

# MGHA Monthly Report



Message from  
Executive Director



Last month I wrote to you about the positive trends in gaming revenue in the South River Region and along the Gulf Coast, noting a 2% increase in the central river region and a 7% increase along the coast. These numbers are slightly off the first month of the 4th quarter, but we remain optimistic we will see a strong finish in 2015.

As we move closer to 2016, we are studying initiatives that will help reinforce the positive trends. Also, we are now beginning to meet to discuss initiatives for turning the tide in the North River Region where the trend is less than positive. This region provides 6,400 jobs and generated nearly \$1 billion in total revenue in 2014. As we look ahead to 2016, we are committed to supporting initiatives that will restore Tunica and help the entire industry prosper.

## 4th Quarter Off to Slow Start

As reported last month, we have tracked and reported the Gross Gaming Revenues (GGR) each month in each region throughout 2015. Almost every month, we have been able to report increases along the Gulf Coast and in the South River Region, with declines softening in the North River Region. The 4th quarter is off to a slow start; however, one month a quarter does not make. We will see if revenues rebound as we move closer to year end. Overall, in 2015, the year to date revenues continue to exceed 2014 by nearly \$23 million or just over 1.3%.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
<b>Oct 2015</b>	<b>88,483,322</b>	<b>73,689,493</b>	<b>162,172,815</b>
Oct 2014	90,931,389	76,051,391	166,982,780
Oct 2013	83,231,403	82,225,655	165,457,058
Oct 2012	83,451,387	83,941,595	167,392,983
Oct 2011	88,242,635	93,945,909	182,188,544
2015 vs. 2014	-2.7%	-3.1%	-2.9%
	Gulf Coast	River Counties	Overall
<b>YTD 2015</b>	<b>961,533,424</b>	<b>807,047,617</b>	<b>1,768,581,041</b>
YTD 2014	912,013,028	833,863,334	1,745,876,361
YTD 2013	896,466,576	908,164,720	1,804,631,296
YTD 2012	924,017,486	976,856,016	1,900,873,502
YTD 2011	928,665,929	957,658,843	1,886,324,772
2015 vs. 2014	5.4%	-3.2%	1.3%

## Alabama Gaming Developments

As you will see in our Press Room on the MGHA website, there are three developments taking place in Alabama regarding gaming. The first article, **“Alabama Senator Who Sponsored Casino and Lottery Legislation Drops the Effort,”** comes as good news. For the past several months, we have been tracking Alabama’s legislative efforts to legalize commercial casinos and a lottery. The driving force behind these efforts was a budget shortfall. According to Sen. Del Marsh, who sponsored the legislative effort, there is simply not enough support and will no longer pursue the legislation. The second article, **“Poarch Creek to Open Expanded Montgomery Casino,”** relates to a recent multi-million dollar expansion by the Poarch Creek Indians (PCI) at their facility near Montgomery, Alabama. As many of you know, Mississippi draws a relatively large number of out of state visitors from north Alabama and from Georgia. It will be important to track the visitation numbers from these areas to see if they are impacted by the improvements at the PCI facility near Montgomery. The last article, **“McGregor Rolls Dice Re-Opening Victoryland in Alabama”** relates to electronic bingo games that were previously declared illegal resulting in the shutdown of Victoryland. While controversy still surrounds these machines, McGregor says he is moving forward with re-opening Victoryland. He has not set a date, but it is expected to be in the near future. We will monitor how state officials respond, and if it re-opens, the impact the facility has on Mississippi casino operations. These articles illustrate the various forms of competition we face.

## Spreading the Good News

By: *Mike Bruffey*



The phone rang and the voice on the other end asked if I would be willing to talk with a group of Mississippi State University accounting and finance students taking a “Tax Topics” class. I gladly accepted the invitation. A month later, for the first time, I found myself in the town of Starkville, Mississippi on the campus of the MSU Bulldogs. All I can say is you have to see it for yourself. It is truly impressive. In one of the many new buildings, I entered a comfortable classroom setting with plenty of technology. I plugged in my laptop, pushed a button and a large screen dropped from the ceiling, and after a short introduction we began. As I worked my way into the deck of 95 slides, you could see the students’ interest grow as we talked about the \$935 million in taxes generated by the industry, the 22,000 jobs it provides, the millions of visitors the industry attracts to our state, and the billions invested. I explained that this industry began on August 1, 1992, with the first riverboat casino opening in Biloxi, Mississippi. With humble beginnings on a small riverboat with a few hundred slot machines, a few table games, and a hot dog stand or two, within just a few months, I explained that the industry rapidly began its evolution into what we see today, multi-million and billion dollar plus facilities that are much more than just casinos. With hotels, restaurants, spas, pools, health clubs, marinas, golf courses, ball parks, retail shopping, conventions and banquets, travel and reservation services, I pointed out that our industry is not limited to gaming, but it encompasses multiple businesses making up casino-resorts. Graphs of trends within our industry provided students with the opportunity to understand how weather and other acts of God, changes in the economy and new competition (even a single competitor) can impact a market. What’s more, as we talked about Millennials, I realized I was actually speaking to a room full of them. I told them, “You have no idea how much time and effort is being spent by marketing experts, in every facet of business, studying what you like and dislike.” They laughed. It was a privilege to have discussion with this group of bright minded young men and women, and it was a wonderful experience that I look forward to doing again. Many thanks to Clay Collins and Dr. Frances McNair for the opportunity to share our industry.

