

GLOBAL CASINOS INC
Form PRER14C
June 04, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14C/A-1
(Rule 14c-101)

SCHEDULE 14C INFORMATION
Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934

and

SCHEDULE 14F-1 INFORMATION
Information Statement Pursuant to Section 14f-1
of the Securities Exchange Act of 1934

Check the appropriate box:

Preliminary Information Statement

Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2))

Definitive Information Statement

GLOBAL CASINOS, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No Fee Required.

Fee computed on table below per Exchange Act Rules 14c- 5(g) and 0-11.

1) Title of each class of securities to which transaction applies: Common Stock, par value \$.001 per share

2) Aggregate number of securities to which transaction applies: _____

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): --

4) Proposed maximum aggregate value of transaction: _____

5) Total Fee Paid. _____

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid: none.

2) Form, Schedule or Registration Statement No.: 14C/A-1

3) Filing Party: Global Casinos, Inc.

4) Date Filed: _____, 2013

GLOBAL CASINOS, INC.

1507 Pine Street

Boulder, CO 80302

303-449-2100

Dear Stockholder:

We are furnishing this Information Statement to the holders of the Common Stock of Global Casinos, Inc., a Utah corporation (the "Company"). The purpose of this Information Statement is to inform all of our stockholders that by written consents dated May 14, 2013, the holders of 57.22% of our issued and outstanding shares of Common Stock (our Majority Shareholders) approved the following actions (collectively the Shareholder Actions):

1.

The ratification and approval of the Amended and Restated Split-Off Agreement in the form of Appendix I hereto, together with all ancillary documents and agreements provided for therein or contemplated thereby (collectively the Split-Off Documents) providing for, *inter alia*, the sale of Global Casino, Inc. 's casino gaming operations and assets to Gemini Gaming, LLC, subject to all associated liabilities (the Split-Off);

2.

The ratification and approval of the Stock Purchase Agreement in the form of Appendix II hereto, together with all ancillary documents and agreements provided for therein or contemplated thereby (collectively the Stock Purchase Documents) providing for, *inter alia*, Global Casinos, Inc. 's purchase of 100% of the issued and outstanding equity securities of West Paces Ferry Healthcare REIT, Inc., subject to all liabilities; and,

3.

The adoption of the Amended and Restated Articles of Incorporation providing for, among other things, the change of the name of the Company to: Global Healthcare REIT, Inc. and the adoption of provisions intended to comply with the requirements applicable to entities electing to be treated as a Real Estate Investment Trust (REIT) under the Internal Revenue Code of 1986, as amended (IRC) and regulations promulgated thereunder.

As the Shareholder Actions constitute the sale of substantially all of the Company 's assets and include an amendment to the Company 's Articles of Incorporation, Utah law requires that the Shareholder Actions be approved by a majority of our outstanding voting securities. As permitted by Utah law and our Articles of Incorporation, as amended, the

Company has received a written consent from the Majority Shareholders of the Company approving the Shareholder Actions.

The Shareholder Actions described in this Information Statement will not become effective until at least 20 calendar days following the date of mailing of this Information Statement to our Shareholders.

SHAREHOLDERS ARE NOT BEING ASKED FOR PROXIES TO VOTE THEIR SHARES WITH RESPECT TO THE TRANSACTION AUTHORIZATION. NO PROXY CARD HAS BEEN ENCLOSED WITH THIS INFORMATION STATEMENT AND NO MEETING OF SHAREHOLDERS WILL BE HELD TO CONSIDER THE TRANSACTION.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

This Information Statement is being provided to you pursuant to Rule 14c-2 under the Securities Exchange Act of 1934, as amended. It contains a description of the Shareholder Action, as well as summary information regarding the transactions covered by the Information Statement. We encourage you to read the Information Statement thoroughly. You may also obtain information about us from publicly available documents filed with the Securities and Exchange Commission. We may provide only one copy of the Information Statement to Shareholders who share an address, unless we have received instructions otherwise. If you share an address, your household has received only one copy of this Information Statement and you wish to receive another copy, please contact our corporate secretary at the address or telephone number above. If you have received multiple copies and only wish to receive one copy of our SEC materials, you also may contact us at the address and phone number above.

Very truly yours,

/s/ Clifford L. Neuman

Clifford L. Neuman, President

GLOBAL CASINOS, INC.

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INFORMATION STATEMENT

GLOBAL CASINOS, INC.

1507 Pine Street

Boulder, Colorado 80302

(303) 449-2100

Introduction

This Information Statement is being furnished to the Shareholders of Global Casinos, Inc., a Utah corporation (the Company), in connection with the prior approval by written consent of the Majority Shareholders of the Company of the Shareholder Actions.

The Board of Directors believes that consummation of the Shareholder Actions is in the best interests of the Company and its Shareholders. Accordingly, effective on April 7, 2013, the Board unanimously approved the Shareholder Actions and directed that it be submitted for stockholder approval.

Under Utah law and our Articles of Incorporation, as amended, the affirmative vote of a majority of the votes entitled to be cast by holders of all shares of the Company's Common Stock, par value \$.05 per share (Common Stock), is required to approve the Shareholder Actions. As of May 14, 2013, there were outstanding 7,161,978 shares of Common Stock. As permitted by the Utah Revised Business Corporations Act, on May 14, 2013, the Company received a written consent in lieu of a meeting of Shareholders from holders of 4,098,332 shares of our common stock representing 57.22% of the total voting rights of the holders of Common Stock approving the Shareholder Actions.

