





New Jersey
Casino Control
Commission





1977

40 years of service

2017





THE 2017 ANNUAL REPORT OF THE **NEW JERSEY** CASINO CONTROL COMMISSION





State of New Jersey Governor Phil Murphy

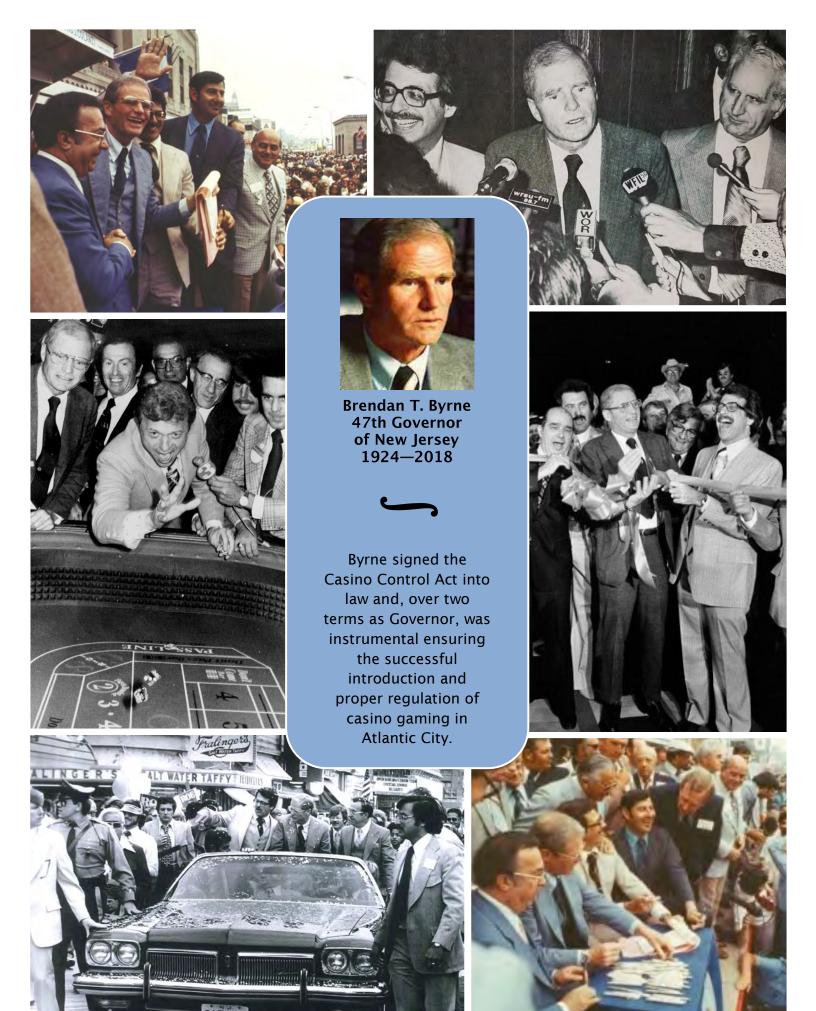
Atlantic City Casinos and Windmills, Photo Credit: iStock.com/JodiJacobson

Atlantic City, Photo Credit: iStock.com/modeh90
Gambling Poker Hand Royal Flush, Photo Credit: iStock.com/ChuckSchug Photography
The Boardwalk and Casinos, Photo Credit: f11photo/Shutterstock.com
Atlantic City, New Jersey, Photo Credit: iStock.com/Aneese
Lifeguard Boat on the Beach, Photo Credit: iStock.com/Gizelka

Atlantic City New Jersey, Photo Credit: iStock.com/EyeJoy

Adiantic City (1974) and Secret folder, Photo Credit: IStock.com/nicomenijes Caesars AC, Photo Credit: Rachael Grazias/Shutterflystock.com

The Deck at Golden Nugget, Photo Credit: Atlantic City Alliance/Golden Nugget



CONTENTS

04	Message from the Chairman
07	Members of the Commission
9	Casino Control Act: 40 Years
11	Organizational Statements
12	Organizational Chart and Statistics
14	Team Building; Outreach and Training
15	Chief of Staff's Office
18	General Counsel's Office
20	Division of Regulatory Affairs
24	Atlantic City Casinos
33	Spotlight on Atlantic City
35	Internet Gaming
39	Revenues, Expenses, and Disbursements
1	

MESSAGE FROM THE CHAIRMAN

James T. Plousis 2017 ANNUAL REPORT MESSAGE

orty years ago, then-Governor Brendan T. Byrne rode in a motorcade down Atlantic City's Boardwalk through cheering crowds as a band played "Happy Days Are Here Again." It was June 2, 1977 and his destination was a stage set up in front of Boardwalk Hall. There, Byrne signed into law the Casino Control Act – the law that created this agency and authorized the start of casino gambling in New Jersey. For the remainder of his first term and through his second term, he was instrumental in ensuring the successful introduction and proper regulation of casino gaming. New Jersey was saddened by his passing in early 2018. This report opens with a special page commemorating Governor Byrne with scenes of his involvement in Atlantic City. Those images capture the excitement and anticipation that was so prevalent in those early days of casino gaming here.

The Casino Control Act declared as public policy, "Atlantic City and its resort, tourist and convention industry represent a critically important and valuable asset in the continued viability and economic strength of the tourist, convention and resort industry of the state of New Jersey." It initiated a much-needed rebirth of Atlantic City – in the preceding 10 years, the shuttering of hotels had sapped more than 6,000 rooms from the city's inventory, leaving it incapable of hosting any significant size convention.

In the decades that followed, new hotel rooms totaling more than twice that number were added. Casinos created tens of thousands of new jobs that fueled the local and regional economy. There was an explosion of new housing across the region, and an enormous number of businesses opened or expanded to service the casinos and serve the needs of the growing local population. Happy days indeed were here again.

But after 29 years of year-over-year increases in gaming revenue, the tables turned. The industry here was hit a double whammy – a collapsing economy and an explosion of new casinos just across our borders in other states. Profits in Atlantic City fell and casino hotels closed. That led to increased state control over the city, efforts to stabilize casino property taxes, and a redirection of casino reinvestment funds to service municipal debt. The decline stopped and things started to move upward again.

In the fortieth year of casino gaming, it appears the happy days are returning once again and the future looks promising. Revenues and profits – which had increased modestly in 2016 – continued to improve in 2017. Every single casino won more in 2017 than in 2016. In each quarter during 2017, gross operating profits were higher than in the comparable period in 2016. For the full year, both gaming revenue and profits were up. In fact, profits for the current operators were up over 22 percent for the year.

MESSAGE FROM THE CHAIRMAN

"Revenues and profits
- which had increased modestly in 2016 - continued to improve in 2017.

Every single casino won more in 2017 than in 2016."

n 2017, several casinos continued to upgrade and invest in their hotel rooms. The hotel occupancy rate for the current operators increased 1.7 percent from 2016, and revenue from hotel rooms increased 3.8 percent. For the second year in a row, the number of employees directly employed by the seven casinos increased. At year end 2017, the current operators employed 22,178 people and salaries and wages rose 1.1 percent. Add to that the thousands of workers employed by third party businesses, outside vendors, and construction workers employed at several projects throughout the city.

With results like those, you can see that there is a transformation underway in Atlantic City. Investor confidence has been returning. As we completed 2017, Hard Rock was transforming the former Trump Taj Mahal at a cost of more than a half a billion dollars. This well-known brand has a track record of offering a broad range of artists at its venues around the world. I am confident it will attract new visitors and encourage past visitors to return here. It will further solidify the city's reputation as a great destination for experiencing all kinds of entertainment. In addition, The Ocean Resort and Casino purchased and is reopening the former Revel Casino Hotel. It will bring a wide range of restaurants and other unique amenities, including Topgolf Swing Suite virtual golf, a first for Atlantic City.

Interestingly, these two properties alone will have more first class hotel rooms than all of Atlantic City did 40 years ago. With them back in the city's inventory, it will be easier to attract the larger conventions, conferences and trade shows that can keep the city and the industry vibrant during mid-week, non-summer months.

Another major impact will be the introduction of legalized sports wagering at Atlantic City's casinos. It will create a new amenity for our casinos that will draw new customers here and add a new level of excitement.

The transformation of Atlantic City can be seen in more than just the casinos. By the fall of 2018, students will be enrolled in classes and 533 of them will be living at a new campus of Stockton University in Atlantic City. The \$220 million complex will house a new office building for South Jersey Industries as well as retail and recreational space, a coffee shop, restaurant, fitness center and other amenities. The combination of educational and business activities will bring a lot of diversity and excitement to the neighborhood around the campus at Albany Avenue and the Boardwalk.

MESSAGE FROM THE CHAIRMAN

ptown, near the Hard Rock and Ocean Resort complexes, Boraie Development is completing an \$85 million project that will include 250 new apartments along with a pool, retail space and other luxury touches that will provide attractive market-rate housing in the city.

In the Commission's own neighborhood of Tennessee Avenue, another exciting rebirth is taking shape. A yoga studio, coffee shop, chocolate bar and beer hall are all part of a "renaissance" and vision to make a "better block for a better Atlantic City."

I was asked to take over as chairman of the Commission in late 2017. The credit for much of the Commission's accomplishments over the year goes to my predecessor, Chairman Matthew Levinson. In his last year as chairman, the Commission handled a number of major issues, including several dealing with the reorganization of Caesars Entertainment and its affiliated entities. The Commission and its staff also implemented several initiatives designed to improve efficiency and modernize operations. Those matters are addressed in detail elsewhere in this report.

Under my chairmanship, the Commission is recommitted to its vision to "be a key partner and catalyst in promoting the general welfare, health, and prosperity of New Jersey." I will contribute where possible and appropriate to help promote cooperation in the regional tourism industry. I will bring a strong desire to help unemployed veterans by making them aware of the myriad job opportunities that exist in the casino industry. I will also help to bring attention to the many non-profit groups that work diligently, often behind the scenes, to improve Atlantic City. A new section in this report entitled "Spotlight on Atlantic City" highlights the Atlantic City Arts Foundation, which is working to deliver diverse arts and culture programs to enrich the quality of life of residents and visitors alike.

"Another major impact will be the introduction of legalized sports wagering at Atlantic City's casinos."

In closing, I am well aware of the Commission's long history and reputation prior to my arrival here. As a career law enforcement officer, I knew about the efforts this Commission made to keep organized crime out of the ownership or operation of casinos. Over its forty years, the Commission has held all licensees to the highest standards of good character, honesty and integrity. I am committed, along with my fellow commissioners and my staff, to continuing this strong tradition as we move forward into a new period of rebirth for Atlantic City.

Very truly yours,

James T. Plousis Chairman

land Thurs

MEMBERS OF THE COMMISSION

James T. Plousis was sworn in as the eighth chairman of the New Jersey Casino Control Commission on December 26, 2017 after his appointment by Governor Christie.

A native of Philadelphia, Plousis has a law enforcement career that spans more than four decades prior to joining the Commission. He served six terms as Sheriff of Cape May County, beginning in 1984. On March 25, 2002, he was sworn in as the United States Marshal for the District of New Jersey, following his nomination by President George W. Bush and confirmation by the United States Senate. As U.S. Marshal, he oversaw offices in Newark, Trenton, Camden and Atlantic City.

On August 2, 2010, Plousis became chairman of the State Parole Board following his nomination by Governor Christie. Under his leadership, the board coordinated a statewide effort in support of veterans who become involved in the criminal justice system. The board partnered with the American Legion, the N.J. Department of Military and Veterans Affairs, and state and federal law enforcement agencies to address the of the inmate increasing segment population with prior military service.

Plousis was a member of the New Jersey Sheriffs' Association and served as its president for six years. He was also a member of the National Sheriffs' Association and was on its board of directors for three years.



James T. Plousis Chairman

He served on the board of the Federal Law Enforcement Training Center at Glynco, GA. He is a member of the United States Marshals Survivors Benefit Fund (USMSBF) and has served as the chairman of its executive advisory committee. The USMSBF is a private nonprofit corporation formed for charitable and education disbursements to the surviving family members of active U.S. Marshals, Deputy U.S. Marshals, Marshals Service employees and Special Deputy U.S. Marshals who are killed in the line of duty.

Plousis volunteers his time for Hand to Hand for Haiti which provides humanitarian support to the people of Haiti. He traveled to Haiti in 2014 with a team of nine missionaries who distributed 1,000 soccer balls to children of Haiti.

Plousis is a graduate of Slippery Rock University and of the Rutgers University Public Manager Program. He lives in Ocean City and has two adult children.

MEMBERS OF THE COMMISSION



Sharon Anne
Harrington became a
Commissioner in July
2009. She was
reappointed in June 2013.

Vice Chair

Harrington has served as Vice Chair an unprecedented six terms. During her tenure, the industry has been challenged with competition and economic turmoil, and has evolved from gaming-centric into a diversified entertainment destination.

Previously, Harrington served as Chair and Chief Administrator of the New Jersey Motor Vehicle Commission. Under her leadership, services were modernized and streamlined and it was regarded as one of the most successful agencies in the state. She was Vice Chair of the Region 1 Board of Directors of the American Association of Motor Vehicle Administrators and sat on the International Board.

Harrington has served as State Director for two U.S. Senators. Private sector experience included Managing Partner of Public Strategies Impact, a Government Relations/Public Affairs firm. Under four governors, she served as Chair of the New Jersey State Council on the Arts, working with policy leaders to advance support for the arts and cultural initiatives. She has served as a Commissioner of the State Ethics Commission, Urban Enterprise Zone Authority, and New Jersey Cemetery Board.

She currently serves as Chair of Art Pride New Jersey, the state's largest arts service organization. Previous community and philanthropic service includes, The Kennedy Center President's Advisory Council on the Arts, Atlantic City Special Improvement District Advisory Committee, New Jersey Symphony Orchestra, New Jersey Shakespeare Festival, Passage Theatre, New Jersey Performing Arts Center, Women of Irish Heritage of the Jersey Shore, as well as The New Jersey Cultural Trust.

Harrington is a graduate of Glassboro State College, now Rowan University, where she served on the Alumni Board and is currently a member of the President's Forum. She is married to George Sullivan. They reside in Bradley Beach.



Alisa Cooper was appointed Commissioner in August 2012. In 2014, she was reappointed to a five year term.

Commissioner

Cooper joined the Commission during a very challenging time for gaming in Atlantic City. As a Commissioner and with her extensive background and knowledge of the area, she has been involved in major decisions, allowing the industry to adapt to a changing market, re-invent itself and attract visitors for more than just gambling.

Born and raised in Atlantic City and an alumna of Atlantic City High School, Cooper earned a Bachelor of Science degree in Music Education from the University of Maryland. Upon graduation, she returned to Atlantic City where she had a successful career in the music and entertainment industry, owning "Alisa Cooper Orchestras" for several decades. Her lifelong passion for music also led to a long career as a music educator. In 2008, Cooper was appointed to the New Jersey State Council on the Arts, which enabled her to further promote music and the arts throughout the state.

In 2005, Cooper was elected to the Atlantic County Board of Chosen Freeholders and was re-elected in 2008. As an elected official, she served on various committees that positively impacted the lives of Atlantic County residents. Over her distinctive career as a professional musician, public official, and music educator, she has received numerous awards for her charitable activities. She has helped raise thousands of dollars for The Community Food Bank of South Jersey and the Atlantic County Animal Shelter. In 2014, Cooper was inducted into the "Atlantic County Women's Hall of Fame" for her commitment to public service and government.

Currently, she sits on the Board of the Community Foundation of South Jersey and is actively involved with a number of community, philanthropic, and civic organizations.

Cooper lives in Linwood with her husband Doug Little and their son, David Cooper Little, a student at Delaware Law School-Widener University.

1977

On October 4, the Commission conducted its first public meeting in the State House Assembly Chambers.

1978

On May 26, Resorts International became the first casino to open to the public.

1979

Boardwalk Regency (currently named Caesars Atlantic City) and Bally's Park Place opened.

1980

Three new casinos opened: The Brighton (later renamed the Sands), Harrah's Marina, and Golden Nugget (later renamed Bally's Grand, AC Hilton, and Atlantic Club).

1981

Three more casinos opened: Playboy (later renamed Atlantis), Claridge, and Tropicana.



1982

Playboy founder Hugh Hefner was found unqualified for a casino license (the New Jersey Supreme Court upheld the Commission's ruling and Hefner was required to divest his holdings).

1983

In April, the Casino Control Act was amended to raise the casino gambling age from 18 to 21, mirroring a change to the drinking age.

1984

Trump Plaza opened, in partnership with Harrah's.

Legislation created the Casino
Reinvestment Development Authority
and required that at least 1.25
percent of each casino's gross
revenues be invested in
redevelopment projects.

