

CENTURY CASINOS INC /CO/
Form DEF 14A
April 28, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
 [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 [X] Definitive Proxy Statement
 [] Definitive Additional Materials
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CENTURY CASINOS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
 [] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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3) the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

2) Form, Schedule or Registration No.:

3) Filing Party:

4) Date Filed:

**CENTURY CASINOS, INC.
1263 A Lake Plaza Drive
Colorado Springs, CO 80906**

NOTICE OF ANNUAL MEETING OF SECURITY HOLDERS

Notice is hereby given that the Annual Meeting of Security Holders of Century Casinos, Inc. (the "Company"), a Delaware corporation, will be convened at 121 Main Street, Third Floor, Central City, Colorado on Tuesday, June 20, 2006, at 10:00 a.m. Mountain Time (18:00hrs Central European Time, 12:00 p.m. Eastern Time), for the following purposes:

1. To elect two Class III directors to the Board of Directors; and
2. To transact such other business as may properly come before the meeting in accordance with the Company's bylaws or any adjournment thereof.

Security holders are cordially invited to attend the meeting in person or by calling +1 877 903 2255 (U.S. TOLL FREE) or +1 303 928 2617 (INTERNATIONAL). When prompted, enter Conference ID: 7935899 followed by the "#" sign.

Subject to space availability, all security holders as of the record date, or their duly appointed proxies, may attend the meeting. Admission to the meeting will be on a first-come, first-served basis. If you attend, please note that you may be asked to present valid picture identification, such as a driver's license. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

Please also note that if you hold your shares in "street name" (that is, through a broker or other nominee) you will need to bring a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting.

Security holders who cannot attend in person should vote by using the enclosed proxy. Please fill in, date, sign and return the enclosed proxy in the enclosed envelope so that your shares may be voted at the meeting. If you attend the meeting, you may revoke your proxy and vote in person. Your vote is important.

By order of the Board of Directors
Erwin Haitzmann
Chairman of the Board

Colorado Springs, CO
April 28, 2006

CENTURY CASINOS, INC.
1263 A Lake Plaza Drive
Colorado Springs, CO 80906

PROXY STATEMENT

Annual Meeting of Security Holders
To Be Held on June 20, 2006

IN GENERAL

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Century Casinos, Inc. to be used at the Annual Meeting of Security Holders to be held on June 20, 2006 at 121 Main Street, Third Floor, Central City, Colorado, United States at 10:00 a.m. Mountain Time (18:00 Central European Time and 12:00 p.m. Eastern Time), for the purposes set forth in the accompanying Notice of Annual Meeting of Security Holders. The enclosed material was mailed on or about May 5, 2006 to security holders of the Company as of April 27, 2006.

All properly executed proxies received at or prior to the Annual Meeting will be voted at the Annual Meeting. If a security holder directs how a proxy is to be voted with respect to the business coming before the Annual Meeting, the proxy will be voted in accordance with the security holder's directions. If a security holder does not direct how a proxy is to be voted, it will be voted in favor of the election of the nominees to the Board of Directors named in this proxy statement. A proxy may be revoked at any time before it is exercised by giving written notice to the Secretary of the Company at the above address or by a subsequently executed proxy. Security holders may vote their shares in person if they attend the Annual Meeting, even if they have executed and returned a proxy. If no instructions are indicated on the proxy, the shares will be voted in favor of the proposals presented in this proxy statement, and in the proxy holder's discretion for any other matters presented in accordance with the Company's bylaws to be considered at the Annual Meeting.

The matters to be brought before the Annual Meeting are the election of two Class III directors of the Board of Directors and the transaction of such other business that has been brought forward in accordance with the Company's bylaws.

Expenses in connection with the solicitation of proxies in regard to the proposals brought forward by the Company and included in this proxy statement will be paid by the Company.

Proxies are being solicited by mail, and, in addition, directors, officers and regular employees of the Company (who will not receive any additional compensation) may solicit proxies personally, by telephone, by email, or by special correspondence. The Company will reimburse brokerage firms and others for their expenses in forwarding proxy materials to the beneficial owners of the Company's common stock, including beneficial owners who hold the Company's Austrian Depositary Certificates, or ADCs.