SHAREHOLDERS ARE NOT BEING ASKED FOR PROXIES TO VOTE THEIR SHARES WITH RESPECT TO THE TRANSACTION. NO PROXY CARD HAS BEEN ENCLOSED WITH THIS INFORMATION STATEMENT AND NO MEETING OF SHAREHOLDERS WILL BE HELD TO CONSIDER THE TRANSACTION.

The Shareholder Actions will not become effective until at least 20 calendar days following the date of mailing of this Information Statement to our Shareholders.

This Information Statement is furnished for the purposes of informing Shareholders, in the manner required under the Securities Exchange Act of 1934, as amended, of the Shareholder Action before it is consummated. This Information Statement is first being mailed on or about _____, 2013 to holders of record of Common Stock.

Summary Term Sheet

This Information Statement is being furnished to the Shareholders of Global Casinos, Inc., a Utah corporation, in connection with the prior approval by our Board of Directors, and the approval by written consent of a majority of our Shareholders, for the Shareholder Actions. The terms we, our, and the Company in this Information Statement refer to Global Casinos, Inc.

This section contains a summary of the material features of the Transaction Documents and other matters approved by our Majority Shareholders. This summary may not contain all of the information that is important to you to understand the Shareholder Action fully. We strongly encourage you to read carefully the entire Information Statement. We have included the salient agreements as Appendices I, II and III.

Background

Global Casinos, Inc. (the Company) previously announced that effective June 1, 2012 it entered into two material definitive agreements:

A Split-Off Agreement with Gemini Gaming, LLC (Gemini) to sell all of its gaming properties, interests and operations (the Split-Off Agreement). Gemini is controlled by Clifford Neuman, the Company's President and Director, Pete Bloomquist, a Director, and Doug James, the General Manager of the Company's two casinos: Bull Durham Casino and Doc Holliday Casino.

A Stock Purchase Agreement to acquire 100% of the outstanding equity securities of Georgia Healthcare REIT, Inc. (Ga. REIT) from its sole stockholder, Christopher Brogdon. (the Ga. REIT SPA).

Consummation of the Split-Off and Ga. REIT SPA was subject to numerous conditions precedent, including the approval of the Colorado Gaming Commission and the approval of the Split-Off by the shareholders of the Company.

Subsequent to the execution of the Split-Off Agreement and Ga. REIT SPA, Ga. REIT consummated the acquisition of a skilled nursing facility called the Middle Georgia Nursing Home located in Eastman, Georgia (Middle Georgia). Middle Georgia is owned by Dodge NH, LLC (Dodge NH), of which Ga. REIT holds a 65% membership interest.

In July 2012, the Company filed with the Securities Exchange Commission (SEC) its Information Statement on Schedule 14C (the 14C) reflecting that it had obtained shareholder approval of the Split-Off Agreement by the written consent of the holders of a majority of its outstanding voting securities. At the time of filing the 14C, Ga. REIT had only acquired Middle Georgia, but did not include any audited financial statements of the historical operator of Middle Georgia based on its analysis that such acquisition did not constitute a business acquisition within the meaning

of Regulation S-X. In response to the filing of the 14C, the Company was advised by the SEC staff that it took the view that Section 2340 of the Financial Reporting Manual required the inclusion of audited financial statements of any significant lessee ; which in their view included the historical operator of Middle Georgia.

In response to the SEC position, Ga. REIT undertook the audit of the financial statements of the historical operator of Middle Georgia.

However, concurrently with completing the audit of the Middle Georgia operator audit, Ga. REIT consummated a second acquisition of a skilled nursing facility located in Scottsburg, Indiana (Scottsburg). Noting the SEC position regarding the need to include audited financial statements of any significant lessee, Ga. REIT began the task of auditing the financial statements of the historical operator of Scottsburg. Notwithstanding diligent and protracted effort, Ga. REIT has been unable to obtain the information

necessary to complete an audit of the Scottsburg historical operator, and the process of completing the Split-Off and Ga. REIT SPA has been thwarted.

Restructure of Material Agreements

Recognizing the obstacles in completing the Split-Off and Ga. REIT SPA due to the inability to complete an audit of the Scottsburg historical operator, the Company and Brogdon agreed in principle to restructure their agreements to provide the following:

.
Brogdon would create a Newco, which he did under the name West Paces Ferry Healthcare REIT, Inc. (West Paces) on March 13, 2013;

.
Ga. REIT would transfer all of its interest in Middle Georgia (an undivided 65% membership interest in Dodge NH) to West Paces in consideration of West Paces assuming Ga. REIT's obligation to repay the \$500,000 note owed to the Company, which was completed effective March 15, 2013;

.
The Company would enter into a new stock purchase agreement with the shareholders of West Paces having identical provisions to the Ga. REIT SPA, which was consummated effective April 13, 2013.

.
The Company and Brogdon would agree to terminate the GA. REIT SPA, which was effective April 8, 2012; and

The Company and Gemini would amend the Split-Off Agreement to extend the closing date to December 31, 2013.

In accordance with the foregoing, the Company has entered into the following material agreements:

Termination Agreement with Ga. REIT

This Agreement, effective April 8, 2013, terminated the Ga. REIT SPA and released all parties from any further liability thereunder.

