

# Innovation Capital

*Investment Bankers*



**Gaming Newsweekly**  
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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:

### Wynn Resorts' \$5 billion problem

February 15, 2018

WORLDWIDE- (Contessa Brewer, CNBC) - Wynn Resorts has a problem beyond just the resignation of founder Steve Wynn: a \$5 billion problem. That's how much could be on the line in the lawsuit with his co-founder and former partner Kazuo Okada. In 2002, the Japanese pachinko king was the money man behind the launch of the company, with Okada and Steve Wynn each owning approximately 20 percent of the shares. But in 2010, when Steve and Elaine Wynn divorced, they and Okada signed a shareholder agreement limiting the sale and control of their shares. At the time, Okada was becoming the largest shareholder of the split in the Wynns' shares. In 2012, Wynn Resorts pushed Okada out and forcibly redeemed his roughly 25 million shares, at a 30 percent discount, for \$1.9 billion over allegations Okada had bribed Filipino gaming officials. Now in 2018, with scandals swirling, Okada and Aruze USA, Okada's former holding company, are going to trial against Wynn Resorts. Aruze USA held the shares of Wynn Resorts.

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

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### Once near death, Tropicana now No. 2 casino in Atlantic City

February 17, 2018

ATLANTIC CITY- (Wayne Perry, Associated Press) - Ten years ago, Atlantic City's Tropicana casino was on the verge of death, having been stripped of its casino license after its then-owners laid off vast swaths of the workforce, leading to filthy rooms, insect infestations, hourlong waits for slot machine payouts and food and drink orders that often never arrived. Now, after years of reinvesting in and renovating the casino floor, hotel rooms and eateries, the Tropicana has become the No. 2 casino in the city in terms of gambling revenue - a position it will need to fight to retain as two additional casinos

open on the Boardwalk this summer. The Tropicana ended 2017 second among Atlantic City's seven casinos in terms of total gambling revenue with \$390 million, trailing only the perennial market leader Borgata, which had more than \$800 million. Internet gambling winnings worth \$42.5 million helped Tropicana pass Harrah's, which had long been the city's No. 2 casino in overall revenue.

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

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## **Steve Wynn will not be getting a severance package**

February 16, 2018

LAS VEGAS- (Chris Isidore, CNN Money) - The Wynn Resorts founder and CEO resigned last month after numerous women accused him of sexual misconduct. He would have been owed hundreds of millions in severance had he been fired. But Wynn agreed to leave without a golden parachute. No bonus. No severance. No compensation of any sort in connection with his resignation, according to a statement Wynn Resorts filed to the SEC on Friday. The agreement also says that Wynn has to leave a villa he lives in on the property of the Wynn Las Vegas no later than June 1, and that he will pay rent for the property until he leaves. The agreement also states that he'll keep his health insurance through the end of the year and administrative support until the end of May. He'll be barred from competing with Wynn Resorts for two years, and will also be required to "provide reasonable cooperation" in any litigation brought against the company.

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

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## **Sports betting: New Jersey expects Supreme Court win and is preparing**

February 16, 2018

NEW JERSEY- (Herb Jackson, Washington Correspondent) - It may be weeks or even months before the U.S. Supreme Court rules, but New Jersey expects to win its attempt to end Nevada's virtual monopoly on sports betting, and it is taking steps to get ready. The director of the state Division of Gaming Enforcement told a global industry conference in London last week that companies offering sports betting platforms should apply for licenses now if they want to get in on the action in Atlantic City. "Don't sit back and wait for the regulations," DGE Director David Rebuck said, according to casino.org and other industry publications covering the conference. "If you sit and wait, you will be left behind."

[Click here to read the full article at North Jersey.com](#)

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## **Atari to launch cryptocurrency token for use in casinos, gaming platforms**

February 16, 2018

MICHIGAN- (Charlie Osborne, Between the Lines) - Atari has revealed plans to create a company token and potentially develop cryptocurrency-based casino platforms. The company, commonly associated with arcade classics such as Asteroids, Pac-Man, Space Invaders, and Pong, seems to believe new life can be breathed into the casino industry through cryptocurrency. Last week, Atari announced plans to create its own cryptocurrency variant, called the Atari Token, which would be "associated with a blockchain platform in the field of entertainment." In order to facilitate the project, Atari has secured a small stake in Gibraltar-based Infinity Networks. Under the terms of the equity deal, Atari has not provided a cash investment, but rather has permitted the firm to use its brand under a long-term licensing agreement.

[Click here to read the full article at ZD Net.com](#)

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## **Odds are improving for a Seminole gambling deal in the Legislature**

February 16, 2018

FLORIDA- (Dan Sweeney, Sun Sentinel) - The Florida Legislature is showing its hand in another attempt to bring the Seminole Tribe into a new, lucrative gambling agreement with the state. The new deal would potentially end greyhound racing, bring craps and roulette to Seminole casinos and allow designated-player games. Under a draft agreement the tribe has shown several state lawmakers, it would now be willing to consider designated-player games and fantasy sports leagues such as FanDuel and DraftKing, both of which it had previously said were in violation of its agreement with the state.