## Games of Skill Are Coming in 2016



At the moment, the outcome of a spin on a slot machine is 100% driven by chance. But the skill-based games could test a player's knowledge of sports and Hollywood trivia or academic prowess. Another big difference is that players will be able to compete against each other, a feature that will particularly appeal to millennials, said Scientific Games Senior Vice President Bryan Kelly. These games are expected to hit casino floors in the 3rd quarter of 2016. Manufacturers like **IGT** and **SGMS** are expected to be big winners.

[\[Read Full Article in our Press Room\]](#)

## MGHA Website Updates

Updates to the **Press Room** on our website:

- Alabama Senator Who Sponsored Casino and Lottery Legislation Drops the Effort
- Poarch Creek to Open Expanded Montgomery Casino
- McGregor Rolls Dice Re-Opening Victoryland in Ala.
- New Jersey legis. pushes for casino expansion to add gambling options to NJ towns besides Atlantic City
- New Skill Based Slot Games Expected to Hit Floor 2016
- Countdown is on for Scarlet Pearl Grand Opening

[www.msgaming.org](http://www.msgaming.org)

## Important Dates

**MGC December Meeting**  
(December 17 at 9 a.m.)  
MGC Office in Jackson

**MGHA Quarterly Meeting**  
**Legislative Reception**  
(January 27 at 1 p.m.)  
MGHA Office in Jackson

## 2016 Legislative Initiatives

In last month's newsletter, we discussed the Five Drivers of Visitation. These drivers were discussed in the context of increasing visitation to Mississippi through marketing, special events, non-gaming amenities, access and well capitalized resort-style gaming facilities. As we approach the 2016 legislative session, we are beginning to discuss what specific initiatives we expect to see in 2016 that will be aimed at accomplishing the goal of increased visitation to Mississippi. We will be holding meetings in various parts of the state to get your input on this topic. We invite your input and participation.



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### Upcoming Meeting:

- Wednesday, December 16, 2015—10 AM Tunica Convention & Visitors Bureau

## Regional Statistics

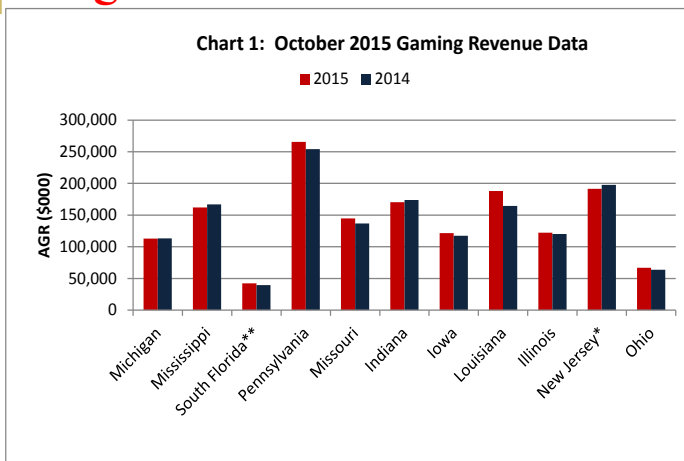


Table 2: AGR Summaries (\$000)

	Oct. '15	Oct. '14	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Louisiana	188,113	164,323	14.5%	550,870	501,875	9.8%
South Florida**	42,297	39,475	7.1%	123,478	117,392	5.2%
Missouri	144,602	136,657	5.8%	422,636	413,780	2.1%
Ohio	66,766	63,755	4.7%	197,361	197,819	-0.2%
Pennsylvania	265,421	254,190	4.4%	791,516	770,152	2.8%
Iowa	121,495	117,350	3.5%	358,806	317,147	13.1%
Illinois	122,333	120,087	1.9%	352,591	366,134	-3.7%
Michigan	112,839	113,375	-0.5%	327,850	329,150	-0.4%
Indiana	170,523	173,877	-1.9%	501,958	510,953	-1.8%
<b>Mississippi</b>	<b>162,173</b>	<b>166,983</b>	<b>-2.9%</b>	<b>499,940</b>	<b>502,180</b>	<b>-0.4%</b>
New Jersey*	191,597	197,748	-3.1%	656,060	691,350	-5.1%

