

SEPTEMBER
2016

MGHA Monthly Report



Message from Executive Director

As many of you know, Allen Godfrey was my Deputy Director when I was at the Gaming Commission. I leaned on Allen heavily in our day-to-day operations. I depended on his wisdom and judgment in many of the decisions we faced at the MGC. Time and again, he handled every issue and with the utmost integrity and dedication, always reaching every decision with great thought and reason, balancing what was best for the state and fair to the industry. He has continued to operate in this manner in his position as executive director, and stakeholders in the gaming industry respect his oversight, direction and leadership. Simply put, Allen is leading by example. Allen is fair, thoughtful, and upright, traits that cannot be fabricated or easily swayed. The MGHA is proud of Allen being recognized for this prestigious award—Regulator of the Year for North America.

September Ends Q3 on Upswing

With Summer drawing to a close, we watched to see if Gross Gaming Revenue (GGR) would dip. Instead of dipping, GGR in September 2016 rose on the Gulf Coast (up 7%) and in the River Counties (up 0.2%) compared to the same month last year. Overall for the year, Gulf Coast GGR is exceeding prior year by 4.1% and on a statewide basis GGR is up 1%. Commenting about these numbers, *House Gaming Chair, Rep. Richard Bennett* said, “In spite of the competition from surrounding states and the expansion of gaming nationwide, the future of gaming in Mississippi looks bright as we see continued growth in revenues for a third year in a row.” This positive message is very encouraging as we head into the 4th quarter of 2016.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Sep 2016	98,499,137	73,146,565	171,645,702
Sep 2015	92,038,758	73,006,343	165,045,101
Sep 2014	88,453,583	71,647,624	160,101,207
Sep 2013	88,169,692	76,095,033	164,264,725
Sep 2012	86,707,396	91,235,631	177,943,027
2016 vs. 2015	7.0%	0.2%	4.0%

	Gulf Coast	River Counties	Overall
YTD 2016	908,757,133	713,722,134	1,622,479,267
YTD 2015	873,050,102	733,358,124	1,606,408,226
YTD 2014	821,081,639	757,811,943	1,578,893,581
YTD 2013	813,235,173	825,939,065	1,639,174,238
YTD 2012	840,566,098	892,914,421	1,733,480,519
2016 vs. 2015	4.1%	-2.7%	1.0%

Gaming Regulator of the Year Reception



Allen and his wife, Susan



Crowd of onlookers as Allen receives award

MGHA supporting Allen

Allen Godfrey, Executive Director of the Mississippi Gaming Commission (MGC), was named the Regulator of the Year for North America by the International Masters of Gaming Law on **September 27th** at the G2E in Las Vegas. The organization recognizes outstanding regulators each year. Allen won the award based on his success in providing a stable regulatory environment; and, integrity is a key part of this award. Allen certainly met that standard being a person of the highest integrity. Congratulations! Allen, you and your team at MGC make Mississippi proud!



Allen with Commissioners Gresham & Griffith

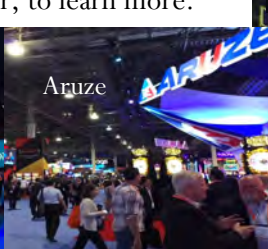


Larry Welcoming Allen

MGHA at G2E—Looking ahead to SGS 2017



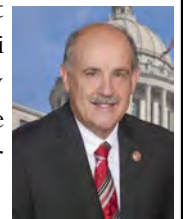
MGHA took a trip to G2E (September 26—29) looking ahead to Southern Gaming Summit in May 2017. We saw many of you—our MGHA associate members while attending G2E. It was wonderful to see you and to gather ideas to incorporate into SGS 2017. We look forward to working with you to make this year’s Southern Gaming Summit the best show it can be for you! Go to: www.msgaming.org, click on the SGS 2017 bar, to learn more.



Strong Revenues Show MS’s Model Works

By: Mike Bruffey

The success of the Mississippi gaming market has been noticed. It has been noticed by developers who want to come into Mississippi and join our market as operators and noticed by leaders in other states who see the industry’s success here and want to expand gaming at home. Just take a look at the articles posted on our website in the Press Room, and you will see numerous examples. As highlighted in *MGHA’s State of Gaming Report*, between 2011 and 2015, new and existing operators invested more than \$1.5 billion in the Gulf Coast market. It is no surprise that during the same period, operators began to see an increase in gross gaming revenue (GGR). In 2014, GGR increased along the Gulf Coast for the first time since 2007 (2014 GGR exceeded prior year by 2%); 2015 GGR exceeded prior year by 6%; and, as featured on page 1, 2016 GGR is on pace to exceed prior year (a 4.1% increase). This is not only boding well for the Gulf Coast, but for the entire state of Mississippi as GGR on a statewide basis has increased each year since 2014. Mississippi has a leg up on its neighboring states with a model proven to work—a reasonable tax rate, a free market approach, government support, and regulators that are focused on seeing that gaming projects coming into Mississippi are well-financed, operated by qualified and reputable entities and that they will bring something new and unique to grow and sustain the market. States like Alabama, Florida, and Georgia may see gaming as a solution for economic woes, but Mississippi is much more than casinos, it is a destination offering—a Coastal experience, the Mississippi Blues Trail, a taste of authentic Southern cuisine, amenities that are second to none and amazingly friendly customer service. A note by **Rep. Richard Bennett—House Gaming Chair**, “I can say with confidence that I believe Mississippi gaming will continue to succeed given our leadership support at the capitol, our business friendly regulatory environment, and operators committed to reinvesting in our state.”



