BALLY TECHNOLOGIES, INC.
Form 10-K/A
January 14, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

(Mark One)

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2007

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number 0-4281

BALLY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

NEVADA	**88-0104066**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6601 S. Bermuda Rd. Las Vegas, Nevada 89119
(Address of principal executive offices)

Registrant's telephone number, including area code:
(702) 584-7600

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $0.10 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. o Yes ý No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. o Yes ý No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. o Yes ý No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

ý Large Accelerated Filer   o Accelerated Filer   o Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes ý No

The aggregate market value of the registrant's common stock, $0.10 par value, held by non-affiliates of the registrant, computed based on the closing sales price as of December 29, 2006 of $18.68 per share as reported by the New York Stock Exchange was approximately $917,300,000.

According to the records of the registrant's registrar and transfer agent, the number of shares of the registrant's common stock, $0.10 par value, outstanding as of January 8, 2008 was 54,673,000, which does not include 738,000 shares held in treasury.

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

Bally Technologies, Inc. ("Bally", the "Company" or the "Registrant") hereby amends its Annual Report on Form 10-K for the fiscal year ended June 30, 2007, originally filed with the Securities and Exchange Commission (the "SEC") on November 2, 2007 (the "Original 10-K"), to include the information required to be disclosed by Part III of Form 10-K. The information set forth in this Amendment No. 1 to the Original 10-K (this "Amendment") replaces the information set forth in Part III of the Original 10-K in its entirety. No other Part, Item or section of the Original 10-K is being amended herby.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following table and accompanying information sets forth the names of, and certain information with respect to, each of the directors, executive officers and other significant employees of the Company.

Name	Age	Position with the Company
Jacques André	70	Director(1)(3)(4)
Robert Guido	61	Director(2)(4)
David Robbins	48	Director and Chairman of the Board(2)(3)(4)
Kevin Verner	49	Director(2)(3)
Richard Haddrill	54	Director and Chief Executive Officer(1)
Robert C. Caller	57	Executive Vice President, Chief Financial Officer and Treasurer
Michael Gavin Isaacs	43	Executive Vice President and Chief Cooperating Officer
Robert Luciano	49	Chief Technology Officer
Ramesh Srinivasan	47	Executive Vice President Bally Systems

(1) Messrs. Haddrill and André's terms as directors expire at the 2007 Annual Meeting of Stockholders to be held on February 22, 2008. Messrs. Haddrill and André have been nominated to serve as directors for terms of three years.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

(4) Member of the Nominating and Corporate Governance Committee.

The Company's bylaws provide that the Board of Directors shall consist of no fewer than three nor more than nine directors, with the exact number to be fixed by the Board of Directors. The Board of Directors has fixed the number of directors at five, two of whom will be elected at the Meeting. The Company's bylaws divide the Board of Directors into three classes as nearly equal in number as possible, with the three-year terms of office of each class ending in different years.

Directors, Executive Officers and Other Significant Employees

The following sets forth information about the members of the Board of Directors, certain of the Company's named executive officers and certain significant employees and their business experience, and other pertinent information.

Richard Haddrill. Mr. Haddrill became a director in April 2003 and, effective October 1, 2004, was appointed Chief Executive Officer. Prior to becoming the Company's CEO, Mr. Haddrill most recently served as CEO and as a member of the board of directors of Manhattan Associates, Inc., a global leader in software solutions to the supply chain industry. He continued to serve as Vice Chairman of the board of Manhattan Associates until May 2006. Mr. Haddrill also served as President and CEO for Powerhouse Technologies, Inc., a technology and gaming company, from September 1996 to June 1999, when Powerhouse was acquired by Anchor Gaming. Mr. Haddrill currently serves on the board of directors of TrueDemand Software, Inc. Mr. Haddrill previously served on the boards of directors of Danka Business Products, a digital imaging systems products provider and services producer from June 2002 to October 2004, and Outlooksoft, a provider of corporate performance management solutions from May 2003 to June 2005.

Robert C. Caller. Mr. Caller, age 57, joined Bally as Executive Vice President, Chief Financial Officer and Treasurer in April 2006. From 1983 to 2006, he was a partner at Ernst & Young ("E&Y"), most recently working in the Denver office, where he served several publicly held companies as well as several companies involved in the gaming industry. He started his career with E&Y in the Houston office in 1972, and was the managing partner of E&Y's Albuquerque office from 1990 to 1991 before transferring to the Denver office.

Michael Gavin Isaacs. Mr. Isaacs, age 43, joined Bally as Executive Vice President and Chief Operating Officer on September 1, 2006. From 1999 to 2006, Mr. Isaacs worked for Aristocrat Leisure Limited, a gaming equipment and systems company. During his tenure with Aristocrat, he served in key management positions, including General Manager, Global Marketing and Business Development, and Managing Director, Europe. In March 2003, he was named to the position of Americas President. Before joining Aristocrat, Mr. Isaacs was a partner with the Australia law firm Phillips Fox. Mr. Isaacs is a trustee of the International Association of Gaming Attorneys.

