

Global Gaming Business Magazine

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People to Watch 2018

Our annual look into the coming year identifies 25 People to Watch—a list of those executives and professionals most likely to have an impact on the gaming industry in the coming year.

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Bummer in Bermuda

Roger Gros, Publisher



Every jurisdiction blazes its own path to gaming legalization. As a participant and observer of the process in New Jersey in the late 1970s, I can confirm that it was long and painful (but not nearly as long as the jurisdictions these days).

Painful seems to be the common characteristic. Whether it's the legislative process or the regulatory setup, the issues are complex and require thoughtful reflection. Most jurisdictions stumble through both stages, and try to sign on the best consultants, hire talented and experienced staff, and understand the best practices that have been established in the long history now of gaming legalization.

New Jersey was painful because it didn't have any guidelines to follow, except for Nevada—a pretty good model but one that the stubborn New Jersey officials dismissed. That still happens. While there are multiple “gold” standards for regulations, officials in new jurisdictions are likely to decide that they are so unique that no previous process applies to them.

That's what happened in Bermuda. Tourists were choosing to travel to other island resorts with casinos and bypass Bermuda. Whether it be the Bahamas, Puerto Rico or one of the dozens of lush Caribbean islands that offer casinos, it took Bermuda years to make the connection.

But when they finally did, it was with a degree of rationality. Bermuda was never going to be the next Singapore or even the next Bahamas. The visitor base was small and would grow only incrementally with the addition of gaming. But it still made sense, a bill was crafted and passed, and Bermuda was on the road to legalization.

The regulatory process seemed to be well done, also. The Bermuda Casino Gaming Commission was independent and transparent. Allen Dunch, a respected attorney on the island with knowledge of Bermudian law and how the system worked, was named chairman. Dunch brought in Richard Schuetz, an experienced casino executive and regulator with vast integrity. Schuetz knew which regulations were needed and which were not in a small industry, as Bermuda gaming would become.

But problems surfaced almost immediately. Several politicians, including Minister of Tourism Shawn Crockwell, met with a Florida company, Banyan Gaming, that was allied with a Bermuda company, MM&I. A deal was made to require casin-

os to use the Banyan Gaming cashless system—and that system only—for its slot machines. Now, let's put aside the fact that politicians should not be making such deals, and focus on the fact that some Banyan gaming principals were required to surrender their gaming licenses in several U.S. jurisdictions for operational irregularities.

But Banyan and MM&I would not go away, even after Dunch pointed out that they needed to be licensed just to begin talking about a systems deal, and that deal would also have to be approved by the commission.

Dunch immediately came under fire from current Tourism Minister Jamahl Simmons, who demanded his resignation. When Dunch pointed out that Simmons didn't have the power to fire him, Simmons put together a bill that would give him that power, as well as power over the entire commission's decision-making process.

Dunch resigned immediately in protest, followed by two other commissioners. (Schuetz had resigned in July, saying he had lost confidence in the ability of the government and the legal system to offer well-regulated casino gaming on the island.)

Despite Dunch's resignation, Simmons was able to pass the bill, which now becomes law because Simmons is in the majority. He got his way. The bill reads:

“The minister may at any time revoke the appointment of a member who is unable or unwilling to perform his duties as a member or in such other circumstances where the member's conduct may amount to misconduct or breach of best regulatory practice, or is likely to bring the commission or the government into disrepute.”

As a result of this bill and the oversight of the legislature, Bermuda has officially become the “third world” of gaming regulation. When a regulatory body is required to answer to any politician or political party, the possibility of corruption becomes a probability.

More concerning for Bermuda will be the unwanted attention the government will now receive from international regulators in the financial field. The hard-fought reputation Bermuda had established in that field is now damaged, probably irreparably. And the chance that any reputable gaming company will now do business in Bermuda? Going, going, gone.

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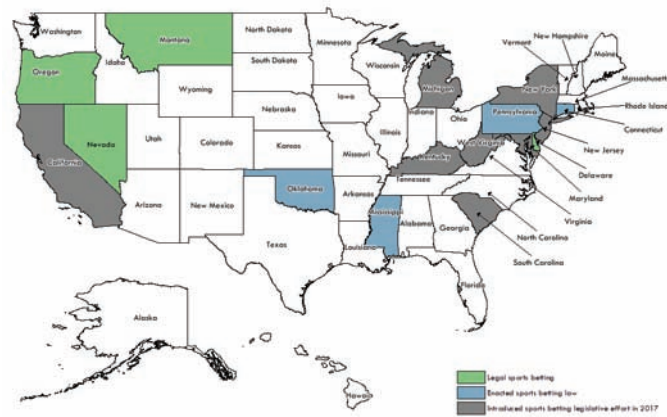
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STATES' RIGHTS

With the impactful Supreme Court hearing last month on New Jersey's challenge to the Professional and Amateur Sports Protection Act (PASPA), sports betting legalization has taken another step forward, no matter what the court rules later this year. Many states have taken steps that would permit sports betting operations to open once a repeal of PASPA is confirmed or Congress certifies sports betting via some other law. The map shows the states where sports betting is already legal, the states that have enacted laws that will permit sports betting operations to open once the ban is repealed, and states where legislation has been introduced to legalize sports betting. The map is part of a white paper on the direction of sports betting produced by Global Market Advisors. The white paper can be downloaded at the GMA website, GlobalMarketAdvisors.com, in the library section.

Sports Betting Legality and Legislative Efforts in the United States



October Surprise

October 2017 gross gaming revenue in Nevada was the highest of any October in the past 10 years. With almost \$990 million of GGR, it's almost \$100 million more than the dark days of the recession back in 2008 and almost \$200 million more than the even darker days of 2009. Of note in this chart is the slot hold percentage, more than 1 percent

higher than 2009-10. The baccarat handle in October was the lowest since 2010. Chart is courtesy of the Center for Gaming Research at University Nevada, Las Vegas. This chart and many other revenue charts for all U.S. jurisdictions can be downloaded by visiting gaming.unlv.edu.

Nevada Gaming Statistics: October Comparison

Statewide figures for the month of October, 2008-2017

	Oct-08	Oct-09	Oct-10	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Oct-17
Total Revenue	904,960	800,347	888,574	960,688	978,808	954,332	913,643	887,578	986,203	988,744
Slot Revenue	610,921	536,914	550,825	574,403	613,955	576,160	580,216	572,232	631,570	655,534
Slot Handle	10,015,098	9,257,138	9,288,786	9,279,532	8,872,182	8,769,559	9,080,063	9,259,417	9,328,951	9,364,771
Slot Hold %	6.10	5.80	5.93	6.19	6.92	6.57	6.39	6.18	6.77	7.00
# of Slots	170,382	167,748	165,321	163,239	159,207	156,202	152,578	147,783	144,953	141,629
Game Revenue	282,271	252,494	327,345	376,580	356,004	368,514	324,684	315,346	354,633	333,211
Game Handle	2,311,802	2,386,522	2,417,614	2,736,773	2,755,449	2,986,337	2,794,182	2,835,845	2,478,218	2,407,594
Game Hold %	12.21	10.58	13.54	13.76	12.92	12.34	11.62	11.12	14.31	13.84
# of Games	5,718	5,493	5,425	5,427	5,337	5,309	5,436	5,989	5,848	5,692
Baccarat Revenue	40,500	65,380	91,302	158,205	129,475	151,162	101,145	79,130	87,175	87,718
Baccarat Handle	493,902	709,881	497,017	842,412	883,788	1,137,412	989,677	891,104	609,615	589,503
Baccarat Hold %	8.20	9.21	18.37	18.78	14.65	13.29	10.22	8.88	14.30	14.88
# of Bacc Games	190	221	245	254	286	303	330	339	336	376
# of locations	338	330	329	332	329	334	328	325	325	325

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5 QUESTIONS

Todd Cravens
Chief Executive Officer, Galaxy Gaming



Todd Cravens joined Galaxy Gaming a year ago as vice president of business development. He was promoted to CEO in July when previous CEO Robert Saucier withdrew his license application in Nevada. Prior to joining Galaxy, Cravens was CEO of Americas for TCSJohnHuxley. He spoke with GGB Publisher Roger Gros at the Galaxy Gaming offices in November. To hear a full podcast of the interview, visit GGBMagazine.com.

GGB: You took over as CEO of Galaxy just a few months ago. What did you find when you got here, and have you made any changes at this point?

Cravens: When I got here, I found a team that was kind of hungry for some management, some leadership. I also found customers that were looking for more from us. So, one of the things that we're focusing on is opening up new markets and bringing new products to those markets. But overall, I found a team here that was very interested in growing the company, very interested in growing themselves. And so, from a standpoint of coming in as a new manager, it was enthusiastic people who were saying, "What are we doing next?" That's made my job a lot easier.

Galaxy just got licensed in Nevada. What does that mean to the company?

Nevada means more than just Nevada. It's the gold standard of regulation, and other jurisdictions pay attention. It's huge for us. And we've already had really good response from customers. We're doing a number of field trials currently, and the first quarter of next year we'll be rolling out more of our electronics, the progressive Bonus Jackpot System, so that's really important for us. And obviously, a lot of our big, major corporate customers have a lot of properties here. So, that's important.

You replaced Rob Saucier, who was the founder of the company. What role does he play in the company right now?

Rob oversees product, and business development. Rob is the guy who created Lucky Ladies (side bet), and he has a tremendous mind for games. And at the end of the day, I think that's where his passion is. He remains the majority shareholder of the company. He's on the board of directors. When we talk about a new game, or we talk about some business development work, he lights up. And I would be silly to discount 20 years of running this company, if I don't go in and ask him some questions from time to time, to get some advice.

How important is technology? You have some great products, some great content, but technology is really the cutting edge of the business. How important is that to the company right now?

More than ever. Of the four areas that we're focusing on, product is No. 1, and technology is a big part of that. I'll give you an example. In the state of Washington, the No. 1 game for the last 20 years has been Spanish 21. And as you know, it's hard to dislodge a game in a market like that. So, we came out with a game called Player's Edge, and it was a similar product, but we put our BJS and our electronic progressive system on there, and it caught fire. And so, we have now roughly 45 percent or 50 percent of the market in six months. So what's interesting to me is not just the progressives, but our methodology on it is that we are looking for a higher frequency, a lower payout.

Baccarat has been a growing table game in Las Vegas and beyond. Is this a trend in the gaming industry now that baccarat is becoming a much more important table game to the casino operators?

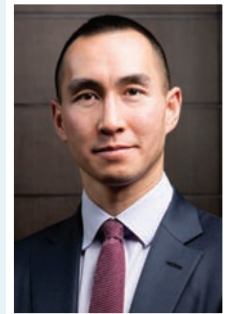
Absolutely. It's not that we just see it here on the Strip, but a lot of our customers in the state of Washington need to do something a little bit different. And other places that maybe you wouldn't think about. In Kansas City, they're running baccarat tournaments.

I think baccarat is a really, really important part of it. EZ Bacc has been out there for a while, and we're trying to think about this differently. But I think baccarat—not just for now, but in the long term—becomes a really, really important game for everyone.

"They Said It"

"Japan would be 100 percent of my time. I will move here and move the company headquarters to here."

—Lawrence Ho, Melco Resorts & Entertainment, reiterating his commitment to winning a Japan casino license, during a presentation in Tokyo in November



CALENDAR

January 5-7: NCLGS Winter Meeting 2018, Hyatt Regency Miami. Produced by Spectrum Gaming Group. For more information, visit nclgs.org.

February 6-8: ICE Totally Gaming, ExCeL Centre, London. Produced by Clarion Gaming. For more information, visit ICETotallyGaming.com.

February 6-8: Western Indian Gaming Conference, Harrah's Southern California. Produced by the California Nations Indian Gaming Association. For more information, visit CNIGA.com.

February 8-10: London Affiliate Conference (LAC) 2017, ExCeL Centre, London. Produced by Clarion Gaming. For more information, visit igbaffiliate.com.

February 26-March 1, 2018: Mobile World Congress, Fira Gran Via and Fira Montjuïc, Barcelona, Spain. Produced by GSMA. For more information, visit MobileWorldCongress.com.

February 28-March 2, 2018: Oi Summit 2018, JW Marriott, Las Vegas. Produced by VizExplorer. For more information, visit vizexplorer.com/oisummit.

March 12-15: World Game Protection Conference, Bally's Las Vegas. Produced by the World Gaming Protection. For more information, visit WorldGameProtection.com.

March 13-15: iGaming Asia Congress, Grand Hyatt Macau. Produced by Beacon Events. For more information, visit iGamingAsiaCongress.com.

March 27-29: 2018: Vienna International Gaming Expo 2018, Austria Center, Vienna. Produced by EEGMedia. For more information, visit VIGE.world.

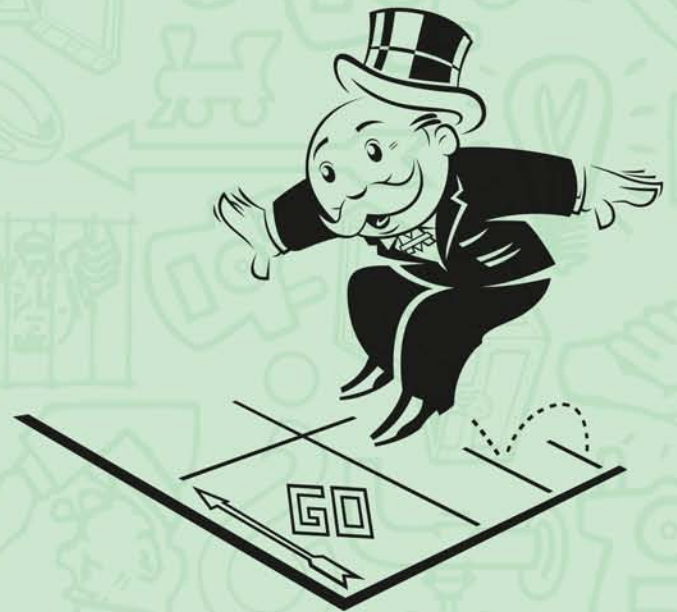
March 20-22, 2018: ASEAN Gaming Summit, Conrad Hotel, Manila, Philippines. Produced by Asian Gaming Brief. For more information, visit events@agbrief.com.



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Supreme Result?

Inside the courtroom, optimism flies as justices debate failed ban on sports betting



By Geoff Freeman, President & CEO, American Gaming Association

Last month, the U.S. Supreme Court heard oral arguments on New Jersey's challenge (*Christie v. National Collegiate Athletic Association*) to the constitutionality of the Professional and Amateur Sports Protection Act (PASPA). This law largely bans sports wagering outside Nevada, prevents the industry from providing consumer protections and jeopardizes the integrity of the games being bet on.

I was fortunate to be able to attend the oral arguments in the case, and what I heard was a court that expressed deep interest in the role of the federal government—a role that we believe has created a thriving illegal market that has driven trillions of dollars to offshore websites and corner bookies.

While we cannot predict the votes of the justices, there were some key themes from last month's U.S. Supreme Court hearing that can be used as a guide as to how the justices may vote. Firstly, the justices seemed focused on the idea of states' rights and expressed deep interest in the role of the federal government. States and tribal sovereign nations have proven to be effective regulators of gaming, and we believe they should be able to choose whether they want to offer sports betting.

Secondly, the court questioned Congress' original intent. When PASPA was passed 25 years ago, Congress believed it would stop sports betting throughout the country, but the fact is PASPA has failed to deliver on that promise. Instead, the federal ban has driven a conservatively estimated \$150 billion-a-year marketplace with no consumer protections or regulations. Some on the court questioned

whether or not PASPA's authors intended to create a system that would theoretically allow for fully unregulated sports betting.

Finally, while it remains difficult to predict the outcome of the court, momentum seemed to be in New Jersey's favor, with several justices sympathetic to the Garden State's arguments.

Along with deeming PASPA unconstitutional, which could happen through the court's decision, the AGA will continue to push Congress to hold hearings to examine the ban's failures.

The hearing brings the future of legal and regulated sports betting in the U.S. one step closer to resolution. The court will issue a decision some-

“There has never been greater momentum for legalized, regulated sports betting in the United States, and the AGA looks forward to the U.S. Supreme Court's decision in the coming months.”

time this spring, and the AGA, in partnership with our members, is prepared to act swiftly.

There has never been greater momentum for legalized, regulated sports betting in the United States, and the AGA looks forward to the U.S. Supreme Court's decision in the coming months. While the Supreme Court deliberates, AGA will continue its two-track strategy through the courts and Congress to ensure that the casino gaming industry is well positioned should the court's ruling not address all our concerns.

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Happy Days Are Here Again

Slot manufacturers are hitting new highs, so where is the ceiling?

By Frank Fantini



Investors in gaming supplier companies have been enjoying the stock market's bull run as much as, or more than, those in other industries or even other sectors of the gaming industry.

After a long period in the doldrums, they have become high fliers again with Aristocrat, IGT, Scientific Games and Everi at or near new highs.

Aristocrat is easy to understand. The company has been hitting on all cylinders for several years with accelerating success. Sci Games and IGT beat third-quarter earnings expectations and issued bullish outlooks both for their underlying businesses and in balance sheet improvement, alleviating concerns over the high debt taken on in their mergers of recent years. And Everi, the smallest of those mentioned so far, seems to have caught fire with a new slot cabinet and games.

And each company deserves plaudits for managing its way through difficult times of high debt taken on for acquisitions, especially in a stagnant if not, in many regions, declining business environment.

As examples, Sci Games has reduced interest rates by three-quarters of a percentage point while cutting debt-to-EBITDA to 6.7 times, from times at its peak. Everi has reduced interest expense by \$8 million in recent refinancings, on top of savings from May transactions.

Further, suppliers today have a ballast, as it were, that they didn't have when they were primarily selling and leasing slot machines. For Sci Games and IGT, it is lotteries that provide steady revenues to smooth out the volatility of the slots business. Everi has its original business, payments, to provide the stability.

Aristocrat has developed a different kind of stabilize—online gaming, especially social casino.

That segment is growing rapidly organically and through acquisitions. The latest purchase, Big Fish Games from Churchill Downs for \$990 million, brings Aristocrat's digital revenue to 38 percent of the company's total. And, while

digital is a competitive arena, the sector does have a recurring revenue dynamic to it.

The success of Aristocrat's stock reflects the fundamental gains made by the company. Those gains stood out clearly in Aristocrat's recent earnings release in which it announced a whopping 41.3 percent rise in net profit to A\$495.1 million in fiscal 2017 on a 15.3 percent jump in revenues to \$2.454 billion.

Aristocrat's success is also illustrated in the latest Eilers-Fantini Quarterly Slot Survey. The company scored 27 percent ship share in the third quarter, nearly double its market share and 11 percentage points above its trailing 12-month average.

Finally, supplier companies are benefiting from North American casinos loosening their purse strings nearly a decade after snapping them shut in reaction to the Great Recession.

The Eilers-Fantini survey again offers evidence of that, as participating casinos reported that they intend to replace 7.4 percent of their existing machines with new ones over the next 12 months.

One of the interesting phenomena of recent years has been the rise of the small supplier.

For a long time, IGT had more than 60 percent of the North American market, while Aristocrat, Bally, WMS and a few others divided up the rest.

After the long round of mergers that saw Sci Games acquire Bally and WMS and Lottomatica acquire IGT to go along with its existing slot holdings, such as Spielo, the conventional wisdom was that the industry had consolidated and stratified. Dynamism was over.

Yet, the opposite has happened. Again, look at the latest Eilers-Fantini survey: Everi ship-share was 6.5 percent, five points above its historic market share; Incredible was 2.6 percent, up 2 points; Ainsworth was 2.3 percent, up a full point from its historic market share; companies intended to spend 3 percent on AGS machines, which compares to its Class III market of zero not all that long ago.

Nor does all of this reflect the dynamism

elsewhere on the casino floor. Electronic table games, almost non-existent a decade ago, now represent 4 percent of machines in North America and a quarter of games in some international markets. That opens more possibilities, such as for Interblock.

This dynamism can create opportunities for investors in some of these emerging companies. AGS may go public sometime soon. That possibility exists for Interblock. Ainsworth is about to get a huge, deep-pocketed owner when Novomatic closes on its 53 percent purchase of the company.

In short, what many thought was a dead space two or three years ago has become a dynamic space.

CASINOS DOING OK, TOO

Gaming suppliers aren't the only companies enjoying a bull market.

Casino operators of all types—big, small, domestic and international—have enjoyed bull runs with stock price gains far outstripping most other industries.

At Fantini Research, we identified three small stocks in April 2016 which we thought investors knew little about.

They were all Nevada-based casino operators controlled by founding families and benefiting from their own special situations and the booming economies of Las Vegas. Since then, the stocks, which I dubbed the Nevada Triple Play, have soared:

Eldorado Resorts	+215 percent
Golden Entertainment	+155
Monarch Casino	+130

These kinds of gains are gratifying to see, as are those of so many other gaming stocks. They also suggest a need for vigilance as we head into a new year. So, we'll hope the good times continue to roll, but with an eye out for pitfalls.

Frank Fantini is the editor and publisher of Fantini's Gaming Report. A free 30-day trial subscription is available by calling toll free: 1-866-683-4357 or online at www.fantiniresearch.com.

AGEM MEMBER PROFILE

Since 1996, **Gamesman Ltd.** has been manufacturing components for the international gaming industry.



Gamesman

Initially, Gamesman specialized in the manufacture of analog push buttons and reels, primarily for the U.K. gaming market. However, this rapidly grew into the business in which Gamesman is today servicing over 300 customers in over 50 countries.

Headquartered in the U.K. close to London, with a manufacturing base in Shenzhen, China, and a 14,000-square-foot service and integration center in Las Vegas, Gamesman now boasts a product range that includes not only the now-industry-renowned buttons and reels that started the business 20 years ago, but also toppers, custom LED lighting solutions, PCB manufacture, touch-screen solutions and a wide range of dynamic button deck and LCD solutions for the gaming machines of the 21st century.

Gamesman continues to focus on bringing the highest levels of quality, reliability, innovation and perhaps most importantly, the service that their customers have come to expect. Gamesman will continue to add to its extensive product offerings this year with new touch-screen solutions, a new topper design and an extension of its already extensive range of push buttons, including the popular GPB1200 series range.

Gamesman will celebrate five years under the ownership of Esterline Corporation, which acquired the company in February 2013. Gamesman has benefitted enormously from the support and resources that a corporation such as Esterline can provide, allowing the company to grow year-on-year since 2013.

Gamesman will be at the ICE London show February 6-8, displaying the latest products on home turf. For more information, visit gamesman.co.uk.

DECEMBER 2017 KEY BOARD OF DIRECTORS ACTIONS

- The 27th Executive Development Program (EDP) took place in November in Lake Tahoe. AGEM supports this annual event, which was set up to encourage future leaders of the global gaming industry to think strategically about emerging industry issues. EDP creates lifelong connections and enables participants to gain valuable insights into an ever-changing industry. AGEM Director of Responsible Gaming Connie Jones was honored to represent AGEM as both a speaker and a judge for the final team presentations.
- In a surprise announcement, A.G. Burnett, chairman of the Nevada Gaming Control Board, stepped down from his role, and his last day was December 22. Governor Brian Sandoval will appoint his replacement shortly. AGEM has enjoyed a very good working relationship with Burnett and the GCB during his five-year tenure and looks forward to this continuing with the new chairman.
- AGEM members approved a €5,000 sponsorship of the 12th European Conference on Gambling Studies and Policy Issues being held September 11-14, 2018 in Malta. AGEM has previously supported this event, which takes place every other year and is well attended by global experts, and is a great learning forum.
- AGEM hit a new milestone in December, welcoming five new members, taking the total membership to an all-time high of 162. Betson Enterprises, suppliers of products and services for family entertainment centers, based in New Jersey, are Silver members, with the other four companies approved as Associate members: Dominode, based in Boca Raton, Florida, provides verified digital identities that can be shared securely across multiple devices; JP Morgan Chase, based in New York City, is a leader in investment banking, asset management and financial services for small to medium-sized businesses; Kiron Interactive, based in Johannesburg, South Africa, is a virtual games supplier delivering industry-leading content; and Visualplanet, based in Cambridge, U.K., designs and manufactures touch-sensor technology for gaming, vending, ticketing and many other applications.

