

MGHA Monthly Report



MAY 2016



Message from Executive Director

Pictures from SGS 2016 highlight the beautiful Gulf Coast. And, as noted inside, we have two properties that just rolled out millions in new upgrades. A picture says a thousand words, so we included photos throughout this newsletter for you to enjoy. The photos capture just some of the moments of SGS as well as the beauty of our member properties.

2nd Quarter—Increases Continue Along Coast

In 2014, the Gulf Coast operators experienced year over year increases in gross gaming revenue (GGR) for the first time since 2007 exceeding prior year by 2%. Since then, Gulf Coast GGR has continued to climb buoying overall state GGR. In 2015, Gulf Coast GGR exceeded prior year by 6%. As noted to the right, 2016 gaming revenues are on the rise exceeding prior year by 5.5%. In the Central River region, operators are investing and visitation numbers are up with revenue holding steady. We remain hopeful the numbers will improve in the North River region. Together the three regions are still showing a year over year increase of about 1% in GGR.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
May 2016	103,892,652	72,918,883	176,811,535
May 2015	99,969,407	84,998,593	184,968,000
May 2014	84,257,936	87,532,553	171,790,489
May 2013	94,690,116	97,484,451	192,174,567
May 2012	90,993,625	96,050,227	187,043,852
2016 vs. 2015	3.9%	-14.2%	-4.4%

	Gulf Coast	River Counties	Overall
YTD 2016	510,570,354	404,022,461	914,592,815
YTD 2015	484,129,202	422,126,834	906,256,035
YTD 2014	444,454,292	441,712,784	886,167,076
YTD 2013	453,967,822	476,724,196	930,692,018
YTD 2012	472,156,259	513,531,057	985,687,316
2016 vs. 2015	5.5%	-4.3%	0.9%

SGS 2016



Waterview Casino & Hotel—Vicksburg

The four key words in successful retail are: **“location”, “new”, “value” and “unique”**. **“WaterView”** delivers on all accounts! The casino’s fabulous (and convenient) **location**, overlooking the majestic view of the Delta-ending bend in the Mississippi River, inspired the name, **“WaterView”**. Excitement rules with the **new WaterView** brand, which is thrilling existing patrons and “wowing” new ones with a long list of compelling property enhancements like: An appealing new color palate and finishes on the exterior, in the pavilion and in the casino; an updated gaming product, that includes many sought after new games and titles; a new casino management system that gives guests more entertaining game options and incentives; a re-developed 7,000 square foot event venue, which has already booked big time acts like Lonestar and Tracy Lawrence and will host thrilling VIP Special Events and parties; a show bar on the main casino floor that serves beer by the bottle (among lots of other good things), with a stage for free live entertainment and 11’ x 52’ state-of-the-art projection system, where guests can catch their favorite football action, music video, or show without ever having to leave their game; a re-developed second bar on the mezzanine level; The Buffet, a fresh approach to all-you-can-eat favorites, the new **“SandBar Fish House and Grill”** where you can dive into succulent seafood, mouthwatering steaks, crisp salads and creative Southern specialties by award-winning chef Palin; a revamped 24/7 **“Lucky Bean”**, that specializes in fast and delicious, made-to-order goodies any time you’re hungry! “We are excited about the transformation of our Vicksburg property to the **WaterView** brand, and the significant capital improvements we have made reflects our commitment to offering our guests a great gaming and entertainment experience each time they visit our property,” stated Greg Guida, Principal and Co-CEO of Foundation Gaming Group, LLC. That brings us to the **“Value”** and **“Unique”** portion of the original statement. And that, my friends, is where the **unique** new, 5-tier **“MYEDGE”** players club comes into view. Enhanced **value** for players is evident in the re-tooled rewards and benefits they receive as a member of **MYEDGE**— a complete matrix can be found at www.waterviewcasino.com/myedge-rewards/myedge-tiers There’s more: Players who play with a MYEDGE card qualify to win a share of Free Play Progressive Jackpots!



