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

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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JANUARY, 2012

The Michigan Gaming Control Board (“MGCB” or “Board”) released the January, 2012 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue for the Detroit Market was down 0.8% in January, 2012 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino and MotorCity Casino was down by 1.7% and 5.1%, respectively, while revenue for Greektown Casino was up by 7.0% in comparison to the same month last year.

Month in 2012	Total Adjusted Revenue 2012		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$47,869,082.24	\$36,708,630.10	\$29,607,452.04
<b>Total</b>	<b>\$47,869,082.24</b>	<b>\$36,708,630.10</b>	<b>\$29,607,452.04</b>

Month in 2012	Total Adjusted Revenue 2012		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$114,185,164.38	\$9,248,998.32	\$12,446,182.92
<b>Total</b>	<b>\$114,185,164.38</b>	<b>\$9,248,998.32</b>	<b>\$12,446,182.92</b>

The market shares for MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino for the month of January, 2012 were 42%, 32% and 26%, respectively.

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.

Notably, aggregate revenue for all three Detroit casinos for the year ending December 31, 2011, was up by 3.4% to \$1.4 billion when compared to 2010. Specifically, revenue for MGM, MotorCity, and Greektown was up by 3.1%, 5.7% and 0.9%, respectively, compared to 2010.

The figures released by the Michigan Gaming Control 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, service providers or vendors; and 4) other normal business expenses.

## LANSING CASINO PROJECT UPDATE

On February 21, 2012, the Lansing Economic Development Corporation (“LEDC”) voted 6-0 to support an agreement between the Sault Ste. Marie Tribe of Chippewa Indians (“Tribe”) and the City of Lansing (“City”) to allow the Tribe to develop a casino in downtown Lansing. As part of the agreement, the LEDC may sell a parcel of land to the Tribe for the purposes of developing the casino.

The Lansing City Council, however, has yet to approve agreements between the Tribe and the City as to the allocation of public utilities and resources to the proposed casino. *The Lansing State Journal* has reported that the Tribe’s attorney, Mr. John Wernet, has informed the Council that these agreements are confidential and can only be released after authorized by the Tribe and the casino developers. Mr. Wernet also stated that jobs at the casino would be open for Lansing residents despite a tribal preference in hiring. The council has scheduled public hearings on the proposed plans for March 12.

### *Opposition to Casino Plans*

On February 7, 2012, Governor Rick Snyder and Attorney General Bill Schuette issued a joint letter to Lansing Mayor Virg Bernero and the Tribe

stating the Governor’s opposition to the tribal casino that has been proposed for the City .

The letter outlines the state’s position regarding the legal basis for the potential casino announced by the Tribe and City in late January and can be read by [clicking here](#).

The state has indicated that the proposed casino could possibly conflict with existing Tribal gaming compacts entered into with Native American Tribes in the state.

The letter concludes by stating that the state “will take whatever steps are necessary to prevent the opening of the proposed casino, and if the City persists in these efforts, it does so at its own risk.”

### *City and Tribe Position*

On January 23, 2012, the Tribe announced that it is seeking to create a gaming facility in downtown Lansing with the capacity for up to 3,000 slot machines and 48 table games. The project is supported by Lansing Mayor Virg Bernero, who has cited that the facility could substantially contribute to the state and city’s tax base and provide a scholarship fund for local students.

The City and Tribe have stated that their legal teams have reviewed the proposed plan and found that it is consistent with federal and state legal provisions. In addition, both the City and Tribe have stated that the casino project would create approximately 1,500 permanent jobs, provide local revenue sharing payments to the City and related units of government, and draw increased tourism to the area.

If approval is received by the Lansing City Council, the Tribe will move forward with filing the necessary documentation and applications for an off-reservation gaming expansion with the Department of the Interior. The Secretary of the Interior would then need to take the land in downtown Lansing into trust for the benefit of the tribe after determining that the Tribe would be eligible to open a casino at the location. Finally, the Tribe must reach an agreement with the Governor regarding the scope and operations of the gaming activity to be conducted prior to the opening of the casino.

*(Continued on page 3)*

## TODAY: FREE ONLINE WEBINAR— ARE YOU READY FOR FINCEN AND IRS CHANGES?

This Thursday, February 23, 2012, Resort Advantage will be hosting Part 2 of its free Winter Webinar Series, which seeks to address critical FinCEN and IRS Reporting Requirements for the casino gaming industry. “Are You Ready for FinCEN and IRS Changes? - Preparation for e-Filing Transition” will cover pertinent transition deadlines, legal impacts for failing to meet deadlines, training, and ideas for creating a detailed transition plan for companies.

The webinar series will include industry experts from Convey Compliance, Dowling Advisory Group and Regulatory Management Counselors, P.C.