UPCOMING EVENTS

- The ICE Totally Gaming Show will be held in London February 6-8. AGEM will once again have a booth to welcome potential new members as well as existing ones.
- The International Casino Conference (ICC), February 5-8, will be held at the Hippodrome Casino in London, and this year includes ICE VOX 2018. AGEM supports this event through its association with the European Casino Association. Director of Responsible Gaming Connie Jones will be attending responsible gaming sessions and meetings that provide a global perspective on new research and regulations.

AGEMindex

The AGEM Index experienced significant gains for the third month in a row during November 2017. The composite index closed the month at 492.64 points, a gain of 17.3 points or 3.64 percent, when compared to October 2017. The AGEM Index reported a year-over-year increase for the 26th consecutive month and has climbed 184.5 points, or 59.88 percent, since November 2016. During the latest period, seven of the 12 global gaming equipment manufacturers reported month-to-month increases in stock price. Five manufacturers reported decreases in stock price during the month, with one posting a double-digit decline. The three broader stock market indexes produced exceptional results in October. The S&P 500 reported a month-to-month increase of 2.81 percent to 2,647.58. The Dow Jones Industrial Average increased 3.83 percent to 24,272.35, while the NASDAQ increased 2.17 percent during the period to 6,873.97.



AGEM is an international trade association representing manufacturers of electronic gaming devices, systems, lotteries and components for the gaming industry. The association works to further the interests of gaming equipment manufacturers throughout the world. Through political action, trade show partnerships, information dissemination and good corporate citizenship, the members of AGEM work together to create benefits for every company within the organization. Together, AGEM and its member organizations have assisted regulatory commissions and participated in the legislative process to solve problems and create a positive business environment.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Nov-17	Oct-17	Nov-16	Prior Period	Prior Year	
Agilisys	Nasdaq: AGYS (US\$)	12.24	12.27	10.21	(0.24)	19.88	(0.01)
Ainsworth Game Technology	ASX: AGI (AU\$)	2.05	2.28	2.11	(10.09)	(2.84)	(0.79)
Aristocrat Leisure Limited	ASX: ALL (AU\$)	21.70	23.55	15.21	(7.86)	42.70	(12.88)
Astro Corp.	Taiwan: 3064 (NT\$)	12.95	13.60	29.60	(4.78)	(56.25)	(0.02)
Crane Co.	NYSE: CR (US\$)	85.37	83.12	72.51	2.71	17.73	1.89
Everi Holdings Inc.	NYSE: EVRI (US\$)	8.15	8.29	2.16	(1.69)	277.31	(0.13)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	1.25	1.17	0.61	6.84	104.92	0.05
Gaming Partners International	Nasdaq: GPIC (US\$)	11.22	11.00	11.62	2.00	(3.44)	0.02
International Game Technology PLC	NYSE: IGT (US\$)	27.49	23.50	24.84	16.98	10.69	12.99
Konami Corp.	TYO: 9766 (¥)	5,930	5,500	3,870	7.82	53.23	8.69
Scientific Games Corporation	Nasdaq: SGMS (US\$)	52.65	47.60	14.75	10.61	256.95	6.88
Transact Technologies	Nasdaq: TACT (US\$)	13.60	9.44	6.35	44.07	114.17	0.61
Change in Index Value							17.30
AGEM Index Value: October 2017							475.34
AGEM Index Value: November 2017							492.64

Gambling in Chinese Movies

The love of games shines through in the cinema



By Josephine Un and Desmond Lam

He listens carefully as his Japanese opponent skillfully shakes her dice cup. When she finally slams down her dice shaker and lifts it up gracefully, she unveils six flawlessly stacked dice—one over the other. Each die has a red dot faced up—it is a perfect six points!

—Scene from the popular Chinese gambling-themed movie *The God of Gamblers*

Chinese gambling-themed movies are fun to watch. In many ways, the portrayal of gamblers in Chinese movies is very different from those in the Western societies; there are clearly cultural differences in how gambling is perceived and also performed. Indeed, a major focus of Chinese gambling-themed movies is the depiction of the amazing skills of the Chinese players.

These individuals are often portrayed as professional players with exaggerated gambling abilities. In some cases, the skill levels are inflated to the extent that it seems almost magical and downright impossible in real life. At times, *feng shui* is involved in the gaming process.

Games that are featured in these Chinese movies comprise not only skill-based games such as poker and mahjong, but also chance-based games like dice games and baccarat. The most common professional skills that are illustrated in these movies include the ability to control games' outcomes, the ability to know the games' outcomes, and/or amazing memorizing abilities.

In some movie scenes, players are able to form a winning hand even with their mahjong tiles covered up, pick any cards with the values they wanted, or know the values of their cards just by listening to the card/tile shuffling process.

In general, there are a number of very interesting features and themes in these Chinese gambling-themed movies. They are:

Professional Players: Chinese movies often make heroes out of their professional gamblers and depict their skills as though they can be trained and/or as a form of innate talent acquired since birth. For example, in *The God of Gamblers 3: The Early Stage*, professional skill is a skill acquired through many years of hard work (i.e., the God of Gamblers possesses these

“supernatural skills” through years of training under his master).

Supernatural Skills: In some Chinese movies, the players possess supernatural gambling skills. For example, they are able to:

- Change the card value of a poker hand by just rubbing the cards or staring at them;
- See through the mahjong tiles and cards even when they are covered;
- See through the dice shaker and change the outcome with their willpower;
- Sense what other players are thinking just by touching them; and,
- Simply get a lucky hand whenever they want.

Sometimes, the movie characters who have such supernatural skills are just novice players. Equipped with these supernatural abilities, they would venture out to help others with their gaming.

‘A major focus of Chinese gambling-themed movies is the depiction of the amazing skills of the Chinese players.’

Cheats: Some Chinese movies focus on the players' cheating abilities. Unlike Western movies in which cheaters are portrayed to be dishonest people, Chinese players use cheating (professionally) to beat the bad guys. In *Conman* (1998) and the *Tricky Master* (1999), there are scenes in which gamblers beg their masters to teach them professional cheating skills to beat their evil opponents. These cheaters are able to change their cards or mahjong tiles easily without getting no-

ticed. At the same time, they can spot other cheaters and prevent them from doing so.

Feng Shui: Chinese movies also have portrayed *feng shui* as a deliberate method to influence gaming outcomes. Individuals can use *feng shui* to turn luck in their favor (i.e., by following certain rituals). Other *feng shui* tactics featured in Chinese movies include bringing a lucky object, finding an auspicious time to gamble, and wearing certain colored clothing when playing.

Tournaments: One popular theme in Chinese gambling-themed movies is tournaments. Players will come from different countries to gather to compete in either a public or private (invitation-only) tournament. The winning motivation in these tournaments is for the honor or status of winning rather than for monetary benefits. In these tournaments, professional players demonstrate their gaming skills and compete for the title of a “God” or “King” of the games they played.

Monetary Gain: Chinese movies that highlight this theme mainly depict gambling as an essential way to achieve monetary gains in order to better one's life. Financial benefits of gambling can bring great material comfort and make one's dreams come true. In some of these Chinese movies, the lead actors, who know little about gambling but possess some supernatural skills, are encouraged by others to train to use their skills to gamble and make a living.

Gamble to Avenge: An interesting theme in some movies is to use gambling as a method to seek revenge. For example, in *The God of Gamblers' Return*, the God of Gamblers retired from gambling to enjoy a happy life with his family. His evil opponent, who wanted to gain the title of God of Gamblers, killed his wife. To avenge his wife, the God of Gamblers returned to the gambling world. Eventually, he beat his rival on the gambling table and sent him to prison.

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Sports Betting *Momentum*

Supreme Court hearing seems to be favorable to sports betting advocates

by **Anthony Mason, Principal, Innovation Analytics**

With day one of oral arguments in the Supreme Court of the United States (SCOTUS) case *Christie v. National Collegiate Athletic Association* complete, the line of questioning focused on the intent of the Professional and Amateur Sports Protection Act (PASPA), states' rights with special emphasis on New Jersey, and tribal sovereignty. Thus, the gaming industry is optimistic about a potential outcome of regulated sports wagering in the U.S.

The final ruling could have major implications for lotteries, commercial gaming operators and tribal enterprises as it relates to offering sports wagering as part of their product set. Gaming industry leaders will be keen to understand what the legislation means for them as it relates to new opportunities. This article focuses on how we got here and, more specifically, what the immediate future may entail for the industry:

- Background on potential legislation
- What state governments are doing in anticipation of the Supreme Court ruling
- The opportunities for entry into the sports wagering space
- Business models tailored to fit the objectives of those eligible to enter

PASPA and *Christie v. NCAA*

PASPA was passed in 1992, functionally outlawing sports betting in the U.S. at both a federal and state level other than for a few niche exceptions. As state governments and sports leagues have understood the demand for sports betting in the United States and observed the results in regulated markets both domestically and internationally, there has been a push to revisit regulating

sports gambling.

An opening to overturn PASPA arose when SCOTUS released its calendar in June for its 2017-2018 case schedule, and New Jersey's campaign to be permitted to regulate sports betting was selected (*Christie v. NCAA*). Oral arguments were held on December 4.

If SCOTUS rules in favor of *Christie*, the doors would be open for states to regulate sports betting. Given that many states will be quick to act on sports betting legislation as budget shortfalls are crippling many state governments, it is imperative that lotteries, commercial gaming operators and tribal enterprises act quickly to develop a plan to maximize the opportunity to enter the sports betting space.

A Changing Landscape

Support and legislation support for overturning PASPA has been driven by (1) state governments looking for additional rights and revenue streams and (2) sports leagues that have realized that illegal bookmaking poses a greater risk to the integrity of their leagues than regulated gaming. Regulated sports wagering also serves to increase fan engagement.

No fewer than 20 states have filed amicus briefs with SCOTUS in favor of New Jersey and, even further, several states have already passed legislation permitting sports betting if Congress repeals PASPA or if federal courts declare the sports betting ban to be unconstitutional:

- Pennsylvania: Passed HB 271 (November 2017), which permits casinos to offer sports betting at a facility or online for a license fee of \$10 million.
- Connecticut: Passed HB 6984 (June 2017), which would allow Fox-



NBA Commissioner Adam Silver believes sports betting increases engagement of the fans

woods and Mohegan Sun to operate legal sports books in their casinos.

- Mississippi: Passed HB 967 (June 2017), an amendment to the 1990 Mississippi Gaming Act to legalize sports betting.
- New Jersey: Passed S-2460 (October 2014), allowing casinos and racetracks to take sports bets.

Additionally, the views of sports leagues have evolved on the subject. In the past, former NBA Commissioner David Stern had been one of the leading voices opposing sports gambling. However, current NBA Commissioner Adam Silver not only believes that regulated sports betting is a preferred alternative to illegal gambling as it relates to the integrity of the league, but that it promotes interest in the sport.

“People want to bet throughout the game,” he says. “It results in enormous additional engagement with the fans.”

Even NFL Commissioner Roger Goodell, who has been one of the staunchest opponents of regulated sports betting, acknowledged in a recent quote that “society in general has a little bit of a change with respect to gambling in general.”

What this means is that for gaming enterprises in one of the states supporting New Jersey’s campaign, each is likely to encounter its own debate on sports betting. If this debate ends positively for sports betting, those companies will have a new business opportunity. And even for businesses not in a state currently pushing to expand gaming, due to the ability to operate in another state through a relationship with a license holder (the “Market Access Model,” explored below), a new business opportunity in sports betting can be created. In light of the December 4 oral arguments, these new opportunities may be coming very soon.

12 Billion Reasons to Act Now

The revenue opportunity for sports betting operators in the U.S. varies depending on the number of states that regulate and the distribution models they condone (retail and/or online). Consensus estimates range from \$6 billion to \$12 billion in gaming revenue (house win) from legalized sports betting.

Prospective sports betting operators should position themselves now to act if PASPA is overturned next year, which means developing a view, a strategy, and ultimately, an operational model and solution. Time to mar-

ket will be crucial, especially for casino operators, who risk losing not only the opportunity of early adoption in sports betting but also market share in traditional brick-and-mortar gaming, as patrons flock to the competitor’s new sports book, whether in a rival casino or online.

Participation in the topic now will also mean businesses can become educated on the issues. Thus, they will be well positioned to lobby for legal and regulatory outcomes that support their ambitions. Many of the key regulatory issues are still undetermined in many jurisdictions, including key ones such as:

- Who will get the operator licenses?
- Will the licenses permit retail alone or will online sports betting be allowed?
- What will the cost of licensing be and how will revenues from sports betting be taxed?

This debate presents a tremendous opportunity for operators in these jurisdictions to open conversations with regulators about ways regulation of sports betting can bring a sizable stream of tax receipts to the state, and what that can mean with existing budget shortfalls. Being part of the debate now could also present an opportunity to avoid potential threats—including, for example, who gets the operator licenses and what the tax rate is.

By way of example, in the most recent piece of gaming legislation passed in Pennsylvania, legislators set the tax rate for online slots at a nearly unworkable 54 percent of gross gaming revenue, an outcome that market participants will want to avoid as new markets begin to regulate.

Build, Buy or License

One of the most important questions prospective operators must answer when exploring entry into sports betting is the method of accessing the opportunity.

There are four potential business models that are common to both retail and online distribution.

Three relate to accessing the industry for their proprietary brands:

1. **Build:** Hire a team of developers and sports book traders to build a proprietary service.

Key Dates Relating to SCOTUS

December 4, 2017:
Oral arguments for *Christie v. NCAA* begin

End of June 2018:
All court cases decided before summer recess

SUPPORT AND LEGISLATION SUPPORT FOR OVERTURNING PASPA HAS BEEN DRIVEN BY (1) STATE GOVERNMENTS LOOKING FOR ADDITIONAL RIGHTS AND REVENUE STREAMS AND (2) SPORTS LEAGUES THAT HAVE REALIZED THAT ILLEGAL BOOKMAKING POSES A GREATER RISK TO THE INTEGRITY OF THEIR LEAGUES THAN REGULATED GAMING.

CONSENSUS ESTIMATES RANGE FROM \$6 BILLION TO \$12 BILLION IN GAMING REVENUE (HOUSE WIN) FROM LEGALIZED SPORTS BETTING.



2. Buy: Acquire an existing sports book operator or supplier and deploy that locally.

3. License: License sports betting technology/services via a supplier. The fourth relates to monetizing via a third-party brand:

4. Sell Market Access: Gaming companies can rent their sports book opportunity to a third party.

While the “build” model may seem like an attractive option for those operators looking for a custom solution, it is important to consider the significant financial and time commitment it would take to develop a platform. Thus, building will not be an option for most operators because of the high cost and delayed time to market.

The “buy” option is one that may work for certain operations if they have the capital. Operators that wish to buy will need to work with experts in evaluating targets, and those targets are likely few and far between.

The “license” model will be attractive to many operators who wish to maintain their brand in the sports betting space. Additional advantages to the license model is that the time to entry is short because the platform exists, the technology is proven, and the suppliers have experience supporting a sports book.

Finally, there is the option to sell market access. This model would be attractive for operators who can find the most value in utilizing the betting license as an asset for sports book companies or large national casino brands who wish to enter a market they would not be eligible for otherwise. This option might be particularly attractive for operators who have limited capital, small databases, or do not want to hire the expertise to manage a license relationship.

Within each of these models, there are pros and cons, significant financial and organizational implications and, crucially, relationships the business likely does not have today.

Looking Forward

As the industry waits anxiously for the official ruling from SCOTUS, which could come as early as January, but which is expected around May, there are several steps that gaming companies can take to prepare for this new landscape.

1. Work with state legislators to carve out favorable legislation.

Make your voice heard. Neighboring states that enact sports betting legislation before you may steal not only your sports betting potential, but your existing customers may travel across state lines to be a part of this newly legal form of wagering.

2. Size your market. Determine what sports betting will mean to your business and what type and level of investment you want to make.

3. Prepare a business plan. This includes developing partnerships and in-house expertise. It will be paramount for operators to have harmonized regulatory, marketing and product strategies to achieve a positive outcome, and first-mover advantage will give a tremendous lift to those who prepare.

It is an exciting time for the gaming industry as a new revenue stream is poised to be available to license holders. As sports betting emerges in the U.S., businesses will be faced with leveraging and growing their in-house expertise, and in most cases also leaning on partners to support entry into this new and exciting space. It is no easy task, but those who thoughtfully prepare and are among the early adopters will reap the massive benefits of this multibillion-dollar market.

Anthony Mason is a principal for Innovation Analytics, The Innovation Group's data analysis arm covering database/digital interactive gap analysis, customer research, social/interactive gaming and on-site mobile customer data. He advises on direct marketing, CRM, campaign design, loyalty programs, e-commerce, media planning, business intelligence, consumer insights, statistical modeling, partnerships and branding.



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POWERS

Behind the Throne

GGB's Annual 25 People to Watch for 2018

The engine that drives the gaming industry isn't the beautiful buildings, the shiny slot machines or the soft green felt; it's the people who know how to run those things. In this year's edition of 25 People to Watch, the GGB Editorial Advisory Board has recognized many behind-the-scenes heroes who make the industry hum. These are the people in any organization who demonstrate the hard work, attention to detail and commitment to excellence that inspire not only the line employees but everyone in the organization. Oh, we've got leaders. We've got thinkers. We've got organizers. We've got role models. But most of all, we have the people who have dedicated their lives to making gaming a better business for everyone involved, and for that, they are eminently watchable in 2018.

Revenue Royalty

Marco Benvenuti

Co-founder, Chief Marketing & Strategy Officer, Duetto

For Marco Benvenuti, his first job in the casino industry was enlightening. Just after graduating from Cornell in 2005, he joined Harrah's (now Caesars) Entertainment with his specialty of revenue management. He said there still was an aura of mystery behind the revenue-management process.

"Casinos were just beginning to understand the importance of revenue management," says Benvenuti, who earned his undergraduate degree from the University of Nevada, Las Vegas in 2002. "My first boss was brought in to establish the discipline of revenue management and integrate it under one roof to optimize all the hotel accounts.

"The revenue management discipline was concentrated at the second level of management, however. The people at the top didn't get it most of the time. One executive said it was like the power company. You had to pay the bill but you didn't really understand how it works."

Benvenuti says there's been a lot of education on revenue management, but there are still some remnants of that attitude.

"I still see it today in casinos. Excel is still the tool of choice. This isn't only true of casinos, but other industries are also stuck in the past. It's a tough tool to beat."

In fact, Benvenuti blazed the trail to Duetto using the popular Microsoft program.

"I developed a spreadsheet that could be used for hotels and casinos,

the way Caesars and Wynn used them," he says. "Some companies are still using the spreadsheets that I designed."

After leaving Caesars for Wynn Resorts, the Italian-native Benvenuti met his partner Patrick Bosworth, who was director of yielding and business strategy there. Together they made a decision three years later in 2010 to leave Wynn and start Duetto.

"We were looking to build a consulting company helping hotels make more profits and better decisions on pricing," he says. "At the time we were still using Excel, which was the predecessor to GameChanger, which is now the top cloud application that casinos use to make pricing decisions."

But as much as Excel was a great tool for Duetto's consulting group, it wasn't until Benvenuti and Bosworth met the third founder of Duetto, Craig Weissman, the former CTO of Salesforce, that the tools began to change.

"Things changed when we brought in Craig," says Benvenuti. "He's now our CTO, and our very first exercise was migrating my Excel spreadsheet and transforming it with new technology into what GameChanger has become today."

With Weissman, Duetto has become a technology powerhouse. In addition to GameChanger, which is the pricing application that optimizes hotel room rates across all channels, segments and room types, Duetto has developed products like Scoreboard, which provides easy and intelligent reporting to help companies manage their business; BlockBuster, which enhances col-



“Everything we built at the beginning started with the vision that would optimize the casino as well as the hotel, whether the data was coming from a slot machine, a table game, a retail shop or a hotel room.”

laboration between sales and revenue management departments; and Play-Maker, which personalizes the contact between the hotel/casino and customers.

Right from the start, Duetto was a success in the hotel business. There are not as many variables to consider as you find in the casino industry. But Benvenuti says casinos were always a target market.

“We knew that the casino would be more difficult than the integration we needed for hotels, so the pipes that we built were casino-ready even if we didn’t develop them at the time,” he says. “Everything we built at the beginning started with the vision that we would optimize the casino as well as the hotel, whether the data was coming from a slot machine, a table game, a retail shop or a hotel room. The underlying architecture was built with a very deliberate vision, but the application on top would add the functionality.”

The gaming functionality has resulted in contracts with diverse casino companies, large and small, and the results have been impressive. And it’s only going to get better, says Benvenuti. It will help casinos to get the edge in the long, drawn-out battle with online travel agents (OTAs, like Expedia and Travelocity), and create customer loyalty.

“All our integrations are complete at this point,” he explains. “We have an amazing partnership with Agilysys. We’re able to get data from all the casino management systems, and we can bring true open pricing to casino resorts where we can surgically price specific players, knowing their preferences and patterns. By later this year, we’ll be able to give a customer, right at the moment of booking, a specific offer personalized just for them.

“This will speed up the booking process to help the hotels fight the OTAs and increase sign-ups to their loyalty programs. It gives you reasons to sign up even beyond the points you accrue, because now you give me convenience and value at the moment of booking. You’d rather book directly on the booking engine of the hotel than on Expedia.”

Benvenuti is also an advocate of “democratization” across the casino organization—bringing different teams together and allowing more people to see more data to understand and contribute to the success of the casinos’ business strategy.

“Lots of people understand how there are silos in every casino company,” he says. “Trying to break them down is more difficult than you might imagine.”

But Duetto is making inroads by applying its own strategy.

“Some revenue management systems only have two or three people logging into the program,” Benvenuti says. “Those people control all the power and all the narrative about the company’s process and procedures.

“That’s where we are different. We encourage unlimited access at the casino’s discretion. At one casino on the Las Vegas Strip, we have over 100 users. We democratize the process and provide visibility to all departments. All these people don’t need to be decision makers, but they can benefit from seeing the data maybe a little differently, and now they’ll also understand why decisions are being made, and the strategies being used.”

—Roger Gros

The Road to Singapore

Anne Chen

Senior Vice President, Casino Operations,
Marina Bay Sands

Growing up in the city of Xi'an, northwest China in the 1970s and '80s, Anne Chen was urged by her parents to pursue an "iron rice bowl" (i.e., a job with guaranteed security, like teaching or banking).

But Chen wanted something more. In 2003, while studying for her MBA at the University of Nevada, Reno, she accepted a 12-month gaming internship at Harrah's, a program split between slots and table games.

"I fell in love with the industry," she says.

The feeling was mutual. Just a year later, Chen was the property's director of marketing, managing a \$50 million budget and maintaining a 50 percent profit margin in a highly competitive market. With her understanding of Asian culture, customs and language, she helped the casino hosts drive half of the property's gross gaming revenue.

By 2010, Chen had become regional vice president of Asian business development at Caesars Entertainment in Reno and Lake Tahoe, and in 2011, assumed a similar role at Foxwoods in Connecticut.

At both companies, Chen launched cultural awareness programs that "helped our workforce better understand Asian gamers in terms of proper service, communication, marketing programs and such. Asian customers are vital to casino resorts worldwide because of the size of the population, their propensity to game and their high spending power."

In January 2013, Chen's remarkable record continued—halfway around the world, at Marina Bay Sands in Singapore. Appointed vice president of premium mass marketing, she helped grow that part of the business by 200 percent in just four years. She attributes the results to "the vision, trust and support from Las Vegas Sands as well as Marina Bay Sands senior leadership, the sales branch office infrastructure we developed in key regional markets, strong business acquisition strategies and programming to attract new customers to Singapore, and in-depth understanding and penetration of our existing database."

Now senior vice president of casino operations at MBS, the iconic property with the most Instagrammed hotel in the world, Chen is looking at the big picture—including 3,000-plus team members in her department alone.

"For 2018, our focus is to continue introducing new, exciting products and excellent service—to provide that unique experience customers don't get anywhere else. Another focus for me will be talent development," fostering leaders who embody the spirit of CHASE—an employee excellence standard defined by Chief Casino Officer Andrew MacDonald (it stands for Committed, Hardworking, Ambitious, Smart, and Execute).

