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## Conversations w/Tino

Guest	<b>Kara Fox-LaRose &amp; Conrad Granito</b>
	Kara Fox-LaRose is President & GM at Ilani
	Conrad Granito is GM at Muckleshoot Casino
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Conrad Granito: Hi, I'm on.

Tino Magnatta: Conrad, how are you?

Conrad Granito: Good.

Kara Fox-LaRose: Hello there.

Tino Magnatta: Yeah. Let me see if ...

Conrad Granito: Hello.

Tino Magnatta: Kara, how are you?

Kara Fox-LaRose: Good.

Tino Magnatta: Yeah. We have a great episode tonight. I'm so excited to have both of you. You've both been on the show, and you've both been fantastic. You're amazing people for what you've accomplished. Tonight, what I want to talk about a little bit, Conrad and Kara, and by the way, welcome to the show.

Kara Fox-LaRose: Thank you.

Conrad Granito: Good to be here.

Tino Magnatta: Yes. I wanted to, you guys are very dynamic, forward thinking, out of the box people. I wanted to talk to you a little bit about some of the exciting projects that you're working on. Because this is a really exciting time to be in our business. Kara, tell us a little bit about your expansions and what you guys are doing.

Kara Fox-LaRose: Sure. As you know, the Cowlitz Tribe opened Ilani just about 18 months ago. It's very exciting time for us, as we continue to evolve our business. Just 18 months in, we are currently under construction with a gas station and convenience store that we plan to open by late spring of '19. It's a very exciting opportunity for the tribe. We've experienced a lot of growth this year, really created some, have had just a great dynamic with the business, and the community responding to welcoming the business. It's been a lot of fun.

We're also taking a look at the land that we do have with the tribe's reservation here, to see how we should take a bigger look at the master plan, so that we can accomplish any expansion of the existing business and what that serves for the tribe, as well as initiatives within the tribal government, as they continue to evolve, as a government, so they can bring their home base back to their reservation, and continue to service their community.

It's very exciting.

Tino Magnatta: That's great. Great stuff, Conrad?

Conrad Granito: At Muckleshoot here, we've been around now for, oh Lord, over 23 years, and have evolved the business over that time. We're still primarily a local's casino, with about 80% of our business in the, about 20 miles from where I'm sitting right now. We are in the process of having some major renovation. The first phase will be a 20,000 square foot event center, adding some food and beverage options to that also, revamping the casino floor, and doing some enhancements to our current food and beverage.

The next phase that's still in planning and looking at is then a hotel addition, which will have, we're looking at scope and scale of that right now, but have more information that hopefully by first quarter. Our goal is to have that event center up and running sometime by March of '19. We're looking to break ground here probably within the next 60 days.

Tino Magnatta: Conrad, this is just a fraction of what's happening in this state and around the country. What do you attribute this growth to?

Conrad Granito: It's interesting, because tribal gaming has fulfilled, for many, many tribes, Muckleshoot, definitely Cowlitz, the economic development and independence and self-determination, that has provided, but it's been around for 30 years. You're seeing particularly in tribal gaming, operations that, for a number of times, have been around 10, 15, 20+ years, and now, in southern California, Oklahoma, now Washington, you're seeing a lot of renovations, or expansions, or even building brand new facilities. Tulalip up here is taking their Quil Ceda casino, which started off as a bingo hall, and building a brand new casino hotel, not even five miles away from their main property.

I think the economy has been very, very strong over the last number of years, particularly in the northwest, but even other parts of the country. The challenges that you saw in '08 even into '09 have dissipated, and people have more dollars and definitely, they see gaming, whether it be tribal or non-tribal, as a very viable entertainment option.

Tino Magnatta: Kara?

Kara Fox-LaRose: Yeah, I think Conrad makes a great point with that. We certainly are, when we look at the gaming industry, and what, is somewhat of a stigmatized industry, if you think about it, to those that may not be gamers. We're certainly competing for that discretionary income. The Washington market, I think Conrad has a good take on the overall landscape, and for the Washington market, there's a great opportunity to continue to evolve both the gaming product and the experience that we offer with gaming. It certainly has been quite an eye-opening experience for me, and some of the team members that work at Ilani here, that have worked in other markets.

As we witnessed, the tribes in Washington, really working together, really finding a cooperative working environment to, that come to the ... These tribes come to the table every month, in a formal working session, to really find, see where we have a collective voice on, let's say certain legislative issues that may be coming our way, or opportunities, as well as just the expansion of our business, or how we're leveraging the funding that is going to the tribes, and really sharing best practice with each other. It's such a great thing to see. The tribes are doing so much great work for their communities, not only within their own tribes, but the surrounding community.

It's really refreshing. It's a healthy environment. The state certainly is supportive of the tribes here in Washington. It's nice to see us all support each other. Having Conrad and I on the phone today is a great example of that, where we can connect and bounce ideas off of each other, and really just again, see how we can make a difference and adopt best practice, or share information, so that we're contributing in a healthy way.

Conrad Granito: I have to-

Tino Magnatta: Yeah, I know you're both good friends too. That's really cool.

Conrad Granito: I think Kara brings something up, and I've been here now four and a half years, and I've worked in many other jurisdictions in Washington, you hear a word used a lot of times is unique, just because of scope of gaming, but even the relationships that we have with each other tribes. Yes, in certain markets, you're competitors, but case in point, when new slot systems were being introduced over the last couple of years, not only us, but other operations lent out their techs to assist with the hardware or different installation, to get everybody up to speed.

