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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR FEBRUARY 2008

The Michigan Gaming Control Board (MGCB) has recently released the February, 2008 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

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
Total	\$93,659,037.22	\$77,693,664.72	\$54,534,288.78

The figures released by the MGCB are the gross receipts less winnings paid to wagerers. 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 of 24 percent. This 24% tax has historically applied to all three Detroit casinos.

MGM Grand Detroit has recently received a tax base reduction certification as a result of its facilities being declared "fully operational" by the MGCB in December, 2007 and it is 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. MotorCity Casino also received its tax base reduction certification at the Michigan Gaming Control Board Meeting on Tuesday, March 11, 2008. See story below entitled "Detroit Entertainment, LLC Receives Tax Base Reduction Certification."

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The three Detroit casinos' total adjusted gross receipts for February, 2008 were \$112,348,111.49. This represents a 7.02% increase when compared to the same month last year.

DETROIT ENTERTAINMENT, LLC RECEIVES TAX BASE REDUCTION CERTIFICATION

At the meeting of the Michigan Gaming Control Board (MGCB) on Tuesday, March 11, the Board considered the tax base reduction certification request of casino licensee Detroit Entertainment, LLC (MotorCity Casino), which is owned by Marian Ilitch. Pursuant to Public Act 306 of 2004, the wagering tax rate applicable to the Detroit casinos was increased from 18% to 24%. However, PA 306 also provided for a rollback of the wagering tax to 19% once a casino licensee was "fully operational" for a period of 30 consecutive days.

Under the Michigan Gaming Control and Revenue Act (the Act), a casino licensee is determined to be "fully operational" when "a certificate of occupancy has been issued to the casino licensee for the operation of a hotel with not fewer than 400 guest rooms and, after issuance of the certificate of occupancy, the casino licensee's casino, casino enterprise, and 400-guest-room hotel have been opened and made available for public use at their permanent location and maintained in that status."

Upon recently opening its permanent casino and hotel, MotorCity Casino requested a tax base reduction pursuant to the Act. After reviewing reports and recommendations from MGCB staff indicating that MotorCity Casino met the qualifications for the tax rollback, the MGCB, in a unanimous vote, entered an Order Certifying Detroit Entertainment, LLC For Tax Adjustment under the Act and ordering that MotorCity Casino was entitled to a tax rollback retroactive to December 31, 2007.

In connection with the Tuesday MGCB meeting, Mr. Gregg Solomon, CEO of Detroit Entertainment, LLC, said, "Mrs. Ilitch's dedication to Detroit is well known. When she became the sole owner of MotorCity Casino, she pursued her vision of a casino complex having the same superior quality as her other Detroit enterprises; a complex designed to fulfill her dream of revitalizing the downtown area, and drawing visitors to Detroit. Under her guidance, we continually pursue innovations and strategies designed

to grow the local market, create a destination resort, improve our product and reinvest in our community."

Executive Rick Kalm stated in a March 11 press release, "The rollback was designed as an incentive to get the permanent facilities completed and it worked."

Accordingly, MotorCity Casino will now be 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. According to *Crain's Detroit Business*, approximately \$2.86 million of the wagering tax that MotorCity Casino paid to the State of Michigan and the City of Detroit during the months of January and February, 2008 will be credited back to MotorCity Casino, given that the tax rollback is retroactive to December 31, 2007.

FRED CLELAND HIRED AS MICHIGAN GAMING CONTROL BOARD DEPUTY DIRECTOR OF LICENSING

Fred Cleland was recently hired as the Deputy Director of Licensing for the Michigan Gaming Control Board (MGCB). Mr. Cleland replaces Ben McMakin, who resigned his Deputy Director position in Fall, 2006. Most recently, John Page, Deputy Director of Enforcement, has served as the acting Deputy Director of Licensing.

Prior to joining the MGCB, Mr. Cleland spent the past 10 years serving as the Senior Manager for Corporate Security for Chrysler, LLC. In this position, Mr. Cleland was in charge of worldwide corporate investigations and executive security and supervised a staff of 34 investigators and specialists. Prior to working for Chrysler, LLC, Mr. Cleland spent 26 years with the Sterling Heights Police Department, retiring as a Captain in charge of the Criminal Investigations Division.

Mr. Cleland holds a Bachelor's Degree in Criminal Justice from Wayne State University, a Master's Degree in Public Administration from Central Michigan University and is a graduate of the FBI National Academy.

OFFICE OF RACING COMMISSIONER NAMES HORSES OF THE YEAR

On Saturday, March 8, and as part of the 25th Annual Michigan Horse Council Stallion Expo

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held at the Michigan State University Pavilion, the Michigan Office of Racing Commissioner (“ORC”) presented 2007 Horse of the Year Awards in five different breeding classes. The March 13, 2008 press release of the ORC summarized the winners as follows:

Valley Loot is a three-year old filly who had 11 starts, with six wins and five seconds for total winnings of \$170,000. *Valley Loot* was bred by Marilyn McMaster of Fenton, is owned by Kimberly Allen of Jackson and is trained by Robert Allen Sr. of Muskegon. *Demaloot Demashoot* is her sire and she is out of *In The Valley*.

Snaps Shot is a three-year old filly who ran 15 races and had seven firsts, two seconds and two thirds for a total of \$43,012 in winnings. *Snaps Shot* was sired by *Okey Dokey* and is out of *Sheza A Snap*. Larry and Carol DeVries of Alto, bred and own *Snaps Shot*. Carol Rettele of Northville is her trainer.

KeyKeeper is a two-year old gelding who was sired by *Lockkeeper* and is out of BP’s *Girl*. *KeyKeeper* had 10 starts, with nine firsts and one second for total earnings of \$123,654. Candice and David Bolenbaugh of Starwin Farms in Coleman bred *KeyKeeper*. He is owned by Anita Micaillef of Canton, Anthony Formosa of Southgate and Ameer Najor of West Bloomfield. Michael Micaillef of Canton trains the horse.

Biletnikoff is a three-year old gelding who had 13 starts, with 8 firsts and 3 seconds with total winnings of \$131,146. *Keystone Raider* is his sire and he is out of *Strikadeeze*. Larry Cohen of West Bloomfield, Kelly Goodwin of Fowlerville and Mitchel Smargon of Dearborn bred the horse. *Biletnikoff* is owned by Kelly Goodwin and Daniel and Thomas Courtemanche of Pinconning and is trained by Peter Wrenn of Swartz Creek.