Chen cites many mentors, including MacDonald; the late UNR gaming economist Dr. Bill Eadington; Bo Bernhard, executive director of the International Gaming Institute at the University of Nevada, Las Vegas; and longtime Nevada gaming executive Terry Oliver.

"My career growth over the years would not have been possible without all the things I've learned from various professionals," Chen says. "My long-term goal is to be able to help as many professionals as I can, in whatever capacity; I aspired to break the glass ceiling, and I'd particularly like to help other women leaders in our industry do the same."

Now living in Singapore with her husband Allan and 2-year-old son Leo, Chen's motto is, "A thousand miles' journey begins with the first step. This comes from Lao Zi (Dao De Jing), and has so much wisdom. To me, success is the accumulation of many failures, learnings and persistence."

—Marjorie Preston



Engineering Luxury

Sean McBurney

General Manager, Caesars Palace

The first stop after college for Sean McBurney was as an automotive engineer at General Motors. While going to graduate school at Stanford University, he was recruited by Harrah's. McBurney says the transition wasn't as strange as it seems.

"You don't see a lot of automotive engineers in hospitality," he laughs. "But it's not as big of a departure as you might imagine. When you think about running a manufacturing facility, you have to hire great people, meet performance standards with a great process, and they have to be celebrated when they do well. When you look at Caesars Palace, the only way you can consistently deliver a great product and great service is if you have a best-in-class team, held to very high standards with a great process. So the skill set is eerily similar."

McBurney was brought into Harrah's as a president's associate under Gary Loveman. He says that program allowed him to understand how the business operates and challenged him to think differently. He later went to many different properties and found that a great experience, getting his feet wet in many different departments.

"Every brand is different and has different standards," he says. "But the one thing that ties them all together is the Total Rewards program."

Later, when he joined the company's Enterprise Shared Services department, he was able to apply those different experiences.

"Total Rewards has always been a competitive advantage for our com-

pany," he says. "A lot of competitors have tried to make inroads similar to Total Rewards, but it really is a best-in-class program."

McBurney was also responsible for overseeing the VIP program during his time in the services department. He says it brought a new awareness of the power of the Caesars brand.

"It's a critical part of our business," he says. "I believe we are best in understanding who our VIPs are, their interests and preferences, so we're able to market to them on an individual basis, based on what we know about them. Because we have 43 properties across the enterprise, we're able to facilitate cross-property visits and get them to experience our brand more deeply and increase their loyalty."

Now that he's at Caesars Palace, he's immersed in the international aspect of the business. Even though Caesars has no properties in Asia, McBurney says the brand is strongest there.

"It's unbelievable the international reputation this property has, even though there is just one Caesars Palace in the world," he explains. "It has a very rich history with the best entertainment, food and beverage, and some of the most opulent villas in the world. It's the collection of those assets combined with the service experience that makes Caesars Palace a place you have to see at least once in your life."

—Roger Gros



IGT congratulates Anika Howard, Senior Director, iGaming for being named one of the "25 people to watch in 2018."

Anika exemplifies IGT's Customer First approach and passion for innovation.

Living Monument

Simon Thomas

CEO and Chairman, Hippodrome Casino
London

For more than a century, Londoners have flocked to a West End landmark at Cranbourn Street and Charing Cross Road, next to Leicester Square. The Hippodrome, a Victorian gem opened in 1900, began life as a haven for circus acts involving elephants and polar bears, and aquatic spectacles in a 100,000-gallon water tank.

(They would even flood a couple of the hallways so performers could make their entrances via boat.)

From there, the Hippodrome, from its central atrium to its ornate cantilevered galleries and painted-glass retractable roof, went through many lives. It was a music hall and theater from 1909 to 1951. Beginning in 1958, it was *The Talk of the Town* for more than 30 years—a theater/restaurant that featured the likes of Frank Sinatra, Judy Garland, Ethel Merman and a host of '60s rock 'n' roll acts.

The venue closed and reopened several times, going from the London Hippodrome nightclub in the 1980s to the Hippodrome Events Space & Theatre in 2006. Through multiple incarnations of the building, many features of the original Victorian-era design by Frank Matcham were lost.

They have been rediscovered, in what is now the Hippodrome Casino London.

In 2006, Leicester-born father and son Jimmy and Simon Thomas acquired the lease on the Hippodrome with a promise to restore it back to Matcham's original design. After finally being awarded a gaming license in 2009, the restoration began. In 2012, the new Hippodrome Casino was unveiled, after a £40 million restoration of key features, from the central atrium to the "Minstrel Gallery" above a retractable roof, from which acrobats once dove into the big water tank.

The renovation preserved the facility's original Victorian charm while adding modern elements such as futuristic lighting fixtures over the large main gaming floor, under the huge atrium. There were four floors of gaming in all, including the Gold Room casino in the original basement, featuring direct access to London's Chinatown behind the building. Around the sides of the atrium were restaurants, six bars, a cabaret theater and a smoking terrace.

"We wanted to turn it into what we hoped would be a world-class asset," says Simon Thomas, who is CEO and chairman of the Hippodrome Casino, "different from everything else in the U.K., but picking up some lessons we've learned along the way, and also some ideas from casinos all over the world."

Thomas has consistently added new features and attractions to the Hippodrome, not the least of which has been a continuing re-evaluation of the casino itself. It is the most popular gaming property in the U.K., one reason being a constant mission by Thomas to discover what has made other casinos around the world successful. That includes the U.S., where Thomas and his team hosted presentations by industry experts during last fall's Global Gaming Expo.



The gaming offerings are in a state of constant improvement. The basement casino that was the Gold Room is now Lola's Underground Casino—"a naughty little system with dancing girls, two craps tables—the only place in the U.K. with back-to-back craps tables—and a really cool bar in a themed 1900 Victorian area," says Thomas. "The ground floor is the main gaming casino and bar under the original atrium, which is stunning."

Upper floors include restaurants, bars, a cabaret theater and, on the top two floors, smoking decks and high-end rooms.

"The important thing for us is finding the right balance of entertainment and gambling, food and drink, where you can optimize the income but also get a lot of people in the building," Thomas says. "They are great assets to pull people through, and we're one of the few places in the area that's open 24 hours a day, seven days a week."

If that sounds like a model of the gaming/non-gaming mix of modern casinos in places like Las Vegas or Macau, it is because of Thomas' constant effort to take the most prof-

itable practices from other parts of the world and apply them to the Hippodrome.

"There's been a huge learning curve," says Thomas, "and I'm absolutely sure we're nowhere near the end of the learning curve, which in a way is quite exciting."

That learning curve will continue to be explored as Thomas searches for new ideas.

"I love the industry, and I will go around and see who is doing what, why, where, when, and see if there are ways to take that knowledge and improve our business," he says. "One our gaming room is copied from Resorts World Sentosa in Singapore. The penny floor and main bar was an idea I saw in the Standard Hotel in New York."

Immediate plans include a tripling of the size of the smoking deck and a plan being kept under wraps for "a world-class show which will really put our theater on the map." Meanwhile, he says, he is using a Las Vegas consultant to optimize the gaming floors, and customer relationship management tools to improve service and profitability. New games are being added, including Blackjack 11, a side bet with a frequent payoff and a progressive jackpot.

And at the core of it all is that beautiful building, and its storied past.

"The trick is building on the past," says Thomas. "For example, our steakhouse is named after Claire Heliot. She was a lion tamer who used to feed lions raw meat on what is now the gaming floor, in 1906. At the same time, the product we offer is superb, and as a result, we've been voted the best steakhouse in London."

Thomas likes to repeat a comment he says captures the essence of the modern Hippodrome Casino:

"Somebody said it has the energy of Vegas, the class of Monaco, and the eccentricity of the British."

—Frank Legato



Digital Dynasty

Anika Howard

Senior Director for Product Marketing for Mobile, PlaySpot, and North American Sportsbetting, International Game Technology

Anika Howard was fortunate. She knew what she wanted to do early on, and after obtaining degrees at Arizona State and the University of Maryland, she got the break she needed when she was recruited for the President's Associate program at Harrah's Entertainment (now Caesars).

"The program was my introduction to the casino industry," she says. "I did my time at Harrah's New Orleans and was part of the opening team for the casino on Canal Street. I had no experience in the casino industry, so I went from hard hats to opening and learned a lot. It was a very unique experience."

She says having no experience was actually a benefit for her.

"I think what I got most out of that time is the importance of being empathetic and being humble. As a president's associate you go through the entire or-

ganization. I was struck by how hard-working the different groups are, and what goes into a casino that makes people want to visit."

Howard's training was in interactive applications, and later she held positions at Caesars, where she developed innovative interactive marketing campaigns that increased profitability and drove hotel occupancy. She also developed strategies for online advertising, social media, email marketing and acquisition and online customer service.

"I got the interactive bug early on," she says. "I always wanted to be in that field. I like that intersection of technology and innovation."

With the rapid rise of interactive technologies, Howard says it's important for casinos to note how people are using interactive technologies in other parts of their lives.

"Using your phone to pay for a coffee, board a plane or check into your hotel room... These are what people are doing today with technology," she says. "So there's an expectation when people come into a casino that kind of convenience will be available to them."

At IGT, Howard is responsible for overall strategy and marketing responsibilities for expanding IGT's mobile and sports betting services and solutions in North America. Her department drives the design, development and marketing for the PlaySpot solution for land-based global casino customers. And she thinks PlaySpot and its applications will be a major diversion for the gaming industry in the future.

"Early on," she explains, "there were a lot of questions about casinos and online gaming, and how the casinos should respond. And I think that's the case with playing on devices. This will give players the option to choose how they want to interact with casinos and give casinos the option to extend their gaming experience without necessarily extending the casino floor. That's going to be the model going forward as technology evolves and as casinos get more comfortable with that concept."

—Roger Gros

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The Smart Casino

Andrew Cardno

Founder and Chief Technology Officer,
VizExplorer

We all know that the casino-hotel industry collects more data on its customers than most businesses. But for Andrew Cardno, collecting data is only the first step.

Cardno, the founder and chief technology officer of California-based technology firm VizExplorer, has built his career devising tools operators can use to benefit from that data in real time. In fact, his knack for turning numbers into profits for gaming operators was recognized long before he founded VizExplorer in 2008—evidenced by two Smithsonian Laureate for Heroism in Information Technology awards, the first at Compudigm, a company he founded in 1999 in his native New Zealand that was acquired by Bally Technologies in 2007.

Those Smithsonian awards—which are among two dozen awards Cardno has received for information technology development—were for software products to optimize the revenue generation of the slot floor. At VizExplorer, his mission has been to empower operators with ways to use data from every single point in a casino resort.

“Five or eight years ago, casino industry data was all about gaming,” Cardno says. “But there’s been a massive shift, and now, for a casino to not be thinking about social media, the hotel, food and beverage—and getting the complete picture—is just not the way to run a business anymore.”

VizExplorer’s products give operators easy ways to use data to optimize the customer experience, which, in the end, is the easiest path to optimizing profits for a resort. “Our main business today is putting tools in front of all the different lines of business, so in real time, the data from across the business is provided to customers in a smart and simple way.”

VizExplorer’s suite of software solutions contains a tool for each of a growing number of profit points in a casino hotel—floorViz for optimization of the casino floor; campaignViz for marketing and promotions; greetViz to assist customer service; hostViz for player development; techViz for service management—and the Data Integration Hub to tie it all together and enable easy access to the data, at a moment’s notice.

The system creates a full-fledged “smart environment” for casino and hotel operations. Cardno offers one scenario in a fully “smart casino:”



“Many properties have greeters, who are dispatched to talk to you wherever you might be. And they are dispatched with a message that is appropriate to you. Our business is to empower that real-time activity.”

“If you insert your card, check into the hotel, or do something at a point of sale, your host is immediately notified,” Cardno explains. “Many properties have greeters, who are dispatched to talk to you wherever you might be. And they are dispatched with a message that is appropriate to you. Our business is to empower that real-time activity.”

Cardno estimates that he has worked with close to 1,000 casinos over the past two decades, “helping with analytics and tooling so they can understand their business.” VizExplorer, he says, was founded to help operators approach operations “fully equipped with data from across the business.”

As VizExplorer works with major operators across the world, Cardno and company continue to build up the company’s software library with new ways to optimize the gaming business. One of the newest additions is Cash-InSite with Everi IQ, in partnership with Everi Holdings. VizExplorer used the fact Everi is a leader

in supplying ATMs and kiosks to casinos to identify yet another source of data—the ATMs themselves. “ATM data allows us to look at a customer globally and see what they do both inside and outside of your four walls. It’s a very powerful tool.”

For 2018, Cardno says the big drive for VizExplorer is to continue efforts to make a casino “a center of a beautiful whirlwind of data.” He says utilizing all available data offers new and valuable ways of measuring performance that go way beyond the traditional obsession with daily theoretical win. (This will include gathering data from table games, which he says may be key to unlocking the preferences of the millennial generation.)

“No longer can your casino run on your slot system,” Cardno says. “Different areas are competing for a wallet share of the same group of customers. You’ve got to have a centralized view of your customer to operate a proper gaming organization these days, and it’s got to be in real time.”

VizExplorer itself is surely equipped to continue growing—also in real time.

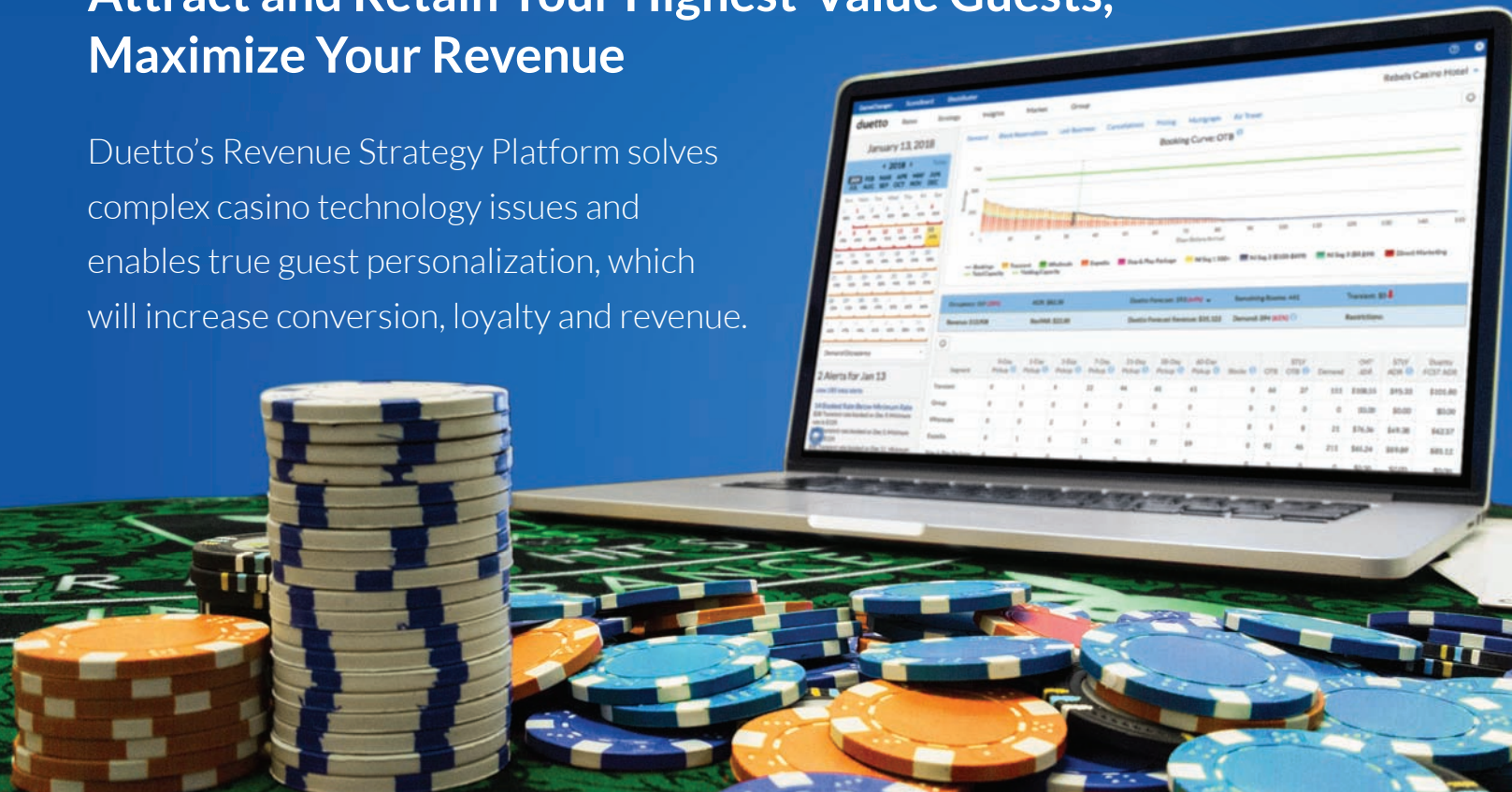
—Frank Legato



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Building Relationships

Jennifer Weissman

Senior Vice President and Chief Marketing Officer, Penn National Gaming



In an era when job-hopping is the norm, Jennifer Weissman is sometimes asked how she has logged almost 20 years in the gaming industry. Her answer: It's always changing, always challenging, and much too interesting to quit—even when the going gets tough.

Take her tenure as regional vice president of marketing for Caesars Atlantic City, from 2008 to 2012. In the midst and aftermath of the Great Recession, Weissman and her team continued to generate headlines with events like OUT in AC, a city-wide party for the LGBT community; the Food Network Atlantic City Food & Wine Festival; and the star-studded premiere of the famed HBO series *Boardwalk Empire*.

"You start with the customer," says Weissman, who joined Penn National Gaming as senior vice president and chief marketing officer in 2015. "We did research to find out what they were looking for that we weren't already offering, or experiences they were having when they weren't choosing to visit us, then deciding which ones would make sense in a casino. When we knew we could deliver something forward-thinking and on trend, it afforded us an opportunity to talk to (potential) customers and customers that already loved Atlantic City and gambling."

With new technologies, there are more ways than ever to reach customers. Sorting out the options can be a big task.

"It's up to someone in my role to ask, what are you trying to get from that technology? Can you do it with something you already have? Is it going to be additive or a distraction? There are parameters you can use to score whether or not it's worthwhile."

Meanwhile, she says, the "core tenets of marketing" remain the same. "It all comes down to reaching the customer and creating the best relationship with them. And the customers will tell you how they want to have a dialogue with you."

A native of Memphis, Tennessee, Weissman studied journalism and public relations at the University of Maryland, and launched her career in gaming at the Hollywood Casino in Tunica, Mississippi. Among her early mentors was Director of Marketing Kathy Hickman, now marketing vice president at Thunder Valley Casino Resort in California.

"She gave me enough leeway to figure out the job and enough mentorship to keep me rowing in the right direction," says Weissman. In Atlantic City, former Caesars executive Carlos Tolosa was "a very positive role model and huge advocate."

Penn National has been much in the news as the Wyomissing, Pennsylvania-based firm considers the acquisition of rival Pinnacle Entertainment. Weissman is mum on the issue, and remains focused on Penn National's current portfolio: 34 casinos, racetracks and off-track wagering facilities across the U.S.

She says her job is to "take very complicated issues and boil them down into something simple and actionable. You need the ability to focus on things that matter and limit the noise of things that don't. To do that, you have to be very analytical and be a bit of a risk taker."

First, last and always, she says, "Build that relationship with the customer."
—Marjorie Preston



The Year of AGS

Andrew Burke

Senior Vice President of Slot Products, AGS

Anyone unfamiliar with Las Vegas-based slot manufacturer AGS could get the impression the company is still brand-new. It's not. Originally American Gaming Systems, the company was founded in 1996 as a supplier to Class II casinos in Oklahoma and elsewhere.

But it has been during the past four years that AGS has emerged as one of the top suppliers in the Class III slot market—a process started in 2010 by then-CEO and former Bally Chairman Bob Miodunski, and completely transformed by the 2013 arrival of David Lopez as the new CEO.

Through acquisitions and development, Lopez has transformed AGS into a full-service supplier of slots, table games and interactive technology, to a market that is still expanding. After acquisitions including Las Vegas-based Colossal Gaming and Georgia-based Cadillac Jack, and the creation from scratch of a now-thriving table-game business and the new interactive division, AGS bears little resemblance to the small Class II supplier it once was.

No one knows this better than Andrew Burke.

Burke, who is senior vice president of slot products for AGS, has been along for the company's entire transformation, having joined the company in 2008. His slot division has led the company into the elite of the Class III market, and that ride is far from finished. Technology from the former Cadillac Jack formed the basis of what is now the company's core video slot platform, but it is what Burke's division has done with that platform that is turning heads among operators, first with the workhorse ICON cabinet and, last year, with the breakthrough marquee-style Orion cabinet, with its lighting that connects machines into banks that are themselves works of art.

Next year, the form factors continue with the introduction of the Orion Slant, completing the possibilities of the operator-favorite cabinet. "Everything is easy when you have really great products, and our development team has just done a fantastic job with Orion," Burke says. "To add to the success of that series, we will launch the Orion Slant in 2018. We've got a lot of pent-up demand for that product."

Content for the Orion Slant and other cabinets will continue to pour out of the company's development team, and for next year, that



“You can call 2018 the Year of the Progressive for AGS.”



means progressives.

“You can call 2018 the Year of the Progressive for AGS,” says Burke. “Linked progressives have always been an important part of our DNA, going back to the Class II days of the business. We’ve just launched our Xtreme Jackpots series, and our first installs of those games have been really, really strong.”

Going back to the early days, AGS has employed a strategy on progressives Burke calls “achievability.” The Xtreme Jackpots product features a \$10,000 startup, with jackpots averaging \$30,000 to \$40,000 hitting more frequently than many other progressives—thanks to one key factor: lots of games linked to the same jackpot.

“We can do a lot of things other people can’t,” Burke says. “We can link progressives across various different cabinets we have. We can also link them across different types of games; it doesn’t have to be the same math model to be linked to the same progressive.”

As the number of games linked to a single jackpot grows, so will the frequency of the jackpot. Burke says a new, patent-pending feature will be added to the progressive system for G2E “that will really enhance the experience for the player.”

Meanwhile, the company has not neglected its Class II roots. Last month, AGS finalized the purchase of the operating assets of Rocket Gaming Systems, adding 1,600 Class II units to an installed base of recurring-revenue games that now numbers around 23,600. The Class II portfolio from Rocket includes wide-area progressives and stand-alone video and spinning-reel games and platforms, including the player-favorite Gold Series, a suite of games that feature a \$1 million-plus progressive prize that is the longest-standing million-dollar wide-area progressive on tribal casino floors.

Burke says one of his first projects over the coming year will be to integrate the assets and technology of Rocket Gaming into the overall AGS platform.

Aside from that, the coming year for Burke will involve a focus on executing the current product roadmap. “We pride ourselves on being super-focused,” Burke says. “It’s one of the things that sets us apart from competitors. We pick our projects pretty carefully. What you’re going to see this year is heads-down execution on the things we’ve been working on the past year.”

Burke comments that AGS is full of “people to watch,” with the slot division running on all cylinders. “Our sales team is the best it’s ever been. Our service and operations teams are both humming along. We’re getting all the puzzle pieces connected at the same time for 2018. We couldn’t be more excited.

“It’s safe to say with no exaggeration that 2018 will be the biggest year in AGS’ history. We’re really poised to break out this year.”

—Frank Legato



Trump Train

Tara MacLean Sweeney

Assistant Secretary, Indian Affairs, Department of the Interior

When Donald Trump assumed the presidency, many in Indian Country assumed that the halcyon days of his predecessor, Barack Obama, were over.

But considering the appointments the Trump administration has made to the Indian Affairs section of the Interior Department, Native Americans have been appointed in every important position.

The lead role is being filled by Tara MacLean Sweeney, who was appointed in October as assistant secretary, Indian Affairs, for the Department of the Interior. Sweeney had been vice president of external affairs for the Arctic Slope Regional Corporation (ASRC), as well as a past co-chair of the Alaska Federation of Natives, and the more recent past chairwoman of the Arctic Economic Council.

Sweeney is an Inupiaq, and the first native Alaskan to serve as assistant secretary and the second woman to serve in that role.

