001. He was Assistant General Counsel of Mirage Resorts, Incorporated from 1992 until its acquisition by MGM MIRAGE in May 2000. Prior to joining Mirage Resorts, he was in private law practice in Los Angeles, California from 1981 to 1992. Mr. Walsh is a graduate of UCLA School of Law and holds an undergraduate degree in English from Loyola Marymount University in Los Angeles.

*Mr. Brooks* was elected as a Director of the Company in October 2006. He has been President of The Executive Leadership Council since 2004 and Chief Executive Officer since 2001. Founded in 1986, The Executive Leadership Council is the nation's premier leadership organization of African-American senior executives of Fortune 500 companies. Prior to joining The Executive Leadership Council, Mr. Brooks had more than 25 years' experience in the utility industry, including as Vice President, Human & Technical Resources of GPU Energy in Reading, Pennsylvania, one of the largest publicly traded electric utilities in the United States, and Chief Financial Officer of GENCO, a wholly owned subsidiary of GPU Energy. He serves on the Financial Services Diversity Council of DaimlerChrysler Corporation and is Vice Chair of the board of directors of the Howard University School of Business and the board of advisers of Hampton Institute. Mr. Brooks holds an undergraduate degree from Hampton Institute and a Master in Business Administration degree from Southern Illinois University. He is a graduate of the Tuck Executive Program (President Program) at Dartmouth College.

*Mr. Hodges* became a Director of the Company in March 1994. Since September 2005, he has been a Managing Director of Corporate Revitalization Partners, LLC ( CRP ), a privately held business management firm. From July 2003 to September 2005, he was a Managing Director of RKG Osnos Partners, LLC, a privately held business management firm that merged with CRP. Mr. Hodges has more than 35 years' experience in the retail food business. He was President and Chief Executive Officer of Mrs. Fields Original Cookies, Inc. from April 1994 to May 2003, after serving as President of Food Barn Stores, Inc. from July 1991 to March 1994. From February 1990 to October 1991, Mr. Hodges served as president of his own company, Branshan Inc., which engaged in the business of providing

management consulting services to food makers and retailers. Earlier, Mr. Hodges was with American Stores Company for 25 years, where he rose to the position of President of two substantial subsidiary corporations. Mr. Hodges' first management position was Vice President of Marketing for Alpha Beta Co., a major operator of grocery stores in the West.

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*Ms. Nathanson Juris* became a Director of the Company in May 2003. She has more than 25 years of experience as a consultant in the areas of implementing strategy and managing complex organizational change. She works with executives to develop strategy, structure, succession, culture and practices to improve organizational performance. Since June 1999, she has been Managing Director or President of Nathanson/Juris Consulting, where she advises executives of both publicly and privately held companies in a broad range of industries. From 1994 to June 1999, she was Managing Partner of Roberts, Nathanson & Wolfson Consulting, Inc. (now known as RNW Consulting), a management consulting firm. Ms. Nathanson Juris holds a Bachelor of Science degree from Tufts University, a Master of Arts degree specializing in management and education from Northwestern University and a Ph.D. degree specializing in organizational behavior from Northwestern University.

*Mr. Richardson* became a Director of the Company in July 2003. He has over 30 years experience in the hotel industry. From February 2004 until his retirement in May 2006, Mr. Richardson was Chief Financial Officer of Interstate Hotels & Resorts, Inc. ( IHR ), the nation's largest independent hotel management company. IHR manages more than 300 hotels for third-party owners, including REITs, institutional real estate owners and privately held companies. From 1988 to July 2002, he held several executive finance positions with Interstate Hotels Corporation (a predecessor of IHR), most recently Vice Chairman/Chief Financial Officer. Mr. Richardson began his hotel finance career in 1970 as Hotel Controller with Marriott Corporation, then became Vice President and Corporate Controller of Interstate Hotels Corporation in 1981, and Partner and Vice President of Finance with the start-up hotelier Stormont Company in 1984, before re-joining Interstate Hotels in 1988. Mr. Richardson holds a Bachelor of Arts degree in Business/Finance from the University of Kentucky.

