

June 11, 2010

Volume 16, Issue 20

For more information on Michigan's gaming industry, please visit [www.michigangaming.com](http://www.michigangaming.com)

*Editor in Chief:*

**David D. Waddell, Esq.**

Phone: 517.507.3859

[waddell@rmclegal.com](mailto:waddell@rmclegal.com)

*Senior Gaming Analyst & Editor:*

**Robert R. Russell, II**

Phone: 517.507.3858

[russell@rmclegal.com](mailto:russell@rmclegal.com)

*Reporter*

**Douglas L. Minke**

Phone: 313.221.9380

[minke@rmclegal.com](mailto:minke@rmclegal.com)

*Reporter*

**Blaine R. DeGracia**

Phone: 517.507.3857

[degracia@rmclegal.com](mailto:degracia@rmclegal.com)

*Subscription information:*

[info@michigangaming.com](mailto:info@michigangaming.com)

A publication of

**RMC Ventures, LLC**

University Place Center  
333 Albert Ave, Suite 450  
East Lansing, MI 48823  
Phone: 517.507.3860  
Fax: 517.908.0235  
[www.rmlegal.com](http://www.rmlegal.com)

# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD: JUNE 8, 2010 PUBLIC MEETING OVERVIEW

On Tuesday, June 8, 2010 the Michigan Gaming Control Board held its monthly public meeting at its Detroit, Michigan office. Board Chairperson Barbara Rom opened the meeting by requesting that Executive Director Rick Kalm provide his monthly report on Board activities. Mr. Kalm noted that Mr. Robert Simon has been appointed as the Deputy Director of Administration replacing Mr. Tom Barker, who recently retired. In other senior staffing news, Mr. Kalm informed the Board that Nick Algana, Manager of the Occupational Licensing Unit, will be retiring effective June 12, 2010.

During the business portion of the meeting, the Board approved the supplier license application of Oceanus, LLC d/b/a Mosaic Restaurant, and renewal licenses for Edward Don & Company, Service Central, Inc., Simon & Leeman, Corp. d/b/a Simon & Leeman, and W. H. Canon, Inc.

The Board also received a status report from Greektown Casino, LLC on its bankruptcy proceedings in compliance with the June 8, 2008 Show Cause 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. In response to Mr. Moore's report, the Board scheduled a Special Meeting for June 28, 2010 at 1 p.m. to consider the financing, Institutional Investor applications, new Board Member qualifiers and any additional issues that the Board determines necessary. Board Member Michael Watza requested that the plan sponsors provide the Board will additional information as to the various hedge funds involved in the potential new ownership of Greektown Casino.

*(Continued on page 2)*

# MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MAY 2010

The Michigan Gaming Control Board (“MGCB” or “Board”) released the May, 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 down by .78% in May, 2010 from the same reporting period last year. Specifically, revenue for MGM Grand was up by 3.4%, while revenues for MotorCity Casino and Greektown Casino were down by 5.1% and 1.5% respectively, compared to the same month last year.

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
May	\$48,836,322.62	\$38,386,776.02	\$29,688,544.04
<b>Total</b>	<b>\$247,080,769.41</b>	<b>\$189,378,736.61</b>	<b>\$152,984,980.70</b>

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
May	\$116,911,642.68	\$7,065,070.99	\$12,743,369.05
<b>Total</b>	<b>\$589,444,486.72</b>	<b>\$43,350,063.87</b>	<b>\$64,249,449.05</b>

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 for 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

*(Continued on page 3)*

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 operating casinos in comparison to the same reporting period last year. Specifically, aggregate revenues for Detroit's commercial casinos were up 4%, compared to the same period last year. Gaming revenues for MGM Grand Detroit, MotorCity Casino, and Greektown Casino were \$151 million, \$117 million, and \$95 million respectively.

The market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino for the month of May, 2010 were 42%, 33% and 25%, respectively.

