

March 25, 2011

Volume 17, Issue 9

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Editor in Chief

David D. Waddell, Esq.

Phone: 517.507.3859

waddell@rmclegal.com

Senior Gaming Analyst & Editor

Robert R. Russell, II

Phone: 517.507.3858

russell@rmclegal.com

Reporter and Associate Editor

Dustin M. Ford

Phone: 517.999.5414

dford@rmclegal.com

Reporter

Douglas L. Minke

Phone: 313.221.9380

minke@rmclegal.com

Reporter

Blaine R. DeGracia

Phone: 517.507.3857

degracia@rmclegal.com

Subscription information:

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.rmclegal.com

The MICHIGAN GAMING Newsletter



GREEKTOWN CASINO ANNOUNCES NEW CEO OFFER

On Wednesday, March 23, 2011, Greektown Superholdings, Inc. and its subsidiaries announced an offer letter with Michael Puggi to serve as chief executive officer. Greektown Superholdings, Inc. and its subsidiaries operate Greektown Casino and Hotel.

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 would be responsible for providing strategic leadership and oversee day-to-day operations, property marketing, and the development of executive staff.

“This is an exciting time for Greektown, and we are confident that, subject to obtaining the necessary regulatory approvals, Michael will take this company to new heights,” stated George Boyer, chairman of the Greektown Casino-hotel board. “He holds an outstanding variety of experiences and successes across our business, and will bring exceptional value to our customers and our company.”

According to the announcement, the offer is subject to the negotiation and execution of a mutually agreeable employment agreement and approval of Mr. Puggi by the Michigan Gaming Control Board and the City of Detroit.

“[I]t’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.”

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Previously, Mr. Puggi has opened 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.

MGCB RELEASES MARCH PUBLIC MEETING AGENDA

Today, March 25, 2011, the Michigan Gaming Control Board (MGCB) released its Tuesday, March 29, 2011 Regular Public Meeting Agenda.

The agenda includes the following items:

— Consider the Licensing Division Staff's Recommendations Regarding Level 1 and Level 2 Occupational License Applications

— Consider the Executive Director's Report and Licensing Division's Staff Recommendation Regarding Transfer of Interest for:

- 1. VSR Industries, Inc.

— Consider the Executive Director's Reports and Licensing Division's Staff Recommendations Regarding the Pending Supplier License Renewal Requests of:

- Atlantic City Coin & Slot Service, Inc., Board File No. SL000243-11-001
- Eagle Star Inc., d/b/a Eagle Star Equipment, Board File No. SL000593-11-001
- Paltronics, Inc., Board File No. SL003217-11-001
- Pointe Dairy Services, Inc., Board File No. SL002333-11-001
- The Right Productions, Inc., Board File

No. SL001310-11-001

- VSR Industries, Inc., Board File No. SL000270-11-001
- WMS Gaming, Inc., Board File No. SL000037-11-001

— Consider the Executive Director's Report and Licensing Division Staff's Recommendation Regarding the Suitability of Required Key Person of Greektown Casino.

- Benjamin Cecil Duster, Jr. a/k/a Benjamin Duster, IV, Board File No. GTC-11-002

The MGCB meeting will take place at the Detroit Office Hearing Room, located at Cadillac Place, 3062 W. Grand Blvd., Suite L-700, Detroit, Michigan at 9:30 a.m. on March 29th.

ARGUMENTS HEARD REGARDING VANDERBILT CASINO

On Wednesday, March 23, 2011, U.S. District Court for the Western District of Michigan Judge Paul Maloney heard arguments on the motion by the Little Traverse Bay Bands of Odawa Indians and the State of Michigan to shut down the casino operated in Vanderbilt by the Bay Mills Indian Community. Judge Maloney did not issue an order from the bench, but informed parties that he will take the oral arguments under advisement and issue an order soon.

Ken Harrington, chairman of the Little Traverse Bay Bands of Odawa Indians released the following statement following Wednesday's hearing:

"We believe the proceedings today make it clear that the casino being operated at Vanderbilt by the Bay Mills Indian community violates the spirit and the letter of the law. Congress purposely limited Indian Tribes' ability to open casinos in far-flung locations, and we believe that Bay Mills decision to unilaterally open a casino more than 100 miles from its reservation is a violation of federal law and the Bay Mills Indian Community's compact with the State of Michigan. We are confident that

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the Court will ultimately uphold the law and order the Bay Mills Tribe to close its illegal casino operation.”

On Wednesday, November 3, 2010, the Bay Mills Tribe opened the Vanderbilt, Michigan gaming facility. The Tribe has maintained that it has met all state and federal requirements for establishing a new Class III gaming facility.