*Mr. Cochrane* was elected by the Board of Directors as a Director in January 2006. Since June 2004, he has been Chairman and Chief Executive Officer of the BE&K Building Group, Inc., a diversified commercial, hospitality, healthcare, industrial and institutional construction firm in the Southeast and Mid-Atlantic regions. From 1998 to March 2004, he was either Chairman and Chief Executive Officer or Chairman of Bovis, a global real estate and construction service company that provided a full range of construction, development, capital structuring and consulting services. Bovis was acquired by Lend Lease, an Australian real estate and asset management firm, in 1999 and changed its name to Bovis Lend Lease. Mr. Cochrane has held a variety of senior executive positions within the Bovis Group, beginning in 1990 as Chairman and Chief Executive Officer of McDevitt Street Bovis and later as Chairman and Chief Executive Officer of Bovis Americas, the Bovis entity responsible for all operations in North and South America. Mr. Cochrane was formerly a senior partner in Griffin, Cochrane and Marshall in Atlanta, Georgia, a firm that specialized in real estate and construction law. He is a graduate of the University of North Carolina at Chapel Hill and the University of North Carolina School of Law at Chapel Hill. Mr. Cochrane is also a director of New Dominion Bank, a commercial bank in Charlotte, North Carolina.

Officers serve at the discretion of the Board of Directors.

## **Corporate Governance**

The Board currently consists of nine members. All Directors are elected to serve staggered three-year terms and until their successors are duly elected and qualified. The Board held 14 meetings during 2006.

*Director Independence.* The Board of Directors has determined that each of the current non-employee Directors (i.e., Messrs. Brooks, Hodges, Richardson and Cochrane and Ms. Nathanson Juris) are independent, as that term is defined in Rule 4200(a)(15) of The Nasdaq Stock Market, Inc.'s listing requirements. The Board of Directors also determined that Joseph E. Monaly, who served as an outside Director and Chairman of the Audit Committee until his retirement in June 2006, was independent under the same standards. In making these determinations, the Board did not rely on any exemptions to the Nasdaq Stock Market, Inc.'s requirements.

*Stockholder Communications with Directors.* Stockholders may communicate with the Board of Directors, committees of the Board, our independent Directors as a group or individual Directors by mail addressed to them at our principal office in Las Vegas. The Company transmits these communications directly to the Director(s) without screening them.

*Audit Committee.* The Audit Committee consists of Messrs. Richardson, Hodges and Cochrane, with Mr. Richardson serving as Chairman of the Committee. The Board of Directors has determined that Mr. Richardson

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is an audit committee financial expert, as defined in Item 407(d)(5) of Regulation S-K promulgated by the Securities and Exchange Commission (the SEC), and is independent, as that term is defined in Rule 4200(a)(15) of The Nasdaq Stock Market, Inc.'s listing requirements. The Board of Directors has adopted a written charter for the Audit Committee, and reviews and reassesses the adequacy of the charter on an annual basis. The current version of the Audit Committee Charter is attached as *Appendix A* to this proxy statement. The functions of the Audit Committee include: selecting the Company's independent registered public accounting firm and approving the terms of its engagement; approving the terms of any other services to be rendered by the independent registered public accounting firm; discussing with the independent registered public accounting firm the scope and results of its audit; reviewing our audited financial statements; considering matters pertaining to our accounting policies; reviewing the adequacy of our system of internal control over financial reporting; and providing a means for direct communication between the independent registered public accounting firm and the Board of Directors. The Audit Committee has not adopted a pre-approval policy with respect to any general classes of audit or non-audit services of the independent registered public accounting firm. The Audit Committee's policy is that all proposals for specific services must be approved by the Audit Committee or by the Chairman of the Committee pursuant to delegated authority. The Audit Committee held four meetings during 2006.

*Compensation Committee.* The Compensation Committee consists of Messrs. Richardson, Hodges and Cochrane and Ms. Nathanson Juris, with Mr. Richardson serving as Chairman of the Committee. The Board of Directors has adopted a written charter for the Compensation Committee, the current version of which is attached as *Appendix B* to this proxy statement. The functions of the Compensation Committee include: reviewing and approving compensation for the Chief Executive Officer and other executive officers; reviewing and making recommendations with respect to the executive compensation and benefits philosophy and strategy of the Company; administering our stock-based incentive compensation plans; and selecting participants for our Deferred Compensation Plan. The Compensation Committee held six meetings during 2006.

Effective May 1, 2007, the Compensation Committee will consist of Mr. Hodges (Chairman), Mr. Brooks, Mr. Cochrane and Ms. Nathanson Juris.

