

## THE ORAL HISTORY OF VIRGINIA MCDOWELL

Virginia McDowell, at the time, was the only female to serve as CEO and President of a large, publicly-traded gaming operation from 2007 until her retirement from Isle of Capri Casinos in April 2016. Leveraging her thirty-five years of casino experience, Ms. McDowell co-founded Global Gaming Women, a non-profit that serves to support, inspire and influence the development of women in the gaming industry through education and mentoring. Today, Ms. McDowell serves on various boards and is often a keynote speaker, moderator or panelist at universities, civic organizations and charitable organizations and major industry conferences.

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*How did you go from studying communications at Temple University to being the President and CEO of Isle of Capri Casinos—one of the largest public gaming operations?*

Okay, that's a long story. I started at Temple University as essentially a journalism student. My father was the director of the library at the Philadelphia Evening Bulletin, so I kind of grew up in the newsroom. I was the oldest of four children—so the treat for me was when my dad used to take me to work with him. And that was way back in the day when they still had the big presses in the building. So, I would go into the library with my dad and he would take me and sit me up on the old card catalogs where they used to go through and look to see what they were looking for in the library, and I just remember being there. . . When the big old presses would start and the whole building would shake. It was just so exciting for me. I used to tell people all the time that my father was the original Google, because when I was going to school, if I was doing a research project on something, the Philadelphia Evening Bulletin was very interesting in that it was one of the only newspapers in the United States that actually cataloged their archives by subject, not by day-of-story. My father would bring ten newspapers home every day—that was kind of his homework, and he used to have these big old librarian sheers, and he would just cut articles out of the newspaper because if, you know, John F. Kennedy was speaking in Philadelphia, one of those clips would go into the John F. Kennedy file, one would go to into the Philadelphia file, and one would go in whatever the organization was. So, what happened is, you had a whole bunch of complete historical archives of different subjects. When I was doing a term paper on something, I would sit there and say, “Dad bring me your Lyndon Johnson file,”

and he would come home with this big old manila envelope that had decades of stories on Lyndon Johnson. That fascinated me. I wanted to be part of the media, so I started studying journalism at Temple University. Because my father worked in the library, and the library was a source for a lot of the broadcast journalists in town, radio and television people would come and do research in the library all the time.

My dad came home one day, and he said there was a gentleman named Herb Denenberg, a former Pennsylvania insurance commissioner, but he also held the Wharton Chair—I believe in economics at the University of Pennsylvania. Brilliant, brilliant man, who literally left the academic world to become a TV reporter. Herb's whole thing was consumer protection. This was in the mid-1970s—he was one of the only ones that was doing it. Herb, even then, had this flare and understood that radio was more of an intellectual medium and television was more of a visual. So, in the morning, I would work with him as an intern, and I would work with him on his two-hour radio show, helping him schedule guests and feeding questions and so on and so forth. Then he would take a break for lunch, and afterwards we would set up his evening broadcast every night; live shots and all of this. His shtick was something called "Denenberg's Dump." He would dress up in a white jumpsuit and put on white hard hat with "Denenberg's Dump" across the front, and he had a big thirty-gallon trash can next to him. He would go find unsafe products, do his whole broadcast segment, and then he would sit there and say, "And this belongs in Denenberg's Dump!" People ate it up; I mean they just loved it. So when I was scheduling, I used to have to call supermarkets or government agencies or whatever it was, even if it was something that could be potentially negative, they loved just the whole shtick of Denenberg's Dump so much that they were like "Yeah, yeah, come on over, we would love to see you."

So, I worked with Herb as an intern for about a year, and at the end of that year he came back to me and he said, "I would like you to run my office for me," and I said, "Well, you know Herb, I'm a student. I haven't graduated yet and my education is extraordinarily important to me. I would be the first to go to college on my mother's side and the second to graduate on my father's side." I said that I have to finish, and he just looked at me and said, "I didn't say anything about quitting school, I just want you to come run my office." I thought about it and I'm like, "I can do this." So, I started working full-time at CBS during the days, went to school full-time at nights, and then I had two waitressing jobs on the weekend to pay the gas to get back and forth between the two of them. It was just an absolutely extraordinary learning opportunity for me because now, instead of just doing the scheduling stuff and all that I had been doing an intern, now I was actually working with the production teams. They would send me out to New York City to do a remote broadcast, or Washington D.C. to do a remote broadcast, and I was nineteen years old. I got a good handle on, number one,

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working with a whole range of people—it was scientists and senators and whatever they might be—and then also through working on all these remote broadcasts, organizing special events and doing things like that.