VOTING SECURITIES

Only security holders of record at the close of business on April 27, 2006, will be entitled to vote at the Annual Meeting. On that date, there were issued and outstanding 22,380,567 shares of the Company's \$.01 par value common stock, the only class of voting securities of the Company. This number includes 4,745,925 shares of common stock represented by ADCs. Each share of common stock is entitled to one vote per share. Cumulative voting in the election of directors is not permitted.

A majority of the number of the outstanding shares of common stock, represented either in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Of the votes cast at the Annual Meeting, a vote of the holders of a majority of the common stock present, either in person or by proxy, and entitled to vote, is required to elect each director nominee. In accordance with Delaware law, a security holder entitled to vote for the election of directors can withhold authority to vote for nominees for director.

Abstentions are counted for purposes of determining a quorum to conduct business, but are ignored in vote tabulation, thereby increasing the number of votes necessary to approve any proposal. The inspectors of election will treat any shares held by brokers or nominees for which the broker or nominee has no discretionary power to vote on a particular matter and for which they have received no instructions from the beneficial owners or persons entitled to vote (“broker non-votes”) as shares that are present for purposes of determining the presence of a quorum. However, for purposes of determining the outcome of any matters as to which the broker has indicated on the proxy that it does not have discretionary authority to vote, those shares will be treated as not entitled to vote with respect to that matter (even though those shares may be entitled to vote on other matters).

All shares of common stock, including shares underlying the ADCs, will vote as a single class. Neither the Company’s Certificate of Incorporation nor its Bylaws provide for cumulative voting rights.

SECURITY HOLDER PROPOSALS

If you are a security holder who wishes to present a proposal for inclusion in the proxy statement and form of proxy for consideration at our 2007 Annual Meeting of Security Holders, you must submit your proposals to the attention of our Secretary at our principal executive office so that the proposal is received by us no later than December 29, 2006. In order for a security holder proposal to be properly considered at the 2007 Annual Meeting, our Secretary must have received notice of the proposal no sooner than December 22, 2006 and no later than February 20, 2007. Proposals received by us after February 20, 2007 will be deemed untimely and will not be considered at the 2007 Annual Meeting.

PROPOSAL 1

ELECTION OF DIRECTORS

The Board is divided into three classes of directors as nearly equal in number as possible. Each director who is elected at an Annual Meeting will be elected for a three-year term expiring at the third Annual Meeting of Security Holders after such director's election. Accordingly, directors of one Class only are elected at each year's Annual Meeting of Security Holders. If elected, all nominees are expected to serve until the expiration of their respective terms and until their successors are duly elected and qualified. Presently, the Board consists of five directors comprising the following: (i) two Class I directors, Mr. Eichberg and Dr. Corbaci, whose terms will expire at the 2007 Annual Meeting; (ii) one Class II director, Mr. Hoetzing, whose term will expire at the 2008 Annual Meeting; and (iii) two Class III directors, Dr. Haitzmann and Mr. Schellmann, who are standing for re-election at the 2006 Annual Meeting.

At the 2006 Annual Meeting, two Class III directors will be elected. The proxies named on the enclosed proxy intend to vote for the election of the nominees for Class III directors, Erwin Haitzmann and Gottfried Schellmann. Proxies cannot be voted for a greater number of directors than the number nominated.

Erwin Haitzmann, a nominee for Class III director, is presently a member of the Board of Directors, having served continuously as a director since March 1994. Dr. Haitzmann is also presently serving as Chairman of the Board and Co Chief Executive Officer of the Company. He has indicated a willingness to serve; however, in the event he should become unable to serve as a director, the proxy will be voted in accordance with the best judgment of the persons acting under the proxy.

Gottfried Schellmann, a nominee for Class III director, is presently a member of the Board of Directors, having served continuously as a director since January 1997. He has indicated a willingness to serve; however, in the event he should become unable to serve as a director, the proxy will be voted in accordance with the best judgment of the persons acting under the proxy.

The information concerning Dr. Haitzmann and Mr. Schellmann, the nominees for the Class III directors, is set forth below under "Information Concerning Directors and Executive Officers."

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ABOVE NOMINEES.

