

STATION CASINOS INC  
Form PREN14A  
March 07, 2005

PROXY STATEMENT  
INDEPENDENT SHAREHOLDER SOLICITATION  
for Annual Shareholders Meeting

STATION CASINOS, INC.  
May 18, 2005  
[LOCATION]  
[TIME]

First released to Shareholders \_\_\_\_\_, 2005

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To Fellow Station Casinos, Inc. Shareholders:

We are writing to urge you to support our shareholder proposals recommending reforms to enhance shareholder rights at Station Casinos, Inc. (the Company).

Station Casinos has been one of the leading performers in the gaming industry. However, we are concerned about the Company's poor corporate governance practices and restrictions on shareholder rights. We believe the Company's arsenal of anti-takeover devices--a classified board, a stockholder rights plan (or "poison pill"), blank check preferred stock, supermajority voting requirements, and restrictions on shareholders' ability to call special meetings or act by written consent--serve to potentially entrench management and our Board of Directors from shareholders.

It is our opinion that enhancing shareholder rights at Station Casinos, rather than maintaining the Company's current entrenchment devices, is the best guarantee to ensure the continuing success of the Company.

Removing the Company's draconian anti-takeover devices is especially important given the unprecedented merger-and-acquisition activity in the gaming industry. In 2004, over \$22 billion in gaming deals were announced, and Boyd Gaming completed its \$1.4 billion acquisition of Coast Resorts, a major Station Casinos' competitor.

We believe the trend of consolidation among gaming operators is likely to continue, a view backed by top gaming industry analysts:

"We believe that the industry could continue to experience consolidation, particularly among the small-cap operators, as the gap between them and the large caps continues to widen." (Lehman Brothers Global Equity Research, "Opportunity Knocks", Aug. 24, 2004)