

NOVEMBER
2016

MGHA Monthly Report



Message from Executive Director

Welcome to the end of 2016, another strong year for gaming in Mississippi. As we all make our way through the holidays, enjoying time with family and friends, if you are like me, you cannot help but look ahead to 2017. It promises to be a great year. We open up the year in January with the 2017 legislative session on January 3, we hold our 1st quarterly meeting of the year on January 25, the same day we roll out the MGHA State of the Industry Report and we co-host the MTA/MGHA Legislative Reception in Jackson. We are also looking forward to Southern Gaming Summit May 2-4, 2017 and to the Southern Legislative Conference being held along the Gulf Coast July 29-August 2. The same weekend, the gaming industry will be celebrating 25 Year of Gaming in Mississippi. All I can say is Wow what a year 2017 promises to be—Happy New Year to you all!

November Numbers Slip, But 2016 Looks Good

For only the second time in 2016, gross gaming revenues (GGR) declined along the Gulf Coast compared to the same period last year. Overall GGR for the state remained up 1% for the year, so the story remains positive for Mississippi in 2016. It is difficult to pin point a single cause for the down turn, but it may be worth noting that there were five Sundays in the month of November 2015, but in 2016 there were only four. We will see how GGR looks in December 2016 with five full weekends in the month. Also, the Gulf Coast may see an uptick with the inaugural Mississippi Gulf Coast Marathon, Dec. 9-11. With over 3,300 runners, an increase in GGR compared to 2015 would be welcome good news.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Nov 2016	87,940,812	65,958,577	153,899,389
Nov 2015	91,421,511	69,748,875	161,170,386
Nov 2014	82,765,828	73,114,620	155,880,448
Nov 2013	82,233,504	81,476,366	163,709,870
Nov 2012	80,503,299	83,874,497	164,377,796
2016 vs. 2015	-3.8%	-5.4%	-4.5%
	Gulf Coast	River Counties	Overall
YTD 2016	1,096,563,910	853,859,588	1,950,423,498
YTD 2015	1,052,954,935	876,796,492	1,929,751,427
YTD 2014	994,778,856	906,977,954	1,901,756,809
YTD 2013	978,700,081	989,641,086	1,968,341,166
YTD 2012	1,004,520,785	1,060,730,513	2,065,251,298
2016 vs. 2015	4.1%	-2.6%	1.1%

2016 Highlights

This is our final newsletter of 2016 before we issue our annual report. As we close out the year, we thought it would be appropriate to look back at some key moments in 2016.

- **January**—Larry Gregory appointed to the AGA Board; MS Attorney General issued opinion that fantasy sports is illegal under current Mississippi law.
- **February**—MGHA launched social media campaign for SGS led by J.Carcamo & Associates; IP Casino donated \$1 million to Coast Non-Profits; Tony Scudiero named VP & GM of rebranded Vicksburg casino (Waterview Casino & Hotel); Caesars added 5,000 rooms to renovation program (including its MS casinos)
- **March**—Justin Carter named VP & GM of Penn National's Hollywood Casino in Tunica; Palace Casino in Biloxi won 9 Best of Dining Awards; 1stQ ended with GGR up 6.4% on Gulf Coast; down 2.6% in the River Counties; up 2.2% statewide.
- **April**—HB 1074/SB 2964 passed creating the Economic Infrastructure Fund (EDI Fund), including \$2.5 million appropriated to incentivize new air service; SB 2541 passed making daily fantasy sports (DFS) legal in Mississippi until at least July 2017; restocked historical tax credits gave new life to restoration projects in Mississippi.
- **May**—Waterview Hotel & Casino held grand opening in Vicksburg; Harrah's Gulf Coast ribbon cutting marked renovations and redesign of 494 rooms; Hard Rock won top trip advisor award; Southern Gaming Summit brought over 2,000 visitors to Gulf Coast marked with keynote speaker Anthony Sanfilippo, excellent educational sessions and top notch speakers, as well as daytime and evening events at Island View, Hard Rock, Golden Nugget, and Harrah's Gulf Coast's Grand Bear golf course.
- **June**—Margaritaville Resort (a non-gaming facility) opened its doors in Biloxi to summer crowds; Harrah's Gulf Coast broke ground on Blind Tiger Restaurant; 2Q ended with GGR up 4.7% on Gulf Coast; down 3.2% in the River Counties; up 1% statewide.

