

# **Innovation Capital**

*Investment Bankers*



**Gaming Newsweekly**  
For the week ended May 13th, 2018

## **Innovation Capital Contacts:**

**Matt Sodl**  
Founding Partner, President &  
Managing Director  
(310) 335-9191  
[msodl@innovation-capital.com](mailto:msodl@innovation-capital.com)

**Tadashi Wakabayashi**  
Managing Director - Japan Gaming Consultant  
+81-80-5424-6804  
[twakabayashi@innovation-capital.com](mailto:twakabayashi@innovation-capital.com)

**Alex Wang**  
Vice President  
(310) 335-9909  
[awang@innovation-capital.com](mailto:awang@innovation-capital.com)

**Mike Martin**  
Financial Analyst  
(310) 335-9339  
[mmartin@innovation-capital.com](mailto:mmartin@innovation-capital.com)

**Melissa Blau**  
Strategic Advisory Partner  
iGaming

**Kevin Scheible**  
Partner &  
Managing Director  
(310) 335-9907  
[kscheible@innovation-capital.com](mailto:kscheible@innovation-capital.com)

**Ben Martinez**  
Director - Native American  
(214) 336-3819  
[bmartinez@innovation-capital.com](mailto:bmartinez@innovation-capital.com)

**Kevin Edler**  
Financial Analyst  
(310) 335-9292  
[kedler@innovation-capital.com](mailto:kedler@innovation-capital.com)

**Shannon Sharp**  
Office Manager  
(310) 335-9333  
[ssharp@innovation-capital.com](mailto:ssharp@innovation-capital.com)

**Ben Lee**  
Strategic Advisory Partner  
Asia Gaming

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



## **Innovation Capital is attending G2E Asia**

May 15 - 17, 2018 | Venetian Macau

Please contact Matt Sodl if you have plans to be in Macau:

Matt Sodl

Founding Partner, President & Managing Director

[msodl@innovation-capital.com](mailto:msodl@innovation-capital.com)

(310) 648-2572 [mobile]

### **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: **gold** (case sensitive).

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

[Public Company Trading Comparables](#)

[High Yield Bond Trading Levels](#)

### **Featured Article:**

**Zagames look to sell pubs, casino for \$300m**

May 9, 2018

MELBOURNE- (Simon Johanson, The Sydney Morning Herald) - The wealthy Zagame family have put their Melbourne gaming pub operations up for sale alongside the Grand Hotel & Casino resort in Vanuatu with market expectations of about \$300 million. The pubs, which generate revenues of more than \$94 million, have entitlements to 490 pokie machines and will be sold as freehold going concerns. They include the Reservoir Hotel, Caulfield Club, Boronia Hotel, Ballarat Club and Victoria's fourth-ranked gaming venue, the Berwick Springs Hotel. The pubs and Vanuatu casino are owned by Robert and Victor Zagame, the sons of family patriarch Victor Zagame, who passed away late last year after building the family's hospitality business from its start in Northcote's Albion Charles Hotel in 1971.

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

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## **Casino mogul Sheldon Adelson cuts \$30M check to GOP amid Dems' 'blue wave' fears**

May 11, 2018

UNITED STATES- (Lukas Mikelionis, Fox News) - Las Vegas casino magnate Sheldon Adelson has committed to a \$30 million cash infusion for a House Republican group, a move that will boost GOP chances of fighting off energized Democrats in the midterm elections. The donation to the House GOP-aligned Congressional Leadership Fund was sealed last week when Speaker Paul Ryan and his entourage met with the mogul at his hotel, where he explained the importance of his money in maintaining the Republicans' House control, Politico reported. Due to laws guiding political contributions, Ryan, like any other federally elected official, couldn't solicit a donation as big as \$30 million. Instead, Norm Coleman, the former Minnesota senator who chairs the Republican Jewish Coalition, was tasked with asking for the donation while Ryan left the room, the report said.

