

# MGHA Monthly Report



## Message from Executive Director



This month has been a productive one for MGHA in terms of working with our tourism partners. On a local level, collaboration has been taking place between CVB tourism officials and casino marketing reps. At the state level, MGHA held meetings with leaders at the MDA Tourism office and with the Mississippi Tourism Association. MTA and MGHA will soon be exchanging memberships. You may recall that we partnered with MTA in hosting the Legislative Reception in January, and they are excited about working with us to do more. As we know, marketing is an essential driver of visitation. With limited budgets, these tourism offices are more than eager to work with you and MGHA to find ways to market better and increase visitation to our state. Do not be surprised if you are contacted by your local CVB. Please join us in working with them.

## Gulf Coast Gaming Revenues Continue Up

Gulf Coast gaming revenues continued to exceed prior year pushing overall gaming revenues for the state beyond 2014. The State Revenue Department figures show casinos statewide won \$185 million in May up 8% from \$172 million in May 2014. The 11 coastal casinos' revenue jumped 19% to \$100 million in May. Notably, along the Gulf Coast, revenues have risen more than 6% during the last 12 months. The 17 river casinos saw winnings down 3% to \$85 million in May losing gains highlighted in April's newsletter. Overall, 2015 Mississippi casino revenues exceed 2014 revenues by 2% through the first five months of the year.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
<b>May 2015</b>	<b>99,969,407</b>	<b>84,998,593</b>	<b>184,968,000</b>
May 2014	84,257,936	87,532,553	171,790,489
May 2013	94,690,116	97,484,451	192,174,567
May 2012	90,993,625	96,050,227	187,043,852
May 2011	95,992,957	40,846,649	136,839,607
2015 vs. 2014	18.6%	-2.9%	7.7%

	Gulf Coast	River Counties	Overall
<b>YTD 2015</b>	<b>484,129,202</b>	<b>422,126,834</b>	<b>906,256,035</b>
YTD 2014	444,454,292	441,712,784	886,167,076
YTD 2013	453,967,822	476,724,196	930,692,018
YTD 2012	472,156,259	513,531,057	985,687,316
YTD 2011	471,755,026	465,068,282	936,823,308
2015 vs. 2014	8.9%	-4.4%	2.3%

## 2015 SGS ...

The Survey results from 2015 Southern Gaming Summit are in. Some highlights from the survey include:

- 2,819 registrations with 77% coming from MS, LA, NV, CO, AL and TX
- 62% attended SGS in the past with 38% in new attendees
- Nearly all attendees (92%) reported they will return, are likely to return or may return.
- Nearly all speakers (93%) are likely to recommend SGS to co-workers
- The Key Note Speaker received very high ratings as did many of the sessions, including the Opening Night Reception, the Chef's Event, and the Executive Roundtable to name just a few.



## Gaming News—A Call for Action

*By: Mike Bruffey*



As I study the news updates posted in the Press Room of our website (as seen to right), I cannot help but think of these articles as a call for action. If Millennials enjoy skill based games (as research suggests) and the Nevada Gaming Commission is meeting to study skilled based games, shouldn't we do the same? And if Millennials play on handheld devices (as research suggests), then shouldn't we give I-gaming a fresh look? In other words, speaking more broadly, shouldn't we be asking ourselves, "What can we be doing in Mississippi to help gaming operators stay current and competitive?" As I look at the headlines and think about the upcoming legislative session, these and other ideas come to mind. Pennsylvania is currently considering legislation to legalize online gaming, while New Jersey is seeing an increase in online gaming revenues. Massachusetts opened its first slot parlor in Plain Ridge making it the 40th state to legalize gaming (old news); but, if you look closer, the design of the slot parlor is fresh and unique. While it is wonderful to see Gulf Coast gaming revenues increasing, this is not by happenstance. It has to do with operators investing over \$1.5 billion since 2011. In contrast, Tunica operators are fighting battles against county imposed tax increases despite shrinking visitation counts and declining revenues. Consider for a moment the jobs lost in the past year (about 1,400 in 2014) let alone all of the jobs since the floods in 2011. Then, consider what has happened in New Jersey. Isn't it very similar to our situation in Tunica? In response, New Jersey "deregulated" sports betting. The state's action may seem confusing or technical, but it is based on a ruling by the United States Court of Appeals for the Third Circuit. Any day a ruling is expected from this court, which may confirm that a state can deregulate sports betting without running afoul of the Professional and Amateur Sports Protection Act (better known as PASPA). Shouldn't we be ready for that? And, what is more, deregulating sports betting inside Mississippi casinos goes hand in hand with the American Gaming Association's recent announcement that it has convened an advisory committee to combat illegal gaming, including sports betting. As I consider all of this, I think the message is clear; in 2016, we must act wisely and prudently to take action that will protect jobs and this industry which brings so much to our state.

