

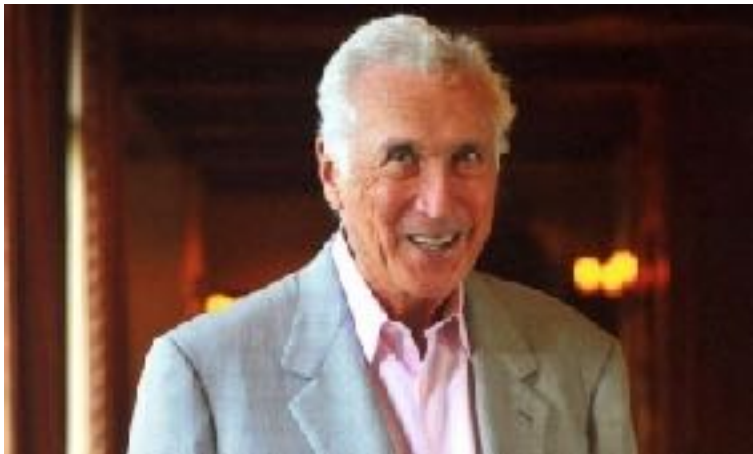


Newsroom

Frank Floor Talk: Charles Mathewson (1928–2021) — A remembrance

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There are dozens and dozens of folks in the Gaming Hall of Fame, whether it's the American Gaming Association's version or the one at the University of Nevada, Las Vegas. However, there are only a handful of honorees in "Buddy Frank's Gaming Hall of Fame." One of those who made all three lists is Charles "Chuck" Mathewson, who passed away last month on October 24th at the age of 93. Without his guidance, modern gaming cornerstones like wide-area progressives (WAPs), branded titles, and multi-hand video poker may never have emerged.



What's most interesting about his major role in slot machine innovation is that, unlike many gaming pioneers, Mathewson had roots outside the industry. But it was his unique background and personality, along with his recreational hobbies, that came together to benefit us all.

He began working with his family's southern California grocery business before joining the U.S. Army. He used the GI bill to attend USC, graduating in 1953 with a degree in finance. He started at the very bottom as a clerk for a stock brokerage firm. His talent eventually led to a founding partnership in Jefferies & Company, which later sold for \$50 million.

With this cash, he was able to privately invest in companies that piqued his interest. While attending a golf tournament at the Reno Hilton in 1983 (originally the MGM Grand and now the Grand Sierra Resort), he noticed that a crowd of folks were lined up to play a video poker machine made by a Reno company named IGT. He promptly bought 80,000 shares of stock in the firm.

IGT was led at the time by founder Si Redd (another member of the BF-GHOF). However, Redd might not have made the cut if Mathewson hadn't rescued his struggling company and preserved Redd's legacy. In a chance meeting at a Spa in San Diego two years later, both Redd and Mathewson went hiking together. That meeting eventually led to Redd inviting him to join the IGT Board of Directors. Si Redd was a colorful character and a gaming visionary, but he was not the world's best businessman.

Historian Jack Harpster quoted Mathewson in Redd's biography, *King of Slots*, "You get older sometimes (Redd was in his mid-70s) and you get frightened. He was frightened; he thought the company was going broke, and I didn't share that opinion...although things did look dismal at that time."

Mathewson bought out Redd's 52% share of the company and immediately began making changes. He restructured the company, fired some key staffers and brought on some new executives. He did keep Redd, giving him a five-year position as chairman emeritus. But he also eliminated many company perks, including 94 company cars. It worked. Within six years the new team had IGT thriving, and in January of 1991, their stock was listed on the New York Stock Exchange (it was the top performing stock on the NYSE that year).

Chuck Mathewson also had a few diverse interests outside of work. He was profiled in *American Windsurfer* when he was 68 years old. Perhaps less adventurous was his love of the game of bridge. It was that game, and the players he met at the tables, that played a role in two of the industry's biggest hits: "Megabucks" and "Wheel of Fortune."

Robert Hamman is the CEO of SCA Promotions. His company is known today for "insuring" casino events such as golf "Hole-In-One" contests and countless million-dollar casino promotions. Hamman won a Lifetime Achievement award in casino marketing a few years ago, but he considers his marketing and insurance careers as a sideline to his real passion: bridge. Hamman earned the No. 1 ranking 21 times and won 15 World Championships. Although not on the same level, one of his friends and occasional playing partners was Chuck Mathewson.