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

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## **MGM Resorts Announces \$2B Stock Repurchase, Hints Potential Wynn Acquisition is No More**

May 11, 2018

LAS VEGAS- (Devin O'Connor, Casino.org) - MGM Resorts says it plans to repurchase \$2 billion worth of its own shares over an unspecified period of time, a motion that shows company executives are bullish on its future. The \$2 billion repurchase follows a \$1 billion stock buy announced last September. In a release, MGM says that buyback has been successfully completed, with roughly 30 million shares now once again owned by the company. Stock repurchases are typically carried out when company executives are optimistic, and believe the company's stock price is trading at an undervalued level. The \$2 billion purchase plan is around 10 percent of MGM Resorts' total market value.

[Click here to read the full article Casino.org](#)

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## Donald Trump's Failed Atlantic City Casino Receives New Gambling License

May 10, 2018

ATLANTIC CITY- (Brian Pempus, Card Player Media) - President Donald Trump's former Trump Taj Mahal casino in Atlantic City is now approved for gambling once again. New Jersey casino regulators on Wednesday gave the revamped casino, now named Hard Rock Atlantic City, the OK to offer brick-and-mortar gambling. The casino is expected to begin taking bets again in late June. The former Trump Taj Mahal closed in October 2016 after a string of other casino closings in the seaside gambling town. President Trump opened the Taj in 1990 at a cost of more than \$1 billion and boasted that it was the "eighth wonder of the world." It quickly went bankrupt but managed to stay in business. The Taj was the city's top grossing casino until the Borgata overtook it in 2003. At the time it closed, the casino was the worst performing in the Atlantic City.

[Click here to read the full article in Card Player Media](#)

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## Disney, Seminoles sink \$10m into gambling issue

May 10, 2018

TALLAHASSEE- (The News Service of Florida) - In a major escalation of their support, Disney Worldwide Services and the Seminole Tribe of Florida each plowed \$5 million last month into a proposed constitutional amendment that would make it harder to expand gambling in the state. Disney and the tribe had already provided almost all of the money for the political committee Voters In Charge, which collected enough signatures to get the amendment on the November ballot. But with the \$5 million contributions in April, Disney had funneled a total of \$9.655 million, while the tribe had contributed \$6.775 million, according to a state campaign-finance database. Disney has long opposed the possibility of casino gambling in the state. The tribe, meanwhile, operates casinos but has battled proposals that could expand gambling at pari-mutuel facilities.

[Click here to read the full article in Fox 51](#)

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## Casino Companies Get Good News From Japan

May 10, 2018

LAS VEGAS- (Rich Duprey, The Motley Fool) - Global casino operators had a run of good luck recently after the cabinet of Japanese Prime Minister Shinzo Abe passed a casino bill that would legalize casino gambling in the country. While many observers had been expecting two licenses to be initially approved, the cabinet has called for three, along with other measures that could help spawn a viable industry. With a June 20 deadline before Japan's legislature adjourns, the prime minister is pushing for the Diet to take up and approve the bill. Unlike in the U.S., important legislation in Japan typically emanates from the cabinet, and the legislature -- called the Diet -- then considers it. Cabinet members are also typically members of the Diet. According to The Japan Times, last year, the Cabinet proposed 75 laws, all but four of which were passed by the Diet while just 12 bills were approved from the 164 that were initiated from within the Diet.

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

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## **Hard Rock Granted Casino License in Atlantic City**

May 9, 2018

ATLANTIC CITY- (Wayne Parry, Associated Press) - Hard Rock had an easy time with New Jersey gambling regulators on Wednesday, gaining a license to reopen a casino and begin Atlantic City's recovery from a string of gambling hall closures on a property that President Donald Trump once hailed as "the eighth wonder of the world." The Casino Control Commission granted a license to Hard Rock, the worldwide hotel, gambling and entertainment company owned by Florida's Seminole Indian tribe. It is reopening the former Trump Taj Mahal. The casino is set to reopen on June 28 - the same day as another shuttered Boardwalk casino, the former Revel property, that will open as the Ocean Resort Casino. Together, the new casinos will restore as many as 6,500 of the 11,000 jobs Atlantic City lost when five of its 12 casinos went out of business since 2014. Casino officials say Hard Rock has received 50,000 applications for 4,000 jobs.