1985

Hilton Hotels was denied a casino license. Donald Trump bought the property and opened it six weeks later as Trump Castle (currently Golden Nugget).

1987

The Showboat opened.

The Casino Control Act was amended to create a system of interim casino authorization, providing for the orderly transfer of casino ownership.

1989

The financially plagued Atlantis Casino Hotel closed after it was denied renewal of its casino license.



990 800

1990

The Trump Taj Mahal (currently Hard Rock) opened.

The first multi-casino progressive slot machine system offering higher jackpots known as "Megabucks" was approved.

1991

The Casino Control Act was amended to give the Commission full authority to test and authorize new gambling games. In 1992, the games of Red Dog and Sic Bo were added.

1992

The Legislature permitted the Commission to authorize 24 hour gambling (extending the gaming day from 18 hours on weekdays and 20 hours on weekends).

CASINO CONTROL ACT: 40 YEARS

200

1993

The Commission approved Poker as a casino table game and authorized the game of Keno.

The Legislature approved a minimum two dollar casino parking fee to fund improvements to Atlantic City's corridor entry. The parking fee was raised to three dollars in 2003.

1997

The Wild West themed casino addition to Bally's Park Place opened in 1997.

1995

The Casino Control Act eliminated the provision prohibiting any licensee from owning more than three casinos. The Commission now ensures there is no undue economic concentration before issuing more than one license to an operator.

1999

The Atlantic City Aquarium was completed using casino regulatory budget savings.

1996

Until 1996, the Casino Control Act required the gaming floor to be a single room.

World's Fair opened as part of Trump Plaza, but closed in 1999.



SOO

2001

New Jersey started its Self-Exclusion Program for problem gamblers.

The first slot machine ticketing voucher system designed to make wagering and getting payments from slot machines easier was approved.

2004

Tropicana opened The Quarter, an Old Havanathemed shopping, restaurant, and nightclub area.



2006

Sands Hotel Casino (formerly the Brighton) closed. It was demolished in 2007 by Pinnacle Entertainment.

2007

Harrah's opened The Waterfront Tower, The Pool, and its popular nightclub, The Pool After Dark.

2011

Golden Nugget purchased and renovated the Trump Marina Casino Hotel.

The Casino Control Act has been amended numerous times over the years to meet the ever changing needs of New Jersey. The first changes occurred as early as 1978. In 2011, the Act was amended significantly to streamline the casino regulatory structure and realign the duties of the regulatory agencies.

2013

In February, legislation was signed authorizing Intrastate Internet gaming for Atlantic City, including peer-to-peer poker and other casino games.

2016

In October, Trump Taj Mahal closed. The property was sold to Hard Rock International in March 2017 and is scheduled to reopen in summer of 2018.

2014

Competition from casinos in nearby states led to the closure of four casinos: Atlantic Club, Showboat, Revel, and Trump Plaza.



2010s

ORGANIZATIONAL STATEMENTS



Build on our reputation as a leader in gaming regulation in an environment of efficiency, and be a key partner and catalyst in promoting the general welfare, health, and prosperity of New Jersey.



Mission

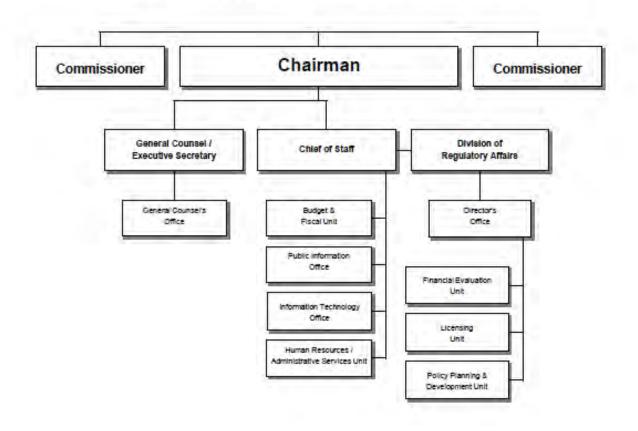
The Casino Control Commission promotes public confidence and trust in the credibility and integrity of the gaming industry as an independent licensing authority.

The Commission openly fosters partnerships and collaborates with all stakeholders while upholding objective and ethical standards with professionalism and integrity.



ORGANIZATIONAL CHART AND STATISTICS

NEW JERSEY CASINO CONTROL COMMISSION



Staffing

	FY 2016	FY 2017		
Filled Positions	40	38		
Authorized Positions	56	56		

From FY 2016 to FY 2017, the number of filled positions declined 5%.

ORGANIZATIONAL CHART AND STATISTICS

BUDGET SUMMARY

FOR THE FISCAL YEARS ENDED JUNE 30

	FY 2015	FY 2016	FY 2017
Request	\$8,205,000	\$7,941,000	\$7,738,000
Appropriations	\$8,205,000	\$8,166,000	\$7,738,000
Expenditures	\$6,008,242*	\$6,065,892	\$6,183,901
Resources Not Spent	\$2,196,758	\$2,100,108	\$1,554,099

BUDGET COMPARISON BY APPROPRIATION UNIT

FOR THE FISCAL YEARS ENDED JUNE 30 (\$ IN THOUSANDS)

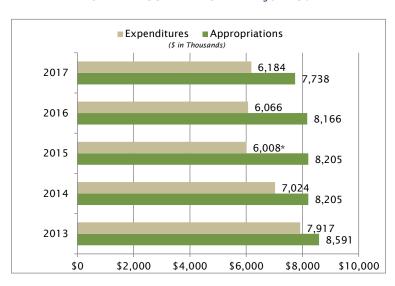
	FY 2015		FY 2016		FY 2017	
(\$ in Thousands)	Appropriated	Expended	Appropriated	Expended	Appropriated	Expended
Salaries & Fringe Benefits	\$6,018	\$4,752	\$5,987	\$4,444	\$5,543	\$4,526
Materials & Supplies	\$ 84	\$ 58	\$ 84	\$ 57	\$ 84	\$ 60
Services Other Than Personal	\$ 522	\$ 286	\$ 522	\$ 398	\$ 350	\$ 290
Maintenance & Fixed Charges	\$1,466	\$ 855*	\$1,466	\$1,147	\$1,466	\$1,088
Special Purpose	\$ 16	\$ 21	\$ 8	\$ 1	\$ 20	\$ 14
Capital Additions & Equipment	\$ 99	\$ 36	\$ 99	\$ 20	\$ 275	\$ 206
Total	\$8,205	\$6,008*	\$8,166	\$6,066	\$7,738	\$6,184

^{*}Includes a \$390,000 multi-year property tax appeal reimbursement.

FINANCE STATISTICS

FOR THE FISCAL YEARS ENDED JUNE 30

Over the past five years, the Commission's budget was reduced by 10 percent and it cut expenses by 22 percent.



TEAM BUILDING; OUTREACH AND TRAINING

In line with its Vision and Mission, the Commission reinforces the importance of a positive and professional work environment through team building, outreach, and training activities.

Health and Welfare



Hosted and participated in American Red Cross blood drives.

Offered Employees
First Aid/AED
Certification
Courses.



Partnerships and Collaboration

Participated in the New Jersey State Employees Charitable Campaign.



Partnered with the Governor's Office and Stockton University to offer internship opportunities.

Assisted the NJ Division of Fish and Wildlife with roof space for its oyster catcher nesting research project.

Professionalism and Integrity



Recognized employees for years of service.

Offered job enrichment training programs, such as NJ STEP Leadership Training, and continuing education classes for degree programs as well as the maintenance of professional licenses.

CHIEF OF STAFF'S OFFICE

David Scanlan, Chief of Staff

The Chief of Staff directs strategic planning, fiscal operations, agency-wide policy development, executive and legislative interaction, and the implementation of plans and policies. Under his direction, the agency operates pursuant to its core organizational values. The Commission's budget process, fiscal operations, human resources, information technology, public information, and all administrative matters are handled by employees who report to the Chief of Staff.

The **Budget** & **Fiscal Unit** is responsible for the Commission's annual budget, purchasing, asset tracking, and agency fiscal operations services. FY 2017 in review:

FISCAL & ENVIRONMENTAL RESPONSIBILITY

Directed the Commission's appropriation process, monitored the budget and cash flow, and safeguarded assets. Underspent its appropriation by \$1,554,000 or 20%. Savings are detailed below.

COMPLIANCE

Ensured agency-wide compliance with Treasury Circular Letters, Executive Orders, and other directives related to financial and administrative matters. Monitored related transactions and complied with required oversight reporting.

INTRAGOVERNMENTAL LIAISON Represented the Commission to Department of Treasury, Administration, Office of Management and Budget, Accounting Bureau, Contracts Compliance, and Purchase and Property Bureau, to facilitate effective and efficient processes.

SPACE UTILIZATION Collaborated with Department of Treasury to further consolidate the Commission's building footprint and make space available to other state agencies. Created a space sharing arrangement for the public meeting space and conference rooms.

FY 2017 Efficiencies and Savings



Total Appropriation Savings: \$1,554,000

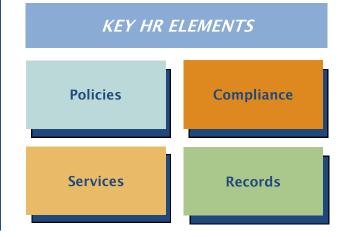
CHIEF OF STAFF'S OFFICE

Human Resources/Administrative Services Unit is responsible for all personnel and employee services including timekeeping, employee benefits, training, compensation and classification; facilities operations including building safety and security; and for the maintenance and storage of central files, personnel and training records. It also ensures agency compliance with all Civil Service Commission requirements and directives.

HR Highlights

- Worked with the Civil Service Commission to facilitate a personnel salary survey.
- Converted over 45,000 pages of Administrative files to electronic format, continuing the Commission's effort to reduce its carbon footprint.
- Organized an effort to transfer historical records and provided training to the record owners on retrieval as well as records retention practices and requirements.
- Coordinated building security upgrades to provide wireless redundancy during emergencies.
- Routinely met with staff to address employment concerns and responded to inquiries.

- Began reviewing and updating the agency's performance evaluation system for unclassified staff.
- Throughout the year, processed various training requests from employees.



Media Relations



The Public Information Officer reports to the Chief of Staff and is responsible for all media relations for the Commission. In addition, the Public Information Officer prepares a myriad of reports, presentations and speeches for the Chairman and serves as the Commission's Open Public Records Act (OPRA) custodian. In responding to OPRA requests, hundreds of records comprising more than 5,000 pages were reviewed.

CHIEF OF STAFF'S OFFICE

The **Information Technology Office** (I.T.) is responsible for administering the data processing needs of the Commission under the direction of the I.T. Management Team. The office provides for the security and high-availability of agency I.T. resources and provides services to employees of the Commission, the Division of Gaming Enforcement and other Arcade Building tenants, casinos, and the public. This includes administering enterprise-level systems, the network environment, and the remote access environment, which is used by both regulatory agencies and casinos to access the casino licensing and regulatory systems. I.T. ensures that its activities occur in accordance with generally accepted best I.T. practices, pertinent statutes, regulations, executive orders, state directives, and agency policies.

The I.T. Management Team oversees all I.T. activities and meets regularly to coordinate projects, discuss operational issues, identify opportunities, and to establish priorities. The Team also serves as the agency's Change Control Workgroup required by state Circular 14-05-NJOIT (Operational Security Policy).

Yearly Activities

Planning and Upgrades Deployment Maintenance Evaluating Future Alternative Hardware, Hardware and **New Servers** Software and Data Center in Software Infrastructure Trenton Collaboration Deployment Migration **Efficiencies** Digital Agendas Interagency Remote Access Database and Paperless Data Center **Platform** Software Workflows Support

GENERAL COUNEL'S OFFICE

Dianna Williams-Fauntleroy, Esq. General Counsel/Executive Secretary & Ethics Liaison Officer

The **General Counsel's (GC's) Office** renders legal advice to the Commission to support its daily decision making and to further the Commission's goals and objectives. On an ongoing basis the GC's Office works collaboratively with the staff of the Chief of Staff's Office and the Division of Regulatory Affairs in fulfilling their statutory objectives and agency initiatives including the proposal and adoption of agency regulations, counsels the Commission on legal and ethics matters, and represents the Commission in any proceeding to which it is a party. Members of the GC's Office support the Commission in the exercise of its statutory authority including the issuance of initial casino licenses, key employee licenses, consideration of contested key license matters and appeals from Orders and Actions of the Director of the Division of Gaming Enforcement (DGE).

During the year, the GC's Office assisted and rendered legal advice on a variety of activities including the matters below:

- Qualification of Fertitta Entertainment, Inc., Golden Landry's, Inc., Landry's Fertitta, Inc., Landry's Gaming, Inc., and Golden Nugget, Inc. as new holding companies of Golden Nugget Atlantic City, LLC.
- Approval of the Reorganization of Caesars Entertainment Operating Company and approval of the merger of Caesars Acquisition Corporation with and into Caesars Entertainment Corporation and Issuance of Casino Licenses to Boardwalk Regency LLC and Bally's Park Place, LLC on the same terms and conditions as their Predecessor Entities and other related relief.
- Consideration of the Petition of CEOC, LLC, Successor in Interest to Caesars Entertainment Operating Company, Boardwalk Regency LLC, Successor in Interest to Boardwalk Regency Corporation and Bally's Park Place, LLC, Successor in Interest to Bally's Park Place, Inc. for the Approval of a Management Agreement and the Issuance of a Casino License to (Non-CPLV) Manager and other relief.
- Consideration of the Petitions of Boardwalk 1000, LLC and Hard Rock Atlantic City, LLC for approval to amend their Certificates of Formation to include Casino Gaming.

- Consideration of the Petition of HR Atlantic City, LLC and Boardwalk 1000, LLC for approval of a Management Agreement.
- Qualification of American Entertainment Properties Corp. and Icahn Building, LLC as new holding companies of Tropicana Atlantic City Corp.
- Qualification of the Bailey Family 1998
 Grandchildren's Trust as an entity qualifier of
 DGMB Casino, LLC and Resorts Digital, LLC
 and of Ester Jerome as Trustee, and approval
 of the transfer of the two Bailey Family 2010
 Grandchildren's Trusts membership interest
 in holding company JEMB Resorts, LLC to the
 Bailey Family 1998 Grandchildren's Trust.
- Approval of a merger, transfer of interest and qualification of Caesars Resort Collection, LLC and Caesars Growth Partners, LLC as new holding companies Harrah's Atlantic City Operating Company, LLC.
- Issuance of a temporary casino key employee license and qualification to Marina District Development Company, LLC's (d/b/a Borgata Hotel Casino & Spa) newly appointed President and Chief Operating Officer, among other positions.

GENERAL COUNEL'S OFFICE

RECORDS RETENTION

Streamline

Continued to improve the document retention process.

Work began on consolidating file rooms.

CASE CONFERENCES

Due Process

Administrative due process provided to all applicants/licensees. Majority of cases resolved through entry into stipulation of settlement. Remaining cases required action by the Commission.

LAWS AND REGULATIONS

Compliance

Served as liaison to the Office of Administrative Law. Provided advice on policies and procedures regarding applicable Federal and State laws, rules and regulations.

RENDERS ADVICE

Expertise

Provided input regarding qualifications of various employees.

Provided updates on legislative action concerning casino gaming.

Guided the Commission through the licensing requirements of a

Real Estate Investment Trust (REIT).

EEO Officer

- Ensured adherence to all Federal and State laws, mandates and Equal Employment Opportunity (EEO) policies.
- Collaborated with the Human Resources Unit in facilitating the recruitment and hiring processes.
- Maintained required documentation for filing with the state's Division of EEO/AA Office.
- Conducted EEO Exit Interviews of separating Commission employees.

Public Meetings and Public Records

The GC's Office ensures transparency and conducted the following:

- Maintained records and assisted with requests for information and/or documents under the Freedom of Information Act and the Open Public Records Act.
- Prepared the Commission's public meeting agenda, notices and minutes as well as related public records and presented matters before the Commission.



James E. Fehon, Director

The **Division of Regulatory Affairs** is responsible for implementing all statutory and regulatory responsibilities of the Commission other than legal affairs. The director is a member of the Commission's management team, and serves as a principal regulatory policy advisor to the Commissioners. Regulatory Affairs includes three operational units, each with its own statutorily defined role: Financial Evaluation, Licensing, and Policy Planning & Development. The director ensures the division and its units operate in accordance with pertinent statutes, regulations, executive orders, state directives, and agency policies. The director coordinates the Commission's Business Continuity Plan and is a member of the agency's Information Technology Management Team.

The **Project Management & Automation (PM&A) Team** in the director's office oversees projects, most notably: administration and maintenance of custom developed casino licensing and regulatory I.T. systems; and software programming and development for agency systems as well as IBM servers used by both the Commission and the Division of Gaming Enforcement (DGE). It assists operational units in the development of standard operating procedures and the automation of manual processes.