One of the best stories that I like to tell is when we went down to Washington D.C.. This was during the Carter administration, and a woman named Esther Peterson was the first cabinet-level executive for Consumer Protection. She was the first, I think at this point she may be the only, because I don't know of any administration that has had one since then. Bill Bradley was a freshman Senator at the time, we had this long-standing battle with the Environmental Protection Agency for labeling on unsafe products. We went down and had all this scheduled. When they heard that we were going to the White House because Esther had agreed to see us, it generated a whole bunch of interest in the broadcast media and the print media in Philadelphia. So now, they all wanted to come with us as part of this "Dump Goes to D.C.," which is what we called it. Now, I'm organizing a caravan from Philadelphia down to Washington of news trucks—*literally* a dump truck full of garbage cans in the back with unsafe products that we're going to bring on to the White House grounds, and two limousines full of reporters that are tagging along because they think this is really funny and a good story. I cleared everything with the Secret Service. Back then it was "We need the name, we need the birthdate," all of this kind of stuff; they had their protocol for it. I do everything that I need to and we're ready to go. I show up at the background gate of the White House, the Secret Service is there, and I say, "Hi, I'm Virginia McDowell from CBS in Philadelphia" and they say, "Yes, we know, we've been waiting for you." I say, "Pardon me?" and they're like, "Step in young lady." I walk in to the Secret Service office and the guy says to me, "What are you trying to pull?" I said, "What do you mean what am I trying to pull?" He goes, "Well, we have a big problem with your list." I said, "I did what you told me to, I sent this to you, you guys acknowledged that you received it. There was no indication that there were any issues. I just don't understand." He said, "Well, the names of the Social Security numbers don't match." I said, "It would have been nice if you would have told me that before I left Philadelphia, but I was very careful. I don't think I transposed anything, but you're saying plural, which means there's multiple instances of it." He said, "Yes," and I said, "I'm at a loss for this." He goes, "Well this whole little show is not going anywhere because I can't clear you." I said, "Can you give me a minute to fix it?" and he said, "Yeah." I said, "Alright, give me one name." Well thankfully, the one name that he picked was my producer who I knew very, very well. So, I thought about it for a minute and a light bulb went off. I went out to the limo, opened the door, and said, "Dave can I speak with you?" He says, "Sure." I said, "Step out here." Dave gets out of the limo, and goes, "What?" I said, "Well, they're not letting us in because the names and Social Security numbers don't match," and he goes, "Okay." I'm like, "What was your birth name?" I'm working with a whole bunch of reporters who had all changed their

names for TV. It never even occurred to them because they'd been operating with these names for so long. He gave me his stage name and his Social Security number which matched his birth name. I went back into the Secret Service to get a clipboard, and I'm opening the door to the limo and saying, "Could you all write the name that you were *given* on this piece of paper?"

We ended up getting in, and if you think of when you see live shots in front of the White House, they're all pretty much from the same place: it's a driveway that goes in front of White House. In the ground are actually plug-in boxes for each of the networks so they don't have to throw the towers up; they just go and plug-in, which is why you always see the broadcast from the same place. So, we did our "Dump" segment standing in front of the White House with Herb dressed in a jumpsuit.

I had a lot of fun and I learned a lot. But it was about the time that gaming had been legalized in New Jersey. So, of course, it was only the second state outside of Nevada where there was legalized commercial casino gaming. I was kind of looking at that, sitting and thinking: *you know it might be worth a shot*. I can always, once I graduate with my degree, I can always go back into media if I want, but it might be fun to get in on the ground floor of a new industry and just see whether or not it's something that I might enjoy. So, I sent my resume to a bunch of the marketing directors. At that point, I was probably twenty-one years old, and I already had three years of broadcast media experience. The woman who was the Director of Public Relations at Bally's Park Place was a former associate press bureau chief, and she jumped at that. She saw my resume and was like, "I can hire her for nothing out of college and she's got three years of experience."

I started working at Bally's Park Place in 1981—essentially editing their in-house publication. I did that for a couple years, then I was recruited by a team at Playboy that was trying to do a turn-around there. I worked at Playboy for a year and then I was recruited by the Tropicana in 1984. I stayed at the Tropicana for twelve years. When I was at the Tropicana, I met two men. I had two wonderful mentors who probably really defined my career from that point forward. The first was a gentleman who really taught me the value of community relations and giving back; it was something that he believed very much in. He made my time available to work with various community organizations. When he left, the gentleman who replaced him pushed me probably more than anyone ever has in my career. That would be Jim Perry. I worked with Jim for the next thirty years, through I think four different publicly-traded gaming companies. But Jim is the one who really encouraged me to expand my horizons, expand my resume, did not let me slack off at all, *ever*. He would be the first one to say, "You can do better on this." I think that to the extent that I look at the professional that I am today, Jim has a lot of credit for that.

I stayed at Tropicana until 1996, and then went to work for Casino Data Systems as their East Coast general manager. I had three major clients, two of them were Foxwoods and the Mohegan Sun, which at that point were the two largest casinos in the world. I worked with them on their entire technology program. It was really kind of my baptism under fire as far as learning technology, but I knew at the time that technology was going to define the industry going forward, so this was something that I was really willing to dig into and work a little deeper. I was at Casino Data Systems for about a year when Jim came back to me and said he had been recruited to be the CEO of a gaming company in the St. Louis market. Jim said, "I'd like you to join me as my new corporate vice president of marketing." I said, "Well, what's the company?" He told me, I looked the company up, called Jim back, and I was like, "They're going under!" And he goes, "Yup." And he said, "But you and I have the skill set to fix it. I know it's a leap of faith." I was married and had two small children at the time. Our entire support network was within fifty miles of us; my husband's family and my family. And I said to Jim, "I don't know, you're asking me to take a young family and move them a thousand miles across the United States to go work for a company that looks like it's a bond payment away from bankruptcy." And he said, "Yup, that's about right, but they have a lot of opportunity, and the problems with the company are basically problems that our skill sets could fix." I was hesitating, and Jim said to me, "Look at it this way Virginia, if you and I don't try to do this, this company is probably going to go under. So how many times can you actually sit there and say that you made a definitive positive impact in the lives and careers of so many people?" I said, "All right, let's do it."