Amendment No. 1 to Split-Off Agreement

This Amendment extend ed the termination date of the Split-Off Agreement to December 31, 2013. It is the belief that this gives the parties sufficient time to satisfy the numerous conditions precedent to consummating the Split-Off.

Stock Purchase Agreement with West Paces

The West Paces SPA is identical in terms and conditions to the former Ga. REIT SPA.

Amended and Restated Split-Off Agreement

Effective May 2, 2013, the Company and Gemini entered into an Amended and Restated Split-Off Agreement which supersedes the original Split-Off Agreement as well as the Amendment No. 1 thereto. The Amended and Restated Split-Off Agreement includes revisions needed to clarify the recasting of the parties to the reorganization described above.

Amended and Restated Split-Off Agreement

Effective May 2, 2013, the Company (as **Seller**), Global Split-Off, LLC, a Colorado limited liability company (**Split-Off Subsidiary**), and Gemini Gaming, LLC, a Colorado limited liability company (**Buyer**) entered into the Amended and Restated Split-Off Agreement (**Split-Off Agreement**)

pursuant to which the Company agreed to transfer to its newly formed wholly-owned Split-Off Subsidiary substantially all of its casino gaming properties, assets and operations (**Gaming Assets**) and then agreed to sell all of its interest in Split-Off Subsidiary to Gemini Gaming, LLC (**Gemini**). Gemini is owned and controlled by Clifford Neuman, the Company's President and Director, Pete Bloomquist, a Director, and Doug James, the general manager of the Company's two casinos.

Gemini will purchase the outstanding equity of Split-Off Subsidiary in consideration of (i) the assumption of all responsibility for any debts, obligations and liabilities associated with the Gaming Assets (**Gaming Debt**), plus (ii) payment in an amount equal to the Company's net tangible book value, excluding the Company's 5% Convertible Notes in the aggregate principal amount of \$50,000 and further excluding approximately \$500,000 in note receivable from West Paces (the **Purchase Price**). The Purchase Price will be evidenced by a promissory note (**Purchase Money Note**) which will be payable, together with interest at the rate of 4% per annum, in quarterly installments over a term of 20 years. The Purchase Money Note will be secured by a pledge of all of the outstanding equity securities of Split-Off Subsidiary.

Consummation of the Split-Off is conditioned upon the approval of the Global Casinos Shareholders, the approval of the Colorado Division of Gaming of a Change of Ownership of the gaming licenses for the Bull Durham and Doc Holliday Casinos, the concurrent closing of the Stock Purchase Agreement described below, a definitive Information Statement under Sections 14(c) and 14(f) of the Exchange Act is filed with the SEC and mailed to the Company's shareholders, and other conditions customary to transaction of this nature.

Concurrently with the Closing (as that term is defined within the Split-Off Agreement), the Company shall take all action necessary to appoint Christopher Brogdon, Steven Bathgate and John Joseph Sheehan, Jr. to serve as members of the Board of Directors of Seller (**New Board**). Immediately following such election, Clifford Neuman, Peter Bloomquist and A. Leonard Nacht shall resign as directors and executive officers of the Company. Immediately following the resignations of Messrs. Neuman, Bloomquist and Nacht, the New Board shall appoint Christopher Brogdon and Steven Bathgate as new executive officers to fill the vacancies created by such resignations (**New Management**).

Following the Closing, the Company will have no liability for any debts, liabilities or obligations of Split-Off Subsidiary or its business or activities, and there are no outstanding guaranties, performance or payment bonds, letters of credit or other contingent contractual obligations that have been undertaken by the Company directly or indirectly in relation to Split-Off Subsidiary or its business and that may survive the Closing.

Pending Closing, the Company had extended working capital advances to Georgia REIT (**Georgia REIT Advances**), in the aggregate principal amount of \$500,000 (the **REIT Note**). The REIT Note was secured by a pledge of 100% of the outstanding equity securities of Georgia REIT. \$125,000 of the Georgia REIT Advances was used in connection

with Georgia REIT consummation of its first acquisition of Middle Georgia Nursing Home, located in Eastman, Georgia, which closed on July 1, 2012. Effective March 15, 2013, the REIT Note was assigned to and assumed by West Paces, and is secured by a pledge of all of the outstanding shares of equity securities of West Paces.

The Split-Off may be terminated at, or at any time prior to, the Closing by mutual written consent of Seller and Buyer and may also be terminated by either party upon written notice to the other in the event the Split-Off and Closing have not been consummated on or before December 31, 2013.

Stock Purchase Agreement

Effective April 13, 2013, the Company, on the one hand, and Christopher Brogdon, Judi Schindler, Robert Lancaster and Philip Scarborough, on the other,(collectively Brogdon, Schindler, Lancaster and Scarborough shall be referred to as the **West Paces Shareholders**) entered into that certain Stock Purchase Agreement (**SPA**) whereby the West Paces Shareholders, as the owners of all of the issued and outstanding shares of the equity securities of West Paces shall sell to the Company all of the outstanding equity securities of West Paces, subject to and in accordance with the terms and

conditions of the Agreement.. The purchase price to be paid by the Company for West Paces will be the sum of \$100.

