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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR APRIL 2008

The Michigan Gaming Control Board (MGCB) has recently released the April, 2008 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. At Tuesday's MGCB public hearing, Executive Director Richard Kalm reported to the MGCB that "aggregate revenue and taxes for all 3 Detroit casinos for the month of April 2008 were up by 5.15% compared to the same month last year. Revenue for MGM Grand and MotorCity Casinos were up by 14.19% and 3.45%, respectively, while Greektown Casino was down by 4.95% in April 2008, compared to the same month last year."

Month in 2008	Total Adjusted Revenue 2008		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$46,637,248.81	\$39,366,692.84	\$27,534,937.58
February	\$47,021,788.41	\$38,326,971.88	\$26,999,351.20
March	\$50,217,833.17	\$41,307,354.29	\$32,230,050.35
April	\$46,864,254.06	\$40,703,507.79	\$28,572,470.64
Total	\$190,741,124.45	\$159,704,526.80	\$115,336,809.77

The figures released by the MGCB are the gross receipts less winnings paid to wagerers. The figures do not include: 1) the State of Michigan share of the wagering tax; 2) the City of Detroit portion of the wagering tax; 3) any fees or other relevant city, state or federal taxes; 4) wages and benefits paid to casino employees; and 5) payments to suppliers, service providers or vendors.

For Greektown Casino, the State of Michigan's share of the wagering tax is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%. This 24% tax has

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historically applied to all three Detroit casinos.

MGM Grand Detroit and MotorCity Casino have received a tax base reduction certification as a result of their facilities being declared “fully operational” by the MGCB. These properties are now subject to a wagering tax of 19%, with a 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

MGCB ASKS GREEKTOWN FOR FINANCIAL PLAN

On Tuesday, the Michigan Gaming Control Board (“MGCB”) ordered Greektown Casino to provide detailed financial information to the Board at the June 10, 2008 MGCB meeting. The MGCB issued the order in response to a request by Greektown to obtain a waiver of a casino sale enforcement procedure the Board had set forth in an order issued in 2005 approving the casino’s financing. The MGCB denied the request for a waiver and asked Greektown Casino to provide it with detailed information related to the casino, and with respect to a new equity investor who Greektown Casino expects to infuse new capital into the operation.

In connection with presenting the matter to the MGCB, Executive Director Richard Kalm told the Board: “[w]e’re asking that the board not waive the enforcement provisions (in the 2005 board order). However, give us and Greektown time to produce more information so that we can give them every opportunity, and us every opportunity to make a calculated judgment in this case on whether or not the sale provision should be enforced or ordered by the board.”

Greektown Casino’s attorney, Mike DuBay, stated the following at the hearing: “[u]ltimately what we’re seeking is the goal of all the parties that are interested here, which is the path that provides the greatest certainty to the completion of the permanent casino hotel complex.”

The Board will meet next on June 10th at 9:00 a.m. to review the Greektown matter.

MICHIGAN GAMING CONTROL BOARD APPROVES FIRST EVER CHANGES TO ADMINISTRATIVE RULES

On Tuesday of this week, the Michigan Gaming Control Board (“MGCB”) approved several changes to the comprehensive Michigan Administrative Rules governing the Detroit casinos. By a vote of 5-0 the MGCB approved the following changes:

1. Adoption of a rule and procedures governing requests for declaratory rulings from the MGCB.
2. Amendment of the rules relating to public offering of debt or equity for Michigan casinos to clarify the application of these rules and to reduce the amount of paperwork required to be filed by licensees.
3. Amendment of the rules relating to the conduct of gaming to update them to reflect recent changes in technology.
4. Adoption of a rule to require compliance with internal control procedures. The rule provides that casino licensees and casino license applicants must comply with such controls or they can be subject to disciplinary action.

The vote by the MGCB on Tuesday will result in the amended Rules being presented to the Secretary of State and will take effect seven (7) days thereafter. In presenting the Rule changes to the MGCB, Assistant Attorney General Don McGehee commented:

“[A] lot of people that were involved on the Gaming Control Board staff should be commended for the work they did on these rules, because it is effectively brought some of the rules up to the latest as far as the evolution of technology with the gaming devices. It has eliminated some unnecessary paperwork that was not necessary with respect to the regulation that was covered in other rules, and has saved the casinos at least a projected 1.5 million dollars, and suppliers something in the neighborhood of a half a million dollars. But at the same time, and more importantly, has maintained the integrity of the regulation and the strictness of the monitoring of it. Laurie Lander, who helps with a lot of the documentation should be commended. John Page and his staff,

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Chris Adams, and of course our staff, Bethany Scheib, Melinda Leonard, and my chief, boss, and leader, Jack Cahill.”

Persons interested in obtaining a copy of the modified Rules are encouraged to contact Regulatory Management Counselors, P.C. at 517-507-3858.

THE HEARTLAND POKER LEAGUE COMES TO GREEKTOWN CASINO

Last week, the Heartland Poker League announced that League events will be hosted by Detroit’s Greektown Casino. Billed as “the first national poker league for the casino player”, the Heartland Poker League is made up of a number of participating casinos that run weekly tournaments in which players compete locally and nationally for prizes. According to a press release issued by the Heartland Poker League, Greektown Casino will be running two leagues; the Sunday League will start every Sunday at 7:00pm, while the Monday League will begin every Monday at 11:00am. The buy-in for both of these Leagues is \$60+\$15, with 100% of the prize pool being paid out at each tournament.

In addition, Greektown Casino will also be hosting its first Heartland Poker Tour televised event from May 31 through June 8. Satellite tournaments for this event will be held daily from May 5-June 6, while Qualifier tournaments will be held from May 31-June 6. The Main Event, with an estimated prize pool of \$750,000.00, will run from June 6-8, with televised taping of the final table to occur on Sunday, June 8 at approximately 3:00pm.

Greektown Casino was the first casino in the Detroit market to open a poker room, when CEO Craig Ghelfi spotted the game’s growing popularity. Greektown’s participation in the Heartland Poker League reflects a continued commitment by the Casino to the game of poker.

For more information regarding the Heartland Poker League or Greektown Casino’s Poker Room, visit <http://www.greektowncasino.com/Gaming/PokerRoom/>.