David Robbins. Mr. Robbins rejoined Bally as a director and Chairman of the Board in December 1997. Mr. Robbins previously served as a director from July 1994 to September 1997 and as the Chairman of the Board from February 1997 to September 1997. From 1984 to 2004, he practiced corporate, securities and real estate law as an associate and then partner at various law firms. Mr. Robbins was also licensed as a certified public accountant (inactive status) in the state of New York. Since January 1996, Mr. Robbins has co-managed private equity investments in the health care and real estate fields. He serves on the boards or steering committees of Columbia University Medical Center's Science and Technology Council, the McCarton Foundation, NYU Comprehensive Epilepsy Center and various private companies in which the heath care fund that he co-manages has made investments.

Jacques André. Mr. André became a director in August 1996. Mr. André previously served as a Vice President of A.T. Kearney Executive Search, a global management consulting firm, from October 2002 to his retirement in February 2005. From 1975 to 2002, Mr. André was a partner and from 1980 to 2002 he was a member of the board of directors of Ray & Berndtson, Inc., an international executive search firm. From 1997 to 2003, Mr. André served as a member of the board of directors for the Association of Executive Search Consultants.

Robert Guido. Mr. Guido became a director in December 2006. Mr. Guido retired from E&Y where he was Vice Chair and Chief Executive Officer of E&Y's Assurance and Advisory Practice. In this role, he was responsible for overall business strategy and had significant dealings with both the Securities and Exchange Commission and Public Company Accounting Oversight Board on behalf of the firm. During his 38-year career at E&Y, Mr. Guido also co-chaired the firm's global client steering committee and served as a senior advisory or engagement partner to numerous global companies. Since April of 2007, Mr. Guido has served as a member of the board of directors of Commercial Metals Company, a manufacturer, recycler and distributor of steel and metal products globally. Since May of 2007, Mr. Guido has also been a member of the Board of Trustees and chairman of the audit committee of Siena College, a liberal arts college near Albany, NY.

Kevin Verner. Mr. Verner became a director in April 2001. From 1997 to 2000, Mr. Verner held various positions with WMS Industries, Inc., a gaming equipment company, the last of which was Chief Operating Officer. Prior to his employment at WMS, Mr. Verner was Vice President of New Business Development at R.J. Reynolds Tobacco Co., where he held various marketing and senior management positions for sixteen years. Since 2000, Mr. Verner has been a consultant and provides interim management to early-stage companies, including financial planning, securing seed funding, management recruitment and development of operating budgets, and pro forma financial projections. Mr. Verner is also a CEO advisor for the Chicago-based venture fund Alpha Capital Fund III, and provides consultation on enterprise valuation and due diligence for consumer products investments.

Mark Lerner. Mr. Lerner, age 58, joined Bally in December 1996 as Assistant General Counsel and was appointed General Counsel in 2000. Mr. Lerner has practiced law since 1980. Over the course of his career, Mr. Lerner has served as a deputy attorney general for the Nevada Gaming Commission and State of Nevada Gaming Control Board, general counsel to Becker Gaming, Inc., a Las Vegas gaming company, and, from 1987 to 1994, an attorney at Jones, Jones, Close & Brown (now Jones Vargas), a Las Vegas commercial and litigation law firm.

Robert Luciano. Mr. Luciano, age 49, joined Bally in March 2004 in connection with the Company's acquisition of Sierra Design Group ("SDG") and became the Company's Chief Technology Officer on October 1, 2004. Mr. Luciano founded SDG in 1996 as a research, development and consulting company focusing on the gaming industry. Prior to founding SDG, Mr. Luciano was employed by IGT in the position of Vice President of Advanced Engineering. Prior to joining IGT, Mr. Luciano held several engineering positions with a variety of companies including Soabar, a division of Avery International, and Mobil Oil Corporation.

Ramesh Srinivasan. Mr. Srinivasan, age 47, joined Bally in March 2005 as Executive Vice President of Bally Systems. Mr. Srinivasan is responsible for the Company's worldwide Systems business including sales, product development, implementation services and customer support. From 1998 to 2005, Mr. Srinivasan held several positions including Executive Vice President of Warehouse Management Systems from 2003 to 2005 at Manhattan Associates, Inc., a global leader in software solutions to the supply chain industry.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who own more than 10 percent of a registered class of the Company's equity securities, to file with the SEC and the New York Stock Exchange (the "NYSE") initial reports of ownership and reports of changes in ownership of the Company's common stock and other equity securities. To the Company's knowledge, all Section 16(a) filing requirements applicable to the Company's directors, executive officers, and greater than 10 percent beneficial owners were complied with on a timely basis during the fiscal year ended June 30, 2007.

Code of Ethics

The Company has a Code of Ethics and Business Conduct applicable to all employees, including the chief executive, chief financial and principal accounting officers, as well as the Company's directors (the "Code of Ethics"). In the event the Company makes any amendment to, or grants any waiver from, a provision of the Code of Ethics that applies to the Company's principal executive officer, principal financial officer or principal accounting officer that requires disclosure under applicable SEC rules, the Company intends to disclose such amendment or waiver and the reasons therefor on the Company's website, www.ballytech.com. The full text of the Code of Ethics is available by following links to "Investor Relations" and "Governance" on the Company's website www.ballytech.com, or upon written request to: Bally Technologies, Inc., 6601 South Bermuda Road, Las Vegas, Nevada 89119, Attention: Corporate Secretary.

Audit Committee

The Board of Directors has a standing Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee.

