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The MICHIGAN GAMING Newsletter



MONTHLY MGCB PUBLIC MEETING OVERVIEW

On Tuesday, May 11, 2010 the Michigan Gaming Control Board held its monthly public meeting in Detroit. Board Chairperson Barbara Rom took up Board Resolution 2010-01 honoring Damian S. Kassab for serving the MGCB from August, 2003 – December, 2009. Executive Director Rick Kalm noted that Mr. Kassab's leadership and financial industry experience was extremely beneficial to the MGCB, and thanked Mr. Kassab for all that he taught him since his appointment as Executive Director in 2007.

Mr. Don McGehee, Division Chief of the Alcohol and Gambling Enforcement, Department of Attorney General, presented Mr. Kassab with a certificate signed by Michigan Attorney General Mike Cox. Mr. McGehee noted that the state of Michigan was very well served by Mr. Kassab, who under state law was not financially compensated for his service, and has been subject to numerous disclosure requirements and is subject to post-appointment restrictions.

Board Chairperson Rom noted that she considered Mr. Kassab a friend and that he is someone who was well thought of by the entire staff of the MGCB, and possesses vision that allowed the MGCB to stay ahead of the game.



(Left to right: Damian Kassab and Rick Kalm)

Mr. Kassab thanked the Board, and its staff and noted that the current Board is in great hands with Chairperson Rom. Mr. Kassab noted to the MGCB that "our paths will cross again and I will see you in a different role soon."

Following the adoption of Board Resolution 2010-1, the

MGCB then took up three supplier license applications, and approved 10 supplier license application renewals.

The final matter that the MGCB considered was a status report from Greektown Casino, LLC on its bankruptcy filing pursuant to the June 10, 2008 Show Cause Board Order. Mr. Chuck Moore, of Conway MacKenzie & Dunleavy, financial advisors for Greektown Casino, provided the MGCB with a status report on Greektown Casino's Plan of Reorganization.

Mr. Moore noted that on May 2, 2010 the parties filed draft Debt Documents with the MGCB, for the necessary financing to emerge from bankruptcy. He stated that it is the parties desire to have the Transfer of Interest request up for consideration by the MGCB at its June 8, 2010 meeting. Chairperson Rom inquired as to the status of the various suitability disclosures, and Mr. Kalm asked Mr. Fred Cleland, Deputy Director of Licensing, to provide a status report. Mr. Cleland noted that the MGCB is still waiting for certain Institutional Investor documents to be filed, as well as working through licensing issues related to the new qualifiers of New Greektown under the plan of reorganization. Mr. Moore and Greektown bankruptcy attorney Dan Weiner noted that the parties have resolved all follow up objections that had been filed in bankruptcy court, and thus was hopeful to be in a position to obtain the necessary approvals from the MGCB in June in order for the plan of reorganization to go effective.

DAN GUSTAFSON NAMED NEW EXECUTIVE DIRECTOR OF TURNING STONE CASINO GAMING COMMISSION

Former Michigan Gaming Control Board Executive Director Dan Gustafson has been named the new Executive Director of the Turning Stone Casino Gaming Commission. The Turning Stone Casino and Resort is located in upper New York State, east of Syracuse. The casino is owned and operated by the Oneida Nation.

Mr. Gustafson served as Executive Director of the MGCB from November of 2002 through November of 2006. Prior to that, he served as the Chair of the Michigan Liquor Control Commission for nearly three years. Most recently, he has been the Senior Vice President for Governmental Affairs for Scofes & Associates Consulting, Inc. in Lansing, Michigan.

On Monday of this week, Turning Stone Casino and Resort announced that it will soon begin serving alcohol throughout the resort through a third party provider as a result of an agreement that is being worked out with the State Liquor Authority. Mr. Gustafson's prior experience as the Chairman of the Michigan Liquor Control Commission thus might also provide for some useful insights for the resort in this field, in addition to his gaming regulatory experience. The alcohol service will begin upon New York State Liquor Authority approval and licensing of the third party provider.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR APRIL 2010

The Michigan Gaming Control Board (MGCB) released the April, 2010 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino. Overall, revenue for the Detroit Market was up by 7% in April, 2010 from the same reporting period last year. Specifically, revenue for Greektown Casino and MGM Grand Detroit was up by 11.9% and 12.1% respectively, while revenue for MotorCity Casino was down by 3.27% compared to the same month last year.

(Continued on page 3)

Month in 2010	Total Adjusted Revenue 2010		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$47,468,319.04	\$35,923,997.65	\$28,023,801.67
February	\$48,622,651.56	\$36,511,115.12	\$29,809,377.11
March	\$52,548,328.50	\$41,234,840.59	\$33,481,265.74
April	\$49,605,147.69	\$37,322,007.23	\$31,981,992.16
Total	\$198,244,446.79	\$150,991,960.59	\$123,296,436.66

Month in 2010	Total Adjusted Revenue 2010		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$111,416,118.36	\$10,145,657.65	\$13,258,518.09
February	\$114,943,143.79	\$10,502,769.73	\$12,528,802.67
March	\$127,264,434.83	\$8,595,465.95	\$13,871,823.40
April	\$118,909,147.08	\$7,041,099.55	\$12,961,097.03
Total	\$472,532,844.04	\$36,284,992.88	\$52,620,241.19

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

On March 9, 2010, Greektown Casino received a tax base reduction certification from the MGCB. For the months of January and February, the State of Michigan's share of the wagering tax reflected in the Greektown Casino numbers released by the MGCB was 12.1% and the City of Detroit's share was 11.9%, for a total tax of 24%. This 24% tax historically applied to all three Detroit casinos. As a result of all three casino facilities being deemed "fully operational," they are 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. Greektown Casino's tax rollback was retroactive to February, 2009, and thus the casino will receive ongoing tax credits to offset prior payments.

