

## Casino Journal Article About PDS Gaming

Date : August 23, 2016

-- Las Vegas, NV -- Casino Journal, a leading gaming industry trade publication, recently wrote about PDS Gaming and included an interview with PDS Gaming's founder and CEO, Johan Finley. Below is an excerpt from the article and a link to the full text on Casino Journal's web site.

[Casino Journal, July 6, 2016 Issue](#)

by Paul Doocey

### **PDS Gaming Corporation equipment leasing and flexible finance options**

*PDS Gaming Corporation has carved out a successful business niche by offering financial products and services to gaming companies of all shapes and sizes.*

For the past 25 years, PDS Gaming Corporation has become a reliable source for gaming businesses seeking equipment leasing and flexible finance options that include month-to-month, long-term, revenue participation and flat-fee programs. PDS is currently involved with 300 casinos in multiple jurisdictions across the U.S., and has been responsible for \$1.4 billion in total transactions. PDS Founder and CEO Johan Finley recently took some time to answer questions from Casino Journal Editor Paul Doocey. Below are some excerpts from this exchange:

*What are some of the financial services you offer the gaming industry? Which of these products are the most popular? Why?*

Finley: PDS offers a variety of financial products to the industry, including leasing, short- and long-term rentals, and other financial solutions to casinos, route operators, manufacturers and distributors. The company's primary focus is on gaming equipment and FF&E that casino operators and route operators need. For manufacturers and distributors, PDS provides financial products for their customers, capital for their operations and factoring of receivables. These are the most popular products offered by PDS.

Because PDS has manufacturer, distributor and route operators gaming licenses in multiple jurisdictions, it is able to own gaming equipment and to offer a number of financial solutions other companies may not be able to offer. By having a number of gaming licenses and access to significant capital PDS is able to fill a void that traditional banks and other financial entities are not able to fill.

*I understand your company offers financial services to three categories of clients—operators, equipment manufacturers and corporate gaming products. Please describe these different business segments and how you have tailored financial/lease products to meet their needs.*

Finley: That is correct. PDS has three primary customers; casinos, route operators and manufacturers and distributors. Each has a common thread; the need for company or customer financing solution. For casinos and route operators PDS helps facilitate the casino or route operator's decision to lease or rent depreciating assets such as gaming machines, fill capital needs to round out their capital structure, or maintain their equity capital for use on higher return projects or harder to finance amenities. For manufacturers and distributors, PDS provides financial programs for their customers helping them sell more equipment. PDS also provides a solution to the manufacturers and distributors for liquidity by monetizing the manufacturers and distributors accounts receivable. In addition, many manufacturers and distributors need more access to capital to develop markets and products. PDS provides them another alternative to banks.

*What are some of your bigger or better known "wins" in each of these segments? Historically, which of these client categories has performed best for the company?*

Finley: Over the past 25 years, PDS has been involved in some very high profile new casino projects and route operations and helped grow many successful manufactures & distributors. We have strong relationships with many operators and manufacturers. They know that when we commit to a transaction, we will execute and they can depend on the capital.

*What would you say sets PDS apart from other finance and lease providers serving the gaming industry?*

Finley: The keys to the success of PDS and what differentiates PDS is its gaming licenses, its deep knowledge of the industry and its experienced staff. There simply is not another company like PDS in the industry.

*It seems like your company does a lot of business with tribal properties. Why is that?*

Finley: PDS's roots are in Indian gaming; it's where PDS started and has had tremendous success. PDS has provided well over \$500 million to Indian gaming casinos and has a 100 percent success rate. To say the least, PDS knows and likes this market.

*Please provide a brief description of PDS Gaming Corporation—when it was founded? What industries do you cover? How did PDS get involved with the gaming industry?*

Finley: PDS was founded in 1988 in Minneapolis, Minn. At that time, it was a fleet vehicle and equipment leasing company. The focus was purchasing vehicle lease portfolios, predominately on the west coast, from banks. In addition, PDS provided equipment sale leaseback and forward lease credit facilities to insurance companies. These were the primary products until early 1991.

As part of its process, PDS would finance its portfolio purchases and insurance company transactions with investment banks in Minneapolis. The investment banks would syndicate PDS

transactions with regional banks. In 1991, when the first compacts were signed between tribes in Minnesota and the state, the management companies for the tribes hired the same investment banks PDS was using to provide them financing. The banks decided they needed outside consultants to help structure the transactions and they hired PDS. PDS served as a consultant to the banks and at the same time determined that it would become a gaming licensee for purposes of working with the tribes and assisting the tribes with financing alternatives. Given the success of PDS's engagements with the tribes and banks, PDS made a strategic decision to focus solely on the gaming industry.

*PDS also has an overseas presence. What overseas locales are you in? What companies are you supporting? How are you growing this segment of your business?*

Finley: Prior to the 2008 recession, PDS had a very strong international presence. In 2008 that all changed and PDS has just recently re-entered the market in select countries. The current focus of PDS in the international markets is Panama, Costa Rica, Columbia and Peru. PDS has small offices and representatives in Panama City and San Jose, Costa Rica that call on the region. PDS sees these markets as part of its overall growth strategy and is investing significantly in these markets.

*How did the company survive and adapt to the constricted money markets arising from the recent recession? Did it change the way you do business? How?*

Finley: Living through the credit crisis and recession for a specialty finance/leasing company was a significant challenge. It was the perfect storm where the New York capital markets were closed and clients were in need of restructuring or facing liquidity challenges. Thankfully, the access PDS has to its Midwestern regional bank syndicate, where the crisis was not as severe, allowed PDS to work through the challenges. PDS came out the other side of the recession much leaner, much more focused on its core business and with a better sense of who it is and who it wants to be.

As CEO, I'm proud to say that PDS has enjoyed seven years of quality earnings since.

*Gaming revenue has been up across multiple jurisdictions within the U.S. Has the impact has an impact on your business? In what ways? How are you taking advantage of it?*

Finley: PDS is happy to be part of the recovery of the gaming industry. It can only mean that demand for PDS's services will increase. PDS plans to stay focused on its core strengths in finance, increase its route presence and prudently grow its footprint internationally while serving its clients in the most professional way possible.

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*For the full story, follow this link to Casino Journal's publishing web site:*

[Casino Journal, July 6, 2016 Issue](#)

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*About PDS*

PDS Gaming is a finance and leasing company that specializes in customized financing solutions, including equipment leasing, project and corporate financing and manufacturing vendor financing programs for the gaming industry. PDS Gaming is licensed in most of the major U.S. and Native American jurisdictions.

**PDS Gaming Corporation**

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