The Audit Committee of the Board of Directors is comprised of Messrs. Guido (Chair), Robbins, and Verner. The Audit Committee, among other things, reviews and engages or re-engages an independent accounting firm to audit the Company's financial statements for the then-current fiscal year; reviews and determines the policies and procedures of the Company and management in maintaining the Company's books and records and furnishing information necessary to the independent auditors; reviews and determines the adequacy and implementation of the Company's internal controls, including the internal audit function and the adequacy and competency of the related personnel; and reviews and determines such other matters relating to the Company's financial affairs and accounts as the Audit Committee may in its discretion deem desirable.

The Audit Committee is governed by a charter adopted by the Board of Directors. The charter is available on the Company's website at www.ballytech.com by following the links to "Investor Relations" and "Governance" or upon written request to the Company, as set forth above under " Code of Ethics." The Board of Directors has affirmatively determined that Messrs. Guido, Robbins, and Verner are independent under the Company's Independence Guidelines and Section 303A.02 of the NYSE Listed Company Manual, and are financially literate, as required by Section 303A.07(a) of the NYSE Listed Company Manual, as such qualification is interpreted by the Company's Board of Directors in its business judgment. In addition, the Board of Directors has determined that Messrs. Guido and Robbins are audit committee financial experts, as required by Item 407(d)(5) of Regulation S-K. The Board of Directors made this determination based on Messrs. Guido's and Robbins's qualifications and business experience, as briefly described above under " Directors, Executive Officers and Other Significant Employees." The Audit Committee met eleven times during the fiscal year ended June 30, 2007.

ITEM 11. EXECUTIVE COMPENSATION

Fiscal Year 2007 Summary Compensation Table

The following table sets forth compensation information for the Company's Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers who were serving as executive officers as of June 30, 2007 (collectively, the "Named Executive Officers") in respect of fiscal year 2007.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards(1) ($)	Option Awards(1) ($)	Non-Equity Incentive Plan Compensation(2) ($)	All Other Compensation ($)	Total ($)
Richard Haddrill President and Chief Executive Officer	2007	998,000		3,134,598	1,537,597	(3)	37,750(4)	5,707,945
Robert Caller Executive Vice President, Chief Financial Officer & Treasurer	2007	340,000		41,837	511,964	214,200	6,750(5)	1,114,751
Michael Gavin Isaacs Executive Vice President and Chief Operating Officer	2007	269,385(6)	10,000(7)	163,010	294,005	193,723	150,000(8)	1,080,123
Robert Luciano Chief Technology Officer	2007	250,000	50,000(9)		1,986,900	171,000		2,457,900
Ramesh Srinivasan Executive Vice President, Bally Systems	2007	275,000		75,313	394,969	188,100		933,382

(1) Amounts shown reflect the dollar value recognized, before forfeiture assumptions, by the Company for financial statement reporting purposes in accordance with SFAS 123R, for the fiscal year ended June 30, 2007. Assumptions used to determine these values can be found in Note 12, Share-Based Compensation, of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2007.

(2) Represents cash portion of annual incentive award earned for performance during fiscal year 2007 under the MIP.

(3) The Haddrill Agreement does not contemplate participation in the MIP.

(4) Includes one club membership fee paid for by the Company ($29,000), spousal travel ($2,000) and the Company's matching contribution to Mr. Haddrill's 401(k) ($6,750).

(5) Represents Company's matching contribution to Mr. Caller's 401(k).

(6) Represents Mr. Isaacs' pro-rated annual base salary since he commenced employment after the start of fiscal year 2007. Per the Isaacs Agreement, Mr. Isaacs' annual salary is $340,000 per year.

(7) Represents signing bonus paid upon commencement of Mr. Isaacs' employment.

(8) Pursuant to the Isaacs Agreement, Mr. Isaacs is entitled to $150,000 allowance to assist in transition from expatriate to permanent US-based employee.

(9) Represents guaranteed bonus per the Luciano Agreement. For additional detail see "Compensation Discussion & Analysis Individual Named Executive Officer Compensation Annual Cash Incentive Programs."

Fiscal Year 2007 Grants of Plan-Based Awards

The following table sets forth information concerning awards of stock options and restricted stock made to each of the Named Executive Officers during fiscal year 2007.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)						
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units(2) (#)	All Other Option Awards: Number of Securities Underlying Options(2) (#)	Exercise or Base Price of Option Awards(3) ($/Sh)	Grant Date Fair Value of Stock and Option Awards(4)
Richard Haddrill									
Robert Caller	8/9/2006	8/9/2006	81,600	204,000	346,800				
	9/12/2006	9/12/2006				2,461(5)			41,837
Michael Gavin Isaacs	8/9/2006	8/9/2006	68,000	170,000	289,000				
	9/1/2006	5/22/2006				50,000			786,500
	9/1/2006	5/22/2006					150,000	15.73	1,418,580
Robert Luciano	8/9/2006	8/9/2006	60,000	150,000	255,000				
Ramesh Srinivasan	8/9/2006	8/9/2006	66,000	165,000	280,500				
	9/12/2006	9/12/2006				3,172(5)			53,924

(1) Represents cash incentive opportunities under the Company's MIP plan.