So, we went to Argosy Gaming Company in 1997, and we did turn it around. When we joined the company, the company's stock was about two dollars on a good day. We transacted the company to Penn National Gaming in 2005 for around forty-seven dollars a share. At that point, it was one of the largest deals in regional gaming, and it was also considered to be one of the most amazing turnarounds. We learned a lot during that. We learned a lot in terms of the difference between destination markets and Midwest markets. We learned an awful lot in terms of research and analytics, and what customers were actually looking for. We were actually the first small company to build a data warehouse. Harrah's at the time obviously was a leader in this, but for a small Midwest regional company headquartered in Alton, Illinois to go out and use CRM for the first time just amazed people. When they were sitting there looking at our results and they're like, "It's not their physical plans, what are they doing?" We understood, at that point, segmentation, how to reinvest in customers, how to market. So, on the analytic side and then on the customer service side, we were always doing research and talking to the customers, and literally out in the field. We'd go out, sit next to the slot machines, talk to customers, and say, "What do you like about this?" We'd sit in restaurants and ask patrons, "What do you like

about this?” We bonused our general managers on identifying these issues through the research that we were doing and improving them. We looked at a baseline score, we looked at what the customers’ expectations were, and we said to the extent that there’s a gap, you have the ability to close that gap and dramatically improve your customer service. That was a lot of fun.

When Penn bought Argosy in 2005, we all exercised our change of control and were all ready to sit on the beach for year. It was at that point that Donald Trump called and said, “You guys did a phenomenal job with Argosy, can you come work for us at Trump Entertainment Resorts?” I think he was emerging from restructuring number two or three at the time, and Jim looked at me and goes, “You want to go back to Atlantic City?” I said, “Sure, this sounds like fun.” There were three Trump properties in Atlantic City, which was the entirety of Trump Entertainment Resorts. I went back as the Chief Information Officer, worked there for about a year and a half, and then was recruited to apply for the position of President and Chief Operating Officer of Isle of Capri. The gentleman from the search firm who called me and knew me from Argosy basically said, “Look, I’m going to give you a shot at this, but I’m gonna tell you that it’s not likely because there’s no women in this position at a major company across the United States, and it’s a pretty high hurdle. I had to really fight to get your name on the list.” I said, “All I want is a shot.” He was very strategic about it. I think I was the last person who interviewed. I realized at that point that I had absolutely nothing to lose by being brutally honest. So, when I interviewed and sat down with the owner of the company—it was closely held at the time—and the rest of the members of the Board of Directors, I just told them, “Here’s what you need to do to fix this. Here are all of your problems and here’s what you need to do to fix it.” It must have worked because I was offered the position. I joined Isle of Capri in 2007 and in 2011 was promoted to CEO. At that point I was the only female CEO of a major operating company in the United States. I stayed until 2016, then retired.

*You mentioned being the only woman at that time, what challenges or obstacles—if any—did you face navigating your rise? Do you have any specific stories?*

What was very interesting, and I’ve had this conversation with a bunch of my female friends in the gaming industry. . . . So, I’m currently the Vice President of Global Gaming Women, and we have about twenty members on our board now. These are extraordinary women who all are very invested in building and creating the next generation of female leaders in the gaming industry, but we also have dozens, if not hundreds, of talented women that we work with in managerial roles all across the United States right now. When we go to these events and have these conversations and I talk to my Atlantic City friends, the thing about Atlantic City when gaming was new there—so I’m going to say the decade of

the 80s—is it was growing so fast. We are opening another casino hotel with 500 or 750 rooms and all of that; we were opening one every year. We went from zero to a dozen almost in no time, and so there was a huge demand for talent. A lot of the people who had come from Las Vegas, Nevada, to help set up the first casinos just didn't like New Jersey. It was just a very, very different environment. You're going from the desert and the kind of weather that you enjoy here year-round, and now you're going to New Jersey with slush and sleet and snow. So, after a year, a lot of them just went back. You had this dearth of talent that needed to be filled.

What I like to say, is that it was very fortuitous for me that I started my career at that time because they were pretty much genderblind and colorblind. If you were good and worked hard, there was a job for you. If you were willing to expand your horizons, there were promotional opportunities for you; there was the opportunity to move up the ladder. I can honestly say when I look back at my Atlantic City years, I can't ever remember a time where I was discriminated against because I was a woman or not given a job because I was a woman. As a matter-of-fact, at Bally's Park Place, where I was at from 1981 to 1983, I worked for an extraordinary woman named Redenia Gilliam. Redenia was the first female African-American vice president of a casino company. This is in 1981. She was the first African-American female vice president and she was obviously a very strong mentor for me. I am very proud to say I nominated her for the Gaming Hall of Fame and she was inducted two years ago; posthumously unfortunately, but I think that you have to recognize that kind of ground-breaking talent all those years ago. There were, I believe, two or three female vice presidents at the time. So, I was very fortunate at each step in my career that either I had strong female mentors and/or the two gentlemen that I mentioned earlier, who were also colorblind and genderblind basically; who supported me and gave me the opportunity. I can honestly say that in those days, I didn't really see obstacles per se.