You don't see that in every jurisdiction. Definitely here in Washington state, it's definitely, we're supporting everybody to the benefit of their individual tribal nations.

Tino Magnatta: It's a unique situation, isn't it?

Conrad Granito: Yep.

Kara Fox-LaRose: It really is.

Tino Magnatta: Yeah, it's great. You guys are at the forefront of the collaboration movement, as I like to call it. That's something that's very important, and I think it's something that's growing. Is the gaming market expanding? Are we attracting new customers? Or, is it contracting and we're eating our own dog food, so to speak? Kara?

Kara Fox-LaRose: In our region, here at Ilani, our gaming market has certainly expanded since Ilani opened, being the closest facility now to the greater Portland area. Given the life cycle of our business, being in our infancy, having just opened a year and a half ago, we certainly have a great opportunity to grow the market, and I think that's what we have seen. As we hear from some of the closer facilities to Ilani.

Although we came into a market that, gaming is not new. We're in a market where people are familiar with gaming, but we've certainly, I think, we've certainly grown the market here, and our reach.

There's certainly other considerations on the table, as we encounter new types of gaming. We're always staying involved in approaching these opportunities. To your point earlier, our approach is to really seek opportunity and take a position as a market leader, which is something Conrad and I have in common given the tribes that we work for, and the facilities that we operate. We have great opportunity ahead of us, and certainly, dynamic facilities.

I think for us, we're expanding.

Conrad Granito: I think-

Tino Magnatta: Conrad.

Conrad Granito: ... what Kara has mentioned is in the past, I think what you have, and to your question, are we attracting new customers as expanding, I think to some extent, that's true. People are seeing gaming as a, not so much as a vice, as maybe it used to be. It's definitely an accepted form of gaming. I think the other point is, is that the casinos themselves provide a lot of other experiences, whether it be a food and beverage experience, an entertainment experience.

What you have is, those customers are looking for, and that's why I use the entertainment dollar, not just competing for gaming dollars, I'm competing as we all are with food and beverage or where you're going to go see a concert, or see a show, retail or whatever, to it. I think your venues now, across the country, are offering different experiences that maybe you might get that at one place, but I could gamble, I can go see a show, I can have a dinner, I can ... All in one place.

Almost like when Walmart came to be, it was like, yeah, I can go grocery shopping, but I can do this, this and this. In a lot of markets, casinos fulfill that same type of entertainment choices that you get all under one roof.

Tino Magnatta: Right. We're seeing a trend, definitely a trend even in Vegas, towards more of an experience-based model now. All that said, if that's happening, like we're talking about right now, aren't the margins lower? Are we in jeopardy of making less money, and with less money and more competition, isn't that a harder business? Kara?

Kara Fox-LaRose:

I think what it does for us, going back to the idea that we're in a stigmatized industry, there are those that will avoid us because for the sake, for the fact that we are a casino. I hear it every day. We are 20 minutes north of Vancouver and Portland. We're right off the interstate. We have great access to, in terms of access to the facility, as well as a population base around us. I think the biggest challenge for us is really getting people in the door, as we do focus on that total experience here, where we ...

Our opinion is, and what we have seen is, if we create reasons for people to come beyond just the gaming, our challenge is, really, providing them an amazing experience when they walk into the door. That's what our focus is. We're in the hospitality industry, we have a focus on serving our guests in a warm and welcoming environment. We have a pretty robust entertainment schedule. We have live entertainment every week. We've added a convention center, where we host ticketed shows. We've been able to broaden our reach, as well as the type of acts that we're scheduling.

We're seeing a lot of new customers come in the door, that may not have tried us otherwise. It's actually, to share a little information about Ilani, the reason why we didn't add casino to our name, because we wanted people to think beyond that, and to appeal to a broad group of consumers. Whether it be your entertainment seeker, your foodie, your gamer.

So far, it's been successful for us.

Tino Magnatta:

Conrad?

Conrad Granito:

I think what Kara had mentioned, fits in a lot of different markets. Clearly, Muckleshoot has the same type of situation. The challenge of margins is, it's almost, the different experiences, it's still casino, and we still have of course the highest margins there. I think as we get into those different experiences, there's still enough margins to be profitable and make a viable business. No different than restaurants or other type of experiences do that.

The biggest challenge though is then, how do you price for those. Because we are a casino, historically, the food was always cheaper because it was a giveaway, it was a throwaway. That's not the case anymore. You don't see that, the \$9.95 buffet is long gone. The \$2 shrimp cocktail, whatever.

That's changed, because the quality or the experience is different, and rivals anything that you see outside of that. For us, the biggest challenge becomes, in pay scales and benefits and everything else, because tribes have done a great job with not only, for providing for their own tribal members, but also for the staff and the surrounding community. That means paying a very, very competitive wage, up here, we're looking, not looking, but getting to the \$15 is the minimum. Then also paid benefits, where in most other businesses,

restaurants or different other hospitalities, benefits sometimes are left off the table.

Here, we pay not only a competitive wage, but then benefits on top. Those are all things that affect that margin, that people don't think about.

Tino Magnatta: Yeah. Everybody's doing well, expanding, casino, they're up year over year, some month over month. If we look into the future, what are the headwinds? Conrad?

Conrad Granito: I think it's going to depend on your markets. Headwinds are always going to be anything that challenges what we have, and I think Kara mentioned that. We have to look to modify and grow the experiences we're providing, and whether that be online gaming, the advantageous sports book. Where are people going to spend their discretionary dollars, and where are they wanting to spend it here. It all gets down to a value proposition. I don't care if you're a \$100 or a \$10,000 player. At the end of the day, you still want to have value and get value for what you're doing.