*Director Nominations.* We have no nominating committee or committee performing similar functions because we believe that a nominating committee would only add an unnecessary extra layer of corporate governance. Nominations of Directors are made by the entire Board of Directors, a majority of whom are independent as described above. While the listing requirements of The Nasdaq Stock Market generally require nominations to be made by an independent committee or a majority of the independent Directors, we are exempt from this requirement as a controlled company by virtue of the Neilsen Estate's ownership of a majority of our voting power.

The Board of Directors has not adopted a formal policy with respect to consideration of any Director candidates recommended by stockholders. We believe that such a policy is unnecessary because we do not limit the sources from which we may receive nominations. The Board of Directors will consider candidates recommended by stockholders. Stockholders may submit such recommendations by mail to the attention of the Board of Directors or the Secretary of the Company at our principal office in Las Vegas. The Board of Directors has not established any specific minimum qualifications that must be met by a nominee for a position on the Board of Directors, but takes into account a candidate's education, business or other experience, independence, character and any particular expertise or knowledge the candidate possesses that may be relevant to service on the Board of Directors or its committees. The Board of Directors evaluates potential nominees without regard to the source of the recommendation. The Board of Directors identifies potential nominees through recommendations from individual Directors and management, and from time to time we also retain and pay third-party professional search firms to assist the Board of Directors in identifying and evaluating potential nominees. Mr. Brooks was identified as a potential nominee by a third-party retained search firm and recommended by our Chief Executive Officer and other members of senior management.

*Director Attendance of Meetings.* During 2006, each Director other than Mr. Brooks attended at least 75% of the total number of meetings of the Board of Directors and each committee on which he or she served. Mr. Brooks attended two of the three Board meetings (67%) held during his tenure as a Director since his election in October 2006. We have not adopted a formal policy with regard to Directors' attendance at annual meetings of stockholders,



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but we encourage all Directors to attend annual meetings. All of the members of the Board of Directors attended the 2006 Annual Meeting of Stockholders.

**Code of Ethics**

The Board of Directors has adopted a Code of Ethics, in accordance with Item 406 of SEC Regulation S-K, that applies to our principal executive officer, principal financial officer and principal accounting officer/controller and persons performing similar functions. We filed the Code of Ethics as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2006.

**Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth information as of March 31, 2007 concerning beneficial ownership of our Common Stock, as that term is defined in the rules and regulations of the SEC, by: (i) all persons known by us to be beneficial owners of more than 5% of our outstanding Common Stock; (ii) each Director; (iii) each named executive officer, as that term is defined in Item 402(a)(3) of Regulation S-K; and (iv) all executive officers and Directors as a group. The persons named in the table have sole voting and dispositive power with respect to all shares beneficially owned, unless otherwise indicated.

<b>Name of Beneficial Owner</b>	<b>Common Stock Beneficially Owned</b>	<b>Percent of Outstanding Common Stock</b>
Estate of Craig H. Neilsen	31,528,400(1)	55.4%
Ray H. Neilsen	31,704,766(2)(3)	55.7%
Gordon R. Kanofsky	31,662,876(2)(4)	55.5%
Private Capital Management, L.P.	6,892,310(5)	12.1%
John M. Boushy	166,817(6)	(7)
Peter C. Walsh	256,774(8)	(7)
Thomas M. Steinbauer	68,796(9)	(7)
Angela R. Frost	82,828(10)	(7)
Carl Brooks	0	0
Luther P. Cochrane	20,000(11)	(7)
Larry A. Hodges	113,200(12)	(7)
Leslie Nathanson Juris	43,500(11)	(7)
J. William Richardson	42,500(11)	(7)
All executive officers and Directors as a group <i>(11 persons)</i>	32,633,657(13)(14)	56.5%

(1) The Neilsen Estate's mailing address is c/o Ameristar Casinos, Inc., 3773 Howard Hughes Parkway, Suite 490 South, Las Vegas, Nevada 89169.

(2) Includes 31,528,400 shares beneficially owned by the Neilsen Estate, of which Messrs. Neilsen and Kanofsky are co-executors and as to which shares Messrs. Neilsen and Kanofsky share voting and dispositive power.

(3) Mr. Neilsen's mailing address is c/o Ameristar Casinos, Inc., 3773 Howard Hughes Parkway, Suite 490 South, Las Vegas, Nevada 89169. Includes 34,766 shares that may be acquired within 60 days of March 31, 2007 upon

exercise of stock options.

