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The MICHIGAN GAMING Newsletter



INTERVIEW WITH NOTTAWASEPPI HURON BAND OF POTAWATOMI VICE CHAIRMAN JAMIE STUCK

Jamie Stuck has been an elected official of the Nottawaseppi Huron Band of the Potawatomi ("NHBP") since 2006. He had an active role in the financing, construction, and the opening of FireKeepers Casino-Hotel in Battle Creek in 2009. Currently, Mr. Stuck serves as the Vice-Chairperson for the NHBP Tribal Council, FireKeepers Development Authority Board, and the Waséyabek Development Board, which is the economic diversification development branch of the Tribe. Also, Vice-Chairperson Stuck is the appointed Secretary for the FireKeepers Local Revenue Sharing Board.



Mr. Stuck met with Michigan Gaming Newsletter Editor Blaine DeGracia in November. If you would like to participate in future interviews please contact Mr. DeGracia online at info@michigangaming.com.

Q : Tell us about the FireKeepers Casino-Hotel property? What are some of the highlights the casino has to offer and that set it apart from its competition?

A : FireKeepers Casino-Hotel is located just off Interstate-94 at Exit 104 in Battle Creek, Michigan. The property features a 111,700-square foot gaming floor with 2,900 slot machines, 70 table games, a live poker room and bingo room. Also, FireKeepers Casino-Hotel offers a resort-style hotel with 242 rooms, a functional multi-purpose event center capable of seating

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up to 2,000 guests, six distinctive dining destinations and multiple lounges and entertainment venues.

FireKeepers Casino-Hotel is known for providing superior guest service. We have been fortunate in cultivating a team that embraces our culture and work ethic. Our team members have adopted the philosophy of WEEAA; displaying a Welcoming, Enthusiastic, Engaging, and Appreciative patron service approach.

One of our key features is that our property is designed to reflect a Las Vegas gaming experience. From the moment you enter the property, you will see an incredible integration of sound and light features that provide an elevated experience. We have proudly incorporated our tribal history and culture into the design of the property; integrating contemporary design with a Bodéwadmi (Potawatomi) touch.

Q: How has the hotel expansion affected business at your property? Are there talks of any potential future expansions or developments for the property?

A: Having one of the most prime locations with direct access off of Interstate-94 and with the addition of our resort-style hotel, FireKeepers Casino-Hotel has become a destination instead of a local based casino. We enjoyed great success as a local based property with strong visitation from a variety of areas. However, the hotel has allowed us to continue to extend this reach and provide a more comfortable experience for our guests that are travelling.

As a Tribe, we have always focused on master planning and future development for our tribal government and our business developments, including FireKeepers Casino-Hotel. Currently, we have made no decisions on the direction for future development. Nonetheless, we are researching and exploring a variety of options.

Q: Aside from the specific percentages of revenue that go to state and local government, what is the casino doing to benefit not only the Nottawaseppi Huron Band of the Potawatomi (NHBP), but also the surrounding community as a whole?

A: FireKeepers Casino-Hotel employs 1,800 Team Members, making it one of the largest employers in the area. FireKeepers Casino-Hotel has been very active in the local community and participates in many charities in the area, including S.A.F.E. Place, and Boys & Girls Clubs of Kalamazoo with the Culinary Clash. Our property has always been focused on keeping purchases local. Whenever possible, we purchase from vendors in the local area and in the state of Michigan.

Q: What non-gaming initiatives are most important to the Tribe at this time? What are some of the Tribe's development goals outside of its gaming activity?

A: Currently the NHBP Tribal Council is working in collaboration with Blue Stone Strategy Group and the NHBP Legal Department further establishing the Waséyabek Development Company. This will enable the NHBP to better enhance its economic diversification, other than FireKeepers Casino-Hotel, to assist with contributing to long-term wealth and economic self-sufficiency for the tribe.

Q: What are some of the most important issues facing Tribal gaming today?

