

James Crosby

By **People Staff** | Updated December 25, 1978 12:00 PM

I don't gamble," says the gaunt-faced, raspy-voiced businessman between puffs on a cigarette. "It bores me. And besides, the odds favor the house." No one knows that better than James Crosby, 51, who as chairman of Resorts International has brought Las Vegas-style casino gambling to Atlantic City's Boardwalk—and with it hope for the town's economic rebirth.

He may not favor blackjack and the slots, but Crosby took a \$12 million plunge on Atlantic City real estate even before the voters of New Jersey approved gambling in 1976. Resorts International poured money into the campaign for legalization and the bet paid off. Luck had very little to do with it. Afterward Crosby doled out another \$4.5 million to buy the famed Steel Pier. Shareholders rejoiced when the chairman, who collects \$145,000 in salary and personally owns 40 percent of the voting stock (worth over \$15 million), discussed the bottom line. In its first five months the Atlantic City operation grossed \$101 million—triple the revenues of Nevada's largest casinos. Resorts stock shot up from \$2.50 in 1976 to \$69.50 a share in September (adjusted for a three-for-one split). It has since dropped by more than half.



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Crosby hasn't drawn only aces, however. The New Jersey Casino Control Commission charged Resorts with credit and accounting violations during its first six weeks and fined the company \$40,000. A vote to give Resorts a permanent gambling license comes up next February. Now that the shakedown period is over, Crosby confidently forecasts profits of up to \$55 million a year on a gross take of more than \$200 million.

It is Crosby's biggest jackpot, but not the first. Though born on Long Island, he considers himself a New Jersey native son; he attended prep school in Lawrenceville, N.J. before enrolling in Georgetown University at the age of 16. After graduation he tried his luck on Wall Street, then took over the small Unexcelled Chemical Corp. in New Jersey. When his father, a New York City lawyer, and some partners bought the Florida-based Mary Carter Paint Company, they picked 31-year-old James to run it. He set up a chain of franchise paint stores and pyramided Mary Carter into a \$20 million-a-year conglomerate.

By 1966 a restless Crosby was looking for other challenges when A&P heir Huntington Hartford put Paradise Island in the Bahamas up for sale. Crosby took it over, added a casino and hotels, sold off the paint business in 1968 and renamed his company Resorts International.

A chronic worrier, self-confessed workaholic and devout bachelor ("I'm married to my job"), Crosby shuttles among a Manhattan apartment, a hotel suite in Atlantic City and a Nassau villa. He once played tennis every day but has all but given it up because of an asthmatic condition that prompts him to describe his health as "erratic." Crosby drinks moderately, smokes when he's nervous and reads to relax—usually nonfiction.

But his greatest joy is playing real-life Monopoly in Atlantic City. Caesars World, MGM and other companies with Las Vegas holdings intend to build there, and Crosby himself will break ground for a new 1,000-room hotel next year.

"The rest of the country is waiting to see if gambling works in Atlantic City," he says. His main worry: the inevitable public suspicion of a connection with the Mob. "It's the single most disturbing thing in my life," Crosby declares. "Legalized gambling drives away criminal elements, since they can make more money with the illegal kind. Once people understand this, maybe we can get out of this horrible shadow once and for all."



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