

AC Coin strikes out on its own

East Coast's only slot manufacturer will sell them, too

PLEASANTVILLE - AC Coin & Slot will now be competing with the giants of the reel world.

The family-owned slot manufacturer has restructured its long-time partnership with slots giant International Gaming Technology, finally getting the freedom to sell its own slot machines to casinos all over the globe.

"The biggest question we have gotten from our customers over the last 10 years is, 'Why can't we buy your slot machines?'" said Jason Seelig, AC Coin's executive vice president of corporate sales. "Well, now they can."

However, this new-found independence for the Seelig family comes with the challenge of positioning Pleasantville-based AC Coin to compete with the big boys of the slots industry, including IGT.

Mac Seelig, family patriarch and company president, flashed a confident smile and shrugged his shoulders to suggest he wasn't scared. He noted the company is already looking at casino markets in Australia, Macau and South Africa for growth.

"I can't wait to get on an airplane to go to Macau to get that started," he said.

Mac Seelig, 67, founded AC Coin in 1978, the same year casino gambling began in Atlantic City. His twin sons, Jerry and Jeff, 42, and their 38-year-old brother, Jason, all hold key executive positions in the company.

Back in 1983, AC Coin and International Gaming Technology formed a partnership to distribute IGT's slot machines to the Atlantic City casinos. AC Coin had remained IGT's exclusive distributor for Atlantic City and the Caribbean until they recently agreed to restructure their relationship.

"We both made each other a lot of money over the years," Jerry Seelig, AC Coin's executive vice president and general manager, said of the deal.

The partnership helped both companies prosper. Once small, Reno, Nev.-based IGT has become a world leader in the slot machine industry, while AC Coin is the only slots maker on the East Coast.

The explosive growth of gaming in the United States has allowed AC Coin to put its slot machines in more than 250 casinos throughout North America. But those machines are leased by the casinos. The IGT partnership had barred AC Coin from selling its machines outright, hindering its growth.

"It was impossible to sell anywhere," Mac Seelig said. "So now we have the freedom to do it."

IGT has agreed to pay AC Coin

\$20.6 million to buy out their distributorship deal. The restructured agreement also ends the ban on AC Coin selling its own slot machines. AC Coin will also continue to lease its machines.

Despite their long partnership, relations between the two companies have not always been cordial. IGT tried to break the distributorship deal in 1998, but AC Coin won a court ruling keeping it intact. This time, the companies didn't need the courts to intervene to reach an agreement.

"Both sides negotiated for something they wanted. Nobody walked away mad," Mac Seelig said. "There are no bad feelings."

IGT now has the right to sell its slots directly to the Atlantic City casinos, eliminating AC Coin as the middleman. The two companies are, in effect, competitors now. But they aren't expected to become bitter rivals.

"Coop-etition," is how Jerry Seelig described it in a play on the words cooperation and competition.

As in the past, AC Coin will be able to use IGT's base components - essentially the slot reels and computer software - for its own line of machines. Over the years, AC Coin has developed some of the most popular slot machines on the casino floor, including the lottery-themed "Slotto" games and "Bankroll."

The company plans to debut five new games at the Global Gaming Expo industry conference next month in Las Vegas. It will be looking for new customers and possibly new business partners to help it sell its games in Atlantic City and elsewhere.

"We look forward to having our first customer in Atlantic City. We would prominently display their logo in our lobby," said Jeff Seelig, the company's chief financial officer.

As a private company, AC Coin does not release revenue figures. It has about 230 employees. Locally, it is known for its corporate headquarters and manufacturing facilities on Decatur Avenue in Pleasantville. It also has a manufacturing plant in Reno and sales offices across North America.

"We are the only family-owned business in the industry," Mac Seelig said.

The question is whether AC Coin will stay that way. Mac Seelig said he is not looking to sell the company, but he would not rule out taking it public or pursuing other business opportunities in the future if they would lead to growth.