\* Excludes \$12.9 million in online gaming revenue

\*\*South Florida only includes slots at racetracks

# Mississippi Gaming Statistics

## October 2015 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	3,037,158	1,771,844	489,201	530,130	1,431,431	Win	7,259,764
	WPUD	\$690	\$2,041	\$877	\$900	\$1,004	WPUD	\$926
	Units	142	28	18	19	46	Units	253
	Unit Mix	56.1%	11.1%	7.1%	7.5%	18.2%		
	Drop	20,714,667	12,806,695	2,133,408	1,653,257	5,548,952	Drop	42,856,979
	% of Drop	48.3%	29.9%	5.0%	3.9%	12.9%	As % Prior year	102.6%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,344,798	544,130	177,305	169,174	166,280	Win	2,401,687
	WPUD	\$647	\$1,350	\$817	\$606	\$766	WPUD	\$752
	Units	67	13	7	9	7	Units	103
	Unit Mix	65.0%	12.6%	6.8%	8.7%	6.8%		
	Drop	6,872,356	2,176,902	623,489	517,553	643,259	Drop	10,833,559
	% of Drop	63.4%	20.1%	5.8%	4.8%	5.9%	As % Prior year	103.6%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	6,180,447	2,945,197	1,336,847	1,233,100	3,740,199	Win	15,435,790
	WPUD	\$845	\$2,639	\$1,487	\$1,530	\$1,257	WPUD	\$1,177
	Units	236	36	29	26	96	Units	423
	Unit Mix	55.8%	8.5%	6.9%	6.1%	22.7%		
	Drop	36,795,240	15,094,405	5,355,578	3,868,580	20,759,405	Drop	81,873,208
	% of Drop	44.9%	18.4%	6.5%	4.7%	25.4%	As % Prior year	103.4%

## October 2015 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	26,246,826	853,134	3,287,676	5,950,361	3,994,965	Win	40,332,962
	WPUD	\$148	\$123	\$117	\$172	\$180	WPUD	\$150
	Units	5,729	224	908	1,113	716	Units	8,690
	Unit Mix	65.9%	2.6%	10.4%	12.8%	8.2%		
	Coin In	312,190,692	12,854,276	46,330,127	101,645,068	72,678,128	Coin In	545,698,291
	% of Coin in	57.2%	2.4%	8.5%	18.6%	13.3%	As % Prior year	95.1%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	16,340,017	413,373	1,158,890	2,572,894	656,326	Win	21,141,500
	WPUD	\$127	\$78	\$73	\$114	\$134	WPUD	\$119
	Units	4,156	170	511	729	158	Units	5,724
	Unit Mix	72.6%	3.0%	8.9%	12.7%	2.8%		
	Coin In	179,659,689	8,724,892	16,498,056	43,436,038	14,832,555	Coin In	263,151,230
	% of Coin in	68.3%	3.3%	6.3%	16.5%	5.6%	As % Prior year	97.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	47,858,231	2,507,426	7,158,514	9,561,844	4,784,615	Win	71,870,630
	WPUD	\$168	\$131	\$161	\$197	\$272	WPUD	\$173
	Units	9,178	618	1,438	1,563	567	Units	13,364
	Unit Mix	68.7%	4.6%	10.8%	11.7%	4.2%		
	Coin In	606,954,435	49,649,948	135,211,817	156,415,244	88,571,204	Coin In	1,036,802,648
	% of Coin in	58.5%	4.8%	13.0%	15.1%	8.5%	As % Prior year	106.4%

## 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
- 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**

### Mississippi Hospitality & Restaurant Association (MHRA),

our newest member, has signed a sponsorship agreement with MGHA and will seek to secure sponsorships from its members to exhibit at Southern Gaming Summit. MHRA members consist of many locally owned restaurants and other suppliers doing business throughout the state. We welcome MHRA and look forward to greeting their members at SGS 2016.

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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## Keeping Your Email Secure



Email has become the cornerstone of business communication. We use it daily, from ordering the office lunch to transferring some of our most sensitive company information, which may include employees' and customers' personal information. The problem with standard email is that even if it is encrypted by your email provider (which most do by default), that provider has the ability to "unlock" and access your emails, either on their own or at the request of government agencies. Standard email is also vulnerable to interception, as it passes through multiple points on the way to its final destination. With the proliferation of bring-your-own-device policies, there is the added vulnerability that your company's emails could be accessed through a stolen or hacked

computer or smartphone. Even if you have policies and systems in place for that contingency, keep in mind that emails go both ways—a vendor might not be as diligent. So what can you do? The most basic way to try and protect emailed information is to encrypt the file on your computer, call the recipient with the password to open it, and email it to them. This is better than just sending the regular file, but is not quick or full-proof. Another easier and more secure way is to use a provider that specializes in end-to-end email encryption. With these services, your email is encrypted on your computer and is only accessible to you and the recipient. The provider cannot even access it.

*Patrick Zimmerman is an MGHA Associate Member and attorney-at-law. He is the former Director of Investigations for the Mississippi Gaming Commission. He welcomes your comments or suggestions at 601-376-9741 or [pat@zimmermanlawfirm.ms](mailto:pat@zimmermanlawfirm.ms)*