

MGHA Monthly Report



JANUARY 2016



Message from Executive Director

Welcome to 2016 members. I am happy to see we are off to a good start with the revenues. Our annual report highlights your strong commitment to reinvest in Mississippi. By doing so, you have seen revenues increase of 1.5% on a year over year basis. Our goals for 2016 are reflected in our annual report, and include supporting legislation that will encourage more investment in non-gaming amenities as well as supporting air service to our regional airports. These efforts are essential as we look for ways to make Mississippi a destination attractive to more visitors. With this in mind, we look forward to continuing our partnerships with MTA, MHRA and MDA.

2016 Off to a Strong Start

As reported in our 2016 Annual Report, total gaming revenues for Mississippi increased 1.5% in 2015 as compared to 2014. Along the Gulf Coast, the operators saw a 6% increase, in the south river region the operators saw an increase of 2.2% and in the north river region the operators saw a 5.5% decline in gaming revenue.

As reflected by the numbers in Table 1, the operators are off to a strong start in 2016. While this represents only one month, it is a good sign as we begin 2016 following a strong 2015.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Jan 2016	100,567,935	76,973,211	177,541,146
Jan 2015	87,290,355	77,691,344	164,981,699
Jan 2014	81,436,764	78,061,383	159,498,147
Jan 2013	82,874,140	77,719,316	160,593,456
Jan 2012	87,837,125	89,241,162	177,078,287
2016 vs. 2015	15.2%	-0.9%	7.6%

	Gulf Coast	River Counties	Overall
YTD 2016	100,567,935	76,973,211	177,541,146
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Farewell, Thank You and Welcome

First, we must say farewell to Susan Varnes as our Chair (2014-2016) and say thank you to Susan for her tremendous leadership on behalf of our association for the past two years. After taking the reins, Susan was faced with news of Larry's illness and then with news about the challenges we would face with our annual gaming summit. She managed us through these challenges by committing countless hours and resources to MGHA. Susan, our thanks cannot be adequately expressed, but please know how much we appreciate all you have done for our association and industry through your service as Chair of MGHA.

Now, we must say thank you and welcome to Lee Dillard as he has graciously accepted the challenge of filling some very big shoes and taking over as Chair of MGHA. Lee, we are so pleased you accepted your nomination, and we look forward to working closely with you (as we did with Susan) to promote and support the good news story of the gaming industry in Mississippi. Welcome to you and to our entire slate of new officers!

2016-18 MGHA Officers

Lee Dillard, Chair (North River Region)
Paul Avery, Vice Chair (South River Region)
Cathy Beeding, Treasurer (Coast Region)
Steven Lambert, Secretary (North River Region)

Southern Gaming Summit: May 3-5, 2016

As you can tell from the brochure below (which will be published soon) **SGS 2016** is taking shape. We are launching a social media campaign and are looking forward to an expo floor mix of gaming manufacturers like IGT, Everi and Modern Gaming as well as more food & beverage exhibitors, a chef's panel, the Global Gaming Women's Luncheon at **Island View**, a golf tournament at the **Grand Bear**, two evening networking events at **Hard Rock** and **Golden Nugget**, and a strong slate of educational topics and speakers, including our keynote speaker, **Anthony Sanfilippo, CEO Pinnacle Entertainment**. As members of MGHA, you receive special rates and discounts. Register at www.sgsummit.com and Contact Us with any questions.