- (4) Mr. Kanofsky's mailing address is c/o Ameristar Casinos, Inc., 3773 Howard Hughes Parkway, Suite 490 South, Las Vegas, Nevada 89169. Includes 12,000 shares held by a family trust of which Mr. Kanofsky is co-trustee with his wife, with whom he shares voting and dispositive power. Includes 122,476 shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options held by Mr. Kanofsky's family trust.
- (5) Private Capital Management, L.P. ( PCM ), a registered investment adviser whose mailing address is 8889 Pelican Bay Boulevard, Naples, Florida 34108, has reported sole voting and dispositive power as to 600 of these shares and shared voting and dispositive power as to 6,891,710 of these shares. This information is derived from a Schedule 13G/A, dated February 14, 2007, filed by PCM with the SEC.

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- (6) Includes 96,817 shares held by a family trust of which Mr. Boushy is co-trustee with his wife, with whom he shares voting and dispositive power. 64,612 of these shares are subject to forfeiture restrictions that lapse on future dates based on Mr. Boushy's continued employment with the Company. Includes 70,000 shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options held by Mr. Boushy's family trust.
- (7) Represents less than 1% of the outstanding shares of Common Stock.
- (8) Consists solely of shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options. Options are held by a family trust of which Mr. Walsh is co-trustee with his wife, with whom he shares voting and dispositive power.
- (9) Includes 10,280 shares held jointly by Mr. Steinbauer and his wife and with respect to which Mr. and Mrs. Steinbauer have shared voting and investment power. Includes 58,116 shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options.
- (10) Includes 82,428 shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options.
- (11) Consists solely of shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options.
- (12) Includes 109,000 shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options.
- (13) Includes 839,560 shares that may be acquired within 60 days of March 31, 2007 upon exercise of stock options. Includes shares owned by Ms. Frost, who no longer serves as an executive officer.
- (14) Some of these shares may be held in margin accounts and subject to being borrowed and pledged as security.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Under SEC rules, our officers and Directors are required to file with the SEC reports of their holdings and changes in beneficial ownership of our Common Stock. We have reviewed copies of reports provided to the Company, as well as other records and information. Based on that review, we concluded that all required reports for 2006 were timely filed, except for one Form 4 report filed by Mr. Hodges in March 2006 that was approximately one month late. The report related to the exercise by Mr. Hodges of options to purchase 2,000 shares of Common Stock. Mr. Hodges did not sell the shares acquired upon exercise of the options.

**PROPOSAL NO. 2**

**APPROVAL OF AMENDMENT TO  
AMENDED AND RESTATED 1999 STOCK INCENTIVE PLAN**

On April 27, 2007, the Board of Directors unanimously adopted, subject to stockholder approval at the Annual Meeting, an amendment (the "Amendment") to the Ameristar Casinos, Inc. Amended and Restated 1999 Stock Incentive Plan (as amended by the Amendment, the "Plan"). The Amendment increases the number of shares available to be issued under the Plan by 2,000,000. The primary reason for the Amendment is to allow for the grant of awards under the Plan to employees of the Company and other eligible participants on an ongoing basis.

The Plan is designed to (i) enable the Company and Related Companies (as defined below) to attract, motivate and retain top-quality Directors, officers, employees, consultants, advisers and independent contractors, (ii) provide

substantial incentives for such persons to act in the best interests of the stockholders of the Company and (iii) reward extraordinary effort by such persons on behalf of the Company or a Related Company. The Plan provides for awards in the form of stock options, which may be either incentive stock options within the meaning of Section 422 of the Code or non-qualified stock options, or restricted stock.

As of March 31, 2007, there were options outstanding under the Plan and the Management Stock Option Incentive Plan, the Company's previous stock option plan, exercisable for 5,515,371 shares of Common Stock with per-share exercise prices ranging from \$1.50 to \$31.77 (with a weighted average exercise price of \$20.59) and with expiration dates ranging from March 2009 to March 2014. There were also 96,817 restricted shares outstanding under the Plan. The Plan and the Management Stock Option Incentive Plan are collectively referred to below as the

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**Plans.** As of March 31, 2007, 6,961,267 shares of Common Stock had been issued upon the exercise of stock options or as restricted shares granted under the Plans, and 1,523,362 shares were available for future issuance under the Plans. Prior to the adoption of the Amendment, the Plan authorized the issuance of up to 14,000,000 shares of Common Stock in connection with awards under the Plan, subject to a maximum of 14,000,000 shares issuable under both Plans. As amended, the Plan authorizes the issuance of up to 16,000,000 shares of Common Stock in connection with awards under the Plan, subject to a maximum of 16,000,000 shares issuable under both Plans. Thus, the Amendment increases the number of shares issuable under the Plan by 2,000,000 shares. The Board of Directors believes that the Plan has aided the Company in attracting, motivating and retaining quality employees and management personnel.

