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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR DECEMBER, 2012

The Michigan Gaming Control Board (“MGCB” or “Board”) released the December, 2012 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, aggregate revenue for the Detroit Market was down 0.5% for 2012 when compared to aggregate revenues from 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
March	\$57,181,553.70	\$43,543,183.32	\$34,602,503.13
April	\$52,125,745.86	\$39,350,932.55	\$31,868,439.41
May	\$51,719,743.97	\$36,964,111.37	\$29,720,467.91
June	\$47,326,715.28	\$36,905,378.50	\$27,259,606.31
July	\$48,820,780.88	\$34,988,360.07	\$28,194,024.07
August	\$49,759,221.09	\$38,102,330.20	\$29,065,619.31
September	\$50,767,759.78	\$35,529,881.05	\$27,778,700.13
October	\$47,362,969.55	\$36,027,461.33	\$27,558,265.08
November	\$47,835,292.66	\$38,465,663.52	\$26,560,576.41
December	\$50,666,855.19	\$40,241,934.75	\$27,328,561.61
Total	\$604,879,416.74	\$459,750,323.64	\$352,104,685.88

Month in 2012	Total Adjusted Revenue and Taxes 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
March	\$135,327,240.15	\$10,961,506.45	\$14,750,669.18
April	\$123,345,117.82	\$9,990,954.54	\$13,444,617.84
May	\$118,404,323.25	\$9,590,750.18	\$12,906,071.23
June	\$111,491,700.09	\$9,030,827.71	\$12,152,595.31
July	\$112,003,165.02	\$9,072,256.37	\$12,208,344.99
August	\$116,927,170.60	\$9,471,100.82	\$12,745,061.60
September	\$114,076,340.96	\$9,240,183.62	\$12,434,321.16
October	\$110,948,695.96	\$8,986,844.37	\$12,093,407.86
November	\$112,861,532.59	\$9,141,784.14	\$12,301,907.05
December	\$118,237,351.55	\$9,577,225.48	\$12,887,871.32
Total	\$1,416,734,426.25	\$114,755,488.53	\$154,424,052.46

Specifically for 2012, aggregate revenue for MGM Grand Detroit Casino was up by 0.9% to \$604.9 million while MotorCity Casino and Greektown Casino was down by 2.6% to 459.9 million, and 0.2% to \$352.1 million respectively when compared to the year 2011.

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 aggregate market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for 2012 were 43%, 32%, and 25% respectfully.

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.

GOVERNOR SNYDER APPOINTS, REAPPOINTS MGCB MEMBERS

On Friday, January 18, 2013, Governor Rick Snyder announced the appointment of Dennis Beagen, of Northville, and the reappointment of Michael Watza, of Novi, to the Michigan Gaming Control Board (MGCB).

The five-member board is responsible for licensing and regulating the commercial casinos in Detroit. “Dennis and Michael are outstanding, experienced professionals,” said Gov. Snyder. “I am confident they will effectively work to ensure fair and honest gaming in the Great Lakes State.”

Mr. Beagen is a emeritus professor of communication at Eastern Michigan University. He previously held leadership positions within the university, including executive associate to the provost for advancement, head of the Department of Communication, interim dean of continuing education and acting associate provost of academic affairs. He holds bachelor’s and master’s degrees in speech/communication for Eastern Michigan University and the University of Michigan, respectively. Mr. Beagen, an Independent, replaces Hon. Benjamin Friedman.

Mr. Watza is co-chair of the governmental and commercial litigation practice groups at Kitch, Drutchas, Wagner, Valituttu, & Sherbrook, a law firm with offices in Detroit, Lansing, Marquette, Mt. Clemens, Chicago and Toledo. He serves as general counsel to PROTEC and the Mobile Technology Association of

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Michigan and is an adjunct faculty member at the Michigan State University College of Law. Mr. Watza earned a bachelor's degree from Michigan State University and a law degree from the Detroit College of Law. He will continue to serve as a Republican.

Both appointees will serve four-year terms that expire December 31, 2016. Their appointments are subject to the advice and consent of the Michigan Senate.

FEDERAL COURT HEARS LANSING CASINO CASE

On Wednesday, January 23, 2013, the Federal District Court for the Western District of Michigan heard oral arguments in the ongoing litigation surrounding a potential tribal casino in Lansing. The hearing was held regarding the Sault Ste. Marie Tribe of Chippewa Indians' ("Tribe") motion to dismiss the case. Following the hearing, the court issued an order stating that it was taking the Tribe's motion to dismiss, as well as a motion to dismiss filed by the State of Michigan on separate grounds, under advisement.

The Tribe, together with Lansing Mayor Virg Bernero, announced plans to jointly develop a tribal casino in downtown Lansing last January. The project, tentatively named Lansing Kewadin Casino, would be located next to the Lansing Center. In May of 2012, Attorney General Bill Schutte filed a letter with the federal government, which plays an important role in regulating tribal gaming matters, expressing the state's concerns that the new casino would violate provisions of the Tribe's gaming compact with the state as well as aspects of federal law.

On September 7, 2012, the state filed a complaint with the Western District Court and sought a preliminary injunction to prevent the Tribe from petitioning the federal government to take the land into trust for the purpose of developing a gaming property. The state has taken the position that the Tribe would be violating its gaming compact with the State of Michigan by constructing a new casino in Lansing. Specifically, the state has argued that the tribal-state compact requires the Tribe to work out revenue sharing arrangements with other Native American tribes in the state prior

to seeking federal approval for taking land into trust for gaming purposes.

The Tribe has responded in the case by claiming that the Tribe's sovereign immunity requires that the case be dismissed for lack of jurisdiction. In addition, the Tribe has claimed that the trust application the state is seeking to prevent in the litigation is not subject to the provisions of the tribal-state compact, as this particular trust application is made in accordance with the Michigan Indian Land Claims Settlement Act, which was enacted after the compact was executed.

GREEKTOWN BOARD MEMBER RESIGNS

On Monday, January 21, 2013, Greektown Superholdings, Inc. Board member Michael Duggan announced his resignation from the Board of Directors and all board committees of the company. The resignation was effective immediately and was announced today in an SEC filing.

To view the 8-K SEC filing, [click here](#).

Mr. Duggan has been in the process of exploring a possible run for the office of Mayor of the City of Detroit. He is the former CEO of Detroit Medical Center, a former Wayne County prosecutor, and former Deputy Wayne County Commissioner.