In tribal gaming, the challenges always become, does Congress make some shift that changes and has an impact to tribes across the board, that you can't foresee. Is there a black swan event that happens. That's with any business. I think making sure that we're looking at every opportunity that's there, and being responsive to the guests' needs. At the end of the day, what's the guest want? We talk about millennials, we talk about this, we talk about different market segments, but at the end of the day, just satisfy what your guests are wanting, and give it to them.

It's not that difficult. Sometimes, it's hard to say, yeah, they want it. People ask me, it's like, God, I had that ad, or gee, I can't believe you have that on the menu, I hate that. I tell them, personally I don't care for it, but it doesn't have to please me, it has to please the guests that are coming in here. If they're happy with it, then fine, that's what we do.

Tino Magnatta: Kara?

Kara Fox-LaRose: Sure. Yeah, I definitely agree. I think what are our headwinds here at Ilani, there's many things to consider. First and foremost, for our facility here, we're situated in southwestern Washington. We're experiencing a lot of growth in our market. We're located in Ridgefield, Washington, which is the fastest growing city in Washington state, and has been since 2010, I believe. We're also fortunate to have created a business model here to come in from a timing standpoint and really consider the future, and the changing dynamic with the millennials that Conrad mentioned coming into play here, which changes the dynamic of the gaming customer and their mindset and what their expectation is.

It's important that we continue to educate ourselves, and try new things, and be nimble as a business. We've created a facility that was designed to allow our guests to navigate around the casino floor to access our amenities and entertainment venues. It certainly broadens the appeal for the type of customer we're hoping to attract, beyond just gaming.

I think it's certainly yet to be seen if we could potentially be a bit insulated from an impending economic downturn, given the migration to our market, and our location. We're certainly taking a strategic approach to any expansion of our business, as we contemplate the future for the tribe, and our team members.

Again, I think it's important to be nimble and create a facility that we're able to adapt to the changing environment.

Tino Magnatta: Can you give our listeners some insight on what it takes to be on top of your game in your position? It must be a daunting task with everything that you got going, and not only that, but all the expansions and the renovations, and new businesses that you're opening. Kara?

Kara Fox-LaRose: Sure. That's an interesting question. Often, I hear people say, wow, 24/7 business, do you get any sleep. I think to myself, I certainly don't need to be here 24/7. I always respond with, it's a lifestyle. This business truly is a lifestyle, especially in a position like this. I think Conrad could agree to that. Certainly, a person in our position, in our industry being again, hospitality, primarily, should bring forward a certain amount of energy and positivity. You're leading a team that works extremely hard, to bring the best possible experience to the guest. We're establishing here a high quality aspirational brand, and experience, which brings forward high expectations for ourselves and our guest. I need to hold myself to those standards, and lead in a way that is encouraging to the team.

I think it's important how you do that, is to approach every day with curiosity. I'm a believer of being in the operation, and I absolutely attribute our success to our core, which is our team. We have a high focus on our employment environment, and how we treat each other. We have a way of doing business, in addition to a set of core values, and that's how we treat each other, and our partners, and our guests.

My team would certainly see me on the floor frequently, to ensure that I understand what's happening on slower times during the week, and the busiest days that we have. Also, jumping in where I need to, picking up after, helping the EVS team, for instance, I think that's very encouraging when they see that we're all willing to do the work as well.

That's my approach.

Tino Magnatta: Yeah. Lead by example.

Kara Fox-LaRose: Correct.

Tino Magnatta: Conrad?

Conrad Granito: To listen to Kara, it is a lifestyle. You tell people because they say, what do you do? I work at Muckleshoot. They say, oh, that must be exciting. It is. What are your hours? We're open 7/24. I can go in at any time I want. Again, you do that, because you show presence and leadership and all the things that Kara mentioned. You have to do those things to be successful in this business.

The thing I want to echo that she made, it's the team. The point that I make with our team members here in the new employee orientation, I'm the least important person at this place. We make a joke out of it, and I've done it different properties, where if I die tomorrow, I'm heavily insured, my wife's taken care of, everything's done. This place is not going to stop. That's to the point, our job as leaders is to provide vision and support, and help the team that is actually doing the work. We're all here sitting on the phone, we're having a nice conversation, but the actual work is being done on the floor with the team members who are dealers and video attendants, and cashiers. Our job is to make sure whatever they need to get that job done, to make it happen, and to be seen.

I think I was talking to somebody earlier today, and I said, the bane of the existence of general manager, the CEO of a casino environment is, you don't get to spend enough time on the floor. I literally have to just schedule it, because if I don't, it never fails that a meeting or a phone call or something comes up. That time that should be spent on the floor, just doesn't happen.

You got to be present. You have to be hands, not so much even hands on, but actively involved. I think that's the key point is, to be in different departments, to be there at different times of day, because we all know that a day shift at 9:00, 10:00 in the morning looks a lot different than Saturday swing at 10:00, 11:00 at night. If you're not aware of what those factors are, or what the needs are, you're going to lose out to the team, and not be supportive to everybody that needs your support. That's what we're here for.

Tino Magnatta: Kara, when you say lifestyle, what do you mean by that? Can you tell our listeners a little bit about what casino lifestyle is like at the top end, where you guys are operating on?

Kara Fox-LaRose: Sure. It's kind of like a question-

Tino Magnatta: A loaded question for you.

Kara Fox-LaRose: It's like, how do you establish work/life balance. That means something different to everyone. I certainly don't want to speak for anyone else. I could tell you what works for me. I find my business very stimulating and interesting, and

certainly not mundane. That's what drives me, as a leader and as a person, regardless.