SOUTHERN GAMING SUMMIT

MAY 3-5 | 2016

MISSISSIPPI GULF COAST



BINGO WORLD

www.sgsummit.com

AGENDA AT A GLANCE

TUESDAY - MAY 3RD - SOUTHERN GAMING SUMMIT & BINGOWORLD

8:00 am - 5:00 pm Registration Open

8:00 am Tee Off Southern Gaming Summit / BingoWorld Golf Tournament

11:30 am - 1:00 pm Global Gaming Women Luncheon

6:00 pm - 9:00 pm Southern Gaming Summit / BingoWorld Welcome Reception

WEDNESDAY - MAY 4TH - SOUTHERN GAMING SUMMIT EXPO HOURS 11:30 AM - 5:30 PM

8:00 am - 5:00 pm Registration Open

8:00 am - 9:00 am Continental Breakfast

9:00 am - 10:00 am Keynote Address

10:00 am - 10:15 am Networking Break

10:15 am - 11:15 am Commercial Gaming: State of the States

11:15 am - 11:30 am Networking Break

11:30 am - 12:30 pm Fantasy Sports & the Law: Implications for Casinos

4:00 pm - 4:30 pm Bigfoot Bingo on the Expo Floor

6:00 pm - 9:00 pm Southern Gaming Summit / BingoWorld Opening Night Party

THURSDAY - MAY 5TH - SOUTHERN GAMING SUMMIT EXPO HOURS 11:30 AM - 3:00 PM

8:00 am - 3:00 pm Registration Open

8:00 am - 9:00 am Continental Breakfast

9:00 am - 10:00 am Tribal Gaming: Legal and Regulatory Update

10:00 am - 10:15 am Networking Break

10:15 am - 11:15 am Executive Roundtable

11:15 am - 11:30 am Networking Break

1:00 pm - 2:00 pm Chef's Demo on the Expo Floor

WEDNESDAY - MAY 4TH - BINGOWORLD EXPO HOURS 11:30 AM - 5:30 PM

8:00 am - 5:00 pm Registration Open

8:00 am - 9:00 am Continental Breakfast

9:00 am - 11:15 am 15 Bingo Promotions that Work

11:15 am - 11:30 am Networking Break

11:30 am - 12:30 pm Regulators Roundtable: Current Issues Affecting Bingo

1:30 pm - 3:00 pm BINGO UNIVERSITY: The A to Z of Event Ticket and Pull Tabs

3:30 pm - 4:15 pm Regional Roundtables

4:00 pm - 4:30 pm Bigfoot Bingo on the Expo Floor

6:00 pm - 9:00 pm Southern Gaming Summit / BingoWorld Opening Night Party

THURSDAY - MAY 5TH - BINGOWORLD EXPO HOURS 11:30 AM - 3:00 PM

8:00 am - 3:00 pm Registration Open

8:00 am - 9:00 am Continental Breakfast

9:00 am - 10:00 am Bingo Managers Roundtable: Operations and Budget Ideas

10:00 am - 10:15 am Networking Break

10:15 am - 11:30 am Regulators Roundtable: The Millennials and Bingo: How Do We Get Them in the Door

GAIN CONTINUING EDUCATION CREDITS AT NO ADDITIONAL COST!

BINGO UNIVERSITY Wednesday, May 4 1:30 - 3:00 p.m.

2016 CONFIRMED SPEAKERS (AS OF 02/22/2016)

SOUTHERN GAMING SUMMIT

Anthony Sanfilippo, CEO Pinnacle Entertainment

BINGOWORLD

Shelia Moraga, Executive Director, Oklahoma Indian Gaming Association

Legislative Update



Tuesday, Feb. 23rd, the deadline for bills to make it out of committee or they likely will die for this year's session. One bill that has emerged from the House Gaming Committee was HB 1074: Gaming and Economic Development Infrastructure Fund. This is aimed at providing funding for economic development in gaming counties, which would include funding for air incentive programs at regional airports. On the Senate side, there were a couple of bills of interest that emerged: SB 2074: MDA; Extend tourism sales tax incentive program, which would provide incentives for developing non-gaming amenities, and SB 2541: a Fantasy sports bill that would legalize DFS in Mississippi. We are tracking these bills closely. There are many rules that can revive a bill or other mechanisms to attach a bill to another piece of legislation. Thus, we will continue to monitor all legislation and keep you updated as appropriate. Another important date to keep in mind is March, 3rd. This is a deadline by which action must be taken on a bill on the House/Senate floor in which it originated. Feel free to contact us should you have any questions or if you have information you would to share regarding these or other bills of interest.

Important Dates

MGHA Monthly Calls 2016-17
Second Friday of Each Month
(2 p.m. Central)

MGHA Quarterly Meetings 2016-17
May 3-5 (Biloxi)
September 13-14* (Tunica)
November 16-17 (Jackson)
January 18-19* (Jackson)
**denotes date is tentative*

Recent Press Room Updates

- Mississippi's Larry Gregory takes seat on American Gaming Association board
- Casino No Sure Bet for Gulfport Harbor
- Mississippi Attorney General Opinion—Fantasy Sports Illegal in Mississippi
- Boyd Gaming spending more than \$100 million to beef up non-gaming amenities
- Isle of Capri to License Lady Luck brand for online gaming
- Florida's governor reaches compact with Seminoles; must be approved by legislature
- Mississippi Gaming Revenues Rise in January 2016; Gulf Coast reaches \$100 million
- Lonely Planet names Natchez as the No.2 destination in America

www.msgaming.org

Regional Statistics

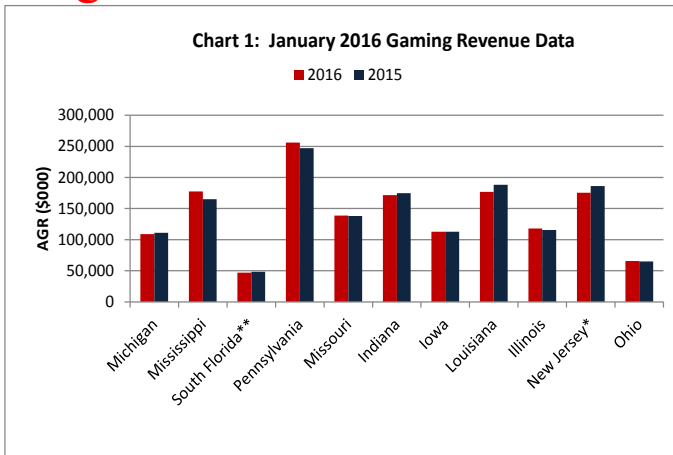


Table 2: AGR Summaries (\$000)

	Jan. '16	Jan. '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Mississippi	177,541	164,982	7.6%	505,822	488,859	3.5%
Pennsylvania	255,905	246,987	3.6%	778,797	750,631	3.8%
Illinois	117,857	115,482	2.1%	346,451	353,919	-2.1%
Ohio	65,518	64,810	1.1%	201,737	198,376	1.7%
Missouri	138,765	138,148	0.4%	415,508	408,282	1.8%
Iowa	112,771	112,876	-0.1%	338,647	340,765	-0.6%
Michigan	109,067	111,022	-1.8%	343,210	335,936	2.2%
Indiana	171,515	174,696	-1.8%	510,491	524,925	-2.7%
South Florida**	47,062	48,247	-2.5%	131,713	132,557	-0.6%
New Jersey*	175,481	185,983	-5.6%	544,211	559,502	-2.7%
Louisiana	176,836	188,116	-6.0%	536,025	555,893	-3.6%

* Excludes \$14.6 million in online gaming revenue

**South Florida only includes slots at racetracks

Mississippi Gaming Statistics

January 2016 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	9,546,706	2,224,047	512,764	609,934	1,267,525	Win	14,160,976
	WPUD	\$2,248	\$2,562	\$919	\$1,036	\$852	WPUD	\$1,827
	Units	137	28	18	19	48	Units	250
	Unit Mix	54.8%	11.2%	7.2%	7.6%	19.2%		
	Drop	28,964,492	14,038,186	2,456,764	1,755,604	5,406,448	Drop	52,621,494
	% of Drop	55.0%	26.7%	4.7%	3.3%	10.3%	As % Prior year	108.2%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,372,484	558,484	152,957	149,543	122,282	Win	2,355,750
	WPUD	\$661	\$1,501	\$822	\$603	\$564	WPUD	\$760
	Units	67	12	6	8	7	Units	100
	Unit Mix	67.0%	12.0%	6.0%	8.0%	7.0%		
	Drop	7,386,289	2,442,001	624,350	501,235	739,191	Drop	11,693,066
	% of Drop	63.2%	20.9%	5.3%	4.3%	6.3%	As % Prior year	99.4%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	5,189,479	3,382,923	1,155,776	1,302,992	4,420,962	Win	15,452,132
	WPUD	\$667	\$2,949	\$1,130	\$1,449	\$1,285	WPUD	\$1,081
	Units	251	37	33	29	111	Units	461
	Unit Mix	54.4%	8.0%	7.2%	6.3%	24.1%		
	Drop	41,852,262	17,576,086	5,305,684	4,164,013	27,053,234	Drop	95,951,279
	% of Drop	43.6%	18.3%	5.5%	4.3%	28.2%	As % Prior year	111.0%

January 2016 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	24,700,107	807,146	3,143,673	6,310,151	3,388,578	Win	38,349,655
	WPUD	\$141	\$116	\$114	\$180	\$36	WPUD	\$113
	Units	5,644	224	891	1,132	3,060	Units	10,951
	Unit Mix	51.5%	2.0%	8.1%	10.3%	27.9%		
	Coin In	296,193,929	12,039,496	41,485,456	96,461,201	71,234,980	Coin In	517,415,062
	% of Coin in	57.2%	2.3%	8.0%	18.6%	13.8%	As % Prior year	92.8%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	15,730,996	391,941	1,150,646	2,596,746	841,808	Win	20,712,137
	WPUD	\$136	\$78	\$89	\$123	\$191	WPUD	\$130
	Units	3,730	163	419	681	142	Units	5,135
	Unit Mix	72.6%	3.2%	8.2%	13.3%	2.8%		
	Coin In	182,068,534	8,489,400	17,202,692	46,186,958	15,094,451	Coin In	269,042,035
	% of Coin in	67.7%	3.2%	6.4%	17.2%	5.6%	As % Prior year	96.5%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	55,548,211	2,869,821	8,359,754	11,387,696	5,555,233	Win	83,720,715
	WPUD	\$178	\$148	\$158	\$221	\$297	WPUD	\$184
	Units	10,085	625	1,705	1,665	603	Units	14,683
	Unit Mix	68.7%	4.3%	11.6%	11.3%	4.1%		
	Coin In	645,232,864	54,713,183	152,366,654	158,429,007	94,004,633	Coin In	1,104,746,341
	% of Coin in	58.4%	5.0%	13.8%	14.3%	8.5%	As % Prior year	110.2%

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
- 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
- Scarlet Pearl Casino & Hotel, D'Iberville
- Silver Slipper Casino, Bay St Louis
- Treasure Bay Resort, Biloxi
- Trop Casino, Greenville

New Associate Members

We would like to welcome three of our newest associate members. They are:

Capitol Resources

(www.capitolresourcesllc.com)

DEQ Systems Corp.

(www.deq.com)

Horne, LLP

(www.hornellp.com)

Thank you for joining MGHA.

We value the membership of all our members. Please let us know how we can assist you.

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 (lgregory@msgaming.org or 601-965-6992) or Deputy Director Michael Bruffey (mikebruffey@msgaming.org or 228-282-5327).

**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.*



120 N. Congress Street 4th Floor
Jackson, MS 39201
(601) 965-6992
www.msgaming.org

The Benefits of Succession Planning



Often when I meet with a small business owner to develop an estate plan, they are caught off-guard by the mention of succession planning. Usually, they haven't thought about it or assumed that their business would continue in the event they can't run it. Succession planning helps ensure a business's survival in the event a key principal is no longer involved. It's not just for small businesses, though. It has its place, even in large, corporate organizations. It can be an integral part of a promote-from-within culture and an organization's broader business continuity plan. By always asking who should be the next employee to fill a position, an organization can seamlessly handle any personnel transitions that would otherwise leave management scrambling for an external candidate

to fill a position and burdening other employees to fill the gap. A recent Society for Human Resource Management article cites research from the Wharton School that estimates investment banks pay external hires up to 20% more than they would internal candidates. Aside from higher pay, there are the added costs of recruiting and integrating new employees into the organization. Succession planning can reduce these costs and an organization's dependence on external candidates. At the same time, it provides stability when employees leave and has the obvious benefits of encouraging performance and boosting morale of current employees hoping to move up.

Patrick Zimmerman is an MGHA Associate Member and attorney-at-law. He welcomes your comments or suggestions at 601-376-9741 or pat@zimmermanlawfirm.ms