Highlights

AUTOMATION

- Initiated development of modern databases to automate unit workflows, enhancing the preservation of information and bolstering business continuity.
- Continued to support the Commission's effort to streamline and automate paper-based processes, including the creation of digital document libraries. A new process is preserving historical records digitally.
- In collaboration with the Licensing Unit, automated letters sent with approved casino key or temporary key licenses.

ENHANCEMENTS

- Completed migration of several internal databases in order to provide consolidation of hardware and software resources, as well as enhance database availability and scalability. The project was implemented using internal staff resources and will enable the Commission to better serve its customers at lower overall cost.
- Updated Commission developed agency applications.



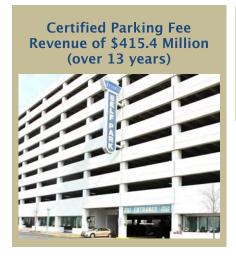
Financial Evaluation Unit facilitates the Commission's responsibilities under Section 82e (undue economic concentration), Section 84 (financial stability) and Section 87 (casino license applicants) of the Act, by providing advice and consultation to the Commissioners on all matters of a financial or economic nature, including economic concentration of the casino industry. The unit also facilitates the Commission's financial reporting responsibilities and performs the certification and review of casino parking fee revenue under Section 173.5 of the Act.

Highlights

- Completed ongoing analyses of the economic concentration of gaming space and total revenue of the casino industry in both Atlantic City and the region.
- Prepared industry market share analyses that evaluated the potential impact of financial and economic events on the industry.
- Reviewed financial records filed with the Commission by applicants.

- Coordinated and completed the agency's Internal Control Review as required by the state.
- Evaluated financial stability in the industry and supported the Commission's decision-making process in the approval of the corporate reorganizations of Caesars Entertainment Operating Company and Golden Nugget Atlantic City.

REVIEWS, AUDITS, CERTIFIES, CONFIRMS, AND MAINTAINS FORECASTS OF CASINO PARKING FEE REVENUE



\$3.4 Million Funded Programs to Benefit Aged and Disabled Residents of the State*

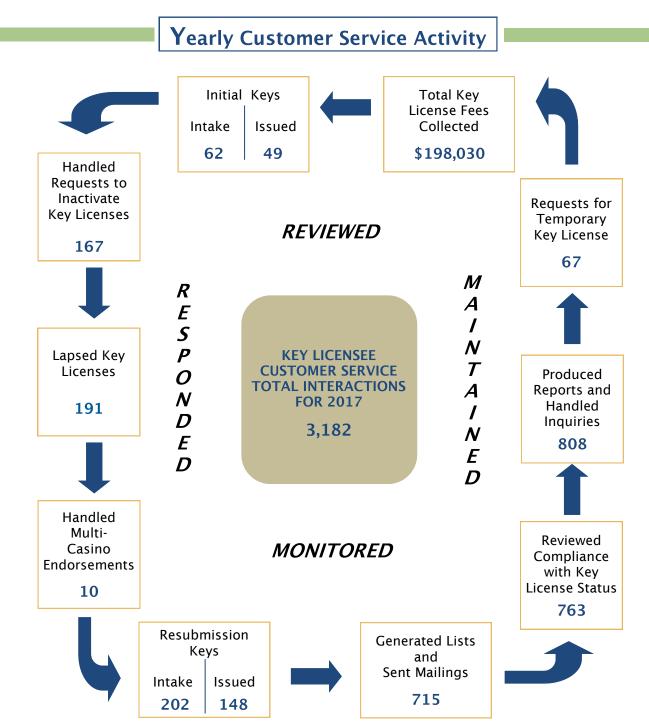
\$16.8 Million Remitted to CRDA for the Benefit of Atlantic City*

Certified Parking Fee Revenue of \$20.2 Million*

*Figures for FY 2017

Total casino industry parking spaces: 30,017. For more detailed information on number of spaces and parking fee revenue, see pages 58-59.

The Licensing Unit is primarily responsible for implementing the Commission's responsibilities under Sections 89, 94 and 95 of the Act. It specifies the content of applications for casino key employee licensure, accepts and analyzes those applications, ensures accurate transmittal of fees, and issues licenses and temporary licenses. It monitors casino key employee license and employment practices of the gaming industry, and assists the Commissioners in addressing related issues and policies. In conjunction with the General Counsel's Office, it prepares the Commission meeting agenda items relating to all Licensing Unit matters, and presents items for Commission consideration.



The **Policy**, **Planning and Development Unit** is primarily responsible for implementing Section 72 of the Casino Control Act. Section 72 requires the Commission, in consultation with the Division, to carry on a continuous study of the operation and administration of casino control laws which may be in effect in other jurisdictions, related literature and federal laws, as well as the reaction of New Jersey citizens to existing and potential features of casino gaming.

As the Commission's main research arm, this unit monitors trends and emerging technologies in the operation of casinos. It also identifies and evaluates economic trends and opportunities. Research and analyses are used by multiple partners to develop a concise picture of the gaming environment and to identify challenges to the Atlantic City gaming industry, as well as, the State of New Jersey. The unit also manages the preparation of the Commission's Annual Report.

Highlights

- Researched the proliferation of gaming along with the most recent gambling trends. Analyzed the impact of competition on the Atlantic City and regional markets.
- Researched and attended meetings regarding Responsible Gaming programs and information.
- Monitored regulatory costs and gross revenue tax rates for 24 states with commercial casino gaming.
- Collected information related to leased and owned food & beverage and retail space of the casinos.



- Prepared an analysis of non-gaming and gaming revenues including third party business sales.
- Analyzed market share, operating profit and vendor business of the Atlantic City casinos.
- Performed analyses and created maps and charts of regional casino competition.
- Monitored pending legislative changes and related issues.
- Provided various agency partners with existing or new charts regarding a myriad of information.
- Performed analyses of gaming revenues, including free slot play for Atlantic City casinos and its regional casino competition.
- Researched, analyzed and charted information regarding the Casino Property Tax Stabilization Act.
- Assisted with maintaining and updating the Commission's website.

ATLANTIC CITY CASINOS











40 years of casino gaming in Atlantic City



In June 1977,
Governor Byrne
signed the Casino
Control Act into
law in front of
Atlantic City's
Boardwalk Hall.
Governor Byrne
was also in
attendance at the
opening of
Atlantic City's first
casino, Resorts
International, on
May 26, 1978.

Capital investment in the Atlantic City casino industry on a cumulative basis since 1978, including the initial cost of construction for each property and subsequent capital improvements, has been \$17.7 billion. **Examples of 2017** capital improvements included: the new **Central Conference Center at Borgata**; hotel and pool renovations at Harrah's; and casino and hotel renovations at Tropicana.

The addition of non-gaming amenities continued in **Atlantic City. Popular** restaurants added in 2017 by celebrity chefs included: **Angeline by** Michael Symon at Borgata and Olon, Okatshe, and Bar Olon by Jose Garces at Tropicana.

ATLANTIC CITY CASINOS

ATLANTIC CITY CASINO FACILITY STATISTICS

	TABLE AND OTHER GAMES	POKER	SLOT MACHINES	TOTAL GAMING SPACE (sq ft)
Bally's AC	121	42	1,772	122,792
Borgata (a)	187	82	3,030	160,171
Caesars AC	132	0	1,853	115,225
Golden Nugget	82	10	1,453	78,957
Harrah's AC	133	37	2,132	156,284
Resorts	76	0	1,488	82,877
Tropicana	112	18	2,324	124,791
INDUSTRY TOTALS	843	189	14,052	841,097

⁽a) Only casino with Simulcasting. Total gaming space includes 23,620 sq ft simulcast facility.

Source of data: December 2017 Monthly Gross Revenue Reports Form DGE-101.

ATLANTIC CITY CONVENTION, MEETING & EVENT SPACE

	TOTAL MEETING SPACE (sq ft)*	NUMBER OF MEETING ROOMS	LARGEST MEETING ROOM (sq ft)	NUMBER OF SLEEPING ROOMS
Bally's AC	80,000	28	14,432	1,251
Borgata/The Water Club	106,000	53	29,398	2,767
Caesars AC	28,000	15	17,135	1,141
Golden Nugget	52,000	23	16,920	716
Harrah's AC (Waterfront Center)	125,000	63	49,447	2,587
Resorts	65,000	24	13,000	942
Tropicana	126,500	53	20,000	1,882
INDUSTRY TOTALS	582,500	259	-	11,286

^{*}Figures may include pre-function space, outdoor function space, or both. Lawn space not included.

NON-HOTEL SPACE						
Convention Center	595,700	50	486,600	_		
Boardwalk Hall (a)	25,000	6	23,100	-		
One Atlantic	16,355	5	6,789	-		
TOTALS	637,055	61	-	-		
GRAND TOTALS	1,219,555	320	-	11,286		

(a) Does not include 141,000 sq ft main arena.

BORGATA HOTEL CASINO & SPA



In March, *Zagat* named Old Homestead the best steakhouse in New Jersey.

In May, held the grand opening of Angeline by Michael Symon, a new restaurant by Iron Chef Michael Symon offering classic Italian-American dishes.

Also in May, opened its new 18,000 square foot Central Conference Center. The \$11 million bi-level venue offers the latest in technology and features five meeting rooms, a boardroom, and an office on the lower level, and a 6,500 square foot ballroom on the upper level.

In June, launched the MGM Resorts' M life Rewards Loyalty Program. The program replaces My Borgata Rewards and allows members to stay, play and earn benefits and rewards at 17 participating MGM properties.

Throughout the year debuted several new exciting slot machines, such as 5 Dragons Grand, and skill based gaming with the Pharaoh's Secret Temple, Danger Arena, and Frogger: Get Hoppin'.

In October, hosted the 2017 Miss'd America Pageant.

In November, held Savor Borgata Culinary Series for the sixth year. Events included culinary classes and activities, a culinary demonstration by Iron Chef Geoffrey Zakarian, and the Ultimate Food Experience.

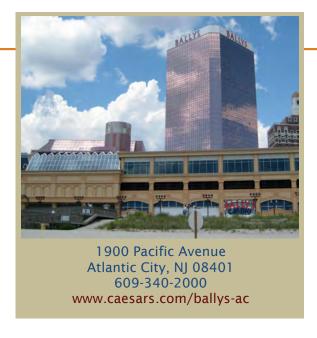
Voted best Overall Gaming Resort, Hotel, Rooms, Pool, Spa, Casino, Comps, Race Book and Live Poker for 2017 by *Casino Player Best of Gaming*.

Tournaments held throughout the year included: \$20,000 Slot Tournaments, \$100,000 Guaranteed Saturday Series Poker Tournament, Winter Poker Open, Spring Poker Open, and the Fourth Annual Bar Poker Open.

Promotions held throughout the year included: \$1 Million Dollar Sweepstakes, Lexus ES Sweepstakes, \$777 Bonus Slot Dollars, \$1,500 Bonus Slot Dollars Every 15 minutes, Pro Football Challenge \$1 Million Football Sweepstakes, \$10,000 and \$20,000 Ultimate High Hand Bonus, \$30,000 Weekly Ultimate High Hand, Win a Porsche Cayenne, and 2X, 5X, and 10X Slot Dollars.

Entertainment held throughout the year included: Sting, Carlos Santana, Gov't Mule, Idina Menzel, Chris Rock, Maxwell, Journey, Mary J. Blige, Artie Lange, The Killers, Kip Moore, OneRepublic, The Record Company, Chris D'Elia, The Revivalists, John Mulaney, Vic Dibitetto, Jim Breuer, Sebastian Maniscalco, Rob Thomas, America, Jerry Seinfeld, Buddy Guy, Lisa Lampanelli, Steve Martin & Martin Short, Cage Fury Fighting Championships, Lewis Black, Frank Caliendo, and Mariah Carey.

BALLY'S ATLANTIC CITY



In January, boxing returned with Showtime's popular series "ShoBox: The New Generation". The main event was between Adam Lopez vs. Daniel Roman.

In February, opened the first fully-automated electronic craps game exclusively at the Wild Wild West. Wagers are made using touch screen technology and the table seats up to eight players. Radio-frequency identification technology reads the values on the dice, calculates payments and awards winning wagers.

In March, the Boardwalk Saloon at the Wild Wild West celebrated its first year anniversary with a free concert by country singer-songwriter Granger Smith.

To kick off Memorial Day weekend, reopened its seasonal Beach Bar. Entertainment included DJs and live music.

In June, installed skill-based video slot machines known as "Space Invaders."

In July, held the first annual Ocean Jam at the Beach Bar. The event included live music provided by GypsyWisdom, 3AM Tokyo, Burnt Sienna, DJ Aiden Scott and Patrice McBride as well as games, food and other festivities.

In September, hosted a free concert at the Mountain Bar to benefit hurricane victims in devastated areas across the country.

In November, hosted the Atlantic City Tattoo Expo featuring tattoo artists from around the world. Additional events included a tattoo artist gallery, interactive programs, and stage shows.

Voted best Bar of the Year (Mountain Bar/Boardwalk Saloon at the Wild Wild West) by *The 2017 Atlantic City Weekly Nightlight Awards*.

Voted best Table Game Tournaments, Poker Tournaments, and Reel Slots for 2017 by Casino Player Best of Gaming.

Throughout the year offered entertainment and live bands at the Wild Wild West.

Promotions held throughout the year included several slot, table game and poker tournaments including the \$10,000 Slot Tournament Mondays, 2017 Ford Mustang or \$45,000 Cash Giveaway, \$100K Boardwalk Bucks, and \$25,000 Cash Giveaways.

CAESARS ATLANTIC CITY/CAESARS ENTERTAINMENT



In March, hosted the first-ever major eSports championship. The Gears Pro Circuit Atlantic City Open allowed players to compete in live tournament events throughout North America and around the world to win cash prizes.

Promotions held throughout the year included: 2017 Ford Mustang or \$45,000 Cash Giveaway, \$15,000 Super Bingo Tournament, and Cleopatra's Treasures.

Entertainment held throughout the year included: Tony Bennett, Tyler Henry, "Weird Al" Yankovic, Kenny "Babyface" Edmonds, ZZ Top, Dancing With The Stars: LIVE!, Anthony Hamilton, Donny & Marie, Cirque Dreams Jungle Fantasy, Jagged Edge, Ginuwine and Dru Hill, Chris Botti, Luis Fonsi, and A.C. Ballet's The Nutcracker.



In April, launched its "Experience the Empire" sweepstakes offering its Total Rewards members a chance to win one of seven VIP trips of a lifetime.

In May, the Commission approved a restructuring plan for Bally's and Caesars Atlantic City as part of Caesars Entertainment Operating Company's Chapter 11 bankruptcy reorganization. Five directors of Caesars Entertainment Corp. were also approved as part of the reorganization,

During October through November, Total Rewards patrons could "Enjoy Your Bite" and receive 15 percent off at selected restaurants at Bally's, Caesars, and Harrah's.

In November, to commemorate Veteran's Day, offered active duty military and veterans a 10 percent discount at all Caesars Entertainment-owned food and beverage outlets at Bally's, Caesars, and Harrah's.

Promotions held throughout the year included: "Experience the Empire" Drawings, Quest for Rewards, 4X Return Rewards, Memorial Day Weekend Car Giveaway, \$15 Million Reward Credit Giveaway, Pump Up Your Winnings, and the Gladiator Challenge.

HARRAH'S RESORT ATLANTIC CITY



In February, the Men R' Cookin' event was hosted to raise money for the Boys and Girls Club of Atlantic City.

In March, completed its \$3 million renovation and upgrade and reopened The Pool at Harrah's. The new amenities at the Pool After Dark included upgraded cabanas and bungalows, an elevated stage and DJ area, dance floor and massive LED walls for celebrity performances. The second floor balcony offers cocktail service and gaming all with 180-degree aerial views of the scene below. Recent A-list celebrity appearances included Paris Hilton, Nick Cannon, Amber Rose, and more.

In June, hosted the annual Street Life Concert to benefit the Atlantic County Hansen House and Serenity House .

Also in June, installed skill-based video slot machines known as "Space Invaders".

In August, a \$2.6 million jackpot on the Wheel of Fortune multi-casino progressive linked slot machines was hit.

Events held at the Waterfront Conference Center throughout the year included: EWSRA/SWRA Winter Sports Mart, NJ Agricultural Convention & Trade Show, Northeast Corporate Counsel Forum, East Coast Gaming Conference & NexGen Gaming Forum, 35th Annual AAPI Convention, Best Friends National Convention, Therapy by the Sea, 35th Annual Autism Conference, HCANJ Convention & Expo, LCT/NLA East, New Jersey Academy of Orthotists & Prosthetists, and the NJ Statewide Conference on EMS.