## REP. STUPAK SEEKS FEDERAL INPUT ON GREEKTOWN CASINO TRANSFER

On Wednesday, June 9, 2010 U.S. Representative Bart Stupak (D-Menominee) issued a letter asking for federal guidance regarding legal issues relating to a proposed transfer of a parcel of the Greektown casino real estate.

In a letter addressed to U.S. Attorney General Eric Holder and Secretary of the Interior Ken Salazar, Rep. Stupak requests that the U.S. Department of the Interior and the U.S. Department of Justice "investigate whether it is legally possible for the Tribe to lose its real estate interest in Greektown Casino in light of the Indian Non-Intercourse Act, 25 U.S.C. § 177." The letter further provides that the Act "prohibits the sale, grant or lease of land from any Indian nation without the consent of the federal government." The Sault Ste. Marie Tribe of Chippewa Indians has been the majority owner of the casino.

According to Rep. Stupak's letter, Monroe Associates conveyed the land upon which the casino sits to the United States Department of the Interior to be placed into trust on behalf of the Sault Ste. Marie Tribe in 1992.

Specifically, Rep. Stupak's letter requested:

*... the Departments of Justice and Interior provide answers in writing to the following questions:*

- 1. Who holds the title to the property at 1010 Beaubien Street, Detroit, Michigan?*
- 2. Which entity has the legal authority to transfer the title to the property at 1010 Beaubien Street, Detroit, Michigan?*
- 3. What is the proper legal procedure (including any specific documents required) to transfer the Tribe's interests in 1010 Beaubien?*

Earlier this year, a plan of reorganization was approved by federal bankruptcy Judge Walter Shapero, that among other things, will transfer ownership of the casino to Greektown Casino's current bondholders upon consummation of the plan. This process is expected to be completed by June 30, 2010 under the plan.

In his letter addressed to federal officials, Rep. Stupak requests that all further proceedings related to the bankruptcy reorganization of Greektown Casino by the Michigan Gaming Control Board or any other agency be immediately postponed until a proper determination is made by the agencies in question regarding the applicability of the Indian Non-Intercourse Act.

Currently, there is a June 14, 2010 Bankruptcy Court hearing scheduled to take up a number of matters concerning the consummation of the Greektown Casino bankruptcy. Also, the Michigan Gaming Control

*(Continued on page 4)*

Board has scheduled a special meeting for June 28 to consider the regulatory approvals necessary for the casino's reorganization.

## **NATIONAL CENTER FOR RESPONSIBLE GAMING FREE WEBINAR SERIES**

Next Thursday, June 17, 2010, at 2 p.m. EDT, the National Center for Responsible Gaming ("NCRG") will be presenting a free Webinar Series entitled "Co-Occurring Disorders: How Research is Informing the Identification and Treatment of Pathological Gambling."

To register for the June 17 webinar, please visit: <https://www1.gotomeeting.com/register/384210904>

Marc Potenza, M.D., Ph.D., of Yale University will be discussing the influence new research is having on the treatment of pathological gamblers. During the webinar, attendees will learn about:

- The broad range of Axis I and II disorders (such as depression and personality disorders) that co-occur with pathological gambling;
- How co-occurring disorders might influence how we understand and treat people with pathological gambling; and
- The importance of screening for and treating pathological gambling within mental health and addiction settings.

Dr. Potenza will also address how research on co-occurring disorders influenced the recently proposed changes in the definition of pathological gambling in the DSM-V.

The NCRG Webinar Series will provide valuable learning opportunities about critical issues in the field of gambling disorders and responsible gaming.

## **MICHIGAN LOTTERY TO INTRODUCE NEW RAFFLE**

On June 9, 2010, the Michigan Lottery announced the introduction of its newest game, 'Red Hot Raffle,' that gives players more opportunities to win than any previously offered raffle game.

The 500,000 tickets will go on sale June 14 at a cost of \$10 per ticket. The Michigan Lottery will announce all 26,000 ticket winners in early August and will award a total of more than \$2.5 million in prizes.

For more information regarding the Red Hot Raffle game, or any of the Lottery's games, please visit: [www.michigan.gov/lottery](http://www.michigan.gov/lottery).