The relationship between the Trump administration and Indian Country is evolving. Willie Hensley, an Alaska Native leader who chairs the board of First Alaskans Institute, told the *Anchorage Daily News* that Sweeney has the opportunity to inform the president on tribal power structures.

“A lot of people don’t understand Alaska because it is confusing,” Hensley said. “We have tribes. We have Alaska native corporations. And the native-run corporations have land and money, while tribes here more often are struggling with few resources.”

Alaska Senator Lisa Murkowski was thrilled.

“What a fabulous, fabulous nomination,” she says. “She is at a level as an Alaskan that is just enviable. And I think, again, we could not have identified an individual who has a broader perspective including that of coming from the ANC (Alaska native corporation) side.”

Sweeney began her career working as a lobbyist for a Washington, D.C. law firm advocating for oil drilling in the Arctic National Wildlife Refuge before returning home to serve a similar role at ASRC. She is the daughter of former state Rep. Eileen MacLean.

In addition to Sweeney, other major appointments by the Trump administration were all members of Native American tribes. Just days before Sweeney’s appointment, Bryan Rice was named director of the Bureau of Indian Affairs by Interior Secretary Ryan Zinke.

A member of the Cherokee Nation of Oklahoma, Rice recently led Interior’s Office of Wildland Fire, and has broad experience leading Forestry, Wildland Fire, and tribal programs across Interior, BIA, and the U.S. Department of Agriculture for more than 20 years.

Rice joins John Tahsuda III, a member of Oklahoma’s Kiowa Tribe, who was named acting assistant secretary.

—Patrick Roberts

Keys to the Kingdom

Ann Hoff

President and Chief Operating Officer, Excalibur Hotel & Casino

Ann Hoff found career inspiration in an unlikely source: the 1980s TV drama *Hotel*. The nighttime soap starring James Brolin and Connie Sellecca depicted the exciting lives of hotel executives in San Francisco. To Hoff, it seemed an ideal life. Her father disagreed.

“He wasn’t particularly enthusiastic about me choosing a career based on a TV program,” remembers Hoff, a New Orleans native. “He suggested I attend Louisiana State University to study business.” She did so, but dropped out to work at the New Orleans Hilton before enrolling in the hospitality program at the University of Nevada, Las Vegas.

A career in gaming was a natural evolution. In 1990, Hoff joined the management associate program at the newly opened Mirage, where she got a thorough grounding in sales and marketing. In 1993, she moved on to Treasure Island, and helped to rebrand the family-friendly property as the more sophisticated TI.

Then came a pivotal opportunity: a position as director of hotel marketing at the new 2,000-room Beau Rivage in Biloxi, Mississippi. Though apprehensive, she accepted the job, calling it “a defining time in my growth and development.”

“While stepping outside of comfort zones can be scary, we can’t realize or even understand our full potential until we’re willing to put ourselves out there a bit,” says Hoff. “Taking risks shows confidence and ultimately helps us overcome fear of failure.”

Another shift presented itself thanks to Scott Sibella, now president of MGM Grand Las Vegas, who urged Hoff to transition from sales and marketing to operations. “He saw something in me, and convinced me to broaden my experience so I could be considered for property leadership more broadly. Without that move, I wouldn’t be a property president today.” In 2005, she became vice president of operations at New York-New York.

Hoff joined Excalibur as general manager in 2014. Today, as president and chief operating officer, she’s responsible for all aspects of performance and profitability at the 4,000-room medieval-themed resort.

It’s a busy time at Excalibur. “We’ve nearly completed a refresh of our casino experience, including a new 4-D theater in partnership with SimEx,” says Hoff. “We’ve also created a new brand positioning that conveys the essence of the property: ‘Adventure for the Taking.’”

Grateful for the mentorship of Sibella and Cindy Kiser Murphey, president and COO of New York-New York, Hoff is committed to developing future leaders “at Excalibur, throughout MGM Resorts and within the industry.”

What qualities does she consider essential for those future leaders?

“Vision, collaboration, integrity, courage and humility,” says Hoff. “I pride myself in bringing these qualities to the team along with incredible drive and dedication.”

—Marjorie Preston



Helping the Afflicted

Russell Sanna

Executive Director, National Center for Responsible Gaming

The ratio of players who can handle their gambling versus those who can’t is 99-1. In this industry, that means the effort to help that small group will never be over.



Russell Sanna, executive director of the Beverly, Massachusetts-based National Center for Responsible Gaming, wants to extend the research funding elements of this complex issue. About 2.5 million American adults have a gambling issue. That’s a small percentage compared to problem drinkers and smokers, he indicates, but the effects of a gambling disorder can often be hidden until it destroys a family’s finances. The NCRG hopes for more mechanisms to drill down on the 1 percent.

“Historically, the casino sector has carried the ball in supporting the center,” he says. “But gaming has hugely diversified. You have 44 states with lotteries, you have more than 460 Native American tribes that operate casinos and you have major developments on the horizon like online and sports betting. Underneath all that are industries like banking and the legal services that support the gaming. We would like to secure their support and participation for research.”

NCRG’s mission is to help people who suffer from gambling disorders. The organization does that with scientific research into pathological and youth gambling. It also encourages the application of new research findings to improve prevention, diagnostic, intervention and treatment strategies.

Sanna does not push his own theories. He wants to assemble “the smartest people in the room” to produce initiatives.

Success can span numerous realms. It may include converting information from self-exclusion cases into treatment options. It may entail gaining data on income groups and minorities. Perhaps more information will lead to initiatives coaxing people inside that 1 percent bubble to seek help. Even ideas to address comorbidity, the simultaneous presence of two chronic diseases or conditions in a patient, are possible through research.

“An emerging area for research is the 99 percent of players who are able to partake of this gaming without any negative effects,” he says. “What is normal within that 99 percent? What habits do they have? What beliefs do they follow in their behavior? Why is gambling not a slippery slope for them? If I am not in that 1 percent, what is it about me that allows me to go in and out of a casino, with no difficulties?”

The Wyoming native joined the NCRG on March 1, 2016. He oversees the operations of the center.

Sanna was the executive director of the Harvard Medical School Division of Sleep Medicine. In earlier posts, he was the associate dean for external relations at the Harvard Design School and assistant director of the Harvard Art Museums. In all three roles, he was responsible for building and enhancing stakeholder networks and resource development. Before coming to Harvard, Sanna served as assistant superintendent of the Solomon Mental Health Center in Lowell, Massachusetts.

—Dave Bontempo



THE REEL DEAL

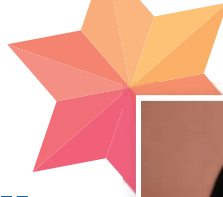
CONGRATULATIONS
ANDREW BURKE

SVP OF SLOT PRODUCTS, AGS

FOR BEING NAMED TO GGB's CLASS OF 2018

25 PEOPLE TO WATCH





Home Sweet Home

Matt Harkness

CEO, Hard Rock Hotel Casino Atlantic City

Welcome home. Matt Harkness, a longtime Atlantic City casino executive, returns to launch its next phase. The president of the new Hard Rock Hotel and Casino leads an opening primed to boost Atlantic City, beset by property closings in recent years.

Hard Rock's physical location denotes some sweet irony for Harkness. He was

once a senior vice president of marketing and executive director of casino administration for Trump Taj Mahal, the renovated resort that will become Hard Rock, and the general manager at Trump Plaza.

"This means a lot to me, not just professionally, but also personally," he says. "In terms of knowing the area, I grew up in North Jersey, my wife grew up in the Atlantic City area, and we have family here. The bulk of my career was spent in Atlantic City, 25 years. When I was away from the city for 12 years, I paid a great deal of attention to what was going on here, and did see the obvious decline.

"However, I think people tend to overemphasize the decline without necessarily understanding that this is still an extremely viable market. Atlantic City is very well located in terms of proximity to major population areas and it has the great benefit of a more competitive tax rate on gaming revenue than in surrounding states. This is a direct benefit to both the city and the market."

Hard Rock expects to create more than 1,000 construction jobs and 3,000 permanent ones in the casino hotel, along with ancillary jobs for retailers, suppliers and partners.

"The region will significantly benefit economically in the near term and on an ongoing basis from this opening," Harkness predicts. "Hard Rock is an international brand with presence in 73 countries, including 179 cafes, 24 hotels and 11 casinos. The fans of the brand are loyal, and we cannot wait to welcome them to Atlantic City again—as you may remember, we had a Hard Rock Cafe here for 20 years, and it will be relocating into the casino."

Harkness spread his wings beyond Atlantic City in the past. He was chief operating officer of Michigan's Four Winds Casinos, spearheading casino operations and overseeing the planning and implementation of project development during his nine years with the tribal gaming enterprise.

He most recently held the position of general manager at Lucky Dragon Hotel & Casino, a unique Asian-themed property in Las Vegas, where he led the operations team through pre- and post-opening.

This will be his sixth opening as a company president. And it has a special feel.

"The property is situated along the world-famous Atlantic City Boardwalk and is currently undergoing an all-encompassing \$500 million renovation," he says. "Hard Rock Hotel & Casino Atlantic City will become the premier entertainment destination with live music (we have a number of acts already lined up), sporting events, conferences and shows with two separate arenas boasting more than 7,000 seats in total.

"As we get closer to the opening, be on the lookout for a lot of surprises!"

We will.

—Dave Bontempo



Cornering the Market

Tiffany Widdows

Executive Director of Marketing Operations, Station Casinos

When she moved to Las Vegas in the early 2000s, Tiffany Widdows found the desert landscape less than hospitable. She disliked "the summer heat, my lack of friends, and uncertainty about my professional future."

Her dissatisfaction was short-lived. In 2006, Widdows, who had recently graduated from the University of California, San Diego with degrees in sociology and communications, "stumbled across a marketing coordinator position for the Stratosphere," an American Casino & Entertainment Properties resort on the Vegas Strip. It was her first step on a fast track to success in gaming.

Over the next decade, Widdows earned her stripes as a marketing executive at PlayLV Gaming and the Golden Nugget. Today, she's executive director of marketing operations for Station Casinos, overseeing multiple award-winning brands from Red Rock to Green Valley, from Wildfire to the Wild, Wild West, and many more.

Each property has its own personality and customer profile, and "speaks uniquely to its core base," says Widdows. "On a daily basis we're coordinating direct mail, a robust database, and promotions and advertising, which keeps things interesting and fun."

With recent seismic changes in gaming, marketing has changed too.

"The services we provide have increased in importance, from spa services and the in-room guest room experience to the atmosphere of our guests' favorite Station Casino," says Widdows. "These types of non-gaming decisions are now at the forefront of best business practices within our company." The new emphasis on non-gaming has created "a hybrid blend that challenges companies to look at a blended wallet and overall guest profile."

Of course, Station's Boarding Pass loyalty card now rewards guests for non-gaming spend.

"It has continuously been voted best loyalty card by the readers of the *Las Vegas Review-Journal*—I'll let the accolades speak for themselves," says Widdows. "I'm excited to tease that the program will just keep getting better, as 2018 will be a pivotal year for the program."

Also in the new year, "I'm so excited to welcome my first son," says the executive, now Tiffany Widdows-Sides. "It will be a learning experience on how to balance a meaningful career with my family." Meanwhile, she makes time for volunteering and "pays it forward" by mentoring the next generation of gaming leaders, particularly women.

Her long-term goals are simple, she says. "I want to be known as a strong, fair, kind and intelligent marketing executive who's been able to successfully provide balance for her family and value within the community. Professionally, I want to continue developing new ideas for Station's enterprise and help to maintain our strong marketing footprint within the Valley."

—Marjorie Preston



Tribal Advocate Chris Stearns

Chairman, Washington Gambling Commission

Chris Stearns has long fashioned an eye for administration.

The New Jersey native and member of the Navajo nation laid major groundwork in this area nearly 25 years ago. In 1994, he served on the United States Congressional Sub-Committee for Native American Affairs, which examined the national implementation of tribal gaming. Stearns also

worked for the U.S. House Natural Resources Committee and was appointed to be the first-ever director of Indian affairs for the U.S. Department of Energy under President Bill Clinton.

Throughout much of his career, Stearns has been a lawyer focused on tribal interests. For the last four years, he's also been a regulatory executive.

Stearns is chairman of the Washington State Gambling Commission, which administers several challenges and opportunities during a surging growth period. The Washington agency oversees tribal, commercial and charitable gaming.

Stearns has been placed in a good spot. This is an opportune time to feature one's knowledge of legal precedent and tribal culture. Stearns says the climate between tribal entities and state government is a good one.

And all indicators point upward. Washington state witnessed the opening of the Ilani Casino Resort in April. Legends Casino in Yakima County and the Point Casino in Kitsap County recently enhanced their profiles by adding hotels and other amenities. About 90 percent of state residents will soon live within a one-hour drive to a Class III facility. Overall revenue is projected to hit nearly \$3.5 billion by 2020.

The commission recently embraced a 159-page report provided by Spectrum Gaming Group, which forecast areas of potential growth. Findings include strong expectations for commercial, nonprofit and tribal gaming.

The report's hint of prosperity may be the easy part for Stearns. The primary mission of protecting the public, ensuring that gambling is legal and honest, has more moving parts than ever.

"The environment is incredibly challenging," he says. "There is so much change occurring in the industry at such a frenetic pace. We are having to conduct more and more investigations into illegal or unregulated gaming, particularly the internet and eSports.

"At the same time, there is always a clamor for innovation. We just approved the first wide-area progressive games, connecting games in Washington to machines outside of the state. One of the challenges you have is to always make sure the odds are the same."

Stearns' own research indicates that tribal operators "are doing an excellent job at regulating gaming and building within the market structure, during a time when a lot more money and people are coming into Washington."

The 53-year-old Stearns places a high emphasis on responsible gaming and relishes his role facilitating explosive growth the right way.

"I am delighted to be doing something I love," he says.

Stearns has also been a member of the Seattle Human Rights Commission and the Seattle Indian Health Board.

—Dave Bontempo

Onward, El Cortez

Adam Wiesberg

Assistant General Manager, El Cortez Hotel and Casino

At 42 years of age, semi-retired and a seasoned businessman, Adam Wiesberg didn't fit the profile of your typical table games dealer.

After building and selling off a casino signage business, Wiesberg decided to try gaming operations as the next stage of his career. When he approached the El Cortez, one of his former clients, he didn't get the response he was expecting:

"When I came down, they said, 'Yeah, we're super interested in having you here. We're going to start you in the pit.' And not only start me on table games, but start me as a dealer."

Wiesberg, now assistant general manager at El Cortez, said the move was a tough sell—especially to his wife.

"At 42 years of age, to suit up as a dealer was one of the biggest challenges of my life. But I had enough faith and trust in ownership that I knew it was probably a good idea," he says. "So I took the job."

While his stint in the pit came with a slice of humble pie, it gave him an invaluable understanding of day-to-day casino operations such as relating with customers, internal processes and the math behind the games.

"Looking back now, I'm so grateful I started as a dealer," says Wiesberg. "Because to put me into a management role in this casino without having an understanding of the games and the customers and the interactions on the floor would have been a much steeper learning curve for me."

And while it may not seem there's much overlap between owning a commercial signage business and working in casino operations, Wiesberg sees the core ethos of both as one and the same. "You have to have a great product, you have to have a great value and you have to have great relationships," he says.

With that ground-level foundation intact, Wiesberg is now spearheading the El Cortez's efforts to renovate its facilities and expand its footprint in rapidly-iterating Downtown Las Vegas, which has been a hub for tourists and local millennials alike. "We're located in the hottest neighborhood in Vegas and arguably in the country when it comes to gaming," he says.

Some might argue that the 76-year-old property might be out of place in such a trendy district, but Wiesberg doesn't see it that way.

"I love these kinds of contrasts. I love the history and the authenticity of the El Cortez and the fact that we have customers that have been coming here for 60 years, and right outside our door is this new, exciting neighborhood."

The influx of younger visitors to the neighborhood and the property has made his blue-collar table game experience all the more invaluable, as millennials tend to prefer these types of games over traditional slots.

"With table games, if you haven't dealt and you haven't been a supervisor, there's really a mystery to it every time you walk by."

As for the next phase of his career, Wiesberg is laser-focused on continuing to evolve the El Cortez, arguing that ownership's 40 years of experience in Downtown Vegas and progressive approach to implementing new ideas has facilitated a sweet spot for him.

"I'm able to make a really big impact here, and that's what drives me every day."

—Aaron Stanley



Settle Down

Bill Peters

General Manager, Chumash Casino Resort

Tribal gaming is a notoriously fickle field for gaming executives. With tribal chairs and councils changing on a regular basis, casino executives running tribal casinos are often let go the same way a coach would be fired when a new general manager comes in.

Not that way at all at the Chumash Casino Resort in California, near Santa Barbara. Bill Peters joined the casino at opening as a dealer 23 years ago. He recalls the first “casino,” set up in the former bingo hall. Later a Sprung structure was added and still later, an elegant casino was built. Just last year, under Peters’ leadership, the Santa Ynez Band of Chumash Indians built a \$170 million expansion that included a new hotel tower, doubled the gaming floor and added a selection of non-gaming amenities, mostly food and beverage.

Peters credits his longevity to the support of the small tribe, only 134 members.

“The tribe has always been directly involved in the operations and planning for the casino,” he says. “It’s their business, and they’re very supportive of what we do. Their leadership is very stable. They celebrate tenure and consistency, not only at the tribal level but in the casino hierarchy.”

The executives who surround and support Peters are also very stable.

“My leadership team, except for our new hospitality director, has been with us for 15 years or more,” he says. “That is unique not only in Native American gaming but in any gaming enterprise. Because of this we’ve been able to work on continuous improvement.”

The decision to add onto the casino was made several years ago, but it wasn’t as simple a choice as it might be at some other Southern California casinos.

“In addition to being a small tribe in number, the reservation is also one of the smallest in the state,” says Peters. “The total usable land is only about 8 acres on a 120-acre reservation. So we had to be very thoughtful about how we scaled all of the different functions.”

But expand they did, and the project opened in October 2017. Peters says all projections made prior to construction have been met or exceeded.

“It always comes down to the same things: parking spaces, hotel rooms and gaming positions,” he laughs. “All of the other things are nice, but if you get those three things right, your money will be well spent. And we absolutely nailed it.”

The Chumash casino is a little more remote, but Peters says he competes with the giant casinos in the Palm Springs area, like Pechanga, Morongo, San Manuel and others. He says the Chumash marketing focuses on the older gambler; he’s not chasing the millennial.

“Some of our competitors are targeting the younger people, the entertainment-oriented, adrenaline-seeking demographic. We’re happy to get some of the niche markets, those people who appreciate the true resort experience.”

—Patrick Roberts



Experience Plus

Nick Casiello

Chairman, Fox Rothschild Gaming Practice

Atlantic City-based Nick Casiello, the chairman of Fox Rothschild’s Gaming Practice Group, observes his usual stacked assignment plate in 2018. Two particular items loom large. New Jersey’s Supreme Court sports-betting challenge would send properties “off to the races” if successful, he says, while the opening of Hard Rock casino in Atlantic City has no legal uncertainty. It will launch, completing a long regulatory road for this decorated gaming attorney. He handled several aspects of the Hard Rock process.

The New Jersey native has been named one of the world’s leading gaming attorneys by the prestigious *Chambers Global* publication annually since 2008. Fox Rothschild is one of the largest gaming law practices in the United States.

Casiello’s efforts have been tireless since he began doing casino work in 1980. His brand of legalese often involves helping clients like Hard Rock, Showboat and Empire Resorts clear cumbersome regulatory obstacles and obtain licenses. Mountains of boxes, paperwork, motions, deadlines and delays must be navigated steadily. Billions of dollars, over time, ride on a successful outcome.

A completed project is a cause for celebration.

“One of the rewarding aspects to this area of law is doing something that positively impacts a lot of people, not just your client,” he says. “If your client is successful and opens a casino, that’s great. And then they will employ people, buy products. Many people benefit.”

Casiello’s endeavors involve patience and persistence. The successful Empire Resorts project, Resorts World Catskills, enabled that outfit to gain one of three licenses from a field of 16 bidders two years ago. Casiello says it involved going through 200 boxes and coming up with the core elements of an \$875 million project in upstate New York.

For Hard Rock, he helped the organization clear several licensing checkpoints. They included a statement of compliance ruling to be suitable for a casino license, the purchase of the former Taj Mahal and a string of other issues.

And then there was “double S” in the mid 1990s. That means Showboat and Sydney (Australia).

“We were handling Showboat’s licensing for a casino in Sydney,” he recalls. “That’s bizarre because I thought we would be meeting with the executive director, but they considered me the person handling the entire project.”

“The hearing took forever, there were several trips back and forth, about 20 hours flying one way each time. Finally I get home one Friday evening and there’s a message: ‘Please come back.’ One day later, I had to. The flight crew hadn’t even changed. They said, ‘We thought you were going home.’ I told them I had just stopped in.”

Casiello says he appreciates the down-to-earth values reflected by many billionaires who crossed his path over the years. His expertise is often sought. Casiello has testified three times before the New Jersey legislature on gaming technology, including internet gaming.

The forecast was prophetic, and his plate, along with the entire gaming practice division of Fox Rothschild, will be full in 2018 and beyond.

—Dave Bontempo



Great Canadian Express

Tony Santo

President & CEO, Gateway Casinos & Entertainment

These are great times for Tony Santo. The longtime Nevada gaming stalwart, whose career began in 1981 at the Las Vegas Hilton, has an enviable niche north of the border.

Santo thrives in Canada as the president and CEO of Gateway Casinos & Entertainment Limited, the largest and most diversified gaming company in Canada.

This is a time to celebrate. The company marks 2018 as its 25-year anniversary as it continues to build and annex establishments.

Operating in British Columbia, Alberta and Ontario, Gateway has over 6,100 employees and operates 26 gaming properties with 282 tables, over 9,600 slots, 68 restaurants and bars along with 272 hotel rooms. It has been on the move, purchasing 11 properties in Ontario at the end of 2016 and upping the ante in 2017. The company announced late last year that it has secured development lands at the Delta Town and Country Inn. Gateway is excited to propose a premier casino and entertainment property in Delta.

The proposed project will bring up to 700 new jobs and an estimated \$70 million investment to the Delta economy. In addition to this long-term investment, the project will result in 500 person-years of construction employment.

“We are very proud to be making this commitment to Delta, where we will work together to create jobs and invest in the Delta economy through this new local entertainment destination,” Santo says. “With our investment, the pro-



posed Delta casino and entertainment property will bring new and exciting gaming, dining and entertainment options to this rapidly growing community.”

Gateway undertakes an ambitious growth strategy that includes the development of proprietary food and beverage brands like Match Eatery & Public House and Atlas Steak + Fish as well as the addition of two new planned builds in North Bay and Kenora in Northern Ontario.

Just as he did in Nevada, Santo has reached the highest of highs. Gaming insiders know Santo’s glittering credentials. He served as senior vice president of operations and products and services at Harrah’s Entertainment, and he was president of Paris Las Vegas, Bally’s Las Vegas, the Flamingo Las Vegas, Flamingo Reno and Reno Hilton.

Santo was a longtime community fixture, serving on the boards of Las Vegas Events, the Culinary Training Academy of Las Vegas, the University of Nevada, Las Vegas Harrah Hotel College Alumni Association and Opportunity Village. He was a director of Las Vegas Monorail Company and on the board of the Las Vegas Convention and Visitors Authority. Santo holds a B.S. in hotel administration from UNLV.