On December 16, 2010, the Michigan Attorney General's office issued a letter to the Bay Mills Tribe that demanded that it cease gaming operations at the Vanderbilt facility. Subsequently, on December 21, 2010, the Little Traverse Bay Band of Odawa Indians and the Michigan Attorney General filed separate complaints in the U.S. District Court for the Western District of Michigan alleging that the Bay Mills Tribe is not located on “Indian lands” as defined by federal law and state compacts. Both of the complaints allege that, because the facility is allegedly not located on “Indian lands,” the Bay Mills Tribe cannot conduct gaming activities at the Vanderbilt location. The complaints seek to enjoin the Bay Mills Tribe from conducting any Class III gaming activities at the Vanderbilt site.

MACOMB COUNTY EXECUTIVE SUPPORTS CASINO ON LAKE ST. CLAIR

Macomb County Executive Mark Hackel has recently made statements to local officials in support of establishing a casino on Lake St. Clair. Building a casino on the lake was one of several ideas pitched during meetings with local officials regarding ways to rejuvenate the local economy.

Establishing a commercial casino in Macomb County, however, would require voters to approve an amendment to the Michigan Gaming Control and Revenue Act and local and statewide voter approval. Currently, the Michigan Gaming Control and Revenue Act only allows for three casino operator licenses to be issued, all of which are currently held by casinos in Detroit.

A tribal casino would also require significant and numerous legal benchmarks to be met, including having land that meets the stringent federal

definition of “Indian Lands” on which the casino would be built. In addition, any tribe seeking to operate a casino in Macomb County must receive state and federal approval.

According to the Detroit News, Hackel has stated that the casino would be on the water and would help to draw tourists to the Lake St. Clair area. The county currently has promoted local water sports and recreation in order to draw tourism traffic to local businesses along the water.

INTERVIEW WITH CARTER PAVEY, GUN LAKE CASINO DIRECTOR OF MARKETING

“We are thrilled with the grand opening of Gun Lake Casino,” stated Carter Pavey, Gun Lake Casino Director of Marketing, in an interview with Blaine DeGracia of the *Michigan Gaming Newsletter*. “The community has shown us tremendous support. We are also pleased with the support we received from Allegan County Sheriff’s Department, Wayland Police Department, Wayland Fire Department, Wayland EMS, Michigan State Police, MDOT, and the Allegan County Road Commission. Each of these organizations’ advance planning and support leading up to and through the execution of grand opening was excellent.”

“We are also pleased with the overwhelming response from our guests. The new product that we have brought to the market, which is very different from the market’s current offerings, has been very well received.”

Q: What role are new technologies playing in the success of your casino property and what can casino patrons expect to see during 2011?

A: Gun Lake Casino has a progressive jackpot unlike any other progressive jackpot in the market. The property-wide progressive is called Jumbo Jackpot and can hit on any machine, as long as the guest is playing with a Passport card (Gun Lake Casino’s player’s club card). The progressive starts at \$20,000 and must hit by \$50,000. When it hits, everyone who is playing

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with their Passport card will receive \$25 in free “Celebration” slot play.

Gun Lake Casino also features some of the latest games, including ideck, a game that functions much like an ipod. There are no buttons, but a complete touch screen.

Q: Does your casino property engage in any cross marketing with any Las Vegas Casinos?

A: We are currently working with Station Casinos, Gun Lake Casino’s management partners, to utilize their properties in Las Vegas. These programs are in the works and will be announced soon.

Q: What is your advice for surrounding local businesses looking to capitalize on the influx of casino attendees and what may they be able to do to adjust and attract the casino customers?

A: With the increased traffic to the local community, we certainly hope that our neighboring businesses will benefit. Many businesses are offering discounts to Passport card holders in order to attract casino goers to their businesses. Other businesses have chosen to offer discounts to Gun Lake Casino team members.

We also work closely with the local supporting chambers of commerce, which includes posting information about these businesses inside the casino on an interactive touch-screen kiosk. We encourage any business that wants to become involved with the casino to join a local chamber of commerce.

Q: What would you say is your number one skill-set, which has helped you get to your position in the casino gaming market today?

A: Gun Lake Casino’s number one skillset is guest service. Guest service is our number one quality we look for when hiring new team members, and it is also our number one focus in training.

Q: Based on your experience, what is one piece of advice you can lend to those in the casino gaming industry?

A: We suggest catering to the local market and meeting their needs before reaching out to accommodate outside markets.

To participate in an interview with the *Michigan Gaming Newsletter*, please contact Reporter Blaine DeGracia at 517-507-3857.

GUN LAKE CASINO HIRES ADDITIONAL PERSONNEL

On Monday, March 21, 2011, the Match-E-Be-Nash-She-Wish Band of Pottawatomie Indians (Gun Lake Tribe) Tribal Council announced that, due to the higher than expected attendance at their new Gun Lake Casino facility, they will be hiring an additional 200 employees to keep pace with the high volume of guests. The Gun Lake Casino opened on February 10, 2011.