In addition to the monthly figures, MGCB Executive Director Rick Kalm provided a three month comparison of the total aggregate revenues for all three Detroit casinos for the first quarter of 2010. Kalm stated that Total Aggregate Revenues for all three casinos for the three month period through April 30, 2010 were up by 3.7% in comparison to the same period last year. Gaming revenues for MGM Grand Detroit, MotorCity, and Greektown casinos for the three month period were \$150 million, \$115 million, and \$95 million, respectively.

Gaming revenues for the three month period ending April 30, 2010 for MGM Grand Detroit and Greektown were up by 6.1% and 10.7% respectively, whereas MotorCity was down by 4.3% in comparison to the same three month period last year. The Detroit market shares for MGM Grand Detroit, MotorCity, and Greektown casinos for the three month period were 42%, 31%, and 27%, respectively.

(Continued on page 4)

MGM GRAND DETROIT ANNOUNCES NEW VICE PRESIDENT OF SLOT OPERATIONS

Last Thursday, May 6, 2010 MGM Grand Detroit announced the appointment of long-time employee Troy Hammie as its new Vice President of Slot Operations. As Vice President of Slots, Mr. Hammie is responsible for all slot operations at the casino, which includes the mix and promotion of more than 4,000 slot machines.

Mr. Hammie joined MGM Grand Detroit in 1999 as a slot shift manager, and in 2003, he was promoted to Director of Slot Operations.

“We are very fortunate to have Troy lead our slot operations,” said Lorenzo Creighton, president and Chief operating officer of MGM Grand Detroit. “He has displayed a great passion for the work he does which I believe will be of great benefit to our customers and other team members.”

Mr. Hammie has worked in the gaming industry for more than 15 years at such properties as Casino Rama in Ontario, Canada, Harrah’s Entertainment in New Orleans, and Trump Plaza Hotel/Casino in Atlantic City.

RMC ATTORNEYS DAVID WADDELL AND DOUGLAS MINKE AUTHOR PUBLICATION REGARDING RED FLAGS RULE

Attorneys from Regulatory Management Counselors, P.C. (RMC Legal) have authored an article regarding the Red Flags Rule, a set of identity theft prevention procedures that must be implemented by certain “Financial Institutions” and “Creditors” that maintain “Covered Accounts.” Enforcement of the Red Flags Rule, which will be handled by the Federal Trade Commission, is set to begin on June 1, 2010. The article, entitled “*Red Flags: Protecting Customer Accounts from Identity Fraud: Is your Casino Compliant?*” will be featured in the June 1, 2010 issue of *Global Gaming Business Magazine*.

The article provides clarity with regard to the changes in federal law, and to provide a general overview of the steps casinos should take to assure ongoing compliance.

According to the article, the Red Flags Rule, as codified at 16 C.F.R §381.1, generally requires: *the development and implementation of a written identity theft protection program that is designed to detect, prevent and mitigate identity theft; and the periodic performance of a risk assessment to determine whether the business offers or maintains any other accounts for which there is a “reasonably foreseeable risk” to customers or to the business from identity theft.*

Those casinos that are subject to the Red Flags Rule need to develop certain regulations and procedures to ensure compliance with the new identity theft measures. To read the article in its entirety, please visit: http://michigangaming.com/docs/red_flag_ggb.pdf.

MICHIGAN LOTTERY OFFERS NEW CHANCE TO MEET MOTOWN’S BIGGEST RECORDING ARTISTS

Last Thursday, May 6, 2010, the Michigan Lottery announced that it was giving lottery players the opportunity to meet some of Motown’s biggest recording artists at various metro Detroit locations on May 8 and May 29.

The Michigan Lottery’s Lotto Soul is a limited edition ticket which went on sale March 29. On May 8 and May 29, LJ Reynolds of the Dramatics, Duke Fakir of The Four Tops and other Motown recording stars will be at lottery locations in Oak Park and Detroit to meet players and sign Lotto Soul tickets.

“The chance to have the popular Lottery ticket signed by some of Motown’s greatest recording artists will be a once in a lifetime opportunity for our players,” said Lottery Commissioner M. Scott Bowen. “The signed tickets will be real collector’s items.”

The ticket celebrates Detroit and the state of Michigan’s Motown heritage. The popular ticket features four different Motown scenes, including Freda Payne; The Dramatics; Marvin Gaye; and The Four Tops.

For more information, please visit www.michigan.gov/lottery.