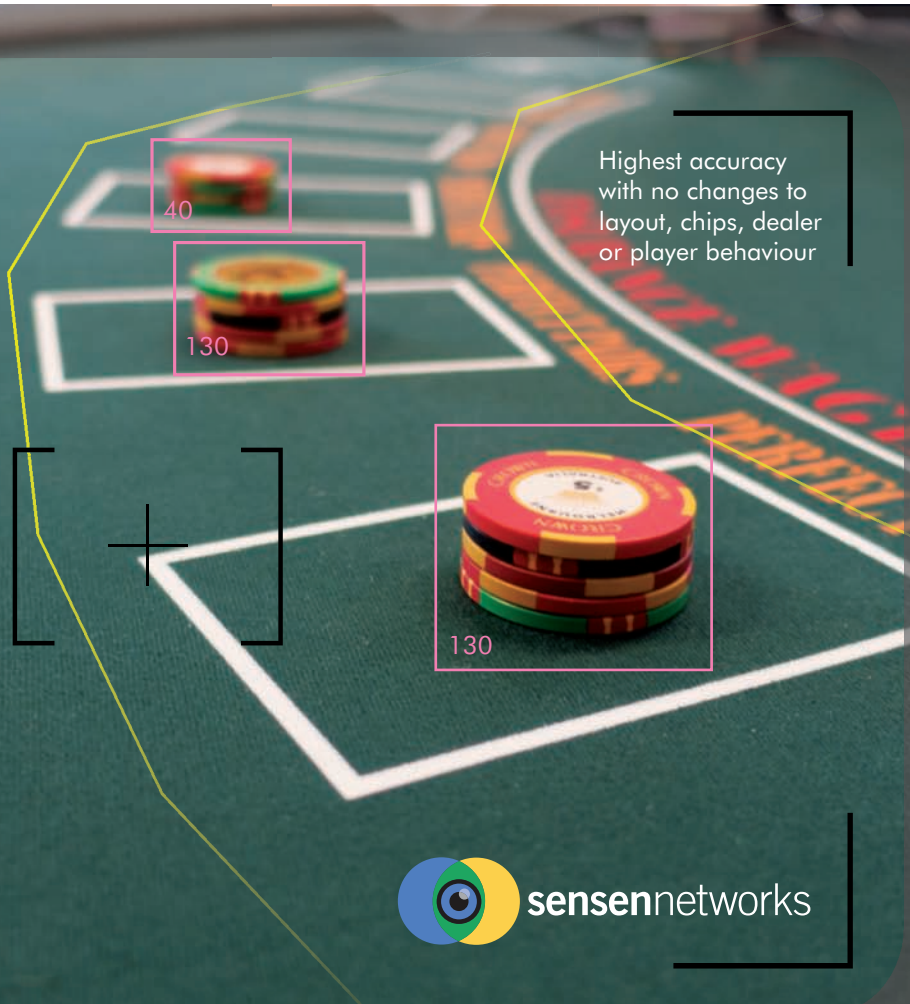
When it seemed like he couldn’t do any more in Nevada, Santo flew north. And his career path reached the skies.

—Dave Bontempo

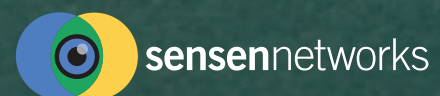
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Rock and a Hard Place

Kresimir Spajic

Senior Vice President, Online Gaming,
Hard Rock International

Kresimir Spajic is one of those people who got into gaming through the side door. It wasn't a career choice, but something that gradually happened.

"My background is sports marketing and management," he says. "I was operating in that area when in mid-2000 I was approached by Bwin, which was the largest online sports book and the biggest brand in iGaming."

Spajic was hired to handle the area of the former Yugoslavia, later moving on to sports sponsorships, signing deals with more than 70 organizations, including Real Madrid, AC Milan, FIFA and others.

"It was a very exciting time to be in the business," he says.

In 2013, several U.S. states were legalizing iGaming. In New Jersey, Boyd Gaming was looking to open up its online casino for Borgata casino hotel.

"Bob Boughner (former president of Borgata and Boyd Gaming executive) approached me to set up an online gaming division for Boyd," he says. "I didn't know much about U.S. gaming up to that point, but honestly, he sold me the vision."

Part of the vision was rapid expansion throughout the U.S. and beyond, but the industry stalled after the initial three states. Spajic eventually became a consultant for Rush Street Gaming. His responsibilities there were overseeing interactive gaming for that company, since at the time, it did not have a real-money gaming site—until the SugarHouse casino reached a deal to enter the New Jersey market.

"It was a different experience than Borgata," he says. "SugarHouse didn't really have a brand outside of Philadelphia and maybe some New Jersey towns across the river. So we had to look at different competitive advantages, and the biggest one was product. We weren't going to offer the European product that the previous online casinos had. Once the market stopped expanding, they stopped investing in that U.S. product."

"Rush Street decided to build their own platform and control their own destiny when it came to the product, and offer a superior experience to their players. And I think they've been successful."

But Spajic believes brands in iGaming are powerful, something that they didn't have initially in Europe.

"Brands are important because there's a big issue of trust in iGaming," he says. "In the early days in Europe, many companies opened and closed in a short time."

"In the U.S., it's different. They know who we are. They can see the buildings. They know it's a regulated company in a regulated market. If they have a problem, they know they can come and knock on our doors. Having a longtime established brand is key because it's trustworthy."

Now with Hard Rock, Spajic is planning that company's launch in New Jersey in conjunction with the opening of the Atlantic City casino next summer. He says you can expect an "amazing brand, combined with a superior product and excellent service."

"Hard Rock is such an experiential brand, and I believe we are going to be successful," he says. "Yes, we are late entrants into the market. Yes, we're going to be competing with at least 16 other online casinos. But we're going to aim to be No. 1."

—Patrick Roberts



Crisis Management

Jesse Robles

Editor, Pechanga.net

The mass shooting on October 1 that left Las Vegas reeling had an incalculable impact on everyone in the casino business.

But for Jesse A. Robles, who spent a decade as a first responder in San Diego before starting his career in gaming and retains a passion for public safety, the event was a confirmation that the two career tracks are far from mutually exclusive.

"That really cemented it for me," explains Robles, 26, who—like 30,000 other industry participants—was gearing up to attend the Global Gaming Expo when the tragedy happened.

While most might think of recreation and entertainment as a casino's core value proposition, Robles reasons that safety and security are as, if not more important—as the former cannot exist without the latter.

Drawing on personal experience, he highlights the positive value casinos can offer their neighboring communities during times of crisis.

"Between wildfires, earthquakes and blackouts, I've had a couple opportunities to interface with casinos during these crises," he says, noting that when the power has gone down in his community, people have gone to casinos to get shelter, food, light and electricity.

As the October 1 shooting reminds everyone, being prepared for a potential active shooter situation is now everybody's responsibility.

"You don't want to be fleshing out an emergency action plan for the first time when something critical is happening," says Robles.

"And while nobody wants to turn casinos into airports, there are steps the industry can take to better equip and train assets for dealing with mass casualty incidents," he continues. "When patrons see that there is some elevated consideration for their safety, a process in place to keep them secure, they'll feel more comfortable and spend more time on property. This will become increasingly important, but also challenging, as the industry continues to mature and host more integrated resorts."

At the moment, Robles is working alongside Victor Rocha at Pechanga.net, where he is responsible for curating and posting content, producing newsletters, manning the social media accounts and helping to formulate a website revamp.

"Victor has worked tirelessly for over 19 years by manually scouring print and digital newspapers to keep Indian Country informed," he says. "Wading through the noise, we comb through hundreds of articles a day to shine a light on the issues im-



“When patrons see that there is some elevated consideration for their safety, a process in place to keep them secure, they’ll feel more comfortable and spend more time on property. This will become increasingly important, but also challenging, as the industry continues to mature and host more integrated resorts.”

portant to the industry and are motivated by the stories we hear from people who use the website every day to stay current and make informed decisions.”

A graduate of the Sycuan Institute for Tribal Gaming at San Diego State University, he was first introduced to the industry in a casino operations course. He enjoyed the course so much that he signed up for the remainder of the program, where he had the chance to visit over two dozen casinos in the U.S. and Macau, as well as the opportunity to be mentored by industry icons such as Rocha, Kate Spilde and Richard Schuetz as well as thought leaders like NIGA Chairman Ernie Stevens Jr. and NIGC Chairman Jonadev Chaudhuri.

What made gaming so intriguing to him? He says he quickly became infatuated by the nascence of the industry.

“Tribal gaming was unlike anything I had seen in business school. It’s the ultimate social enterprise; I thought, here is this industry that came about purely as a need for nation-building and economic development. In doing projects and research for the class, it quickly became clear that, unlike most other industries we picked apart in business school, gaming was still largely undeveloped by science and academia.”

—Aaron Stanley

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Hard Hitting

Matt Sodl

Founding Partner, President and Managing Director, Innovation Capital

Except for sports betting, football seems to have little to do with gaming. But for Matt Sodl, his four years playing defensive tackle for Columbia University served as a potent training ground for his later success as a financial wizard for investment firms working with the casino industry.

Coach Tom Gilmore was a key mentor to Sodl, who was All-Ivy League for two years, despite going 0-30 for his three years on the varsity team.

“Not only was Gilmore my defensive line coach my senior year, but he was previously the Ivy League Player of the Year at Penn a few years before me. He pushed me to maximize my potential. I felt if I could out-work and be the most focused, intense player, I would succeed. That mindset paid off,” says Sodl, who obtained a B.A. in economics and remains active with the Columbia football program in a number of areas.

Steve Rittvo and Steve Szapor, Sodl’s partners in Innovation Capital, also mentored him as they launched the investment firm 13 years ago.

“I look at my relationship with Rittvo and Szapor in a similar sense as Coach Gilmore,” he says. “They achieved great success in their careers and we push each other as partners, but I’ve learned to embrace it as it has made me a better businessman.”

As partner and managing director, Sodl oversees a firm that has established itself as a leading boutique investment bank serving the mid-market gaming, leisure, restaurant and retail industries. Prior to Innovation, Sodl held a number of positions at large investment banks where he developed casino gaming industry expertise as well as execution skills including debt financing and merger and acquisition transactions. He’s completed nearly 100 transactions aggregating over \$5.5 billion for nearly every segment of the gaming/hospitality industry. Over the course of his career, Sodl has also advised on transactions aggregating over \$30 billion.

“For the mid-sized clients we work with, these transactions in many cases are game changers,” says Sodl, who lives in Manhattan Beach, California, with wife Cathy and children Katie, Kelly and Patrick.

The future remains bright, he says. The capital markets for casino gaming are robust, with investor appetite strong. Much of that capital is allocated to finance mergers and acquisition transactions as consolidation activity takes center stage.

“Investors still have an interest in financing new-build casino projects. However, they are much more discerning over financial projections as gaming supply across the country has dramatically increased over the past 10 years. With that said, as new markets open up, there could be some interesting opportunities for investors in the near future,” says Sodl, who has coached his son’s Pop Warner football team for the past few years and serves on the board of the organization in El Segundo.

The mindset of industry players in the U.S. focuses on providing customers with high-quality gaming venues across the globe to build brand loyalty, he believes.

“We also see Native American tribes becoming much more aggressive in expanding their tribal business beyond on-reservation casino gaming,” he says. “A number of tribes look to diversify and make commercial casino acquisitions, and invest their capital in businesses where they have industry expertise.”

—William Sokolic



Making a Difference

Sally Gainsbury

Deputy Director, Gambling Treatment & Research Clinic, University of Sydney

Gambling is in Sally Gainsbury’s blood. “I’ve been around racing my entire life,” she says. “My mother’s family was quite involved in owning race horses. My great-grandfather owned horses that won some of the biggest races in Australia.”

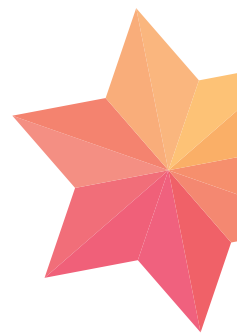
Another form of gaming caught her attention as she got older.

“When I was 18, I started working in bars and pubs and saw people playing pokies,” she explains. “I remember clearly one day a man had \$900 into a pokie machine and left with nothing. It was a Tuesday night and I was making maybe \$15 an hour and thought losing that amount of money was incredible.”

At that time, Gainsbury was studying for her bachelor’s degree in psychology, and later went on to earn her doctorate in clinical psychology. And that’s what got her interested in the psychology of problem gambling.

“Gambling is the ultimate puzzle,” she says. “I really couldn’t understand why people needed to gamble if they lost all the time. They knew they were unlikely to win, but they would get money from many different sources and get themselves into serious predicaments. I was interested in understanding what was driving that seemingly irrational behavior.”

Gainsbury shifted her specialty from clinical to research after spending a year in Montreal with problem gambling researchers. After attending confer-



“The opportunity to impact policy and practice through my research was appealing. In the clinic you see people one-on-one, but through my research I could impact a much larger population.”

ences on responsible gaming, she knew she had to change direction.

“The opportunity to impact policy and practice through my research was appealing,” she says. “In the clinic you see people one-on-one, but through my research I could impact a much larger population.”

And that has come about. Gainsbury has worked in collaboration with many of the legends of the field, including Dr. Jeffrey Derevensky at McGill University in Montreal and Professor Alex Blaszczynski at her own university, who has served as something of a mentor to her, and who is director of the Gambling Treatment and Research Center.

Gainsbury affirms that problem gambling research and treatment are complicated by comorbidity—if someone has a gambling problem, it’s likely they have another problem, possibly alcohol, drugs or sex addiction.

“In the clinic,” she says, “you don’t just see someone who has a problem with gambling. You see a person who is depressed or has other problems. There’s no one-size-fits-all pathology. Everyone has a different pathway into problem gambling, and it’s really important to appreciate that complexity.

“From a research standpoint, we acknowledge that complexity, but we only

focus on one specific problem or issue. I find that simplicity is really going to be helpful at the end of the day because if we focus on one or two at a time, we can come up with different solutions that will work for different parts of problems and different people.

Gainsbury’s groundbreaking research into social gaming was the first in that field. Recently, she has embarked on studying problem gambling in an online setting.

“Some of the data we’ve been uncovering has been really shocking,” she says. “But without context, they’re really just numbers on a page. So what we’re doing now is to get the financial institutions involved so we can look at someone’s financial picture holistically to see how their gambling fits in.”

She’s also working with the Australian government to put into place education and prevention for problem gambling online.

“Although we have a lot more knowledge than we had just a few years ago,” she says, “there’s actually little evidence about what really works to prevent problem gambling. That’s a failing in our field, and one that we hope to address.”

—Roger Gros

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Diverse Development

Marcus Diaz

Director of Organizational Development,
Casino del Sol



Some executives seek to climb the corporate ladder with promotion after promotion. Marcus Diaz relishes holding onto one position as director of organizational development at Casino del Sol in Tucson, Arizona.

It's not that Diaz has no ambition.

"I'd like to expand my influence in many different ways and enhance programs and initiatives for the growth of Native America collectively," he says.

Just with the same position.

Diaz landed at Casino del Sol in a circuitous way. He traveled the world in his younger years, working with many different cultures, so the timing was perfect when the opportunity came along to enter tribal gaming in 2001.

"Working all over the world shaped my global perspective and allowed me to see things through a unique set of lenses," Diaz says. "I had the opportunity to stay with 82 host families in nine countries in a year. That was the beginning of my career in human development interest and initiatives."

He began his tribal career teaching blackjack school, before becoming training manager and then training director.

Diaz's position encompasses training, tribal development and guest service initiatives.

"Each of these areas is critical to organizational success and requires strategic approaches," he says. "I think of it as a conductor, conducting a symphony. Every musician and their instrument are key to the overall success of the orchestra. If the conductor has a clear vision for the end result, he achieves harmony and rhythm."

In addition to his parents, Diaz cited a trio of mentors who have guided his career path. Dr. Gary Frost, vice president of operations for Canyon Ranch Resort, assigned him to read specific biographies to share insights.

"I found it very humbling that the leader of a large organization would take time out of his busy schedule to chat about perspectives with me," says Diaz.

Pascua Yaqui Tribal Chairman Robert Valencia allowed him to see things from a different vantage point, while CEO Kimberly Van Amburg helped Diaz understand the behavior of leaders.

"I believe it is important to not only hear what a mentor has to offer but also see how they lead and influence those around them."

Diaz urges young people to develop a relationship with a mentor. In addition, learn from mistakes, be respectful and pursue education and self development."

Casino Del Sol is adding a new hotel to the property, increasing convention space, and adding an RV park and event space at Casino of the Sun.

"The tribal gaming industry has been very prosperous, and most importantly, provided a multitude of opportunities in many arenas," Diaz says. "In our specific environment, tribal gaming has allowed us to not only generate revenues to support critical tribal services, but to create several development programs for tribal members."

Gaming's future comes down to one word, Diaz says: diversification.

"It's what I refer to as 'critical catalysis' of the industry, which includes a multi-generational workforce, a millennial workforce, the speed of technology change, the global economy and emerging markets.

"Each of these can be game-changers; however, combined, they may shape the industry as we know it."

—William Sokolic



Spirit of the Law

Cassie Stratford

Vice President of Legal Affairs,
Boyd Gaming

A sign on Cassie Stratford's office wall says, "Never stop learning."

It's a daily reminder for her of the accelerated rate of change in gaming.

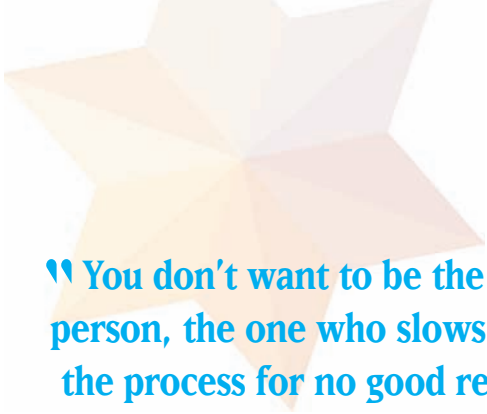
"Stay stagnant, and the world will keep moving without you," says Stratford, vice president of legal affairs for Boyd Gaming. "It's dangerous to get comfortable."

As a college student in Washington, D.C., the North Dakota native briefly flirted with a career in government before choosing law. After graduating from the William S. Boyd School of Law at the University of Nevada, Las Vegas, she began her career at a commercial litigation firm.

"But in the litigation scenario, the facts have already happened; you're only dealing with the aftermath," says Stratford, who wanted to be in a position to shape the outcome. In 2012, she joined Boyd Gaming.

The scope of her duties is as diverse as the company, with 24 properties in seven states. "Any given day I could get a call about ADA issues, data security issues, questions about sponsorship arrangements—I could be meeting about an HR issue around changes with marijuana in Nevada. It's really all over the board."

Whether the question is simple or complex, it's Stratford's goal to make the legal department accessible to everyone, from the executive ranks to the rank-and-file. "People will roll their eyes and say, 'Do I have to call legal?'" she says with a laugh. "You don't want to be the 'no' person, the



“ You don’t want to be the ‘no’ person, the one who slows down the process for no good reason. I’m solution-oriented. It should be, ‘Let’s figure out what you want to do, to make sure we can be comfortable from a legal and risk perspective.’”

one who slows down the process for no good reason. I’m solution-oriented. It should be, ‘Let’s figure out what you want to do, to make sure we can be comfortable from a legal and risk perspective.’”

Applicable case law, especially concerning technology, “is often a couple steps behind,” she notes. “The amount of data out there is growing exponentially; companies have to know what that data is, where and how it’s stored, and how it’s being classified. As our company grows and acquires properties, we have to get our hands around those issues for the new properties as well. It truly is an ever-moving target.”

A related issue is cybersecurity, which requires impermeable technical safeguards, readiness, and educational programs that put employees on the front lines of prevention. “I’m a big believer in preparation in all things,” says Stratford. “When something happens, are you ready to respond quickly, thoughtfully, appropriately? The people who succeed continue to keep their finger on the pulse.”

Not surprisingly, Stratford cites Boyd Gaming’s founder and executive chairman as an influence.

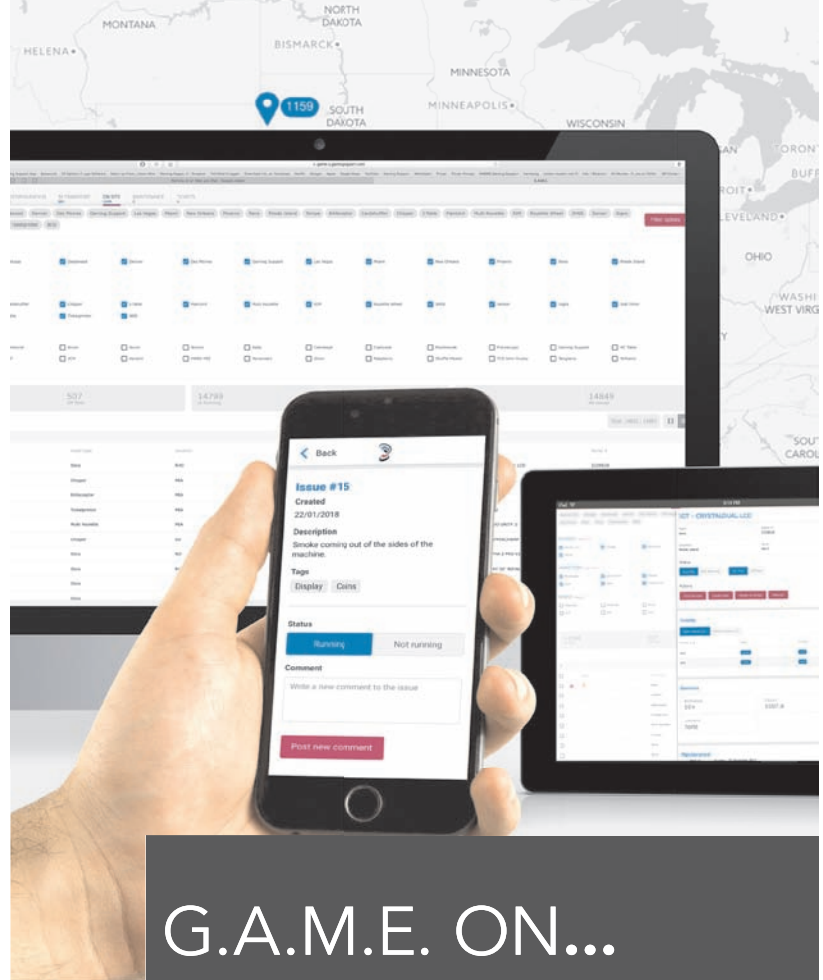
“Bill Boyd is not only a lawyer but a hugely successful executive in the gaming world and a strong proponent of social responsibility,” she says. “I don’t think legal aid offerings in Nevada would be what they are without his support.”

In fact, Boyd Law School students spend a semester teaching at the Legal Aid Center of Southern Nevada; similarly, at Boyd Gaming, pro bono work is strongly encouraged. Stratford volunteers through the Ask-A-Lawyer program, which offers free consultations on landlord-tenant disputes, family law, veterans’ affairs, probate matters and so on.

“It’s really rewarding,” says Stratford, “and a way to remember how fortunate we are to be able to help other people.”

As a gaming lawyer, she says, “You have to remember you’re not the operational folks bringing in the money, but a cost center. It’s important to support people in a way that’s helpful, be tough when you need to be tough, and figure out the balance.”

—Marjorie Preston



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Digital Domination

Barry Cottle

Chief Executive, SG Interactive

Scientific Games Corporation is a natural leader in the interactive gaming space, its legacy companies having blazed trails in social and online gaming. It was not surprising, then, that after the acquisitions of WMS and Bally Technologies, interactive technologies were prominent when Scientific Games became an end-to-end supplier with three strong divisions: interactive, gaming and lottery. The newly formed company saw great potential in all three businesses but had especially high expectations for the interactive division.

To realize the untapped potential, it was important to select the right executive to head the new division, SG Interactive. In naming Barry Cottle chief executive of SG Interactive, the company tapped into experience in a diverse range of digital entertainment. Cottle had been senior vice president of Disney TeleVentures, creating online experiences for the Walt Disney Company; executive vice president, interactive for Electronic Arts, growing that company's online and mobile game division; and executive vice president/chief revenue officer for Zynga, helping to build its impressive stable of online and mobile games.

Immediately before Scientific Games, as vice chairman of Deluxe Entertainment, he helped drive digital innovation, including the launch of virtual reality in 2015.

Now, Cottle will lead SG Interactive in an effort to use the unparalleled content of the parent company's gaming and lottery divisions to aim for dominance in the expanding worldwide interactive gaming marketplace.

For Cottle, that means 2018 will be spent strengthening each discipline within SG Interactive. "For real-money gaming, our core focus is leading the industry with integrated solutions by offering the broadest portfolio of content, technologies and services to our customers," Cottle says.