Several of its bars received awards from *The 2017 Atlantic City Weekly Nightlife Awards*, such as, Best Cocktail Bar (casino) (#BarWithNoName), Best Tequila/Rum Bar (casino) (Dos Caminos), and Best Industry Night (The Pool After Dark).

Completed hotel upgrades of over \$30 million which included the renovation of 450 rooms and suites, the addition of five new restaurants (A.C. Burger Co., Costal Kitchen + Bar, Veracruz, Guy's Sammich Joint, and Pin-Up Pizza), and the complete restoration of the pool and nightclub.

Promotions held throughout the year included: \$150,000 Winter of Jackpots, \$5,000 Bingo Blast, \$25,000 Cash Giveaway, Ace of Cars, and \$250,000 Summer of Jackpots.

Entertainment held throughout the year included: Andrew Dice Clay, Arsenio Hall, Legends in Concert, The Tenors, Dru Hill With Sisqo, Brian Setzer's Rockabilly Riot, Chris Tucker, The Chi-lites featuring Marshall Thompson, The Cult, The Price Is Right Live-Stage Show, Duel Of The Decades 80's VS 90's Interactive Live Music Competion, and Mannheim Steamroller Christmas By Chip Davis.

GOLDEN NUGGET ATLANTIC CITY



Atlantic City, NJ 08401 609-441-2000 www.goldennugget.com/atlanticcity/

In January, held the first-ever Wing Wars Contest. Local restaurants competed for the title of South Jersey's Wing Champion.

In July, held the 18th annual Fakefest Rock and Roll Tribute Band Festival.

In August, the International Winefest was held.

In September, the seventh annual Craft Beer Festival was held.

Also in September, held the Jack Daniel's Atlantic City Smoke On The Water New Jersey State Barbecue Championship.

In November, held its annual Whiskey Revival.

Honored Veteran's Day by offering all military personnel 20 percent off at selected restaurants and retail shops.

Voted Best Hosts, Best Video Poker, Best Roulette, and Favorite Casino Resort to Vacation at for 2017 by *Casino Player Best of Gaming*.

Continued to offer its customers free Self -Parking.

Every Friday throughout the year, offered Flashback Fridays with free entertainment featuring tribute bands.

Promotions held throughout the year included: 2017 Jeep Wrangler, \$2,500 Slot Tournament, 2017 Fiat Spider Giveaway, \$1 Million Golden Gridiron, \$100,000 Gift Extravaganza, Bingo Bonanza, 4X Tier Credits Multiplier, several Slot Tournaments, and New & Inactive Members: Get Up To \$100 Same Day Free Play.

Entertainment throughout the year included: Jonny Mathis, The Bacon Brothers, Engelbert Humperdinck 50th Anniversary Tour, Leann Rimes, Dionne Warwick, Rich Little, Paul Anka, A Bronx Tale, The Amazing Kreskin, Culture Club, Kenny Rogers: The Gambler's Last Deal, and Kenny G: The Miracles Holiday & Hits Tour 2017.



RESORTS CASINO HOTEL



In January, a patron won the first-ever Blackjack Progressive jackpot of \$225,000.

In April, hosted the 15th annual Garden State Film Festival Awards Dinner.

In May, hosted the fourth annual Beach Ball Drop kicking off the summer with contests, games, strolling entertainers, and giveaways and the Klink! Signature Wine Event with wines and tapas prepared by Resorts' chefs.

In August, a \$1.2 million jackpot on the Reel Adventures-Elvis slot machine was hit.

In September, hosted the 5th annual Craft Beerfest, featuring beers from around the country and regional breweries. Live entertainment was provided by Weird Science.

In October, held an Oktoberfest featuring authentic German foods, and beer and live entertainment from Germany, Canada, and the U.S.

In November, celebrated "Veterans Day Appreciation Week", offering free food and gifts, dining and hotel discounts, slot cash giveaways and more.

In December, held the "Swing Into Christmas" to benefit the United States Marine Corps Reserve's Toys for Tots program.

Completed hotel upgrades of \$25 million which included the renovation of 480 guest rooms with new televisions, refrigerators, carpeting, laptop-sized safes, and complimentary Wi-Fi.

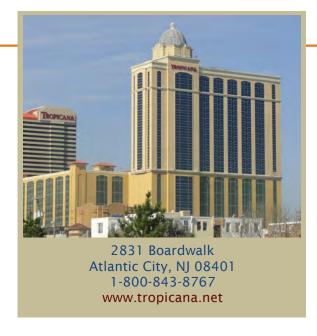
Promotions held throughout the year included: 2017 Mercedes CLA 250 Guaranteed Sweepstakes, Cupid's Cash Mystery Money, \$2,500 Mardi Gras Slot Tournament, St. Partrick Day Cash Dash, 2017 Camaro Convertible Guaranteed Sweepstakes, 2017 BMW X1 Guaranteed Sweepstakes, Flip Flop Slot Cash, \$2 Million Flip Flop Fever, Count The Pumpkins!, and 2017 Lexus NX 200T Guaranteed Sweepstakes.

Entertainment throughout the year included: Air Supply, Chris Lane, Vince Neil, The Pointer Sisters, The Midtown Men, Lauren Alaina, Christopher Macchio, Jim Belushi, Hawaiian Luau Show, Kansas, and The Yardbirds.

Throughout the year, continued to offer free parking on various days of the week.

Voted best Hotel Staff, Hotel Suite, Dealers, Blackjack, Craps, Video Slots, Slot Tournaments and Casino Where You Feel The Luckiest for 2017 by Casino Player Best of Gaming.

TROPICANA ATLANTIC CITY



In January, held an indoor "Beach Bash" party with live entertainment, contests, free slot play, timeshare getaway, and specialty drinks and food items.

In February, hosted the Jersey Shore Wine Festival featuring New Jersey's finest wines.

In March, hosted the Maxwell Football Club's Annual National Awards Gala.

To kick off the summer, held a Boardwalk Block Party with live entertainment, giveaways, fireworks, and multimedia light and sound shows.

In May, held the largest Regional eSports Tournament. The Melee/Smash4 Tournament offered a \$10,000 combined pot bonus and was attended by players and spectators from around the world.

In May, acquired the Chelsea Hotel and in August, received approval from City Council to build a sky bridge connecting the two properties.

In August, hosted the 10th Annual Taste of the Quarter, which benefits the United Way of Greater Philadelphia and Southern New Jersey.

In September, held a weeklong "Locals Celebration" for guests of Atlantic and Cape May County to enjoy specials and discounts at restaurants, shops and bars.

In October, hosted the second annual Beer and Whiskey Festival featuring beer, whiskeys, food, crafters, and seminars.

Voted best Players Club and Best Promotions for 2017 by *Casino Player Best of Gaming*.

Completed casino and hotel upgrades of over \$90 million which included the relocation of its poker room and addition of new poker tables, televisions, adjustable seats, 100 new slot machines, and renovations to the Seaside Café and Fiesta Buffet.

Held fireworks shows every Saturday throughout the summer.

Held several events throughout the year that focused on its restaurants including: Bacon Week, Martini Week, Seafood Week, and Chocolate Week.

Promotions held throughout the year included: Guess the Number of Beach Balls in Palm Walk, \$1 Million Dollar Giveaway, High Hand of the Hour, Bonus Cash, High Hand of the Day, and Royal Flush Wins a complimentary hotel room.

Entertainment throughout the year included: Aaron Lewis, Dom Irrera, Sheryl Crow, Stephanie Mills, Patti LaBelle, George Thorogood and The Destroyers' "Rock Party Tour 2017", Michael McDonald & Boz Scaggs, Ron White, Chaka Khan, Dion, Gladys Knight, Smokey Robinson, Pat Benatar & Neil Giraldo, Rick Springfield, Keith Sweat, and Sister Sledge.

SPOTLIGHT ON ATLANTIC CITY



Absecon Lighthouse (a)



Atlantic City Airshow (b)



Concerts (c)



Miss America (d)



Observation Wheel

JAN - Atlantic City Indoor Races

Pool & Spa Show

FEB - Atlantic City RV & Camping Show

Atlantic City Auction & Car Show

Erykah Badu & Tyrese @ Boardwalk Hall

Romance & Renewal @ Absecon Lighthouse

MAR – Atlantic City Restaurant Week

Garden State Film Festival

Atlantic City Boat Show

St. Patrick's Day Parade

Atlantic City Beer and Music Festival

Florida Georgia Line @ Boardwalk Hall

Taj Mahal Sold to Hard Rock

APR - April Fools Marathon

MAY – Memorial Day Celebrations

JUN - Atlantic City Offshore Grand Prix

AnimeNext Convention

JUL - Pink AC Beach Concert

4th of July Fireworks Celebrations

- Brantley Gilbert AC Beach Concert

The Who @ Boardwalk Hall

AUG - Ruff Ryders and Friends AC Beach Concert

Atlantic City Airshow

Red Bull Global Rallycross

Atlantic City Triathlon

SEP – Miss America Parade & Pageant

Atlantic City Seafood Festival

- National Candy, Gift, & Gourmet Show

In-Water Power Boat Show

Lawn & Garden Show

OCT - Atlantic City Marathon

- American Finals Rodeo @ Boardwalk Hall

Atlantic City Comedy Festival @ Boardwalk Hall

NOV – New Jersey Education Association Convention

- New Jersey League of Municipalities

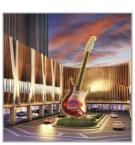
Janet Jackson @ Boardwalk Hall

DEC – Deck The Hall- Festival of Trees @ Boardwalk Hall

Opening of the Observation Wheel @ Steel Pier

Triple Play Realtors Convention and Trade Show

Atlantic City Christmas Parade



Hard Rock



Conventions (c)



Marathons (e)



Seafood Festival (c)



Festival of Trees

(d) Photo Credit: Miss America Organization/ Bruce V. Boyajian (e) iStock.com/PaulDempsey

SPOTLIGHT ON ATLANTIC CITY

Atlantic City Arts Foundation

Mission Statement

The mission of the Atlantic City Arts Foundation is to foster an environment in which diverse arts and cultural programs enrich the quality of life for residents of and visitors to Atlantic City.

t de la constant de l

Vision Statement

The Atlantic City Arts Foundation envisions Atlantic City as a community in which residents, businesses, government, employees, and visitors value arts and culture as a means to stimulate economic development, encourage civic engagement, and promote community well-being.





Three major annual programs are Chalk About AC, ARTeriors, and 48 Blocks Atlantic City.



The 2017
48 Blocks program
was recognized by
both the City of
Atlantic City
Council and the
editorial board of
The Press of
Atlantic City.

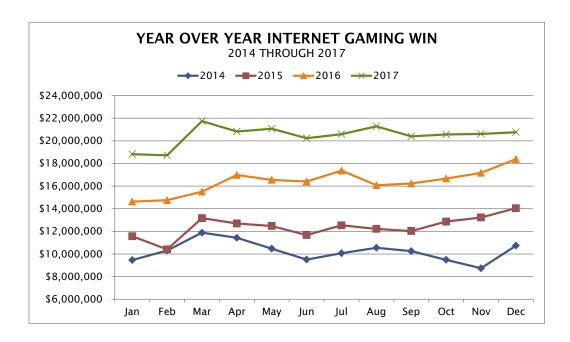






INTERNET GAMING

For the year-ended December 2017, Internet Gaming Win was \$246 million, an increase of \$49 million or 24.9%. Internet Gaming Win grew in each of the twelve months. Golden Nugget had the largest year-over-year increase of 62.3%, leading the market for two years in a row. Resorts Digital had the second largest yearly increase of 35.2%. The chart below illustrates the yearly growth of Internet Win.



Since the inception of Internet gaming operations to year-end 2017, Internet Gaming Gross Revenue was \$722 million and Internet Gross Revenue Tax was \$109 million. See page 45 for more detailed information on Internet Gaming Win by licensee.

Internet Gaming Highlights

Caesars Interactive Entertainment (CIE)

• Internet gaming promotions held throughout the year were numerous and included: Winter Giveaway Over \$35,000, \$100,000 Weekend Warriors Series, 888Poker Rewards Freeroll, 100 Percent Match Up to \$300 on deposits, Blast Sit & Go Freerolls, \$500 Casino Freeroll, Sit & Go Leaderboards, Blast Poker, Early Board Reload, WSOP 2017 Online Qualifiers, 2017 Player of the Year Race, First Deposit Match up to \$1,500, High Low Leaderboards, Fixed Limit Hot Seat, Big Sunday 5-Seat Freeroll, Senior Special, \$100 Daily Freeroll, and Get 20 Free Spins.





INTERNET GAMING

Borgata Hotel Casino & Spa

- In May, launched a free-to-play casino site, BorgataFreeCasino.com. The site offers over 100 free online casino style games, including slots, blackjack, roulette, video poker, bingo, and keno.
- Also in May, three jackpots of \$160,000 each were hit by patrons playing Game King Bonus Poker on Borgatacasino.com.
- In June, Pala Interactive launched its palapoker.com site, offering players a \$50 welcome package and 100% match deposit bonus up to \$500.
- In July, launched three new sites: playmgm.com, playmgmpoker.com and scorescasino.com. On the MGM sites, players were offered \$25 in free play for downloading the app and creating an account and a 100% deposit match up to \$2,000. On the Scores casino site, players were offered \$30 in free play for creating an account and a deposit match up to \$500.
- In November, Pala Casino celebrated its third anniversary with special promotions and a chance to win a trip to Pala Casino Resort and Spa in Southern California.
- Internet gaming promotions held throughout the year included: Suite Valentine Getaway, \$15,000 Football Frenzy, Sizzling Summer \$5,000 Sweepstakes. Summer Game Guaranteed Bonus. Labor Guaranteed Bonus, \$1,000 Thursdays, \$10 Bonus Dollars every 10 minutes, Laugh It Up, Buzzer Beater, \$5,000 Sweepstakes, and President's Day Deposit Bonus.

 Throughout the year on-line poker tournaments were plentiful and Popular poker remained popular. tournaments included: Sunday \$40,000 Guarantee, \$3,000 Guaranteed Turbo events, Mega Tuesday 500, Daily \$10,000 Guaranteed events, Garden State Super Series Spring and Fall 2017, Quarterly Freeroll Invitational Tournament, Bricks-to-Bits Invitational Freeroll, and High Heads Up and Low Heads Up Tournaments.



Golden Nugget Atlantic City

- IGaming North America Awards and EGR North America selected GoldenNuggetCasino.com as 2017 Operator of the Year.
- In January, playsugarhouse.com announced its exclusive partnership with Konami Gaming Inc. for game options such as Gypsy Fire and Fortune Stacks.
- In July, Rush Street Interactive became the first platform provider in New Jersey to launch online Slingo slot games (Slingo Riches and Slingo Extreme) on its playsugarhouse.com site.

INTERNET GAMING

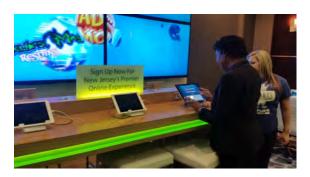
Golden Nugget Atlantic City (cont'd)

- In December, added online live casino Hold'em for the first time in the United States. The game enables online poker players to interact with live dealers and other players as if they were physically on the casino floor.
- During the year, three jackpots over \$200,000 were won on GoldenNuggetCasino.com.
- Internet gaming promotions held throughout the year included: Double Your First Deposit Up To \$1,500, Game Of The Week, \$1,000 Bonus Chase, \$5,000 Weekly Sweepstakes, Spin The Wheel Welcome Bonus, King Cash's Weekly Challenge, Golden Bonus Safari, Haunted Hunt, Black Cat Special, and Daily Seasonal Sweeps.

Resorts Digital Gaming

- In February, a patron won a \$100,000 jackpot playing Spin & Go on the pokerstarnj.com site.
- Throughout the month of March, pokerstarsnj.com offered special promotions, gifts, cash giveaways and more to celebrate its one year anniversary.
- In July, became the first casino in Atlantic City to launch online Daily Fantasy Sports Contests at FastPick.com (offered by Resorts Digital and considered a contest and not an approved iGaming site). Customers play online fantasy games for money and play against the house, not other players.

- In October, PokerStars held its popular "Megastack" live poker tournament series, which originally debuted in Europe.
- ResortsDigital was awarded Best Poker Operator at the EGR North America Awards 2017 for its PokerStars site.
- ResortsDigital was awarded Best Marketing Campaign in 2017 by iGaming North America Awards.



 Internet gaming promotions held throughout the year included: \$50 Free Play for new players, \$10,000 Mega Cash Bonus, \$100,000 Guaranteed Big Sunday, Millionaire Challenges, The Golden Button Daily Challenge, and \$2,500 Bonus Giveaway.