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

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## **Korea dreams of rivalling Macau with \$4.5bn casino city**

February 16, 2018

KOREA- (GCR Staff, Global Construction Review) - Chinese developer LongRunn, which specialises in big tourist attractions, has signed a deal to build a 76,000-sq-m resort on an artificial island near the South Korean city of Incheon. Under the deal, signed in Singapore on Sunday, LongRunn agreed to purchase a parcel of land on Yeongjong Island for \$80m and to use it for a \$4.5bn development to be called "Diamond City". The island was built for Incheon International Airport. It is connected to the mainland by the Incheon Bridge. The head of the Incheon Free Economic Zone, Kim Jin-yong, said the contract would help Yeongjong Island compete with Las Vegas and Macau. LongRunn says the development will have a seven-star hotel, a casino, office towers, malls, schools and a medical centre specialising in cosmetic surgery.

[Click here to read the article in Global Construction Review](#)

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## **A Chinese Casino Has Conquered a Piece of America**

February 15, 2018

CHINA- (Matthew Campbell, Bloomberg) - Dr. Marty Rohringer was ending a graveyard shift at the lone hospital on Saipan, the exceptionally remote U.S. island, when four Chinese men arrived with a body. The figure they had with them-a middle-aged man, also Chinese, naked but for his underwear-was unresponsive, and had clearly suffered severe trauma. As an orderly lifted him onto a gurney, the four men indicated in broken English that he had fallen from a hotel-room balcony. Rohringer began to evaluate the man under the ER's harsh fluorescent lights. His skin was pallid and turning blue, and it was obvious that he could not be revived. One of the men who'd arrived with the body started to mime chest compressions: Was there really nothing to be done? Rohringer pronounced the man dead just before 8 a.m. on March 22, 2017. Already, the medical staff suspected that the story of his fall was a lie.

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

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## Government may limit casino visits to 10 per month, to be tracked using My Number identity cards

February 15, 2018

JAPAN- (The Japan Times) - The government on Thursday presented ruling lawmakers with a plan to limit the number of times people can enter casinos to around 10 visits per month. The plan is part of measures to prevent gambling addiction, but it has already met with opposition from lawmakers of the Liberal Democratic Party, led by Prime Minister Shinzo Abe, with some saying the envisioned restriction is too strict. Amid differences of opinions between the government and the ruling coalition of the LDP and Komeito, both sides will continue negotiations. A law that took effect last year ended a ban on casinos in the nation as long as they are part of "integrated resorts" that combine hotels and large event facilities, but further legislation is required to dictate how those entertainment venues will be allowed to operate.

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

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## Atlantic City casino gaming revenue down 10% in January

February 14, 2018

ATLANTIC CITY- (Nicholas Huba, Press of Atlantic City) - A blizzard last month contributed to the resort's seven casinos seeing gaming revenue fall almost 10 percent, according to state gambling figures released Wednesday. The city's total gambling revenue of more than \$184.3 million in January compared with about \$204.6 million in January 2017, according to the data. A Jan. 4 storm dropped more than 1 foot of snow on the region, leaving many would-be gamblers unable to get to the resort, so the revenue drop came as no surprise to Jim Plousis, chairman of the state Casino Control Commission.

[Click here to read the full article in the Press of Atlantic City](#)

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## Harrah's wants to add 2nd luxury hotel to its New Orleans casino site

February 14, 2018

NEW ORLEANS- (Jennifer Larino, The Times-Picayune) - Harrah's New Orleans Casino wants to build a new, 340-room luxury hotel on top of its existing casino site at the foot of Canal Street. The hotel would go up where the casino's main entrance and driveway is currently located just off the intersection of Canal and Convention Center Boulevard. Harrah's is pitching the 24-story hotel to state and local lawmakers as part of a \$350 million plan to update its facilities and give visitors more entertainment options outside of gambling. The plan includes upgrades and additions to dining and entertainment at the casino as well as Fulton Street, but no gaming expansions.

[Click here to read the full article in The Times-Picayune](#)

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## MGM Resorts opens \$3.4 billion casino in Macau as revenues boom

February 13, 2018

MACAU- (Reuters Staff, Reuters) - MGM Resorts opened its \$3.4 billion casino resort in the Chinese-controlled territory of Macau on Tuesday, just days ahead of the Lunar New Year holiday, hoping to ride a boom in business in the world's biggest gaming hub. MGM Cotai, which will more than triple the number of MGM's hotel rooms in the former Portuguese colony to 1,972, marks a major expansion in non-gaming attractions amid uncertainty over the renewal process of its casino license that expires in two years.

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

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