(2) All shares were issued under the Amended and Restated Plan with the exception of Mr. Isaacs' stock option grant. Mr. Isaacs' inducement grant of stock options was issued upon hire as permitted by the rules of the NYSE.

(3) The exercise price reflects the closing price of a share of the Company's common stock on the grant date.

(4) Represents the fair value of equity granted, determined in accordance with SFAS 123R, adjusted, however, to exclude the effects of estimated forfeitures. Assumptions used to determine these values can be found in Note 12, Share-Based Compensation, of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2007.

(5) Represents the portion of annual incentive paid in shares of restricted stock for performance during fiscal year 2006. The shares granted to Mr. Caller vested immediately upon grant, whereas the shares granted to Mr. Srinivasan vest on the first anniversary of the date of grant.

Employment Agreements with Named Executive Officers

The following contains brief summaries of certain provisions of the employment agreements with each of the Named Executive Officers. Provisions providing for severance and change in control payments are described in the "Potential Payments upon Termination or Change in Control at Fiscal Year-End 2007" section of this proxy.

Haddrill Employment Agreement. On June 30, 2004, the Company entered into the Haddrill Agreement, effective as of October 1, 2004. The Haddrill Agreement provided for an initial salary of $980,000 per year, a grant of 500,000 stock options, $6,500,000 in RSUs and other benefits, and required Mr. Haddrill to purchase $1,000,000 of Company common stock in the open market using his personal funds. The Haddrill Agreement was amended on December 22, 2004 to provide for, among other things, a grant of an additional 300,000 stock options and $1,900,000 in RSUs. The Haddrill Agreement was amended for a second time effective as of June 13, 2005, to document the terms and conditions of the acceleration of certain of Mr. Haddrill's stock options, which was approved by the Board of Directors on June 13, 2005 as well as to conform the terms of Mr. Haddrill's RSUs to Section 409A of the Code.

On June 21, 2006, the Haddrill Agreement was amended for a third time. This amendment provided that Mr. Haddrill's term of employment was extended from October 1, 2007, to January 1, 2009 and that Mr. Haddrill's salary, beginning July 1, 2006, was increased from $980,000 to $998,000. This amendment also provided that, subject to the approval of the Compensation Committee, Mr. Haddrill would receive an additional 200,000 options to purchase common stock and a number of shares of restricted common stock having a value equal to $1,400,000 as of the date of grant.

The Haddrill Agreement also prohibits Mr. Haddrill from entering into business arrangements with specific competitors for a period of two years, or from engaging in activities that compete with the Company for one year after termination, regardless of the reason for termination. Mr. Haddrill is prohibited from soliciting the Company's customers, employees or consultants for one year after termination, regardless of the reason for termination.

Caller Employment Agreement. On March 13, 2006, the Company entered into the Caller Agreement, effective as of April 1, 2006 through September 30, 2009. Pursuant to the Caller Agreement, Mr. Caller receives an annual salary of $340,000. For fiscal year 2007, Mr. Caller was guaranteed a minimum performance bonus of $160,000 under the MIP. For fiscal years 2008 and 2009, Mr. Caller's target performance bonus is $204,000, but with a maximum of $347,000. For the period from July 1, 2009 to September 30, 2009, Mr. Caller's bonus will be at least $51,000. The Company may pay up to 30% of any performance bonus in shares of restricted stock. Mr. Caller also received a one time signing bonus payment of $100,000, subject to certain relocation conditions, as well as reimbursement for expenses incurred in connection with trips related to his relocation to Las Vegas. Mr. Caller also received a grant of 175,000 stock options pursuant to the Caller Agreement.

The Caller Agreement prohibits Mr. Caller from engaging in activities that compete with the Company for one year after termination for Cause or upon voluntary termination, and for the duration he receives salary continuation after a termination without Cause. Mr. Caller is prohibited from soliciting the Company's customers, employees or consultants for one year after termination, regardless of the reason for termination.

Isaacs Employment Agreement. On June 19, 2006, the Company entered into the Isaacs Agreement, effective September 1, 2006. Pursuant to the Isaacs Agreement, Mr. Isaacs receives an annual salary of $340,000 and is entitled to participate in the MIP as well as the Company's employee benefit programs. Mr. Isaacs target performance bonus is $204,000 per year, but with a maximum of $347,000 per year. The Company may pay up to 30% of the amount of any bonus in restricted stock. Mr. Isaacs also received a one time signing bonus payment of $10,000 and receives an annual allowance of $150,000 for a period of two years in respect of his transition to becoming a permanent United States-based employee. Mr. Isaacs also received a grant of 150,000 options as well as 50,000 shares of the Company's restricted stock pursuant to the Isaacs Agreement.

The Isaacs Agreement prohibits Mr. Isaacs from soliciting the Company's customers, employees or consultants for one year after termination, regardless of the reason for termination.

Luciano Employment Agreement. On March 2, 2004, the Company entered into the Luciano Agreement. The Luciano Agreement provides for a base salary, which is currently set at $250,000 per year, an annual bonus of $50,000 and participation in the MIP. On April 13, 2005, the Company entered into an amendment to the Luciano Agreement (the "Luciano Amendment") providing for, among other things, the grant of 600,000 stock options.

