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AGA PRESENTS 12TH ANNUAL *STATE OF THE STATES*

Last week, the American Gaming Association (AGA) announced the release of the 12th annual *State of the States: The AGA Survey of Casino Entertainment*. The AGA's *State of the States* includes a detailed report of the national and state economic impact of commercial casinos, along with data which examines the continued growth of racetrack casinos.

According to the report, nationwide gross gaming revenues declined for the second consecutive year to \$30.7 billion in 2009, which was 5.5 percent below the 2008 level. Nearly \$5.59 billion was generated for states and local communities through direct gaming taxes, while U.S. commercial casinos employed 328,377 people across the nation who earned \$13.1 billion in wages, salaries and benefits.

"During 2009, the U.S. commercial casino industry was a valuable contributor of jobs, taxes and economic development nationally and in the states and local communities where it operated, despite recent economic challenges," said Frank J. Fahrenkopf, Jr., president and CEO of the AGA. "The entire country was in the grip of a crippling recession last year, and the gaming industry certainly was not immune to its effects on consumer spending. This impact is reflected in this year's *State of the States*."

According to the *State of the States* report, 304 residents of counties with commercial or racetrack casinos were surveyed and an estimated 64 percent of participants agreed that casinos have a positive impact on the community, while 69 percent also think that casinos have had a positive impact on their area's tourism industry. A majority, 62 percent, also think casinos are beneficial during recessionary times because of tax revenues, tourism and jobs they create. 68 percent of those surveyed would vote 'yes' if a voter referendum were to be held to decide whether or not to keep casino gaming in their area.

The report also indicates that the overall acceptability of the gaming industry remains high, as 81 percent of Americans think casino gaming is an acceptable activity for themselves or others.

In addition, this year's report takes a look at economic contributions of the gaming equipment manufacturing sector while examining casino visitation and social acceptance. Notably, data shows that the total direct economic output of the gaming equipment manufacturing sector was \$12.1 billion in 2009, a 4.7 percent decrease from 2008, while employing over 30,000 people who earned \$2.1 billion in wages.

According to the report, in 2009, the racetrack casino sector continued to grow with gross gaming revenues of \$6.40 billion, a 5 percent increase from 2008. In addition, race track casinos generated tax receipts of \$2.63 billion in 2009, employing over 29,025 people.

Figures reported by the AGA's *State of the States* report for the state of Michigan's three commercial casinos in Detroit note the following statistics for 2009: 8,122 people were directly employed; \$320.01 million in gaming taxes were paid to the state of Michigan and city of Detroit; and \$452.83 million was paid in employee wages. As a whole, the three Detroit Casinos generated \$1.339 billion in total revenue, ranking them fifth nationally in total revenue in 2009.

To obtain a complete copy of the survey please visit the AGA's website at www.americangaming.org.

MICHIGAN GAMING CONTROL BOARD RELEASES 2009 ANNUAL REPORT

During mid-April, 2010 the Michigan Gaming Control Board ("MGCB") issued its 2009 Annual Report to the Governor. The Annual Report includes an updated progress report on the implementation, licensure, and regulation of authorized commercial casino gaming in the City of Detroit, and oversight of the Native American Class III Casinos located in Michigan.

Mr. Richard S. Kalm, Executive Director of the

MGCB stated in the Annual Report, "[t]he continuing transition of this agency is our commitment to safe, secure, and efficient operations which remains a primary goal. We began a transformation of the agency in late 2007. The staff and reorganization continued throughout 2008 and the restructuring plans were developed in 2009. The final phase of our agency's restructuring and reorganization will be realized in early 2010."

Some of the highlights of the activities of the state agency include:

- In 2009, the Records Section process the following:
 - 485 Freedom of Information Requests processed;
 - 563,552 Pages posted to the agency document management system;
 - 37,912 Batches scanned
 - 9,187 Audit records filed
 - 1,132 New applications added to the agency document management system;
 - 3,144 Renewal applications added to the agency document management system; and
 - 9,747 Compliance records filed
- In 2009, the Michigan Department of Information Technology completed the "Rap Back" system which syncs the MGCB servers with the Michigan State Police Central Records servers. If or when any occupational licensee is arrested, the MGCB Employee Licensing Section personnel are notified of the arrest.
- In 2009, the 1998 Tribal-State compacts were amended with the following Michigan Tribes:
 - The Little River Band of Ottawa Indian Tribe;
 - The Little Traverse Bay Bands of Odawa Indian Tribe;
 - The Pokagon Band of Potawatomi Indian Tribe; and
 - The Nottawaseppi Huron Potawatomi Tribe.
- In 2009, the MGCB Employee Licensing Section processed the following:
 - Accepted 4,293 applications for occupational license;
 - Completed 1,396 background investigations for occupational license applications;
 - Completed 2,967 occupational license renewal investigations

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- During 2009, the MGCB Gaming Lab resolved 2,228 gaming device submissions, tests and reports and processed 209 casino internal control change requests and assignments.
- In calendar year 2009, the Board approved 273 applications from individuals requesting inclusion on the Disassociated Persons List. Since its inception in 2000, the Board has placed 2,330 individuals on the self-exclusion list.
- The Enforcement Division maintains a presence in each of the casinos 24/7. Specifically, it investigated and resolved 84 patron complaints regarding the conduct of gambling at Detroit casinos.
- At the end of 2008, the MGCB Casino & Service Industry Section, through the executive director, issued 3,161 active Vendor Exemptions and completed 25 Transfers of Interest.

The MGCB also adopted one resolution in calendar year 2009. Resolution No. 2009-01 (Adopted 9/8/2009) – A Board Resolution regarding Vendor Exemptions and Waivers from Supplier-Licensing Requirements pursuant to Rule 432.1322(4) and Rule 432.1223 and the Delegation of Authority to the Executive Director.