One of the initiatives in this effort will be new features for the SG Universe digital product suite—an intuitive mobile and desktop app with an interface that showcases a casino property's brand, including a social casino on the award-winning white-label Play4Fun Network.

"Our SG Universe initiatives build upon the technology platform and the total customer experience," Cottle says. "In B2B social with the Play4Fun Network, we really are focused on continuing to outperform the market by providing the highest-quality, authentic content to our players with innovative features. Operators benefit equally; SG Universe ties into a casino's loyalty program and back-end systems to provide a 360-degree player view."



"We're really looking forward to being a digital real-money gaming and sports-betting powerhouse, and (the planned NYX acquisition) will position us to be the world leader."

He adds that in 2018, SG Universe will be improved with a state-of-the-art technology platform designed to give a better experience to the player and better position the customer's brand. "As part of this relaunch, we'll roll out a new, intuitive modern interface that's been designed by our team of experts and tested through a lot of player research," says Cottle. "In addition, the casino's app is going to become significantly more efficient in performance. It will load faster than ever before, which will enable us to get our players to the fun quicker.

"We're also focusing on content parity with the floor, drawing upon newer themes which will better reflect the land-based experience. This is important, because we believe this kind of dual-channel crossover will be key for operators in their marketing efforts going forward."

The final piece of the puzzle on SG Interactive's road to digital dominance may be the pending acquisition by Scientific Games of sports-betting platform supplier NYX Gaming and its OpenBet subsidiary, which is the market-leading business-to-business sports-book supplier.

"The acquisition will provide some complementary industry-leading content, getting sports betting into our portfolio as well, which will give us a full suite of content and platform services," Cottle says. "We're really looking forward to being a digital real-money gaming and sports-betting powerhouse, and (the planned NYX acquisition) will position us to be

the world leader. Leveraging their platforms as well as our content is a perfect win-win for both companies."

The acquisition takes on added importance as the U.S. moves closer to full legalization of sports betting, and Cottle notes that it may also place SG Interactive immediately into sports betting in regulated markets around the world. "Both of our companies are world leaders with ambitions to grow market share outside of the U.S., with very complementary capabilities," he says. "NYX has one of the fastest-growing B2B sports-betting platforms. The planned acquisition will combine that with Scientific Games, which is a world leader in gaming and lottery content."

With the planned addition of NYX, SG Interactive is primed to achieve dominance of emerging digital markets.

"We believe there's a clear leadership opportunity in the marketplace, and we don't want that to go unanswered," says Cottle. "We want to be the global digital leader across iGaming, iLottery and sports betting. To do this, we need to continue investing in growth and innovation, driving efficiencies and finding ways to be the best partner possible to our customers."

—Frank Legato

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Family Affair

Queenette Pettiford

Chairwoman, Sycuan Gaming Commission

For Queenette Pettiford, the Sycuan Gaming Commission is all in the family. She got indoctrinated to the tribal gaming life at the tender age of 10, when her grandmother, Bernice Hyde, served as the first chairwoman of the commission, which oversees a casino resort and the tribal government near San Diego.

“She has always instilled in me to be a hard worker and strive for the best in all that I do,” Pettiford says. She approaches her own position as chairwoman of the commission with the same zeal as her grandmother.

“Learning through the years from those before me has been the strength behind my leadership,” she says. “My motto has always been to maintain a fair and respectful relationship with not only our tribal government and casino, but also all nations and governments.”

Pettiford’s position as chairwoman is vital to continuing that tradition.

“Making decisions that will positively impact our government and casino is extremely crucial, as is keeping abreast of all gaming laws and regulations,” she says.

As the primary regulator for the Sycuan government, Pettiford maintains all regulations, minimum internal control standards and general policies and procedures.

“Typically, I review and make decisions on various aspects of day-to-day gaming operations,” she says of an enterprise which began as a bingo hall in 1983. Today, the casino empire centered in El Cajon consists of 2,000 slots and more than 40 table games.

Hyde and another relative, Lucinda Y. Adkins-Payne, have been her strongest mentors because they demonstrated strength, hard work and integrity in their approach, Pettiford says.

“This not only applies to Indian gaming, but to life in general. Working side by side with them, I do not feel as if I am being biased when I speak highly of their work.”

Like so many other gaming executives, Pettiford sees technology as key to the future of gaming regulations and standards.

“As technology increases, so will all forms of gaming. The need for faster and more enticing games will be at the forefront for all who entertain themselves in casinos,” says the mother of two young daughters, who enjoys trips to Disneyland with her children when she takes a rare getaway.

Pettiford has a piece of advice to those entering the industry or considering such a move.

“This line of work can get tough and overwhelming. Having thick skin and an open mind is essential. It is also important to learn and retain all aspects of Indian gaming and tribal government.”

And there’s something else as well, she adds. Be humble.

—William Sokolic



“As technology increases, so will all forms of gaming. The need for faster and more enticing games will be at the forefront for all who entertain themselves in casinos.”

The Law of Slots

Brenda Lim

Director Casino Operations,
Slots, Marina Bay Sands

A cup of coffee to kick the day off right has become something of a cliché. But for Brenda Lim, the cliché rings true.

As director of casino operations, slots, at Marina Bay Sands in Singapore, Lim credits coffee for both her effectiveness and the happiness of those she works with.

“I believe that when people are happy, they apply themselves to their work,” she says.

Lim also learns much walking the casino floor, where she imagines herself as a customer, making a list of changes.

“This helps make improvements to our products and processes. Walking the floor also gives me the chance to catch up with team members stationed there,” says Lim, who came into the gaming business after obtaining a law degree.

She practiced law for a few years before joining Marina Bay Sands as in-house legal counsel.

“During this time,” she explains, “I learned a lot about gaming operations, and eventually felt that this was where I was better able to apply my skill sets.”

Having a law degree for a casino position adds another element to the job.

“The litigator in me still lurks beneath the surface, and I verify facts endlessly whenever I prepare for anything. There are many sides to a situation, and we need to always be able to see them all,” Lim says.

An established institution like Marina Bay Sands means working with an extended pool of talented and experienced people in all levels of management. “I make an effort to learn from these people, but more importantly, once I manage to get us on the same page and in agreement on strategic objectives, I get out of their way and let them do their work.”

A Singapore native, Lim acknowledges a long list of people who taught her life skills on her way up the corporate ladder.

“I am particularly grateful to Andrew MacDonald, our chief casino officer, who took an interest in my development during my transition from a legal role into a gaming role, and



"THERE ARE MANY SIDES TO A SITUATION, AND WE NEED TO ALWAYS BE ABLE TO SEE THEM ALL."

threw an extraordinary amount of gaming literature my way to help me catch up," she says.

Lim understands she and her staff cannot succeed in a stagnant environment. "We need to constantly reinvent ourselves and our products to keep customers engaged," she says.

The reinvention touches on an economy tuned in to instant satisfaction. "There is only so much patience a customer is going to have before moving on to the next product or attraction. I like to tell my team members about Disneyland—a place of magic and wonder, but one with humans behind the scenes, working to keep that spell alive," Lim says.

It's a message the industry newcomers should heed as they decide whether to come on board. Lim has advice for them. Find a position you like, if not love. Anything less and you'll be miserable, she says.

"It's natural to find work challenging in the beginning. But persevere; keep trying at something before you even entertain the thought of giving up. And never short-change yourself."

—William Sokolic



Owning It

Mattias Stetz

Chief Operating Officer, Rush Street Interactive

Mattias Stetz, originally from Sweden but now residing in Chicago, has had a very interesting career path.

During his days at the Stockholm School of Economics in Sweden, Stetz worked for a news media outlet where he compiled daily sports statistics from around the world. While many of his university classmates were going to work in the finance and banking world, he was building interest in the gambling industry through his master's thesis on harness racing, or "trotting," as it is called in Sweden.

Upon graduating, he traded in the news media for Unibet, an online sports betting and gambling company. Ironically, his work in the European sports betting realm led to his interest in U.S. sports, and he is an NFL fan to this day.

Much like his job at the newspaper, Stetz took on tasks that many of his colleagues usually considered too boring or too challenging. His willingness to roll up his sleeves and "own the problem" made him extremely valuable. Being detail-oriented and numbers-driven allowed him to focus on different solutions to fix any array of problems, a responsibility that he enjoyed very much. Even for someone with a marketing background, he liked the numbers.

"Most people think of marketing as a creative field for creative people," Stetz says. "I see marketing as a numbers game. In the end, the plus needs to be bigger than the minus,

"I see marketing as a numbers game. In the end, the plus needs to be bigger than the minus."

and I think my focus and understanding of numbers has helped me greatly in the marketing field."

At Unibet, Stetz was quickly promoted from management trainee to upper management, and he even spearheaded the effort to launch poker on the Unibet platform a mere six months after joining the company. Success never came easily, and hard work played a significant role, but Stetz always strived to be transparent and open about his own mistakes, a factor he believes to be a great strength in helping him achieve.

He notes, "Managers knew I wouldn't try to hide something, so my strategy became to admit a wrong, learn from it and never make the same mistake twice." This strategy proved successful as he assumed the role of chief commercial officer in 2009.

Challenges aside, he was fascinated by the U.S. and especially by the sports betting aspect of the U.S. online gaming industry. As the opportunity at Rush Street presented itself, Stetz was intrigued with the idea of moving from a company with over 1,000 employees to a department that was essentially a startup. One quote in particular resonated with him: "Great things never came from comfort zones." With that in mind, he moved with his wife and two kids to Chicago in mid-2016 to become the chief operating officer of Rush Street Interactive.

Stetz is looking forward to the growth of online gaming in the U.S. market. The current U.S. online gaming market is still relatively small compared to the land-based market, but the potential is enormous, and the potential growth looks to be rapid.

"Online gaming may be a place within the industry where young professionals can have the largest impact, and it is going to be an exciting time over the next three to five years," he says. "Opportunities aren't always handed to you, so you need to make them for yourself by working hard and owning problems. Don't be afraid of the grunt work. Keep your integrity and be transparent. In the right organization, that will be rewarded."

—Christopher Irwin, *The Innovation Group*

Southern California casinos experience a hospitality arms race

GROWTH EXPLOSION



By Dave Palermo

A new Viejas hotel tower is expected to open this month



A ribbon-cutting kicked off the expansion plans at Harrah's Southern California



The expansion of the Pechanga Casino Resort will open early in 2018



Expansion at the Pala casino will open in May 2019



For roughly two and a half years, the Pechanga Resort and Casino in Temecula, California has been operating at 100 percent occupancy—seven days a week, 52 weeks a year. It mattered little whether you were a fatigued high roller or a weary penny slot player. If you decided at the last minute you wanted to spend the night in one of the upscale resort's 542 rooms and suites and didn't plan ahead, you may have ended up napping on a couch in the lobby.

"Not only have we been turning away players who wanted to stay the night; more importantly, we've been turning away rated players," says Jacob Mejia, director of public affairs for the Pechanga Band of Luiseño Indians.

A few miles south, Bill Bembenek, chief executive officer of the Pala Casino Spa and Resort, also bemoans the fact he often hasn't been able to offer one of his 507 rooms and suites to a premium player looking to spend the night.

"We are at an impasse in terms of handling the request for rooms—particularly on weekends, promotional nights and holidays—even from our best guests," Bembenek says. "We simply haven't been able to handle all of the requests for rooms at peak times."

Rooms to Move

There soon will be a lot more room at the inns. Pechanga and Pala, combined, are building nearly 1,000 more guest rooms and suites.

The new accommodations are part of major expansion projects at the two resorts that include not only rooms, but spas, pools, entertainment facilities, meeting space and restaurants. Pechanga will open its hotel tower this month. Pala will complete its expansion in the spring of 2019.

"The expansion of our hotel will permit us to go deeper into our database to allow people who haven't had the opportunity to spend time at Pala to stay overnight," Bembenek says.

"We saw a demand," says Jared Munoa, a member of the Pechanga Development Corporation (PDC), the busi-

The Chumash expansion project has been open for more than a year and has been a resounding success



ness arm of the tribal government. “If large conventions came in midweek we just didn’t have the rooms. We really just couldn’t accommodate people.”

The multimillion-dollar projects illustrate the rapid growth of the tribal government gambling industry taking place throughout Southern California.

At least four other San Diego-area properties—Sycuan Casino, Viejas Casino & Resort, Barona Resort & Casino and Valley View Casino & Hotel, not counting Chumash Casino Resort, which completed an expansion one year ago—are building more than \$1 billion worth of hotel towers and other amenities.

Not to be left off the list is Harrah’s Resort Southern California, owned by the Rincon Band of Luiseño Indians. Harrah’s in December opened SR76, a brewery and tasting room, the last component of a \$160 million expansion that began in 2014 and included a hotel tower and spa.

The nation’s first tribally owned brewery is equipped with 15 stainless steel tanks capable of producing 3,000 kegs a year.

“Three thousand kegs is not small; it is reasonably large,” Jim Murguia, chairman of the Rincon Economic Development Corporation, told Valley Center Happenings.com.

SR76 stands for the winding state road that leads to the remote, upscale resort and casino.

Further north in San Bernardino County, the San Manuel Casino last month announced plans for a 500-room hotel, 4,000-seat entertainment venue, 2,200-stall parking structure and additional meeting space.

“As a leading tourism destination in the region, we’re often asked, ‘Why doesn’t San Manuel have a hotel?’” says Jerry Paresa, chief executive officer of the San Manuel Band of Mission Indians. “A hotel and other improvements will allow us to meet the growing needs of our guests, and bring additional economic benefits to the community.”

The explosive growth of tribal resorts in the Golden State comes nearly 18 years after Proposition 1A, a ballot initiative that amended the state constitution to give tribes the exclusive right to operate casino-style gambling on Indian lands.

Sixty-one tribes currently operate 62 licensed casinos that in 2016 won roughly \$8.4 billion, according to the National Indian Gaming Commission and other sources.

California is by far the largest tribal casino market in the country, generating a fourth of the \$31.2 billion won by Indian casinos nationwide.

Pent-Up Demand

Very little of the industry expansion is gambling product.

There were 71,102 slot machines in California in 2015, a 3 percent jump over the previous year, according to economist Alan Meister, author of the Indian Gaming Industry Report. The inventory of table games held steady at 1,969.

As is the case with Pechanga and Pala, customer demand at other California

operations is not for more machines and blackjack and poker tables. Statewide expansion is largely with non-gaming amenities such as hotel rooms, pool and spa facilities, restaurants and entertainment options.

A similar trend has been occurring nationwide over the past decade as casino revenues have plateaued from the double-digit growth ignited with the passage of the Indian Gaming Regulatory Act (IGRA) of 1988.

“The current development in California tribal gaming is a continuation of the ongoing development of Indian gaming nationally in recent years,” Meister says. “Here in California, though, there is definitely an acceleration of that development with so many existing properties undergoing or planning large expansions.”

Casino operators contend much of the expansion is the result of an improved economy in the wake of the recession of 2008. But they also point to increased competition as a factor in prompting non-gambling development.

“As Pechanga took on the initiative to expand and draw new customers, I’m sure the other tribal casinos wanted to do the same to make sure they could keep hold of their customer base and not necessarily lose chips to Pechanga,” Munoa says.

San Diego has 18 tribal governments, more than any other U.S. county. The race for customers is fierce.

The competition became even more intense with the opening in October 2016 of Hollywood Casino Jamul on Highway 94, roughly 20 miles east of San Diego. The facility, managed by Penn National Gaming, has 1,700 slot machines and 40 tables. It does not have a hotel.

“The term ‘growth spurt’ might be taken to mean that the market is growing, but that isn’t necessarily the case if the casinos are just battling for market share or cannibalizing each other in some ways,” says an industry analyst who requested anonymity. “While I believe there is some growth, I think there is a lot of battling for market share, too.”

The economy is, indeed, improving.

“The unemployment rate is much lower than it was five years ago,” Bembenek says. “Construction has ramped up. There are more construction jobs.

“Things we were dealing with eight to 10 years ago—foreclosures and implosion of the real estate market—that has corrected itself to a great degree. We’re experiencing slow, stable, fundamentally solid growth.

“We’re also in a marketplace in Southern California—north of L.A. to the border with Mexico—with 20 million people. It’s a substantial market.

“There’s development occurring in Southern California not just in gaming. There’s more housing development than there was five years ago. It’s a desirable place to live. The population forecast probably is one of growth. It’s just a numbers game.”

Meanwhile, Todd Simons, general manager of Viejas Casino & Resort, says there is increased competition for a more discerning customer.

“I think it’s a little bit of both,” he says of the combination of market growth and increasing competition. “The market has a little growth in it. But



“We got into a position where we’ve done everything we can with our existing facility.”

—John Dinius, General Manager, Sycuan Casino Resort

competitively, it’s all about share capture: Who can deliver the experience to keep players coming back? You do that through service and the amenities you offer.”

Simons says the goal of expansion at Viejas is to create a “staycation” for potential drive-in customers from a 100-mile radius. Viejas recently remodeled and expanded its casino, and is constructing a 158-suite, adults-only hotel expansion.

John Dinius, general manager at the Sycuan Casino, agrees with Simons’ assessment. The San Diego County property has done all it can to capture the local player—providing a clean facility with liberal slot payouts—and is now looking to expand its market reach with a 12-story, 300-room hotel scheduled to open in 2019.

“We got into a position where we’ve done everything we can with our existing facility,” Dinius says of the 33-year-old casino. “We’re in a very mature market and a very competitive market.

“Player behavior and expectations have changed. Food and beverage has become a critical part of the overall casino experience.”

The \$285 million expansion at Pechanga—which includes a two-story luxury spa, 70,000 square feet of ballroom and meeting space, a pool complex and two restaurants—solidifies the resort’s standing as the largest tribal facility on the coast.

“There are expectations that need to be met,” Mejia says. “We have a more discerning customer. We have a customer used to more luxurious experiences and amenities.”

The Timing is Telling

Many California tribes had already developed hotels and several had expansion projects on the drawing board when the recession struck in 2007.

“We thought it would be prudent to put the brakes on that project when the economy did what it did,” Dinius says of initial plans by the Sycuan Band of the Kumeyaay Nation to build a hotel tower.

Meanwhile, economically demanding tribal-state compacts negotiated by former Governor Arnold Schwarzenegger discouraged several tribes from making the investments needed to expand their facilities.

Schwarzenegger, who won a recall election on the pledge that he would make tribes “pay their fair share” of casino revenues to the state, served from 2003 to 2011.

“Those compacts were economically onerous,” says a tribal official who requested anonymity.

Schwarzenegger’s ploy of trading additional machines for a larger share of tribal gambling revenue was halted when the 9th Circuit Court of Appeals in *Rincon v. Schwarzenegger* ruled in 2010 that the negotiating tactic violated IGRA’s anti-tax provisions.

The high court ruling, combined with the improved economy and more favorable compacts negotiated between many of the more lucrative tribes and Governor Jerry Brown, are believed responsible for the sudden surge in resort

development.

“Now we are at the point that the market is fully healed. There’s growth in the market again,” Bembenek says.

“So we’ve decided it’s time for us to add another important element, which is more hotel rooms. The driver for this expansion is the hotel rooms.”

“This is really the second broadest, deepest expansion since the passage of Proposition 1A, almost 20 years ago,”

Mejia says. “I think we were due for this kind of significant reinvestment back into tribal gaming.

“I think what you’re seeing is the natural evolution of the tribal gaming industry to offer more resort-style amenities.”

Unlike the commercial casino industry, tribal governments look to their citizens—elected tribal councils, business committees and general membership—for permission to invest in community projects, including casino expansions.

“We’re not like some publicly traded corporation that says, ‘No big deal. We’ll take on the debt,’” says a tribal official who requested anonymity.

“It’s a government. It’s the people. They have to have confidence we’re making the right decision and this is the right time.”

The process can be lengthy.

“It can be,” Pechanga’s Munoa says. “There are going to be more dynamics involved.”

Unlike many California tribes, Pechanga did not wait for a new compact with Brown to break ground on the hotel project.

“This expansion isn’t something new to the tribe,” Munoa says. “We planned the expansion prior to the last recession. Because of the uptick in the economy and, again, the demands of our customers, we decided to take the next step.”

Millennials Not a Factor

With passage of Proposition 1A, several tribes sought to emulate Las Vegas in developing their resorts. The theory has since been abandoned as operators find the Southern California clientele unique to the region.

“I don’t think it was a mistake. I think it was a test,” Bembenek says of the early days. “But I think operators here now realize Las Vegas is its own unique environment.

“We have a different clientele, especially as time has gone by,” he says, and Las Vegas casinos shift their appeal to younger gamblers.

“Las Vegas has done what it’s always done, and they’re brilliant in doing it. They’ve reinvented themselves. They’ve continued to evolve. The average age for customers to Las Vegas continues to plummet.

“I think our customers in Southern California are probably very stable. It’s the stereotypical 55-year-old person who has some time; their kids have grown and they have disposable income because they’re later on in their careers.

“We’ve come to the conclusion that the millennial, in terms of our property, isn’t really our customer yet. We believe they will come eventually. Maybe in the next five to 10 years they will become our customer.”

For now, California resort casino operators are targeting those seeking more than gambling.

“What we’re seeing in Southern California, if you look at the expansions, is casinos continuing to grow into resorts,” Bembenek says. “Pala was a little bit ahead of its time when we built a hotel, spa and outdoor area more than a decade ago. Now we’re seeing our competitors follow that model.

“It makes sense to be as broad in your appeal as possible, so there’s something for everybody.”

**ExCeL, London
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Pechanga Resort & Casino

Gambling industry expansion in Southern California is largely centered in the greater San Diego region, including the quaint wine community of Temecula, home of the Pechanga Band of Luiseño Indians, operators of one of the nation's largest and most upscale gambling resorts.

The Pechanga Resort and Casino this month will cut the ribbon on a \$285 million expansion that will include a 568-room hotel tower, a two-story luxury spa, 70,000 square feet of additional meeting space, an outdoor recreational area and two new restaurants.

When completed, the resort will boast 13 restaurants, 1,090 rooms and suites, a 4.5-acre pool complex, a spa, additional event spaces, a golf course and a 200,000-square-foot casino floor with 4,500 slot machines.

"It's a proud moment for us," tribal Chairman Mark Macarro said at a May topping-off ceremony. "When this is complete, Pechanga will be the true leader in Indian gaming."

"This development will complement our current offerings, enhance the resort experience for guests, and cement Pechanga Resort & Casino as the pre-eminent luxury gaming destination in California," said Patrick Murphy, president of the Pechanga Development Corporation.

The project is expected to have a combined economic impact on the region of some \$550 million, generating 560 permanent jobs.

Pala Casino Spa and Resort

Farther south, Pala Casino Spa and Resort in May 2019 will complete a \$170 million project that will include a 348-room tower, a pool and entertainment complex and a 420-space parking garage.

The expansion, which is ongoing, includes a 12,000-square-foot casino expansion with 500 new slot machines—bringing the casino inventory to 2,500 machines—and additional table games.

There will also be new restaurants and a remodel of the existing 505-room hotel. Some restaurants will open next month.

"Our ability to exponentially expand and refresh Pala Casino Spa & Resort is a true testament to not only the growth of Pala, but also to the thriving economy and the continued strength of the gaming industry in California," tribal Chairman Robert Smith said.

"This is a significant milestone for our tribe, and we look forward to continuing to exceed the expectations of our loyal patrons."

Viejas Casino & Resort

Early next year is the target date for the opening of what the Viejas Band of Kumeyaay Indians calls a "resort within a resort" at its reservation hotel casino in Alpine, east of San Diego.

A 158-suite, adults-only hotel, pool, spa and dining facility comes on the heels of a 300-machine expansion and remodel of its casino floor.

"We run in the high-90 percent occupancy range," General Manager Todd Simons says of the existing 237-room hotel. "There is a need to provide additional room capacity."

Sycuan Casino

The Sycuan Casino near El Cajon is constructing a 12-story, 300-room hotel, scheduled for completion in 2019.

The tower is part of a \$226 million development that also will include a large pool complex, 12,000-square-foot ballroom and additional bars and restaurants.

The 33-year-old casino currently is 90,000 square feet, with 2,000 slot machines, more than 40 gaming tables and a poker room. The facility also includes a concert venue and five restaurants.

