

October 10, 2008

Volume 14, Issue 32

For more information on Michigan's gaming industry, please visit www.michigangaming.com

Editor in Chief:

David D. Waddell, Esq.
Phone: 517.507.3859
waddell@rmclegal.com

*Senior Gaming Analyst
& Editor:*

Robert R. Russell, II
Phone: 517.507.3858
russell@rmclegal.com

Reporter

Douglas L. Minke
Phone: 313.221.9380
minke@rmclegal.com

Reporter

Blaine R. DeGracia
Phone: 517.507.3857
degracia@rmclegal.com

Subscription information:
info@michigangaming.com

A publication of
RMC Ventures, LLC

University Place Center
333 Albert Ave, Suite 450
East Lansing, MI 48823
Phone: 517.507.3860
Fax: 517.908.0235
www.rmclegal.com

The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR SEPTEMBER 2008

The Michigan Gaming Control Board (MGCB) has recently released the September, 2008 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Aggregate revenue and taxes for all three Detroit casinos for the month of September 2008 were up by 4.58% in comparison to the same month last year. Revenue for MGM Grand casino was up by 26.98%, while MotorCity and Greektown casinos were down by 9.46% and 4.15% respectively, in comparison to the same month last year.

Month in 2008	Total Adjusted Revenue 2008		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$46,637,248.81	\$39,366,692.84	\$27,534,937.58
February	\$47,021,788.41	\$38,326,971.88	\$26,999,351.20
March	\$50,217,833.17	\$41,307,354.29	\$32,230,050.35
April	\$46,864,254.06	\$40,703,507.79	\$28,572,470.64
May	\$52,973,612.49	\$41,948,166.18	\$28,131,129.20
June	\$48,671,864.67	\$38,097,328.05	\$23,227,140.19
July	\$50,536,862.66	\$39,579,086.48	\$25,423,936.01
August	\$50,078,510.07	\$41,065,015.38	\$26,823,123.82
September	\$44,797,052.83	\$36,110,657.12	\$25,216,180.44
Total	\$437,797,052.83	\$356,504,780.011	\$244,158,319.43

(Continued on page 2)

The figures do not include: 1) the State of Michigan share of the wagering tax; 2) the City of Detroit portion of the wagering tax; 3) any fees or other relevant city, state or federal taxes; 4) wages and benefits paid to casino employees; and 5) payments to suppliers, service providers or vendors.

For Greektown Casino, the State of Michigan's share of the wagering tax is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%. This 24% tax has historically applied to all three Detroit casinos.

MGM Grand Detroit and MotorCity Casino have received a tax base reduction certification as a result of their facilities being declared "fully operational" by the MGCB. These properties are now subject to a wagering tax of 19%, with a 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

FIREKEEPERS CASINO CONSTRUCTION UPDATE

Yesterday, October 9, the Trustees of the Board of Emmett Township, near Battle Creek, Michigan, approved a municipal services agreement to be formed between the Township and the Nottawaseppi Huron Band of Potawatomi (the "Tribe"). The Tribe is currently in the process of constructing its FireKeepers Casino off Interstate 94 in Emmett Township.

As drafted, the agreement will require the Tribe to pay the Township \$375,489 per year for three years to allow the Township to hire five Public Safety Officers to provide 24-hour services at the Casino, as well as require the Tribe to pay \$46,500 to the Township to purchase a patrol vehicle. These payments are separate from the 2 percent payments of electronic gaming revenue that the Tribe is required to pay pursuant to the terms of the Tribal-State Gaming Compact.

Construction of the casino facility, located near Interstate-94, has been progressing quickly as the building begins to take shape. The grand opening of FireKeepers casino facility is scheduled for early summer, 2009.

Notably, on September 23, 2008, Full House Resorts announced the completion of the structural iron work for FireKeepers Casino, and held a "topping off" ceremony in celebration.

"We are very pleased with the progress of construction," said Full House Chief Executive Officer Andre Hilliou. "Everything thus far has been on schedule and we offer our congratulations to the entire team on completing this important milestone as we prepare for an opening next summer."

During a FireKeepers Casino preview presentation held early last month, and in reference as to how well the construction process was going, Senior Project manager for Clark Construction Company, Dwane Wixon noted that they will soon be adding a second-shift to the site sometime in October. He emphasized the importance of hiring local contractors and tribal persons to perform construction work. Local and tribal workers are estimated to comprise 90% of the workforce.

FireKeepers Casino is managed by Gaming Entertainment, LLC, a joint venture between Full House Resorts, Inc., and RAM Entertainment, LLC, a privately owned investment company. Clark Construction Company was hired to be the main construction company for the project.

Located on 78 acres of tribal land near Battle Creek, Michigan, the \$270 million FireKeepers Casino is expected to create an estimated 1,500 permanent jobs in addition to the several hundred employees currently at work on the site.

The 107,000 square feet of gaming space will be filled with 2,500 class III slot machines, 90 table games, 20 poker tables, high-limit gaming area with VIP lounge, bingo room, five restaurants and a central sports bar. When completed, the current phase of construction will utilize 34 acres of tribal land, leaving more than 44 acres for possible additions and further development.

"This facility has a lot of meat on it," remarked FireKeepers General Manager, Bruce McKee during the September preview presentation. According to Mr. McKee, it is possible that a

(Continued on page 3)

phase two of construction could include a hotel and entertainment center.

For an up-to-date, real-time view of the FireKeepers Casino construction progress please visit the following: <http://oxblue.com/pro/open/clarkcc/firekeepers>.

MGM GRAND DETROIT ANNOUNCES ADDITIONAL LAYOFFS

MGM Grand Detroit has announced plans for its second set of layoffs since opening its permanent facilities last October. During the next two to four weeks, MGM Grand Detroit plans to lay off “less than 100” hourly employees working in the Casino food and beverage department, including reducing staff at Michael Mina’s Bourbon Steak, Saltwater and the Wolfgang Puck Grille.

Upon opening its permanent facilities in October, 2007, MGM hired approximately 1,000 additional employees. However, in April, 2008, MGM Grand Detroit laid off approximately 100 employees, citing slower than expected business.

Despite the layoffs, MGM Grand has managed to show revenue growth throughout 2008, in spite of the sluggish Michigan economy. MGM Grand Detroit’s revenues for September, 2008 increased to \$44.8 million, up 26.9 percent from September 2007. However, it is important to note that the casino was closed during the final weekend of September, 2007 in order to facilitate its move to the new permanent MGM Grand Detroit Casino complex.