I'm very fortunate to have worked for both the Mohican Tribe, the Cowlitz Tribe, their business models are very similar in terms of the way that we do business, and it's really about the people, it's about the community, and it's about really creating this legendary experience, this opportunity, this ... Something that makes people feel good when they walk away. We know as a casino, that's a challenge for us, because not everybody wins. The perception of winning is not that broad.

I would say a lifestyle to me is, you could be working at any shift, and any time, and it may require multiple weeks without a day off. If you're going to have an aggressive business model, then it takes some energy to run that, and keep your foot on the gas. It's what we're doing here. We don't slow down. I think I've been conditioned to operate this way for over two decades. It's just in my blood at this point.

For me, that's the lifestyle.

Tino Magnatta: Absolutely.

Kara Fox-LaRose: I have a hard time slowing down when I go home. For me, it's hard to take a day off. It's hard to relax. That's what it means to me.

Tino Magnatta: Conrad?

Conrad Granito: I think lifestyle, I think, is great, because it is a lifestyle. It's interesting, this is not a nine to five job. It takes on, I can't tell you how many times I've called home and said, I'm on my way, and it's an hour and a half later, [crosstalk 00:26:40], where are you. This came up, or a guest needed my attention, or whatever-

Tino Magnatta: Where do I start, yeah.

Conrad Granito: I think definitely, if you're in relationships, there has to be some clear understanding of what you do and how you do it. There's also the flexibility that, gee, 2:00 in the afternoon, I can schedule myself for an appointment, because I don't have to be on a shift or whatever. That doesn't always happen.

Yeah, this is ... I think you get to a level of success, certainly as Kara's gotten to, and yeah, it's on your mind all the time. Maybe not there, but it's playing in the background. You're thinking about it, you're looking at it, and in today's world of instant communication, there's things that you can do or whatever. The point that I make with people is, I look at my day and at the end of the day, it's like, okay, did I make a positive impact today. What did I do that made, that was positive to this business. How did I do that.

Like any, hopefully, I'm the type person that I learn something new every day. The whole process of learning is actually getting to a point of realizing how much you don't know. There's a lot that I don't know. I'm very, very willing to learn and want to do that. I gauge my success as, am I making a positive impact to the business.

Tino Magnatta: Yeah. You're both right. It's definitely not a nine to five gig, that's for sure.

Conrad Granito: But, it's not boring.

Tino Magnatta: Can you give us ... Go ahead.

Conrad Granito: This is probably the most least boring job that you will ever have.

Kara Fox-LaRose: That is true.

Tino Magnatta: It's a very exciting business.

Conrad Granito: Because no two days are ever, ever, ever alike.

Tino Magnatta: Yep. Very exciting business.

Kara Fox-LaRose: Very true.

Tino Magnatta: Give us the 10 year prediction. Where are we in 10 years? Kara?

Kara Fox-LaRose: Oh, the crystal ball we wish we had. We talked about that crystal ball. If you ever get your hands on one, let me know.

Conrad Granito: One that works.

Kara Fox-LaRose: I know. I think wow, what a game changer, technology. It's a whole dynamic in and of itself. It's what drives our business, it really does. If we think about what dominates our square footage here, it's lots of slot machines. We certainly rely on them working. This day and age, it's difficult to predict what technology will bring forward in our industry, and for the product and experience our brand is bringing forward. It's important that we continue to educate ourselves, to Conrad's point, it's an ever changing environment these days, more so than ever. A lot more competitive, a lot more opportunity.

Quite frankly, it's expensive. That needs to be contemplated as we plan the future, and consider what we face. I think continuing to educate ourselves and future technology options. We talked about millennials earlier, as an example, in terms of expectations in the form of entertainment they may prefer. I think that certainly changes the landscape of gaming and has a potential to.

I've seen shifts in, for instance, I'm a blackjack player, and my ... I would glaze over at the old traditional reels, the three spinning reels with the sevens on them, people may recognize, if I put it in those terms. Now with the video technology, and the fact that you're experiencing this whole stimulating, the screen in front of you that's creating more of a video game-type, engaging experience, that's what the table game customer really, those that like the camaraderie, that like the challenge, that like to feel like they control the game a little bit more.

I'm seeing that there's a shift in wallet. I'm seeing my own shift in wallet to slot machines now, like I never have before. That behavioral change has been stimulated by technology. The same with side bets on table games. This constant need to be on three devices and multitasking. We all think we do it great, but quite frankly, I'm not sure we're 100% in any environment, if we're on our own and we're having a conversation, and God forbid we're driving.

You see that. There's constant stimulation. The side bets on tables, they're more popular than ever. Is that a contributing factor. Thinking it is. There's the convenience and speed of service, without compromising quality and quite frankly, impressing our consumers is more challenging, as we encounter those lifestyle shifts, that technology brings forward.

We have a plan here to expand our business. We are new. We're in a great position, as we talked about. We anticipate becoming more of a destination, as we move forward. Our mission here is to be the best in the northwest. Of course I say that with love, Conrad. There's room for more than one, right?

Conrad Granito: Yeah, wait a second. The north southwest.

Kara Fox-LaRose: We have some catching up to do with you. You've been around a little longer.

Tino Magnatta: North southwest, there we go.