The Luciano Agreement prohibits Mr. Luciano from engaging in activities that compete with the Company for three and one half years from March 2, 2004, and one year after termination for Cause or upon voluntary termination. The Luciano Agreement also provides that the Company may elect to extend the non-competition period for an additional 12 months beyond its then current term by agreeing to pay Mr. Luciano an additional $250,000 and the continued vesting of all option awards if the election occurs prior to the termination of Mr. Luciano without Cause. Mr. Luciano is prohibited from soliciting the Company's customers, employees or consultants for six months after termination, regardless of the reason for termination.

Srinivasan Employment Agreement. On March 9, 2005, the Company entered into the Srinivasan Agreement. The Srinivasan Agreement provides for a base salary, which is currently set at $275,000 per year, an annual bonus of up to 100% of Mr. Srinivasan's base salary, but in no case less than $50,000, as well as participation in the MIP. Mr. Srinivasan also received a grant of 300,000 stock options and 20,000 shares of restricted stock pursuant to the Srinivasan Agreement.

The Srinivasan Agreement prohibits Mr. Srinivasan from engaging in activities that compete with the Company for one year after termination for Cause or upon voluntary termination, and for the duration he receives salary continuation after a termination without Cause. Mr. Srinivasan is prohibited from soliciting the Company's customers, employees or consultants for one year after termination, regardless of the reason for termination.

Outstanding Equity Awards at Fiscal Year-End 2007

The following table sets forth the outstanding equity awards held by the Named Executive Officers as of June 30, 2007.

	Option Awards				Stock Awards	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested(1) ($)**
Richard Haddrill	50,000		$ 15.55	4/23/2013		
	195,000		24.65	4/8/2011		
	405,000		17.16	6/30/2014		
	95,000		17.16	10/27/2014		
	133,333	166,667(2)	13.35	12/22/2014		
	35,000		14.77	6/13/2015		
		200,000(3)	15.07	6/21/2016		
					125,677(4)	$ 3,320,386
					92,654(5)	2,447,919
Robert Caller	70,000	105,000(6)	16.99	4/3/2016		
Michael Gavin Isaacs		150,000(7)	15.73	9/1/2016		
					50,000(8)	1,321,000
Robert Luciano	240,000	360,000(9)	11.16	1/18/2015		
	120,000	480,000(10)	14.27	7/1/2015		
Ramesh Srinivasan	195,000	105,000(11)	11.30	3/9/2015		
					10,000(12)	264,200
					3,172(13)	83,804

(1) Calculated based on the closing price of a share of Company common stock of $26.42 on June 29, 2007.

(2) Stock options vest and become exercisable on October 1, 2007.

(3) Stock options vest and become exercisable as to 66,667 shares on each of February 28, 2008 and July 31, 2008 and 66,666 shares on January 1, 2009.

(4) RSUs vest on October 1, 2007.

(5) Restricted stock vests as to 26,499 shares on July 1, 2008 and 66,155 shares on January 1, 2009.

(6) Stock options vest and become exercisable as to 50,000 shares on June 30, 2008 and 55,000 shares on September 30, 2009.

(7) Stock options vest and become exercisable in four equal installments of 37,500 shares on each of September 1, 2007, September 1, 2008, September 1, 2009 and September 1, 2010.

(8) Restricted stock vests as to 25,000 shares on September 1, 2008 and 12,500 shares on each of September 1, 2009 and September 1, 2010.

(9) Stock options vest and become exercisable in three equal installments of 120,000 shares on each of January 18, 2008, January 18, 2009, and January 18, 2010.

(10) Stock options vest and become exercisable in four equal installments of 120,000 shares on each of July 1, 2007, July 1, 2008, July 1, 2009, and April 13, 2010.

(11) Stock options vest and become exercisable as to 70,000 shares on March 9, 2008 and 35,000 shares on September 2, 2008.

(12) Restricted stock vests in its entirety on September 2, 2008.

(13) Restricted stock vests in its entirety on September 12, 2007.

Option Exercises and Stock Vested in Fiscal Year 2007

The following table sets forth information concerning value realized by each of the Named Executive Officers upon the vesting of stock awards during fiscal year 2007. No Named Executive Officer exercised any stock options during fiscal year 2007.

	Option Awards		**Stock Awards**	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized Upon Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Richard Haddrill			203,930(1)	3,735,503
Robert Caller			2,461(2)	41,837
Michael Gavin Isaacs				
Robert Luciano				
Ramesh Srinivasan				

(1) Represents RSUs which vested during fiscal 2007. 78,254 RSUs vested on October 25, 2006 upon the Compensation Committee's determination that Mr. Haddrill had attained the strategic measures necessary to qualify for accelerated vesting including completion of the approved SOX remediation plan, development of succession assessment and process for key executive positions, and development of a three-year industry and business growth assessment, and 125,676 RSUs vested on October 1, 2006. RSUs are mandatorily deferred pursuant to the Haddrill Agreement.

(2) Represents shares of restricted stock issued as a bonus for performance during fiscal year 2006 which vested immediately upon grant on September 12, 2006.

Fiscal Year 2007 Non-Qualified Deferred Compensation

The following table sets forth information regarding deferrals by the Named Executive Officers under Non-Qualified Deferred Compensation Plans during fiscal year 2007.