2016 Highlights — Continued

- **July**—Caesars Entertainment’s—Horseshow Tunica unveiled 192 newly renovated rooms as part of its overall 5,000 room renovation program; Kiplinger Personal Finance ranked MS as the 6th most tax friendly state; Governor called special session to obtain authority to draw down \$110 mm from Rainy Day Fund to meet budget; MS legislators announced plans to form ‘working groups’ to study spending and make recommendations to Legislature in 2017 session.
- **August**—Roscoe Greene appointed President & GM of Harlow’s Casino Resort in Greenville; AGA held roundtable / press conference before crowd of 100 onlookers at IP Casino in Biloxi as part of its Get to Know Gaming campaign; Uber arrived in MS; Horseshoe Tunica opened its Asian Bistro (Lucky 8); Craig Ray appointed to lead MDA Tourism office; US Court of Appeals for 3rd Circuit voted 10-2 to hold that NJ’s 2014 sports-betting law violated PASPA
- **September**—MGHA rolled out its MGHA Responsible Gaming program—approved and certified by the MGC; MGHA worked closely with MDA to draft guidelines for new Air Incentive Program; Allen Godfrey honored by IMGL as Regulator of the Year for North America; Victoryland reopened in AL; Isle of Capri announced sale of assets to El Dorado Gold for \$1.7billion; 3Q ended with GGR up 4.1% on Gulf Coast; down 2.7% in the River Counties; up 1% statewide.
- **October**—Tropicana Entertainment announced the appointment of John Phillipp as GM for Trop Casino Greenville; MGC asked for public comments to proposed changes to MGC Rule 1.4 drawing strong opposition; Lyle Berman (Miss. Gaming Pioneer) admitted to Gaming Hall of Fame; MGC decides not to change regulations; Cruisin’ the Coast draws record crowds (over 8,500 registered cars); Hard Rock opens Macau Kitchen and new gaming space-Fortune Palace.
- **November**—MDA Air Incentive Guidelines became effective as of Nov. 24; Mississippi and four other states filed briefs with US Supreme Court to argue PASPA unconstitutional; Louisiana creates Riverboat Economic Development & Gaming Task Force to consider revamping gaming laws; Alabama appoints members to advisory council on gaming; Donald Trump elected President of the United States.
- **December** —inaugural Mississippi Gulf Coast Marathon draws over 3,300 runners; Federal judge enjoins implementation of new FLSA regulations on overtime; IRS drops burdensome gaming proposals, including proposal to lower jackpot reporting; columnist Rudi Schiffer honored for 25 years of work in gaming and has last radio broadcast; 4Q projected to end with GGR up over 4% on Gulf Coast; down 2.7% in the River Counties; up 1% statewide.

SGS 2017—Venues and Keynote Speaker Confirmed

You can secure a Booth Space and view the Agenda for **Southern Gaming Summit 2017 (May 2-4)** by going to www.sgsummit.com. There you will see the slate of events and topics we are planning for this year’s show. We would encourage all casino members to plan to attend and to bring slot directors, food and beverage directors, hotel and security directors, as well as human resource and compliance team members to SGS. Also, we are encouraging our associate members to secure a booth (at a discounted rate) and feature your products and services. The beautiful **Mississippi Gulf Coast Coliseum and Convention Center** will be home to the expo hall and educational sessions. The host properties for the offsite events are:

Hollywood Gulf Coast—Bridges Golf Club is hosting the **Sponsors Golf Tournament (May 2)**

Scarlet Pearl is hosting the **Global Gaming Women’s Luncheon (Lean-In Circle) (May 2)**

Beau Rivage is hosting the **Welcome Reception (May 2)**

James F. Allen, Seminole Hard Rock Entertainment **Keynote Speaker (May 3)**

IP Casino Resort Spa is hosting the **Opening Night Party (May 3)**

The **educational program** will include many relevant and interesting topics, including:

- ◇ **Great Women of Gaming:** Notes from the Lean-In Circle (May 3)
- ◇ **Workforce Development** session and a **Responsible Gaming Training** session (May 4)
- ◇ **Chef’s Panel** and **Chef’s Demonstration** (May 4)



James F. Allen,
Chairman/CEO/
President
Seminole Hard
Rock Entertainment

New Associate Members

2016 brought several new Associate Members to MGHA. They are:

Aruze Gaming
 Capitol City Produce
 Capitol Resources
 Cintas
 DEQ Systems Corp.
 Everi
 Family Frozen Foods
 FEB Distributing*
 Gulfport Biloxi International Airport
 Horne, LLP
 Jones Walker*
 Kronos
 Lewis Rocca Rotherber Christie
 Medical Analysis
 Mississippi Gulf Coast Marathon
 Mississippi Louisiana Gaming News
 Snapshot Publishing
 Thompson and Associates, LLC
 Visit Mississippi Gulf Coast
 VisitMississippi.org

Many thanks to our new members and all
 MGHA Associate Members.

To see complete list go to www.msgaming.org.

Important Dates

2017 Legislative Session Opens
 January 3, 2017

MGC Monthly Meeting
 January 19, 2017—Jackson

MGHA Quarterly Meeting
 January 25, 2017—Jackson Office

11:00AM Meeting Begins
 (Lunch Served)

1:30PM Meeting Wrap Up

Roll Out MGHA Annual Report
 January 25, 2017—State Capitol

2:00PM Meeting with Legislators

2:30PM Unveiling of Annual Report

MTA / MGHA Legislative Reception
 January 25, 2017-the South

5:30PM Doors Open

Regional Statistics

Chart 1: November 2016 Gaming Revenue Data

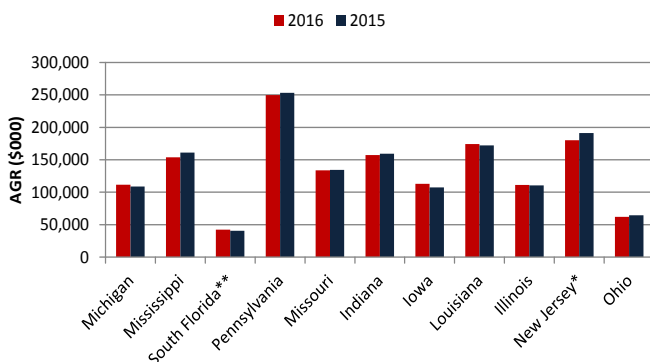


Table 2: AGR Summaries (\$000)

	Nov. '16	Nov. '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Iowa	112,792	107,472	4.9%	351,585	343,356	2.4%
South Florida**	42,441	40,605	4.5%	126,878	122,792	3.3%
Michigan	111,502	108,680	2.6%	334,408	329,075	1.6%
Louisiana	174,316	172,128	1.3%	531,120	537,894	-1.3%
Illinois	111,285	110,544	0.7%	339,021	344,596	-1.6%
Missouri	133,569	134,316	-0.6%	415,047	413,662	0.3%
Indiana	157,269	159,358	-1.3%	483,107	488,335	-1.1%
Pennsylvania	249,637	253,121	-1.4%	773,587	772,059	0.2%
Ohio	62,158	64,633	-3.8%	188,594	195,672	-3.6%
Mississippi	153,899	161,170	-4.5%	499,590	488,388	2.3%
New Jersey*	180,116	191,114	-5.8%	576,863	600,810	-4.0%

* Excludes \$17.2 million in online gaming revenue

**South Florida only includes slots at racetracks

Mississippi Gaming Statistics (November 2016)