## Plans for SGS 2016 are Underway

We are beginning to hold meetings as we plan for SGS 2016. You can get involved. Last year, we formed the SGS Planning Committee allowing members to participate in the calls, provide input and help with making SGS better than ever. We could use your help. If you are interested in joining the SGS Planning Committee, please email Larry at [lgregory@msgaming.org](mailto:lgregory@msgaming.org) or Mike at [mikebruffey@msgaming.org](mailto:mikebruffey@msgaming.org).



**MAY 3 – 5, 2016 • BILOXI, MS**  
MISSISSIPPI COAST COLISEUM AND CONVENTION CENTER



**Thank You to our Exhibitors, Sponsors and Attendees for  
Supporting the 2015 Southern Gaming Summit / BingoWorld**

## MGHA Website Updates

June Updates to the [Press Room](#) on our website:

- MGHA Posts Comments to Proposed IRS Regs
- Online Gambling's Luck Turning as Revenues Outpace Year Ago
- Macau Diversifies in Face of Declining Revenues
- Another State Looks to Legalize Online Gaming
- AGA Convenes Illegal Gambling Advisory Board
- Alabama Governor Will Not Include Gaming in Special Session
- Oh to be Young, Millennial, and So Wanted by Marketers
- MGM names General Manager of Beau Rivage
- Leading Locations for 2015: The MSAs with Soundest Economic Strength Indicators
- Nevada Regulators Hold Workshop on Skill Based Games
- Taking a Bet: Would a Mississippi Lottery be Worth the Gamble?
- Former Casino Magic in Biloxi to Get New Life as Resort & Water Park
- Gulf Coast Gaming Revenues Continue Rise in May

## Upcoming Events

**MGHA Monthly Call**  
(July 10 at 2 p.m.)  
[MGHA Conference Line](#)

**MGC July Meeting**  
(July 23 at 9 a.m.)  
[MGC Office in Jackson](#)

**MGC August Meeting**  
(August 20 at 9 a.m.)  
[Magnolia Bluffs—Natchez](#)

**Nolen Canon Farewell Dinner**  
(September 16—time tbd)  
[Gold Strike—Tunica](#)

**MGC September Meeting**  
(September 17 at 9 a.m.)  
[Horseshoe—Tunica](#)

**Governor's Conference on Tourism**  
(September 27—29)  
[Vicksburg, MS](#)

## Regional Statistics

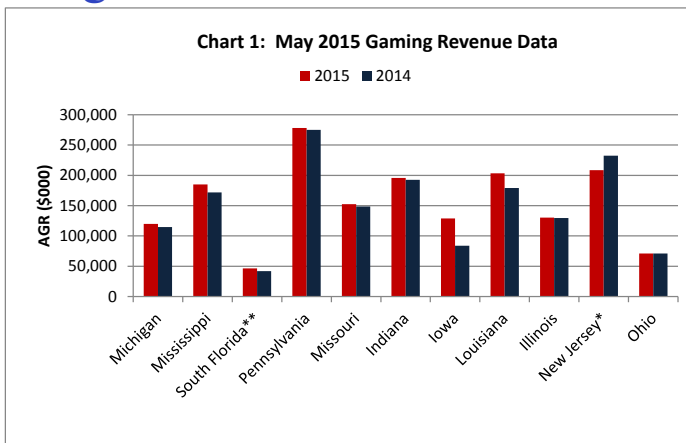


Table 2: AGR Summaries (\$000)

