

Wynn employees to receive stock in move to keep workers

By Bailey Schulz Las Vegas Review-Journal
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Wynn Resorts Ltd. is offering key employees shares of the company in order to retain them during the COVID-19 pandemic.

The company on Tuesday offered a combined 176,247 shares to roughly 240 of its “top leaders” in Las Vegas and Boston, including executive officers, according to a Thursday filing with the Securities and Exchange Commission. Workers will be able to cash out one year after receiving the stock grant.

“I think it’s a great gesture by Wynn. ... It’s a great benefit to have ownership of the company, and typically exclusively a benefit that you have at a senior-level position,” said Brendan Bussmann, director of government affairs for Global Market Advisors LLC.

Workers who were awarded the grant received a letter Thursday from CEO Matt Maddox, who recognized the hardships many employees are facing during the pandemic.

“To say what we are going through in 2020 is ‘unprecedented’ really does not describe the situation at all: this year is treacherous,” the letter reads. “The year 2020 is much harder on our industry than the great recession in 2008-2009.”

Like other Las Vegas-based gaming operators, Wynn has taken a significant hit from the pandemic, which shut down its three U.S. properties — Wynn Las Vegas and Encore in Las Vegas and Encore Boston Harbor in Massachusetts — for months. In an Aug. 4 earnings call, Maddox said Las Vegas occupancy rates remain low, hovering around the mid-50s on weekends and in the 30s during the week.

In the letter, Maddox said he believes Wynn Las Vegas will be able to rebound in the second half of 2021, once the pandemic has ended and conventions, nightclubs, theaters and high occupancy levels return.

Until then, he said, the company must focus on getting through the next 12 months while maintaining its culture and brand.

“I’m committed to making sure Wynn emerges on top. But it will take each of you to make it happen,” he said in the letter. “I want you to be an owner of the Company. It is your dedication that will allow our culture and values to prevail.”

Maddox received 24,501 shares through the retention awards, Chief Financial Officer Craig Billings received 13,476 and Executive Vice President Ellen Whittemore received 6,585.

Many of the shares offered through this grant were originally set to go toward Maddox, based on certain performance objectives that are “no longer relevant in light of the extremely challenging conditions stemming from the COVID-19 pandemic,” according to the SEC filing.

Maddox asked the committee to cancel the shares of restricted stock, and instead issue the retention award for employees.

This comes after Maddox announced in March that he would give up his [2020 salary](#) to help offset the financial impacts to the company and workers caused by the pandemic.

“I think that (the stock grant) is consistent with how Wynn has treated their workforce throughout this whole pandemic,” said Josh Swissman, founding partner of The Strategy Organization, a Las Vegas gaming and hospitality consulting firm. “I can only imagine how hard the senior leaders have been working at that organization. This is definitely one way to keep, to retain and reward your best employees, and make them feel invested in the success of the organization.”

It’s a fairly rare move, especially in the gaming industry. Nehme E. Abouzeid, president of consulting firm LaunchVegas and a former marketing executive at Wynn, said it’s much more common to see stock grants doled out by companies in industries like utilities and tech, which are used to competing for skilled talent.

“This isn’t a sea change, but at least the company is trying to ensure that there won’t be a major brain drain in key areas so that, when the rebound happens, Wynn will hold up as a brand,” Abouzeid said.

Wynn Resort Ltd. shares closed down 1.2 percent Thursday to \$80.28 on the Nasdaq.

Contact Bailey Schulz at bschulz@reviewjournal.com or 702-383-0233.

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