

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman
Noah Joshua Phillips
Rohit Chopra
Rebecca Kelly Slaughter
Christine S. Wilson

_____)	
In the Matter of)	
)	
ELDORADO RESORTS, INC.,)	
a corporation;)	Docket No. C-4721
)	
and)	
)	
CAESARS ENTERTAINMENT)	
CORPORATION,)	
a corporation.)	
_____)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and by virtue of the authority vested in it by said Acts, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Eldorado Resorts, Inc. (“Eldorado”), a corporation subject to the jurisdiction of the Commission, agreed to acquire Respondent Caesars Entertainment Corporation (“Caesars”), a corporation subject to the jurisdiction of the Commission, 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, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENTS

1. Respondent Eldorado is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Nevada with its headquarters and principal place of business located at 100 West Liberty Street, Suite 1150, Reno, Nevada 89501.
2. Respondent Caesars is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its headquarters and principal place of business located at One Caesars Palace Drive, Las Vegas, Nevada 89109.

II. JURISDICTION

3. Respondents, and each of their relevant operating subsidiaries and parent entities, are, and at all times relevant herein have been, engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12, and Section 4 of the FTC Act, 15 U.S.C. § 44.

III. THE ACQUISITION

4. Pursuant to an Agreement and Plan of Merger dated June 24, 2019, Eldorado proposes to acquire Caesars in a cash and stock transaction valued at approximately \$17.3 billion (“the Acquisition”).

IV. THE RELEVANT MARKETS

5. 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 (*i.e.*, gambling) services, and associated amenities that are used to drive gaming revenue, which typically include some combination of hotel accommodations, food and beverages, entertainment, and other amenities.

6. The three relevant geographic markets in which to analyze the effects of the Acquisition are: (1) the South Lake Tahoe area, which approximately corresponds to, the area in and around the cities of Stateline, Nevada, and South Lake Tahoe, California; (2) the Bossier City-Shreveport, Louisiana area, which approximately corresponds to the Bossier City-Shreveport, Louisiana MSA; and (3) the Kansas City area, which approximately corresponds to the Kansas City, Missouri MSA.

V. THE STRUCTURE OF THE MARKETS

A.

Casino Services in the South Lake Tahoe Area

7. Casino services in the South Lake Tahoe area is a relevant market. The Acquisition will reduce the number of providers of casino services in the South Lake Tahoe area from three to two and result in a highly concentrated market.

B.

Casino Services in the Bossier City-Shreveport Area

8. Casino services in the Bossier City-Shreveport area is a relevant market. The Acquisition will reduce the number of providers of casino services in the Bossier City-Shreveport area from five to four and result in a highly concentrated market.

C.
Casino Services in Kansas City Area

9. Casino services in the Kansas City Area is a relevant market. The Acquisition will reduce the number of providers of casino services in the Kansas City area from five to four and result in a highly concentrated market.

VI. ENTRY CONDITIONS

A.
Entry Conditions in the South Lake Tahoe Area

10. Entry into the South Lake Tahoe area market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Acquisition. The entry of any additional casino in the South Lake Tahoe area to deter or counteract the anticompetitive effects described in Paragraphs 13-14 is unlikely to occur in a timely manner because of, among other things, the time and cost associated with acquiring the necessary state, county, and city approvals.

B.
Entry Conditions in the Bossier City-Shreveport Area

11. Entry into the Bossier City-Shreveport area 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 15 riverboat casinos across the state, only six of which may be located on the same designated waterway. All 15 licenses in the state have been awarded and six casinos currently operate along the Red River in Bossier City-Shreveport. The relocation of any existing riverboat casino in Louisiana to a designated waterway near Bossier City-Shreveport to deter or counteract the anticompetitive effects described in Paragraphs 13-14 is unlikely to occur in a timely manner because of, among other things, the time and cost associated with acquiring the necessary state, county, and city approvals.

C.
Entry Conditions in the Kansas City Area

12. Entry into the Kansas City area market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Acquisition. The state of Missouri allows for the licensing of 13 riverboat casinos across the state, and all 13 licenses have been awarded. The state of Kansas limits the number of permitted casinos in the state to four, and all four licenses have been awarded. The relocation of any existing Missouri riverboat casino to the Missouri side of the Kansas City area to deter or counteract the anticompetitive effects described in Paragraphs 13-14 is unlikely to occur in a timely manner because of, among other things, the time and cost associated with acquiring the necessary state, county, and city approvals.

VII. EFFECTS OF THE ACQUISITION

13. The Acquisition, if consummated, is likely to substantially lessen competition in the relevant line of commerce in the following ways, among others:

- a. by eliminating direct and substantial competition between Respondents Eldorado and Caesars; and
- b. by increasing the likelihood that Respondent Eldorado will unilaterally exercise market power.

14. The ultimate effect of the Acquisition would be to increase the likelihood that prices of casino services will increase, and that the quality associated with casino services will decrease, in the relevant geographic markets.

VIII. VIOLATIONS CHARGED

15. The agreement described in Paragraph 4 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and the acquisition, if consummated, would violate 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 the twenty-fifth day of June, 2020, issues its Complaint against said Respondents.

By the Commission, Commissioner Chopra dissenting, Commissioner Slaughter not participating.

April J. Tabor
Secretary

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