	May '15	May '14	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Iowa	128,856	83,894	53.6%	374,872	256,306	46.3%
Louisiana	203,446	179,130	13.6%	596,736	530,126	12.6%
South Florida**	46,506	41,950	10.9%	143,717	135,742	5.9%
<b>Mississippi</b>	<b>184,968</b>	<b>171,790</b>	<b>7.7%</b>	<b>560,355</b>	<b>544,315</b>	<b>2.9%</b>
Michigan	119,815	114,508	4.6%	364,268	351,719	3.6%
Missouri	152,403	148,597	2.6%	448,024	439,834	1.9%
Indiana	195,709	192,420	1.7%	574,436	586,264	-2.0%
Pennsylvania	277,968	275,007	1.1%	826,030	819,101	0.8%
Illinois	130,374	129,664	0.5%	386,753	395,990	-2.3%
Ohio	71,050	71,177	-0.2%	213,449	219,777	-2.9%
New Jersey*	208,606	232,399	-10.2%	585,586	678,317	-13.7%

\* Excludes \$12.5 million in online gaming revenue

\*\*South Florida only includes slots at racetracks

# Mississippi Gaming Statistics

## May 2015 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	3,180,103	2,230,226	624,068	657,093	1,460,281	Win	8,151,771
	WPUD	\$698	\$2,665	\$1,118	\$1,116	\$1,002	WPUD	\$1,019
	Units	147	27	18	19	47	Units	258
	Unit Mix	57.0%	10.5%	7.0%	7.4%	18.2%		
	Drop	21,899,912	14,167,192	2,659,140	2,059,805	5,755,710	Drop	46,541,759
	% of Drop	47.1%	30.4%	5.7%	4.4%	12.4%	As % Prior year	89.6%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,737,466	601,363	179,421	147,923	227,137	Win	2,893,310
	WPUD	\$862	\$1,492	\$827	\$530	\$1,047	WPUD	\$924
	Units	65	13	7	9	7	Units	101
	Unit Mix	64.4%	12.9%	6.9%	8.9%	6.9%		
	Drop	9,713,806	2,415,202	724,019	527,557	800,827	Drop	14,181,411
	% of Drop	68.5%	17.0%	5.1%	3.7%	5.6%	As % Prior year	113.6%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	6,476,221	2,898,588	1,428,593	1,366,249	4,246,852	Win	16,416,504
	WPUD	\$849	\$2,597	\$1,487	\$1,574	\$1,505	WPUD	\$1,226
	Units	246	36	31	28	91	Units	432
	Unit Mix	56.9%	8.3%	7.2%	6.5%	21.1%		
	Drop	43,405,203	16,394,867	5,686,879	4,554,121	23,759,662	Drop	93,800,732
	% of Drop	46.3%	17.5%	6.1%	4.9%	25.3%	As % Prior year	101.5%

## May 2015 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	31,156,759	930,468	4,149,918	7,795,076	3,894,622	Win	47,926,843
	WPUD	\$173	\$123	\$143	\$220	\$184	WPUD	\$175
	Units	5,805	244	936	1,145	681	Units	8,811
	Unit Mix	65.9%	2.8%	10.6%	13.0%	7.7%		
	Coin In	323,603,818	13,602,269	52,105,233	102,021,103	66,527,860	Coin In	557,860,283
	% of Coin in	58.0%	2.4%	9.3%	18.3%	11.9%	As % Prior year	83.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	18,892,674	390,726	1,420,108	2,942,292	660,408	Win	24,306,208
	WPUD	\$142	\$68	\$93	\$132	\$130	WPUD	\$134
	Units	4,280	185	491	721	164	Units	5,841
	Unit Mix	73.3%	3.2%	8.4%	12.3%	2.8%		
	Coin In	208,670,373	9,734,988	20,249,474	50,459,643	19,135,048	Coin In	308,249,526
	% of Coin in	67.7%	3.2%	6.6%	16.4%	6.2%	As % Prior year	98.3%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	55,676,832	2,987,277	8,028,959	10,904,586	4,954,998	Win	82,552,652
	WPUD	\$191	\$165	\$177	\$231	\$287	WPUD	\$197
	Units	9,405	583	1,463	1,521	557	Units	13,529
	Unit Mix	69.5%	4.3%	10.8%	11.2%	4.1%		
	Coin In	642,637,677	54,646,289	147,299,899	153,245,241	85,591,826	Coin In	1,083,420,933
	% of Coin in	59.3%	5.0%	13.6%	14.1%	7.9%	As % Prior year	99.4%