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

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## **50,000 Las Vegas casino workers to vote on strike over contract**

May 9, 2018

LAS VEGAS (Las Vegas Sun) - The union representing 50,000 Las Vegas casino employees whose contracts will expire at the end of the month announced Wednesday the workers are set to vote on whether to strike, a move that could cripple the city. The Culinary Union will hold the strike vote May 22 at a university arena near the Las Vegas Strip. A majority of yes votes would allow the union's negotiators to call for a strike at any time starting June 1. "On May 22, thousands of union members will show casino employers that workers are going to fight for security and that they are not going to be left behind as companies are making record profits and getting windfall tax breaks," Geoconda Arguello-Kline, the union's secretary-treasurer, said in a statement. A strike would empty 34 casino-hotels on the Strip and in downtown Las Vegas of kitchen employees, food and cocktail servers, housekeepers and other workers key to running a resort.

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

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## **Jack Cleveland Casino has lowest April revenue in history, trails other three Ohio casinos; monthly casino/racino report**

May 9, 2018

CLEVELAND- (Karen Farkas, Cleveland.com) - Jack Cleveland Casino had the lowest April revenue in its history and was the only one of four casinos and seven racinos in Ohio to show a decline in April revenue compared to April 2017. The casino's revenue decline, from \$17.5 million in April 2017 to \$17.2 million last month, occurred despite a new area for electronic table games called Synergy, which opened at the end of March. The gaming area, aimed at millennials, includes 28 electronic play stations, giant video displays and a live DJ. The Ohio Casino Control Commission initially reported May 7 that the casino's April revenue was \$16.7 million, but acknowledged May 9 that it had made an accounting error.

[Click here to read the full article in Cleveland.com](#)

## **Ocean Resort Casino to open same day as Hard Rock**

May 8, 2018

ATLANTIC CITY - (News 12 New Jersey) - Atlantic City's Ocean Resort Casino says it will open the same day as the Hard Rock casino. Bruce Deifik, who owns the former Revel casino, says the Ocean Resort will be ready for guests on June 28. Revel closed back in September 2014 and was one of five Atlantic City casinos to go out of business since 2014. The group also included the former Trump Taj Mahal, which closed in October 2016 and is reopening as the Hard Rock. According to Ocean Resort CEO Frank Leone, June 28 will be a special day for Atlantic City, as it marks the beginning of a revitalization. The two casinos will combine to restore about 6,500 of the 11,000 casino jobs lost since 2014 due to shutdowns.

[Click here to read the full article in News 12 New Jersey](#)

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## **Far East Consortium sets sail in Europe with TWC acquisition**

May 8, 2018

HONG KONG- (Niji Ng, European Gaming) - Far East Consortium International Ltd. (FEC), a Hong Kong-based business conglomerate, has signed a new deal to acquire Trans World Corp (TWC), which would allow it to operate casino in Czech Republic. The deal offers an ideal launching pad for FEC in Europe, as TWC has several facilities in Germany and Austria as well. The amount for acquisition is not officially released. Still, in FEC's financial filing in March indicates the amount would be around \$42 million, pending any adjustments necessary for "dissenting" shareholders. In March, FEC announced that it would be negotiating a deal, through its FEC Overseas Investment Ltd. subsidiary, with a firm that operated gaming businesses in the Czech Republic. It detailed the firm as being TWC, which holds gaming licenses in the country, which allow it to offer "live and technical games" in three different casinos. The licenses were issued in January, and are valid for three years. The deal hinged on the approval of regulators in Nevada, where its overseas investment company is registered.

[Click here to read the article in European Gaming](#)

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## **Mass. Removes Steve Wynn From Casino License**

May 7, 2018

BOSTON- (The Associated Press) - Massachusetts casino regulators have agreed to remove Steve Wynn from the license his former company was issued to operate a resort under construction near Boston. Wynn resigned as chairman and chief executive of Wynn Resorts in February following sexual misconduct allegations that he has denied. Wynn's lawyer requested last month his client be removed as a "qualifier" for the casino project because he no longer has a financial interest in or a business association with the company he founded. The Massachusetts Gaming Commission agreed in a written ruling issued on Monday. But the decision does not end a separate investigation by the commission into Wynn Resorts and its handling of the sexual misconduct allegations. The company recently announced it would change the casino's name from Wynn Boston Harbor to Encore Boston Harbor.

[Click here to read the full article in New Jersey On-Line](#)

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