

MGM Mirage CEO is highest-paid exec

There's a new name atop In Business Las Vegas' list of the highest-paid executives in Southern Nevada.

Terry Lanni, chief executive of MGM Mirage, is No. 1 on the list, which appears in this edition.

Lanni has been in the top 10 since 2002 when the list was first published, but this was the first year that he has reached the top spot.

The list, which begins on Page 26, was compiled by In Business researchers Ulf Buchholz and Marcia Mohr, and is based on total compensation packages reported by public companies in filings to the Securities and Exchange Commission. Executives working for privately held companies are not included.

Lanni's 2006 compensation was calculated at USD 30.1 million, nearly USD 10 million higher than the No. 2 executive on the list, Ronald Kramer, president of Wynn Resorts, who had 2006 compensation of USD 20.2 million.

Kramer was No. 9 on the list last year.

A thorough explanation of how total compensation is calculated is on Page 26, but the primary components are an individual's salary, bonuses and other benefits along with the value realized from stock options that were exercised during the year and the value realized on the vesting of restricted stock grants.

Lanni unseats Frank Fertitta III, chief executive of Station Casinos, who held the top position on the list measuring 2005 pay with total compensation of USD 42.7 million. Fertitta fell to No. 5 on this year's list with compensation of USD 14.6

million.

Fertitta also was No. 1 in 2004 with compensation of USD 94.7 million – the highest executive pay level recorded in the six years In Business has compiled the list.

This year's list includes the top 90 executives, although the list of highest-paid executives that will be published at the end of this year in the In Business Book of Business Lists will be much longer.

Not surprisingly, the gaming industry dominates this year's list. Only 22 of the top 90 executives on the list – about 24 percent – come from nongaming companies. Only one non-gaming executive, Anthony Marlon, chief executive and president of Sierra Health Services, made the top 10.

Marlon, whose compensation is listed at USD 18.6 million for the year, ranked No. 6 on the list and maintained the same ranking as last year when he made USD 19.1 million.

One other nongamer was ranked in the top 25, with Farid Suleman, chief executive of Citadel Broadcasting Corp., at No. 22 with USD 5.1 million.

Four other names are new to the top 10.

No. 3 Marc Schorr, chief operating officer at Wynn Resorts, with compensation of USD 19.3 million, had only made it as high as No. 12 last year and No. 41 the year before that.

The other three new to the top 10 are all members of the Herbst family – Chief Executive Edward Herbst of Herbst Gaming, No. 9 (USD 11 million) and executive vice presidents Timothy and Troy, tied for No. 10 (USD 10.6 million).

The three Herbsts ranked No. 22 and tied for No. 24 last year and were at No. 18 and tied for No. 19 in the 2005 edition.

While Lanni is one of the most recognizable executives of MGM

Mirage, being the public face of a company doesn't always translate into a high ranking in total compensation.

For example, Sheldon Adelson, chief executive of Las Vegas Sands, which operates the Venetian, earlier this year was acknowledged as the third-richest person in the world by Forbes magazine. But he's at No. 21 on the In Business list with compensation of USD 5.6 million.

And Steve Wynn, one of the gaming industry's most recognizable executives, landed at lucky No. 13 in this year's list with compensation of USD 10 million.

Gaming doesn't appear to be an industry intent on shattering the glass ceiling when it comes to executive pay as illustrated by the dearth of women making the list.

The highest-paid woman on the list is Linda Chen, president of marketing for Wynn International, with USD 6.9 million at No. 19. Chen also was the highest-paid woman on last year's list, but came in at No. 58 with compensation of USD 848,405.

Other women making this year's list included Virginia Shanks, senior vice president of brand management for Harrah's Entertainment, USD 1.2 million, at No. 53; Angela Frost, former senior vice president of operations for Ameristar Casinos, USD 899,451, at No. 67; Donna Lehmann, chief financial officer of OpBiz-BH/RE, owners of Planet Hollywood, USD 866,796, at No. 68; Judith Ellis, chief operating officer of Citadel Broadcasting Corp., USD 756,208, at No. 77; Darby Davies, senior vice president of casino marketing for OpBiz-BH/RE, USD 615,302, at No. 85; and Mary Higgins, chief financial officer of Herbst Gaming, USD 604,281, at No. 87.

The highest a woman has ever appeared in the survey occurred in the first year it was conducted, 2002, when Donna L. Heffner, executive vice president, chief financial officer and secretary of Citadel Communications Corp., reported compensation of USD 2.8 million and was 11th on that year's

list.

The most familiar company names in the gaming industry had the most executives in the top 90.

Harrah's Entertainment and Las Vegas Sands had six executives in the top 90, while MGM Mirage, Wynn Resorts, Boyd Gaming and Station Casinos had five each. Herbst had four.

Based on the ranking of the top five executives of each of Southern Nevada's „big six“ gaming companies, the highest-paid executives work for MGM Mirage, followed by Wynn Resorts, Station Casinos, Boyd Gaming, Las Vegas Sands and Harrah's Entertainment.

The average pay of the top five executives of those companies was USD 18.1 million at MGM Mirage, USD 14.2 million at Wynn, USD 9 million at Station Casinos, USD 5.4 million at Boyd , USD 4 million at Las Vegas Sands and USD 3.4 million at Harrah's.

Inflation hasn't been much of a factor in the top executive pay, as it took less money to make the top 10 this year than it did a year ago and the year before that.

This year, an executive had to make USD 10.6 million to make the top 10. In the 2006 list, the No. 10 compensation was USD 14.5 million. In previous editions of the list, the threshold for the top 10 was USD 12.6 million in 2005, USD 6.3 million in 2004, USD 6 million in 2003 and USD 2.9 million in 2002.

Several prominent names are expected to drop out of the list next year for various reasons.

Craig Nielsen, founder and chief executive of Ameristar Casinos and No. 16 on the list with compensation of USD 8.8 million, died on Nov. 16 last year.

Some executives on the list have announced their retirements from their respective companies.

Glenn Christenson, former executive vice president and chief financial officer of Station Casinos, announced this year that he would leave his post. He ranked No. 23 on the list with compensation of USD 5.1 million.

Ellis Landau, who held the same titles for Boyd Gaming, also announced retirement plans. He ranked No. 29 with compensation of USD 4.3 million.

Frost, the No. 67-ranked senior vice president of operations for Ameristar, announced her retirement.

And, Ronald Johnson, executive vice president of gaming operations at the Riviera, announced his resignation from that position in May 2006. He ranked No. 81 with compensation of USD 695,038.

Other executives making the list are expected to drop out next year or the year after because of ownership changes that will take their public companies private. The five executives from Station Casinos and the six from Harrah's Entertainment fall into that category.