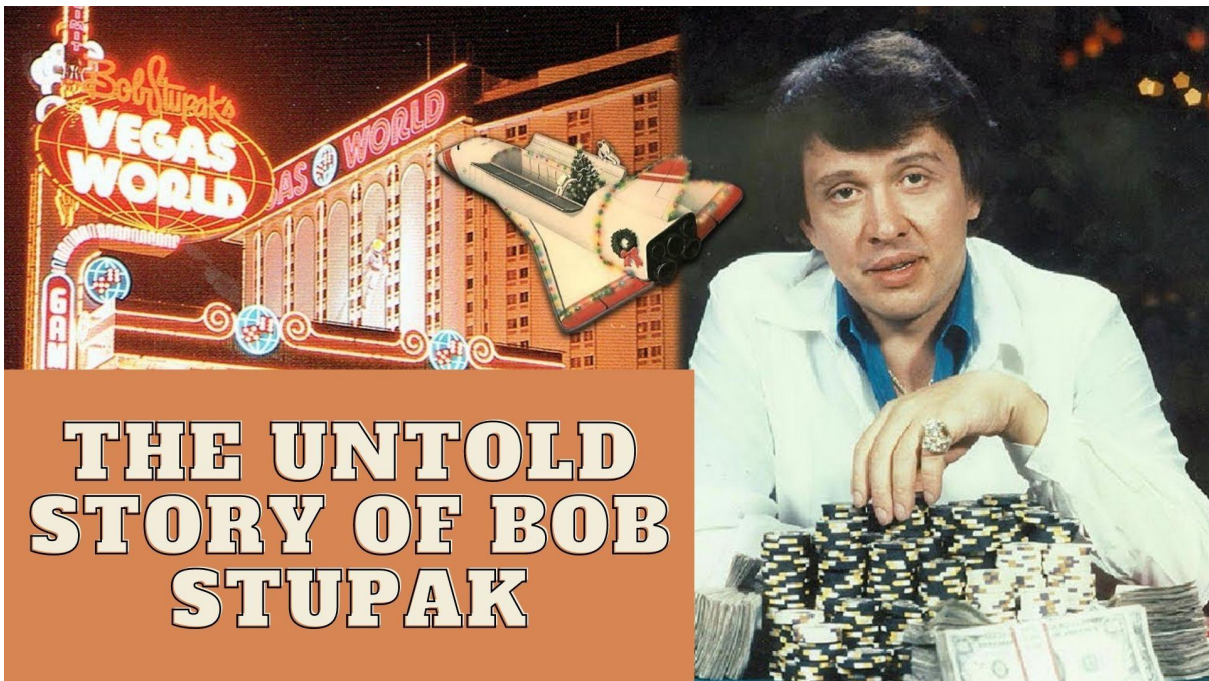


The Wild, Amazing “Untold Story” of the Maverick, Bob Stupak



**THE UNTOLD
STORY OF BOB
STUPAK**

Behind every great entrepreneurial success story is an untold story – and it's usually more interesting and a lot more inspiring. They all tend to have a few common elements, though.

One of which is ugly grunt work.

Take Bob Stupak, for example.

A true renegade marketer. He took a one-floor, slots-only dump at the downtown end of the Strip and built it into the big, tall, flashy Vegas World Hotel & Casino, now called The Stratosphere...all without taking on any debt and building it one floor at a time as he had the cash to do it.

Before all that though, in the 1970s, it was common knowledge that the Las Vegas Strip is a three mile road that starts from Hacienda and ends at the Sahara. Going north past the Sahara started a trek in a crime-ridden world including narcotics, gangs, prostitution and what was called the "seedy side" of Vegas and the "Naked City".

Stupak purchased a 1.5 acre parcel of land where Todkill/Bill Hayden Lincoln Mercury dealership stood for \$218,000. The address was 2000 Las Vegas Boulevard South. Stupak thought he finally made it to the Strip when some guys stated "You stupid schmuck. You're not on the Strip! The Strip starts at Sahara Avenue."