**The Board of Directors unanimously recommends a vote FOR the approval of the Amendment.**

## **Principal Provisions of the Plan**

The following summary of the Plan is qualified in its entirety by reference to the full text of the Plan, which is attached as *Appendix C* to this proxy statement.

**Shares.** The total number of shares of Common Stock available for distribution under the Plan, as amended by the Amendment, is 16,000,000; provided, however, that no award of stock options or restricted stock may be made under the Plan at any time if, after giving effect to such award, (i) the total number of shares of Common Stock issued upon the exercise of options under the Plans, plus (ii) the total number of shares of Common Stock issuable upon exercise of all outstanding options under the Plans, plus (iii) the total number of shares of Common Stock underlying awards of restricted stock under the Plan (whether or not the applicable restrictions have lapsed) would exceed 16,000,000.

Shares awarded under the Plan may be authorized and unissued shares or treasury shares. If shares subject to an option under the Plan cease to be subject to such option, or shares under the Plan are forfeited, such shares will again be available for future distribution under the Plan, unless the forfeiting participant received any benefits of ownership such as dividends from the forfeited award.

**Administration.** The Plan provides for it to be administered by the Compensation Committee of the Board of Directors or such other committee of Directors as the Board shall designate, which committee shall consist solely of not less than two non-employee directors (as such term is defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act) or any successor rule (Rule 16b-3)) who shall serve at the pleasure of the Board, each of whom shall also be an outside director within the meaning of Section 162(m) of the Code and Section 1.162-27 of the Treasury Regulations or any successor provision(s) thereto (Section 162(m)). However, if there are not two persons on the Board who meet the foregoing qualifications, any such committee may be comprised of two or more Directors of the Company, none of whom is an officer (other than a non-employee Chairman of the Board of the Company) or employee of the Company or a Related Company. If no such committee has been appointed by the Board, the Plan will be administered by the Board. Such committee as shall be designated to administer the Plan, or the Board, as the case may be, is hereinafter referred to as the Committee.

The Plan is currently administered by the Compensation Committee, which is comprised of four independent Directors, each of whom is a non-employee director as defined for purposes of Rule 16b-3 and an outside director as defined for purposes of Section 162(m).

The Committee is authorized to, among other things, set the terms of awards to participants and waive compliance with the terms of such awards. The provisions attendant to the grant of an award under the Plan may vary from participant to participant. The Committee has the authority to interpret the Plan and adopt administrative regulations. The Committee may from time to time delegate to one or more officers of the Company any or all of its authority

under the Plan, except with respect to awards granted to persons subject to Section 16 of the Exchange Act. The Committee must specify the maximum number of shares that the officer or officers to whom such authority is delegated may award, and the Committee may in its discretion specify any other limitations or restrictions on the authority delegated to such officer or officers.

*Participation.* The Committee may make awards to any Directors, officers, employees, consultants, advisers or independent contractors of the Company or a Related Company, all of whom are eligible to participate in the

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Plan. A Related Company is any corporation, partnership, joint venture or other entity in which the Company owns, directly or indirectly, at least a 20% beneficial ownership interest. The participants in the Plan are selected from among those eligible in the sole discretion of the Committee.

### ***Awards to Participants***

#### ***1. Stock Options***

Incentive stock options ( ISOs ) and non-qualified stock options may be granted for such number of shares of Common Stock as the Committee determines, provided that no participant may be granted stock options in any calendar year exercisable for more than 2,000,000 shares of Common Stock. A stock option will be exercisable at such times, over such term and subject to such terms and conditions as the Committee determines. The exercise price of stock options is determined by the Committee.