I think that when I moved up a few rungs higher up the ladder in my career, there were probably those that looked to me when I was President and Chief Operating Officer, CEO, and wondered whether or not a woman could "do this job" and the only thing you could do to silence the critics is: do your job. One of my favorite stories is, I was doing a conference—actually in Las Vegas—about five years ago and we were talking about this very subject. The guy who was moderating said, "Virginia, as one of the only females who is a CEO in this business, do you prefer to be called a businessman, or businesswoman, or business person?" I just looked at him and I said, "I prefer to be called professional." The audience went wild. He did that on purpose, because he knew I would give him an answer like that, but I think that that's one of things that people lose sight of. You don't have to get slotted into a "businessman" or a "businesswoman." We all want to be looked at as professionals regardless of our

gender or the color of our skin. I think that's one of the reasons why we work so hard with Global Gaming Women is to give women the opportunity to be in a position where they can take the next step and hopefully gender doesn't matter.

*You're currently the president and the chair of Global Gaming Women?*

No, actually I stepped down from Board Chair about a year ago. I launched it as the President and Board Chair in 2016, but one of the things that I truly believe is that you have to make opportunities for as many people as possible to shine. I think it was more important that we got other women into the executive committee level of Global Gaming Women, so I stepped down. Phyllis Gilland took over, who is now with Golden Entertainment. She's done an extraordinary job, and Phyllis will probably transition in the next year or so again so that we can give another extraordinary woman the ability to lead the organization.

*Can you tell me a little bit more about the opportunities that you create with Global Gaming Women?*

It's interesting. I actually was one of the original two co-chairs of Global Gaming Women back in 2011, when it was started by Judy Patterson at the American Gaming Association. Frank Fahrenkopf, who was the President and CEO at the time, was a huge supporter of Judy, and just a huge supporter of women in general. Patty Hart, who was then the CEO of International Gaming Technology, and I were the original two co-chairs. Judy was—I believe—the only CEO of a major supplier, and I was the only CEO of a major operator, and we had aligned professional interests; we were an IGT customer. We started Global Gaming Women in 2011 with Judy Patterson and had very strong support from the American Gaming Association. We were trying to figure out what we wanted to be when we grew up.

We wanted to touch as many women as we could at that point, and we made the decision to go quantitative as opposed to qualitative. The AGA<sup>1</sup> sponsored research; we did everything in terms of being able to get the facts that we needed so that we could build the organization going forward. The type of things that we were talking about. . . we did a lot on our website, we tried to do a lot through whether it was social media or LinkedIn or whatever it was, to get information out there and to talk about it. We did events, we always did something at G2E<sup>2</sup>, we had meetings, and various committee structures, but it was really superficial. And I say that with love in my heart, because Judy did an absolute phenomenal

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<sup>1</sup> American Gaming Association.

<sup>2</sup> G2E stands for Global Gaming Expo, which is the international gaming trade show and conference “by the industry and for the industry.” <https://www.globalgamingexpo.com/> (last visit April 15, 2019).



job. The problem was that all the women that were involved at the organization at that point all had day jobs. So, it was very hard to kind of dig in and do anything qualitative. So when I retired in 2016, I went to Geoff Freeman at the time, and I said, “Why don’t you let us spin this off as an independent 501(c)(3) because then we can go out and solicit charitable donations, but we can also hire staff and put the resources behind growing this?” We sat down in Patty Becker’s house in California, with what was our founding board and for an entire day brainstormed and again said, “Where do we want to be when we to grow up?” We made the decision at the time to go qualitative now instead of quantitative because we realized that if we really want to make a difference in the lives of these women, we can’t just scratch the surface. We really have to dig in and get to the individual woman and say, “I want to help you build your career.” We made the decision at the time, that the backbone of the organization would be education because that is what was really missing in the professional careers of so many of these extraordinarily talented women. They worked for organizations—big organizations—that didn’t necessarily have the infrastructure in place to provide them with the training that they needed and the things that they needed for the next step of their career. These are very wonderful companies who did wonderful things for women, but a lot of women just don’t raise their hand. So, either they wouldn’t avail themselves of opportunities or they would think that they weren’t qualified to even apply for a management development program or something like that.

That’s a huge issue with women—just the whole confidence issue to begin with. And again, this is something that we said we have to overcome. We built our educational programming on a tiered basis—we call it our educational pyramid—and the objective was to start it at the ground level and say, “That woman who’s a line employee who wants to raise her hand and be supervisor someday, what can we do for this person to help them get to the next level? Can we teach them how to interview? Can we teach them how to write a resume?” Then we went again up the pyramid, probably our two most popular programs are our Leadership Development Program, which is essentially managers and directors, and we do this regionally across the United States, because although Las Vegas is kind of the epicenter, there’s now gaming in forty-eight out of fifty states. When you think about the women we’re trying to interact with and reach out to with this programming, they don’t get expense accounts. So, it was through an application process, we would select someone and say, “Okay we’re doing this program.” And they were like, “I have no way of getting there, I can’t get the time off.” So we do our educational events regionally all across the United States. We work with tribal companies, commercial gaming companies, and these women have to drive an hour instead of getting on a plane and going halfway across the country. So just providing that access opens up a whole world of women that we’re able to touch. We teach them finance for the nonfinancial manager, we teach them public speaking, we teach them all of all those things

that kind of help you take the next step in your career. Our W Program, which is kind of the peak of the pyramid, is for directors, vice presidents, and we really ramp up the educational programming that we do for them. What has happened is a happy little accident, but we have our own cottage industry of now bringing these talented women into the organization to be committee chairs and all of this. As they graduate from our programming, we've actually trained them and taught them the skills that they need within their organization, but we benefit from it because now it's like, "Okay, you're going to chair the marketing committee." So, it's great. It's wonderful for us.

