

**0510029**

**UNITED STATES OF AMERICA  
BEFORE F**

3. Respondent PNG is, and at all times herein has been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a corporation whose business is in or affects commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

## **II. THE ACQUIRED COMPANY**

4. Argosy is a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its offices and principal place of business located at 219 Piasa Street, Alton, Illinois 62002.
5. Argosy is an owner and operator of six casinos located in Illinois, Missouri, Louisiana, Indiana and Iowa.

## **III. THE ACQUISITION**

6. PNG and Argosy entered into a stock Purchase Agreement dated as of November 3, 2004 (the “Purchase Agreement”) whereby PNG agreed to acquire Argosy for approximately \$2.2 billion (the “Acquisition”).

## **IV. THE RELEVANT MARKET**

7. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the Acquisition is casino services. Casino services include a combination of slot machine, video poker machine, and table gaming services, and associated amenities such as parking, food and beverages, and entertainment.
8. For the purposes of this Complaint, the Baton Rouge, Louisiana, metropolitan area is the relevant area in which to analyze the effects of the Acquisition in the relevant line of commerce.

## **V. THE STRUCTURE OF THE MARKET**

9. The Baton Rouge, Louisiana, metropolitan area market for casino services is highly concentrated. PNG and Argosy are the only two suppliers of casino services in Baton Rouge, Louisiana.

## **VI. ENTRY CONDITIONS**

10. Entry into the relevant market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Acquisition. The state of Louisiana allows for the licensing of fifteen riverboat casinos across the state, and all fifteen licenses have been awarded. The relocation of an existing Louisiana riverboat casino to the Baton

Rouge, Louisiana, metropolitan area to deter or counteract the anticompetitive effects described in paragraph 11 is unlikely to occur in a timely manner because of, among other things, the time and cost associated with acquiring the necessary state, parish, and city approvals.

## **VII. EFFECTS OF THE ACQUISITION**

11. The effects of the Acquisition, if consummated, may be substantially to lessen competition and to tend to create a monopoly in the relevant market in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, by eliminating actual, direct, and substantial competition between PNG and Argosy through a merger to monopoly in the relevant market, thereby: (i) increasing the likelihood that PNG would exercise market power in this market; (ii) reducing existing incentives to improve casino quality or pursue casino improvements; and, (iii) increasing the likelihood that customers would be forced to pay higher prices.

## **VIII. VIOLATIONS CHARGED**

12. The Purchase Agreement described in Paragraph 6 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.
13. The Acquisition described in Paragraph 6, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twenty-sixth day of July, 2005, issues its Complaint against said Respondent.

By the Commission.

Donald S. Clark  
Secretary

SEAL: