

MGHA Monthly Report



MARCH 2016



Message from Executive Director

We are coming down the stretch for **SGS 2016**. On **Tuesday, May 3**, events kick off at **Grand Bear** with the golf tournament, then the Global Gaming Women's Luncheon at Noon at **Island View**, followed by the Welcome Reception at **Hard Rock** at 6 p.m. On **Wednesday, May 4**, we begin at 9 a.m. with keynote speaker, Anthony Sanfilippo, CEO of **Pinnacle Entertainmentmt. SGS 2016** has a full slate of exhibitors on the expo floor and educational sessions covering relevant topics with excellent speakers. Networking opportunities continue with the Opening Night Party at the **Golden Nugget**—Biloxi starting at 6 p.m. On **Thursday, May 5**, the expo floor will be busy, the educational sessions continue, and don't miss the Chef's Cooking Demonstration on the expo floor. Come join us!!!

March Numbers Decline to End 1st Quarter

Figures released in April by the Mississippi DOR show operators won \$188 million in March, down 5% from \$198 million in 2015. The 12 coastal casinos reported \$103 million, about 4% less than last March; but, this is only the third month in the past year when the coastal casinos experienced a decline in gross gaming revenue (GGR). The 16 Mississippi River operators reported \$85 million in March, down 7% compared to the same period last year. **On a statewide basis, GGR rose in 2015 for the second time in eight years and has risen 2.2% so far in 2016.** While March numbers were down, the overall increase for the quarter is good news.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Mar 2016	103,232,962	85,093,833	188,326,795
Mar 2015	107,370,246	90,960,800	198,331,045
Mar 2014	104,834,926	103,338,442	208,173,368
Mar 2013	102,002,980	112,097,124	214,100,104
Mar 2012	101,574,395	118,824,076	220,398,471
2016 vs. 2015	-3.9%	-6.4%	-5.0%
	Gulf Coast	River Counties	Overall
YTD 2016	308,558,087	247,635,655	556,193,742
YTD 2015	289,874,835	254,357,225	544,232,060
YTD 2014	275,651,447	274,374,475	550,025,922
YTD 2013	274,006,485	288,801,620	562,808,104
YTD 2012	287,784,931	323,774,087	611,559,018
2016 vs. 2015	6.4%	-2.6%	2.2%

Meet Our Newest MGHA Board Members

We have two new board members. They are **Anthony Scudiero**, who has been named General Manager of **Diamond Jacks Casino & Hotel-Vicksburg** and **Justin Carter** named General Manager of **Hollywood Casino Tunica**. Promoted from Penn National's Hollywood Casino at Charles Town Races to Hollywood Casino Tunica, **Justin**, a native of New Orleans, spent 10 years with Caesars Entertainment prior to joining Penn. He began his career at Harrah's St. Louis as a "President's Associate" and eventually moved up to operational leadership roles with the company's Bahamian project and at Caesars casinos in Atlantic City and Kansas City. Justin also served as Operations Executive at Caesars' South African Emerald Resort and Casino. He later went on to serve as GM of Manchester 235 Casino in Manchester, England, and as Regional Director of Caesars United Kingdom's provincial casinos. Just prior to joining Penn, Justin was the Assistant GM of the Horseshoe Casino in Cincinnati, OH. **Tony** commented, "Over thirty years ago I was hired as a poker chip runner at the Las Vegas Hilton Hotel. My career has brought me to Green Bay WI, Calgary Alberta Canada, Biloxi, Natchez, Tunica, Saint Jo-



seph MO and now Vicksburg MS. These are very exciting times at the soon to be former Diamond Jacks Casino because on May 24th we open as **Waterview Hotel & Casino**. Construction has us very busy with trying to manage the everyday affairs of balancing guests needs and business interruption. Once completed, the entire inside and out will have changed from new carpet, paint, slot, table floor design and a new look to our buffet and steakhouse. I am very grateful to Foundation Gaming to have given me this opportunity to be the GM. My family and I are very happy to be back in the South."



