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The _____ MICHIGAN GAMING _____ Newsletter



FIREKEEPERS TRIBE PAYS \$9.7M TO LOCAL REVENUE SHARING BOARD

According to the *Battle Creek Enquirer*, on Monday, February 21, 2011, the Nottawaseppi Huron Band of Potawatomi ("Tribe") made a \$9.7 million payment to the Firekeepers Local Revenue Sharing Board. The payment follows a \$4.9 million payment made earlier this month.

The payment is made in accordance with amendments to the Tribe's 1998 gaming compact between the Tribe and the state of Michigan. According to the compact, the Tribe is required to pay 2 percent of the net win from electronic gaming machines to local units of government where its casino is located. The Firekeepers Local Revenue Sharing Board is an entity that represents the interests of both the Tribe and local units of government and is designated to disburse the funds in accordance with the Tribe's compact. The board consists of six members, five from local units of government and one member from the Tribe.

The payment is calculated on a yearly basis with this payment representing the 2010 fiscal year. By comparison, the Tribe paid \$1.9 million to the local revenue sharing board in 2009. This number, however, only represents revenue calculations from the casino's first five months of operation, between August and December 2009. These payments are used to support local school districts other local subdivisions of government, as well as reimburse local governments for the increased costs of traffic, police, public utilities expansion, and other items resulting from increased traffic to the casino. In addition to the payments made to the local revenue sharing board, the Tribe makes payments to the Michigan Strategic Fund.

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MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JANUARY, 2011

The Michigan Gaming Control Board (“MGCB” or “Board”) released the January, 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 3.3% in January, 2011 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino and MotorCity Casino was up by 2.6% and 7.7%, respectively, while revenue for Greektown Casino was down by 1.31% in comparison to the same month last year.

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
Total	\$48,709,927.15	\$38,680,985.61	\$27,673,308.06

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.

Aggregate revenues for Detroit’s commercial casinos for the three months ending January 2011 were up 3.5%, compared to the same period last year. Gaming revenues for MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino for the three months ending January 2011 was \$146 million, \$114 million, and \$79 million, 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
Total	\$9,320,201.89	\$9,320,201.89	\$12,542,000.07

The market shares for MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino for the month of January, 2011 were 42%, 34% and 24%, respectively.

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

MGCB HOLDS REGULAR MONTHLY MEETING

On Wednesday, February 23, 2011, the Michigan Gaming Control Board held its regular monthly meeting. The meeting began with Mr. Rick Kalm’s Executive Director report on activities since the last meeting. Mr. Kalm noted that on February 16th, the Michigan Attorney General announced that the state had obtained a guilty plea involving an illegal gambling operation that was operating in Genesee County. Mr. Kalm stated that he will be meeting with newly elected Governor Rick Snyder to educate

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him on the need for additional resources for local law enforcement officials to be able to better prioritize and enforce illegal gambling laws so as to protect Michigan residents from “unregulated, untaxed, gambling, illegal operating across the state.”

In response, to Mr. Kalm’s report, Board Chairperson Barbara Rom, inquired as to the current proliferation of charitable gaming outlets in Michigan. The Board spent a significant amount of time reviewing the complicated situation that has resulted following the rapid expansion of Charitable Gaming Texas Holdem gaming outlets in Michigan. Mr. Kalm stated that his office has been working with the Attorney General, Michigan Lottery, and State Police to ensure compliance with the Bingo Act which authorizes Charitable Gaming in Michigan. Mr. Kalm stated that the MGCB is not charged with the oversight of Charitable Gaming, but because of the agency’s expertise it has sought to assist its fellow state agency. He noted that the current law lacks the proper oversight of “locations” and “vendors” that provide services to the charities which operate the Texas Holdem events. Mr. Kalm noted that the Detroit casinos are held to very high level of accountability, and they are very good at self-reporting to ensure that all wagering is safe, secure and honest. He noted that as a result of the lack of oversight, and proper regulatory controls the same is not true for the Charitable Gaming industry in Michigan. Mr. Kalm also noted that because of the proliferation of charitable gaming the state taxed and regulated Detroit casinos have seen a “huge” impact on their table game revenue.

During the business portion of the meeting, the Board unanimously approved MotorCity Casino’s request to amend and restate its Secured Debt facility, and also took up several casino supplier license renewals and requests for Transfer of Interest. The Board’s next meeting is set for March 22, 2011.