November 2016 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	3,468,926	1,314,932	341,421	364,015	902,167	Win	6,391,461
	WPUD	\$844	\$1,565	\$632	\$674	\$699	WPUD	\$873
	Units	137	28	18	18	43	Units	244
	Unit Mix	56.1%	11.5%	7.4%	7.4%	17.6%		
	Drop	14,702,886	8,843,286	1,531,172	1,040,485	3,505,915	Drop	29,623,744
	% of Drop	49.6%	29.9%	5.2%	3.5%	11.8%	As % Prior year	67.5%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	994,665	503,387	135,148	116,473	221,350	Win	1,971,023
	WPUD	\$474	\$1,291	\$644	\$485	\$1,054	WPUD	\$626
	Units	70	13	7	8	7	Units	105
	Unit Mix	66.7%	12.4%	6.7%	7.6%	6.7%		
	Drop	6,381,228	2,507,671	529,973	361,603	602,345	Drop	10,382,820
	% of Drop	61.5%	24.2%	5.1%	3.5%	5.8%	As % Prior year	97.3%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	4,749,202	3,007,601	1,099,634	1,056,864	4,129,309	Win	14,042,610
	WPUD	\$586	\$2,785	\$1,222	\$1,215	\$1,449	WPUD	\$1,018
	Units	270	36	30	29	95	Units	460
	Unit Mix	58.7%	7.8%	6.5%	6.3%	20.7%		
	Drop	39,702,474	14,297,408	4,649,135	3,335,327	22,588,897	Drop	84,573,241
	% of Drop	46.9%	16.9%	5.5%	3.9%	26.7%	As % Prior year	105.9%

November 2016 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	24,977,036	798,815	3,042,685	5,045,418	2,002,690	Win	35,866,644
	WPUD	\$146	\$119	\$114	\$150	\$112	WPUD	\$140
	Units	5,719	224	888	1,118	594	Units	8,543
	Unit Mix	66.9%	2.6%	10.4%	13.1%	7.0%		
	Coin In	278,896,617	13,688,769	37,906,067	78,282,223	58,883,356	Coin In	467,657,032
	% of Coin in	59.6%	2.9%	8.1%	16.7%	12.6%	As % Prior year	90.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	15,358,443	381,517	890,793	2,251,163	304,898	Win	19,186,814
	WPUD	\$140	\$90	\$73	\$112	\$73	WPUD	\$128
	Units	3,654	141	409	670	139	Units	5,013
	Unit Mix	72.9%	2.8%	8.2%	13.4%	2.8%		
	Coin In	177,825,501	7,479,741	14,051,728	37,363,292	11,954,115	Coin In	248,674,377
	% of Coin in	71.5%	3.0%	5.7%	15.0%	4.8%	As % Prior year	88.1%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	51,785,934	2,645,931	6,698,730	8,117,548	3,805,857	Win	73,054,000
	WPUD	\$174	\$149	\$138	\$175	\$214	WPUD	\$171
	Units	9,916	591	1,620	1,542	593	Units	14,262
	Unit Mix	69.5%	4.1%	11.4%	10.8%	4.2%		
	Coin In	609,289,126	48,554,465	127,993,095	135,289,923	74,767,956	Coin In	995,894,565
	% of Coin in	61.2%	4.9%	12.9%	13.6%	7.5%	As % Prior year	104.1%

Mississippi Gaming Statistics (2016 Annual*)

2016 Table Game Analysis*

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	53,427,129	23,978,578	6,371,901	6,059,088	15,323,702	Win	105,160,398
	WPUD	\$1,064	\$2,299	\$972	\$911	\$964	WPUD	\$1,172
	Units	137	29	18	18	43	Units	245
	Unit Mix	55.9%	11.6%	7.3%	7.4%	17.7%		
	Drop	287,194,258	150,998,317	26,288,845	18,218,938	58,591,037	Drop	541,291,394
	% of Drop	53.1%	27.9%	4.9%	3.4%	10.8%	As % Prior year	99.0%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	16,425,705	6,923,755	1,980,148	1,864,931	2,879,423	Win	30,073,962
	WPUD	\$646	\$1,484	\$822	\$665	\$1,137	WPUD	\$795
	Units	70	13	7	8	7	Units	103
	Unit Mix	67.2%	12.3%	6.4%	7.4%	6.7%		
	Drop	87,073,698	28,862,748	7,585,162	5,645,560	8,634,962	Drop	137,802,130
	% of Drop	63.2%	20.9%	5.5%	4.1%	6.3%	As % Prior year	93.8%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	70,141,409	33,059,403	14,305,322	14,902,219	58,176,309	Win	190,584,662
	WPUD	\$731	\$2,447	\$1,244	\$1,404	\$1,553	WPUD	\$1,127
	Units	262	37	31	29	102	Units	462
	Unit Mix	56.8%	8.0%	6.8%	6.3%	22.2%		
	Drop	509,011,850	192,795,316	63,403,496	47,427,478	298,877,834	Drop	1,111,515,974
	% of Drop	45.8%	17.3%	5.7%	4.3%	26.9%	As % Prior year	104.9%