The exercise price of an ISO may not be less than the per-share fair market value of the Common Stock on the date of grant, or 110% of such fair market value if the recipient owns, or would be considered to own by reason of Section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary of the Company (a 10% Stockholder ). In addition, an ISO may not be exercisable more than 10 years after the date such ISO is awarded (five years after the date of award if the recipient is a 10% Stockholder). An ISO also may not be transferable other than by will or by the laws of descent and distribution. The aggregate fair market value (determined as of the time a stock option is granted) of Common Stock with respect to which ISOs are exercisable for the first time by a participant in any calendar year (under the Plan and any other plans of the Company or any subsidiary or parent corporation) may not exceed \$100,000.

Payment of the exercise price may be made in such manner as the Committee may provide, including cash or delivery of shares of Common Stock already owned or subject to award under the Plan. The Committee may provide that all or part of the shares received upon exercise of an option using restricted stock will be restricted stock.

Upon an optionee's termination of employment or other qualifying relationship, the option will be exercisable to the extent determined by the Committee; provided, however, that unless employment or such other qualifying relationship is terminated for cause (as may be defined by the Committee in connection with the grant of any stock option), the stock option will remain exercisable (to the extent that it was otherwise exercisable on the date of termination) for at least six months from the date of termination if termination was caused by death or disability or at least 90 days from the date of termination if termination was caused by other than death or disability. The Committee may provide that an option that is outstanding on the date of an optionee's death will remain outstanding for an additional period after the date of such death, notwithstanding that such option would expire earlier under its terms.

A stock option agreement for a non-qualified option may permit an optionee to transfer the stock option to his or her children, grandchildren or spouse ( Immediate Family ), to one or more trusts for the benefit of such Immediate Family members, or to one or more partnerships or limited liability companies in which such Immediate Family members are the only partners or members if (i) the agreement setting forth the stock option expressly provides that the option may be transferred only with the express written consent of the Committee, and (ii) the optionee does not receive any consideration in any form whatsoever for such transfer other than the receipt of an interest in the trust, partnership or limited liability company to which the non-qualified option is transferred. Any stock option so transferred will continue to be subject to the same terms and conditions as were applicable to the option immediately prior to its transfer. Except as described above, stock options are not transferable by the optionee otherwise than by will or by the laws of descent and distribution.

#### ***2. Restricted Stock***

In making an award of restricted stock, the Committee will determine the periods, if any, during which the stock is subject to forfeiture, and the purchase price, if any, for the stock. The vesting of restricted stock may be unconditional or may be conditioned upon the completion of a specified period of service with the Company or a Related Company, the attainment of specific performance goals or such other criteria as the Committee may determine.



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During the restricted period, the award holder may not sell, transfer, pledge or assign the restricted stock, except as may be permitted by the Committee. The certificate evidencing the restricted stock will be registered in the award holder's name, although the Committee may direct that it remain in the possession of the Company until the restrictions have lapsed. Except as may otherwise be provided by the Committee, upon the termination of the award holder's service with the Company or a Related Company for any reason during the period before all restricted stock has vested, or in the event the conditions to vesting are not satisfied, all restricted stock that has not vested will be subject to forfeiture and the Committee may provide that any purchase price paid by the award holder, or an amount equal to the restricted stock's fair market value on the date of forfeiture, if lower, will be paid to the award holder. During the restricted period, the award holder will have the right to vote the restricted stock and to receive any cash dividends, if so provided by the Committee. Stock dividends will be treated as additional shares of restricted stock and will be subject to the same terms and conditions as the initial grant, unless otherwise provided by the Committee.

*Acceleration of Vesting in Certain Circumstances.* Unless the Committee expressly determines otherwise, in the event of any change in control or corporate transaction (each as defined in the Plan): (i) each stock option outstanding under the Plan which is not otherwise fully vested or exercisable with respect to all of the shares of stock at that time subject to such stock option automatically accelerates so that each such stock option becomes, immediately upon the effective time of such event, exercisable for all the shares of stock at the time subject to such stock option and may be exercised for any or all of those shares as fully vested shares of stock; and (ii) all shares of restricted stock outstanding under the Plan which are not otherwise fully vested automatically accelerate so that all such shares of restricted stock become, immediately upon the effective time of such event, fully vested, free of all restrictions.