SGS: A Vital Part of Our Industry

By: Larry Gregory

We have watched **Southern Gaming Summit** evolve along with the broader gaming industry for more than two decades now. In the early days, when buildings were going up around the country, and especially in our markets here in Mississippi, our educational focus was on all the things we needed to do as an industry to grow successfully. As we have matured along with our industry, our focus is still on growth, but making sure that its profitable growth. Today, Southern Gaming Summit has a lot to offer all industry stakeholders by way of understanding the current market and how to prosper in it. Our Gulf Coast market, which hosts the event, is at the forefront of many of the key issues facing regulated gaming across the country, and, performance-wise, we are more than getting the hang of it. In, 2014 and 2015, on a statewide basis our gaming revenues have grown, even though visitor volumes declined. That means we are marketing effectively and adding the right products, attracting people who want to spend money with us and getting them to stay longer.

Southern Gaming Summit will offer conference attendees a chance to build on their knowledge base in ways that meet the demands of today's marketplace, and I'll give you a few examples. There is a lot of discussion about slot games that incorporate an element of skill and their importance to the future of the casino industry. Much of the interest is fueled by the stunning popularity of social games with the industry's core group of slot players; women aged 45 and over. Also, driving the conversation is the focus on younger players, also known as millennials, that find skill-based games more interesting than purely randomly generated games. As everyone in the business knows, this is a complicated conversation that puts a lot of big issues on the table: consumer tastes, casino profitability, operator propensity for risk, development costs and regulation, just to name a few.

We'll be addressing **skill-based slots** from all the right angles at Southern Gaming Summit with a session on **Wednesday, May 4**, entitled, Skill-Based Slots: Present and Future Opportunities. **Daniel Sahl, Ph.D.**, Associate Director, Center for Gaming Innovation, University of Las Vegas, will moderate, and he's an ideal person to lead this conversation, given his position at UNLV in the gaming capital of the world. Last fall, he told Stateline.org, it is "well accepted within the industry" that gambling as it exists today is not as attractive to millennials as it is to their parents or grandparents. Millennials, especially, think of leisure activities as "a social experience that you share with friends. Gambling does not resonate with them as particularly fun to do." With that reality in mind, New Jersey announced in October 2014 that manufacturers could begin offering skill games at Atlantic City's eight casinos. In February, the state's Division of Gaming Enforcement released a set of rule, responding, in the words of Division **Director David Rebeck**, to the industry's request for, "specific regulations to guide their efforts to create innovated skill-based products." We're very fortunate that Director Rebeck, who, described the rules as "another important step towards implementing skill-based gaming" will be a speaker at this session.

People are the driving force in our business and we are proud of Southern Gaming Summit's association with **Global Gaming Women**, a high-profile group which supports the development and success of women in the international gaming industry. Its annual pre-show luncheon, to be held at the **Island View Casino Resort** in Gulfport on **Tuesday, May 3**, will be followed by a first-ever session focused on executive-level equality on the opening day of the conference. The subject of this year's luncheon discussion will be: "Building a Career: A Candid Conversation About The Valuable Lessons Learned From First Jobs, Memorable Mentors and Taking Chances." The opening day session is entitled, "What is the Path to Executive-Level Equality?" Both the luncheon, now in its 5th year, and the conference session will be supported by an impressive array of speakers, led by **Virginia McDowell**, President and CEO, Isle of Capri Casinos Inc. and **Global Gaming Women Board Chair and President**, who will moderate each panel.

There are so many other topics that I could highlight, but one that I will single out is, "**New Gaming Opportunities in the South: Assessing the Potential.**" New gaming is a continuous topic of discussion in Georgia, Florida and Texas, which are on the geographical fringe of the established southern casino industry and represent vital feeder markets. Speakers on this panel include **Arthur Mothershed**, Vice President of Business Development, Wind Creek Hospitality, a signature sponsor at this year's event. **Rep. Richard Bennett**, Chairman of House Gaming Committee, Mississippi House of Representatives, will also be on the panel, and I look forward to hearing his views on the topic.

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2 Have a great Southern Gaming Summit 2016. I hope to see you there.