2015 Payroll & Benefits—MS Gaming Industry

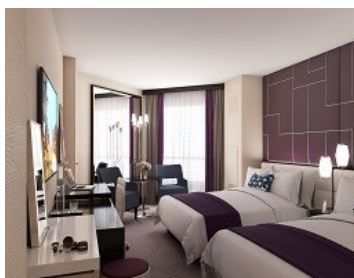
In March 2016, the Mississippi Tourism office released its Economic Impact report. It reflects the following information in terms of payroll generated by the Mississippi gaming industry (see p.11 and Appendix B): 2015—22,237 total state licensed casino employees and casino hotel employees; 2015 estimated payroll—Commercial Casinos \$658,163,526; Native American \$54,000,000. In March 2016, the U.S. Dept. of Labor released its 2015 Employer Costs for Employee Compensation report estimating employer benefits to be 30.2% of payroll. Applying this percentage to the payroll numbers found in the Mississippi Tourism office report, 2015 estimated benefits = \$198,765,384 for commercial casinos or \$215,073,384 when including Native American gaming payroll. In total, the **2015 Payroll & Benefits = \$856,928,910 for MS commercial casinos or \$927,236,910 when including Native American casinos.**

Renovations Come to Life in Biloxi



In late-2015, Harrah’s Gulf Coast announced exciting changes coming to its hotel tower located on the front beach in Biloxi when the resort embarked on a \$14 million dollar comprehensive hotel renovation. On May 25, 2016, the transformation was complete with a ribbon cutting.

The changes complement the casino’s additional capital improvements made in the last two years, including a casino renovation in May 2014. Guests will now enjoy the complete renovation and redesign of all 494 hotel rooms, including upgraded bathrooms, new plumbing and lighting fixtures, custom bedding and furniture, textiles and flooring, along with new dining amenities and a new entertainment venue. When you combine this with its spa and first-class golf course, Harrah’s Gulf Coast can only be described as an all inclusive premier resort. See more at www.caesars.com/harrahsgulfcoast.





MGHA News Updates

- Biloxi's Southern Gaming Summit is fun and games
- Harrah's Gulf Coast \$14 million room renovation
- FL Sup Ct—Ruling over rural racetrack could direct future of gaming
- MGM Acquires Boyd's stake in AC's Borgata
- Konami Launches new games, including Frogger
- Wynn—Nongaming Amenities Top the Casino
- Hard Rock Earns Top Trip Advisor Award
- SGS 2016 Charity Slot Tournament
- NY and PA looking to tax DFS

More facts and news on



www.msgaming.org/pressroom/

Associate Member Focus



At SGS 2016, the casino operators and Everi partnered to put on the gaming operators annual charity slot tournament. The big winner was Paul Avery, General Manager of Lady Luck Vicksburg (see photo p. 1). We had 14 properties participate (including Wade Howk of Penn National, pictured right) raising \$7,000. The proceeds are going to the winner's charity of choice. Avery selected Good Shepherd Community Center in Vicksburg, Mississippi—helping those in need. Thanks to all of the casino operators that participated and a special thank you to Everi for partnering with the operators to make the event happen. Go to www.everi.com to read about Everi and its line of products and services that will help you stay in compliance through its various automated software-based solutions.