*Amendment and Termination.* No awards may be granted under the Plan more than 10 years after the date of approval of the Plan by the stockholders of the Company, which occurred on June 11, 1999. The Board may discontinue the Plan at any earlier time and may amend it from time to time, except that no amendment or discontinuation may adversely affect any outstanding award without the holder's written consent. Amendments may be made without stockholder approval except as required to satisfy any applicable mandatory legal or regulatory requirements, or as required for the Plan to continue to satisfy the requirements of Section 162(m) or Section 422 of the Code or any other non-mandatory legal or regulatory requirements if the Board of Directors deems it desirable for the Plan to satisfy any such requirements.

*Adjustment.* In the event of any merger, reorganization, consolidation, sale of substantially all assets, recapitalization, stock dividend, stock split, spin-off, split-up, split-off, distribution of assets or other change in corporate structure affecting the Common Stock, a substitution or adjustment, as may be determined to be appropriate by the Committee in its sole discretion, will be made in the aggregate number of shares reserved for issuance under the Plan, the maximum number of shares with respect to which stock options may be granted to any participant during any calendar year, the number of shares subject to outstanding awards and the amounts to be paid by award holders or the Company, as the case may be, with respect to outstanding awards. No such adjustment may increase the aggregate value of any outstanding award.

## **Certain Federal Income Tax Consequences**

The following is a summary of certain federal income tax aspects of awards made under the Plan based upon the laws currently in effect. Since the tax consequences to each participant will differ depending on the terms of the award and the participant's specific situation, participants should not rely on this summary for individual tax advice. Rather, each participant should consult his or her own tax adviser regarding the pertinent federal, state and local income tax and other tax consequences of exercising options or owning restricted stock.

### *1. Incentive Stock Options*

Generally, no taxable income is recognized by the participant upon the grant of an ISO or upon the exercise of an ISO during the period of the participant's employment with the Company or one of its subsidiaries or within three months (12 months, in the event of permanent and total disability, or the term of the option, in the event of death) after termination. However, the exercise of an ISO may result in a significant alternative minimum tax liability to

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the participant, and thus participants should carefully consider alternative minimum tax consequences prior to exercising an ISO. If the participant continues to hold the shares acquired upon the exercise of an ISO for at least two years from the date of grant and one year from the transfer of the shares to the participant, then generally: (a) upon the sale of the shares, any difference between the amount realized and the option price will be treated as capital gain or loss; and (b) no deduction will be allowed to the employer corporation for federal income tax purposes.

If Common Stock acquired upon the exercise of an ISO is disposed of prior to the expiration of the one-year or two-year holding periods described above (a disqualifying disposition), then generally in the year of disposition: (a) the participant will recognize ordinary income in an amount equal to the excess, if any, of the fair market value of the shares on the date of exercise (or, if less, the amount realized on disposition of the shares) over the option exercise price; and (b) the employer corporation will be entitled to deduct any such recognized amount. Any further gain recognized by the participant on such disposition generally will be taxed as capital gain, but such additional amounts will not be deductible by the employer corporation.

In general, no gain or loss will be recognized by a participant who uses shares of Common Stock rather than cash to exercise an ISO. A number of new shares of Common Stock acquired equal to the number of shares surrendered will have a basis and capital gain holding period equal to those of the shares surrendered (although such shares will be subject to new holding periods for disqualifying disposition purposes beginning on the acquisition date). To the extent new shares of Common Stock acquired pursuant to the exercise of the ISO exceed the number of shares surrendered, such additional shares will have a zero basis and will have a holding period beginning on the date the ISO is exercised. The use of Common Stock acquired through exercise of an ISO to exercise an ISO will constitute a disqualifying disposition with respect to such Common Stock if the applicable holding period requirement has not been satisfied.

### *2. Non-Qualified Stock Options*

In general, with respect to non-qualified stock options granted with an exercise price not less than the fair market value of the Common Stock at the time of grant: (a) no income is recognized by the participant at the time the option is granted; (b) upon exercise of the option, the participant recognizes ordinary income in an amount equal to the difference between the option exercise price and the fair market value of the shares on the date of exercise and the employer corporation will be entitled to a tax deduction in the same amount, to the extent that such income is considered reasonable compensation; and (c) at disposition, any appreciation or depreciation after the date of exercise generally is treated as capital gain or loss, and any such appreciation is not deductible by the employer corporation.

No gain or loss will be recognized by a participant with respect to shares of Common Stock surrendered to exercise a non-qualified stock option. A number of new shares acquired equal to the number of shares surrendered will have a tax basis and capital gain holding period equal to those of the shares surrendered. The participant will recogni