Meet the new GM at the Trop—John Phillip



October 3, 2016—Tropicana Entertainment announced the appointment of John Phillip as General Manager for Trop Casino Greenville. Mr. Phillip brings more than 30 years of experience working in various roles, including Chief Executive Officer for a casino resort in Fort Hall, ID; Vice President and GM of a casino resort in Tunica, MS; and COO for the Navajo Nation in New Mexico. He holds his bachelor’s and master’s degree in business administration, and is enrolled in a management leadership doctorate program. Tony Rodio, Tropicana Entertainment CEO, said “We are thrilled to welcome John to our team and we have great confidence in his ability to steer the vision, growth and future of Trop Casino Greenville.” **On behalf of MGHA—Welcome John!**



MGHA News Updates

- Miss. Gaming Pioneer (Lyle Berman) Gaming Hall of Fame
- Change in Gaming Regulation Could Allow More Casinos
- MS Voters Approved Lottery 24 Years Ago-No Lottery
- Arkansas Supreme Court Disqualifies Casino Ballot Measure
- Sun Herald Editorial—Supports Lottery Discussion
- Sec. of State Comments on Margaritaville Rezoning
- Opposition Mounts for Plans to Allow Many More Casinos
- Miss. Gaming Comm. decides not to change regulations
- Congress Reviewing ‘Obsolete’ Gambling Law (PASPA)
- Coast Casinos Having Best Year Since Recession

More facts and news on   
www.msgaming.org/pressroom/

Upcoming Dates

MGHA Monthly Call
November 11, 2016

**MGHA Call with
Legislative Committee Members**
November 11, 2016

MGC Monthly Meeting
November 17, 2016

Happy Thanksgiving!
November 24, 2016



Egg Bowl
Nov. 26

Associate Member Focus



Everi Compliance Integrates with VizExplorer

September 19, Everi announced a partnership with VizExplorer to integrate VizExplorer's proprietary platform with Everi's AML compliance solution for casinos to provide enhanced suspicious incident identification. Everi will leverage VizExplorer's Data Integration Hub to provide faster queries of large sets of transaction data for suspicious activity reporting. This new module will integrate with existing Everi Compliance customer platforms and provide notifications, alerts and advanced reporting functionality. The product will provide a comprehensive and customizable workflow for personnel to input and consolidate necessary information related to the investigation of identified incidents. This new product offering, the AML Intelligence module, will be available to existing as well as new customers. Everi Compliance recognizes the need to provide comprehensive analytics to their customers in order to comply with the heightened focus on anti-money laundering requirements in gaming. By integrating VizExplorer's operational intelligence tools, Everi is further elevating the capabilities of their solution by enabling customers with an enhanced ability to identify potential suspicious activities. This integration promises a unique new solution to help casino operators identify and deal with suspicious incidents across their gaming floors more expeditiously. Contact Everi Compliance today to discuss your compliance needs or obtain a demo at evericompliance@everi.com or 702-692-6098.

Regional Statistics

Chart 1: September 2016 Gaming Revenue Data

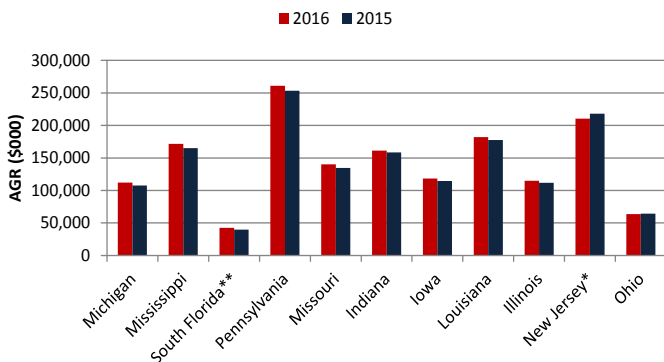


Table 2: AGR Summaries (\$000)

	Sept. '16	Sept. '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
South Florida**	42,652	39,889	6.9%	128,857	123,249	4.5%
Michigan	112,168	107,556	4.3%	346,533	329,784	5.1%
Missouri	140,254	134,744	4.1%	430,463	424,211	1.5%
Mississippi	171,646	165,045	4.0%	532,389	527,345	1.0%
Iowa	118,410	114,389	3.5%	369,345	362,998	1.7%
Pennsylvania	260,937	253,517	2.9%	810,293	806,271	0.5%
Illinois	114,988	111,719	2.9%	358,272	357,835	0.1%
Louisiana	182,111	177,653	2.5%	552,208	578,681	-4.6%
Indiana	161,398	158,454	1.9%	508,863	515,191	-1.2%
Ohio	63,826	64,273	-0.7%	192,675	200,070	-3.7%
New Jersey*	210,378	218,099	-3.5%	698,081	709,434	-1.6%