Consummation of the SPA is conditioned upon the approval of the Global Casinos Shareholders, the approval of the Colorado Division of Gaming of a Change of Ownership of the gaming licenses for the Bull Durham and Doc Holliday Casinos, the concurrent closing of the Split-Off Agreement described below, a definitive Information Statement under Sections 14(c) and 14(f) of the Exchange Act is filed with the SEC and mailed to the Company s shareholders, and other conditions customary to transaction of this nature.

Amended and Restated Articles of Incorporation

The filing of Amended and Restated Articles of Incorporation (**Amended Articles**) with the Utah Division of Corporations shall, among other things, effect the change of name of the Company to Global Healthcare REIT, Inc. .
In addition, we will adopt provisions required to enable the Company to elect to be treated for tax purposes as a REIT, as more fully described elsewhere in this Information Statement.

Summary Information In Question And Answer Format

The following information, in question and answer format, summarizes many of the material terms of the Company's proposed Shareholder Actions. For a complete description of the terms and conditions of the Shareholder Actions, you are advised to carefully read this entire Information Statement and the other documents referred to herein.

Why am I receiving these materials?

We are required to deliver this Information Statement to all holders of our voting stock to inform them that effective May 14, 2013 the Majority Stockholders (as defined below) took certain actions by written consent, as permitted under our Bylaws and Utah law, that would otherwise require a meeting of stockholders.

This Information Statement is being sent to you because you are a holder of our common stock. As of May 14, 2013, an aggregate of 7,161,978 shares of our common stock were outstanding.

We will begin mailing this Information Statement, on or about _____, 2013.

We have requested that banks, brokerage firms and other nominees who hold common stock on behalf of the owners of the common stock (such stock is often referred to as being held in street name) as of the close of the record date forward these materials to those beneficial owners. We have agreed to pay the reasonable expenses of the banks, brokerage firms and other nominees for forwarding these materials.

What actions did the Majority Stockholders of the voting stock approve or authorize?

The majority holders of our Common Stock approved the following actions:

1.

The ratification and approval of the Amended and Restated Split-Off Agreement in the form of Appendix I hereto, together with all ancillary documents and agreements provided for therein or contemplated thereby (collectively the Split-Off Documents) providing for, *inter alia*, the sale of Global Casino, Inc. s casino gaming operations and assets to Gemini Gaming, LLC, subject to all associated liabilities;

2.

The ratification and approval of the Stock Purchase Agreement in the form of Appendix II hereto, together with all ancillary documents and agreements provided for therein or contemplated thereby (collectively the Stock Purchase Documents) providing for, *inter alia*, Global Casinos, Inc. s purchase of 100% of the issued and outstanding equity securities of West Paces Ferry Healthcare REIT, Inc., subject to all liabilities; and,

3.

The adoption of the Amended and Restated Articles of Incorporation providing for, among other things, the change of the name of the Company to: Global Healthcare REIT, Inc. and the adoption of provisions intended to comply with the requirements applicable to entities electing to be treated as a Real Estate Investment Trust (REIT) under the Internal Revenue Code of 1986, as amended (IRC) and regulations promulgated thereunder.

What Vote Is Required To Approve The Shareholder Action?

Approval of the Shareholder Action requires the affirmative vote of the holders of not less than a majority of the Company's outstanding Common Stock.

What Constitutes A Majority Of The Company's Outstanding Common Stock and Series A Convertible Preferred Stock?

On May 14, 2013, the Company had 7,161,978 shares of Common Stock issued and outstanding and 3,580,990 constitutes a majority of the shares of Common Stock issued and outstanding.

Who Voted In Favor Of The Shareholder Actions?

Shareholders owning an aggregate of 4,098,332 shares of our common stock voted in favor of the Shareholder Actions. Those shares combined represent 57.22% of the voting power of common stock. Those shareholders consisted of Connie Brogdon (295,026 shares), Bruce M. Berkowitz and Lisa F. Berkowitz (267,679 shares), Steven M. Bathgate (270,000 shares), Margaret Bathgate. (40,000), L. Bruce Madsen (332,012 shares), Gary McAdam and affiliated entities (287,210 shares), Jeff Ploen and affiliated entities (337,500 shares), Lance Baller (262,500 shares), Lynda Franklin (110,000 shares), Stephen Silver (132,000 shares), William P. Martindale (230,000 shares), Melissa A. Vander Syde (50,000 shares), A. Leonard Nacht (1,038,800 shares), Mark I. Berkowitz (315,000 shares) and Todd Huss (130,605 shares). Such shareholders shall be referred to as the "Majority Shareholders".

Will The Shareholders That Voted In Favor Of The Shareholder Actions Have Any Special Interest in the Shareholder Actions?

Yes. Under the terms of the Split-Off and Stock Purchase Agreements, it is anticipated that Christopher Brogdon and persons designated by Brogdon will serve as Director(s) and executive officer(s) of the Company. In addition, as the principal shareholder and controlling person of West Paces, Mr. Brogdon will be the principal party to the SPA and the beneficiary of the Company's acquisition of West Paces.

Why Isn't The Company Holding A Shareholders Meeting To Vote On The Proposed Shareholder Actions?

