

Nevada Regulators Approve MGM-Ho Alliance in Macau Casino Venture

Las Vegas (AP) – Pansy Ho has been waiting four decades to get out from under the shadow of her father, Hong Kong billionaire Stanley Ho. After a passionate plea to Nevada gambling authorities that she is not her father's puppet, she won initial approval Tuesday to go ahead with her partnership with MGM Mirage Inc. to develop a USD 1.1 billion casino in Macau without his help.

„For almost all of the 40-some years of my life, I have been trying to find an open forum to find and to express that I believe I have the capabilities to be an independent person and also to obtain independent success,“ said Pansy Ho, 44. „I think the MGM opportunity will give me the chance to prove that further.“

Pansy Ho and MGM Mirage Inc. are constructing their first casino in the Chinese enclave of Macau, the most lucrative gambling market in the world and a short ferry ride from Hong Kong.

Nevada gambling authorities have spent more than two years investigating her background, however, because of lingering suspicions her father had ties to the organized crime gangs that allegedly ran VIP gambling rooms in his Macau casinos when the territory was still under Portuguese control.

Tuesday, regulators indicated those concerns still abound.

„There are volumes of controversy surrounding Dr. Stanley Ho, both historic and present,“ said Nevada Gaming Control Board member Randall Sayre. „From my perspective, he operates in an environment that is less transparent than I am comfortable

with.“

„But Mr. Stanley Ho is not in front of me today,“ he said. „The joint venture participants must be measured on their own merits.“

After some five hours of testimony and questions that delved into the source of income for Pansy and her sister Daisy and numerous interests in other Macau business ventures with their father, the three-member board gave its unanimous approval.

Their recommendation must be confirmed by the Nevada Gaming Commission, which is expected to meet in about a month.

The Mississippi Gaming Commission approved the alliance between MGM and Pansy Ho in February 2005. The New Jersey Attorney General's Division of Gaming Enforcement is also looking into the arrangement.

Under Nevada gambling laws, holders of state licenses such as MGM Mirage must not violate any gambling laws abroad. They are also forbidden to enter into „unsuitable“ associations that would „reflect discredit or disrepute upon this state“ – a broad definition that gives the board discretion to probe further into Pansy and Daisy Ho's past.

„It's fair to say that the regulators in the United States don't hold Dr. Ho in a very high regard,“ said MGM Mirage chief executive Terry Lanni. „When we crafted this, we crafted it in such a fashion that no third party could have an influence.“

Stanley Ho, 85, continues to dominate in Macau where he held a gambling monopoly for four decades until liberalization in 2002. His business empire controls land, hotels, 17 casinos, and a helicopter and ferry service that keeps visitors coming. Forbes magazine estimated his wealth at USD 6.5 billion, making him the world's 84th richest person.

He, Pansy and Daisy control a majority of the shares in transportation and hotel conglomerate Shun Tak Holdings Ltd. Pansy Ho is the managing director, her sister is the chief financial officer and her father is the chairman. Regulators were concerned whether the daughters could act independently, given much of kernel of their wealth was bestowed upon them in trusts by their father.

Pansy Ho said she exercised independence at Shun Tak most notably in 1999, when as a more junior executive she helped trim staff after a merger to make the bloated ferry service more efficient.

„The one person that was most against this was the chairman of the company,“ she said, referring to her father. „I could do that in 1999. I’m sure that I could do it now.“

The recommendation paves the way for MGM to join its Las Vegas-based competitors, Las Vegas Sands Corp. and Wynn Resorts Ltd., which opened resorts in Macau in 2004 and last year respectively, and plan to open more. MGM has said it is already in talks to build its second casino in Macau.