INFORMATION CONCERNING DIRECTORS AND EXECUTIVE OFFICERS

Information regarding the Board of Directors and executive officers of the Company as of April 27, 2006 is as follows:

| | Name | Age | Position Held | Officer or Director Since | |
|--|----------------------|------------|--|----------------------------------|--|
| | Erwin Haitzmann | 52 | Chairman of the Board & Co Chief Executive Officer | March 1994 | |
| | Peter Hoetzing | 43 | Vice Chairman of the Board, Co Chief Executive Officer & President | March 1994 | |
| | Robert S. Eichberg | 60 | Director | January 1997 | |
| | Gottfried Schellmann | 52 | Director | January 1997 | |
| | Dinah Corbaci | 51 | Director | April 2000 | |
| | Larry Hannappel | 53 | Senior Vice President, Secretary & Treasurer | October 1999 | |
| | Christian Gernert | 40 | Chief Operating Officer | March 2006 | |
| | Rich Rabin | 59 | Chief Operating Officer for North America | August 2004 | |
| | Ray Sienko | 48 | Chief Accounting Officer | March 2005 | |

Erwin Haitzmann holds a Doctorate and a Masters degree in Social and Economic Sciences from the University of Linz, Austria (1980), and has over 30 years of casino gaming experience ranging from dealer through various casino management positions. Dr. Haitzmann has been employed full-time by the Company since May 1993.

Peter Hoetzing received a Masters degree from the University of Linz, Austria, in 1986. He thereafter was employed in several managerial positions in the gaming industry with Austrian casino companies. Mr. Hoetzing has been employed full-time by the Company since May 1993.

Robert S. Eichberg graduated from Bradley University in 1968 with a B.S. Degree in Accounting and is a Certified Public Accountant. He was employed by the public accounting firm of Deloitte & Touche, LLP from 1974 to 1994, ending his tenure there as Tax Partner. From 1994 to 1996, he served as Tax Partner for the public accounting firm Price Bednar LLP, before joining the public accounting firm of Causey, Demgen & Moore, Inc. in September 1996, where he has been employed since, as shareholder and President.

Gottfried Schellmann graduated from University of Vienna with a law degree and is a certified tax advisor in Austria. After having worked for several firms, including KPMG Germany as tax and accounting manager, he formed Schellmann & Partner in 1993, where he has been employed since, which specializes in tax and accounting work for provinces and municipalities in Austria. He is a member of the International Bar Association. He is also one of the main co-authors, together with certain officers of the Austrian Ministry of Finance, of the Austrian corporate tax code.

Dinah Corbaci holds a Doctorate degree in Law from the University of Salzburg, Austria (1981). One year practice on the Austrian Court in Salzburg was followed by working for the Austrian Association of Realtors in Vienna. In 1984 she joined IBM Austria, where she is responsible as Account Manager for large government customers, with special focus on e-business for large IBM mainframe hardware and e-government solutions. During the last six years of her 22 years of employment at IBM, she has served as eServer Manager where she is responsible for all Austrian governmental customers concerning their strategic hardware development compliance for governmental and legal requirements.

Larry Hannappel graduated from National College, Rapid City, South Dakota (1976) with a B.S. Degree in Accounting. From 1976 to 1979, he was employed by the public accounting firm of Hamma & Nelson. From 1979 to 1994, he served in various financial management capacities in manufacturing and gaming. Mr. Hannappel has been employed full-time by the Company since May 1994. He became Chief Accounting Officer in October 1999, was appointed as Secretary of the Company in March 2000, as Treasurer in June 2001 and as Senior Vice President in March 2005.

Christian Gernert holds a Doctorate and Masters degree in Law from the University of Vienna, Austria, and has more than 20 years of experience in the Austrian and international gaming industries. He started his career with the Austrian Gaming Authority and joined Casinos Austria AG in 1990. From 1997 to 2004, he was an independent business consultant, concentrating on the business development of various publicly traded companies and a charitable gaming organization utilizing sports betting as a funding source. In 2004, Mr. Gernert joined the Company as Managing Director of The Caledon Hotel, Spa & Casino in South Africa. In March 2006, he was appointed Chief Operating Officer for the Company.