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
Richard Haddrill(1)	$ 3,735,521(2)		$ 4,460,047(3)		$ 12,843,105(4)
Robert Caller					
Michael Gavin Isaacs					
Robert Luciano					
Ramesh Srinivasan					

(1) Deferrals made pursuant to the Haddrill Agreement, which requires mandatory deferral of RSUs upon vesting. The Company does not maintain any other deferred compensation plans or arrangements for the Named Executive Officers.

(2) Represents the market value of shares deliverable in settlement of RSUs at their vesting date, where the executive is required to defer settlement to a future date. Such a deferral has the effect of delaying the date at which the Company will deliver shares to the executive in settlement, but does not result in additional compensation expense for financial reporting purposes in connection with the award or enhance the value of the award to the executive except by virtue of the delay in taxation. Contribution amount includes $2,584,228 in compensation as reported in the Summary Compensation Table for Fiscal Year 2007.

(3) Represents earnings on deferred shares from the date of vesting, to the extent it occurred in fiscal year 2007, based on the change in stock price between vesting and fiscal year end.

(4) Represents balance of RSUs required to be deferred. RSUs will be issued as to 75% of shares on the later of (i) October 1, 2007, (ii) the first date payment is no longer subject to limits of section 162(m) of the Code, or (iii) if before October 1, 2007, upon termination and payment no longer being subject to Section 162(m) of the Code. The remaining RSUs will be issued the later of (i) October 1, 2008, (ii) the first date payment is no longer subject to the limit of Section 162(m) of the Code, or (iii) if before October 1, 2008, upon termination and payment no longer being subject to 162(m) of the Code. Balance amount includes $2,584,228 in compensation as reported in the Summary Compensation Table for Fiscal Year 2007.

Potential Payments upon Termination or Change in Control at Fiscal Year-End 2007

The following tables set forth certain information regarding potential payments and other benefits that would have been provided to each of the Named Executive Officers upon a change in control of the Company and/or upon a termination of the Named Executive Officer's employment at fiscal year-end 2007. For purposes of this section, "CIC" shall mean a change in control of the Company. All other capitalized terms included in quotes are defined following the summary of the respective agreement.

Haddrill Employment Agreement. The Haddrill Agreement, as amended, provides that if Mr. Haddrill's employment is terminated by the Company other than for cause or by Mr. Haddrill for "Good Cause," Mr. Haddrill will receive severance pay in an amount equal to his base salary for one year from the date of termination or until the expiration of the term of the Haddrill Agreement, whichever occurs first. Further, Mr. Haddrill shall be entitled to retain the rights granted under the RSUs provided that the vesting of the RSUs shall be pro rated through the twelve-month period following the month in which the termination occurs, and the sales restrictions on the stock options granted pursuant to the Haddrill Agreement, as amended, shall lapse as to a pro rata portion of such options through the date of termination. Upon a "Change in Control," Mr. Haddrill will receive a payment of $980,000 and will be entitled to retain all of the RSUs and stock options granted pursuant to the Haddrill Agreement, all of which will vest immediately upon the Change in Control, and the sale restrictions on the stock options will immediately lapse. To the extent any excise taxes are imposed under Section 4999 of the Code, Mr. Haddrill will be entitled to additional payments to offset the additional excise taxes and additional income taxes or interest penalties associated with the additional payments.

Post-employment Payments Richard Haddrill

Executive Payments and Benefits upon Termination/CIC	Involuntary Termination for Cause	Involuntary Termination Without Cause	CIC without Termination	CIC with Termination for Good Reason or Without Cause	Death	Disability
Severance	$ 0	$ 998,000	$ 998,000	$ 998,000	$ 998,000	$ 998,000
Long-term Incentive(1)						
Acceleration of Unvested Stock Options	0	2,178,338	4,448,338(2)	4,448,338	0	4,448,338(4)
Acceleration of Unvested RS/RSUs	0	5,197,124	5,768,305	5,768,305	0	5,768,305(4)
280G Tax Gross-up	N/A	N/A	0(3)	0(3)	N/A	N/A
Total	**$ 0**	**$ 8,373,462**	**$ 11,214,643**	**$ 11,214,643**	**$ 998,000**	**$ 11,214,643**

(1) Equity awards valued at the closing price of a share of Company stock of $26.42 as of June 30, 2007. Amount represents the intrinsic value of stock options vesting at termination.

(2) Mr. Haddrill's 2004 equity awards were issued prior to the Plan Amendment which eliminated accelerated vesting upon a CIC. Therefore, the Plan Amendment does not apply this equity award.

(3) Under the Haddrill Agreement, if payments are subject to excise taxes imposed under Section 4999 of the Code the Company will pay Mr. Haddrill an additional "gross-up" amount so that his after-tax benefits are the same as though no excise tax had applied. As of June 30, 2007, no gross-up payment is required.

(4) If Permanently Disabled, Mr. Haddrill would receive severance payments and accelerated vesting on previously issued equity awards. If Mr. Haddrill is unable to discharge his duties for six or more consecutive months or for non-continuous periods aggregating to twenty-two weeks in any twelve month period as a result of illness or incapacity, Mr. Haddrill would be entitled only to severance.

