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The

MICHIGAN GAMING

Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR FEBRUARY 2018

In a [press release](#) dated March 13, 2018, the Michigan Gaming Control Board ("MGCB" or "Board") released the February 2018 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$110 million in aggregate revenue for February 2018, a 6.1 percent decrease from the same month last year. The results were 3.3 percent below combined January and February 2017 revenue.

Please see the linked [State of Michigan official financial report](#).

Revenue fell at MGM by 4.7 percent to \$45.8 million. MotorCity recorded a revenue decrease of 5.6 percent to \$38.3 million. Greektown revenue also decreased by 9.3 percent to \$25.9 million compared with February 2017 results.

The February 2018 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 42%, 35% and 23% respectively.

During February 2018, the three Detroit casinos paid \$8.9 million in gaming taxes to the State of Michigan, compared with \$9.5 million for the same month last year. The three casinos reported submitting \$13.1 million in wagering taxes and development agreement payments to the City of Detroit in February.

All three casinos are subject to a wagering tax of 19%, with 10.9% of this levy payable to the City of Detroit and 8.1% payable to the State of Michigan.

The figures released by the 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, services providers or vendors; nor 4) other normal business expenses.

NEW CIO IS NAMED FOR THE GUN LAKE TRIBE

On March 7, 2018, The Match-E-Be-Nash-She - Wish Band of Pottawatomi Indians (Gun Lake Tribe) announced the addition of a key management position within the tribal government organizational structure. J. Kevin Bassett was hired as the Tribe's first-ever Chief Information Officer (CIO). Mr. Bassett will manage information technology and staff within tribal government, casino operations, and the tribal gaming commission. He brings a diverse skill set to the Tribe that includes experience in military, corporate and gaming operations.

Mr. Bassett's career began in the U.S. Navy in 1986 where he trained, and eventually lead, sonar operation teams. He was highly decorated, achieving the position of Sonar Technician, First Class. Mr. Bassett also has 20 years of business technology experience including corporate and pharmaceutical IT positions. He received his B.S. Computer Science degree from University of Hawaii.

For the past 6 years, Mr. Bassett served as the Director of Information Technology at the Gun Lake Casino. During this time, the IT department retained 100% of its team members, improved efficiency, and reduced costs across many department contracts and functions.

"We are pleased to announce the hiring of Kevin Bassett as the Tribe's first-ever Chief Information Officer," said Scott Sprague, Tribal Chairman. "Kevin's successful tenure at the Gun Lake Casino, and his impressive resume, provides the tribal government with technological expertise needed to achieve the advancements we are planning for the future."

REBRANDING OF GREEKTOWN CASINO HOTEL TO JACK DETROIT WILL OCCUR AT END OF SUMMER

JACK Entertainment, a Detroit-based company, decided to delay the rebranding of Greektown Casino Hotel until the end of summer in order to focus on a seamless technological integration across all JACK properties. This time frame will allow for all regulatory approvals and smoother loyalty program integration.

Jack Entertainment LLC is owned by Dan Gilbert's Rock Ventures LLC which generates more than \$1.2 billion in revenue. There are already three Jack-branded properties in Ohio – in Cincinnati, Cleveland and North Randall. The company also owns the Turfway Park racing facility in Florence, KY and the Horseshoe Baltimore Casino, which is part of the Caesars portfolio. They currently employ 7,000 people across all locations.

"Our decision to focus on an end of summer transition date provides our talented team the ability to integrate and facilitate industry leading technology and ensure a higher quality and rewarding experience for our guests," said Matt Cullen, chief executive officer, JACK Entertainment. "We are excited to share that Monroe Market and Noodle Art will in fact open in May as these unique new dining experiences deserve a grand opening of their own."

Greektown Casino-Hotel is also completing a multimillion-dollar renovation to craft Monroe Market and Noodle Art. A total of seven new eateries will form a vibrant dining atmosphere with options ranging from authentic Japanese ramen to American classics. Monroe Market and Noodle Art will be located on the third level of the casino and will be unveiled in early May.

MGCB EXECUTIVE DIRECTOR SPEAKS AT ABA/IMGL CONFERENCE

Michigan Gaming Control Board Executive Director Rick Kalm spoke to the American Bar

Association and International Masters of Gaming Law Gaming Minefield Seminar last week in Las Vegas. Speaking on a panel focused on current topics in the gaming regulatory field Mr. Kalm made several interesting observations, including:

- With respect to the prospect of Michigan offering sports wagering in the event that the Supreme Court overturns the federal law banning state laws authorizing such bets, the MGCB has informally polled the casino operators and there is interest, and there is currently legislation pending to seek to address it. The problem in Michigan though is that there is a Constitutional amendment that limits gaming. He noted that the MGCB believes it has the ability to authorize it as a form of casino style game in Michigan, but to get the full flavor of it we would probably have to have some form of online or Internet wagering. He is cautiously optimistic that something will happen, but he noted that if you use the existing casino tax rate (24%) it may be completely cost prohibitive when you are talking about a sports book. Allowing online games or reducing the tax rate for online gaming would require a legislative change, which may mean a change to the gaming act, a stand-alone online gaming bill, or some combination of the two.
- As regulators they have no issues with the concept of sports wagering and would be able to regulate it well.
- Detroit is a big sports town, and casinos really benefit from the nearby sports activities with the Pistons, Red Wings, Tigers and Lions all playing in downtown Detroit. He noted that two of the casino owners have ties (either directly or through their family) to sports teams.
- If sports betting becomes legal, there may still be illegal activity going on for a variety of reasons. However, there will likely be an increased effort to go after illegal operators and bookies once a legal structure is put in place, with money put aside to increase the focus and to combat such illegal activity.

- With regard to AML compliance matters, Mr. Kalm noted that the landscape has not changed too much recently in Michigan. The MGCB continues to receive SAR and CTR reports from the casinos, and he noted that the three operators in Detroit are all big operators who are well versed in this topic from a compliance perspective.

IMGL NOW PUBLISHING AMERICAN GAMING LAWYER MAGAZINE DIGITALLY

The International Masters of Gaming Law ("IMGL") recently announced that it is now publishing its "American Gaming Lawyer" magazine in a digital format. *American Gaming Lawyer* (formerly *Casino Lawyer*) is published each spring and autumn. It was IMGL's first magazine and it has global outreach. *American Gaming Lawyer* is read by print subscribers in North America and beyond, as well as by thousands more who read it online at the IMGL website. It has bonus trade show distribution at ICE, GiGSE, iGNA, G2E Asia, IMGL Spring and Autumn Conferences, and G2E.

The digital edition allows you to view and download the entire issue electronically and includes hyperlinks that guide you throughout the publication as well as allow you to connect to information mentioned in the magazine. [Click here to view the current issue.](#)

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