"We strictly focus on the local gamer," General Manager John Dinius says of the ability of the casino to compete without hotel rooms. "Ninety percent of our customers come from about a 25-mile radius or 25-minute drive time.

"We try to ensure they get sound time on device."

Dinius doesn't want to encroach on his loyal customer base, but he sees the need to cast a wider net throughout Southern California and, perhaps, Arizona.

"I think there are a lot of possibilities with Arizona," he says. "I know there are a lot of tribal properties out there. But it's interesting to see the migration of Arizona license plates into San Diego in the summer months."

Barona Resort & Casino

The Barona Band of Mission Indians has been "modestly" renovating and expanding its casino and 400-room resort amenities near Lakeside, according to the *San Diego Union*.

The expansion also includes a new entrance and additional restaurant offerings.

Valley View Casino

Valley View Casino & Hotel this fall announced a \$50 million expansion which includes building a new entrance, adding more than 42,000 square

feet to the casino floor and installing a new restaurant.

Work will begin in April 2018 and is expected to take a year to complete.

San Manuel Casino

The San Bernardino County casino announced in November it plans to build a 500-room hotel, a 4,000-seat entertainment venue and a 2,200-stall parking structure on 795,000 square feet of property adjacent to the existing casino. The project will also include an expanded casino and meeting space.

The project will be completed in two years.

Chumash Casino Resort

The Santa Ynez Band of Chumash Indians opened a \$165 million expansion of its Chumash Casino Resort, located to the north of Los Angeles, near Santa Barbara. The project included 320 rooms and 55 suites, more food outlets, a new pool, expanded gaming floor, renovated spa and more.

Bill Peters, general manager of Chumash, says the tribe is very happy with the results.

"We've met or exceeded every yardstick we set during the planning stages," he says. "It's been a home run for us."

Hollywood Casino Jamul

The new player on the block, Hollywood Casino Jamul, owned by the Jamul Indian Village and managed by Penn National Gaming, reportedly got off to a bit of a rocky start.

The casino, which opened in October 2016 with 1,700 slot machines and 40 table games, encountered difficulties working with county and local officials on traffic problems and only recently was able to secure a permanent liquor license.

There also have been reports of management upheavals.

"We are in the process of some new additions to our management team there, but don't have any details to share at this time," says Jeff Morris, director of public affairs.

Jamul Indian Village last year refinanced \$460 million in debt, enabling the tribe to repay Penn \$274 million in construction costs.

"We are continuing to see an improvement in the overall performance," Morris says.

The Full Monty

Comedian John Cleese has some real-life advice for getting creative



By Roger Snow

Legendary funnyman John Cleese once taught a dojo full of students how to defend themselves against an attacker wielding a banana. (“First you get him to drop the banana. Then you eat the banana, thus disarming him.”)

He once demanded a refund from the pet store that sold him a dead parrot.

And then once, decades later, he took to the stage in Belgium and did something more remarkable than those classic skits put together.

He explained creativity.

Hidden amid the vacuous, albeit largely innocuous, dross of YouTube, those videos of epic fails by amateur daredevils, of bullies being “pwned” by nerds, of cats pooping into toilets, is 10 and a half minutes of understated brilliance. Cleese—older, grayer, and more jowly than you may remember from *Monty Python’s Flying Circus* or *A Fish Called Wanda*—calmly paces back and forth, and methodically, almost matter-of-factly, deconstructs the construction of all things clever.

It’s must viewing for anyone engaging in anything imaginative. In our world, that would include game developers, engineers, graphic artists, copywriters, marketing strategists, sales executives, C-suite visionaries, etc., etc., etc.

Cleese may be long in the tooth, but fortunately for us in Generation ADD, he’s not long in the tongue. Cleese’s *Treatise*, in fact, is broken down into three easy steps. Well, steps, anyway. Easy, like beauty, is in the eye of the beholder. See for yourself:

Step One: What’s The Big Idea?

Where does Cleese, the mastermind behind masterpieces like *The Life of Brian* and *Fawlty Towers*, get his ideas?

“From a Mr. Ken Levinshor, who lives in Swindon,” he tells the audience. “He sends them to me every Monday morning on a postcard.”

The laughs come in waves as more and more people catch on to the deadpan humor.

“And I once asked Ken where he gets his ideas from,” Cleese continues, “and he gets them

from a lady called Mildred Spong, who lives on the Isle of Wight. He once asked Mildred Spong where she got her ideas from, but she refused to say.”

Turns out such thoughts—and the inspiration behind them—are here, there and everywhere. Just like God, if the Bible is to be taken literally. Or “The Electric Slide,” if its lyrics are to be taken literally. They incubate and percolate in the subconscious mind, and then are conjured, as if by magic, into what we write, what we design, what we engineer.

“We don’t know, and this is terribly important, where we get our ideas from,” Cleese says. “What we do know is that we don’t get them from our laptops.” Translating that last comment from British sarcasm to American English tells us that imagination is not a spectator sport.

Want to unleash your maximum creative power? Then make like Magellan and explore. Live. Interact. Experiment. Get that damn iPhone out of your face.

Step Two: Space And Time

“If you’re racing around all day, ticking things off on lists, looking at your watch, making phone calls and generally keeping all the balls in the air,” Cleese tells the audience, “then you are not going to have any creative ideas.”

True that.

Nothing constipates the innovative reflex more so than multi-tasking. Responding to texts. Turning on the ballgame for background noise. Nibbling on a little Facebook clickbait. Checking Instagram to see what Kim Kardashian is wearing. And what she’s not wearing, for that matter.

All these, and more, stifle the rhythm of creativity. The starting and... Stop. Ping. And the. Starting. Again. This may be the cadence we’ve grown to accept in our family and business lives, but it is to innovation what cheese and peanut butter is to intestinal peristalsis.

It binds you into a knot.

“The most dangerous thing when I was trying to write anything was to be interrupted,”

Cleese says, “because the flow of thought that I had was not immediately picked up after the interruption.”

Step Three: Sleep On It

Early in the presentation, Cleese—a budding scientist before blossoming as an entertainer—educates the audience on a pattern that has endured throughout his career.

“Whenever I was writing a script at night and I got stuck, or I couldn’t think of an ending, I would go to bed,” he says. “And when I woke up in the morning, not only was the solution to this problem immediately apparent to me, but I couldn’t even remember what the problem had been.”

He claims, as others have as well, that while your body and your conscious mind are resting, your subconscious mind remains furiously at work. And it’s trying to untangle whatever knot you couldn’t when you were awake.

You smelling BS? Then reflect on your own experiences. Ever have something important to tell someone, but then in the moment, you forget what it was? And no matter how hard you struggle or strain or rack your brain, you can’t remember it?

And then, two hours later, when you’re stuck in traffic listening to the ’80s station, it comes back to you. Why? Because your subconscious is like a casino: It’s always open.

To further his point, Cleese shares a similar experience where he lost a script—something he was quite proud of—and had to reproduce it from scratch. To his surprise, the rewrite was a marked improvement over the pre-write.

“And I realized that the explanation for this was after I had finished writing the original, my unconscious mind must have continued working on it, even though I was not aware that was happening,” Cleese says. “So that when I came to write it out again, it was better.”

Roger Snow is a senior vice president with Scientific Games. The views and opinions expressed in this article are those of the author and do not necessarily reflect the views and opinions of Scientific Games Corporation or its affiliates.

by Frank Legato

Michael Jackson Legend Scientific Games

This latest entry into Scientific Games' series of slots carrying the theme of the late pop superstar Michael Jackson places the popular music theme on the WMS Blade Stepper cabinet, in a high-denomination, three-reel, five-line or 10-line base game with a wheel bonus and multiple progressive jackpot levels.

During reel-spinning and bonus events, players hear snippets of five Michael Jackson hits—"Black or White," "Bad," "The Way You Make Me Feel," "Don't Stop 'Til You Get Enough" and "Beat It." During the primary game, if an "X" appears in a winning combination, a random multiplier of 2X-10X is awarded to multiply the pay for the win.

Three wheel watermark symbols on an active payline trigger the Wheel Bonus. One of Jackson's hits plays as players are directed to select a wheel wedge color, after which the wheel is spun once. If it lands on the selected color, the player is awarded another wheel spin. The wheel includes credit amounts from 20 to 250, and slices for two Minor progressive jackpots and the top Major progressive. The Minors are local-area progressives; the top Major jackpot is a wide-area progressive, resetting at \$200,000.

The local-area jackpots reset at 1,000 credits and 5,000 credits on the dollar and \$5 versions, at \$2,000 and \$8,000 on the quarter version. The top jackpot of \$200,000-plus is hit by lining up three Jackpot symbols on the horizontal middle payline.



Manufacturer: Scientific Games
Platform: CPU-NXT; Blade Stepper
Format: Three-reel, five-line or 10-line stepper
Denomination: .25, 1.00, 5.00
Max Bet: 5, 10 per line
Top Award: Progressive; \$200,000 reset
Hit Frequency: 37.5%, 37.51%, 62.5%
Theoretical Hold: 9.94%-13%

Penn & Teller Everi Holdings

This video slot on Everi's cinematic new Empire MPX cabinet carries the theme of the famous comedy/magic duo whose residency at the Rio has given them an immediate association with Las Vegas. The base game is a "ways to win" format, with no paylines and wins registered by adjacent symbols. In this setup, the game offers 3,125 possible winning combinations on each spin.

The game is packed with several different bonuses, based on illusions, card tricks and comedy bits that are prominent in Penn & Teller's long-running act. Wild symbols include reel-wide wilds in the image of either Penn or Teller.

In the base game, mystery events include "Miser's Dream," in which a goldfish appears to award golden wild symbols; and "Shadows," in which rose petals randomly appear to turn symbols into wild symbols.

Other bonuses include a picking event called "Vanish a Rabbit," in which the player goes through three rounds of matching symbols for bonus awards; and Penn & Teller Free Spins. In the free-spin round, every spin is a winner—an additional spin is awarded for each losing spin.

The main bonus, the Penn & Teller Wheel Bonus, offers a unique preliminary picking event. The player is prompted to choose cards to randomly increase each potential award on the wheel. That includes the "Jackpot Card," which, if found, makes the top progressive jackpot—a local-area prize resetting at \$20,000—one of only nine slices on the wheel.

Manufacturer: Everi Holdings
Platform: Empire MPX
Format: Five-reel, 3,125-ways-to-win video slot
Denomination: .01
Max Bet: 300
Top Award: Progressive; \$20,000 reset
Hit Frequency: 41.64%
Theoretical Hold: 6%-15%



Sphinx 4D

International Game Technology

This long-awaited “4D” version of IGT’s venerable Sphinx brand represents an evolution from the TRUE 3D versions of the game, which have captivated players with the most authentic glasses-free 3-D effect one will find on a slot machine.

Sphinx 4D, on the immersive CrystalCurve cabinet, adds gesture technology and mid-air haptic technology to allow players to physically interact with the game—you gesture or point, and the game reacts—empowering the player to interact with a slot machine in ways never before tried. As the 3-D bonus journey continues through the Sphinx, players reach out to drag orbs to the center of the CrystalCurve 4D monitor to trigger progressives, wilds, multipliers and free games. There are Easter eggs like changing the monitor scene from day to night by drawing a circle in the air, or drawing a heart to have it appear on the screen.

IGT has wrapped this technology into a total of seven interactive bonus events. One is a picking event that can lead to the top wide-area progressive jackpot, resetting at \$100,000. (A stand-alone jackpot resets at \$10,000.) The player picks orbs and points to drag them into a “Lightning Cage.” Revealing three “Eye of Ra” symbols wins the jackpot. The progressive feature is available only if



“unlocked” in a separate “Magic Butterfly Bonus,” with the player opening and closing his hand to secure butterflies for credit awards.

The “Energy Bonus” awards 10 bonus games in which the player reaches into an interactive area to grab symbols and pull them out for awards. The “Sandstorm Bonus” involves wiping away blowing desert sand to reveal awards. The “Diamond Chamber” bonus has the player pointing to pick gems until time expires.

In the “Blazing Numbers” bonus, the player points into the interactive area until a flame appears above his or her finger. The player then places each flame behind a lantern to reveal credit awards. The “Mystic Wheel Bonus” involves the player swiping a bonus wheel with a flick of the wrist to spin for credit awards.

Manufacturer: International Game Technology

Platform: CrystalCurve TRUE 4D

Format: Five-reel, 26-line video slot

Denomination: .01

Max Bet: 400

Top Award: Progressive; \$10,000 (local-area) or \$100,000 (wide-area) reset

Hit Frequency: 32%

Theoretical Hold: 4%-14%

CUTTING EDGE

Compact Performance

Product: BPS C2 Banknote/Ticket Processor

Manufacturer: G+D Currency Technology

G+D Currency Technology recently unveiled the newest member of its family of banknote processing systems—the BPS C2, perfect for casino cage or count room operations. Offering high performance with compact dimensions, this latest generation of tabletop systems efficiently processes banknotes and TITO tickets.

The system has a throughput rate of 1,050 banknotes per minute (over 60,000 banknotes per hour) and has two output pockets plus a reject stacker. BPS C2 sorts currency by denomination, orientation or fitness in a continuous processing mode.

With the most reliable sensors in the industry, suspect notes are detected and rejected, reducing potential fraud losses due to counterfeit items.

Operators will find the system intuitive to use with 50 pre-set sort modes available at the touch of a finger on a remote touchpad. Managers will appreciate the flexible network and interface options, plus the ability to produce full-page reports in digital or print format.

The high throughput of BPS C2 increases productivity. With no loss of speed, banknotes and TITO tickets are counted, checked for authenticity, and sorted by denomination, orientation and fitness. User-oriented and optimized operator guidance keeps the number of work steps required to a minimum.



BPS C2 offers the best sensors in the industry—fast, reliable and precise with the ability to detect counterfeits and sort for fitness.

Intelligent software architecture ensures a simple and intuitive operation to suit cage or count room specifications that integrates with BPS Connect Casino from G+D Currency Technology and other CMS systems.

G+D Currency Technology also offers a complimentary Count Room Evaluation. Currency experts will visit your count room in person and suggest workflow enhancements, benchmarked against the most efficient casinos in the world. Email currency-technology-usa@gi-de.com or call 703-480-2113 for more information.

For more information, visit gi-de.com/ct.

Gasoline, Gambling and Ozzy

There was a lot of weird news coming out of the casino industry last month, starting with the guy who crashed his car into Melbourne's Crown Casino.

Chen Jie Xu, 34, was driving down a footpath in June—you know, like you do—when he crashed into three banks, and then drove his SUV right through the glass doors of the Crown, coming to a stop at the top of an escalator in the foyer.

According to *Inside Asian Gaming*, Xu told a magistrate last month that he lost control of his car because he “accidentally drank petrol.”

You know, like you do.

According to the report, Xu's defense was that he had become confused after accidentally taking a drink from a bottle inside his car that was filled with gasoline.

This is exactly why I stopped keeping my extra gasoline in a Snapple bottle in my car.

The judge wasn't buying it, especially since tests revealed he had also been snorting cocaine. He got 13 months in jail.

Hey, even I know not to put coke in my petrol.

And Ozzy Osbourne probably knows that too. Ozzy was in the casino news last month when it was announced that he is the new brand ambassador for the online Metal Casino, a site where “only the edgiest games” are offered, and bonus prizes include concert tickets and backstage passes.

“When we started Metal Casino, we knew it had to be more than just a casino, but a platform for a global community of metal heads and casino lovers to share their passion,” said Casino Chief Marketing Officer Clas Dahlén, according to the Malta Business Wire. “With Ozzy's help, we're going to make this happen.”

Ozzy himself was just as excited. “The guys at Metal Casino told me that their brand was all about being true, relevant and dedicated to the customer, and that really resonated with me,” he said. “To me, that translated as keeping it real, keeping it original, and doing it all for your fans, and that's all I've been trying to do my whole f—in' life.”

According to the report, Osbourne then mumbled incoherently and threw a few more F-bombs, before falling asleep. (Not really.)

Next, the Marijuana Business Conference and Expo held its three-day convention last month at the Las Vegas Convention Center. The conference, called MJBizCon for short, strives to achieve respect for an industry that is now a legal and legitimate business in many states, and to knock down all the old stereotypes about pot use.

“This is just like any other trade show that you would see here in the North Halls of the Las Vegas Convention Center,” Cassandra Farrington, CEO and co-founder of expo parent Marijuana Business Daily, told CDC Gaming Reports.

“This is just like any other trade show that you would see here in the North Halls of the Las Vegas Convention Center.

“Wait, did I say that already?”

Our next item updates a story reported right here last month.

Remember that guy who robbed the M Resort three times, wearing the same clothes the first two times and brandishing a fake gun and using the same getaway car, and parking in the same place all three times, and still being surprised he got caught? According to the Casino.org website, the guy, Gregory Bolusan, is actually a Las Vegas-based evangelical pastor at the Grace Bible Church, and his wife, Lea Bolusan, worked at the casino as a cashier.

Lea hasn't been implicated in the crimes, but I can't help imagining Jim and Tammy Faye Baker knocking off a casino cage.

But in any event, these folks are well-known enough that Pastor Greg probably would have been identified even if he hadn't practically handed the case to authorities already.

Casino.org writer Kevin Horridge wrote that if convicted, Pastor Greg could do up to 20 years “behind the not-so-pearly gates of prison.” Har!

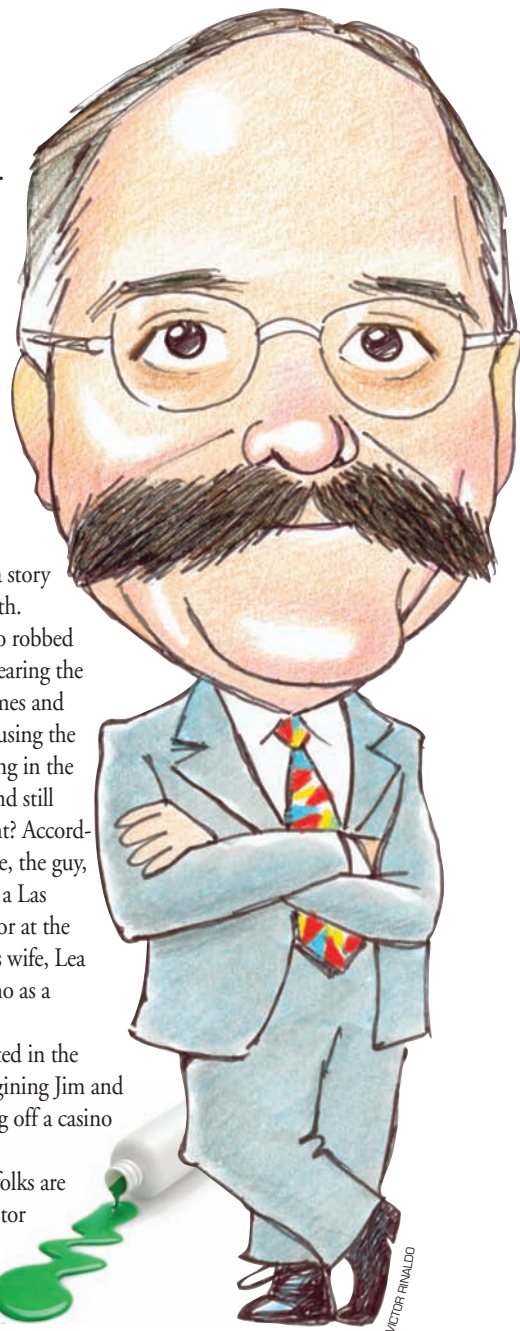
Finally, the *Buffalo News* reports that two gamblers were found asleep at their slot machines on a Saturday morning, later telling medical professionals they had no recollection of passing out while playing the slots. They also claimed they were missing around \$260 in cash and tickets.

You know a lawsuit is coming here. Mark my words. They're going to claim the casino piped some kind of chloroform through the forced-air system and rifled their pockets while they were asleep.

Hey, that's what I'd claim.

Either that, or I'd say the casino slipped gasoline into my drink when I wasn't looking.

Yeah, let's go with that.



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Lighten Up

Suspenders LED system by
Sonneman—A Way of Light

Showcase your casino and hospitality areas with subtle but effective lighting

By Dave Bontempo

Let there be light. Or, LED there be light.

Throughout gaming properties, sharp illumination upgrades the blueprint.

Bright lights reflect a grand branding image in the lobby or enhances the pizzazz of gaming tables, carpets and chandeliers. This dynamic also impacts signage, water displays, marketing walls and dance-floor theme changes.

Guest rooms unveil the subtlety of illumination, with periodic light changes presenting the constant feel of new quarters.

In the security realm, lighting improves multiple closed-circuit video cameras, giving color rendering benefits to help catch cheaters and improve facial recognition software. Bright walkways, parking lots and garages also address safety concerns.

Finances share the glow. Replacing several thousand incandescent, halogen and fluorescent lamps with LED lighting can save hundreds of thousands of dollars. That makes bean counters beam.

The application and necessity of excellent lighting appear limitless. That's why architects and designers blend these principles into their planning, while vendors target operators with specific products.

Tailor Lights to the Audience

HBG Design, based in Memphis and San Diego, has a rich history accommodating casinos of all sizes. Dike Bacon, principal, has a multi-faceted perspective of how his company "sees the light."

"We're working with a lot of clients today who are seeking to attract a younger demographic, and that calls for a completely different approach to lighting design," he indicates. "In many of our projects, we're designing more integrated lighting as an architectural feature—in other words, the lighting becomes an intrinsic part of the overall design, not a separate feature. When we do use lighting features, there's more variety and individuality in the selections, which helps to emanate a more residential feel."

The who is just as important as the what. Emily Marshall, design leader at HBG, says baby boomers attract the lighting element of a warm, ambient glow and higher lighting level. These clients like the focal point of high-quality light fixtures. Custom light fixtures can be a spectacular touch point for a luxury brand, Marshall says.

The ideology can be expressed in many ways.

"Restaurant venues are using lighting more and more as an integrated design element and less as a decorative element," Marshall says. "In general, there are less of the large 'statement' fixtures in these spaces. The trend now is toward a mix of functional architectural and decorative lighting that becomes a design element integrated into the interior architecture."

The design of the WD Steakhouse at Seneca Buffalo Creek Casino, for instance, creates a rich, layering effect through the lighting design. The lighting highlights an architectural detail and pattern of the wood walls, while repetition of decorative fixtures creates interest in the ceiling element, according to Marshall. The restaurant's booths are designed to be a more intimate and residential feeling with a warmth from individual pendant lights.

Rooms offer another venue.

"We're creating style variety through multiple room packages at the same property," Marshall adds. "Designing three or four distinct variations in the light fixtures—in addition to the carpet design, fabric selections and furnishings—gives guests an experience that differs each time they visit a property. They never feel like they're staying in the same place twice."

"Focal art lighting is showing up in four- and five-star guestrooms, along with a mixture of decorative lighting that generates an eclectic feel, like a decorative pendant at one side of the bed and a portable lamp at the other,"



Marshall adds. "Reading lights have been integrated into the design for a few years and continue to be a great functional and decorative light source. Art is specially lit in the foyer of many of the guest rooms we're designing, using either an architectural art light or sconce over the piece which adds another rich layer of detail. The well-lit art becomes a focal point, something special that elevates the space."

Design variation is not easy to accomplish on a budget, but economies of scale are not lost in the process, Marshall says. The challenge for designers is to work with manufacturers to explore distinctive design elements without incurring more cost.

"We're also collaborating much earlier with lighting designers than ever before," Marshall indicates. "Technology has changed so rapidly, and allows you to do so much more from a design standpoint."

Lights Make the Architecture

St. Louis-based Thalden Boyd Emery fashions a rich history in local, destination, commercial, Native American and international casinos. In its specialized tribal realm, TBE has worked for more than 110 Native American and First Nation properties. The company has inserted tribal



San Manuel Indian Bingo and Casino

culture, heritage and identity into its projects.

TBE has revealed the astounding use of lighting in its projects. And while this sector finds new emphasis in outlets like LED walls that enable video and marketing messages, its entire role remains paramount.

"It is the opportunity to express entertainment value of the gaming property," says David Nejelski, creative director and principal for TBE. "The architecture can rise and fall based on the quality of the lighting. It allows us to incorporate the vibrant colors. The design elements play a feature role in the general illumination of the property."