I was telling them a funny story at our last board meeting. We do a full day of programming every year at G2E on Monday. Monday is kind of "our day," and we work with Reed Exhibitions and the American Gaming Association. Every year we come up with a theme and we do a full day of programming. The last few years, we've added a keynote speaker in as well. We tried to get as many women the exposure as possible to participate in these programs, not only because it's something that is good for them from an experience perspective, but it also looks good on their resume and it exposes them professionally to a much wider audience. The last thing that you want is to have the same people speaking on the dais every single time. It's something that's a challenge for us because we're always looking beyond the women that we know. And if you think of the gaming industry, the gaming industry is actually about fifty percent female, it's just that at the higher ranks we just don't have the representation that we need in the supervisory levels. I was looking at the agenda for our full-day of programming at our board meeting in July and they said, "Virginia, what do you think?" I was looking over it and I was quiet for a minute. Now people are getting nervous. I can kind of hear papers rustling. I just looked up and I said, "It's spectacular!" They said, "Why do you say that?" I said, "Well, I'm looking at a full day of programming, I'm looking at six or seven sessions, I'm looking at multiple daises, and multiple speakers. . . and I only know three names on this list." That, to me, was the most. . . I mean the fact that we can sit there and identify all of these amazing women and give them the opportunity to do this, number one, and the fact that there are those women, number two, is something that's very gratifying.

*In Atlantic City today, the revenue is not what it was ten, twenty years ago. Can you describe in your opinion what happened?*

Very easily. Atlantic City is a barrier reef island, which basically means it's an island. There are a few roads on and a few roads off, and that's about it. When I was working in public relations, back in the day, I used to bring media crews out all the time to do stories about whatever property I was working on, but it usually encompassed Atlantic City as a whole—as part of whatever story they were doing. They used to all like to do what I affectionately refer to as "the shot

down the empty Boardwalk over a dilapidated building with a shiny casino in the background,” and do the “failed social experiment” piece. I used to sit there all the time and say, “Let me help you tell the other side of the story, let me tell you about the employment, let me tell you about the amount of investment that we’ve had on this little tiny island.” But what I used to do, because again—just perception and how important it is, I used to say, “How many full-time residents do you think there are in Las Vegas?” This was in 1985. They’d be like, “Oh, a million?” I’d say, “Oh, close enough. Now, how many full-time residents do you think there are in Atlantic City?” And they would say, “Well, it’s about the same.” And I would say, “No. There’s 35,000 full-time residents.” It’s a tiny little island. So, you take a tiny little island like that and you drop billion-dollar properties into the middle of it, and now you sit there and say, “Okay, we have to fill these rooms.” But remember, this is an island. So, you have to come on or off over a couple of roads. The vast majority of our business came over the weekends—from Philadelphia, from New York, and a little bit from the South. What would happen is that rooms would sell out every single weekend, just because of demand. We were sitting within tank-of-gas range of twenty-five percent of the population of the United States. So, everybody would get off on the weekends and would go to Atlantic City. You would end up with all of the bridges full and lines getting in from the toll plaza and it was a horrible experience. The rooms would sell out, and people would get upset because they can never get a room on the weekend in Atlantic City. Then they would sit there and say, “I’m not going to go because every time I try to go, I sit on Garden State Parkway for an hour.” So, Atlantic City had the opportunity at that time period to address the problem with the fact that eighty percent of the business came on weekends, and the rest of the time the rooms are empty because there was nothing else to do in Atlantic City at the time. Atlantic City was pure-play gaming. That was part of the turnaround. Gaming was supposed to be a tool of urban redevelopment, and the Casino Reinvestment Development Authority was supposed to be working on dealing with these infrastructure issues in Atlantic City. But if you don’t give people something to do, then they’re not going to come midweek.

Steve Wynn, at that point, who owned the Golden Nugget in Atlantic City, was not a big fan of the regulatory environment in New Jersey. He made the decision to sell the Golden Nugget, come to Nevada, and take the money from the Golden Nugget, to build the Mirage. The rest is history because Steve understood that if you commoditize what you have to offer, what you have to give to customers—which we were doing in Atlantic City. So, a midweek hotel room, because there were vacancies up and down the Boardwalk, a midweek hotel room was nineteen dollars, a buffet was free with your hotel room, and to the extent that we offered any entertainment, it was a show that you could get for five dollars and a coupon. And a huge group of our customers came to Atlantic City by bus, where we were subsidizing them because we had to have someone