Tropicana Atlantic City

 Internet gaming promotions held throughout the year included: Play Now And Get Up to \$100 Cash Back, Draft Day Replay, AC Seaside Escape, Lazy Summer Days, Free Daily Games, Trop Advantage, Frequent Flyer, Summer Solstice, Jet Setter Bonus, Monster Million, Jack O' Lantern Bonus, Tut's Treasure, Sunshine Escape, Monster Mash Giveaway, and Virgin Adventure.

INTERNET GAMING

ATLANTIC CITY INTERNET GAMING WEBSITES

For the year ended December 31, 2017

LICENSEE	DATE APPROVED FOR FULL PLAY	AUTHORIZED SITES (24 Authorized Sites)	PLATFORM PROVIDERS
Caesars Interactive Entertainment (affiliate of Caesars A.C.)	Nov. 25, 2013	HarrahsCasino.com WSOP.com us.888.com us.888poker.com us.888casino.com	888
, , ,	Nov. 25, 2013	CaesarsCasino.com	NYX Gaming
	Nov. 25, 2013	Borgatacasino.com Borgatapoker.com NJ.Partypoker.com	GVC
	July 25, 2017	playmgmcasino.com playmgmpoker.com	GVC
Borgata	Nov. 19, 2014	palacasino.com palabingousa.com	Pala Interactive
	June 6, 2017	palapoker.com	Pala Interactive
	July 25, 2017	scorescasino.com	Pala Interactive
	Dec. 1, 2015	GoldenNuggetCasino.com nj-casino.goldennuggetcasino.com	NYX Gaming
Golden Nugget	Nov. 21, 2014	betfaircasino.com	Betfair
	Sep. 10, 2016	playsugarhouse.com	Rush Street Interactive
Resorts Digital	Feb. 25, 2015 July 24, 2015	resortscasino.com mohegansuncasino.com	NYX Gaming
(affiliate of Resorts)	March 21, 2016	pokerstarsnj.com	Amaya
Tropicana	Nov. 25, 2013	tropicanacasino.com virgincasino.com	GameSys

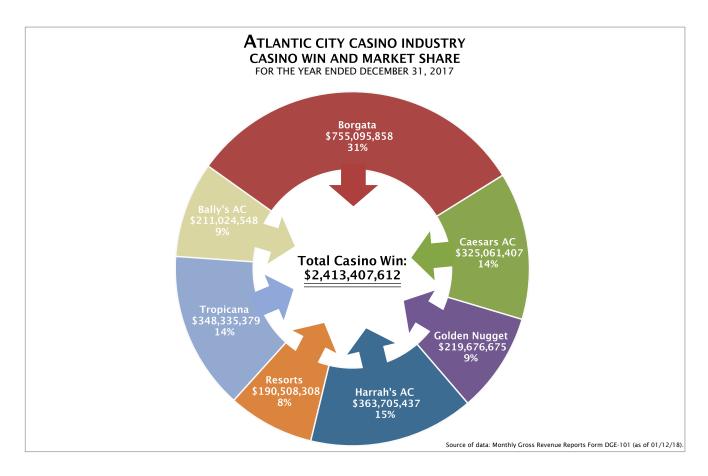
Note: Internet permits and approval to do business with the intermediaries granted by Orders and Actions of the Director of the Division of Gaming Enforcement.

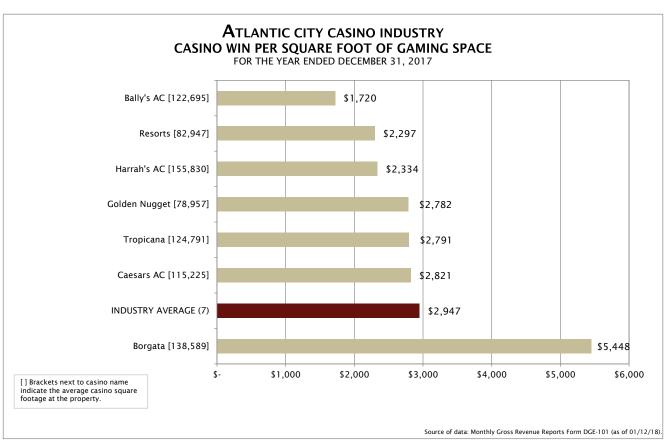
REVENUES, EXPENSES, and DISBURSEMENTS

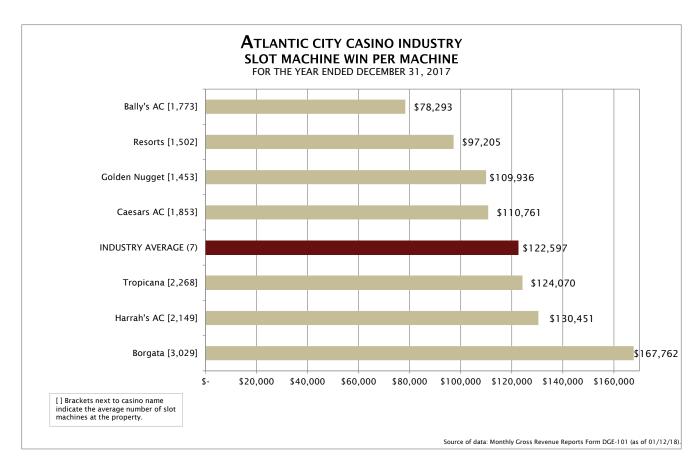
	Page
Casino	
Casino Win and Market Share	41
Casino Win per Square Foot of Gaming Space	41
Slot Machine Win per Machine	42
Table Game Win per Table	42
Total Casino Win by Game Type	43
Slot and Table Game Win as a Percent of Casino Win	44
Monthly Total Gaming Win by Slot, Table Game, and Internet Win	44
Internet Gaming Win and Market Share	45
Monthly Internet Gaming Win by Licensee	45
Total Gaming Win	46
Gaming Taxes and Win (3 years)	46
Income Statement Revenue by Percentage	47
Total Net Revenue and Market Share	48
Net Revenue (3 years)	48
Total Revenue, Net Revenue, GOP Percentage Change	48
Employment	
Casino Employment by County	49
Casino Industry Employment Statistics (3 years)	50
Casino Industry Total Employees at Quarter End (3 years)	50
Casino Key Licensees Employed at Quarter End (3 years)	50
Casino Industry Salaries and Wages (3 years)	51
Food & Beverage and Hotel	
Food & Beverage & Retail Space by Licensee	51
Food & Beverage & Retail Outlets Owned vs. Leased	51
Food & Beverage Revenue (3 years)	52
Hotel Occupancy Rates by Casino (3 years)	53
Hotel Room Statistics	53
Hotel Rooms Revenue (3 years)	54
Number of Occupied Room Nights 2017 and 2016	55
Number of Occupied Room Nights by Quarter (3 years)	55

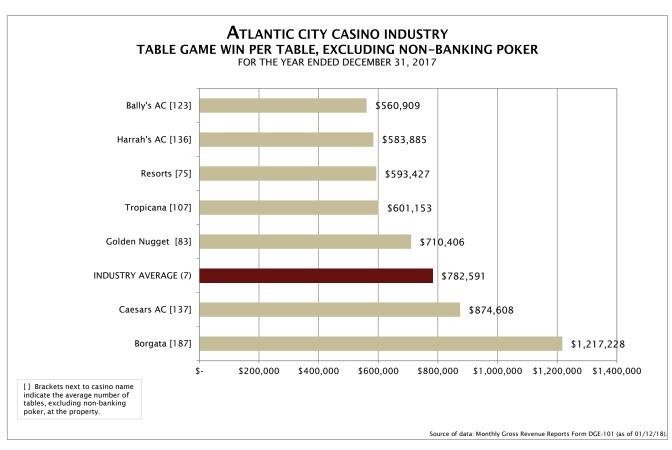
REVENUES, EXPENSES, and DISBURSEMENTS

	Page
Non-Gaming Revenue	
Non-Gaming Total Revenue 2017 and 2016	56
Total Net Non-Gaming Revenue with Third Party Business Sales (3 years)	56
Casino Revenue vs. Non-Gaming Revenue Mix (3 years)	56
Non-Gaming Fees and Taxes	
Selected Non-Gaming Fees & Taxes (1 year donut and 3 years bar graph)	57
Selected Non-Gaming Fees & Taxes (monthly line graph)	58
Casino Industry Parking Space Totals	58
Casino Parking Fee Revenue (3 years quarterly)	59
Casino Parking Fee Revenue 2017 and 2016	59
Atlantic City Luxury Tax (3 years quarterly)	60
Atlantic City Luxury Tax (3 years)	60
Sales Tax Revenue (3 years quarterly)	61
Average Sales Tax Revenue Per Business Entity	61
Total Sales Tax Revenue and Total Business Entities (3 years)	61
State Occupancy Fee Revenue (3 years, quarterly)	62
State Occupancy Fee Revenue (3 years)	62
Tourism Promotional Fee Revenue (3 years quarterly)	63
Tourism Promotional Fee Revenue (3 years)	63
V endor Business	
Total Dollar Volume of Vendor Business	64
Total Volume of Vendor Business in New Jersey by County	64
Casino Revenue Fund	
Funding Sources and Fiscal Year 2017 Deposits	65
Casino Control Fund	
Independent Auditor's Report	66







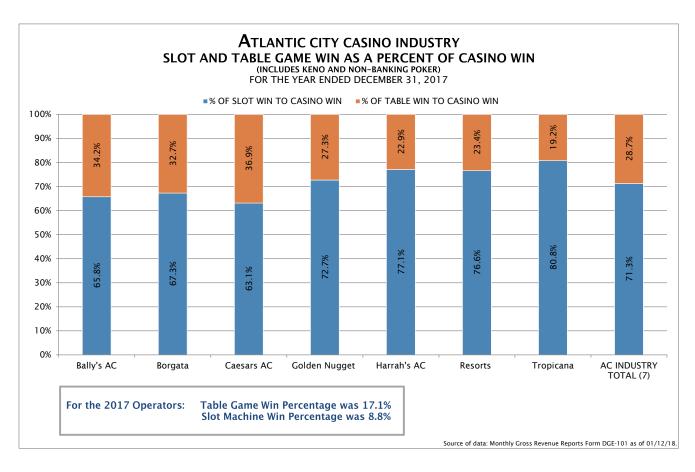


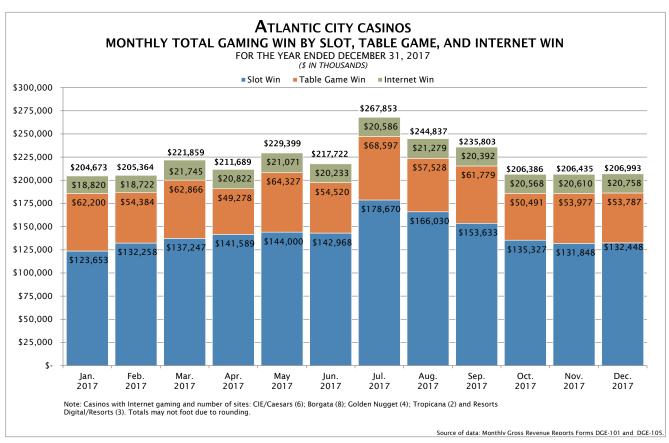
ATLANTIC CITY CASINO INDUSTRY TOTAL CASINO WIN

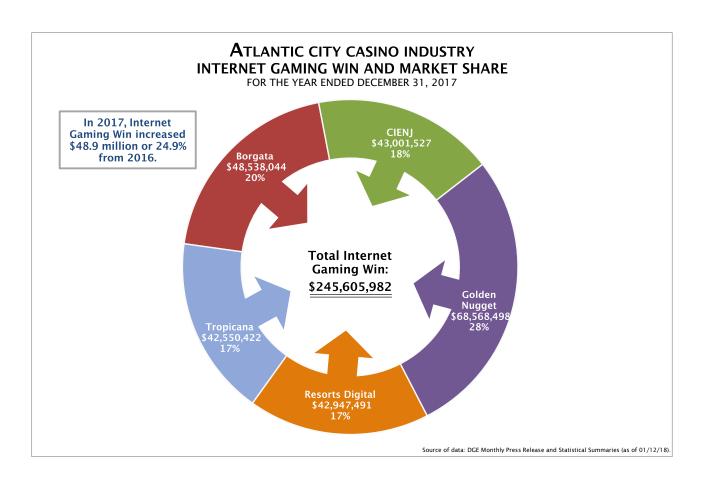
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	,		Growth (Dec	ine)	
	2017	2016 *	\$	%	
Table Games & Other					
Blackjack	\$ 237,791,815	\$ 252,591,008	(14,799,193)	(5.9)	
Craps	86,391,488	81,650,921	4,740,567	5.8	
Roulette	71,976,259	79,111,504	(7,135,245)	(9.0)	
Spanish 21	17,937,195	18,795,967	(858,772)	(4.6)	
Three Card Poker	44,024,374	49,520,870	(5,496,496)	(11.1)	
Baccarat	3,430,200	2,258,290	1,171,910	51.9	
Mini Baccarat	113,671,839	89,838,305	23,833,534	26.5	
Big Six	2,855,167	3,049,933	(194,766)	(6.4)	
Keno	190,718	247,871	(57,153)	(23.1)	
Let It Ride Poker	14,595,332	13,838,267	757,065	5.5	
Pai Gow	6,724,852	7,032,530	(307,678)	(4.4)	
Pai Gow Poker	12,167,760	12,081,413	86,347	0.7	
Four Card Poker	15,059,383	14,848,873	210,510	1.4	
Sic Bo	108,752	159,297	(50,545)	(31.7)	
Caribbean Stud Poker	1,574,566	2,400,831	(826,265)	(34.4)	
Casino War	1,547,979	1,460,315	87,664	6.0	
Double Attack Blackjack	1,398,933	1,712,579	(313,646)	(18.3)	
Texas Hold'em Bonus Poker	3,283,501	4,064,974	(781,473)	(19.2)	
Flop Poker	2,156,544	2,349,520	(192,976)	(8.2)	
Ultimate Texas Hold'em	3,606,353	3,925,545	(319,192)	(8.1)	
Asia Poker	2,424,016	2,287,993	136,023	5.9	
Mississippi Stud	6,140,191	4,683,141	1,457,050	31.1	
Criss Cross Poker	5,578,152	5,540,629	37,523	0.7	
High Card Flush	5,710,548	6,362,171	(651,623)	(10.2)	
Heads Up Hold'em	3,266,707	2,693,112	573,595	21.3	
Double Draw Poker	-	284,561	(284,561)	N/A	
Pack's Poker	-	49,928	(49,928)	N/A	
Football Kings	(4,138)	-	(4,138)	N/A	
Electronic Table Games	11,784	26,906	(15,122)	(56.2)	
Poker	30,097,898	30,815,678	(717,780)	(2.3)	
Tournament Table Games & Other	16,760	51,710	(34,950)	(67.6)	
Total Table Games & Other	\$ 693,734,928	\$ 693,734,642	286	0.0	
Slot Machines					
.01 and .02 Slot Machines	903,594,838	873,039,123	30,555,715	3.5	
.05 Slot Machines	45,285,958	61,003,924	(15,717,966)	(25.8)	
.25 Slot Machines	120,820,274	133,066,079	(13,717,900)	(9.2)	
.50 Slot Machines	21,206,238	23,608,597	(2,402,359)	(10.2)	
1.00 Slot Machines	175,596,045	176,118,534	(522,489)	(0.3)	
5.00 Slot Machines	54,276,420			(6.8)	
25.00 Slot Machines	16,244,011	58,210,278 17,077,827	(3,933,858) (833,816)	(4.9)	
100.00 Slot Machines	14,910,837	12,734,646	2,176,191	17.1	
Multi-Denominational Machines	344,755,228	333,825,414	10,929,814	3.3	
Other Slot Machines	22,982,835	23,593,033	(610,198)		
Total Slot Machines	\$ 1,719,672,684	\$ 1,712,277,459	7,395,225	0.4	
GRAND TOTAL	\$ 2,413,407,612	\$ 2,406,012,101	7,395,511	0.3	
GIVALD TOTAL	\$ 2,713,707,012	¥ 2,400,012,101	1,393,311	0.3	

^{*}Includes Taj Mahal closed 10/10/16.