Conrad Granito: That's great. I think when we look at the next 10 years, it's interesting, because you've heard millennials, you've heard this. The fact though, is that you still have 10,000 people every single day in this country, for the next 10 to 12 years, that are still going to turn 65. You still have this generational thing. Kara brought up some points, and it's, we've talked about skilled gaming, we've talked about interactive, I think the player, even the player today, and you look at the slot machines, and there is more ...

It's not just pressing a button all the time. There's some choices, there's some involvement. Whether you want to call it interactive gaming, or an active participation, is a word I use, in the gaming aspects. You see that just even, she mentioned side bets, or the different things that people can still do that, because that's the thing. The multitasking, I saw a television ad about, television advertising. It basically said, years ago, you got your two sources, it was the

newspaper, maybe it was the radio or three, and it was the newspaper. Now, you're watching TV and you're on your computer, and your phone, all at the same time, gathering all this information that comes in.

How do you compete for that experience, in a gaming environment? Those are the things, the challenges that you're going to see. I think you will see aspects of the video gaming industry, trickle into this industry, if they can get the algorithms and the game themes and everything else, that make sense, where it is more of a interactive or more of an involved participation of the experience. Because just sitting there pressing a button, to Kara's point, was never all exciting. That's why we gravitate to tables, because we feel like we're actively involved in that gaming decision.

Whether we believe it or not.

Tino Magnatta: It's about the experience.

Conrad Granito: Always.

Tino Magnatta: This has been great. Should we take some calls?

Conrad Granito: Sure.

Kara Fox-LaRose: Sure.

Tino Magnatta: All right, let's do it. This is Tino Magnatta. Do you have a question for Kara or for Conrad? Hello?

Brian: Hi. Tino, is this me on now?

Tino Magnatta: That's you on. You got Kara and Conrad here. We can hear you.

Brian: Hi Kara, hi Conrad.

Kara Fox-LaRose: Hello.

Brian: Hi Tino. My name's Brian. I'm from Las Vegas. I'm a industry specialist for a company called VizExplorer. I've been enjoying our conversation so far, your conversation, thank you. My question has to do with what you guys have been doing, or talking about in terms of the change in the landscape of our industry, gaming industry, and how player's wallets, or people's wallets are shifting to other forms of entertainment. It sounds like you guys have both made great strides in adding new options for your customers, at your properties.

I'm wondering if you are currently using any tools or methods to measure your customer's journey through your property, more from a holistic point of view, than just gaming. Obviously, you have gaming cards that track player gaming. Is

there anything that pulls information from your other sources, like your players that go to your concerts at the venues, or even eat at your restaurants, and any way of tracking them in order to measure the impact of these new offerings, to your main core customer base?

Conrad Granito: Up here at Muckleshoot, you've mentioned it already, everything ties to the player's card. Whether it be at the slots, whether it be at food and beverage, we use it to help identify players that are going into our entertainment events, to hopefully get a snapshot of that, whether you call it the 360 view, or you want to call it a holistic view, of where they're spending their dollars while they're on property. The systems to do that is always a challenge, because you're dealing with say, a slot system, a gaming system, and then a point of sale system, and then an entertainment ticket system. Getting those all together has always been a challenge over the years.

We've figured some methodologies and some systems that we use to do that, but that's always been the holy grail. Gee, I know my player's maybe doing this, but where else are they spending their dollars on property, and then more importantly, how can I recognize them for those, and at what value do I put that yeah, we've got the gaming side wired that makes sense, but how do you recognize somebody that comes in and is a frequent diner or whatever.

Kara Fox-LaRose: Yeah. Same here. Here at Ilani, we also have a loyalty program that is our baseline, so that we can deliver a system to our customers, that allows them to interact with us, in a way that ties into their experience at the game, as well as accumulate certain rewards within our program. We have a great system with, our program is Momentum. That brings forward an opportunity, our system is designed to be a self-comping system. There're customers that may not be savvy casino customers, let's call it. Really understanding how comps work, and how there's opportunity in that arena, for guests to really receive the rewards and recognition that they feel they deserve when they're choosing you, to really spend their discretionary income.

We do have that platform. We're able to very similar, all of the things Conrad just touched on, we're looking at, we're measuring all sorts of things, whether it be customer preference, as well as spend, that so ... And we utilize a business intelligence team as well, that processes the data from the various platforms, some that you mentioned, the entertainment platforms. We work with Ticketmaster to sell our concert tickets, and we have opportunity there to see where our guests are coming from. We're able to see where we see an increase.

Seattle is a bit of a stretch for us, for what we feel, we're within a hotel. We're more of a locals-type destination, as opposed to the destination facility that will draw from outer markets, where we feel ... Primarily, our customers are coming from 60 to 75 miles, which is a reasonable drive-time for a day trip. When we host an event or a concert, we see a big lift in the Seattle market.

That gives us data to process, and consider as we make future investments and decisions. That holds true with any of the game-type preference, making sure we're delivering relevant offers to our customers. We continue to learn more and more from our guests by doing that. Again, we want to make sure we're bringing forward the recognition they deserve, as well as reinvesting in our customers, in a way that is motivating and appreciated by them.

Brian: Great. Thank you Kara and Conrad.

Tino Magnatta: Great.

Brian: Thanks Tino, for taking my call.

Kara Fox-LaRose: Thank you for calling in. Appreciate it.

Tino Magnatta: No problem, thank you so much.

Conrad Granito: Thanks.

Brian: Bye bye.

Speaker 5: Am I muted or ...

Tino Magnatta: Hello, this is Tino Magnatta, do you ... No, you're on now, we can hear you. This is Tino Magnatta, you have a question for Kara or Conrad, or both?