For a complete copy of the MGCB 2009 Annual Report, please visit: <http://www.michigan.gov/mgcb/>.

INTERVIEW WITH CAESARS WINDSOR CASINO SPOKESPERSON HOLLY WARD

Holly Ward is the Director of Communications and Community Affairs for Caesars Windsor. In this role, Holly is the company's spokesperson and is responsible for all external and internal communications including public relations activities, various employee publications and the Caesars Windsor Corporate Giving Program. Prior to joining Windsor Casino Limited in 1999, Holly

held various public relations and journalist positions in Windsor, London and Toronto.

Ms. Ward recently met with *Michigan Gaming Newsletter* Reporter Blaine DeGracia. Below, please find the questions asked and responses given by Ms. Ward. You can learn more about Caesars Windsor Casino at: www.caesarswindsor.com.

If you would like to participate in a future interview, please contact Mr. DeGracia online at info@michingangaming.com.

Q: In your opinion, what is the general outlook on the Detroit/Windsor casino gaming market? What are the biggest challenges the market is seeing, not only today, but also as we progress through 2010?

A: The Detroit/Windsor gaming market continues to be very competitive with each of the properties offering unique amenities to leverage over the other casinos. Consumers are now more selective with their entertainment budget, so it's important to offer attractive amenities that will encourage them to keep returning. At Caesars Windsor, we are seeing great success with our concert nights in the Colosseum and have offered major headline entertainment since we opened our 5,000 seat venue in 2008. Entertainers such as Celine Dion, Billy Joel, Chris Rock, Jay Leno, Ringo Starr, KISS and Alan Jackson have all been featured on our stage.

Q: What has Caesars Windsor done, or does it plan to do in the future, to evolve and stay one step ahead of the game in order to survive the harsh economic times that currently plague the casino gaming industry? Specifically, what has your casino property done in the past to keep a competitive advantage in the Detroit/Windsor casino market?

A: Being the largest casino resort in the market under the world-renowned Caesars brand name gives us a competitive edge. Also, the major entertainers we feature in the Colosseum continue to attract crowds on our busy concert nights. We also offer the number one gaming loyalty card in the industry; the Total Rewards program from Harrah's Entertainment which has 40 million

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members world-wide. With a Total Rewards card, guests can earn Reward Credits for not only their gambling spend, but also on non-gaming purchases such as meals, hotel stays and concert tickets. Earning comps for non-gaming purchases is a unique advantage Caesars Windsor has over the Detroit casinos. Reward Credits can be redeemed for comps not only at Caesars Windsor, but at the 40 Harrah's Entertainment properties across North America.

Caesars Windsor also provides a superior level of service to our guests to foster loyalty. We see the results in the glowing reports we receive from our customer survey program called "Total Service." At the end of the day, a table game is a table game, a slot machine is a slot machine so it's extremely important that you're offering a memorable entertainment experience for each and every guest. Our goal is to always make our guests feel like royalty when they visit – for every individual to feel like a Caesar.

Q: The 2010 schedule of concerts at Caesars Windsor includes many well known stars, how has the performance center assisted Caesars Windsor? What is planned for the future?

A: Caesars Windsor will continue to leverage the Colosseum to attract guests with a full entertainment line up with major performers. This summer, we will offer the following:

- Earth Wind and Fire: Friday, June 4
- Playboy 50th Anniversary Party: Thursday, June 10
- Creedence Clearwater Revisited: Friday, June 11
- New Kids on the Block: Saturday, June 12
- Jethro Tull: Saturday, June 19
- Paul Anka: Saturday, June 26
- Russell Peters: Saturday, July 3
- Counting Crows: Thursday, July 8
- John Mellencamp: Thursday, July 15
- Ringo Starr and his All Starr band: Friday, July 23
- Al Green: Friday, July 30
- Clay Aiken & Ruben Studdard: Thursday, August 5
- Divas Las Vegas starring Frank Marino: Saturday, August 7
- Tony Bennett: Sunday, August 8

Q: Following the 2009 Canadian Gaming Summit and the introduction of new technologies, what role have new technologies played in the success of your casino property

and what can casino patrons expect to see during 2010 and beyond?

A: Like any business, it's always important to stay on the leading edge of technology and offer your guests the latest games and conveniences available. Given the competitive nature of our market, I can't disclose what our specific plans are for the future, but we always ensure we are exceeding our guest expectations.

Q: How has your affiliation with the Caesars brand affected different facets of your casino property?

A: Offering world-class luxuries, headline entertainment, the Total Rewards loyalty program, the World Series of Poker and superior service are all trademarks of the Caesars brand that we offer here at Caesars Windsor. The Caesars brand is all about being big and bold and we certainly have achieved that on our property with 758 hotel rooms, 100,000 square feet of convention space, a 5,000 seat entertainment theatre and two gaming floors. We are the only Caesars property outside of the United States and we are the largest casino resort in Canada.

When we were preparing to rebrand our property to Caesars Windsor from Casino Windsor we examined all areas of our operations from the thread count in our bed linens to how we greeted guests at valet – every facet of our operations was burnished with the Caesars brand. Not only were we changing the signs on the building and putting in fancy carpet and larger-than life statuary, we became focused on delivering the Caesars experience to every guest. Our staff went through extensive "brand boot camp" training so they could learn what it means to extend the legendary namesake from the Las Vegas strip to our guests here in Windsor. We have brand standards that apply to every employee and we carefully measure how well we are "delivering the brand" through weekly customer service surveys. We're very proud of our achievements on the service side of our operations and continue to exceed our guests' expectations, evident in the survey results and the positive comments we receive.