MGHA Website

News/Press Room Updates

- Global Gaming Women Brings Support and Events to the Coast
- Despite Declining Revenues Mississippi Makes \$415 million in Tax Cuts over 12 years
- Mississippi Legislature Adjourns
- Victoryland Looks Beyond State Supreme Court
- Survey Describes Las Vegas Average Tourist
- Online Poker Revenue to Highest Total in 2 Years
- Gaming Board to Consider Pinnacle Sale of Real Estate Assets
- Palace Casino Wins 9 Best of Dining Awards
- Atlantic City Casino Operating Profits Up 40%

www.msgaming.org

After SGS Welcome Party Come to the After Party

(Wednesday, May 4 at 8:00 p.m.)
Hard Rock Casino

Sponsored by
Modern Gaming

MGHA Board Meeting

(May 4 at 12:30 p.m.—2:30 p.m.)
Biloxi—Coast Coliseum
(Room: L3)

Meeting Lunch Sponsored by



3rd Annual Charity Slot Tournament

(May 4 at 3:00 pm)
Biloxi—Coast Coliseum
(Booth #808)

Sponsored by



Regional Statistics

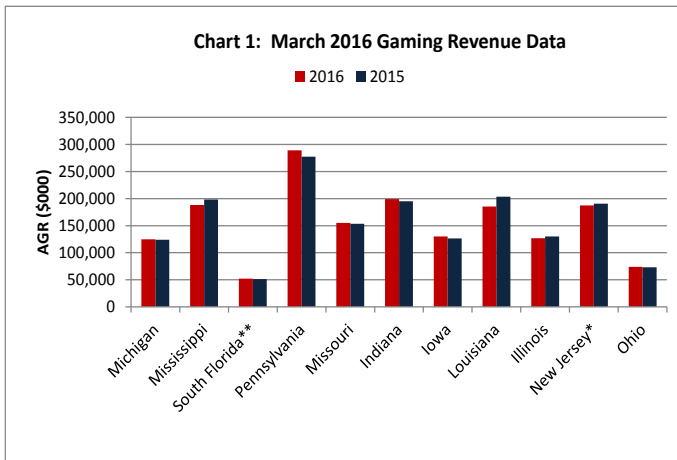


Table 2: AGR Summaries (\$000)

	Mar. '16	Mar. '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Pennsylvania	289,168	277,483	4.2%	813,427	771,590	5.4%
Iowa	129,895	126,217	2.9%	362,358	354,641	2.2%
Indiana	198,930	194,872	2.1%	557,805	547,881	1.8%
South Florida**	51,950	51,134	1.6%	149,165	147,880	0.9%
Ohio	73,713	72,885	1.1%	211,336	205,205	3.0%
Missouri	154,980	153,602	0.9%	440,816	428,330	2.9%
Michigan	124,949	123,904	0.8%	350,417	349,348	0.3%
New Jersey*	187,464	190,713	-1.7%	552,912	544,738	1.5%
Illinois	126,688	129,861	-2.4%	359,935	355,065	1.4%
Mississippi	188,327	198,331	-5.0%	556,194	544,232	2.2%
Louisiana	185,335	203,404	-8.9%	503,847	582,365	-13.5%

* Excludes \$15.5 million in online gaming revenue

**South Florida only includes slots at racetracks

Mississippi Gaming Statistics

March 2016 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	3,413,695	2,742,449	605,334	630,804	1,477,979	Win	8,870,261
	WPUD	\$804	\$3,051	\$1,085	\$1,130	\$1,059	WPUD	\$1,158
	Units	137	29	18	18	45	Units	247
	Unit Mix	55.5%	11.7%	7.3%	7.3%	18.2%		
	Drop	22,905,232	14,086,128	2,565,619	1,863,366	5,651,877	Drop	47,072,222
	% of Drop	48.7%	29.9%	5.5%	4.0%	12.0%	As % Prior year	93.2%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,708,008	703,156	235,147	164,277	291,449	Win	3,102,037
	WPUD	\$787	\$1,745	\$1,264	\$662	\$1,175	WPUD	\$953
	Units	70	13	6	8	8	Units	105
	Unit Mix	66.7%	12.4%	5.7%	7.6%	7.6%		
	Drop	8,367,931	2,825,937	849,840	640,181	844,756	Drop	13,528,645
	% of Drop	61.9%	20.9%	6.3%	4.7%	6.2%	As % Prior year	90.7%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	6,336,058	2,847,138	1,118,066	1,320,102	5,248,579	Win	16,869,943
	WPUD	\$783	\$2,482	\$1,093	\$1,468	\$1,568	WPUD	\$1,163
	Units	261	37	33	29	108	Units	468
	Unit Mix	55.8%	7.9%	7.1%	6.2%	23.1%		
	Drop	42,181,913	17,010,436	5,559,579	4,173,108	25,400,614	Drop	94,325,650
	% of Drop	44.7%	18.0%	5.9%	4.4%	26.9%	As % Prior year	100.0%