In order to lawfully close on the proposed Shareholder Actions, Utah law requires that a majority of shares of Common Stock vote in favor of the proposed Shareholder Actions. The Shareholders voting in favor of the proposed Shareholder Actions represent 57.22% of the voting power of Common Stock outstanding. Therefore, management concluded that because approving a transaction by the written consent of Shareholders can be faster than distributing a

notice of meeting and proxy statement, and conducting a Shareholders meeting, and in light of the fact that Company management wanted to expedite the closing of the proposed Shareholder Actions, management and the Board of Directors decided not to conduct a meeting of Shareholders. Instead, Shareholders owning a majority of the voting power of Common Stock signed a written consent approving the Shareholder Actions and the transactions contemplated thereby.

What Will Happen To The Company After The Shareholder Actions?

Following the Shareholder Actions, the Company will have divested all of the Gaming Assets and Gaming Debt and will become a REIT acquiring interests in healthcare facilities and other qualified assets, as more fully discussed in this Information Statement.

Who will be in control of the Company after the Shareholder Actions?

Upon consummation of the Split-Off Agreement and acquisition of West Paces, there will be a change in control of the Company. The Board of Directors will be reconstituted to consist of Christopher Brogdon, Steven Bathgate and John Sheehan, Jr. The executive officers will also be replaced by Christopher Brogdon and Steven Bathgate. Their respective biographies are included elsewhere in this Information Statement.

What Rights Do Shareholders Have To Dissent From The Shareholder Actions?

Company Shareholders have the right to dissent from, and obtain payment of the fair value of shares held by the Shareholder under certain circumstances as provided for in Section 16-10a-1302 of the Utah Revised Business Corporation Act.

What Are The Income Tax Consequences Of The Shareholder Actions?

There will be no federal or state income tax consequences to our shareholders as a result of the Shareholder Actions.

Why is the Company proposing to sell its interest in the Gaming Assets?

The Company's performance as a casino operator suffered from the severe impact of the economic downturn that began in 2008. As a result, the value of the Company's stock was eroded. The Company was presented with an opportunity to transition to a REIT under the guidance and supervision of Christopher Brogdon who has significant experience in successfully managing public companies as well as vast experience in acquiring healthcare facilities. As a result, the Company's board of directors and Majority Shareholders approved the terms of the Split-Off Agreement and SPA in an effort to enhance shareholder value.

Will any of the proceeds from the sale of the Company's interest in Global Split-Off, LLC be distributed to the Company's shareholders?

No. The proceeds to be received by the Company from the sale of the Gaming Assets will be paid to the Company and used to support its activities as a REIT.

WHO CAN HELP ANSWER YOUR QUESTIONS?

Clifford L. Neuman

President

1507 Pine Street

Boulder, CO 80302

303-449-2100

Prior Stockholder Approval

Our ability to undertake the Shareholder Action without a meeting of our Shareholders is authorized by Section 16-10a-704 of the Utah Revised Business Corporations Act. That section generally provides that a Utah corporation may substitute for action on a matter by its Shareholders at a meeting the written consent of the holders of outstanding shares of capital stock holding at least the minimum number of votes which would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the matter are present and voted. In accordance with this provision, we obtained the written consent of the Majority Shareholders to the Shareholder Actions. As a result of the action of the Majority Shareholders, we are not soliciting proxies, and there will be no further stockholder action on the Shareholder Actions.

Holders of record of the Company's Common Stock are entitled to notice of the action taken by written consent approving the Shareholder Actions.

Under Utah law and our Articles of Incorporation, as amended, the affirmative vote of a majority of the voting power of Common Stock outstanding was required to approve the Shareholder Actions. Each holder of Common Stock was entitled to one vote on each of the foregoing matters, for each share of Common Stock held by such stockholder. As of May 14, 2013, there were outstanding 7,161,978 shares of Common Stock, as of that date, the Majority Shareholders held 4,098,332 shares of Common and were entitled to cast a total of 4,098,332 votes, or 57.22% of the total votes entitled to be cast by all holders of our Common Stock.

The action by written consent approving the Shareholder Action was executed effective May 14, 2013.

Dissenters' Rights

In accordance with the Utah Revised Business Corporations Act, our Shareholders have certain dissenters' or appraisal rights in connection with the Shareholder Actions.

Certain Federal Income Tax Consequences

The Shareholder Actions will not result in any impact on our Shareholders for federal and state income tax purposes.

Government Approvals

Except for compliance with the applicable regulations of the Securities and Exchange Commission in connection with this Information Statement and of the Utah Revised Business Corporation Act in connection with the Shareholder Actions, we are not required to comply with any federal or state regulatory requirements, and no federal or state regulatory approvals are required in connection with the Shareholder Actions.

Interests of Persons in Matters to be Acted Upon

The Split-Off Agreement and Stock Purchase Agreement were approved by the Company's Board of Directors. However, because Messrs. Neuman and Bloomquist are control persons of Gemini Gaming, LLC, the entity that will be acquiring the Gaming Assets subject to the Gaming Debt, those persons abstained from the board approval process.

Connie Brogdon is included in the Majority Shareholders and has a distinct financial interest in the Shareholder Actions by virtue of her husband, Christopher Brogdon, being a principal shareholder and control person of West Paces. The other Majority Shareholders that approved the Split-Off and Stock Purchase Documents do not have a financial interest in the Split-Off or Stock Purchase that is materially different than our other shareholders.