Speaker 5: Oh, absolutely. First of all, I actually live here in the state of Washington. What's really unique, Washington is very progressive with respect to other parts of the country. Dealing ... I'm listening to you talk about shrinking margin. I'm listening to you talk about the integrity and making sure the experience for the consumer is good, because to bring them back, you definitely need the experience.

I created the first legal three dimensional online poker platform that operated for about two and a half years, under the sweepstakes laws in 38 of 50 states. Ran national television commercials. It was a felony if I got onto my own website, even though I lived here. That's not what the point is. The key is, how do you make Washington stand out amongst the entire United States? It's real simple. Your margins aren't shrinking, you're sitting on top of the biggest opportunity, the tribal casinos, over 1500 of them here in the United States, have ever had. There's a lack of focus and vision in understanding what's already occurred in the retail marketplace, between Walmart and Amazon.

The future of gaming does include the brick and mortar casino, but just, you don't need a hotel, Kara, to literally generate 10,000 customers, playing legally, on your online poker site and casino. My poke site, against all the odds, not normal, in my first year of operation, at the international, I was nominated as poker operator of the year at the International Gaming Awards in London.

Tino Magnatta: Was there a question somewhere in here, that you wanted to ask?

Speaker 5: The question is very simple. If you're interested in growing the gaming industry, start now by including the online marketplace. What are your thoughts? That's my crystal ball.

Conrad Granito: The online site has been looked at here in Washington by many tribes even before I got here. With a number of things, with PASPA being changed out, being ruled unconstitutional, and making those changes, you bring up an interesting point, because I was having this conversation with someone yesterday. Washington's the only state literally that right now, you as an individual, are gaming \$4, you personally are committing a felony.

There's a lot of legislative challenges that have to happen. I think the other thing you bring up is, right now, for sports betting, it can't happen across state lines. It still has to happen within the state. Clearly, when you get into online gaming, it's liquidity, of how many players can you get, and that speaks to the issue of nationwide or international reach, and things like that.

I know the tribes have looked at that, and want to be part of the discussion. Unfortunately, a lot of times, they don't drive that engine. It's driven by state or federal legislators, setting the rules to how this business may or may not operate. Which is a frustration-

Speaker 5: Are you familiar with the Iowa Tribe and the Supreme Court ruling that it's legal for tribal?

Conrad Granito: Yep.

Speaker 5: Okay.

Conrad Granito: Yeah, but they still have an operated, an offshore site, effectively, even though they have that ability to do so.

Speaker 5: Build a site.

Conrad Granito: That's been a challenge to do.

Speaker 5: Is actually based right out of the reservation.

Conrad Granito: No. I realize that.

Speaker 5: Yeah. You're obviously tapping a \$100 billion international marketplace, in certain areas of the world are good. I was just really curious, why more people in the industry don't take a look at what's legal now, Supreme Court has ruled. The key is, that's bigger ... Currently, a brick and mortar casino is going to

advertise for a 50 square mile radius, maybe 100. That's going to limit you to your customer base. I can run a national television commercial and have 4000-

Tino Magnatta: Okay. We're going to have to cut this off here, because we got other people waiting.

Speaker 5: Okay. All right. Okay.

Tino Magnatta: Maybe we'll have another discussion about this at a different time. Thanks.

Speaker 5: That's fine.

Tino Magnatta: Okay. Let's move on here. Yeah. Okay. Let me see. Who do we have. Ah, here we go. Here's another caller. Hello, this is Tino Magnatta, do you have a question for Conrad and Kara?

Haydee Antezana: Yes, good afternoon. It's Haydee Antezana from Temecula. How are both, all three of you tonight? This evening.

Tino Magnatta: Good.

Kara Fox-LaRose: Fantastic.

Tino Magnatta: How are you?

Kara Fox-LaRose: How are you?

Haydee Antezana: Hi. It's wonderful to hear your voices. I miss Conrad, specifically, because I haven't met Kara in face to face. I'm dying to meet you one day. Conrad, I'm looking forward to hearing all your light bulb moments.

I was recently reading a survey done by Caesar's Entertainment and MGM Resorts, on why visitors are coming this often to Vegas. The main results came out, saying that, it's no suspense in this of course, but it's the fact that they, customers are being nicked and dimed, with resort fees, parking fees, concessions. Even to the extent that, some casinos are even charging for tap water nowadays, believe it or not.

My question is around the fact that, how do you ... Customers were going to Las Vegas for the experience. You have the entertainment, et cetera, et cetera. They also want of course the value. How do you get that balance right, that as a casino, you don't become another Vegas casino? How do you get the experience and the value balanced?

Kara Fox-LaRose: I can jump in on that one. I don't know if I'd consider this-

Tino Magnatta: Yes, great, Kara, thanks.

Kara Fox-LaRose:

... a light bulb moment or not, but ... I love that, I may use that in the future. It's interesting, how, the results that you just mentioned, when you think about why visitors are coming less often to Vegas, and although the additional fees that are being added, may have an impact. Certainly, I'm not going to debate the results or the outcome, but I do think there's a component of the options gamers have now, and how many states have introduced gaming. If you think about, when I entered the industry about 23 years ago, the main hubs were really Las Vegas and Atlantic City. If you take a look at what the landscape looks like today, I've been in markets also where the surrounding ... I experienced that shift in what we called at the time, market saturation, which is really competition.

At the end of the day, regardless of, I've worked for beautiful facilities, I've been very fortunate in that regard, very reputable, experience is certainly a focus, and we still experience that downturn in business. Because ultimately, convenience wins. Regardless of, someone's looking for a nice meal and a little bit of gaming, and maybe a little bit of entertainment, if you have another facility that's closer to home, that offers that, you become the destination facility at that point.

