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# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## COURT ORDERS VANDERBILT CASINO TO CLOSE

On Tuesday, March 29, 2011, the United States District Court for the Western District of Michigan issued a preliminary injunction in favor of the Little Traverse Bay Band of Ottawa Indians (“Little Traverse”) that requires the Bay Mills Indian Community (“Bay Mills”) to close its Vanderbilt casino during the ongoing litigation.

The preliminary injunction was granted in favor of the Little Traverse who, in addition to the state of Michigan, filed a lawsuit against Bay Mills shortly after the Vanderbilt casino opened. Though the state did not file for an independent injunction, it did file a brief in support of the Little Traverse’s motion for a preliminary injunction.

The court ordered that the Bay Mills’ Vanderbilt casino is not operating on “Indian Lands” as required by federal law. In doing so, the court has rejected the Bay Mills’ argument that the Vanderbilt land qualifies as “Indian Land” because it was purchased from the earnings of a land trust and was used to consolidate and enhance tribal landholdings. In addition to examining the merits of the “Indian Land” issue, the order states that immediate closure of the Vanderbilt casino would serve the public interest as “Bay Mills is operating the Vanderbilt Casino illegally.” The order also states that the Little Traverse would be economically harmed by the continued operation of the Vanderbilt casino due to a loss of patrons.

James Nye, spokesman for the coalition of Michigan tribes that oppose the Vanderbilt casino, stated in a press release that the “ruling sends a clear message to tribes and their non-Indian developers; you cannot circumvent the federal process and get away with it.” The Little Traverse also issued a

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press release that stated that the “ruling is not just a victory for Little Traverse and the state of Michigan, it is also a victory for the Indian gaming industry.”

## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR FEBRUARY 2011

The Michigan Gaming Control Board (“MGCB” or “Board”) released the February, 2011 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 0.4% in February, 2011 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino and Greektown Casino was down by 3.5% and 2.7%, respectively, while revenue for MotorCity Casino was up by 5.7% in comparison to the same month last year.

All three casinos 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.

Month in 2011	Total Adjusted Revenue 2011		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$48,709,927.15	\$38,680,985.61	\$27,673,308.06
February	\$46,916,833.57	\$38,591,311.83	\$28,992,514.21
<b>Total</b>	<b>\$95,626,760.72</b>	<b>\$77,272,297.44</b>	<b>\$56,665,822.27</b>

Aggregate revenues for Detroit’s commercial casinos for the three months ending February 2011 were up 1.75%, compared to the same period last year. Gaming revenues for MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino for the three months ending February 2011 was \$145 million, \$116 million, and \$82 million, respectively.

The market shares for MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino for the month of February, 2011 were 41%, 34% and 25%, respectively.

Month in 2011	Total Adjusted Revenue 2011		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$115,064,220.82	\$9,320,201.89	\$12,542,000.07
February	\$114,500,659.61	\$9,274,553.43	\$12,480,571.90
<b>Total</b>	<b>\$229,564,880.43</b>	<b>\$18,594,755.32</b>	<b>\$25,022,571.97</b>

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

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## GROUP HOLDS PRESS CONFERENCE TO DISCUSS CASINO BALLOT INITIATIVE

On Thursday, March 29, 2011, the group 'Michigan Is Yours' held a press conference in Romulus to discuss its support of a ballot initiative that would allow for up to seven additional commercial casinos in the state. Backers of the group include Morris Day of the musical group The Time and former Pistons announcer John Mason. In addition, Grand Rapids mayor George Hartwell has shown support for the idea, stating to *The Detroit News* that if casinos are opening across the state, then Grand Rapids should have one located in the city.

In February, the Board of State Canvassers approved as to the form the group's petition language seeking to expand commercial casino gaming in the state. Currently, the group is proposing to add privately run casinos in the cities of Lansing, Benton Harbor, Detroit, Mount Clemens, Romulus, Grand Rapids, and Saginaw.

Michigan Secretary of State records indicate that the ballot committee was formed last February and lists a Detroit street address for the group. In order to have the petition language placed on the November, 2012 ballot, Michigan Is Yours must collect 322,609 valid signatures before July 9, 2012. The petition language seeks to amend the Michigan constitution.

Michigan law requires that proponents of a ballot initiative must submit signatures that have been gathered within a 180-day period and that the number of valid signatures must be at least equal to the required amount for the initiative to qualify for the ballot. The law permits signatures can be gathered, however, within any 180-day period. As a result, proponents can gather signatures at any start point that they want, however, they can only submit signatures gathered within the same 180-day period.

Similar to the language from its 2010 petition efforts, the current petition would appoint C-My Casino, Inc., based in Warren, Michigan, to coordinate the development of each individual casino site. Last year, Michigan Is Yours also received approval from the Board of State Canvassers for similar petition language. The initiative sought to amend the Michigan constitution in order to allow for expanded casino gaming in the state.

Specifically, the group sought to add seven casinos, one each in the following areas: Muskegon, Flint, Lansing, Port Huron, Detroit, Benton Harbor, and the Detroit/Wayne County Metropolitan Airport. The group, however, failed to submit enough valid signatures to be placed on the November, 2010 ballot.