* Excludes \$16.2 million in online gaming revenue
**South Florida only includes slots at racetracks

Mississippi Gaming Statistics (Monthly)

September 2016 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	3,130,378	1,675,476	524,634	517,737	1,182,754	Win	7,030,979
	WPUD	\$762	\$1,926	\$1,029	\$959	\$962	WPUD	\$968
	Units	137	29	17	18	41	Units	242
	Unit Mix	56.6%	12.0%	7.0%	7.4%	16.9%		
	Drop	40,637,700	12,018,111	2,163,594	1,557,594	4,569,537	Drop	60,946,536
	% of Drop	66.7%	19.7%	3.5%	2.6%	7.5%	As % Prior year	150.7%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,288,918	511,386	155,295	145,640	170,668	Win	2,271,907
	WPUD	\$614	\$1,421	\$740	\$694	\$948	WPUD	\$742
	Units	70	12	7	7	6	Units	102
	Unit Mix	68.6%	11.8%	6.9%	6.9%	5.9%		
	Drop	6,247,986	2,114,704	553,634	461,124	636,764	Drop	10,014,212
	% of Drop	62.4%	21.1%	5.5%	4.6%	6.4%	As % Prior year	97.4%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	6,349,839	2,479,977	1,290,102	1,211,292	4,503,437	Win	15,834,647
	WPUD	\$770	\$2,234	\$1,483	\$1,392	\$1,580	WPUD	\$1,135
	Units	275	37	29	29	95	Units	465
	Unit Mix	59.1%	8.0%	6.2%	6.2%	20.4%		
	Drop	44,307,374	16,094,426	5,370,184	3,940,874	22,413,430	Drop	92,126,288
	% of Drop	48.1%	17.5%	5.8%	4.3%	24.3%	As % Prior year	107.4%

September 2016 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	26,807,071	1,037,264	3,253,626	7,047,463	3,393,329	Win	41,538,753
	WPUD	\$157	\$152	\$122	\$215	\$189	WPUD	\$163
	Units	5,699	228	891	1,093	597	Units	8,508
	Unit Mix	67.0%	2.7%	10.5%	12.8%	7.0%		
	Coin In	307,489,178	14,794,904	42,969,121	94,409,027	68,512,706	Coin In	528,174,936
	% of Coin in	58.2%	2.8%	8.1%	17.9%	13.0%	As % Prior year	98.7%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	16,204,282	342,419	908,338	2,447,203	745,720	Win	20,647,962
	WPUD	\$145	\$112	\$73	\$123	\$180	WPUD	\$137
	Units	3,723	102	415	663	138	Units	5,041
	Unit Mix	73.9%	2.0%	8.2%	13.2%	2.7%		
	Coin In	184,310,614	6,621,707	15,229,560	39,244,513	16,229,650	Coin In	261,636,044
	% of Coin in	70.4%	2.5%	5.8%	15.0%	6.2%	As % Prior year	101.1%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	55,762,671	2,457,768	7,865,890	10,153,042	5,382,089	Win	81,621,460
	WPUD	\$186	\$135	\$160	\$222	\$303	WPUD	\$189
	Units	10,003	609	1,635	1,526	592	Units	14,365
	Unit Mix	69.6%	4.2%	11.4%	10.6%	4.1%		
	Coin In	651,092,413	51,832,346	139,131,775	157,114,584	91,310,645	Coin In	1,090,481,763
	% of Coin in	59.7%	4.8%	12.8%	14.4%	8.4%	As % Prior year	105.1%

Casino Member Directory

- Ameristar Casino Hotel, Vicksburg
- Bally's Casino, Tunica
- Beau Rivage Resort Casino, Biloxi
- Boomtown Casino, Biloxi
- 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
- Waterview Casino & Hotel-Vicksburg

Associate Member Corner



**Thank you for being part of MGHA !!!
We are so glad to have you all join us.**

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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Online Reviews—A Blessing & A Curse



Online reviews have been a blessing and a curse for businesses, especially hospitality. Customers can instantly provide positive feedback to tell a business it has done a great job and encourage others to become customers. On the downside, negative reviews can kill a business if they are not responded to correctly. So, what is the best way to deal with negative online reviews? First, decide whether a response is even warranted. Some reviews are so awful that it is obvious that they are false, exaggerated, or the person wants something for free. Responses should come as soon after the review as possible. See it as an opportunity to show potential customers that you take complaints seriously and resolve

them quickly. Give the person an opportunity to reach out directly or, if you can identify the reviewer, reach out to them. It's a good practice not to engage in negative back-and-forth. The reviewer may have nothing to lose, but your company is trying to win new customers. It has everything to lose. If you see a recurring issue for reviewers, consider altering some processes to keep it from happening in the future. Keep in mind that, in general, people are more likely to post about a negative experience than a positive one. With that being said, it may be a good idea to have front-line employees to tell customers having a good experience with your business that you would be grateful for any positive review they could share online.

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