in the properties mid-week. So, we're subsidizing our bus customers, we're giving our rooms away, we're giving our food away, and when you get right down to it, you looked up and down the Boardwalk and it was like one used car lot after another. Everybody was offering the same thing and what would happen is you would just shop and say well, I can get a higher point offer over here, or a lower room rate over here, or I can get two free buffets here, and we weren't making any money mid-week because we were giving it all away. Steve understood that. So, when Steve opened the Mirage, he opened the Mirage with Cirque du Soleil. If you actually give them quality entertainment, they will go into their pocket and pay for it. Celebrity chefs—they will go into their pocket and pay for it. Gorgeous rooms—they're going to pay more than nineteen dollars. Steve was the pioneer who really changed what was happening in Las Vegas. But what Las Vegas understood is: in order to get people in the rooms mid-week, they had to add other attractions. Steve kind of started it with a volcano out front, but then when you look at what happened after that, with building out the Forum Shops, the Grand Canal Shops eventually—all of those things, the celebrity restaurants, all of this created the ability when you had a convention and you wanted to bring your spouse, that your spouse had something to do when whoever it was—the male or the female—was at the convention.

Las Vegas basically built themselves out into a place where people came through four times a year, but stayed for three or four days because there were three or four days' worth of entertainment. Expanding McCarran International Airport and making affordable air service was a big piece of that as well. What Las Vegas understood, as Atlantic City never did, was building out the convention business and building out the amenities and entertainment attractions that you needed. Atlantic City didn't figure that out until too late. So, part of the problem is that Atlantic City didn't start adding those amenities until the last decade and the other problem was that they never solved the transportation issue; they never really did anything in terms of being able to get scheduled air service into Atlantic City International Airport. The other problem is the spread of regional gaming. Atlantic City had a lock on Philadelphia, a lock on New York until you end up with gaming in Pennsylvania, gaming in New York. So Foxwoods and Mohegan Sun actually cut off the Northeast market relatively early, but a lot of people still like to come down to Atlantic City because it was beach. But eventually, as you added all that regional competition around there it just eroded, so then Atlantic City didn't even have the weekend business anymore and properties just started to close.

What has happened is that there has been significant investment in Atlantic City in non-gaming attractions and that is something that has happened across the industry. I remember the first time I came to Las Vegas, maybe in 1984, I think gaming was eighty or ninety percent of the revenue of all of the Strip properties. I think now the last number I looked at was maybe forty-two percent

because the properties all understood that there's money to be made off the casino floor and in offering these non-gaming attractions. Now, when you look at any of the stories on Las Vegas, so many people come to Las Vegas and say they never made a bet, but they spent thousands and thousands of dollars at the day clubs. All of those things are what kind of define the two places, but as the casinos closed in Atlantic City, you ended up with a commensurate amount of casinos, where finally the ones that were left could start making money again. If you have twelve and go down to six, I don't remember exactly how many, but if you lose half of your room base, you lose half of your restaurants, the existing properties have the ability to go out and basically choose the best employees. They could go out with all these people who, unfortunately, were unemployed at the time, provide a better customer service experience, and again they learned the lessons as well. So, when Borgata was being built, they went up and down the East Coast and did their research by going into various major cities and asking people if they went to Atlantic City. They were doing "man on the street" interviews and would ask people if they went to Atlantic City, they would say, "Yes, I go there all the time." And they're like, "Thank you very much." They would go to the next person and say, "Do you ever go to Atlantic City?" They would say, "No." And it would be, "Why not?" So, Borgata basically built their property based on decliner defectors. So, when people sat there and said, "I hate the restaurants," or whatever it might be, they said, "Okay, fine. We're going to build a property that encompasses all of these things or offers all of these things that the other properties don't, which is why people don't go to Atlantic City."

*How should gaming operators approach the concern about newer demographics coming in and not being as taken by slot technology as it stands?*

That is a fascinating question and I don't know that there's anyone who has been able to answer that yet. We used to talk about it all the time—kind of a funny story—one of the things that used to drive me crazy is I would sit there and I would look at the age of our average customer, and I think that this was pretty common, this was Atlantic City definitely, and it was in the regional markets, not so much in Las Vegas, but the average age of our customer was sixty-five years old. That is not unusual, because when you look at leisure spending, leisure dollars, people generally don't have it until they are in their fifties; when they've paid off the house and the kids have already gone to college and whatever it might be. Now, you have some extra money that you can spend. To the extent that you make the decision to spend your money—and they are leisure dollars—money is fungible, you can spend it on restaurants, you can spend it on golf, you can spend it on visiting casinos. To the extent that people chose visiting casinos, it was largely a demographic that was sixty-five years old and didn't grow up with video games. I had a rotary phone, I still remember my rotary phone, I remember party lines. I didn't grow up with a video game base or digital base; nor did any of our customers. So, the product that we were

offering was fun for them. This was something where they'd say, "Oh wow, this is great, this is exciting."

Every year, we would go to G2E and look at the offerings of the slot manufacturers and it would be, "Wow, we have this new game coming out!" Then we got smart and decided that we were going to get licensing, we were going to get royalties. I remember one year I brought my daughter out to G2E when she was old enough, probably eight or nine years ago. I said, "This is really fun, you are going to be able to see all of our new titles that we have on the casino floor and all the new and hip and cool stuff." And she said, "Oh, that sounds like fun, what do you do?" And I said, "Well, this is the opportunity for manufacturers to debut the new machines, so we can go in and play them for free, and it is really fun." And she's like, "Yeah, that sounds like a good time." I said, "But there's one, like the newest game, you're really gonna love it; it's a Michael Jackson slot machine!" She looks at me and she goes, "And?" I'm sitting there and thinking to myself, *it's Michael Jackson!* And then I'm thinking to myself, *she wasn't even born when Thriller was released.* So, we're so happy that we're introducing this hip, cool, Michael Jackson slot machine and it means absolutely nothing to my millennial daughter who was looking at me like, "And?"