A: Off reservation gaming has created conflict and divide not only among the 566 federally recognized tribes of the United States of America, but amongst the 12 federally recognized tribes of the State of Michigan. The Michigan Indian Land Claims Settlement Act allowed for the distribution of funds approved by the Indian Claims Commission for certain northern Michigan tribes. However, certain tribes are pushing to self-impose Indian Gaming Regulatory Act (IGRA) rights for the opportunity for off reservation gaming. Tribes have to establish aboriginal ties both culturally and historically to lands put into trust for gaming. Certain tribes are reservation shopping for best market location. For example, there are tribes that

are trying to establish gaming hundreds of miles away from their aboriginal territory; infringing on the exclusive land base and markets of other tribes. This poses detrimental implications to the integrity of tribal gaming as well as contributing to saturating the overall gaming market in the State of Michigan. If this is allowed, we are encouraging the government, the courts, and the public to disregard our governmental status and treat us no differently than commercial gaming operators.

Q: What is the Tribe's approach when dealing with state and local government officials? How have these relationships developed over time?

A: The NHBP has great relationships with both the local municipalities and the state government. Our gaming compact with the state of Michigan was re-negotiated in 2009. One of the strategic amendments to our compact was increasing the representation of local entities from 3 to 6 local governments. That has increased the strength of our relationships with the outside communities tremendously. Our state compact requires a 2% distribution of net slot revenue. When you are responsible for providing money to the local area, it promotes a positive image as far as how you are perceived in the surrounding community. Also, NHBP Tribal Council Members are involved with non-native boards and committees expanding the tribe's community outreach.

At the state level, we have developed an amicable relationship with the Legal Counsel of Indian Affairs, the Office of the Attorney General, and the Tribal Business Development Unit of the Michigan Economic Development Corporation. We have strong state representation within our region as well; Senate Majority Leader, the Minority Leader of the House and the Speaker of the House. The NHBP has always taken a proactive approach educating state legislature on the issues affecting our tribe's best interests both governmentally and economically. At the present time, we have representation on the Governor's Talent Investment Board as well.

Q: In your opinion, what is the general outlook on the Michigan casino gaming market? What are the biggest challenges the market is seeing today?

A: With the amount of casinos that Michigan has currently, the gaming industry in Michigan has displayed to be a mature market. Also, gaming in Michigan has established trends that are consistent for both tribal gaming and commercial gaming.

The biggest challenge to gaming in the State of Michigan is over saturation with the ensuing issues revolving around off-reservation gaming, the management of charity gaming, and the continued proposals to expand commercial gaming. There is a point where you are no longer going to get an increase in the employment rate or revenues generated by new gaming facilities, but the disbursement and displacement of jobs and revenues from existing properties.

To inquire about the interview, or if you would like to participate in future interviews please contact Mr. DeGracia online at info@michigangaming.com.

GUN LAKE ISSUES LOCAL REVENUE SHARING PAYMENT

On Wednesday, November 20, 2013, the Match-E-Be-Nash-She-Wish Band of Pottawotomi Indians ("Gun Lake Tribe") announced details of its fall revenue sharing payments to the state and local governments. According to the announcement, the State of Michigan received \$7,105,664 while the local revenue sharing board received \$1,684,347. The semi-annual payments are distributed pursuant to the terms of the tribal-state gaming compact, which are calculated from electronic gaming revenues. The figures noted above reflect the reporting period from April 1, 2013 to September 30, 2013.

"We are proud to announce the Gun Lake Tribe has shared over forty-four million dollars with state and local governments, schools, law enforcement and civic groups," said D.K. Sprague,

Chairman for the Gun Lake Tribe. “February will mark our third anniversary and the future is bright.”

Under the tribal-state compact, the local revenue share is based upon 2 percent of net win from electronic gaming devices, while the state payment is calculated on a sliding scale between 8 and 12 percent.

