

LAKWOOD INDUSTRIAL COMMISSION

231 Third Street, Lakewood, NJ 08701 • Telephone: (732) 364-2500
Ext. 5395
FAX: (732) 364-5417

Steven Reinman, Executive Director



Flippers, Bumpers, and Wizard Modes at Jersey Jack's Pinball Company

Behind the factory walls of 1645 Oak Street in the Lakewood Industrial Park, dozens of workers busy themselves each day assembling thousands of parts into a colorful product designed with one goal in mind - fun! Operating since early 2011, the 42,000-square-foot factory is one of only two in the world that manufactures pinball machines.

Jack Guarnieri, founder, president and chief executive officer of Jersey Jack Pinball, said the startup company is drawing new followers to a game that traces its roots to the 1930s, which pairs skill and luck to ultimately put smiles on people's faces.

With thousands of customers around the world looking to buy pinball machines that sell for about \$8,000 to \$9,500 apiece, Guarnieri is guessing that Jersey Jack Pinball has grown into a multi-million-dollar company.

Guarnieri, a Jackson resident, is no stranger to the business of fun. He started out in the amusement game industry in New York in 1975 as a pinball machine repairman. He operated Fuzzy's Family Fun Factory in Howell, a popular amusement center for children's parties, from 1996 to 1999. Then, he started an online sales site PinballSales.com, based in Lakewood in 1999 and worked there for 15 years.

With only one pinball machine manufacturer left in the world, Stern Pinball, Inc. in Elk Grove Village, Illinois, Guarnieri saw a void and he took a chance. He leased the 42,000-square-foot factory in the Lakewood Industrial Park in the midst of the economic recession, and he designed an epic pinball machine based on a perennial classic, "The Wizard of Oz." The game features a winged monkey, a melting witch, munchkin huts, ruby slipper flippers, animation displayed on a high-definition LCD monitor, and LED lights flashing -- what Guarnieri says are a billion different colors.

Thousands of customers were so interested in the game that they ordered "The Wizard of Oz," sight unseen, plunking down deposits before it was even built, the businessman said. So far, Jersey Jack Pinball has sold 3,000 "Wizard of Oz" games and this year launched its second game, "The Hobbit," based on the popular trilogy.

The game generated 1,700 orders before it was built, Guarnieri said. About 1,100 of the games are on back order. "We expect to sell another 1,000 games after that," Guarnieri said.

Jersey Jack Pinball has an enviable problem. "We've always had more orders than product," Guarnieri said, explaining that a far more common problem for businesses is to have products without customers to sell them to.

With 60 employees, all but 12 working in the Oak Street factory, Jersey Jack Pinball produces about 15 pinball machines a day, five days a week, yielding about 3,500 a year Guarnieri said.

The company's customers come from around the world and from the company's own backyard. Guarnieri said he has sold pinball machines to customers in Australia, Germany, the United Kingdom, and the Netherlands. Meanwhile, The Laketon Inn in Lakewood has a Hobbit pinball machine, and Ocean Lanes, also in Lakewood, has The Wizard of Oz.

Many of Jersey Jack's customers are collectors and hobbyists who want pinball machines for their homes although the company also sells to arcades, such as Jenkinsons' Pavilion in Point Pleasant Beach, Lucky Leo's in Seaside Heights, iPlay America in Freehold, and other commercial establishments.

"Our customers are everybody who wants to buy a pinball machine," Guarnieri said. "They're not all rock stars and business people who want a pinball machine. They're just average people."

One customer, however, is self-made Florida billionaire Leonard Abess, who last year became a partner in Jersey Jack Pinball when Guarnieri was looking to recapitalize the company, Guarnieri said.

Now, Jersey Jack has a third game in the works, which it expects to unveil later this year. Unlike the first two games, the third won't be based on a movie or television show. Instead, it will be an original idea that won't require the company to fork out any licensing fees, Guarnieri said.

"There hasn't been a game like that in 15 years," Guarnieri said. He's not yet giving away any secrets about it except to say, "It's going to be a funny game - when you play it, you'll laugh." And Guarnieri said he expects to sell 5,000 of the machines.

Guarnieri said Jersey Jack Pinball is attracting people by injecting new ideas into an old game. "We keep innovating and keep adding more technology to the games," Guarnieri said.

While the games produced by the company's only competitor have traditionally attracted male audiences, The Wizard of Oz is appealing to "boys and girls, young and old," Guarnieri said. "That game alone is breaking barriers."

Comparing the new games to the pinball machines he worked on early in his career, Guarnieri said, "Today's pinball machines are the Tesla and that was a Model T."

Guarnieri said last year he patented technology to connect a cellular phone to a pinball machine to keep track of scores so that players can compete with others in different locations and earn credits in an online cloud with which to redeem prizes.

Jersey Jack signed a five-year lease on its factory in 2011. One of the building's appealing features was a solar roof to help defray costs, Guarnieri said. Another is its location in the Urban Enterprise Zone, which offers lower sales tax to the company's customers. Meanwhile, the company has renewed its lease for 10 years, and it has another option to renew it after that, Guarnieri said.

Because it takes \$2 million to develop a pinball game, Guarnieri said he still considers the company a startup. But he envisions a bright future. "When I opened this business, it was in the middle of a recession in 2011," he said. "Not many people were looking at taking an empty, 42,000-square-foot building and turn it into a multi-million-dollar manufacturing operation. I anticipate a 50- to 60- to 70-million-dollar business as we go along."

But profit isn't the sole motivator for a man who is clearly passionate about pinball. "It's really fun in today's world to make a product that puts a smile on a person's face," Guarnieri said. "We make a happy product for people to enjoy. It's a good working environment. Everybody works as a team. It's a family."