2016 Slot Analysis*

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	334,775,027	10,442,342	41,076,873	79,288,368	39,405,856	Win	504,988,466
	WPUD	\$161	\$127	\$127	\$193	\$122	WPUD	\$157
	Units	5,677	224	885	1,121	882	Units	8,788
	Unit Mix	64.6%	2.5%	10.1%	12.8%	10.0%		
	Coin In	3,716,181,023	162,998,573	529,161,019	1,129,432,142	825,943,178	Coin In	6,363,715,935
	% of Coin in	58.4%	2.6%	8.3%	17.7%	13.0%	As % Prior year	95.7%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	209,366,215	4,440,773	12,243,674	31,341,498	8,594,804	Win	265,986,964
	WPUD	\$155	\$88	\$82	\$129	\$168	WPUD	\$144
	Units	3,689	138	407	663	140	Units	5,037
	Unit Mix	73.2%	2.7%	8.1%	13.2%	2.8%		
	Coin In	2,358,715,120	91,830,038	190,094,110	521,981,812	183,119,594	Coin In	3,345,740,674
	% of Coin in	70.5%	2.7%	5.7%	15.6%	5.5%	As % Prior year	98.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	677,294,060	33,904,121	94,755,008	121,188,290	65,277,603	Win	992,419,082
	WPUD	\$184	\$148	\$155	\$211	\$296	WPUD	\$187
	Units	10,038	625	1,672	1,569	603	Units	14,506
	Unit Mix	69.2%	4.3%	11.5%	10.8%	4.2%		
	Coin In	7,824,333,212	645,593,905	1,697,362,824	1,850,598,097	1,086,816,437	Coin In	13,104,704,474
	% of Coin in	59.7%	4.9%	13.0%	14.1%	8.3%	As % Prior year	104.5%

*December 2016 based on projections

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

Special Thanks

A special thanks to several of our associate members that are supporting MGHA by going above and beyond.

MS-LA Gaming News—

*donates services MGHA Annual Report
Pat Zimmerman, Attorney at Law—
donates time MGHA monthly newsletter*

Baker Donelson—

SGS—Legal Advisor & donates time

J. Carcamo & Associates—

SGS—Social Media & donates services

Everi—

SGS—hosts Charity Slot Tournament

Visit Mississippi Gulf Coast—

Grant to MGHA to Support SGS 2017

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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AGA Outlines Priorities to President-elect Trump



The gaming industry appears hopeful that a president with gaming experience will improve the outlook for the industry. In a memo the American Gaming Association recently sent to President-elect Trump's transition team, it outlined gaming's impact on our country and the its priorities as the administration moves forward.

Key highlights:

- Gaming is a \$240 billion industry
- Gaming supports 1.7 million American jobs in 40 states
- Gaming generates \$38 billion in annual tax revenue
- In the next decade, the gaming industry is expected to add more than 62,000 direct jobs
- Gaming employs workers in more than 200 different job classifications

- 45% of the gaming workforce is composed of racial or ethnic minorities, compared to the national average of 33%

AGA priorities include:

- Illegal Gaming—eliminate illegal sports betting, black market machines, internet sweepstakes cafes, animal fighting, and illegal online betting.
- Sports Betting—legalize and regulate what is now a \$150 billion per year illegal industry.
- Anti-Money Laundering Compliance—Continue the gaming industry's strong efforts to combat money laundering and terrorist financing.

To read more about the AGA's memo to President-elect Trump, go to americangaming.org/newsroom

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