MONTHLY INTERNET GAMING WIN BY LICENSEE

FOR THE YEAR ENDED DECEMBER 31, 2017

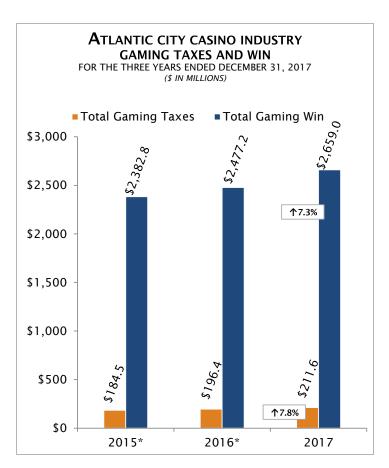
	Borgata	Caesars Interactive Entertainment	Golden Nugget	Resorts Digital	Tropicana	
January	\$3,767,853	\$4,032,263	\$4,776,218	\$3,162,978	\$3,080,786	\$18,820,098
February	\$3,745,868	\$3,495,509	\$5,175,795	\$3,052,115	\$3,252,803	\$18,722,090
March	\$4,353,920	\$3,151,518	\$6,176,515	\$4,199,455	\$3,864,023	\$21,745,431
April	\$4,213,109	\$3,516,489	\$5,377,943	\$3,775,370	\$3,939,115	\$20,822,026
May	\$3,496,524	\$3,641,345	\$5,915,167	\$4,008,466	\$4,009,746	\$21,071,248
June	\$3,887,240	\$3,611,618	\$5,576,526	\$3,678,622	\$3,479,393	\$20,233,399
July	\$3,785,826	\$3,213,194	\$6,249,752	\$3,750,529	\$3,586,241	\$20,585,542
August	\$4,294,399	\$4,447,519	\$5,190,954	\$3,524,344	\$3,821,663	\$21,278,879
September	\$4,240,052	\$3,422,585	\$5,710,919	\$3,589,922	\$3,428,304	\$20,391,782
October	\$4,179,277	\$3,311,765	\$6,138,184	\$3,476,923	\$3,461,476	\$20,567,625
November	\$4,267,738	\$3,357,052	\$6,193,991	\$3,527,764	\$3,263,671	\$20,610,216
December	\$4,306,238	\$3,800,670	\$6,086,534	\$3,201,003	\$3,363,200	\$20,757,645

ATLANTIC CITY CASINO INDUSTRY TOTAL GAMING WIN

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Casino Win		(+/-)	(+/-) Internet Gaming Win (+/-)		(+/-)	Total Gaming Win		
	2017	2016	%	2017	2016	%	2017	2016	%
Bally's AC	\$ 211,024,548	\$ 210,710,409	0.1%	-	-	_	\$ 211,024,548	\$ 210,710,409	0.1%
Borgata	755,095,858	722,772,248	4.5%	48,538,044	47,015,036	3.2%	803,633,902	769,787,284	4.4%
Caesars AC	325,061,407	302,004,633	7.6%	-	-	-	325,061,407	302,004,633	7.6%
CIENJ	-	-	-	43,001,527	38,699,334	11.1%	43,001,527	38,699,334	11.1%
Golden Nugget	219,676,675	209,684,168	4.8%	68,568,498	42,249,830	62.3%	288,245,173	251,933,998	14.4%
Harrah's AC	363,705,437	358,068,502	1.6%	-	-	-	363,705,437	358,068,502	1.6%
Resorts	190,508,308	173,128,820	10.0%	-	-	-	190,508,308	173,128,820	10.0%
Resorts Digital	-	-	-	42,947,491	31,761,839	35.2%	42,947,491	31,761,839	35.2%
Tropicana	348,335,379	304,149,289	14.5%	42,550,422	36,983,288	15.1%	390,885,801	341,132,577	14.6%
Total for 2017 Operators	\$ 2,413,407,612	\$ 2,280,518,069	5.8%	\$ 245,605,982	\$ 196,709,327	24.9%	\$ 2,659,013,594	\$ 2,477,227,396	7.3%
Taj Mahal (closed 10/10/16)		125,494,031						125,494,031	
INDUSTRY TOTALS	\$ 2,413,407,612	\$ 2,406,012,100	0.3%	\$ 245,605,982	\$ 196,709,327	24.9%	\$ 2,659,013,594	\$ 2,602,721,427	2.2%

Source of data: Monthly Gross Revenue Reports Form DGE-101 and Monthly Internet Gross Revenue Report Form DGE-105 as of 01/12/18.



^{*} Taj Mahal closed 10/10/16 and is excluded.

2017 Operators outperformed recent results: Compared to 2016, Total Gaming Taxes increased by 7.8% and Total Gaming Win increased by 7.3%. Compared to 2015, Total Gaming Taxes increased by 14.7% and Total Gaming Win increased by 11.6%.

ATLANTIC CITY CASINO INDUSTRY INCOME STATEMENT REVENUE BY PERCENTAGE

FOR THE YEAR ENDED DECEMBER 31, 2017

(\$ IN THOUSANDS)

	Bally's AC		Borgata*		Caesars AC (a)		Caesars Interactive Entertainment NJ	
	Revenue	As a % of Total Revenue	Revenue	As a % of Total Revenue	Revenue	As a % of Total Revenue	Revenue	As a % of Total Revenue
Casino	\$ 209,739	68.0%	\$ 790,097	71.2%	\$ 323,664	73.1%	\$ 29,428	95.3%
Rooms	40,337	13.1%	118,659	10.7%	42,186	9.5%	-	0.0%
Food and Beverage (b)	48,265	15.7%	147,490	13.3%	60,464	13.7%	-	0.0%
Other (c)	10,011	3.2%	53,035	4.8%	16,479	3.7%	1,442	4.7%
TOTAL REVENUE	\$ 308,352	100%	\$ 1,109,281	100%	\$ 442,793	100%	\$ 30,870	100%
Less: Promotional Allowances (d)	80,103	26.0%	258,515	23.3%	123,839	28.0%	-	0.0%
NET REVENUE	\$ 228,249		\$ 850,766		\$ 318,954		\$ 30,870	

	Golden Nugget*		Harrah's AC		Resort	s (a)	Resorts Digital Gaming		
	Revenue	As a % of Total Revenue	Revenue	As a % of Total Revenue	Revenue	As a % of Total Revenue	Revenue	As a % of Total Revenue	
Casino	\$ 248,999	78.8%	\$ 360,490	64.0%	\$ 188,005	78.3%	\$ 30,511	71.5%	
Rooms	16,949	5.4%	87,934	15.6%	25,617	10.7%	-	0.0%	
Food and Beverage (b)	30,671	9.7%	87,901	15.6%	17,402	7.3%	-	0.0%	
Other (c)	19,423	6.1%	26,697	4.8%	8,958	3.7%	12,144	28.5%	
TOTAL REVENUE	\$ 316,042	100%	\$ 563,022	100%	\$ 239,982	100%	\$ 42,655	100%	
Less: Promotional Allowances (d)	81,927	25.9%	148,364	26.4%	63,311	26.4%	5,779	13.5%	
NET REVENUE	\$ 234,115		\$ 414,658		\$ 176,671		\$ 36,876		

		Tropic	ana*	INDUSTRY TOTALS		
	F	Revenue	As a % of Total Revenue	Revenue	As a % of Total Revenue	
Casino	\$	378,327	77.4%	\$ 2,559,260	72.3%	
Rooms		59,338	12.1%	391,020	11.0%	
Food and Beverage (b)		35,096	7.2%	427,289	12.1%	
Other (c)		16,327	3.3%	164,516	4.6%	
TOTAL REVENUE	\$	489,088	100%	\$ 3,542,085	100%	
Less: Promotional Allowances (d)		103,175	21.1%	865,013	** 24.4%	
NET REVENUE *Figures include Internet gaming	\$	385,913		\$ 2,677,072		

**Does not include promotional expenses. Promotional expenses are complimentaries not offered for sale to patrons in the normal course of a licensee's business. In 2017, promotional expenses totaled \$127.5 million.

In 2017, promotional allowances and expenses as a percent of Total Revenue was 28.0%.

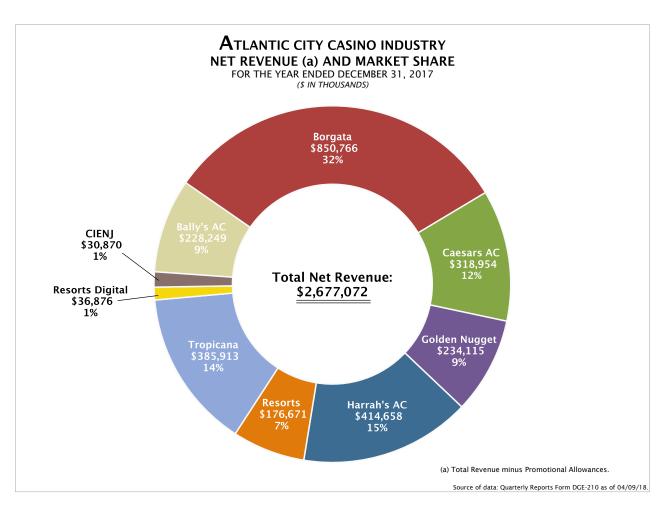
*Figures include Internet gaming revenue. (a) Figures do not include Internet gaming revenue. Internet gaming at Caesars AC is operated by Caesars Interactive Entertainment (CIENJ) and at Resorts is operated by Resorts Digital Gaming, which hold casino licenses issued by the Casino Control Commission. As such, CIENJ's and Resorts Digital Gaming's revenue is reported separately.

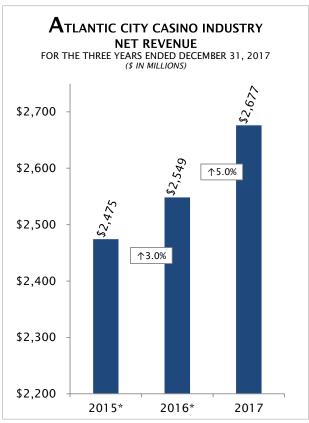
Source of data: Quarterly Financial Reports Form DGE-210 and DGE-245 as of 04/09/18.

⁽b) Food & Beverage Revenue for casino owned outlets only.

⁽c) Other Revenue reflects concert and show tickets, casino-owned spa revenue, casino-owned retail sales, rental income, and other miscellaneous revenue sources.

⁽d) Promotional allowances are complimentaries given away free in the normal course of the licensee's business.





*Taj Mahal closed 10/10/16 and is excluded.

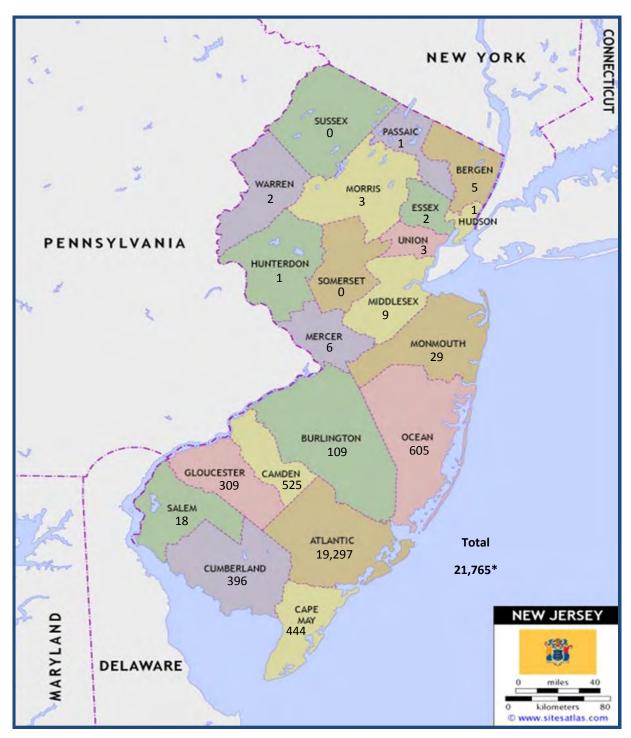
Gross Operating Profit reflects earnings before interest, taxes, depreciation, amortization, charges from affiliates, and other miscellaneous items. It is a widely-accepted measure of profitability in the Atlantic City gaming industry.

In CY 2017, Gross Operating Profit for the 2017 Operators increased 22.5% from 2016. All but one of the 2017 Operators had a year over year increase in Gross Operating Profit.

Source of data: DGE Quarterly Press Releases & Statistical Summaries as of 04/09/18.

ATLANTIC CITY CASINO LICENSEES EMPLOYMENT BY COUNTY

FOR THE YEAR ENDED DECEMBER 31, 2017



^{*}Margin of error for total casino hotel employees reported is 1.9%. Map used with permission.

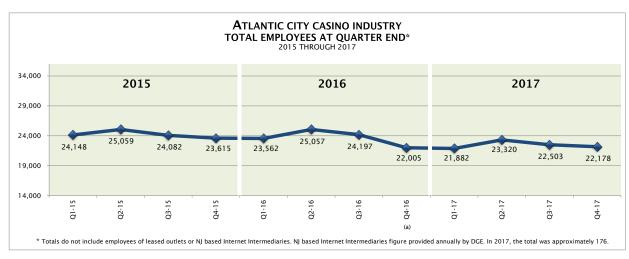
Source of data: DGE Zip Code Report by Casino.

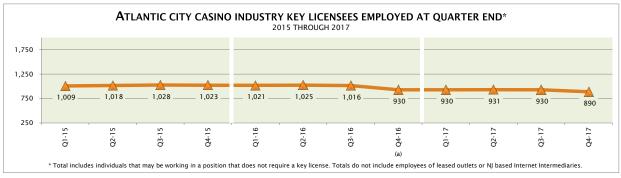
ATLANTIC CITY CASINO INDUSTRY EMPLOYMENT STATISTICS

FOR THE THREE YEARS ENDED DECEMBER 31, 2017

Casinos	2017	2016	2015
Bally's AC	2,445	2,486	2,660
Borgata	5,808	5,763	5,784
Caesars AC †	2,924	2,952	2,888
Golden Nugget	2,202	2,200	2,164
Harrah's AC	3,564	3,426	3,271
Resorts †	2,040	2,047	1,817
Tropicana	3,195	2,951	2,839
TOTAL FOR 2017 OPERATORS	22,178	21,825	21,423
Taj Mahal (closed 10/10/16)	_	180	2,192
INDUSTRY TOTALS	*22,178	22,005	23,615

^{*16,534 (74.5%)} are full time employees, 2,948 (13.3%) are part time employees, and 2,696 (12.2%) are considered other employees. Totals do not include employees of leased outlets. † Caesars figures include Caesars Interactive Entertainment (CIENJ) and Caesars Enterprise Services (CES) and Resorts figures include Resorts Digital. NJ based Internet Intermediaries employee totals provided annually by the DGE. In 2017, the total was approximately 176.





(a) Trump Taj Mahal closed 10/10/16.

Source of data: Employment statistics provided by the casinos to the DGE.

ATLANTIC CITY CASINO INDUSTRY SALARIES AND WAGES

FOR THE THREE YEARS ENDED DECEMBER 31, 2017
(\$ IN THOUSANDS)

Casinos	2017	2016	2015
Bally's AC (a)	\$ 65,162	\$ 66,119	\$ 65,638
Borgata	147,342	148,052	142,819
Caesars AC (a)	67,947	69,014	68,042
Golden Nugget	71,244	66,430	51,277
Harrah's AC (a)	83,639	86,237	83,701
Resorts/Resorts Digital Gaming	48,594	46,175	42,249
Tropicana	79,729	75,267	71,569
TOTAL FOR 2017 OPERATORS	\$ 563,657	\$ 557,294	\$ 525,295
Taj Mahal (closed 10/10/16)	_	43,437	58,164
INDUSTRY TOTALS (b)	\$ 563,657	\$ 600,731	\$ 583,459

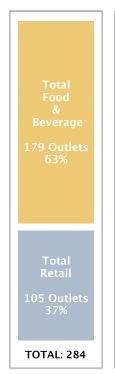
(a) Totals do not include Caesars Interactive Entertainment or Caesars Enterprise Services.

(b) Totals do not include employees of leased retail and food & beverage outlets or Internet Gaming Intermediaries.

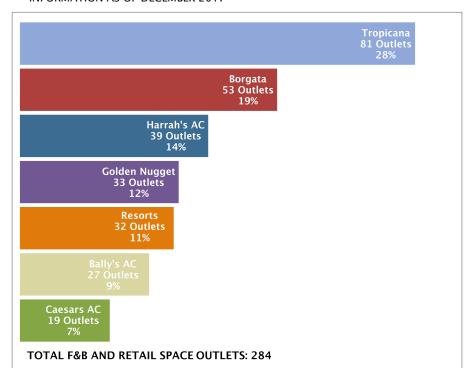
Source of data: Form DGE-370.

