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The MICHIGAN GAMING Newsletter



MGCB APPROVES NEW GREEKTOWN CASINO CEO

On Tuesday, June 14, 2011, the Michigan Gaming Control Board (MGCB) approved Mr. Michael Puggi as Greektown Casino-Hotel's new Chief Executive Officer.

Mr. Puggi has over 30 years of casino operations expertise and experience. He has held key management positions in multiple jurisdictions across the country including New Jersey, Iowa, Illinois, Mississippi, and Nevada. As chief executive officer for Greektown Casino and Hotel, Mr. Puggi will be responsible for providing strategic leadership and will oversee day-to-day operations, property marketing, and the development of executive staff.

In a March 24, 2011 press release issued by Greektown Casino-Hotel, Mr. Puggi stated that "it's an honor to have been offered this position as the new President/CEO of Greektown Casino-Hotel. I look forward to leading this team and moving the company forward," said Mr. Puggi. "Greektown has a tremendous opportunity to make a real impact in this market. Through current relationships, and those we will develop in the future, we will strengthen our bond with this community and give guests new and exciting reasons to visit us. I am confident that great things are ahead."

Previously, Mr. Puggi has been involved in opening six different gaming properties. He joined Primm Valley casino Resorts as the general manager of Buffalo Bill's in 1995. After Primm's acquisition by MGM Resorts in 1998, Mr. Puggi held several progressive positions within the company including executive vice president, senior vice president and vice president/general manager. Later, in 2003, Mr. Puggi was promoted to senior vice president of development and led the company's exploration of gaming opportunities with the New York Racing Association. Most recently he joined Herbst Gaming, Inc. as regional vice president in 2007, where he managed seven of the company's fifteen casinos.

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MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MAY 2011

The Michigan Gaming Control Board (“MGCB” or “Board”) has released the May, 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 up by 2.7% in May, 2011 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino was up by 4.8%, 1% and 1.2%, respectively 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
March	\$54,466,307.80	\$45,244,701.71	\$33,101,456.98
April	\$52,162,289.78	\$41,512,570.85	\$31,657,354.70
May	\$51,196,720.20	\$38,800,817.32	\$30,042,825.97
Total	\$253,452,078.50	\$202,830,387.32	\$151,467,459.92

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
March	\$132,812,466.49	\$10,757,809.79	\$14,476,558.85
April	\$125,332,215.33	\$10,151,909.44	\$13,661,211.47
May	\$120,040,363.49	\$9,723,269.44	\$13,084,399.62
Total	\$607,749,925.74	\$49,227,743.99	\$66,244,741.91

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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GUN LAKE TRIBE PUBLIC SAFETY DEPT. CERTIFIED TO ENFORCE LAWS

On Monday, June 13, 2011, the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians (Gun Lake Tribe) announced certification of its Department of Public Safety to enforce federal, state, and tribal law, and to assist local law enforcement on an as-needed basis.

“The Tribe places a high priority on the safety of its citizens, the local community, and guests. To that end, we hired Rick (Rabenort) to lead the development of our public safety department and build upon its capabilities in the years to come,” said D.K. Sprague, Chairman of the Gun Lake Tribe.

The Gun Lake Tribe’s Department of Public Safety was acknowledged by the Michigan Commission on Law Enforcement Standards with the authority to employ law enforcement officers and empower these officers to act as peace officers under state law.

Tribal police officers will have the authority to enforce local, state and federal laws in the community, and have primary responsibility to enforce tribal law on tribal lands.

The Gun Lake Casino is located off of U.S. 131 in Wayland Township between Kalamazoo and Grand Rapids. The 76,000 square-foot facility offers 28 table games and 1,450 slot machines. For more information on the casino, please visit: <http://www.gunlakecasino.com/>

FEDERAL GOVERNMENT ENDS “COMMUTABILITY STANDARD” FOR OFF-RESERVATION CASINOS

On Tuesday, June 14, 2011, Assistant Secretary of the Interior and Bureau of Indian Affairs Larry Echo Hawk announced that the Department of the Interior had rescinded a 2008 policy that required Native American tribes to be within a commutable distance from any tribal gaming facility. The policy, put forth in a 2008 memorandum by Echo Hawk’s predecessor, Carl Artman, was a controversial measure and viewed by critics as severely limiting tribal gaming expansion.

The January, 2008 memorandum stated that it would be the Department of Interior policy that proposed off-reservation gaming locations receive greater scrutiny if they were not within a “commutable distance” from a tribe’s reservation land. For evaluation purposes, the memorandum defined “commutable distance” as “the distance a reservation resident could reasonably commute on a regular basis to work at a tribal gaming facility located off-reservation.” The memorandum further stated that “no application to take land into trust beyond a commutable distance from the reservation should be granted unless it carefully and comprehensively analyzes the potential negative impacts on reservation life and clearly demonstrates why these are outweighed by the financial benefits of tribal ownership in a distant gaming facility.”