Selected Financial Data

The following is selected historical financial data of Global Casinos. The Global Casinos data includes information as of and for each of the fiscal years ended June 30, 2011 and 2012 and the nine months ended March 31, 2012 and 2013. The data has been derived from both audited and unaudited historical financial statements appearing elsewhere in this information statement or incorporated by reference from other reports filed by Global Casinos with the SEC and should be read in conjunction with those financial statements and their related notes.

The unaudited pro forma consolidated balance sheet data that follows has been prepared to give effect to the transactions described in this information statement as if they had occurred on March 31, 2013. The accompanying unaudited pro forma consolidated statements of operations for the year ended June 30, 2012 and the nine months ended March 31, 2013 have been prepared as if such transactions had occurred separately on July 1, 2011 and July 1, 2012, respectively.

This information is only a summary and you should read it together with the financial statements and pro forma financial information included elsewhere in this information statement or incorporated by reference from other reports filed by Global Casinos with the SEC.

West Paces was formed on March 13, 2013 and acquired from Ga. REIT its 65% interest in Dodge NH effective March 15, 2013. While Dodge NH has been under common control since its purchase of the Middle Georgia Nursing Facility on July 1, 2012, there are no prior periods for which to present comparative period end, annual and quarterly information. Therefore, as a smaller reporting company and consistent with Item 301 of Regulation S-K, selected financial data for West Paces are not presented herein. Please see Pro Forma Financial Information included elsewhere in this information statement for the pro forma effects of the transactions.

Statement of Operations Data

	<u>Historical</u>				<u>Pro Forma</u>	
	<u>Years Ended June 30</u>		<u>Nine Months Ended March 31</u>		<u>Year Ended June 30,</u>	<u>Nine Months Ended March 31, 2013</u>
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
Total net revenues	\$ 5,516,147	\$ 5,154,966	\$3,813,267	\$ 3,660,966	\$ 560,000	\$ 420,962
Operating expenses	\$ 6,786,685	\$ 5,608,466	\$4,300,271	\$ 3,971,574	647,644	\$ 392,731
Net income (loss)	\$ (1,379,431)	\$ (845,271)	\$(739,265)	\$ (595,919)	\$(413,072)	\$ (231,134)
Net income (loss) attributable to common shareholders	\$ (1,436,209)	\$ (902,204)	\$(782,043)	\$ (638,546)	\$(448,355)	\$ (249,295)
Basic earnings (loss) per common share	\$ (0.22)	\$ (0.13)	(0.11)	\$ (0.09)	(0.05)	\$ (0.03)
Diluted earnings per share	\$ (0.22)	\$ (0.13)	(0.11)	\$ (0.09)	(0.05)	\$ (0.03)
Shares used in computing basic earnings per share	6,533,855	6,818,616	6,807,739	7,061,619	9,444,033	9,687,032
Shares used in computing diluted earnings per share	6,533,855	6,818,616	6,807,739	7,061,619	9,444,033	9,687,032

Balance Sheet Data:

	<u>Historical</u>			<u>Pro Forma</u>
	<u>June 30</u>		<u>March 31,</u>	<u>March 31,</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2013</u>
Working capital (deficit)	\$ (472,057)	\$ (852,649)	\$(1,398,919)	\$ 809,538
Total assets	\$ 3,541,228	\$ 3,846,451	\$ 3,483,461	\$ 6,933,535
Total liabilities	\$ 1,802,347	\$ 2,099,414	\$ 2,254,842	\$ 5,387,795
Stockholders' equity	\$ 1,738,881	\$ 1,747,037	\$ 1,228,619	\$ 1,545,740

Supplementary Financial Information

The following is supplementary financial information of Global Casinos. The Global Casinos supplementary information includes information as of and for each of the fiscal years ended June 30, 2011 and 2012 and the nine months ended March 31, 2012 and 2013. The data has been derived from both audited and unaudited historical financial statements appearing elsewhere in this information statement or incorporated by reference from other reports filed by Global Casinos with the SEC and should be read in conjunction with those financial statements and their related notes.

This information is only supplementary and you should read it together with the financial statements and pro forma financial information included elsewhere in this information statement or incorporated by reference from other reports filed by Global Casinos with the SEC.

West Paces was formed on March 13, 2013 and acquired from Ga. REIT its 65% interest in Dodge NH effective March 15, 2013. While Dodge NH has been under common control since its purchase of the Middle Georgia Nursing Facility on July 1, 2012, there are no prior periods for which to present comparative period end, annual and quarterly information. Therefore, as a smaller reporting company and consistent with Item 302 of Regulation S-K, supplementary financial information for West Paces are not presented herein. Please see Pro Forma Financial Information included elsewhere in this information statement for the pro forma effects of the transactions.