It's more challenging to draw those people in. I think balancing that experience and value is really, it's really the recipe, for success. It's about extending a value proposition in terms of how someone feels about spending their time with you. There's so much competition for that, for really having that type of impact on our consumers. I know you're asking the question, I'm delivering it back to you I guess in the same way that you're asking us, but our model is to certainly offer opportunities.

I like to say in marketing, our job is to create excuses, excuses for people to come, and be interested, in who we are and what we have to offer. It's also important to appeal to various audiences, so that you have sustainability. We're fortunate here at this facility, we've given a lot of thought to that. Focus and vision was mentioned earlier, certainly, having the ability to envision what the future may or may not hold, and how we could adapt to that, is so important, so that we can flex with the variations in the market.

I think it's a matter of really creating that quality, and connecting with the people. It's important for us. We have a level of mutual respect, cooperation, building relationships, and welcoming. That's the way we do business, with those four components. That makes people feel special. They feel like they're at home when they come to Ilani. We had a concert the other night, Leann Rimes, it was her holiday show. I've heard so many people talk about how good they felt.

One of my team members mentioned today in a meeting, he said, even when I was leaving the parking lot, when we had to alternate people coming from different exit paths, where you would normally see people fight to get in line when, it was like everyone took their turn, one car would go, then the other. He

said, I think it was a result of how we all felt when we left. It just felt so good. It was a great moment. She spoke to the crowd. It was a nice show.

That's our goal. People feel good about us.

Haydee Antezana: That's a good thing.

Conrad Granito: All right. I think Kara brings that up, it's that value proposition. I think you mentioned, what's going on in Vegas. You look at margins, you look at that. Where can I make an extra buck, or where can I loosen this. Case in point, for the month of November, we had a promotion. For the month of November, we charged no ATM fees. At all. Nothing. You could come in, you didn't even have to gamble, you didn't have to have a player's card. We charged no ATM fees.

We lost, there is of course, we get a portion of that revenue, but what we made on the floor was 100 times that. You're looking at it as, okay, what is the value proposition to Kara's point, that is going to then serve the customer. It's not charging for water, it's not charging for that, it's giving them that experience, that they feel valued, and then it's a place they feel safe and there. A simple thing of okay, we're not going to charge a fee that month, was astounding. It truly was.

Haydee Antezana: Unbelievable.

Conrad Granito: I think people lose sight of that. What's interesting is, you see that in Vegas, but very rarely are you seeing those type of fees that are purveying in Las Vegas and any other jurisdiction. Matter of fact, some of the fees are, some of the properties are actually starting to be rescinded. We'll see what happens.

Tino Magnatta: Yeah.

Haydee Antezana: You're right.

Tino Magnatta: You're right.

Haydee Antezana: Before they're right, they're bad, we got to get our value up here as well in the native tribal casinos.

May I ask one more question, Tino?

Tino Magnatta: Yes.

Haydee Antezana: We talk about brand and branding, and this is something that obviously, we train into. A lot of the times, people don't know what a brand is. For me, both of you have mentioned it over and over. For me, a brand is a promise of an experience, that you are promising your customer. Conrad, what is your

Muckleshoot promise of an experience to your guests? What is the promise of the experience?

Conrad Granito: The promise to them is that when you come to Muckleshoot, you are going to have fun, and you're going to be entertained while you're having fun. I think we basically, we talk about core values and communication and respect and all those things, but one of our core values is fun. That's-

Haydee Antezana: Love it.

Conrad Granito: ... what, we strive to have that experience. Kara mentioned it before, but in our new employee orientation, I ask people who're not familiar with this industry, think of our business model. Our business is model? We ask people to get in their car, burn their own gas, fight the traffic, come here and do what? Lose money. Then we ask them to go home-

Haydee Antezana: But walk out with a smile, while they do, right?

Conrad Granito: Yeah. But then, go home, but have such a great experience, we want them to go home and then come back and bring their friends and relatives to lose money.

Haydee Antezana: Of course.

Conrad Granito: They're not walking away. They might walk off with a meal or something from the gift shop, but it's that experience. It better be fun. Not enjoyable, but just pure fun.

Haydee Antezana: Yeah, I love that.

Conrad Granito: You're going to come to Muckleshoot, you're going to have fun.

Haydee Antezana: Yep. What about you, Kara? What about Ilani, what is your promise of an experience?

Kara Fox-LaRose: We have a mission. It is simply this. Ilani desires to free the spirit by celebrating the moments that fill life with memorable and lasting experiences. That is our mission.

Haydee Antezana: Beautiful.

Kara Fox-LaRose: Yes.

Haydee Antezana: I love that.

Kara Fox-LaRose: That's [crosstalk 00:54:57] forward in many different aspects of our building-

Haydee Antezana: Absolutely.

Kara Fox-LaRose: ... and the experience here. Yeah.

Haydee Antezana: Wonderful. Thank you both so much.

Tino Magnatta: That's great.

Haydee Antezana: Thank you Tino.

Kara Fox-LaRose: Thank you.

Tino Magnatta: Thank you. Great-

Conrad Granito: Thank you.

Tino Magnatta: ... question. Thanks, Haydee. Have a good evening.

Haydee Antezana: Have a good evening.

Tino Magnatta: Right, Haydee. Bye.

Kara Fox-LaRose: You too.

Tino Magnatta: Tino Magnatta, do you have a question for Conrad and Kara?