Critics of the standard note that the memorandum has been used on several occasions to reject applications for off-reservation gaming facilities based on the “commutable distance” standard. In addition, the memorandum was issued without a public notice and comment period, a complaint that was directly addressed in Echo Hawk’s press release detailing the rescission of the policy. “The 2008 guidance memorandum was unnecessary and was issued without the benefit of tribal consultation. We will proceed to process off-reservation gaming applications in a transparent manner, consistent with existing law.”

Echo Hawk further stated that federal law and Department of Interior regulations regarding taking land into trust for off-reservation gaming activity provided adequate standards and procedures for evaluating applications.

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It should be noted that only 5 Native American tribes have successfully established off-reservation gaming facilities since IGRA's enactment in 1988. There are, however, numerous "off-reservation" proposals that have been discussed in the state of Michigan at locations including Flint, Muskegon, Romulus, and Lansing.

EXECUTIVE DIRECTOR ISSUES FREEZE ON THOROUGHBRED SIMULCAST PURSE POOL ACCOUNT

On June 10, 2011, Michigan Gaming Control Board Executive Director Rick Kalm issued an order freezing distributions from thoroughbred racing purse pools. The order comes after the closure of Pinnacle Race Course, Michigan's only thoroughbred racing facility, which surrendered its 2011 Thoroughbred Race Meeting License on May 4, 2011.

The Horse Racing Law of 1995 ("Act") requires the Executive Director to distribute thoroughbred purse pool money to another thoroughbred licensed facility as directed by the certified horseman's association that provides horses for thoroughbred racing. This means that the Michigan Horseman's Benevolent and Protective Association, the horseman's association for thoroughbred racing, would have the ability to direct the Executive Director to place the funds into the racing purse pool of another track licensee approved for thoroughbred racing in the state. Furthermore, the Act prohibits funds from the purse pools for distribution to pay for licensee obligations, debt, or operational costs.

However, because Pinnacle Race Course was the only race meeting licensee approved for thoroughbred racing in the state, the Executive Director was forced to freeze the thoroughbred racing purse pools. Because distribution of the funds for reasons other than purses and administrative costs listed in the Act is prohibited, the racing purse pools will remain frozen until a license to conduct thoroughbred racing is issued by the Executive Director.

According to the order, once a thoroughbred race meeting license is issued, the Michigan Horseman's Benevolent and Protective Association will "identify the person named to the thoroughbred horsemen's purse pool." In addition, regular distributions from the pool will resume once a thoroughbred race meeting license is issued.

AGA ACCEPTING 11TH ANNUAL COMMUNICATIONS AWARDS

The American Gaming Association ("AGA") is currently accepting entries for the 11th annual AGA Communications Awards.

The Communications Awards recognize outstanding achievement in advertising and corporate communications in the global gaming industry. According to the AGA, it is the only such award of its kind and celebrates the creativity of industry's communication efforts.

All companies involved in the casino, lottery or pari-mutuel industries are eligible to submit entries in any of 15 categories, ranging from annual report and communications campaign ."

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To access category information as well as the entry form, please visit http://www.americangaming.org/events/communications_awards/index.cfm.

SAULT TRIBE SELECTS NEW GENERAL COUNSEL

On Wednesday, June 1, 2011, the Sault Tribe of Chippewa Indians (Sault Tribe) announced on its Official Web Site that the tribe selected Mr. John Wernet, former deputy legal counsel to Gov. Jennifer Granholm, as its new general counsel. Mr. Wernet brings an extensive amount of experience dealing with Native American legal issues both nationally and in Michigan.

According to the Sault Tribe's Official Web Site, Mr. Wernet stated: "I am thrilled to have the opportunity to serve the members and leadership of the Sault Tribe. The Sault Tribe is the state's largest sovereign Native community and is vitally important as a job provider. I am proud to be a member of their team"

Mr. Wernet earned his B.A. from the University of Michigan's Residential College in 1972 and his J.D. from Antioch School of Law in Washington, D.C. in 1975. Mr. Wernet became an Assistant Attorney General for the state of Michigan in 1979 and served as counsel to the Michigan Commission on Indian Affairs from 1980 through 1988, where he was the First Assistant in the Indian Law unit from 1992-1995. In 2003, he became Deputy Legal Counsel to Michigan Gov. Granholm and served as the governor's advisor on tribal-state affairs.

"John Wernet is a superior attorney and a high quality person with distinguished credentials and a stellar reputation, and we are thrilled to have him as our general counsel," stated Lana Causley, vice chairwoman of the Sault Tribe Board of Directors.

SIGN UP FOR RMC'S DAILY GAMING NEWS FEED

Regulatory Management Counselors, P.C. (RMC Legal), authors of *The Michigan Gaming Newsletter*, would like to extend to you an invitation to sign up for the complimentary *RMC Daily Gaming News Feed*. The Daily News Feed delivers Michigan and gaming-industry specific news links directly to you each morning.

To sign up to receive the RMC Daily Gaming News Feed, simply click [HERE](#), complete the indicated fields, and click submit.

Should you have any questions or concerns, feel free to contact Blaine DeGracia at 517-507-3857 or degracia@rmclegal.com.