Stupak was approved for a gaming license to operate the Million Dollar Historic Gambling Museum on November 15, 1973, and received his license the following February.

He called the small slot joint called Bob Stupak's World Famous Million Dollar Historic Gambling Museum.

The Million Dollar opened on March 31, 1974. He then insured the property through Fireman's Fund American Corporation for \$200,000 and added policies for \$80,000 in personal property, \$5,000 in office equipment, and \$100,000 in cash.

A sign covering the length of the building featured a buxom bikini-clad babe straddling the "M" and tossing cash at passersby. The sign read "Bob Stupak's World Famous Million Dollar Historic Gambling Museum World's Biggest Jackpot." Another sign read "See What a \$100,000.00 Bill Looks Like."

The casino held 15 slot machines, a few antique green felt tables, casino chips, and wall-to-wall gimmicks.

Some of the gimmicks included the World's Richest Jackpot slot machine with a pay-out of \$250,000, a free look at a rare \$100,000 bill (it was fake), the Shower of Money machine which allowed players the opportunity to scoop up as much as \$1,000, and visitors could have a free picture of themselves taken in front of the Wall of Money - an estimated 60,000 \$1.00 bills.

When none of these gimmicks worked to bring the masses, Stupak had a \$50,000 jackpot on a nickel slot machine named Million-to-One. The curious did come but more tourists were interested in the nearby massage parlor, the topless bar to the north, and the string of prostitute-infested motels that were on the Boulevard between Sahara and Fremont.

On May 21, 1974, at 7:40pm, tourists on the sidewalk noticed smoke rising from the casino. Nine units from the Fire Department appeared. A hook and ladder truck unfolded and firefighters blasted the blaze from above as well as from ground level. In minutes, more than 1,000 people stood outside to watch Stupak's dream burn to the ground. Stupak was present with tears in his eye watching his dream die.

Damages ranged from \$500,000 to \$2 million. Smoke and water damage ruined the first floor. The second floor, where the fire broken out, was gutted. The fire destroyed the fake \$100,000 bill. Firefighters concentrated on keeping the flames from burning the genuine money.

The rescued money was placed on the hood of a car with Stupak crying over the wallpaper, lost revenue, and the lost potential of his dream.

Investigators could not determine how and where the fire started. It is alleged the place burned down when an air conditioner caught fire.

In September of 1974, Stupak filed insurance claims for \$200,000 in losses on the building, \$76,700 for equipment, and another \$20,000 for cash and office furnishings.

The insurance company didn't buy those figures and offered \$158,000. Stupak declined and the matter ended up in federal court in 1976 with the insurance company alleging Stupak himself started the fire.

Stupak responded with a counterclaim seeking in excess of \$1.5 million in damages. He hired attorney Ralph Denton and sued the insurance company, City Attorney Carl Lovell, and Assistant City Attorney Peter Burleigh. Stupak won with a settlement of \$300,000.

After the fire he managed to persuade Valley Bank to lend him more than \$1 million to complete what would be known as Vegas World. Stupak bought the land on which he would eventually build Vegas World with money he raised himself and from his father's friends, E. Parry Thomas and Kenny Sullivan at the Valley Bank.

He called it *Vegas World Hotel and Casino*.

Vegas World Vegas World was a casino/hotel opened on Friday, July 13, 1979 with 102 rooms, with the motto "The Sky's The Limit" on Las Vegas Boulevard, and was solely owned and operated by Bob Stupak. It was also signed as Bob Stupak's Vegas World.

Ground breaking for his casino/hotel took place in June of 1978. This would be the first hotel/casino built close to the corner of Sahara Avenue and Las Vegas Boulevard since the Sahara opened in 1952.

In more recent times, the only casino to open in close proximity was the Jolley Trolley that has since been replaced with a department store sized souvenir shop.