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Fiscal year ended June 30, 2011				
Total net revenues	\$ 1,452,099	\$ 1,330,969	\$ 1,329,522	\$ 1,531,301
Operating expenses	\$ 1,486,142	\$ 1,371,468	\$ 1,397,385	\$ 2,645,155
Net income (loss)	\$ (63,055)	\$ (68,608)	\$ (94,115)	\$(1,142,277)
Net income (loss) attributable to common shareholders	\$ (77,366)	\$ (82,919)	\$ (108,115)	\$(1,156,433)
Basic earnings (loss) per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.18)
Diluted earnings per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.18)
Fiscal year ended June 30, 2012				
Total net revenues	\$ 1,324,355	\$ 1,222,087	\$ 1,266,825	\$ 1,341,700
Operating expenses	\$ 1,372,677	\$ 1,581,884	\$ 1,345,710	\$ 1,308,190
Net income (loss)	\$ (74,431)	\$ (452,271)	\$ (212,563)	\$ (106,006)
Net income (loss) attributable to common shareholders	\$ (88,742)	\$ (466,582)	\$ (226,719)	\$ (120,161)
Basic earnings (loss) per common share	\$ (0.01)	\$ (0.07)	\$ (0.03)	\$ (0.02)
Diluted earnings per share	\$ (0.01)	\$ (0.07)	\$ (0.03)	\$ (0.02)
Nine months ended March 31, 2013				
Total net revenues	\$ 1,313,033	\$ 1,167,892	\$ 1,180,036	

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Operating expenses	\$ 1,312,503	\$ 1,387,148	\$ 1,271,923
Net income (loss)	\$ (128,576)	\$ (251,952)	\$ (215,391)
Net income (loss) attributable to common shareholders	\$ (142,887)	\$ (266,263)	\$ (229,391)
Basic earnings (loss) per common share	\$ (0.02)	\$ (0.04)	\$ (0.03)
Diluted earnings per share	\$ (0.02)	\$ (0.04)	\$ (0.03)

Transaction Information

Background and Reasons for the Transaction

Global Casinos has owned and operated the Bull Durham Casino located in Blackhawk, Colorado since its inception. In 2008, we acquired Doc Holliday Casino located in Central City, Colorado. The timing of our acquisition of Doc Holliday was unfortunate, since it came at the beginning of what would prove to be a significant and prolonged economic recession, which impacted the gaming and hospitality industries particularly harshly.

Due primarily to the macroeconomic impact of the Great Recession, our results of operations suffered significantly. The operations of Doc Holliday were particularly dismal, which negatively impacted our overall performance. The public market value of our common stock suffered commensurately.

During the period from 2009 to 2011, we explored numerous business combinations in the gaming industry in the Reno, Nevada market. However, those potential targets had their own operational issues. The constriction of the credit markets made a complementary acquisition impractical.

In the summer of 2011, our President, Clifford Neuman, (**Neuman**) was approached by Steven Bathgate (**Bathgate**), who is a Senior Managing Partner of GVC Capital, LLC (**GVC**), a registered broker-dealer and investment banker. Bathgate has been a shareholder of the Company for many years; and GVC has served as the Company's investment advisor as well. Bathgate introduced Neuman to the potential of the Company doing a transaction with Christopher Brogdon (**Brogdon**), with whom Bathgate and GVC had prior business dealings. Bathgate and Brogdon made the suggestion that Global Casinos consider divesting the gaming interests and operations and transitioning to become a healthcare REIT, a business segment in which Brogdon had substantial experience and expertise.

In August 2011, Neuman and Pete Bloomquist (**Bloomquist**), also a Director, met in Boulder, Colorado with Bathgate, Brogdon and other affiliates of GVC. At that meeting, preliminary terms of a reorganization were discussed. In addition, there was discussion of the Company undertaking a small private placement of securities to raise capital to support such a reorganization.

In November 2011, the Company and Brogdon executed a non-binding confidential Reorganization Term Sheet (**Term Sheet**) that summarized the terms of the divestiture of the gaming interests in a leveraged management buy-out, the transition to becoming a REIT under the direction and control of Brogdon, and the terms of a private offering of securities.

Also in November 2011, Messrs. Neuman and Bloomquist met with the Colorado Division of Gaming (**Gaming**) to discuss the Term Sheet and the regulatory issues inherent in the contemplated transaction. Those regulatory issues became problematic. There ensued numerous meetings between Messrs. Neuman and Bloomquist and Gaming over the next several months in an effort to develop a strategy that could be adopted to facilitate the transaction with Brogdon described in the Term Sheet.

In the fourth quarter of 2011, Gaming presented a proposal for a Change of Ownership of the Bull Durham and Doc Holliday gaming licenses that management found acceptable, and an Application for Change of Ownership was submitted to Gaming by Gemini Gaming.

In the first quarter of 2012, the parties finalized negotiations relating to the terms and conditions of the Split-Off and Stock Purchase and the definitive agreements governing both transactions. The Boards of Directors of both Global Casinos and Georgia REIT were provided with copies of the definitive agreement.

In March 2012, the Board of Directors of Global Casinos (with Messrs. Neuman and Bloomquist abstaining) and the shareholders of Global Casinos acting by majority written consent approved the Split-Off and Stock Purchase Agreements, subject to numerous conditions.

In May 2012, Brogdon informed the Company that he had identified his first acquisition: a nursing home located in Scottsburg, Indiana. Terms of that acquisition are summarized elsewhere in this Information Statement.

Effective June 1, 2012, the parties completed the execution of the original Split-Off and Stock Purchase Agreements.

In an effort to consummate the Split-Off and Stock Purchase Agreements, the Company encountered insurmountable obstacles in completing required audits for its Information Statement on Schedule 14C. As a result, in March 2013 the Company and the Brogdon parties agreed to restructure the transactions, and as a result undertook the following restructure efforts:

Effective March 12, 2013, Brogdon formed and organized a new entity: West Paces Ferry Healthcare REIT, Inc. Then effective March 18, 2013, Ga. REIT conveyed to West Paces all of its interest (an undivided 65% membership interest) in Dodge NH, which owned the Middle Georgia skilled nursing facility, in consideration of (i) \$100 and the assignment to and assumption by West Paces of the REIT Note owed to the Company in the principal amount of \$500,000.

