

Red Hawk Casino beginning to turn a profit

By Dale Kasler, Sacramento Bee

Red Hawk Casino is making progress.

The troubled Shingle Springs casino generated higher revenue and profit during the third quarter, its management company announced this week.

In a conference call with investors Wednesday, executives with Lakes Entertainment Inc. of Minneapolis said customers were responding to marketing changes at Red Hawk, including better deals at the restaurants. The conference call mainly focused on Lakes' third quarter financial results.

Tim Cope, Lakes' chief financial officer, said Red Hawk has bounced back from a slump encountered in July 2010, when rival Thunder Valley Casino in Lincoln opened a luxury hotel.

"Red Hawk has recovered from that well," Cope said on the conference call. "They've recaptured many of the customers." Profits and revenue are higher, although the company didn't release specific numbers.

The casino has struggled since opening in late 2008. Its owners, the Shingle Springs Band of Miwok Indians, halted payments earlier this year on a \$66 million loan to Lakes.