So, I think that is part of the divide. Part of the divide is that you have to build your casino floors so that you continue to offer the things that the vast majority of your customers want. But now you have to start looking at how do you change that for millennials and a generation that has grown up with smartphones, a generation that has grown up with Xbox, a generation that has grown up with Netflix. They're used to an entirely different entertainment experience that, quite frankly, they're getting more of what they want sitting in their own home than going into a commercial casino that was built for someone who is sixty-five years old. We thought that we had solved it with server-based gaming. When server-based gaming came out, we were like, "Oh wow, this is so cool, we can do this and that." But it was virtually transparent to customers. They didn't know it was server-based gaming. There wasn't anything that was changing the experience. Then we went into—I cannot remember the technical name of it—the shared games where everybody could play off the same screen thinking, "Wow, this is great—we can all play together." But when we actually went in and looked at the analytics, our win per game wasn't any higher than any other game, so that wasn't it and it wasn't changing the age of customers. So, I think that what you're starting to see in terms of getting the younger generation what they want is these eSports arenas; I think Luxor has one. Which *is* something, I mean, that watching people play video games has become a huge spectator sport is just amazing to me. It is something that that generation has grown up with, but how do you really monetize that? That's the issue. It's not like sitting there and saying, "Your win per unit per day on a slot machine is this." When you're sitting there looking at these arenas, you're asking yourself,

“Can you make enough money on admission, can you make enough money on food and beverage, can you make enough money on entry fees?” Because, remember that regional casinos generally are space-constrained. If you’re a Las Vegas property and you have a warehouse, it’s easier for you to sit there and say, “I’m going to take a shot and dedicate this piece of it to something new and unique and unusual.” In smaller regional casinos, you have a very confined footprint and every single square inch of that has to produce revenue. So, it’s very hard for you to sit there and say, “I’m going to take that restaurant because I can afford to give that restaurant up and try a new concept.” It’s tough.

I was just reading somewhere about the Wynn conference call. Steve tore the golf course out because he was going to put the lagoon and do all of that cool, fun stuff out there. . . but now they’re putting the golf course back. I think what they said is that they were losing like fifteen million dollars of EBITDA<sup>3</sup> because 70% of those rounds were cash. When you take something that is a cash generator and you say, “I’m going to take a shot and do something new,” you have to have a big enough footprint that you can fade that if it doesn’t work. And a lot of the smaller casinos across United States just don’t have the ability to do that. So, when you’re talking about what can you do to attract millennials, it’s very hard if you can’t give up a big chunk of your casino floor, or a restaurant, or whatever it might be. Now, the thing that could change that is sports betting. With the repeal of PASPA and sports betting rolling out across the United States right now, that *is* something that I think that millennials—I’m just looking at it from a perspective of my kids—daily fantasy sports, all that, this is something that they love. For them to be able to follow their teams—and not even if you’re betting big, but just leagues, fantasy leagues in general since they developed over the last two decades—is something that young people enjoy. I think that you have the opportunity to bring a younger demographic in with sports betting. I mentioned earlier that the regional casinos had an older base. If you go into a sports book in Las Vegas it’s generally thirty and forty-year-olds as opposed to the fifty and sixty-year-olds that are playing slot machines on the casino floor. And if you can anchor that demographic, that’s something. But that’s just scratching the surface; we haven’t answered this question yet. . . you probably have to put a millennial in charge of it.

*Can you tell us a little bit about your experience working for Trump Entertainment Resorts? Do you have some stories from that time?*

Yes, and I say this cautiously. Donald Trump made his money in real estate, but for the most part, made his money in commercial real estate. That commercial real estate was largely apartment buildings and office buildings that he inherited from his father; kind of the Trump real estate portfolio. So, when you’re talking

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<sup>3</sup> Earnings before Interest, Taxes, Depreciation, and Amortization.

about maintaining commercial real estate like that, it's really not a big investment. You have to go in and change the carpet in the hallways, and you have to go in and change the lighting, and you have to go in and do that kind of stuff. But it's not capital-intensive; casinos are. Casinos are very capital-intensive operations. Part of the problem that Donald was having in Atlantic City, was that because of his background in commercial real estate he was not afraid to spend money to build properties for the first time, he wanted to build something beautiful and ostentatious, as big and grand as Donald is, but he never wanted to reinvest in them.

As other properties opened in Atlantic City, who were willing to spend money and understood this—Borgata being a perfect example—Donald was not willing to go back into his existing properties and add a new restaurant, or renovate the casino floor, or invest in new technology, or slot machines, or whatever. As far as he was concerned, "I built it, it was great when I built it, and it should still be the great ten years later." It doesn't work that way. So, one of the big hurdles that we had what we went back, and we were working with the Trump Entertainment board, was just trying to convince them that if you want to improve your numbers, you have to give the customer what they want. That means that you have to go back into these properties and spend some money; you've got to renovate them. Donald would sit there and say, "Well, the carpet looks fine." No, the carpet is ten years old. The problem with ten-year-old carpet is no matter how clean you keep it, it's never going to look clean, it's just going to look threadbare. So, no, you've got to constantly refresh your properties and give them something new and make them feel that this is an exciting, vibrant environment.