At the Harrah's Ak-Chin property outside of Phoenix, for example, architects made the

Security Vision

Parking lot illumination protects guests and employees

"Let there be light" spans an important arm of gaming properties: the parking lots. Although much of the lighting realm tends to entice, this element signifies safety. Customers don't want concerns reaching their cars or walking to and from a property.

This is a tricky budget item. It's hard to monetize an area that resembles the eating of vegetables: sensible, not scintillating. One cannot correlate investment dollars with revenue gained, but would instead have to consider the overall effect of a weakened brand if lighting was below standard.

This may be an ideal time to discuss the situation. One emerging practitioner is Optec LED Lighting, a supplier of high-efficiency, super-bright LED fixtures for indoor and outdoor applications.

Throughout the past year, Optec Displays, Optec LED Lighting's parent company, has stepped up its gaming profile. This presence, along with a strategic partnership with SuzoHapp, has increased the visibility of this Ontario, California-based outfit.

"Upgrading casinos' exterior lighting to LED luminaires makes everything appear brighter and safer—and that translates into a better customer experience," says Jeff Gatzow, vice president of Optec LED Lighting. "LED luminaires (or light fixtures) provide consistent and uniform illumination without having any light spilling to adjacent properties. Retrofitting parking lots and structures to LED offers a welcoming and safe environment for patrons and employees, while reducing owners' maintenance and energy expenses—a winning combination."

The super-bright LED lighting features a patented thermal management system that provides efficient heat dissipation and extended LED life, he asserts.

Casino parking structures and parking lots operate around the clock just like the facility itself, and according to Gatzow, thus must be targeted for lighting. Would this investment be an "LED pipe cinch" for operators?

"The 365/24/7 schedule has many owners and operators looking for ways to reduce energy costs and consumption, while making the structures and lots safer for guests and employees," he contends. "One way to achieve these objectives is by upgrading to exterior LED luminaires, which are playing a major role in the effort to improve safety, reduce energy usage and costs, and improve overall ambiance."



Gatzow says parking structures face unique lighting challenges. A mix of pedestrian and vehicle traffic within the confined space creates an environment demanding adequate, reliable lighting. This ensures public safety and minimizes accidents, reducing glare and light trespass, he says.

For decades, U.S. parking garages have relied on conventional lighting technology, such as metal halide, high-pressure sodium or linear fluorescent, he adds. Gatzow cites a U.S. Department of Energy 2014 study, "Energy Savings Forecast of Solid-State Lighting in General Illumination Applications," verifying that these high-lumen, long-life technologies have traditionally dominated parking-garage applications, accounting for more than 95 percent of installations through 2013. However, with the rapid improvements in technology, LED luminaires provide significant advantages over traditional luminaires for parking-garage applications.

LED uses 50 percent to 80 percent less electricity than traditional lighting, Gatzow says. The lights last up to 100,000 hours, with average lifetimes of 10 or more years. Typically, an exterior LED installation will realize a payback in five years or less from energy and maintenance savings. An even quicker payback can be gained if rebates are available through a local utility company.

Security video cameras are essential in casino parking garages and lots. An important, although often overlooked, bonus for safety and security from an LED upgrade is the much-enhanced quality of video footage. New LED installations improve visibility and safety for casino guests and employees, and the security cameras' surveillance capabilities are greatly increased due to better illumination, Gatzow says.

—Dave Bontempo

most of an overhead canopy structure.

“We worked extensively on the architecture and design combination to express a traditional tribal basket image within the canopy structure,” he says. “There are elements within the chandelier structure that symbolize cultural meaning. It can be an immersive experience, vibrant and dynamic.”

Thalden Boyd Emery is guiding the property through an expansion set for 2018 completion. A ballroom that can accommodate 2,000 people for an event or 1,000 for dinner, a lounge and 230 new guest rooms and suites are in the lineup.

Solid lighting may resemble the role of an umpire, soccer official or boxing referee. It can be a subtle catalyst for a quality product.

“If it is done well, you may not even be conscious of it,” says Chief Boyd, principal at TBE. “There is a good experience; you see the space and experience it well. Everything feels right. If the lighting is done poorly, you have an experience that is not memorable. For instance, you can look at this theme space that you put together, but it does not come off well because it does not have the proper lighting.”

Boyd references a project for the San Manuel Indian Bingo and Casino outside of San Bernardino in California. It may reflect food for the financial soul. The project includes a grill food court, two bars that have been completely transformed and a third that will be introduced.

One of the design elements was light, combined with water.

“David did a bar in San Manuel and it was just off the charts,” Boyd says. “The lighting varied the colors at different times of the day, in seemingly unlimited ways. It can enhance a property dramatically. We also have lighting integrated with the water feature. There are global effects, a sense of movement on the water. We used lighting to supplement the water effect. It can be tailored to seasons, or messages, holidays and sporting events.”

He’s on to something. The effect of lighting on water can be spectacular. One significant non-gaming establishment, Longwood Gardens in Pennsylvania, unfurled a fountain light display on water that thousands of spectators flocked to for months. If it can be a major selling point for a non-casino.

Branding Lights

Lux Led Lighting, based in Santa Barbara, California, offers stylish, versatile and feature-rich LED lighting solutions for hospitality, commercial and residential spaces. Over the past year, it has been working with a casino brand in Las Vegas to outfit its guest rooms.

Max Miller, director of business development at Lux Led Lighting, says casino game plans reflect long-term thinking.

“Casino resorts have changed their course on trends, demanding products that not only match their brand and aesthetic, but offer quality and durability in their design,” Miller asserts. “Instead of opting for trendy or flashy lighting fixtures, they are looking for products that are built to last. In addition to durability, casinos are sourcing for integrated options that appeal to the many travelers coming through their doors. The gaming sector is especially responsive to LED technology, since many of these establishments are operated 24 hours a day.”

Miller says the lamps in the company’s Brooklyn collection are well suited for both hotel guest rooms and lobbies, given their integrated capabilities.

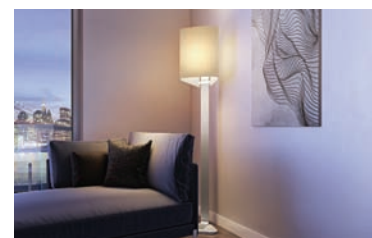
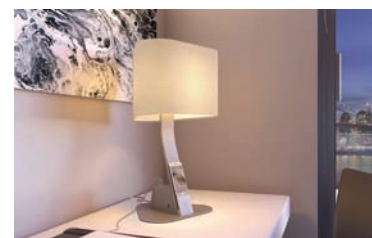
Powering up cellphones was once an activity reserved for the room after a long night, but Miller sees more casinos source out task lighting for their lobbies to provide guests that are not staying on-site with a softly-lit space to relax and

recharge.

“The biggest demand of the modern traveler is connectivity; they want to be able to have easy access to their portable devices,” Miller says. “Our lights serve many purposes for casinos. They offer a sleek, timeless design that fits into ever-changing design schemes, they provide a convenient opportunity for guests to plug in phones or tablets, and more literally, they are built to illuminate a room for 50,000 hours.

“The Brooklyn collection is an intuitive investment for hoteliers in the gaming industry who want a long-lasting product for a new build, or

need to spruce up a resort undergoing a renovation. The collection’s slim profile allows it to easily fit into any layout, and the desk lamp’s integrated USB and adapter ports are a simple alternative to installing additional outlets in the room.”



Way to Go

Sonneman—A Way of Light is a lighting design and manufacturing company based in Larchmont, New York. It has been embedded within the residential, commercial and hospitality sectors for years, and has begun to see an increased interest from casinos.

Robert Sonneman, the CEO and lead designer for Sonneman, touts his company’s Suspenders LED system.

“It is a powerful example in its message of utility and simplicity,” Sonneman says. “The fundamental architecture of Suspenders is based upon linear elements suspended from each other by vertical elements. The structural system is comprised of three main components—horizontal power bars, vertical hangers and suspended LED luminaires—which can be configured as individual lighting sculptures or as a tiered web of infinite scope and variety.”

With LED bulbs consuming less electricity and producing much less heat than their halogen counterparts, a single transformer can power many LED fixtures, contributing to the unlimited potential for expandability, Sonneman says. Suspenders has a maximum electrical path of 30 feet in every direction, meaning a single transformer can power a total length of 60 feet. Each LED luminaire has an integrated driver to prevent voltage drop, ensuring an LED fixture at the end of an electrical path will be just as bright as an LED luminaire directly next to the power supply.

The suspended LED luminaires are available in singles, clusters of three LEDs arranged at perpendicular angles, or a combination of the two. There are more than 40 iterations of luminaires. The power bars are available in a variety of lengths and curvatures, and can be suspended by the hangers at perpendicular or staggered angles in space.



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Groundbreaking ICE Promised

ICE Totally Gaming Presents a 'Global Paradise for a Global Industry'

BY PATRICK ROBERTS

ICE Totally Gaming will debut February 6-8 at the ExCeL Centre in London, and it promises to be a special time.

To start with, ICE will present the largest show floor ever. Clarion Gaming, the producer of the trade show, announced that the 2018 edition of the event will be the largest ever in terms of exhibit size, after the producer added 2,000 square meters of space to the exhibit floor of the ExCeL Centre.

That brings the total size of the ICE exhibit to 43,500 square meters, or 468,230 square feet. It is a 5 percent increase over 2017, and twice the size of ICE 2012, Clarion said.

The development represents the sixth consecutive year of growth for the London event.

"This is great news for gaming organizations who we know want a standout, flagship event that showcases the world's leading innovators from every gaming vertical,"

said Kate Chambers, managing director of Clarion Gaming. "By expanding our footprint in this way, I believe ICE London has underlined its status as the world's capital for the international gaming industry."

"Our strategy, wherever we operate in the world, is to work with the industry to create events and opportunities that help meet its business objectives. The expansion of ICE has been driven by demand, and reflects the dynamics of the international market, which views London as the once-in-the-year opportunity to engage with a really significant and influential community of buyers and influencers, which in 2017 traveled to ICE from 151 jurisdictions."

In addition to the square meters, ICE 2018 is welcoming visitors from a record number of countries. Exhibitors from a total of 62 sovereign states and gaming jurisdictions will participate in trade show and conference. The figure confirms ICE London as the most international B2B gaming technology event in the world, and the only one to provide visitors with a 360-degree perspective on the industry, said Chambers.

"We've worked extremely hard in partnership with our stakeholders to create an event that every gaming vertical feels a part of," she said. "Events with a global exhibitor base, in turn, attract a global audience of buyers, a chemistry which explains why ICE London continues to grow."



ICE 2017

'Consumer Protection Zone'

ICE London (Clarion plans new ICE events) will also include a "Consumer Protection Zone" that will focus on social responsibility initiatives.

"The zone will provide a focus for the social responsibility message and feature key organizations that are promoting social responsibility as well as a platform for presentations," Chambers said. "The zone is the latest in a series of social responsibility initiatives undertaken by Clarion Gaming."

Ewa Bakun, Clarion Gaming's head of industry insight and engagement, said the zone represents Clarion's commitment to the industry.

"Wherever Clarion operates, social responsibility is one of the most important topics, and that's across both emergent and mature gaming markets," she says. "Although we are not part of the operating community, we also have a responsibility to serve as a forum for discussion and knowledge exchange."

"The Consumer Protection Zone is at an early stage of development, but I can confirm that we will be creating an agenda with demos and presentations from regulators, providers and operators."

Payment Solutions

Another dedicated area new to ICE this year is the Payments Zone. With omni-channel gaming delivery systems, payments have become more complex over the years.

The ICE Payment Solutions Section will stretch over 4,000 square meters of space, and will provide a focal point for international visitors wanting to meet and engage with the key innovators and thought leaders in the sector.

"The purpose of ICE is to showcase and reflect the dominant trends in gaming, and payments is a case in point," says Chambers. "We were approached by a number of leading players wanting to utilize ICE as a platform to reflect these innovations and to create a meeting point for all those international visitors with an interest in the latest technologies and advances. I am delighted that we have been able to respond to the needs of the industry in this way and I am confident the resource that we are putting behind the ICE Payment Solutions Section will be well received by visitors."



Kate Chambers,
Clarion Gaming
managing director

SCIENTIFIC GAMES, WILLIAM HILL END DISPUTE

Scientific Games has ended its dispute with British bookmaker William Hill over the pending acquisition by SGMS of sports-betting platform supplier NYX Gaming. And another large shareholder of NYX, SkyBet, also came on board in favor of the buyout.

According to Fantini Research, Scientific Games has agreed to buy William Hill's 9.301 million shares in NYX for C\$2.40 per share, and WMH's convertible NYX preference shares for £87 million.

Scientific Games also announced that it has entered into a new commercial arrangement with William Hill, and that the parties, as well as NYX, have entered into a separate settlement agreement in which the parties have agreed to end all existing litigation among the parties.

The move ends what was a series of moves and counter-moves as William Hill tried to block the acquisition of NYX by Scientific Games ahead of an NYX shareholder vote on the merger. The bookmaker wanted to prevent the merger because NYX's OpenBet subsidiary, which was working on a platform for WMH, would have become a competitor after the merger was complete.

After SGMS initiated a program of directly buying NYX stock to effect the merger despite WMH's efforts, William Hill sued to convert its £80 million in preferred shares that it received from backing NYX's acquisition of OpenBet into equity in NYX, which would have given the bookmaker a 31.9 percent stake in NYX, enough to block the merger, which requires 75 percent shareholder approval.

Under the new agreement, WMH unconditionally supports the SGMS and NYX merger, and is recommending shareholders do the same.

With the approval of Sky Betting & Gaming (SkyBet), Scientific Games increased its leverage toward the sale. The company will pay C\$2.40 per ordinary share for SkyBet's 1,648,000 ordinary shares of NYX, 412,000 warrants, and 37,400 convertible preference shares of a subsidiary of NYX.

NOVOMATIC-AINSWORTH SALE NEARS COMPLETION

The AU\$500 million sale of a 52.5 percent stake in Australian slot manufacturer Ainsworth Game Technology to Austrian gaming giant Novomatic AG is nearing completion with approvals now in hand from the "majority of gaming regula-

tors” necessary, according to Ainsworth Chairman Graeme Campbell.

The deal, in which Novomatic is acquiring the majority stake of company founder Len Ainsworth, is expected to close January 3.

“The regulatory approval process for the sale of shares by Mr. Ainsworth to Novomatic has progressed well,” Campbell said. “I am pleased to advise that Novomatic has now received the necessary approvals from the majority of gaming regulators, including Nevada. We expect, subject to final regulatory approvals, to report completion as planned.”

Two years in the making, Novomatic buying the stake is expected to widen Ainsworth’s markets throughout Europe and Asia.

IGT LAUNCHES SPHINX 4D

Slot manufacturer International Game Technology and Florida’s Seminole Hard Rock Tampa casino last month officially launched IGT’s award-winning Sphinx 4D video slot. The new game combines mid-air haptic and gesture-based technology with the glasses-free TRUE 3D graphics.



“Our guests will truly be amazed at all of the features that are offered on these machines,” said Dan Ingster, vice president of slots for Seminole Hard Rock Tampa. “This is the world’s only glasses-free 3-D machine in full ultra-HD resolution. For those who are seeking an interactive experience and who enjoy variety and big bonus action, these machines will definitely be appealing.”

According to IGT, the Sphinx 4D game introduces unprecedented immersion and interaction with mid-air haptic technology, gesture recognition and new hardware. To go along with enhanced surround sound and ultra-HD graphics, the game offers an advanced moveable chair with rumble functionality.

“IGT is excited to partner with Seminole Hard Rock Hotel & Casino Tampa for the U.S. premiere of the award-winning Sphinx 4D game,” said Nick Khin, IGT chief commercial officer, gaming. “The immersive, multi-sensory gaming experience that Sphinx 4D delivers enables Seminole Hard Rock Tampa to continue its legacy of providing world-class gaming for its entertainment.”

Happy New Year!

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BURNETT STEPS DOWN AS NEVADA GAMING CHIEF

A.G. Burnett, the chairman of the Nevada Gaming Control Board since November 2012, stepped down last month to take a position in the private sector. Burnett blazed many trails during his term as chairman, including iGaming, night-club regulations, daily fantasy sports, skill-based gaming, eSports gaming, marijuana use and more.



A.G. Burnett

Burnett is taking a position with the Reno, Nevada law firm of McDonald Carano, and will handle administrative and gaming law. First, however, he'll sit out a one-year "cooling off" period before he represents any clients before the gaming board.

Governor Brian Sandoval, also a former gaming regulator, said he will appoint a successor to Burnett at a later date.

PLOUSIS NAMED HEAD OF NJ COMMISSION

James T. Plousis has been approved by the New Jersey state Senate to become chairman of the state's Casino Control



James Plousis

Commission. Plousis replaces Matt Levinson, whose nomination by Governor Chris Christie was not acted upon by the state Senate. In November Christie withdrew the nomination and substituted Plousis. Levinson's father, Atlantic City Executive Dennis Levinson, said the withdrawal of his son's nomination was in retaliation for the county challenging the PILOT program, in which Atlantic City casinos pay a set annual rate in lieu of taxes, with the county not getting an equal share.

Plousis is a former sheriff of Cape May County, as well as a member of the state Parole Board for the past seven years. He promised to uphold the integrity of the gaming industry and work with surrounding communities to draw more tourists to the region. He will serve a five-year term for an agency that has been dramatically cut over the last five years as regulatory reform shifted the power to the state Division of Gaming Enforcement.

ENGLISH JOINS GLOBAL MARKET ADVISORS

Global Market Advisors (GMA), a hospitality consulting firm serving the gaming, sports betting and lodging industries, announced last month that John English is joining the firm as a partner, serving as managing director of GMA's new sports betting and technology division.

"John is an expert and pioneer in the sports betting industry," said GMA Managing Partner Steve Gallaway. "His knowledge and insights are invaluable, a commodity to which very few individuals or companies have access to. John will be a great asset to the GMA team as sports betting continues to evolve globally."

English most recently served as president of WEBE Gaming, a global operator of sports books, social gaming and lottery products. He served with American Wagering when the company became the first entity to receive a license in Nevada for mobile sports wagering. William Hill later purchased the company. He also has worked for Betfair and Gaming Arts.

DECORAH NAMED CEO AT SNOQUALMIE CASINO

The Snoqualmie Tribal Council last month named Brian Decorah as the new CEO for Snoqualmie Casino.



Brian Decorah

"We are excited and greatly look forward to working with Mr. Decorah," said Jolene Williams, Snoqualmie Tribal Council vice chairwoman. "We believe his experience and passion for the work he has done elsewhere in Indian Country makes him an exceptional fit for Snoqualmie Casino."

An enrolled member of the Ho-Chunk Nation, Decorah comes to Snoqualmie Casino with 20 years of experience working in Native American casino and resort operations. He has also worked with tribal governments and compliance operations. He has extensive experience creating and implementing strategic plans and developing and retaining team members, while ensuring award-winning guest services. Decorah's most recent position was with FireKeepers Casino and Hotel in Battle Creek, Michigan, where he served as the president and CEO. Under his leadership, FireKeepers generated record revenues while compiling an impressive list of industry awards.

LONG NAMED GM OF SCHENECTADY'S RIVERS

Rush Street Gaming announced last month that Rob Long, formerly president and CEO of the Bally's and Resorts casinos in Tunica, Mississippi, has joined Rivers Casino & Resort Schenectady as general manager.



Rob Long

Long began his career in gaming in the late 1970s as a staff member of the Nevada Gaming Control Board. He transitioned thereafter to Harrah's Reno Hotel & Casino, where he rotated through several departments, including surveillance, table games and operations. Since then, Long has held leadership positions throughout various Midwest and central U.S. gaming markets—Davenport, Iowa; Biloxi, Mississippi; St. Louis, Missouri—successfully managing full-service casinos.

Long has particular expertise in establishing new properties in emerging gaming markets, having led several developments through construction, opening and early operations. Notably, Long managed the ground-up developments of Rainbow Casino and Riverwalk Casino Hotel, both in Vicksburg, Mississippi. Riverwalk was Rush Street's first U.S. casino development.

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Geoff Freeman

President & CEO, American Gaming Association

G Geoff Freeman was appointed president and CEO of the American Gaming Association in 2013, succeeding the founding CEO Frank Fahrenkopf. Freeman immediately began transforming the AGA into an aggressive proponent of the gaming industry, changing the strategy of playing defense. Today, the AGA presents a positive image of the gaming industry to the world, and has taken the lead in the effort to legalize sports betting in the U.S. He spoke with *GGB* Publisher Roger Gros in Las Vegas in October. To hear a full podcast or read a full transcript of this interview, visit GGBMagazine.com.

GGB: When you joined the AGA it was somewhat disjointed. Do you believe the industry is more unified today?

Freeman: Here's what stands out to me, and I think it's typical of anyone coming into a new role. Whatever you thought you knew in year one or year two, you didn't have a clue. You learn something new every year. I do finally feel like I'm beginning to get my arms around this industry, and some of the great opportunities we have in front of us. You mentioned unification; that has certainly been a major priority of the AGA. I think that for any industry organization to be effective, the prerequisite to that is a certain degree of unity among the membership. I think this industry has a lot of experience in fighting battles at the local level, the state level, and various countries around the world, where a market's open. Obviously, unity is not necessary for fighting for a license. But unity usually is necessary for opening up a market. Unity usually is necessary for defending yourself against attacks. Unity usually is necessary if you want to advance some good ideas. And that's why we've placed such a premium on unity, at this point in time. And I think it's paying off. We now represent more than 90 percent of all commercial gaming revenue and more than 95 percent of all the supplier gaming revenue, and at this point,

we represent more than a third of all tribal gaming revenue. We do that because with that unity comes power.

Sports betting has been your major initiative over the last year. Where do we stand now?

Sports betting has certainly been a high priority for us; it's a big opportunity for us. We're the American Gaming Association; we're not the Sports Betting Association, but we can walk and chew gum at the same time. This is an opportunity to grow the market by billions of dollars. And we are very much focused on that with a two-track strategy: one through Congress, and one through the court.

We see three potential outcomes. Two of those are good, varying degrees of good. I think the least-likely outcome at this point is that the Supreme Court simply concurs with the lower courts and tells them they've done a great job. That's not what the Supreme Court's in the business of doing. It's possible, but I think it's the least likely.

The two more likely outcomes are, one, simply declaring the Professional and Amateur Sports Protection Act unconstitutional, which would instantaneously turn this thing over to the states, to regulate sports betting the same way they choose or choose not to regulate other forms of casino-style gaming.

Or, two, more of a nuanced position that sides with New Jersey's workaround, and throws the ball back into Congress' court, to address this issue once and for all. If we had to lean one way, I think we see that as probably a more likely outcome, which, again, this industry is well positioned to address, because of the great work we've been doing as an industry over the past several years.

A contentious issue when you first came on was online gaming. Just recently, we saw Pennsylvania approve online gaming, becoming the fourth state in the nation to do that. What is the AGA's position today on iGaming?



Two things I'll say about the issue of online gaming—and, as you said, it was a big issue when I joined in 2013 and the AGA did have a public position of supporting a federal poker-only solution. That was a flawed position. It was a flawed position then, it's a flawed position now, and the AGA, given the lack of consensus in the industry, has taken more of a neutral position. So, two things I'd say about it. One, I wish I could put that genie back in the bottle. I wish we could do that process over again, because I think that the sports betting experience is informative as to what can happen when you're patient, when you keep your discussions internal, and do the due diligence necessary to determine if you have common cause. I am of the belief that with the right information, with the right process, there is greater common cause in the industry on online gaming, but we didn't go through that process, at the time.

Number two, the other big issue in online gaming is people certainly know the biggest proponents of online gaming. And they assume that the industry isn't succeeding, or isn't engaged, because of the opponents or the proponents. I would say the biggest factors to the lack of industry engagement on online gaming are the entities in the middle. And that's where most of the industry is. Most of the industry doesn't know what it wants to see in online gaming. Most of the industry isn't yet convinced of the business opportunity there. And it's because of that neutrality of most of the industry, rather than the people on the other end of the spectrum opposing, or pushing online gaming, that we have not been able to see any consensus to date, and why I don't think you will see a rapid change in that position, at least specific to poker or other casino-style games.

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