### Member Directory

- Ameristar Casino Hotel, Vicksburg
- Bally's Casino, Tunica
- Beau Rivage Resort Casino, Biloxi
- Boomtown Casino, Biloxi
- DiamondJacks Casino & Hotel, Vicksburg
- Fitz Casino & Hotel, Tunica
- Golden Nugget Biloxi
- Gold Strike Casino Resort, Tunica
- Hard Rock Casino, Biloxi
- Harlow's Casino Resort, Greenville
- Harrah's Gulf Coast, Biloxi
- Hollywood Casino Gulf Coast
- Hollywood Casino, Tunica
- Horseshoe Casino, Tunica
- IP Casino Resort Spa, Biloxi
- Island View Casino Resort, Gulfport
- Isle of Capri, Lula
- Isle of Capri, Natchez
- Lady Luck Casino, Vicksburg
- Magnolia Bluffs Casino, Natchez
- Palace Casino Resort, Biloxi
- Resorts Tunica Hotel & Casino
- Riverwalk Casino Hotel, Vicksburg
- Roadhouse Casino, Tunica
- Sam's Town Hotel & Gambling Hall, Tunica
- Silver Slipper Casino, Bay St Louis
- Treasure Bay Resort, Biloxi
- Trop Casino, Greenville

### **Associate Member of Month**

A great big thank you to **Patrick Zimmerman, Attorney at Law** (pictured right). Each month Pat pulls together the latest statistics that you find in this report. He and his wife recently had a baby, and yet he still managed to find time to get to our newsletter. Thank you Pat and congratulations on the new addition to the family!

The Mississippi Gaming & Hospitality Association (MGHA)\* is a non-profit organization made up of casino operators and vendors whose mission it is to protect and enhance the reputation and success of the gaming industry within the State of Mississippi. We seek to accomplish our mission by:

- ♦ Cooperating with government officials in advancing the gaming industry's common goals and objectives;
- ♦ Promoting comprehensive and fair regulation of the gaming industry to insure integrity at all levels of operation;
- ♦ Advocating fair and reasonable taxation of the industry, which will permit operators to maximize employment opportunities and re-invest, expand and improve existing facilities;
- ♦ Promoting and participating in public education throughout Mississippi regarding the benefits of casino gaming, including job creation, economic development and how the industry can help the State in maximizing its tax revenues; and
- ♦ Supporting and enhancing responsible gaming programs and offering education and assistance to individuals with gambling problems

For questions about membership contact Executive Director Larry Gregory via email at [lgregory@msgaming.org](mailto:lgregory@msgaming.org) or by phone at 601-965-6992.

*\*The MGHA was originally chartered in 1993 as the Mississippi Casino Operators Association (MCOA). In March 2013, the Board of Directors voted to change the name of the association to better reflect its mission.*



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### Don't Lose Millions in a Data Breach—Get Prepared



According to a new study from IBM, the average cost of a data breach to a company here in the U.S. is \$6.5 million, up from \$5.4 million two years ago. That's the highest of eleven countries in the report. It's one reason a comprehensive business continuity or disaster response plan should include data breach response. As the 2013 data breach at Target shows, the loss of customer data can be monumentally costly. In SEC filings,

Target booked expenses in 2013-2014 of \$162 million as a direct result of the breach, and it's still defending lawsuits that arose from the incident. Companies like casinos that depend on customer loyalty face not just the crippling loss of existing customers, but the added expenses of attracting new ones. What should a response plan include? According to the IBM study, a prepared incident response team, widespread use of encryption, employee training and the involvement of a company's business continuity department had the biggest impact on reducing data breach costs.