March 2016 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	31,202,272	908,400	3,825,726	6,796,023	4,122,233	Win	46,854,654
	WPUD	\$178	\$136	\$140	\$193	\$194	WPUD	\$176
	Units	5,649	215	883	1,133	684	Units	8,564
	Unit Mix	66.0%	2.5%	10.3%	13.2%	8.0%		
	Coin In	343,448,376	12,905,753	48,170,744	104,219,486	70,713,808	Coin In	579,458,167
	% of Coin in	59.3%	2.2%	8.3%	18.0%	12.2%	As % Prior year	95.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	19,756,205	445,737	1,048,729	2,739,791	481,794	Win	24,472,256
	WPUD	\$173	\$88	\$82	\$139	\$109	WPUD	\$157
	Units	3,680	163	411	638	142	Units	5,034
	Unit Mix	73.1%	3.2%	8.2%	12.7%	2.8%		
	Coin In	215,680,905	8,309,999	16,452,898	45,597,689	15,462,707	Coin In	301,504,198
	% of Coin in	71.5%	2.8%	5.5%	15.1%	5.1%	As % Prior year	94.4%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	59,565,119	3,058,297	7,959,474	9,984,059	4,757,140	Win	85,324,089
	WPUD	\$191	\$149	\$148	\$199	\$252	WPUD	\$188
	Units	10,056	660	1,732	1,616	610	Units	14,674
	Unit Mix	68.5%	4.5%	11.8%	11.0%	4.2%		
	Coin In	671,107,854	57,016,388	147,007,618	154,672,944	84,513,116	Coin In	1,114,317,920
	% of Coin in	60.2%	5.1%	13.2%	13.9%	7.6%	As % Prior year	103.8%

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'sTown 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 our newest associate members.

Cintas

(www.cintas.com)

Snapshot Publishing Co.

(www.socialsouthmag.com)

Capitol City Produce

(www.capitolcityproduce.com)

*Thank you all for being part of
MGHA.*

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.

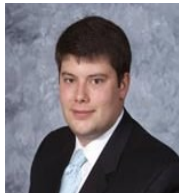
For questions about membership contact Executive Director Larry Gregory or Deputy Director Mike Bruffey via email (lgregory@msgaming.org or mikebruffey@msgaming.org) or by phone 601-965-6992.

**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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HB 1523 — Consider Employee Training



This legislative session seemed to be one of the more controversial in recent memory. Of all of the legislation, the “Protecting Freedom of Conscience from Government Discrimination Act” (aka HB 1523) took most of the attention. In advance of its July 1st effective date, many trade groups and businesses have expressed concerns over the potential economic impact of this law. Some states and cities are banning non-essential government travel here because of this law. As discussions have developed on social media and through old-fashioned rumor, there is some confusion about what this law does. This confusion has the potential for future legal problems if, for instance, an employee illegally

discriminates against another employee or customer on the false belief that they are protected. Because of this, HB 1523 can serve as an important reminder to train your employees. Consider reviewing company policy with them. Clarify company expectations of them as a condition of their employment. Train them in the basics of discrimination law. In a conflict between state law and federal law, federal law is superior. Illegal discrimination under federal law is still illegal.

There's not much you can control to limit the fallout of the negative attention from this law. One thing you can control is the prevention or mitigation of legal problems that could come from the actions of misinformed employees.

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