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

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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR FEBRUARY, 2012

The Michigan Gaming Control Board (“MGCB” or “Board”) released the February, 2012 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 12.9% in February, 2012 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino was up by 13.9%, 11.2%, and 12.3%, respectively during February, 2012 in comparison to the same month last year. Please note that the month of February included 29 days as compared with 28 days in 2011.

Month in 2012	Total Adjusted Revenue 2012		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$47,869,082.24	\$36,708,630.10	\$29,607,452.04
February	\$53,443,696.53	\$42,922,456.88	\$32,560,470.47
<b>Total</b>	<b>\$101,312,778.77</b>	<b>\$79,631,086.98</b>	<b>\$62,167,922.51</b>

Month in 2012	Total Adjusted Revenue 2012		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$114,185,164.38	\$9,248,998.32	\$12,446,182.92
February	\$128,926,623.88	\$10,443,056.60	\$14,053,002.00
<b>Total</b>	<b>\$243,111,788.26</b>	<b>\$19,692,054.96</b>	<b>\$26,499,184.92</b>

The market shares for MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino for the month of February, 2012 were 42%, 33% and 25%, respectively.

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.

The figures released by the Michigan Gaming Control Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, service providers or vendors; and 4) other normal business expenses.

## **ONTARIO LOTTERY AND GAMING CORPORATION TO CLOSE BORDER SLOT FACILITIES**

On Wednesday, March 14, 2012, the Ontario Lottery and Gaming Corporation (“OLG”) announced that it would close three slot machine operations at horse racing tracks along the U.S. border. The closures are part of the OLG’s long-term efforts to modernize and transform the current gaming environment in the province.

The three facilities, located in Windsor, Sarnia, and Fort Erie, operate along the U.S. border and have seen decreased revenue due to a decline in players from the United States and an increase in patrons visiting nearby Canadian casinos that offer both slot machines and table games. In a press release on the matter, Paul Godfrey, chairman of the OLG, stated that “[a] decade ago, border casinos returned a net profit of \$800 million a year. Today, that profit is less than \$100 million and falling” noting that “fewer Americans are crossing the border to play slot machines at border sites.” Notably, Pennsylvania and Michigan, the two states that border Ontario near the slot machine sites, have expanded commercial or tribal gaming opportunities within this ten-year timeframe.

The facilities temporarily closed for 24 hours after

the announcement in order to inform employees at the facilities. The OLG has stated that the locations will permanently close on April 30, 2012.

The closures are part of a long-term plan to modernize the province’s lottery and gaming industry. The OLG, an Operational Enterprise Agency of the Ontario government, operates 27 gaming sites in addition to providing lottery games to retailers across the province. According to the OLG, the closures are the first step in a long-term initiative that will create approximately 2,300 new industry jobs and nearly 4,000 service sector jobs.

## **AGA MAKES REGULATORY REFORM A TOP PRIORITY IN 2012**

American Gaming Association (AGA) President and CEO Frank J. Fahrenkopf, Jr. on Wednesday, March 7, 2012 announced that the association will work closely with regulators in 2012 to advance regulatory reform. The multifaceted plan, which includes the launch of a new section of the AGA’s website devoted entirely to regulatory reform, was unveiled during a speech delivered by Fahrenkopf at GLI University’s 11<sup>th</sup> North American Roundtable.

“From changes in the way games are played, where they are played and how payments are made, to the new technologies that make business operations and communications more efficient, these advancements and changes have and will continue to require new or updated regulations,” Mr. Fahrenkopf said. “The AGA looks forward to working with regulators and operators to draft improvements we can all agree on.”

The new section of the AGA website is designed to be a resource for news and information relating to the AGA’s efforts to promote regulatory reform. It will provide resources, such as white papers, speeches and a glossary of terms relevant to regulatory reform, to help operators and regulators stay up to speed on the issues and work together to pursue solutions to shared regulatory concerns.

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The site also includes a “State Information” section that includes links to state regulatory contacts for each state and links to publicly available gaming regulations. Each state page also includes a chart outlining how each state’s current regulations compare against the AGA’s 10 broad recommendations for regulatory reform. The charts highlight reform priorities moving forward.

“This new section of the AGA website is designed to foster conversation among regulators, gaming professionals and other key stakeholders,” writes Richard Haddrill, president, CEO and director of Bally Technologies Inc. and chairman of the AGA. “It is my sincere hope that we can work together to make real progress that will benefit the entire industry while maintaining the commitment to compliance and integrity that are the hallmark of our business.”

The announcement that the AGA is prioritizing regulatory reform comes in the wake of the release of its white paper, “Improving Gaming Regulations: 10 Recommendations for Streamlining Processes While Maintaining Integrity.” The paper, developed by a taskforce of former regulators, compliance officers, lawyers and other industry professionals, was released in October 2011 at Global Gaming Expo and sent to regulators nationwide.

In the coming months, the AGA will continue meeting with regulators to discuss the most pressing regulatory priorities and to ensure that any changes are beneficial to both operators and those who license them. Additionally, the AGA is exploring the potential of creating a national forum where regulators and members of the industry can share their thoughts and ideas on reform.

“We recognize the role regulators play is essential to our existence,” Mr. Fahrenkopf said. “We are also proud of the role our companies play in creating a collaborative environment that forms the basis for the finest regulatory system of any industry in the nation.”

To access the regulatory reform section of the AGA website, visit [www.americangaming.org/regreform](http://www.americangaming.org/regreform).

## NCRG ANNOUNCES EFFORT TO EDUCATE ON COLLEGE GAMBLING

On Wednesday, March 7, 2012, the National Center for Responsible Gaming (“NCRG”) announced that it has launched an initiative to educate college administrators, campus administrators, campus health professionals and parents about the warning signs of problem gambling and promote responsible gaming practices.

The NCRG created [www.CollegeGambling.org](http://www.CollegeGambling.org) as a resource to help colleges and universities address gambling and gambling-related harms on campus, and to offer free recourses for students who want to learn more about responsible gaming.

“The NCRG is using the peak of the 2012 college basketball season to promote awareness of college gambling, gambling disorders and responsible gaming,” said Alan Feldman, chairman of the NCRG. “This year, the NCRG is offering new resources on CollegeGambling.org, including the latest research on college gambling and gambling disorders. Additionally, university counselors, peer educators and student leaders can download an informative presentation to help guide their discussions about gambling and responsible gaming with students.”

According to the announcement from the NCRG, research shows that approximately 75 percent of college students gamble either legally or illegally. Furthermore, research estimates that 6 percent of college students in the U.S. have a serious gambling problem, and only 22 percent of colleges and universities in the United States have formal policies on gambling.

For more information, please visit [www.CollegeGambling.org](http://www.CollegeGambling.org).