Rich Rabin earned undergraduate degrees from Roosevelt University, Chicago, Illinois in Accounting and Finance. He earned his MBA from the University of Wisconsin specializing in Finance. From 1973 until 1999, he was employed in various positions within the hospitality industry. Additionally, he was employed from 1995 to 1999 as the Senior Vice President of Operations, President, and Chief Operating Officer for the Colorado Gaming and Entertainment Company. In 2000, he was employed as a Vice President, Casino Operations for the International Thunderbird Gaming Corp. From 2000 to 2001, he was a consultant for Peak Management, from 2001 to 2002, he was employed as the Senior Vice President, Casino Operations for PDS Gaming, and from 2002 to 2004, he was employed as the Director for The Innovation Group in Las Vegas. In his capacity as Director, Mr. Rabin was responsible for the design and implementation of process improvement programs for clients with special emphasis on casino gaming, hotel and food and beverage operations. He has been employed by the Company since August 2004 as the Chief Operating Officer for North America.

Ray Sienko graduated from St. Joseph's University in Philadelphia, Pennsylvania (1979) with a B.S. Degree in Accounting, and passed the CPA exam in November 1979. From 1979 to 1981, he was employed by the public accounting firm of Samuel M. Fischer & Co., CPAs. From 1981 to 1985, he was employed by Amerigas, Inc. From 1985 to 2000, he was employed as the Controller for Bayard Sales Corp. Mr. Sienko has been employed by the Company since June 2000 as Controller. He was appointed Chief Accounting Officer in March 2005.

There are no family relationships between or among the Company's executive officers and directors.

The Company has adopted a Code of Ethics that applies to all directors, officers and employees, including the Co Chief Executive Officers, the Senior Vice President and the Chief Accounting Officer. A complete text of the Code of Ethics is available as Exhibit 14 filed with the Company's Form 10-K for the year ended December 31, 2003.

CERTAIN INFORMATION REGARDING THE BOARD OF DIRECTORS

The Board of Directors held four meetings during 2005 and on several occasions executed unanimous written consents in lieu of meetings, in accordance with Delaware law. Each director attended at least 75% of the meetings of the Board of Directors, and of each committee on which he or she sits.

The Company's policy regarding attendance by members of the Board of Directors at the Company's annual meeting of security holders is to encourage directors to attend, either in person or by teleconference, subject to their availability during that time. In 2005, three members of the board attended the annual meeting.

The Company has an Audit Committee of the Board of Directors, which is comprised of Robert S. Eichberg (Chairman), Gottfried Schellmann and Dinah Corbaci and which is governed by an Amended and Restated Charter and Powers of the Audit Committee (attached to this proxy statement as Exhibit A). The Audit Committee selects and appoints the Company's independent auditors, reviews the performance of the independent auditors, and approves independent auditor's fees. The Audit Committee also reviews the independence of such accountants, the Company's annual and quarterly financial statements and the Company's system of internal controls. During 2005, the Audit Committee held four meetings.

The Board of Directors and the Audit Committee believe that the Audit Committee's current composition satisfies the applicable rules and pronouncements of the National Association of Securities Dealers, Inc. and the Securities and Exchange Commission that govern audit committee selection, experience, and composition, including the requirement that audit committee members all be "independent directors" as that term is defined by such rules. The Board of Directors has also determined that Robert S. Eichberg is an "audit committee financial expert" as defined in applicable rules of the Securities and Exchange Commission.

The Compensation Committee of the Board of Directors is comprised of Dinah Corbaci and Gottfried Schellmann. The Compensation Committee sets the compensation to be paid to each of the Company's executive officers on an annual basis, and periodically sets compensation for the Company's non-employee directors. During 2005, the Compensation Committee held two meetings.

The Incentive Plan Committee of the Board of Directors is comprised of Gottfried Schellmann and Dinah Corbaci. The Incentive Plan Committee authorizes and approves the issuance of options in accordance with the 2005 Equity Incentive Plan, reviews and makes changes to the Company's employee benefit plans, including the amount of the Company's contributions, if any, and otherwise advises on equity compensation matters within the Committee's expertise. During 2005, the Incentive Plan Committee did not meet.

The Company has no standing nominating committee. All of the directors participate in the consideration of director nominees, but the Company's nominations must be approved by a majority of the independent directors in order to be presented to the security holders. The board does not have an express policy with regard to the consideration of any director candidates recommended by security holders, because Delaware law permits any security holder to nominate director candidates, and the board believes it can adequately evaluate any such nominees on a case by case basis. The board will consider director candidates proposed in accordance with the procedures set forth under "Security Holder Communications" below, and will evaluate security holder-recommended candidates under the same criteria as internally generated candidates.