For purposes of the Haddrill Agreement:

"Change of Control" means (i) the acquisition, directly or indirectly, by any unaffiliated person, entity or group of beneficial ownership of more than 50% of the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; (ii) consummation of (1) a reorganization, merger or consolidation of the Company, or (2) a liquidation or dissolution of the Company or (3) a sale of all or substantially all of the assets of the Company (whether such assets are held directly or indirectly) to any unaffiliated person, entity or group; or (iii) the individuals who as of the date of the Haddrill Agreement are members of the Board of Directors (together with any directors elected or nominated by a majority of such individuals) cease for any reason to constitute at least a majority of the members of the Board of Directors; except that any event or transaction which would be a "Change of Control" under (i) or (ii) (1) of this definition, shall not be a Change of Control if persons who were the equity holders of the Company immediately prior to such event or transaction (other than the acquiror in the case of a reorganization, merger or consolidation), immediately thereafter, beneficially own more than 50% of the combined voting power of the Company's or the reorganized, merged or consolidated company's then outstanding voting securities entitled to vote generally in the election of directors.

"Good Cause" means the occurrence of any one or more of the following events without the consent of Mr. Haddrill: (i) the assignment to Mr. Haddrill of any duties materially inconsistent with his duties and position as set forth in the Haddrill Agreement (including, without limitation, status, titles and reporting requirements), or any other action by the Company that results in a material diminution in such duties or position, excluding for this purpose isolated and inadvertent action not taken in bad faith and remedied by the Company promptly after receipt of notice thereof given by Mr. Haddrill; (ii) a reduction by the Company in Mr. Haddrill's base salary or participation in any other compensation plan, program, arrangement or benefit below that Mr. Haddrill is entitled to under the Haddrill Agreement; (iii) the Company's requiring Mr. Haddrill to be based anywhere other than the Las Vegas, Nevada area, except for reasonably required travel on business of the Company; or (iv) any material breach by the Company of any provision of the Haddrill Agreement and such breach continues for a period of thirty (30) days after the Company's receipt of written notice from Mr. Haddrill providing a reasonable description of the material breach claimed by Mr. Haddrill.

Caller Employment Agreement. If Mr. Caller's employment is terminated without "Cause" or if Mr. Caller terminates his employment as a result of a "Diminution of Duties" occurring within one year following a "Change in Control," he shall continue to receive his salary for one year immediately following such termination, unless such termination occurs on or after September 30, 2008, in which case he will only receive such payments until September 30, 2009. In the event Mr. Caller terminates his employment as a result of a Diminution of Duties occurring within one year following a Change in Control, each unvested installment of options granted pursuant to the Caller Agreement will be deemed to have vested on the date of such termination and shall be exercisable for one year from such date. If Mr. Caller's employment is terminated without Cause, any installment that would have vested within one year of the date of termination will vest and, along with any other previously vested options, shall be exercisable for one year thereafter. If Mr. Caller's employment is terminated with Cause or if he quits for any reason, he will have ninety days to exercise any options that have vested as of the date of such termination.

Post-employment Payments Robert Caller

Executive Payments and Benefits upon Termination/CIC	Involuntary Termination for Cause	Involuntary Termination Without Cause	CIC without Termination	CIC with Termination for Good Reason or Without Cause	Death	Disability
Severance	$ 0	$ 340,000	$ 0	$ 340,000	$ 0	$ 0
Long-term Incentive(1)						
Acceleration of Unvested Stock Options	0	471,500(2)	0	943,000	0	943,000
Acceleration of Unvested RS/RSUs	0	0	0	0	0	0
280G Tax Gross-up	N/A	N/A	N/A	N/A	N/A	N/A
Total	**$ 0**	**$ 811,500**	**$ 0**	**$ 1,283,000**	**$ 0**	**$ 943,000**

(1) Equity awards valued at the closing price of a share of Company stock of $26.42 as of June 30, 2007. Amount represents the intrinsic value of stock options vesting at termination.

(2) Pursuant to the Caller Agreement, upon termination without Cause, options that would have vested within one year of termination will vest.

For purposes of the Caller Agreement:

"Cause" means the occurrence of any of the following events as determined by the Company, upon reasonable investigation, in its judgment and discretion, (i) a substantial act or omission which is dishonest or fraudulent against the Company; (ii) a conviction of a felony or conviction of a gross misdemeanor involving moral turpitude or criminal conduct against any person or property, including without limitation, the Company; (iii) a substantial act or omission that constitutes willful misconduct in the performance of Mr. Caller's job responsibilities or material failure to adhere to the Company's legal policies; (iv) any improper or illegal act, omission or pattern of conduct in the performance of Mr. Caller's job responsibilities, which is not remedied by Mr. Caller within thirty days of Mr. Caller's receipt of written notice from the Company; (v) a breach of the Company's then-current corporation employment policies, procedures and rules; (vi) any material breach of the Caller Agreement by Mr. Caller; or (vii) failure to comply with any provision of the gaming laws of the State of Nevada or the rules and regulations of the Nevada Gaming Control Board or the Nevada Gaming Commission or any gaming law, ordinance, rule or regulation of any city or county having jurisdiction, or the gaming laws, regulations and rules of any other nation, state, county or other jurisdiction in which the Company may be doing business at any time which will materially and negatively affect the registration and licensing of the Company.

