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For more information on Michigan's gaming industry, please visit www.michigangaming.com

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The MICHIGAN GAMING Newsletter



ATTORNEY GENERAL ANNOUNCES SHUTDOWN OF ILLEGAL CASINOS IN STATE

On Wednesday, Michigan Attorney General Mike Cox announced charges against 12 owners and employees of restaurants near Flint, Michigan, who are allegedly responsible for operating illegal casinos. The arrests were the result of efforts by the Michigan State Police, the Michigan Gaming Control Board and the Attorney General's office to thwart illegal gaming operations in the state.

"These defendants brazenly flaunted state law by essentially operating casinos in these bars," stated Cox. "Gaming in Michigan is strictly regulated and this is a clear violation of state law."

Allegations include operating illegal poker machines which allow patrons to wager as if they were in a licensed casino; winners were paid in cash, and the defendants allegedly took measures to avoid detection by law enforcement.

The charges are a result of an investigation initiated in March of 2007, after State Liquor Control officials notified Michigan State Police of the alleged illegal gaming activities. The investigation included work by undercover officers who joined others in placing illegal wagers on video poker or slot machines. A police raid of 19 bars and one other location, including three of the defendant establishments charged Wednesday, was conducted in late November 2007 as part of the ongoing probe by several law enforcement agencies.

It has been estimated that over \$8 million has been lost to the state, or otherwise hidden through these illegal gaming operations.

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Owners of these establishments face a maximum penalty of 10 years imprisonment and/or a \$10,000 fine for running an illegal gambling operation, while employees are charged with keeping a gambling house, and face a one year misdemeanor or a \$1,000 fine. All defendants have been arraigned and pretrial hearings have been scheduled.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MAY 2009

Last week, the Michigan Gaming Control Board (MGCB) released the May, 2009 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue was down 4.25 percent from the same reporting period last year. Specifically, revenue for Greektown casino was up by 7.2%, while revenue for MGM Grand and MotorCity casinos was down by 10.9% and 3.6% respectively, in comparison to the same month last year.

Month in 2009	Total Adjusted Revenue 2009					
	MGM Grand Detroit	MotorCity Casino	Greektown Casino	All Detroit Casinos		
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$45,760,680.80	\$36,824,138.17	\$24,331,489.11	\$106,916,307.76	\$9,633,480.49	\$11,897,192.47
February	\$49,452,574.79	\$40,001,069.14	\$27,507,991.91	\$116,961,635.84	\$10,574,212.18	\$13,023,898.23
March	\$48,417,844.13	\$41,632,619.57	\$29,974,562.14	\$120,025,025.84	\$10,921,009.58	\$13,382,473.44
April	\$44,249,852.45	\$38,539,338.93	\$28,589,866.54	\$111,379,057.92	\$10,165,298.35	\$12,426,215.98
May	\$47,216,927.68	\$40,457,965.75	\$30,153,069.06	\$117,827,962.49	\$10,750,187.72	\$13,144,778.60
Total	\$235,097,879.53	\$197,455,131.24	\$140,556,978.76	\$573,109,989.85	\$52,044,188.33	\$63,874,558.72

The figures above do not include: 1) wages and benefits paid to casino employees; and 2) payments to suppliers, service providers or vendors.

For Greektown Casino, the State of Michigan's share of the wagering tax reflected in the numbers released by the MGCB is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%. This 24% tax historically applied to all three Detroit casinos. Greektown Casino has applied for a tax reduction effective as of the opening of its permanent facility earlier this year.

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.

G2E & THE FINE POINT GROUP PRESENT PART II OF FREE WEBINAR SERIES: *THRIVING IN A CRISIS*

Next Wednesday, June 24, professionals from Global Gaming Expo and The Fine Point Group will continue their multi-part Webinar series: *Thriving in a Crisis*, which is designed to lend helpful advice and strategies to businesses who seek to stay competitive and survive despite the unfavorable state

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of the economy. Representatives of both G2E and The Fine Point Group will be speaking throughout the multi-part series.

Part 2, *Weathering the Storm: The Era of Optimization* will focus on new financial, operating and marketing models for casinos properties which seek to utilize existing assets.

The first part of the Webinar series, *State of the Gaming Economy: The Facts at Hand*, covered issues regarding the reasons that the casinos in Las Vegas and Atlantic City are suffering more than some middle-American and international casinos during the current recession. You may access Part I of the series: *State of the Gaming Economy: The Facts at Hand*, by [clicking here](#).

Speakers for **Part 2** will include:

Introductory Remarks:

Frank J. Fahrenkopf, president and CEO,
American Gaming Association

Moderators:

Randy Fine, managing director, The Fine Point Group

Scott Kreeger, senior vice president of operations and CIO, Station Casinos, Inc.

Speakers:

Gaye Gullo, corporate vice president of marketing, Penn National Gaming, Inc.

Jeff Hook, vice president of marketing, Seminole Gaming, Inc.

Part II will be held from 2:00 pm - 3:00pm EST on Wednesday, June 24, 2009. Those interested in reserving a seat can do so by [clicking here](#).

After registering, a confirmation e-mail will be sent which contains a link to the Webinar.

Save the date for future presentations:

PART 3

Tightening the Reins: Effective and Efficient Cost Cutting

Wednesday, September 30, 2:00-3:00 PM EST

PARTS 4 and PART 5

To be held as part of the G2E 2009 Conference Program

MOTORCITY CASINO TO SPONSOR WOODWARD DREAM CRUISE

On Wednesday, June 17, Woodward Dream Cruise officials announced that MotorCity Casino Hotel would be the lead sponsor for the cruise. “The Woodward Dream Cruise presented by the MotorCity Casino Hotel” will be held Saturday, August 15, 2009.

The Woodward Dream Cruise organization has been seeking a steady sponsor since 1999, when longtime contributor Eaton Corporation relinquished sponsorship. MotorCity Casino Hotel has decided to fill the void for 2009 and will reportedly be cutting spending in other advertising forms in order to provide the funds for the event.

During a press conference Wednesday, Tony Michaels, executive director for the Woodward Dream Cruise, stated “the Woodward Dream Cruise is here to stay. It will be better than ever with this new sponsorship.”

Michaels also indicated that the cruise is in the process of acquiring two additional major sponsors for the event.

The Woodward Dream Cruise is world’s largest single-day automotive event. The parade of classic and unique cars draws an estimated 1.5 million people and 40,000 cars from across the world. This year’s event occurs across nine communities in the Detroit metro area.

More information can be found at the organization’s website, found here: <http://www.woodwarddreamcruise.com/index.php>