

# Innovation Capital

*Investment Bankers*



**Gaming Newsweekly**  
For the week ended February 4th, 2018

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For securities-related inquiries, please contact an Innovation Capital banker.

## **NEW FEATURE...Newsweekly Archive**

You can now access Innovation Capital's Newsletter archive on the firm's website [here](#). This feature is password protected-- this month's password is: **grand** (case sensitive).

## **Gaming Industry Public Company & High Yield Data:**

[Public Company Trading Comparables](#)

[High Yield Bond Trading Levels](#)

## **Featured Article:**

### **Pollard Banknote Announces the Acquisition of International Gamco**

February 1, 2018

WINNIPEG- (Cision Communications) - Pollard Banknote Limited announced today that it has signed a definitive agreement, and closed the transaction, to purchase 100% of the equity of International Gamco, Inc., a leading manufacturer of charitable gaming products including pull-tabs and electronic gaming systems and products. Gamco was founded in 1983 and has built its business largely on innovating new products for charitable gaming markets and has earned significant market share during its 35 years in business. "We are very excited about bringing the Gamco team into our organization and believe it will be a powerful combination with our existing charitable gaming division, American Games, and our recently acquired Diamond Gamebusiness", said John Pollard, Co-Chief Executive Officer of Pollard Banknote.

[Click here to read the full press release in Cision Communications](#)

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### **Super Bowl kicks off in the shadow of a court ruling that could make sports betting legal outside of Nevada**

February 4, 2018

UNITED STATES- (Trent Gillies, CNBC) - As Super Bowl LII kicks off Sunday, oddsmakers will be placing bets on whether the New England Patriots will roll to their sixth championship win - or whether the Philadelphia Eagles can pull off a major upset. Yet the overwhelming majority of all those bets will be illegal. That's because right now, Nevada casinos are the only place a single-game sports

bet can legally be placed. "We estimate this weekend with the Super Bowl about \$140 million will be wagered legally in Nevada," Geoff Freeman, CEO of the American Gaming Association, told CNBC's On the Money in an interview.

[Click here to read the full article in CNBC](#)

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## **Jack Entertainment is betting casino and racino additions will pay off**

February 4, 2018

CLEVELAND- (Jay Miller, Crain's Cleveland Business) - Dan Gilbert's gambling operations in Northeast Ohio - Jack Entertainment LLC's Jack Cleveland casino in downtown Cleveland and Jack Thistledown racino in North Randall - are working hard to regain ground lost to the regional leader of the pack, Hard Rock Cafe International Inc.'s Hard Rock Rocksino in Northfield, the highest-grossing gaming hall in the state. First, it was a \$70 million makeover of the Thistledown operation that was completed last year. Now, it's Jack Cleveland's turn. Jack Entertainment is building, for an undisclosed cost, a gambling club for the next generation of gamblers, to be called Synergy Table Games, on the first floor of the three-floor operation within the Higbee Building on Public Square. Industry analysts lauded the move.

[Click here to read the full article in Crain's Cleveland Business](#)

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## **Steve Wynn's \$7.5M settlement involved a paternity claim**

February 2, 2018

LAS VEGAS- (Richard N. Velotta, Las Vegas Review-Journal) - The \$7.5 million settlement payment Wynn Resorts Chairman and CEO Steve Wynn paid to a former employee involved a paternity claim, Bloomberg News reported Friday. There is no evidence of Wynn fathering a child, and Wynn, company representatives and Wynn's ex-wife, Elaine Wynn, declined comment Friday afternoon. The payment is a critical piece of an investigation being conducted by the Massachusetts Gaming Commission because there was no mention of the settlement when Wynn was scrutinized for licensing to build a \$2.4 billion resort near Boston Harbor in Everett.

[Click here to read the full article in Las Vegas Review-Journal](#)

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## **China Considers Legal Gambling on Hainan Island**

February 2, 2018

CHINA- (Keith Zhai and Daniela Wei, Bloomberg) - China is drafting a proposal to allow gambling on Hainan Island, people familiar with the talks said, in what would be an unprecedented move that could reshape gaming in China's territories and transform the economy of a strategic southern province. The proposal, which is still in an early stage, could open the door to physical casinos over the long term, two of the people said. China currently bans gambling and casinos on the mainland. The proposal is part of a wider plan that includes relaxing visa rules and building a new airport to draw more foreign

tourists to Hainan, two of the people said. That comes as the province faces a fiscal deficit and contends with the debt woes of HNA Group Co., its biggest conglomerate, which is facing pressure from creditors after a global acquisition spree.

[Click here to read the full article in Bloomberg](#)

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## Capuano calls for Wynn casino backup plan

February 2, 2018

BOSTON- (Jordan Graham, Boston Herald) - U.S. Rep. Michael E. Capuano is looking to protect the workers who are relying on the scores of jobs created by the Wynn Casino project by pushing for a backup plan should the state Gaming Commission decide to give Wynn Resorts the boot. "If they pull the license, it'll be a big question and they'll have to make a determination, what to do with a building that's half-built and what to do with all the people that are working there," Capuano said yesterday on Boston Herald Radio. "I know that'll be a factor in the decision-making too, the state is not blind to that aspect of it." Capuano said it is important that the state be prepared to move if Wynn's gaming license is revoked.