"Change of Control" means the occurrence of any of the following events: (i) the consummation of a tender for or purchase of more than fifty percent (50%) of the Company's capital stock by a third party, excluding the initial public offering by the Company of any class of its capital stock; (ii) a merger, consolidation or recapitalization of the Company such that the stockholders of the Company immediately prior to the consummation of such transaction possess less than fifty percent of the voting securities of the surviving entity immediately after the transaction; or (iii) the sale, lease or other disposition of all or substantially all of the assets of the Company.

A "Diminution of Duties" means any change in Mr. Caller's title, job duties and responsibilities that alters or modifies his employment duties and responsibilities with the Company, including any salary reduction, in any manner that results in a material diminution or reduction of his work duties and responsibilities that occurs following a Change of Control of the Company.

Isaacs Employment Agreement. If Mr. Isaacs' employment is terminated without "Cause" or if Mr. Isaacs terminates his employment as a result of and within one year of a reduction in salary, he shall continue to receive his salary for one year immediately following such termination. Mr. Isaacs shall also be entitled to one year of salary upon cessation of his employment if (i) Mr. Isaacs' salary is less than $490,000 at the second anniversary of the effective date of the Isaacs Agreement, (ii) Mr. Isaacs terminates his employment within 30 days of such second anniversary and (iii) the Company elects to make such payments as consideration for Mr. Isaacs agreement not to compete for a period of one year from the date of termination. Any such payments subsequent to termination shall be subject to offset in respect of any income Mr. Isaacs earns from any other employment during such one year period.

Post-employment Payments Michael G. Isaacs

Executive Payments and Benefits upon Termination/CIC	Involuntary Termination for Cause	Involuntary Termination Without Cause	CIC without Termination	CIC with Termination for Good Reason or Without Cause	Death	Disability
Severance	$ 0	$ 340,000	$ 0	$ 340,000	$ 0	$ 0
Annual Allowance	0	150,000(1)	0	150,000(1)	0	0
Long-term Incentive(2)						
Acceleration of Unvested Stock Options	0	0	1,603,500(3)	1,603,500	0	1,603,500
Acceleration of Unvested RS	0	0	1,321,000	1,321,000	0	1,321,000
280G Tax Gross-up	N/A	N/A	N/A	N/A	N/A	N/A
Total	**$ 0**	**$ 490,000**	**$ 2,924,500**	**$ 3,414,500**	**$ 0**	**$ 2,924,500**

(1) Pursuant to the Isaacs Agreement, Mr. Isaacs' is entitled to $150,000 allowance to assist in transition from expatriate to permanent US-based employee. This amount would have been paid quarterly during fiscal 2008.

(2) Equity awards valued at the closing price of a share of Company stock of $26.42 as of June 30, 2007. Amount represents the intrinsic value of stock options vesting at termination.

(3) Mr. Isaacs' equity awards were issued prior to the Plan Amendment which eliminated accelerated vesting upon a CIC. Therefore, the Plan Amendment does not apply to his equity awards.

For purposes of the Isaacs Agreement, "Cause" means any of the following: (i) an act or omission which is dishonest or fraudulent involving work related conduct or the commission by Mr. Isaacs of any act or the suffering by him of any occurrence or state of facts, which renders him incapable of performing his duties under the Isaacs Agreement, or which adversely affects or could reasonably be expected to adversely affect the Company's business reputation; (ii) a formal charge or conviction of a felony, a gross misdemeanor involving moral turpitude or criminal conduct against any person or property, including without limitation, the Company; (iii) Mr. Isaacs failure to diligently or effectively perform and comply with his duties under any provision of the Isaacs Agreement or any duty as directed from time to time by the Company, including the Company's then current policies, procedures and rules; (iv) any breach by Mr. Isaacs of any of the terms of, or the failure to perform any covenant contained in, the Isaacs Agreement; (v) Mr. Isaacs disclosure, improper use or of or failure to protect the Company's confidential, proprietary or trade secret information; (vi) Mr. Isaacs death or upon some other condition which renders him unable to perform the essential functions of his job, with or without accommodation; (vii) failure to comply with any provision of the gaming laws of the State of Nevada or the rules and regulations of the Nevada Gaming Control Board or the Nevada Gaming Commission or any gaming law, ordinance, rule or regulation of any city or county having jurisdiction, or the gaming laws, regulations and rules of any other nation, state, county or other jurisdiction in which the Company may be doing business at any time which will materially and negatively affect the registration and licensing of the Company, including failure to maintain or have suspended, revoked or denied any applicable license, permit or card required by the state or a political subdivision thereof; or (viii) Mr. Isaacs' commission of any action or the existence of any state of facts which would constitute "cause" under Nevada law.

Luciano Employment Agreement. If Mr. Luciano is terminated without "Cause" he will receive severance benefits in an amount determined by annualizing the amount Mr. Luciano would have received in respect of the number of full months served in the fiscal year in which he is terminated. The Luciano Amendment also provides that if Mr. Luciano is terminated without cause, any stock options that had vested at the time of termination shall remain outstanding and exercisable until the first anniversary of the date of termination, but in no event beyond the original term of such options.

Post-employment Payments Robert Luciano

Executive Payments and Benefits upon Termination/CIC	Involuntary Termination for Cause	Involuntary Termination Without Cause	CIC without Termination	CIC with Termination for Good Reason or Without Cause	Death