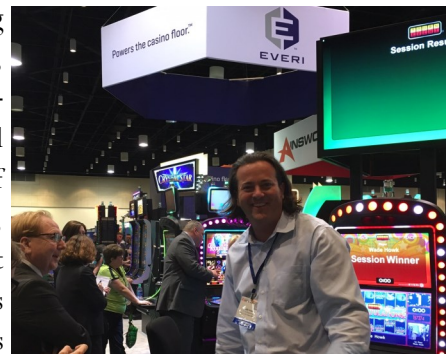
Important Dates

MGC June Meeting
(June 16 at 10 a.m.)
Harlow's—Greenville

CLE June 17, 2016 @ 10 a.m.
2 Hours—Daily Fantasy Sports
Register at MS Bar

MGHA Monthly Call
(June 17 at 2 p.m.)
MGHA Conference Line

CLE July 14, 2016 @ 10 a.m.
Gaming Section Meeting
SanDestin—Hilton



2016 Charity Slot Event

Regional Statistics

Chart 1: May 2016 Gaming Revenue Data

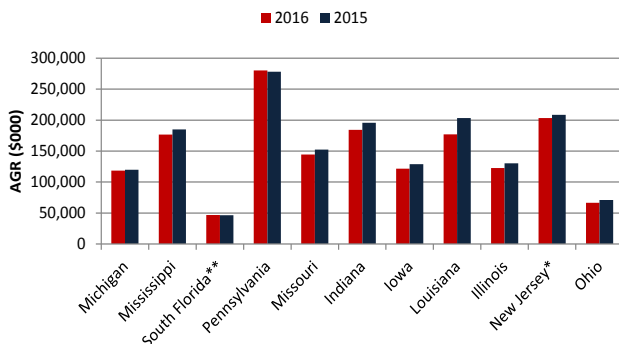


Table 2: AGR Summaries (\$000)

	May '16	May '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Pennsylvania	280,195	277,968	0.8%	850,569	826,030	3.0%
South Florida**	46,658	46,506	0.3%	147,671	143,717	2.8%
Michigan	118,535	119,815	-1.1%	365,841	364,268	0.4%
New Jersey*	203,295	208,606	-2.5%	588,806	585,586	0.5%
Mississippi	176,812	184,968	-4.4%	546,726	560,355	-2.4%
Missouri	144,289	152,403	-5.3%	447,935	448,024	0.0%
Iowa	121,492	128,856	-5.7%	380,514	374,872	1.5%
Indiana	184,346	195,709	-5.8%	578,436	574,436	0.7%
Illinois	122,746	130,374	-5.9%	374,792	386,753	-3.1%
Ohio	66,521	71,050	-6.4%	213,752	213,449	0.1%
Louisiana	177,049	203,446	-13.0%	551,186	596,736	-7.6%

* Excludes \$16.5 million in online gaming revenue

**South Florida only includes slots at racetracks

Mississippi Gaming Statistics

May 2016 Table Game Analysis

	Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	3,151,133	1,572,128	576,267	521,626	1,350,943	Win	7,172,097
	WPUD	\$759	\$1,811	\$1,033	\$935	\$990	WPUD	\$956
	Units	134	28	18	18	44	Units	242
	Unit Mix	55.4%	11.6%	7.4%	7.4%	18.2%		
	Drop	21,207,800	13,108,884	2,209,970	1,559,747	5,109,605	Drop	43,196,006
	% of Drop	49.1%	30.3%	5.1%	3.6%	11.8%	As % Prior year	93.9%
	Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,374,372	598,337	115,570	170,786	259,326	Win	2,518,391
	WPUD	\$633	\$1,485	\$621	\$689	\$1,195	WPUD	\$781
	Units	70	13	6	8	7	Units	104
	Unit Mix	67.3%	12.5%	5.8%	7.7%	6.7%		
	Drop	7,535,407	2,477,823	672,246	446,535	781,661	Drop	11,913,672
	% of Drop	63.3%	20.8%	5.6%	3.7%	6.6%	As % Prior year	95.4%
	Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	5,828,754	2,403,148	1,194,067	1,215,553	5,250,372	Win	15,891,894
	WPUD	\$729	\$2,095	\$1,204	\$1,352	\$1,554	WPUD	\$1,102
	Units	258	37	32	29	109	Units	465
	Unit Mix	55.5%	8.0%	6.9%	6.2%	23.4%		
	Drop	44,075,412	15,934,364	5,269,677	4,030,588	26,915,961	Drop	96,226,002
	% of Drop	45.8%	16.6%	5.5%	4.2%	28.0%	As % Prior year	111.6%