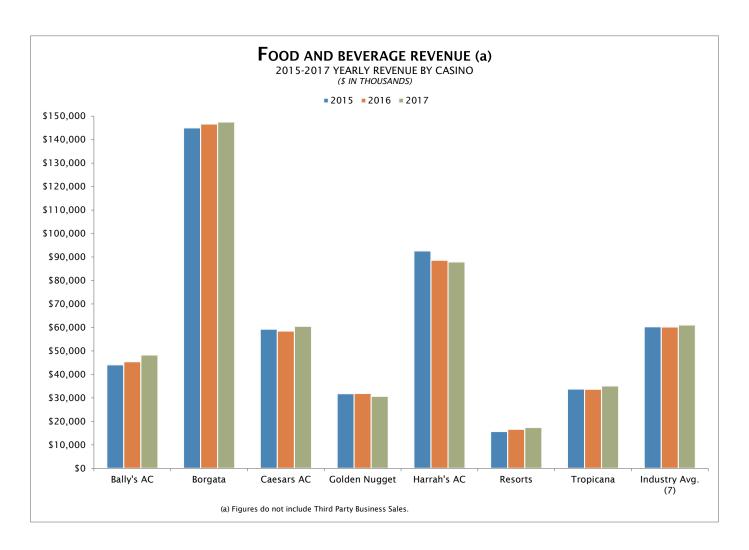
ATLANTIC CITY CASINOS – FOOD & BEVERAGE AND RETAIL OUTLETS TOTAL NUMBER AND MARKET SHARE (OWNED & LEASED)

INFORMATION AS OF DECEMBER 2017







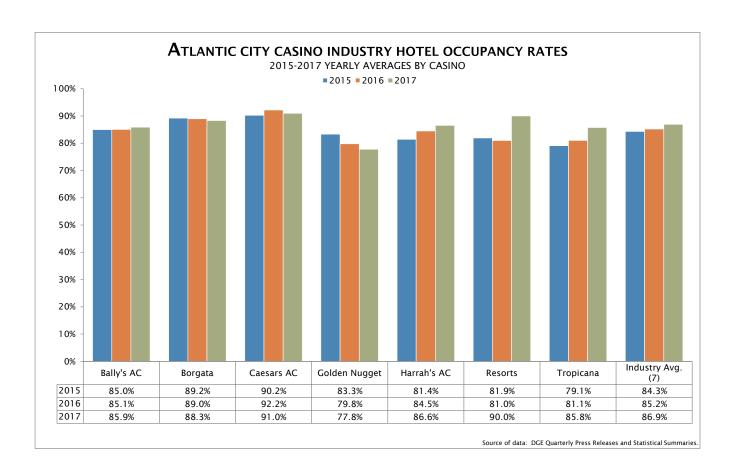


	FOO	D AND BEVER REVENUE (a)	AGE	FOOD AND BEVERAGE PROMOTIONAL ALLOWANCES			
(\$ IN THOUSANDS)	2015	2016	2017	2015	2016	2017	
Bally's AC	\$ 44,079	\$ 45,409	\$ 48,265	\$ 24,084	\$ 25,847	\$ 26,432	
Borgata	144,992	146,631	147,490	54,772	57,103	57,198	
Caesars AC	59,276	58,446	60,464	38,463	38,795	41,290	
Golden Nugget	31,802	31,884	30,671	14,449	16,252	16,529	
Harrah's AC	92,589	88,599	87,901	49,962	47,497	50,044	
Resorts	15,704	16,620	17,402	10,717	10,591	11,607	
Tropicana	33,782	33,682	35,096	18,097	17,601	16,254	
TOTAL FOR 2017 OPERATORS	\$ 422,224	\$ 421,271	\$ 427,289	\$ 210,544	\$ 213,686	\$ 219,354	
Industry Avg. (7)	60,318	60,182	61,041	30,078	30,527	31,336	
Taj Mahal (closed 10/10/16)	18,602	9,659	-	11,594	6,156	_	
INDUSTRY TOTALS	\$ 440,826	\$ 430,930	\$ 427,289	\$ 222,138	\$ 219,842	\$ 219,354	

indicates an increase in revenue from 2016.

Source of data: Forms DGE -210 and DGE-245 as of 04/09/2018.

⁽a) Prior revenue figures may have been updated from last year's report due to amendments. The analysis on this page ignores the impact of food and beverage comps on other revenue sources.

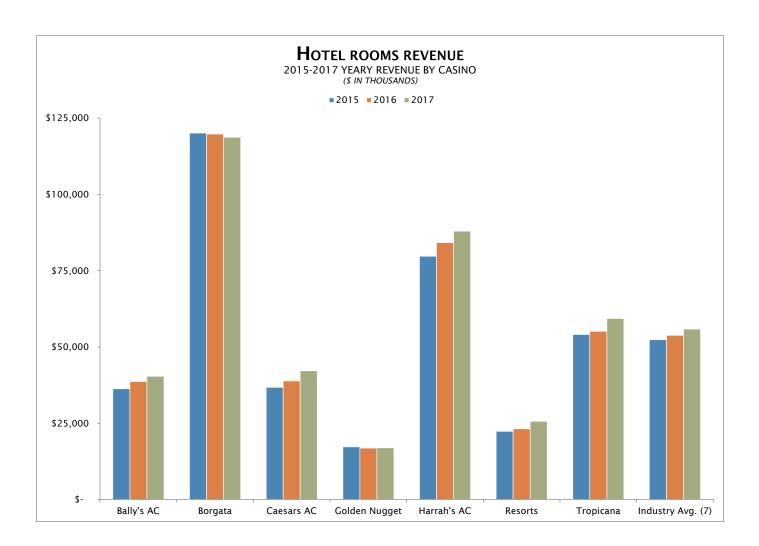


ATLANTIC CITY CASINO INDUSTRY HOTEL ROOM STATISTICS FOR THE YEAR ENDED DECEMBER 31, 2017								
	Bally's AC	Borgata	Caesars AC	Golden Nugget	Harrah's AC	Resorts	Tropicana	Industry Total
# of Hotel Rooms (a)	1,251	2,767	1,141	716	2,587	942	1,882	11,286
# of Available Room Nights	456,191	1,009,955	416,247	261,340	918,378	322,566	767,003	4,151,680
Average Rate per Occupied Room	\$103	\$133	\$111	\$83	\$111	\$88	\$90	\$108

⁽a) Number of guest rooms at end of year.

Source of data: DGE Quarterly Press Releases and Statistical Summaries.

Hotel Occupancy Rate for the 2017 Operators increased 1.7% from 2016. Four of the seven 2017 Operators reported an increase in Hotel Occupancy Rate. 2017 Operators average room rate increased \$1.



	HOTEL ROOMS REVENUE (a)			HOTEL ROOMS PROMOTIONAL ALLOWANCES			
(\$ IN THOUSANDS)	2015	2016	2017	2015	2016	2017	
Bally's AC	\$ 36,303	\$ 38,673	\$ 40,337	\$ 18,102	\$ 21,636	\$ 21,593	
Borgata	120,132	119,782	118,659	72,981	74,683	74,065	
Caesars AC	36,783	38,858	42,186	19,291	21,218	23,659	
Golden Nugget	17,255	16,855	16,949	12,731	12,259	11,655	
Harrah's AC	79,751	84,192	87,934	42,063	40,035	42,874	
Resorts	22,317	23,187	25,617	12,188	12,722	14,185	
Tropicana	54,095	55,104	59,338	17,173	18,480	22,472	
TOTAL FOR 2017 OPERATORS	\$ 366,636	\$ 376,651	\$ 391,020	\$ 194,529	\$ 201,033	\$ 210,503	
Industry Avg. (7)	52,377	53,807	55,860	27,790	28,719	30,072	
Taj Mahal (closed 10/10/16)	39,582	28,767	_	24,965	16,914	_	
INDUSTRY TOTALS	\$ 406,218	\$ 405,418	\$ 391,020	\$ 219,494	\$ 217,947	\$ 210,503	

indicates an increase in revenue from 2016.

Source of data: Forms DGE-210 and DGE-245 as of 04/09/18.

⁽a) Prior revenue figures may have been updated from last year's report due to amendments. The analysis on this page ignores the impact of hotel comps on other revenue sources.

ATLANTIC CITY CASINO INDUSTRY NUMBER OF OCCUPIED ROOM NIGHTS*

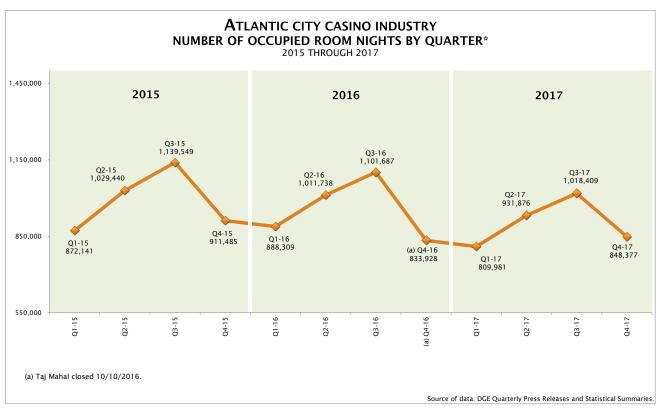
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Casino	2017	2016	Difference	% Difference
Bally's AC	391,761	383,550	8,211	2.1
Borgata	891,925	900,925	(9,000)	-1.0
Caesars AC	378,620	372,958	5,662	1.5
Golden Nugget	203,281	210,825	(7,544)	-3.6
Harrah's AC	794,918	793,312	1,606	0.2
Resorts	290,355	279,304	11,051	4.0
Tropicana	657,783	587,499	70,284	12.0
TOTAL FOR 2017 OPERATORS	3,608,643	3,528,373	80,270	2.3
Taj Mahal (closed 10/10/16)	_	309,195	(309,195)	N/A
INDUSTRY TOTALS	3,608,643	3,837,568	(228,925)	-6.0

indicates an increase in occupied room nights from 2016.

Source of data: DGE Quarterly Press Releases and Statistical Summaries.

^{*} Includes complimentary rooms.



^{*}Includes complimentary rooms.

For the 2017 Operators, Hotel Rooms Revenue increased 3.8% from 2016.

ATLANTIC CITY CASINO INDUSTRY NON- GAMING TOTAL REVENUE (a)

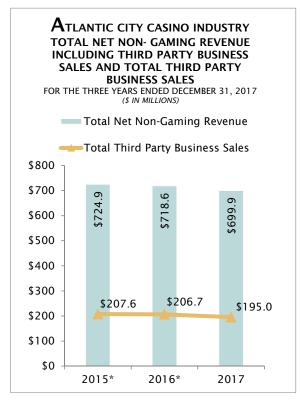
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

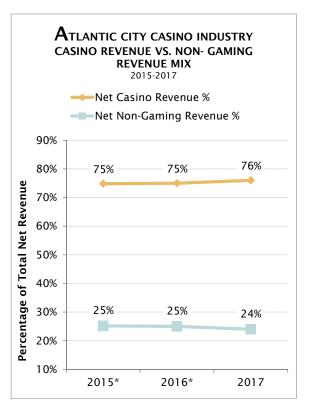
Type of Revenue (<i>\$ In Thousands</i>)		2017	2016	(Change	% Change
Rooms	\$	391,020	\$ 376,651	\$	14,369	3.8
Food and Beverage (b)		427,289	421,271		6,018	1.4
Entertainment and Other		164,516	147,531		16,985	11.5
Total Non- Gaming Revenue (2017 Operators)	\$	982,825	\$ 945,453	\$	37,372	4.0
Non-Gaming Revenue Taj Mahal (closed 10/10/2016)		-	46,043		(46,043)	N/A
Total Industry Non- Gaming Revenue		982,825	\$ 991,496	\$	(8,671)	- 0.9
Total Third Party Business Sales (c)	\$	195,017	\$ 206,697	\$	(11,680)	- 5.7

(a) Not adjusted for promotional allowances. Current year revenue figures are unaudited. Prior revenue figures may have been updated from last year's report due to amendments.

- (b) Food & Beverage Revenue for casino owned outlets only.
- (c) Third Party Business Sales include food, beverage, retail, entertainment, and hospitality related items.

Source of data: DGE Quarterly Press Releases and DGE Form-210.

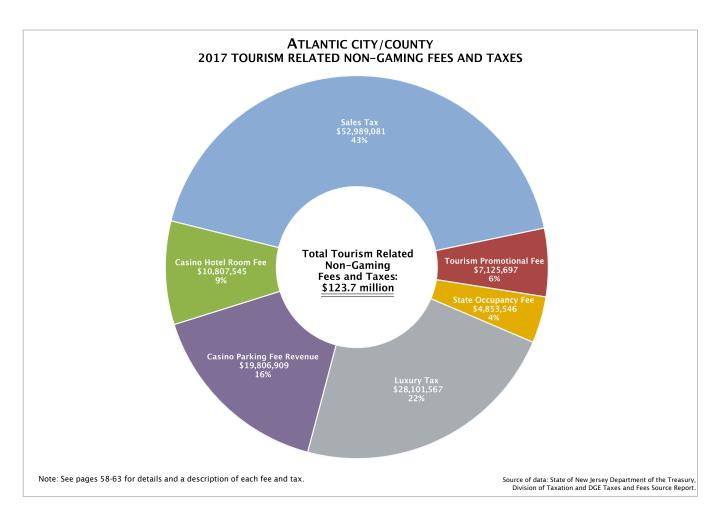


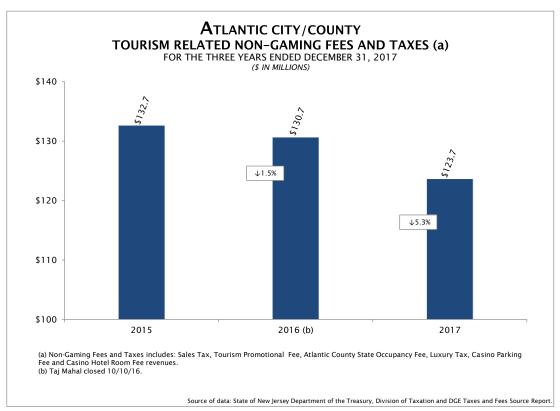


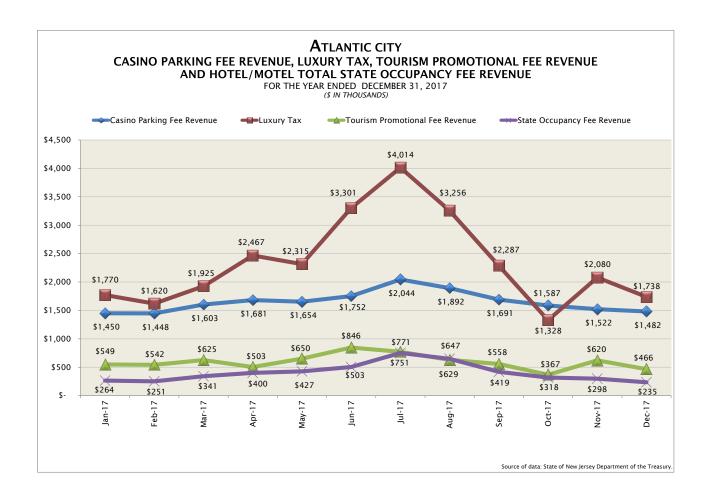
^{*} Includes Taj Mahal closed 10/10/16.

Note: Casino Revenue excludes promotional allowances and includes Internet gaming revenue. Total Non-Gaming Revenue is shown net of promotional allowances and includes Third Party Business Sales. Third Party Business Sales includes food, beverage, retail, entertainment and hospitality related sales from casino leased food & beverage and retail outlets. Prior revenue figures may have been updated from last year's report due to amendments.

Source of data: DGE Quarterly Financial Reports & Press Releases and Statistical Summaries by the DGE.





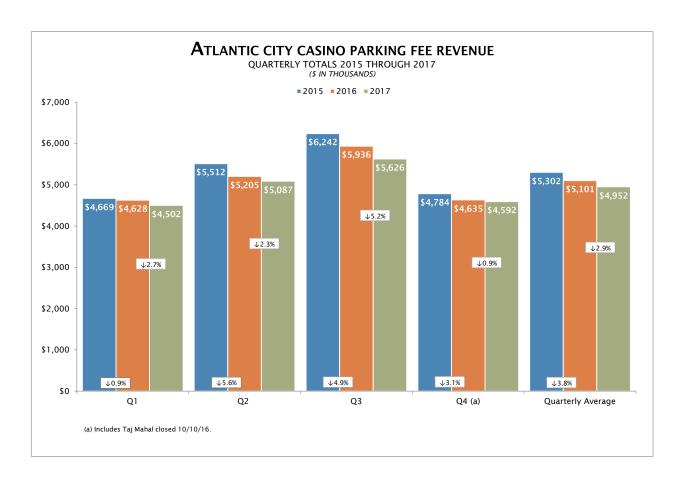


ATLANTIC CITY CASINO INDUSTRY PARKING SPACE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2017				
Bally's AC	2,668			
Borgata	6,433			
Caesars AC	5,364			
Golden Nugget	2,690			
Harrah's AC	5,782			
Resorts	1,871			
Tropicana	5,209			
INDUSTRY TOTALS	30,017			

Parking spaces provided by the casinos to the CCC.