THIRD CIRCUIT COURT OF APPEALS DENIES REQUEST FOR REHEARING IN NEW JERSEY SPORTS WAGERING CASE

On Friday, November 15, 2013, the United States Court of Appeals for the Third Circuit denied a petition for rehearing filed by New Jersey Governor Chris Christie and other interested parties regarding the State of New Jersey’s plan to implement sports wagering at the Atlantic City Casinos and the state’s horse race tracks. The petitioners sought rehearing of the September 17, 2013 decision of a three-judge panel of the Third Circuit which affirmed an earlier decision of the U.S. District Court for the District of New Jersey issuing a permanent injunction prohibiting New Jersey from implementing its proposed sports wagering scheme. This Third Circuit’s prior decision to uphold the ban on the expansion of sports wagering to New Jersey effectively found that the Professional and Amateur Sports Protection Act (“PASPA”), the federal law currently prohibiting the expansion of sports wagering outside of the licensed Nevada sports books and certain limited lottery games and sports pools previously authorized in Oregon, Delaware, and Montana, was constitutional.

Now that the Third Circuit has denied rehearing, the Defendants in the case (including Governor Christie, certain members of the New Jersey legislature, the Director of the New Jersey Division of Gaming Enforcement and the New Jersey Thoroughbred Horsemen’s Association, among others) have one option remaining - - requesting a writ of certiorari for review by the United States Supreme Court. Though a spokesman for Governor Christie has stated in the past that he would take the matter to the U.S. Supreme Court, if necessary, there is no guarantee

that the Supreme Court will decide to take up the case. In fact, New Jersey likely faces an uphill battle in obtaining any further judicial review, as the Supreme Court routinely grants certiorari in only approximately 1% of the cases submitted each term.

The Defendants’ request for certiorari must be filed with the Supreme Court on or before February 15, 2014, which is 90 days after the Third Circuit’s order denying rehearing was entered last Friday.

FEDERAL ONLINE GAMBLING TAX LEGISLATION INTRODUCED

On Thursday, November 14, 2013, Representative Jim McDermott (D-Wash.) introduced the Internet Gambling Regulation and Tax Enforcement Act (“HB 3491”) legislation that, if passed, would establish a federal taxation schedule for Internet gambling. The legislation has been drafted to compliment a current bill, introduced by Rep. Peter King (R-NY) and Rep. Michael Capuano (D-Mass.), which seeks to authorize online gambling activity.

“The future is happening,” stated Rep. McDermott in the *Congressional Record*. “People in small towns and big cities across America are gambling online either legally under a patchwork of inconsistent state laws or illegally without any consumer protection. We have to deal with this issue. If we regulate online gambling, we can create jobs, generate revenue, and expand aid to children in foster care.”

Under the current draft of HB 3491, Internet gambling operators would be subject to a federal tax “in an amount equal to 4 percent of all funds deposited by customers making deposits while located within the United States.” In addition, state and tribal governments have the option to elect to receive funds pursuant to HB 3491. If so elected, each state or tribal government would receive 8 percent of all funds deposited by individuals located within their state or tribal jurisdiction. Finally, each Internet gaming operator would be subject to a 12 percent tax on funds deposited by players located in a foreign jurisdiction. This

taxation scheme would be overseen by the Secretary of the Treasury, which is also empowered to promulgate regulations to assist in the enforcement of the legislation.

Portions of revenue generated pursuant to the bill would be allocated to two federal programs, the American Heritage Block Grant Fund and the Transitional Assistance Grant Program. The American Heritage Block Grant Fund would receive 0.5 percent of the tax revenue generated pursuant to the legislation and would make distributions to state-operated American Heritage Programs. As noted in the bill, these programs “develop projects, productions, workshops, or [are] programs that will encourage public knowledge, education, understanding, and appreciation of American heritage and the arts.” One quarter of the revenue received from the above taxes on Internet gambling activity would be allocated to the Transitional Assistance Grant Program. Under this program, grants would be provided to approved state plans that provide educational, job training, and other benefits to individuals who were or are in foster care.

On November 14, 2013, HB 3491 was referred to the House Ways and Means and the House Education and Workforce Committees. For more information on the legislation, including a copy of the current draft of the bill, please visit the US Congress’s website, located [here](#).

The companion bill introduced by Rep. King and Rep. Capuano, the Internet Gambling Regulation, Enforcement, and Consumer Protection Act, was referred to the House Subcommittee on Crime, Terrorism, Homeland Security, and Investigations on July 15, 2013. More information on the bill can be obtained [here](#).