

February 28, 2014

Volume 20, Issue 7

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

Editor in Chief

**David D. Waddell, Esq.**

Phone: 517.507.3859

[waddell@rmclegal.com](mailto:waddell@rmclegal.com)

Senior Gaming Analyst & Editor

**Robert R. Russell, II**

Phone: 517.507.3858

[russell@rmclegal.com](mailto:russell@rmclegal.com)

Reporter and Associate Editor

**Dustin M. Ford**

Phone: 517.999.5414

[dford@rmclegal.com](mailto:dford@rmclegal.com)

Reporter

**Douglas L. Minke**

Phone: 313.221.9380

[minke@rmclegal.com](mailto:minke@rmclegal.com)

Reporter

**Blaine R. DeGracia**

Phone: 517.507.3857

[degracia@rmclegal.com](mailto:degracia@rmclegal.com)

Subscription information:

[info@michigangaming.com](mailto:info@michigangaming.com)

A publication of

**RMC Ventures, LLC**

Asher Court

321 W. Lake Lansing Rd.

East Lansing, MI 48823

Phone: 517.507.3860

Fax: 517.908.0235

[www.rmclegal.com](http://www.rmclegal.com)

# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JANUARY, 2014

The Michigan Gaming Control Board (“MGCB” or “Board”) released the January, 2014 total adjusted revenue figures for the three Detroit casinos—MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, the revenue for the Detroit market was down 9.5% compared to the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino was down by 8.5%, 9.7%, and 11.2%, respectively during January, 2014 compared to the same month last year.

| Month in 2014 | Total Adjusted Revenue 2014 |                        |                        |
|---------------|-----------------------------|------------------------|------------------------|
|               | MGM Grand Detroit           | MotorCity Casino       | Greektown Casino       |
|               | Total Adjusted Revenue      | Total Adjusted Revenue | Total Adjusted Revenue |
| January       | \$41,231,507.57             | \$31,710,276.19        | \$23,106,523.77        |
| <b>Total</b>  | <b>\$41,231,507.57</b>      | <b>\$31,710,276.19</b> | <b>\$23,106,523.77</b> |

| Month in 2014 | Total Adjusted Revenue and Taxes 2014 |                          |                            |
|---------------|---------------------------------------|--------------------------|----------------------------|
|               | All Detroit Casinos                   |                          |                            |
|               | Total Adjusted Gross Receipts         | Total State Wagering Tax | Total Detroit Wagering Tax |
| January       | \$96,048,307.53                       | \$7,779,912.91           | \$10,469,265.52            |
| <b>Total</b>  | <b>\$96,048,307.53</b>                | <b>\$7,779,912.91</b>    | <b>\$10,469,265.52</b>     |

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 market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for January 2014 were 43%, 33%, and 24%, respectively.

In addition to the general revenue figures, the Executive Director's report presented at the February 25 meeting includes information on the 2013 total revenue by type of games played for each casino.

The figures released by the Board are the gross

| Casino           | Revenue by Game Type |                  |
|------------------|----------------------|------------------|
|                  | Slots (%)            | Tables (%)       |
| <b>MGM Grand</b> | \$461.8M (81.5%)     | \$105.0M (18.5%) |
| <b>MotorCity</b> | \$387.7M (85.3%)     | \$66.7M (14.7%)  |
| <b>Greektown</b> | \$284.1M (86.5%)     | \$44.2M (13.5%)  |

receipts less winnings paid to wagerers. The figures do not include: 1) and fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, services providers or vendors; and 4) other normal business expenses.

At the Tuesday, February 25, MGCB regular public meeting, Board Chairperson Anthony Roberts asked the CEO and President of MotorCity Casino for his thoughts on the market downturn. Mr. Gregg Solomon stated that "the record setting snowfall that occurred in January largely took place on weekends." He also noted that it was his opinion that the change in the Social Security tax and uncertainty with changes in health care coverage requirements impacted the amount people allocated for discretionary expenditures. Mr. Solomon stated it will be a challenge for the market to exceed pre-Ohio casino opening levels as a result of the increased gaming capacity in the overall market place.