That was a little bit frustrating for us because Donald wanted his numbers to improve, but he didn't want to spend the money; the requisite investment in the properties in order to do it. So, it was a battle. It was a constant battle. We finally got him to reinvest in the Taj Mahal; to do a big renovation. Kind of the corridor that was coming in from the main parking garage on the second floor and go in and do this huge renovation and add some new restaurants and renovate the casino floor. Every single thing that we did, ended up being a revenue generator. So, we were able to go back to him and point to this and sit there and say, "We know you didn't want to change this restaurant, but we changed this restaurant, and now we're making X dollars per day; fifty percent more than it was before." That was something that was kind of an eye opener for me, because it just never occurred to me that one of the biggest issues that we would face is trying to convince Donald Trump to reinvest in his own properties.

He never really understood the importance of technology. He had a phenomenally talented technology team that was there, but it was largely homegrown because he never invested in technology. So, he had a group of



people that were holding the entire Trump Entertainment Resorts technology infrastructure together with we used to say, gum, paperclips, and Band-Aids. That was the classic, “Oh dear god, I hope this person never gets hit by a bus!” because they have ten years of institutional knowledge that is not going to be replaced. So, we had to convince Donald and the Board to reinvest in technology as well. Again, it was like, “Well, this slot machine system was fine when we put in twelve years ago,” but it doesn’t work that way. That was a bit of an eye-opener. I often get asked what I learned from him, and from a marketing perspective, I watched him very closely. I worked with him very closely, particularly on new licenses that we were applying for, but from a marketing perspective, I was fascinated by his attention to detail as it relates to his personal brand. He was a walking branding exercise; and he knew that. He knew what his name was worth. He knew what his name was worth as it relates to the casinos, based on the deal that he negotiated when the casino was restructured. He understood what his name was worth as it related to attire—the Trump suits, the Trump ties. He knew what his name was worth, and he monetized that. He was so very, very careful about never doing anything that basically stepped outside the brand. That really was the backbone of his presidential campaign and the Trump brand has really kind of been the backbone of his presidency as well.

*Is there one piece of advice that you have for young, female professionals that want to enter the gaming industry?*

Yes—education, education, education. To the extent that I have had all these extraordinary opportunities, it was because I was willing to try. But I realized relatively early on that gaming was very siloed. I was working in marketing at the time, and I looked around the industry and I said, “There are no marketing professionals that are chief operating officers, or chief executive officers, or presidents and I need to learn that.” So, I looked at every opportunity that I could to expand my skill set and expand my resume. Some of this was literally going to my bosses and saying, “I want to learn how to do that. How can I learn how to do that?” I knew that I had to get out of marketing and into operations and so I looked for opportunities within the organization that I could apply for positions that would get me operations background. Once I knew operations, I realized I had to learn the casino floor and I looked for opportunities. Because the casino floor, at that point, was still the economic engine of the property. In order for me to move into the casino, I actually took a step backwards. I was an executive director at the time, and I dropped down to a director so I could get into another division. That is something that people would always sit there in horror and say, “How can you do that?” And I would sit there and say that you have to look at your career. Don’t look at it as a contract—I’m going to be twenty-five and do this, thirty-five and do this. Look at it as a map. Because you need to get from point A to point B and there are so many different roads you can take along the way. It’s not straight, because you have to go through all of these different

turns—I like to call them left turns and U-turns—because each step along the way you learn something. You learn a different thing about whatever department it is, whatever division it is, whatever discipline it is, but you also learn something about yourself. You learn tenacity, you learn how to keep your mouth shut when you never thought you could, you learn how to step out, you learn that public speaking is a big part of what you need to do to be successful, you learn the importance of research, you learn the importance of data. So, every little step along the way gives you the ability to not only learn something about a different part of the industry, but you also learn a little bit about yourself.

That’s one of the biggest problems that women have is confidence. Claire Shipman and Katty Kay wrote that phenomenal book, *The Confidence Code*. They went out and they interviewed women like Sheryl Sandberg, who a year before she published *Lean In*, when they interviewed her for this book, she said, “You know sometimes I feel like a fraud. I don’t belong where I am. I shouldn’t be here.” There are so many women that are like that. One of the pieces of research that they did in *The Confidence Code* is they went back to a study that I think Hewlett-Packard had done. They were trying to figure out why they didn’t have more women in management ranks. So, they asked women within the company, “Why didn’t you apply for the job or that promotion?” And what they found out is that men will always lean in. Men will apply for job when they are only sixty percent qualified for it based on the job description because they will sit there and say, “I can do that.” Women don’t apply when they’re a hundred percent qualified because they’re afraid they’ll fail. So, what women really need to do is to trust themselves. To sit there and say, “I can do this. I’m qualified for this. I’m just as qualified as that person sitting over there and I’m gonna take a shot at this.” If they don’t, and they don’t get outside their comfort zone, they don’t expand their opportunities, then you end up siloed. That’s the one thing I like to tell young women all the time: believe in yourself, take chances, and take every opportunity that you can to learn and to expand your resume.