The general criteria the Board uses to select nominees are:

- Such individual's reputation for integrity, honesty and adherence to high ethical standards;
 - Demonstrated business acumen;
- Experience and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Company;
 - Willingness and ability to contribute positively to the decision making process of the Company;
- Commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees;
- Interest and ability to understand the sometimes conflicting interests of the various constituencies of the Company, which include security holders, employees, customers, governmental units, creditors, and the general public;
 - Ability to act in the interest of all stakeholders;
- Shall not have, or appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all Company's security holders and to fulfill the responsibilities of a director;
 - Understanding the complexity of diverse international business structures.

It is the Board of Directors' view, considering the size of the Company and the composition of the Board of Directors, which is comprised of five directors, three of whom are independent, that the Board of Directors can select nominees to the Board meeting these criteria without a separate nominating committee.

SECURITY HOLDER COMMUNICATIONS

Security holders or other interested parties may communicate with the Company's Board of Directors, any individual director, or members of any board committee. Security holders should send any communications to investor@cnty.com, and identify the intended recipient or recipients. All communications addressed to the Board of Directors or any identified director or directors will be forwarded to the identified person or persons.

In order to nominate candidates for election to the Company's Board, nominations must be timely received from a security holder of record at the Company's principal executive office as described above under "Security Holder Proposals", and must set forth the name, age, business address and residence address of each nominee, the nominees' principal occupations or employment, the number of shares of the Company's common stock owned by each nominee, and information required to be disclosed regarding each nominee by applicable laws. The nomination must also state the name and address of the security holder making such nominations, and the number of shares of the Company's stock owned by such person.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of April 27, 2006, concerning common stock ownership by beneficial owners of five percent or more of the Company's common stock and the executive officers and directors of the Company. All of the named persons below, other than Thomas Graf, Janus Capital Management LLC, Cortina Asset Management, LLC and William Blair & Company, L.L.C., are officers or directors of the Company. The Company has no knowledge of any arrangement that would at a subsequent date result in a change in control of the Company.

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| TITLE OF CLASS | NAME AND ADDRESS OF BENEFICIAL OWNER | AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP | PERCENT OF CLASS |
|-------------------------------|---|---|------------------|
| Common Stock, \$.01 par value | Erwin Haitzmann c/o Century Casinos, Inc. 1263 A Lake Plaza Dr. Colorado Springs, CO 80906 | 1,488,432 (a) | 6.5% |
| Common Stock, \$.01 par value | Peter Hoetzinger c/o Century Casinos, Inc. 1263 A Lake Plaza Dr. Colorado Springs, CO 80906 | 981,432 (b) | 4.3% |
| Common Stock, \$.01 par value | Robert S. Eichberg 1801 California St. Ste. 4650 Denver, CO 80202 | 61,000 (c) | * |
| Common Stock, \$.01 par value | Gottfried Schellmann Riemerschmidg 30 2340 Maria Enzersdorf, Austria/Europe | 81,200 (c) | * |
| Common Stock, \$.01 par value | Dinah Corbaci Blechturmngasse 28/31 1040 Vienna Austria/ Europe | 31,000 (d) | * |
| Common Stock, \$.01 par value | Larry Hannappel c/o Century Casinos, Inc. 1263 A Lake Plaza Dr. Colorado Springs, CO 80906 | 50,750 (e) | * |
| Common Stock, \$.01 par value | Ray Sienko c/o Century Casinos, Inc. 1263 A Lake Plaza Drive Colorado Springs, CO 80906 | 11,500 (f) | * |
| Common Stock, \$.01 par value | Christian Gernert c/o Century Casinos, Inc. 1263 A Lake Plaza Drive Colorado Springs, CO 80906 | 7,500 (g) | * |
| Common Stock, \$.01 par value | All Executive Officers and Directors as a Group (eight persons) | 2,712,814 | 11.6% |
| Common Stock, \$.01 par value | Thomas Graf Liechtensteinstrasse 54 A-2344 Maria Enzersdorf Austria/Europe | 2,144,300 (h) | 9.6% |
| Common Stock, \$.01 par value | Janus Capital Management LLC 100 Fillmore Street, 2nd Floor Denver, CO 80206 | 1,663,235 (i) | 7.4% |
| Common Stock, \$.01 par value | Cortina Asset Management, LLC 330 East Kilborn Avenue Suite 850 | | |

Milwaukee, WI 53202