Casino Parking Fee:

\$3.00 per day imposed on each occupied casino parking space. \$0.50 is allocated to the Casino Revenue Fund to benefit the aged and disabled citizens of New Jersey. \$2.50 is allocated to the Casino Reinvestment Authority for statutory restricted projects, including the service of Series 2005 Revenue Bonds, and for the benefit of Atlantic City. Effective July 1, 2007, the law was amended to exclude the \$3.00 parking fee from sales tax. Any amount collected over and above this amount remains subject to sales tax.

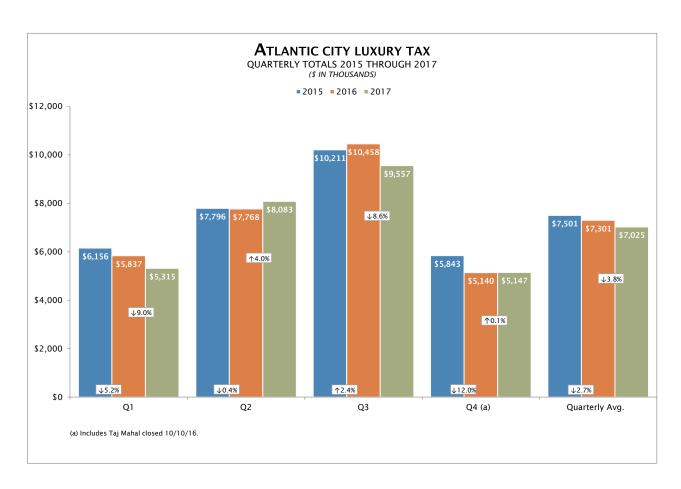


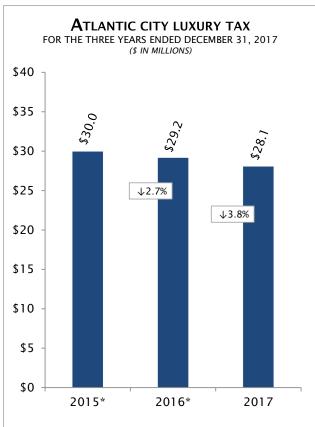
ATLANTIC CITY CASINO INDUSTRY CASINO PARKING FEE REVENUE

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

			Growth (D	ecline)
	2017	2016 *	\$	%
January	\$ 1,450,362	\$ 1,450,479	(117)	(0.01)
February	1,447,983	1,503,828	(55,845)	(3.7)
March	1,603,359	1,673,361	(70,002)	(4.2)
April	1,680,654	1,647,699	32,955	2.0
May	1,654,389	1,773,843	(119,454)	(6.7)
June	1,751,502	1,783,131	(31,629)	(1.8)
July	2,043,687	2,164,788	(121,101)	(5.6)
August	1,891,863	2,064,000	(172,137)	(8.3)
September	1,690,920	1,707,591	(16,671)	(1.0)
October	1,587,357	1,599,846	(12,489)	(0.8)
November	1,522,476	1,527,498	(5,022)	(0.3)
December	1,482,357	1,508,088	(25,731)	(1.7)
INDUSTRY TOTALS	\$19,806,909	\$20,404,152	(597,243)	(2.9)

^{*}Includes Taj Mahal closed 10/10/16.

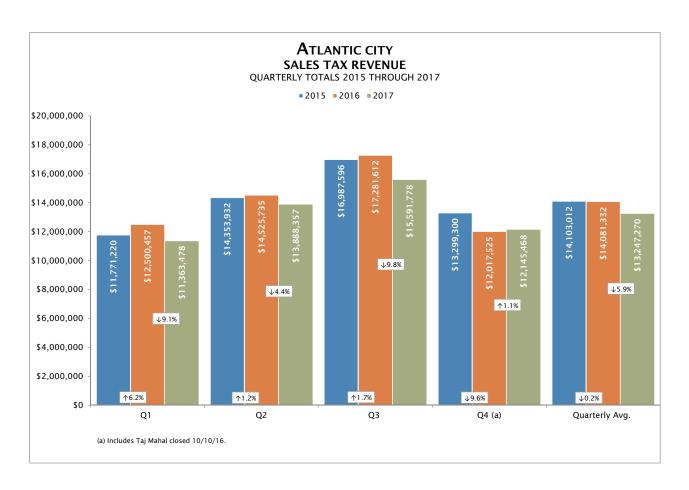


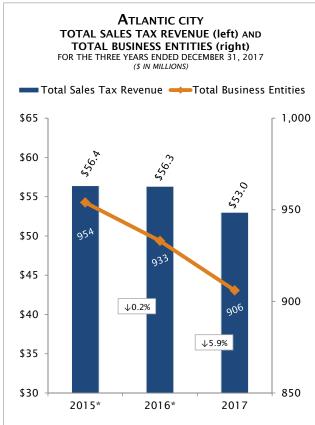


Luxury Tax:

of the cost of alcoholic beverages and 9% of the cost of all other taxable sales (i.e. cover and entertainment charges, room rentals, rentals of beach chairs, cabanas, rolling chairs, and tickets of admission within Atlantic City). The maximum combined Atlantic City Luxury Tax rate and New Jersey State Sales Tax (excluding the State Occupancy Fee) may not exceed 12.625%. The Sales Tax rate is reduced to 3.625% on items subject to the 9% Luxury Tax. (For details regarding the tax rate change, see page 61.)

Source of data: State of New Jersey Department of the Treasury.





AVERAGE SALES TAX REVENUE PER BUSINESS ENTITY

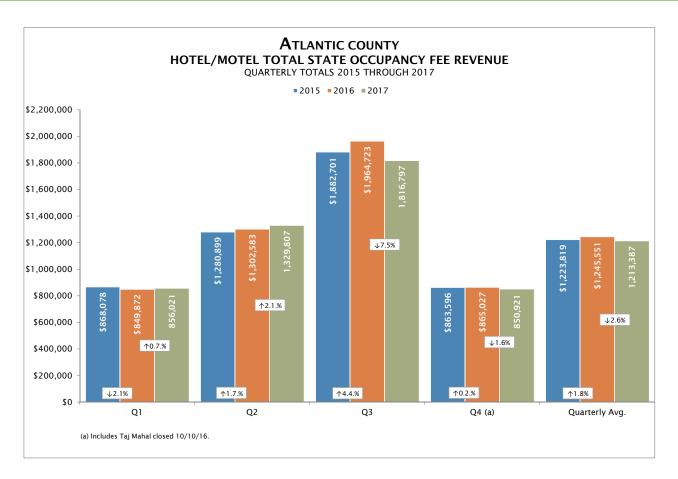
FOR THE THREE YEARS ENDED DECEMBER 31, 2017

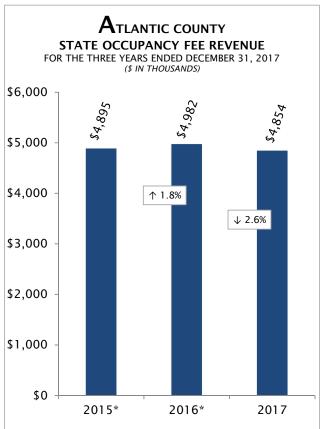
	Average Revenue	Growth (Decline)
2015	\$ 59,132	0.7%
2016	\$ 60,370	2.1%
2017	\$ 58,487	(3.1%)

Sales Tax Revenue does not typically include business entities that have Atlantic City locations but are primarily based outside of Atlantic City. Total number of business entities represents Atlantic City- based business entities active at any time during the year. Subject to change.

Sales Tax Rate 2015 & 2016: 7% 2017: 6.875%

Source of data: State of New Jersey Department of the Treasury, Division of Taxation (City Code 0102).

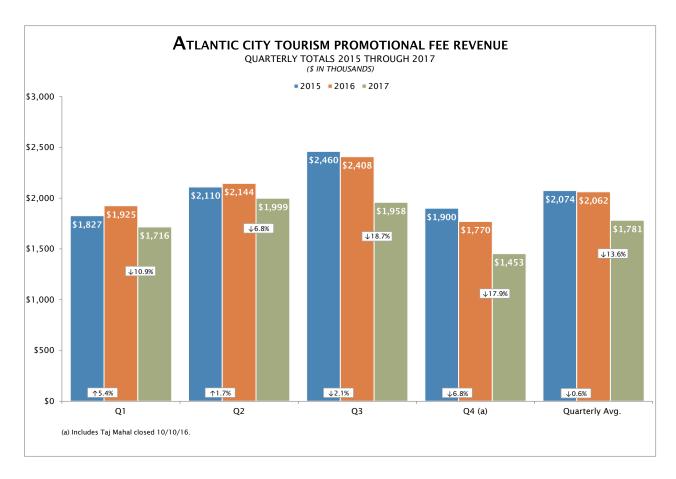


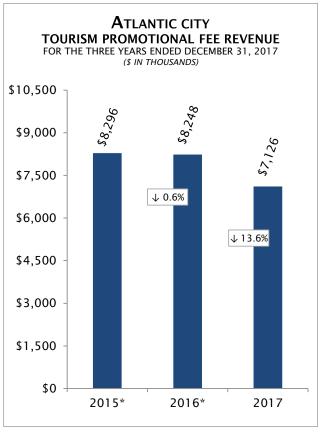


State Occupancy Fee:

1% for Atlantic City. Atlantic City is prohibited from enacting Municipal Occupancy Tax as it imposes other local taxes (luxury and tourism promotional taxes). The general State Occupancy Fee rate is 5% and the Municipal Occupancy Tax is less than or equal to 3%. The State Occupancy Fee is imposed on room rentals that are currently subject to New Jersey Sales Tax and is in addition to the Sales Tax.

Source of data: State of New Jersey Department of the Treasury, Division of Taxation - Hotel/Motel Information County Totals Reports (County Code 01).

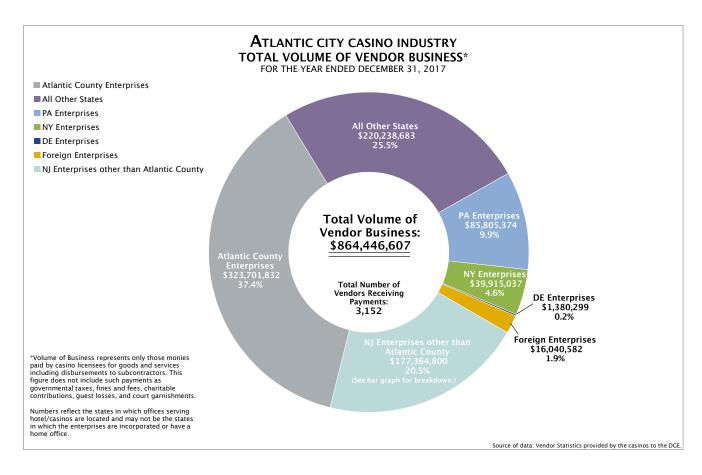


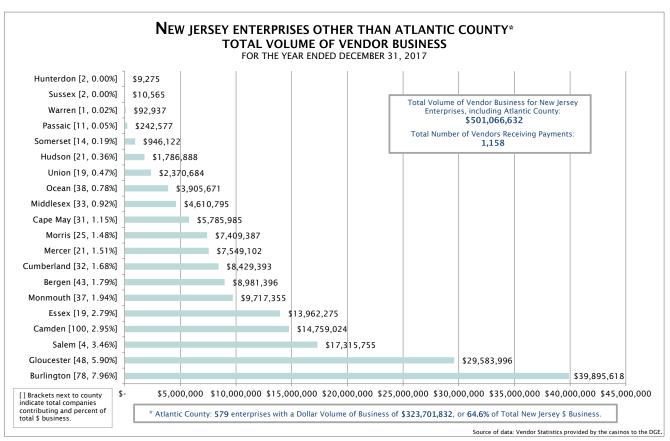


Tourism Promotional Fee:

\$2 per occupied casino hotel room and \$1 per occupied non-casino hotel/motel room in Atlantic City as reported to the Division of Taxation. Proceeds are appropriated to a special fund held by the convention center operating authority exclusively for the purpose of promoting tourism, conventions, resorts and casino gaming.

Source of data: State of New Jersey Department of the Treasury.





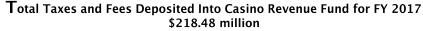
Casino revenue fund

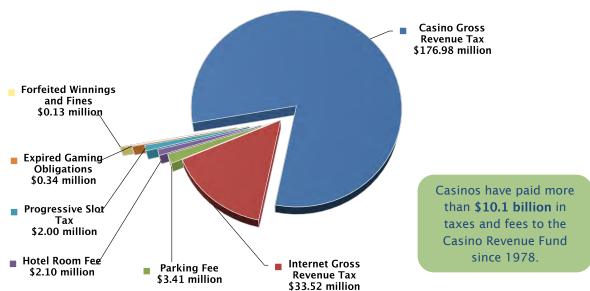
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Funding is generated through two casino related taxes and five casino related fees. New Jersey casinos pay the state 15 percent tax on Internet gross revenues and 8 percent tax on casino gross revenues appropriated to the Casino Revenue Fund (CRF) for the benefit of the aged and disabled citizens of the State of New Jersey. Specifics on actual CRF appropriations may be obtained on the Casino Revenue Fund Advisory Commission's website. Gross gaming revenue is the amount won from gamblers after all payouts have been made. Casino licensees are permitted to take a deduction for casino and Internet promotional gaming credits, in excess of 90 million annually, (both at a rate of 8%) for the purpose of calculating taxable gross revenue.

The responsibility for administering these taxes and fees resides with the Division of Gaming Enforcement, Division of Taxation, and the Casino Control Commission.

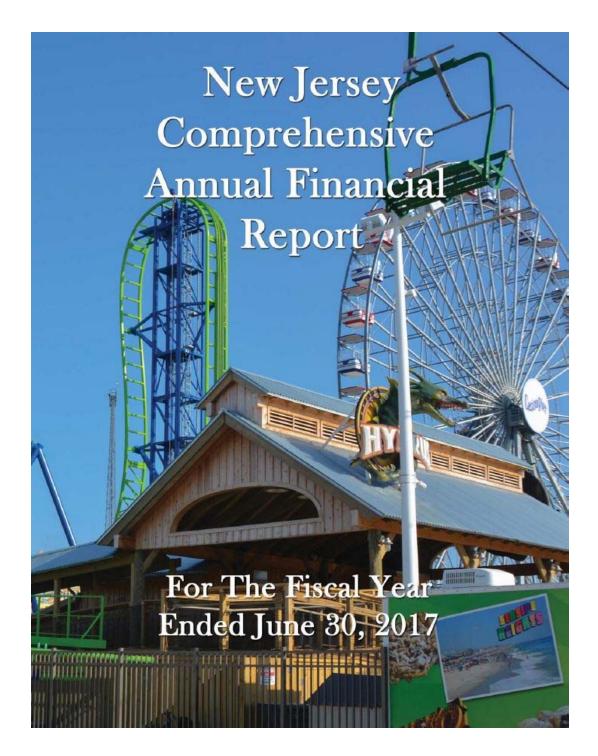
- Gross Revenue Tax includes audit assessments, penalties, interest, and other adjustments.
- Casino Parking Fee: Casinos remit a fee of \$3.00 per day for each occupied casino parking space. In FY 17, \$0.50 of the parking fee revenue was allocated to the CRF and \$2.50 was allocated to the Casino Reinvestment Development Authority (CRDA) for statutorily restricted projects and the benefit of Atlantic City.
- Casino Room Fee: Casinos remit \$3.00 per day for each hotel room occupied by a guest. In FY 17, \$1.00 was allocated to the CRDA and \$2.00 was allocated to the CRF with a portion used to fund debt service on hotel expansion bonds.
- Multi-Casino Progressive Slot Tax: An 8 percent tax on casino service industry enterprise multi-casino progressive slot revenue.
- Expired Obligations: Casinos are required to remit a percentage of each expiring gaming obligation.
- Forfeited Winnings: Winnings of underage gamblers or excluded persons are subject to forfeiture. Forfeitures under \$100,000 are split equally between CRF and compulsive gambling programs. For forfeitures over \$100,000, compulsive gambling programs receive \$50,000 and the balance is allocated to the CRF.
- Fines: The first \$600,000 of fines imposed on casinos in a fiscal year is allocated to the General Fund for compulsive gambling programs. Any amount over \$600,000 is allocated to the CRF.





Source of data: DGE's Casino Revenue Fund Taxes and Fees Source Report (as of 04/23/18).

INDEPENDENT AUDITOR'S REPORT



Is available at:

http://www.nj.gov/treasury/omb/publications/17cafr/pdf/fullcafr.pdf

Phil Murphy Governor

Sheila Oliver Lt. Governor



New Jersey
Casino
Control Commission

James T. Plousis Chairman

Sharon Anne Harrington Vice Chair

> Alisa Beth Cooper Commissioner



Tennessee Avenue and Boardwalk
Atlantic City, NJ 08401
609-441-3422
www.njccc.gov