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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD LAUNCHES ILLEGAL GAMBLING TIP LINE

At the Tuesday, October 13, 2009 public meeting of the Michigan Gaming Control Board ("MGCB"), Executive Director Rick Kalm announced the implementation of a new program uniting the MGCB, Michigan State Police, Michigan Liquor Control Commission, and the Michigan Lottery in the fight to end illegal and unregulated gambling in the state. In his report to the MGCB, Mr. Kalm said individuals can either call the anonymous tip line at 1-888-314-2681 to report illegal gambling activities, submit tips electronically via email to MiGamblingTip@michigan.gov, or visit the MGCB website at: <http://www.michigan.gov/mgcb/0,1607,7-120-54347---,00.html>. Mr. Kalm also made clear during his presentation that confidentiality is a top priority.

In an interview with the *Michigan Gaming Newsletter*, Executive Director Kalm noted that illegal and unregulated gambling is occurring across the state. All gambling, unless conducted by the Michigan Lottery or licensed as a charitable gaming operation regulated by the Michigan Lottery, occurring in a Native American casino, or occurring at the three Detroit casinos, is illegal. Reports of illegal poker machines in bars and party stores, unlicensed poker games, and other instances of illegal gambling have increased, with many of these locations also having liquor and lottery licenses.

As a response to the increase in illegal gaming, Mr. Kalm told the *Michigan Gaming Newsletter* that "the task force has established the tip system to provide a conduit for the public to report suspicious or illegal gambling." He emphasized that telephone and internet tips are anonymous, while email tips are not, but regardless of which option is used, the MGCB is committed to

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maintaining confidentiality of all tip submitters. The information will be directed to the agency that has regulatory authority over the site of the illegal activity, or will be able to react with a criminal enforcement action.

The MGCB has asked citizens to provide as much information as possible about the situation when submitting tips. This may include a description of the type of illegal or suspicious gambling being reported, when and where the illegal activity occurred or where it may occur again, the name and description of those involved in the illegal gaming activity, and any other details related to the activity.

Other Midwest states with similar tip lines include Indiana and Minnesota.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR SEPTEMBER, 2009

The Michigan Gaming Control Board (“MGCB”) released the September, 2009 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue was down 2.4% from the same reporting period last year. Specifically, revenue for Greektown Casino was up by 11.82%, while revenue for MGM Grand and MotorCity Casino was down by 6.48% and 7.33% respectively, in comparison to the same month last year.

Month in 2009	Total Adjusted Revenue 2009			Total Tax 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
June	\$43,772,027.46	\$36,881,519.22	\$28,849,029.46	\$109,502,576.14	\$10,023,669.85	\$12,224,271.09
July	\$47,805,123.70	\$35,770,492.65	\$31,736,529.31	\$115,312,145.66	\$10,609,744.97	\$12,886,389.17
August	\$44,169,556.35	\$36,926,854.50	\$30,615,372.25	\$111,573,519.10	\$10,262,069.94	\$12,482,738.08
September	\$41,894,202.01	\$33,465,389.73	\$28,196,948.76	\$103,556,540.50	\$9,515,957.73	\$11,569,632.40
Total	\$412,738,789.05	\$340,499,387.66	\$259,954,858.54	\$1,013,193,035.25	\$92,466,830.20	\$113,037,589.43

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

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their facilities being declared “fully operational” by the MGCB. These properties are now subject to a wagering tax of 19%, with 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

BOARD OF STATE CANVASSERS APPROVES BALLOT LANGUAGE REGARDING POSSIBLE GAMING EXPANSION

On Wednesday, October 14, 2009, the Michigan Board of State Canvassers unanimously approved ballot petition language that seeks to authorize eight new casinos in Michigan. The ballot proposal provides for five of the casinos to be placed at the state’s five horse race tracks, and three new commercial casino licenses to be issued by the Michigan Gaming Control Board.

In addition to authorizing additional casinos, the ballot petition language also provides that Section 41 of Article IV of the Michigan Constitution will be altered or abrogated if the petition passes. Specifically, the current proposal has been developed in response to Proposal 1 of 2004, which amended Section 41 of Article IV of the Michigan Constitution to require both a statewide and a local vote to approve additional forms of gaming expansion.

Attorney Michael Hodge, of the law firm of Miller Canfield, presented the ballot petition language to the Board of State Canvassers on behalf of the sponsoring organization, Racing to Save Michigan.

Under the Michigan Constitution, the initiative process requires signatures to be collected from Michigan residents totaling 10 percent of the votes cast in the last governor’s election to amend the constitution. In this case, 380,126 signatures will be required. Petition supporters have said that they hope to begin obtaining signatures within the next six weeks.

The ballot petition language may be obtained by emailing info@michigangaming.com.

G2E EARLY BIRD DISCOUNTS EXPIRE OCTOBER 29

Early Bird Discounts for the 2009 Global Gaming Expo (G2E), to be held at the Las Vegas Convention Center in Las Vegas, Nevada, from November 17 through 19, expire on October 29.

Early Bird Discounts include group discounts, Native American Casino Registration packages and special hotel and travel deals which registrants may take advantage of at the G2E website.

Patrons will have the opportunity to apply for Express Badges for G2E 2009. Expo organizers say the new badges will expedite registration and check-in time, thus creating more ease and convenience.

Over 30,000 gaming professionals from around the world are scheduled to attend this year’s G2E from all gaming industry trades and sectors.

To register, or if you have any questions about G2E, please visit www.globalgamingexpo.com.

DAILY AGA SMARTBRIEFS

The American Gaming Association (AGA), which produces the Global Gaming Expo, has recently introduced *AGA SmartBriefs*, a free daily e-newsletter which keeps the gaming industry up to date on the latest gaming news. Sign up and stay ahead of the curve with updates on products, technologies, amenities, industry happenings and more. You can register to receive the free *AGA SmartBriefs* by visiting www.smartbrief.com/aga/.