## SIXTH CIRCUIT COURT OF APPEALS ENTERS STAY IN LANSING CASINO CASE

On Monday, February 24, 2013 the United States Court of Appeals for the Sixth Circuit entered an order which stayed proceedings in the matter involving the Sault Ste. Marie Tribe of Chippewa Indians' ("Tribe") efforts to construct a casino in Lansing, Michigan (the "Order"). The Order states that it was entered "...to allow the State of Michigan time to file a petition for a writ of certiorari" with the U.S. Supreme Court seeking review of the Sixth Circuit's ruling on December 18, 2013, which reversed a previous District Court injunction that prevented the Tribe from applying to have certain lands in Lansing taken into trust for the purpose of constructing a casino. The Sixth Circuit's December decision to reverse this original injunction meant that the Tribe could move forward with its application to have the subject land taken into trust by the U.S. Department of the Interior, which is one of many procedural steps that the Tribe is facing in opening a casino in Lansing. This mandate, however, was stayed by the Court's Order entered on Monday.

Yesterday, the Tribe filed a motion to reconsider the Order, arguing, among other things, that the Sixth Circuit entered the Order before the Tribe had the opportunity to file a motion in opposition and without the benefit of an adversarial hearing. In its motion, the Tribe also argues that "[r]econsideration of the Court's order is warranted because the State has failed to establish that there is a reasonable possibility that the Supreme Court will grant certiorari to review this Court's decision, or that the State would suffer irreparable harm absent such a stay. Further delay in this litigation, however, will unquestionably inflict significant, concrete harm on the Tribe." See Tribe's Motion for Reconsideration, p. 1-2. The Tribe goes on to explain that further delay in this matter will cause it significant harm as its agreement with the City of Lansing requires the Tribe to establish its right to engage in gaming activities on an initial parcel of property within the city by January 1, 2017, and further serves to effectively keep in place an injunction that the Sixth Circuit has already held was entered improperly.

The Sixth Circuit has not yet indicated if a hearing will be held on the Tribe's motion for reconsideration. The Sixth Circuit's Order provides that the stay will remain in place until the Supreme Court disposes of the case, but will be dissolved if the State of Michigan does not file its petition for writ of certiorari with the Supreme Court within 90 days from the date of final judgment by the Sixth Circuit.

The Sault Tribe is proposing to invest \$245 Million in building and operating a 125,000 square foot "Kewadin Lansing Casino," which would be located at Michigan Avenue and Cedar Street in downtown Lansing on property adjacent to the Lansing Center.

The Saginaw Chippewa Indian Tribe of Michigan and the Nottawaseppi Huron Band of the Potawatomi have also filed amicus briefs with the Sixth Circuit supporting the State of Michigan's position in the case.

## **SOUTHERN GAMING SUMMIT SCHEDULED FOR MAY 6-8, 2014 IN BILOXI**

The Southern Gaming Summit will be held in Biloxi, Mississippi on May 6-8, 2014. The event will be held jointly with BingoWorld, the world's largest bingo conference and trade show, at the Mississippi Coast Coliseum and Convention Center.

The summit will consist of conferences, networking, and exhibit space featuring information and products related to all facets of the gaming industry. The event will begin with the Southern Gaming Summit/BingoWorld Golf Tournament on May 6, 2014 for exhibitors. Conference events begin on Wednesday and include discussions, presentations, and workshops on current issues facing the gaming industry. Featured speakers include Tilman Fertitta, CEO and Owner of Landry's, Inc. and Geoff Freeman, President and CEO of the American Gaming Association. Other events include the Global Gaming Women Luncheon, an Executive Roundtable, and numerous networking opportunities for attendees.

Gaming and hospitality industry executives, regulators, legislators, and consultants are likely to express interest in the event. For more information on the event, as well as registration information, please visit: <http://www.sgsummit.com/>.

## **SIGN UP FOR RMC'S DAILY GAMING NEWS FEED**

Regulatory Management Counselors, P.C. (RMC Legal), authors of *The Michigan Gaming Newsletter*, would like to extend an invitation to sign up for the complimentary *RMC Daily Gaming News Feed*. The Daily News Feed delivers Michigan and gaming-industry specific news links directly to you each morning.

To sign up to receive the RMC Daily Gaming News Feed, simply visit: <http://rmclegal.com/media-publications> and complete the form.

Should you have any questions, feel free to contact Blaine DeGracia at 517-507-3857 or [degracia@rmclegal.com](mailto:degracia@rmclegal.com).