Effective April 8, 2013, the Company and Ga. REIT executed a Termination Agreement and Mutual Release terminating the Ga. REIT Stock Purchase Agreement.

Effective April 10, 2013, the Company and Gemini Gaming executed an Amendment No. 1 to Split-Off Agreement extending the termination date to December 31, 2013.

On April 11, 2013, the Company entered into a new Stock Purchase Agreement with the West Paces Shareholders to acquire 100% of the outstanding equity securities of West Paces, subject to several conditions. The terms of the West Paces SPA are identical to the terms of the former Ga. REIT SPA.

On May 2, 2013, the Company and Gemini Gaming entered into an Amended and Restated Split-Off Agreement to conform the terms of the Split-Off to the new entities formed in the transaction restructure.

Principal Terms of the Split-Off Agreement

The parties to the Split-Off Agreement are:

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Global Casinos, Inc., which is disposing of its Gaming Assets and Gaming Debt;

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Split-Off Subsidiary, which is wholly-owned by Global Casinos. Split-Off Subsidiary was formed by Global Casinos to drop down the Gaming Assets and Gaming Debt in anticipation of divesting them in the Split-Off;

.

Gemini Gaming, LLC, which was formed and organized by Clifford Neuman, the Company's President and Director (40% owner); Pete Bloomquist, a Director (30% owner) and Doug James, the general manager of the Bull Durham Casino and Doc Holliday Casino (30% owner).

The principal terms of the Split-Off will involve:

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Global Casinos transferring the Gaming Assets and Gaming Debt to Split-Off Subsidiary;

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Subject to the satisfaction of all conditions to closing, (discussed below), Global Casinos will sell to Gemini Gaming all of the outstanding equity securities of Split-Off Subsidiary;

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Concurrently, Global Casinos will consummate the acquisition of West Paces pursuant to the Stock Purchase Agreement with the West Paces Shareholders, including Christopher Brogdon.

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At Closing, the Global Casinos Board of Directors will be reconstituted to consist of Christopher Brogdon, Steven Bathgate and John Joseph Sheehan, Jr.; and the executive officers will be changed to consist of Christopher Brogdon

and Steven Bathgate.

The Gaming Assets include:

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All issued and outstanding shares of Casinos, USA, Inc., which owns and operates the Bull Durham Casino, which includes real property, gaming equipment, fixtures;

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All issued and outstanding shares of Doc Holliday Casino II, LLC, which owns and operates the Doc Holliday Casino, which includes the leasehold interest, gaming equipment and fixtures;

.

Cash and cash equivalents; inventory; prepaid expenses.

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Senior Mortgage Note of Casinos, USA held by Global Casinos.

Assets to be retained by Global Casinos (**Excluded Assets**) will include:

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The REIT Note receivable evidencing all Georgia REIT Advances;

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Shares and warrants of ImageDoc, Inc.; and

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All shares of West Paces.

Gaming Debt to be assumed by Gemini Gaming will include:

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All mortgage debt of Casinos USA (approximately \$550,000);

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All loan participation obligations (approximately \$220,000);

Accounts payable and accrued liabilities (approximately \$725,000);

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Outstanding Global advances to the casinos (approximately \$350,000).

Debt that is excluded from Gaming Debt (**Excluded Debt**) that will be retained by Global Casinos includes:

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5% Convertible Notes payable in the aggregate principal amount of \$50,000;

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8% Convertible Notes payable in the aggregate principal amount of \$850,000;

The aggregate \$850,000 in 8% Convertible Notes will convert to equity automatically upon consummation of the Split-Off and West Paces Stock Purchase Agreement.

The Purchase Price for the Gaming Assets to be paid by Gemini Gaming consists of (i) the assumption of the Gaming Debt in the approximate aggregate amount of \$1.5 million, plus (ii) an amount equal to the net tangible book value of Global Casinos as of the most recently completed fiscal quarter (**Global NTB**) reduced by the Excluded Assets and increased by the Excluded Debt. The Purchase Price will be evidenced by the Gemini Gaming Purchase Money Note which, together with interest at the rate of 4% per annum, will be payable in quarterly installments of principal and interest for a term of 20 years. The Purchase Money Note will be secured by a pledge of all outstanding shares of the Split-Off Subsidiary.

Consummation of the Split-Off Agreement is subject to the following conditions precedent:

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Approval of a Change of Ownership of the Gaming Licenses held by Casinos USA, Inc. and Doc Holliday Casino II, LLC by the Colorado Division of Gaming;

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The approval of the Split-Off Agreement, Stock Purchase Agreement and Amended Articles by the Boards of Directors and Shareholders of Global Casinos and West Paces Ferry Healthcare REIT, Inc., which approvals have been obtained subject to compliance with Rule 14c-1 and Rule 14f-1 under the Exchange Act, which this Information Statement is intended to fulfill;

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Compliance with all regulatory requirements, including federal and state securities laws; and

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The concurrent closing of the Stock Purchase Agreement.

Principal Terms of the Stock Purchase Agreement:

The parties to the Stock Purchase A