KEWADIN CASINO TO HOST “ARMED FORCES APPRECIATION NIGHT”

On Saturday, February 26, 2011, nationally recognized comedian D.L. Hughley will

perform at the Kewadin Sault Ste. Marie casino for “Armed Services Appreciation Night.” Members of the United States and Canadian militaries are invited to receive free tickets to the show in recognition of their services.

The events are sponsored by Kewadin Cares, an organization founded in 2003 to support local groups and causes. Specifically, the group seeks to support businesses and causes that have a significant impact on the Upper Peninsula region through event sponsorships and donations. In addition to its support of the armed services, Kewadin Cares has provided support for the Big Brothers Big Sisters program, holiday charity programs, and drunk driving awareness campaigns.

The Kewadin Sault Ste. Marie casino is one of five casinos operated by the Sault Ste. Marie Tribe of Chippewa Indians and is located in Sault Ste. Marie, Michigan. The tribe also operates Kewadin casinos in St. Ignace, Christmas, Hessel, and Manistique.

ROCK OHIO AND FOREST CITY COMPLETE LEASE AGREEMENT FOR PHASE I CASINO IN CLEVELAND

On Wednesday, February 23, 2011, Forest City Enterprises, Inc. (Forest City) announced the signing of a lease agreement with Rock Ohio Caesars Cleveland LLC (Rock Ohio Caesars) for the use of space in the Higbee Building in downtown Cleveland, Ohio.

Rock Ohio Caesars will lease the space for Phase I of its new Horseshoe Casino Cleveland. The Higbee Building is part of Forest City’s Tower City Center mixed-use property.

The five-year lease agreement is for more than 300,000 combined square feet of space on the building’s lower, first, second, and third floors. In addition, on February 1, Forest City announced that it had closed on the sale of approximately 16 acres of land to Rock Ohio Caesars for Phase II of the casino construction project.

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“We are pleased to have finalized this lease agreement, accelerating the momentum of bringing a world-class casino to downtown Cleveland,” said David J. LaRue, Forest City executive and vice president and chief operating officer. “This initial phase of the casino will serve as an engine to spur further economic development in downtown Cleveland, in addition to having a positive, a long-term impact on Tower City.”

Rock Ohio Caesars expects Phase I of the casino to open in early 2012.

For more information regarding Forest City Enterprises, Inc., please visit: www.forestcity.net.

OHIO GOVERNOR MAKES APPOINTMENTS TO OHIO CASINO CONTROL COMMISSION

On Wednesday, February 23, 2011, Ohio Governor John R. Kasich announced seven appointments to the Ohio Casino Control Commission. In addition, Gov. Kasich announced that his administration is also seeking a gaming expert to advise on Ohio’s other forms of gaming to help with ‘harmonizing policies’ regarding the Ohio Lottery, casino gambling, and the potential for new forms of gambling such as video lottery terminals.

Gov. Kasich’s new appointments include four Republicans, two Democrats, and one unaffiliated party member:

Sergeant McKinley E. Brown of Cincinnati has a law enforcement background and is currently the Chief of Detectives with the Hamilton County Prosecutor’s Office. He previously spent 17 years on the City of Cincinnati police force.

Speaker Jo Ann Davison of Reynoldsburg has served in the Ohio House of Representatives for 20 years and was elected the Speaker of the Ohio House of Representatives in 1995. She held this position until she left the legislature in 2001.

Honorable Martin R. Hoke of Lakewood is a former member of the U.S. House of

Representatives and an attorney.

Ranjan Manoranjan of Columbus is a certified public accountant. He is currently the Chief Executive Officer of 3SG Corporation, a 300-employee company founded in 2000 that specializes in digital document imaging.

Peter R. Silverman of Toledo is an attorney and partner at Shumaker, Loop & Kendrick. His areas of practice are litigation, franchise, alternative dispute resolution, and intellectual property.

John S. Steinhauer of Akron will serve as the designated attorney on the Commission. His expertise is in mergers and acquisitions, finance, corporate, and real estate law.

June E. Taylor of Cleveland is the President and CEO of MWV Pinnacle Advisory Services, an affiliate of MWV Pinnacle Capital Fund, L.P., a private equity investment-fund based in Cleveland.

Notably, on October 8, 2010, former Ohio governor Ted Strickland announced several appoints to the Commission, which were ultimately rejected by the Republican-controlled senate in December. The Ohio Casino Control Commission appointees will serve staggered terms, which expire between 2013 and 2015.

The appointments will now go before the Republican-controlled Ohio Senate for consideration.