[Click here to read the full article in the Boston Herald](#)

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## Riverboat casino owner considering possible move to Tangipahoa Parish

February 2, 2018

LOUISIANA- (Tyler Bridges, The Advocate) - In a surprise move, rural Tangipahoa Parish - just west of St. Tammany Parish - is being eyed for a potential riverboat casino. The owners of the DiamondJacks riverboat casino in Bossier City announced Friday that they are considering whether to upgrade their facility there or move it to the Tangipahoa River just south of Interstate 12. For Peninsula Pacific, a Los Angeles-based company, to make the move, the Legislature would have to make several changes in state law, and the voters of Tangipahoa Parish would have to approve it in a special election. "This is a long process, and this is only the first step," Ronnie Jones, the chairman of the Louisiana Gaming Control Board, said in an interview. His board also would have to approve any move.

[Click here to read the full article in The Advocate](#)

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## Top Challenges Facing Macau If China Casino Monopoly Ends

February 1, 2018

MACAU- (Daniela Wei, Bloomberg) - A plan to allow gambling on the Chinese island of Hainan and pave the way for casinos less than 300 miles from Macau could pose a challenge to the \$33 billion industry fueling revenue for Las Vegas Sands Corp. and Wynn Resorts Ltd. Government agencies are considering allowing online betting and other gambling on Hainan Island, and the proposal could

open the door to physical casinos south of the former Portuguese colony, according to people familiar with the talks. The move would reshape gaming in China's territories, especially in Macau, which is hosting a surge of mainland visitors. Currently, Macau and Hong Kong are the only Chinese cities where gambling is allowed, while Macau is the only one that hosts casinos.

[Click here to read the full article in Bloomberg](#)

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## **Can a \$1.2 Billion Casino Lure Asian Tourists to the Catskills?**

February 1, 2018

NEW YORK- (Bruce Einhorn and Christopher Palmeri, Bloomberg) - If a billionaire from Malaysia has his way, Asian tourists will soon be flocking to the Borscht Belt region in the Catskills Mountains that was once the summer home for generations of Jewish New Yorkers. Empire Resorts Inc., controlled by Lim Kok Thay, chairman of Genting Bhd., on Feb. 8 will open Resorts World Catskills, a \$1.2 billion casino, hotel and entertainment complex at the site of the old Concord Resort Hotel, the largest of the upstate New York resorts that helped launch the careers of Rodney Dangerfield, Jerry Lewis, Sid Caesar, Joan Rivers and other Jewish comedians. In a bid to revive the upstate economy, New York awarded licenses in 2015 to Empire Resorts and two other casino operators for Las Vegas-style resorts.

[Click here to read the full article in Bloomberg](#)

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## **Legalize casinos to pay for pensions? Kentucky lawmakers look to pass gambling bill in 2018**

February 1, 2018

KENTUCKY- (Tom Loftus, Louisville Courier Journal) - Gov. Matt Bevin's proposed 2018-20 state budget starkly illustrates Kentucky's desperate need for more revenues and state lawmakers must take a close look at the option of legalizing casinos. That's the pitch supporters of legalizing casino gambling made Thursday at a press conference at the state Capitol Annex - the reason why they believe the measure that has failed year after year in Frankfort has at least an outside shot at passage this time. "It's going to be hard and it's going to take people contacting their legislators and saying 'I want to vote on this because I think Kentucky needs more revenue,'" Rep. Jerry Miller, a Louisville Republican who sponsors the proposed constitutional amendment legalizing casinos, said in an interview prior to the news conference.

[Click here to read the full article in Louisville Courier Journal](#)

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## **Intralot Signs 10-Year Contract With Camelot For Illinois State Lottery**

February 1, 2018

ILLINOIS- (Chris Sfatos, Group Director Corporate Affairs) - Intralot S.A. announces the signing of a new contract for Intralot Inc., a subsidiary of the Intralot Group in the United States, with Camelot Illinois LLC for the Illinois State Lottery. Intralot will provide Camelot Illinois with innovative system solutions and a full suite of end-to-end systems through October 2027. The expected revenue of this multi-year contract for Intralot is estimated at approximately \$340M. Intralot will provide these services in line with the Private Management Agreement (PMA) held between the State of Illinois, the Department of the Lottery and Camelot Illinois LLC. Intralot will install technology solutions in approximately 7,500 retail locations. Intralot services are planned to transition in December 2018.

[Click here to read the full press release](#)

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## Macau Casino Regulators Look Into Allegations Against Wynn

January 30, 2018

HONG KONG- (Kelvin Chan, AP Business Writer) - The China arm of Steve Wynn's casino empire said Tuesday it will comply with Macau regulators as they seek more information about sexual misconduct allegations against the Las Vegas billionaire. Wynn Macau Ltd. said it will "fully cooperate with any requests" from authorities in Macau, the company said in a statement to the Hong Kong stock exchange. Macau, a former Portuguese colony near Hong Kong, is the world's most lucrative casino market and the main source of profits for Wynn and other foreign gambling companies. The statement came after Macau's gambling regulator said it was concerned about reports Wynn, 76, might have been "involved in inappropriate behavior in the United States."

[Click here to read the full article in U.S. News & World Report](#)

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