“We are very excited to have hired an additional 200 team members at Gun Lake Casino. This is an increase of approximately 25 percent over our initial round of hiring that brings our total to over 900 people employed,” said Carter Pavey, director of marketing at Gun Lake Casino. “We hired additional team members to maintain the highest level of guest service.”

New hires will be allocated to valet; security; table game dealers; food and beverage; and rewards center representatives.

IGAMING NORTH AMERICA TO BE HELD MAY 2-4

The first ever iGaming North America conference will be held May 2-4, 2011 at Monte Carlo Casino & Resort in Las Vegas. According to promoters, the event will provide attendees the chance to network and learn about the anticipated US and Canadian Internet gaming market, providing a roadmap and “the tools necessary to get from Point A (regulatory

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approval) to Point B (launch) with a firm hand on their capital, staffing, marketing and operational needs.”

The event curriculum is designed as a ‘boot camp’ for entrants in the North American I-gaming markets and is suitably themed “The Road to Legalization.” According a press release, “[t]he groundbreaking event is designed to introduce the land-based gaming business of North America to the \$30 billion global iGaming industry.”

“The discussion has evolved beyond the speculative tone we’ve seen in recent years, and there’s a high demand for practical guidance as businesses enter uncharted territory.” Mr. Balestra stated in a press release. “Certainly the program will cover political and regulatory issues, but the primary focus will be on ‘how-to’ rather than ‘what-if.’”

Presenters and panelists include professional poker superstar Howard Lederer, as well as executives from online and offline gambling businesses, including Caesars, GTECH, Betfair, WMS and more.

Topics include:

- Marketing for Start-up and Ramp-up
- Staffing and Outsourcing Needs
- Cross-Marketing Strategies
- Managing and Integrating Online & Offline Loyalty Programs
- US Federal and State Policy Developments
- Gaming Platform Integration
- Tribal Perspectives on Internet Gambling
- Affiliate Marketing
- Online Gaming and social Networks
- Fundamental Aspects of Regulation, etc.

“A window is opening for North America’s licensed operators, existing iGaming operators and media and entertainment ventures expanding into new markets,” Ms. Schneider explained. “For all of these businesses, this event will present a much needed forum for learning and sharing ideas, as well as the region’s first marketplace for gambling’s most promising sector.”

Organizers include BolaVerde Media Group, Lewis & Roca and The Innovation Group.

Specifically, the production is a new venture backed by Steven Rittvo, owner of The Innovation Group, Mark Balestra, director of BolaVerde Media Group, and Anthony Cabot, a Las Vegas-based gaming attorney. An advisory group will be chaired by Sue Schneider, a veteran of the iGaming industry and the principal of eGaming Brokerage.

For more information, visit:

www.igamingnorthamerica.com.

FIREKEEPERS LOCAL REVENUE SHARING BOARD REIMBURSES LOCAL GOVERNMENTS

On Monday, March 14, 2011, the Firekeepers Local Revenue Sharing Board voted to allocate over \$74,000 to defer costs incurred by Emmett Township and Calhoun County due to the operation of the Firekeepers Casino. The vote came after several governmental units submitted reimbursement requests in accordance with the Nottawaseppi Huron Band of Potawatomi’s (“Tribe”) tribal gaming compact with the state.

Costs that were approved for reimbursement included public safety services, such as fire and police protection, and legal fees to local prosecutors for prosecuting crimes committed at the casino.

In February, the Tribe made a \$4.86 million payment to the Firekeepers Local Revenue Sharing Board. Local revenue payments are 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

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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.

LITTLE RIVER BAND COMPLETES DEBT PAYMENTS ON MANISTEE CASINO

Last week, the Little River Band of Ottawa Indians (“Tribe”) completed payments on the \$19.3 million debt remaining on its Little River Casino in Manistee. According to reports from the Muskegon Chronicle, the Tribe has stated that paying off the debt will allow the Tribe to be better positioned for future economic opportunities, possibly including a new casino in Fruitport Township.

Although the Tribe owns land at the former Great Lakes Downs site near Muskegon and land surrounding it, it would first have to receive state and federal approval before converting the site to a casino gaming facility. In April of last year, state legislators introduced a resolution that would have aided the Tribe in developing the land in Fruitport Township for a new casino by making amendments to the definition of “Eligible Indian Lands” in the Tribe’s gaming compact with the state. The resolution, however, failed. The Tribe has lobbied for such approval citing the creation of nearly 700 jobs and economic development in the area due to casino traffic. In addition, the Tribe would be obligated to make a payment equal to 2% and 6% of the net win from electronic gaming machines at the facility to local units of government and the state, respectively.

The Little River Casino in Manistee is operated by the Tribe in accordance with its 1998 tribal gaming compact with the state of Michigan.