

The Sands Regent (NASDAQ: SNDS) Acquired by Herbst Gaming January 2007

About The Sands Regent

The Sands Regent (“The Sands” or the “Company”), through its subsidiaries, operates casinos and tourist-based facilities in the U.S. The Company owns and operates the Rail City Casino in Sparks, Nevada; the Sands Regency Casino Hotel (Sands Regency) in downtown Reno, Nevada; the Gold Ranch Casino and RV Resort in Verdi, Nevada; and the Depot Casino and Red Hawk Sports Bar in Dayton, Nevada.

Transaction Background

In January 2006, The Sands received an unsolicited proposal of \$13 to \$13.50 per share by Herbst Gaming, a Las Vegas-based company that operates casino hotels and slot routes primarily in Southern Nevada. The Special Committee of The Sands Board selected Mercanti Securities as its exclusive financial advisor based on our bankers’ experience in successfully managing public to private gaming transactions.

Transaction Process

Mercanti assisted in negotiating an increase in Herbst’s initial offer to a final offer of \$15 per share for The Sands through several rounds of discussion. Shareholders approved the transaction in September 2006 and the Nevada Gaming Commission approved the transaction in late December 2006.

Successful Transaction Outcome

The transaction delivered excellent value to shareholders of The Sands and created increased opportunities for growth and development for employees who benefited from being part of a larger and more diverse gaming company.



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