Heather Lee: Hi, yeah, I do. This is Heather Lee with Atrient, how are you guys doing?

Tino Magnatta: Good.

Kara Fox-LaRose: Good.

Conrad Granito: Good.

Heather Lee: Good. First I had a comment that I think it's really nice that both of your casinos collaborate instead of being competitors. I was just wondering if you think that other regions or tubes could benefit from the model that you've created in Washington, at least between your two tribes? And, just also a comment on how the two of you might share ideas.

Conrad Granito: I'll jump on that one. I think it's possible. I think every market in every region is unique, and tribes have history beyond gaming. A lot of times, it's these historical things that tribes have, happens in Oklahoma and parts of Arizona, even southern California. I think you're seeing more and more where tribes are working as a group, particularly as it gets to legislative matters, but even within markets. Washington is competitive, with Kara and myself, we're not really competitors for the same guests to some extent, for the most part.

You see that, I think competitiveness is much greater say in southern California, than it is in other parts of there. I think you take advantage of those opportunities when they're there. I think I've worked in very, very competitive markets with tribal and non-tribal, and I've always made it a point to know my counterparts. Literally, we would, I worked in the Lake Charles market, where I was the only tribal, and I competed with regional operators.

We made it a point that every six weeks or so, we had dinner at one of the properties, and we rotated. It was a time for us to okay, what's going on, and everything else. If I had a question about a promotion or whatever, I could call my counterpart up and ask them about the promotion. It wasn't that I had to do a stealth more and a stealth shop or whatever.

I think it's ... How you treat that market. I think you hopefully get to the point where you can have those open lines of communication. We're not exchanging industry secrets here, but we're all in the same industry.

Kara Fox-LaRose: Right. Yeah, [crosstalk 00:57:40]

Conrad Granito: I'm not stealth marketing you, Kara, just so you know. Not yet.

Kara Fox-LaRose: I'm still considered a friend, so hopefully that, we maintain that relationship.

Conrad Granito: You got it.

Kara Fox-LaRose: Certainly, collaboration definitely brings value. I think in general, the general nature of collaboration is bringing value, working together, towards a common goal. I think what the tribes have done here in the state, is a great thing. It's very healthy. Although I'm not ... We can't be sure of what the dynamic is in each state, and other challenges that people face, but it's certainly helpful to know what has worked within the state of Washington, for me, coming in as, we're the last casino opening here so far.

There's been a lot of paving the way, prior to us, and really understanding what has worked, and what hurdles to expect. It's helpful not only to our business, but it's also beneficial to the other tribes. Our approach may or may not impact other tribes in the state. I truly understand now, more than ever, why the other tribes do continue to take others under their wing, us being the new kid on the block, let's say, in terms of the most recent facility opened.

Things that we like to see ourselves as market leaders, it's one of the reasons you're hearing Conrad and I on the phone today, because we have more regular contact, when it comes to hey, Conrad, I have this idea, and what do you think about X Y or Z. We can talk about sports betting, we can talk about online gaming, we could talk about something that already exists. Pick a topic. Let's talk through how we can help each other, how do we approach this, what's the

best approach, so that we're working collectively, to either see if the tribes have a collective voice, towards a particular initiative, or not.

That certainly helps whatever the action plan that follows. I think it could be helpful. I've seen the Mohicans do that with other tribes, where they are in Connecticut, I mentioned them, because that's our managing partner. Also, I come from the Mohican world. They work collaboratively with the Mashantucket Pequot Tribe, which is their main competitor in Connecticut, as they continue to face a changing landscape.

Sure, I think it could certainly be beneficial. I know it's a challenge for some, because some are in more competitive markets.

Heather Lee: Thank you very much for your answers. I just want to let you know, I really enjoyed the show this evening.

Kara Fox-LaRose: Thank you.

Tino Magnatta: Thank you so much. Have a good evening.

Heather Lee: Thank you Tino.

Tino Magnatta: Okay. That was great. Guys, I just want to tell you both, I really appreciate you both coming onto the show. Also, you're one of the most knowledgeable and gracious guests I've had on the show. Thank you so much. I want you back.

Kara Fox-LaRose: Thank you. Appreciate it.

Conrad Granito: God, that was very nice, Tino. Thank you.

Kara Fox-LaRose: Yeah. It was a lot of fun, really appreciate it.

Tino Magnatta: Yeah. This show was very different than most shows. We both heard your life stories, which is good, but I think tonight, we got into some overviews, and I think our viewers really got a lot out of it. You guys both have a happy holiday-

Kara Fox-LaRose: You as well.

Tino Magnatta: ... and we will talk next year.

Conrad Granito: You got it.

Kara Fox-LaRose: All right.

Conrad Granito: Take care.

Kara Fox-LaRose: Sounds good. Thank you.

Tino Magnatta: Thanks guys. Appreciate it. Bye bye.

Conrad Granito: Thank you. Thank you Kara.

Kara Fox-LaRose: Thank you. Bye bye.

Conrad Granito: Bye bye.

Tino Magnatta: Bye bye.

Yes, two fantastic people. Like I said, gracious and just amazing human beings. I'm really proud to be associated with them. I think it's January 7th, I have a Dynamic Duo. Suzanne Trout and Colleen Birch, they're both friends. They both work together. It's going to be a fantastic show. I'll looking forward to that. You all have a happy holiday, Merry Christmas, happy New Years, happy Hanukkah, all that stuff. God bless you all, and remember, everybody's got a story to tell, you just have to have time to listen. I'll talk to you soon. Have a great holiday.

Goodbye.

END