Bob Stupak's three acre Vegas World opened on July 13, 1979, with 102 rooms, with the motto "The Sky's The Limit". Attending the opening was Stupak as well as the Dallas Cowboys Cheerleaders, local TV personality Gus Giuffre, and City Commissioner Ron Lurie.

It was advertised that Vegas World cost \$7 million to build. In reality, it cost a little more than \$3 million. Gaming Control required enough cash to open the resort so Stupak sold his five-carat diamond ring, and his Rolls-Royce.

Hours after he opened the resort, he raised the table stakes from \$50 to \$100 and soon allowed up to \$2,000 bets. At the time, Caesars Palace allowed half as much. Stupak announced "*Don't come to the big place with the small bankroll. Come to the small place with the big bankroll.*"

Fortunately, when the cage ran short of money, Stupak could take loans from Benny & Jack Binion's ready cash loans.

Stupak knew he had to attract gamblers to his resort in such a way that they were diverted from the popular resorts on the Strip. He attracted gamblers with gimmicks, high-stakes games and vacation packages costing \$395 to \$5,000. Stupak was the first casino operator to use extensive direct mail advertising, heavy with play promotions.

He generated cash upfront by selling (via direct mail) pre-paid \$399 vacation packages (sometimes higher, as much as \$5,000) and giving an equal amount in gambling credit coupons to the buyer.

His full-page ads for his Vegas World package featuring 2 nights' lodging, meals, drinks, shows and \$1,000 of 'house money' to gamble with for \$399 were seen everywhere.

His successful promotions offering value packages, were often seen in the back pages of magazines like the National Enquirer, Parade Magazine in Sunday newspapers, Playboy, TV Guide, etc.

The coupon books with which Stupak flooded the mailboxes of the country seemed to show knowledgeable casino games players that they could make a profitable trip to Las Vegas and back, even paying their own airfare and hotel room costs, by playing classic casino games at Vegas World while they were there.

When they got there, they found that Vegas World was actually offering its own, weird, versions of the classic casino games, with their own weird rules, which Stupak had invented, which existed in no other casino on earth, and which made the coupons worthless.

Bob Stupak developed weird and original rules for traditional games, like double exposure 21, where the dealer would deal both of his card face up.

At its peak, Vegas World made \$100 million a year in gambling revenues.

People on certain lists received elaborate direct-mail pieces selling the package, and over several years, millions of those sales letters were sent. His was and remains the only Las Vegas Strip hotel literally built by direct-response advertising.

NOW, THE UNTOLD STORY...

Where Bob got his most valuable prospect list that he mailed most aggressively to...

Every guest got a fancy welcome package, which included four full-color postcards with a photo of Vegas World and a display of One Million Dollars In Cash on one side. They were wrapped with a note telling guests to address them with notes to friends back home and drop them in the specially marked mail slot in the lobby – Bob even bought the stamps.

He did not mention he would copy down the names and addresses before mailing out the postcards. He did not mention that he would soon

afterward mail a letter telling these folks that they were invited to get the same great vacation their friends had recently enjoyed for just \$399, plus get a free spin of the Million Dollar Slot Machine and be guaranteed to at least win a diamond-like ring or a little color TV or some other nifty prize.

He mailed these prospects repetitively and persistently with a conversion rate upwards from 20%. So, if 300 guests turned in 4 postcards, that's 1,200 fresh prospects every couple of days, about 15,000 fresh prospects a month for which NO COST was incurred in acquiring them but a postcard and a stamp. Pretty ingenious!

NOTHING ELEGANT. NOTHING EFFICIENT. JUST EFFECTIVE.

Labor intensive? Yep – but that's the point. Renegade millionaires go to whatever trouble it takes to accomplish their goals – trouble that most people won't touch. That's the untold story of extraordinary achievement.

Vegas World is remembered by some as one of Vegas's most unusual and quirky casinos. Vegas World closed on February 1, 1995, in order to make room for its successor, the Stratosphere, Stupak's dream project.

Bob Stupak died in September 2009.

A marketing genius he was.