May 2016 Slot Analysis

	Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	25,534,121	766,875	2,979,707	5,936,172	2,798,998	Win	38,015,873
	WPUD	\$146	\$115	\$109	\$169	\$130	WPUD	\$143
	Units	5,629	215	882	1,130	694	Units	8,550
	Unit Mix	65.8%	2.5%	10.3%	13.2%	8.1%		
	Coin In	318,247,925	12,427,166	44,020,740	96,368,612	68,535,234	Coin In	539,599,677
	% of Coin in	59.0%	2.3%	8.2%	17.9%	12.7%	As % Prior year	99.4%
	Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	17,801,881	408,165	991,621	2,818,929	712,209	Win	22,732,805
	WPUD	\$154	\$88	\$84	\$138	\$166	WPUD	\$145
	Units	3,735	149	383	657	138	Units	5,062
	Unit Mix	73.8%	2.9%	7.6%	13.0%	2.7%		
	Coin In	199,090,691	7,500,646	15,206,241	45,155,336	17,038,175	Coin In	283,991,089
	% of Coin in	70.1%	2.6%	5.4%	15.9%	6.0%	As % Prior year	106.3%
	Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	58,624,988	3,082,125	8,639,924	11,052,485	5,556,406	Win	86,955,928
	WPUD	\$187	\$154	\$163	\$227	\$294	WPUD	\$192
	Units	10,103	647	1,713	1,568	610	Units	14,641
	Unit Mix	69.0%	4.4%	11.7%	10.7%	4.2%		
	Coin In	656,423,866	56,623,551	145,882,081	159,251,012	95,854,032	Coin In	1,114,034,542
	% of Coin in	58.9%	5.1%	13.1%	14.3%	8.6%	As % Prior year	107.6%

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 Members



Visit Mississippi's annual report is a must read. It can be found on the MGHA website under Studies & Analysis. We are very pleased to welcome Everi as an associate member. Also, we are proud to announce that



Lewis Roca
Lewis Roca R o t h g e r b e r
ROTHGERBER CHRISTIE Christie has joined
MGHA as an

associate member.

Thank you 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.

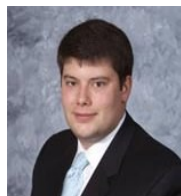
For questions about membership contact Executive Director Larry Gregory or Deputy Director Mike Bruffey via email (lgregory@msgaming.org or mikebruffey@msgaming.org) or by phone 601-965-6992.

**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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"New" Exception to Mississippi's Employment-at-Will



Recently, the Miss. Supreme Court issued an opinion which clarified a "new" exception to Mississippi's employment-at-will doctrine. According to court filings, Aurora Flight Sciences terminated Robert Swindol from their Mississippi facility after discovering he had a firearm locked in his personal car at work. Aurora had a no-firearms policy. Swindol sued in federal court, alleging wrongful discharge and defamation. The judge dismissed the case, citing the employment-at-will doctrine, which gives employers wide latitude to terminate employees. On appeal to the 5th Circuit Court of Appeals, one of the issues was whether Miss. Code Ann. § 45-9-55 created an exception to the employment-at-will doctrine. That

statute went into effect in 2006. It places limits on restricting employees from keeping firearms in their locked, personal vehicles in the employer's parking lot. There are a couple of exceptions, but they were not in place at Aurora's facility. Since it was a question of state law, the 5th Circuit asked the Miss. Supreme Court to decide whether it recognizes the statute as an exception to employment-at-will.

The Miss. Supreme Court answered unanimously that it is an exception to employment-at-will. The court said this was not a "new" exception because the statute is clear that it is intended to protect employees' right to store firearms in their locked vehicles on company property.

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