While not well-known, SCA is behind “insuring” the giant annuities of many manufactures who have made wide-area progressives a staple of our industry. One of the sparks behind the idea of a huge Megabucks jackpot was Mathewson’s bridge friendship with Hamman. IGT launched that first product with a \$7 million reset in March of 1986. It had the wonderful slogan of “One Pull Could Change Your Life.” (Note: Others at IGT, who are also in the BF-GHOF, include Bob Bittman, Mick Roemer, and Inge Telnaes. Each played key roles in developing Megabucks). Today, the largest jackpot ever recorded at \$39.7M came on an IGT Megabucks at Excalibur in Las Vegas in 2003.

Another of Mathewson’s bridge buddies was investor Warren Buffet. Together, the two of them attended a charity dinner in 1990 where they were seated next to a television executive who suggested a *Wheel of Fortune* licensing agreement for a slot machine. “Branding” was virtually unheard of at the time. Mathewson soon signed a first-of-its-kind deal and turned over the project to the aforementioned Bob Bittman (who was helped by other BF-GHOF members like Jean Venneman, Ward Chilton, and Anthony Baerlocher). Today, there is little argument that WOF is the greatest single slot machine brand ever created.

While those two products are remarkable, IGT’s greatest claim to fame is its video poker product. No one has been able to even compete since Si Redd created the category. However, video poker had one small issue: while it was incredibly popular, it was only marginal profitable. At least until innovator Ernie Moody came along with multi-hand poker; the first version being Triple Play Poker.

However, not everyone recognized the genius of his designs at first. His game was rejected by multiple manufactures, and Moody was forced to do small private sales with individual casinos like Stations in Las Vegas. However, those small agreements convinced both Bittman and Mathewson to take a chance and move forward with an exclusive licensing deal. It resulted in another boom for video poker.

During lunch several years ago, Mathewson told me that his agreement with Moody was like the famous Dickens quote, “It was the best of times, it was the worst of times.” He explained that while Moody’s games revitalized video poker and solidified IGT’s dominance of the category, he generated more disdain from operators about the product than from anything else he had done in the industry. “They cursed me for the

participation fees. You wouldn't believe the calls I got." Today, those fees seem minor compared to the "well-above house averages" of Moody's games, from Super Times Pay to Ultimate X Poker.

As a long-time Northern Nevadan and a University of Nevada, Reno alum, I also have a personal appreciation for Mr. Mathewson's generosity to our community, where he donated to countless local charities. Reno Mayor Hillary Schieve, in a tweet, said Mathewson "consistently gave back to our community, and Reno truly is a better place because of him."



The Mathewson-IGT Knowledge Center on the UNR campus

Former governor and UNR President Brian Sandoval praised Mathewson for his financial contributions in "making the dreams of our students, faculty, staff and alumni a reality (that) can be seen throughout our campus."

"Mathewson's name is included in UNR's library, the Mathewson-IGT Knowledge Center, and the Mathewson University Gateway project, which fittingly in the years to come will be the physical manifestation of the connectivity and shared vision for the future that exists between our campus and downtown Reno," Sandoval said.

Mathewson contributed \$5 million to the library project, reflecting his love of technology. It is a marvel of innovation, with books retrieved by high-tech robots that roam vertically and horizontally among the massive, multi-storied stacks of literary containers. Additionally, Mathewson made million-dollar donations to fund an Endowed Professorship in Entrepreneurship in the University's College of Business.



His widow, Stacie Mathewson, has also made incredible contributions in the community, most notably establishing the Stacie Mathewson Foundation, which has funded numerous efforts including the Behavioral Health & Addiction Institute dedicated to "specialized care for mental health and substance abuse challenges." She is also active in protecting wild horses in the west.



Thank you, Chuck, for all you've done to entertain slot players and enrich operators with your willingness to experiment, your love of technology, your solid business sense and (personally) your openness to customers and your exceptional philanthropy.

Charles Mathewson is survived by Stacie, his five children Paulina, Robert, Curtis, Easter, Miles and their families

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