During this webinar, a panel of industry experts will be on hand to share real-world experiences with properties that have completed the transition to the new electronic filing process. They will provide best practices on how to perform a smooth transition as well as provide a sample transition plan to assist in a property’s compliance, audit and IT staff.

Series Part 1: “2012 FinCEN and IRS Reporting Requirements—What You Will Need!” focused on compliance reporting requirements for 2012 and how they will impact the regulatory procedures and controls within the following four areas: 1-Persons doing business at the property; 2-Forms management / electronic submission; 3-Staff regulatory knowledge; and 4-Reporting / auditing requirements. The seminar can be viewed online at the link provided at the end of this article.

Persons who should consider attending the webinar Series include casino operators, compliance managers and directors, accountants, regulators and lawyers.

To register for the free online Webinar Series, or to view the December 8th presentation, please visit: <http://resort-advantage.com/events-news/events-webinars/2012-winter-webinar-series-part-1.html>

## AGEM ANNOUNCES NEW MEMBERS JOIN ORGANIZATION

The Association of Gaming Equipment Manufacturers (AGEM) announced last week that its Board of Directors has approved the membership applications of six new companies. The new additions brings total AGEM membership to 118 members.

The new AGEM members are listed below.

- Grand Products Nevada, LLC, based in Las Vegas, is an electronic contract manufacturing company specializing in cable harness manufacturing, circuit board assembly, electromechanical sub-assembly and final assembly for the gaming, amusement and other industries.
- Kontron, based in Poway, Calif., ranks as one of the world's largest manufacturers of embedded computer technology, specializing in graphics performance, processor power, [data security](#) and system integration for leading OEMs, system integrators and application providers in a variety of industries including gaming and entertainment.
- Litemax Technology, based in Taiwan with U.S. headquarters in Fremont, Calif., is a high bright manufacturer offering a wide range of displays and form factors for the gaming industry, including full customization and touch-screen capabilities designed to improve image clarity and video content.
- Tech Results, based in Las Vegas, specializes in delivering best-in-class customer service and strong [business](#) intelligence and customer relationship management solutions for the hospitality and gaming industries.
- Video Gaming Technologies, Inc. (VGT), headquartered in Brentwood, Tenn., is one of the leading manufacturers of games for Class II and is also emerging into other markets. VGT is the largest privately owned video gaming terminal manufacturer in the U.S.
- Warrior Gaming Associates, based in Las Vegas with a manufacturing facility in Canada, is a manufacturer and distributor of slot machines and also offers a wide array of consulting and managements services.

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AGEM is an international trade association comprised of the world's leading gaming suppliers and works to further the interests of gaming equipment manufacturers and suppliers.

For more information on AGEM and its members, please visit [www.AGEM.org](http://www.AGEM.org).

## **iGAMING NORTH AMERICA CONFERENCE—MARCH 4-6**

The second annual iGaming North America Conference will be held May 4-6, 2012 at the Planet Hollywood Resort & Casino in Las Vegas, Nevada. The show is designed to introduce the land-based gaming businesses of North America to the global iGaming industry.

The goal of the conference is to educate and increase understanding regarding the potential regulatory impacts of internet gambling in the U.S. and Canada, and to provide critical information regarding the players, resources, legislative framework and topics that are important to the commercial gaming segment. Last year's conference had 300 delegates from many of the major land based and Internet gaming companies. Conference organizers feel that regulation in the U.S. and Canadian markets appears imminent as several bills for regulation are pending in various jurisdictions. Other focus points of the conference include commercial success, technology and geolocation issues, and opportunities surrounding iGaming that are not well understood by many of those in the traditional gaming industry in North America.

"With the surge in activity at both the state/provincial as well as federal levels, the time is right for all of the operators, consultants, vendors and suppliers focused on the North American audience to come together for this important informational event," stated Anthony Cabot, Partner at Lewis and Roca.

Organizers BolaVerde Media Group, Lewis & Roca, and The Innovation Group have taken a new approach in designing the curriculum as a "boot camp" for entrants into the North American iGaming markets. The event will provide education and training to prospective participants

in the regulated U.S. and Canadian Internet gaming market. The aim of the program is to provide attendees a roadmap and the tools necessary to get from Point A (regulatory approval) to Point B (launch) with a firm handle on capital, staffing, marketing and operational needs.

Those who should consider attending include:

- Existing land-based (commercial and Native American/First Nation) operators
- iGaming operators and associations
- Lottery, racing, sports betting and skill game representatives
- Government entities and regulators Industry vendors and suppliers
- Law firms Financial institutions
- Accountants and consulting firms
- I.T. and software providers Marketing, media and communications firms
- Other individuals and organizations interested in learning about the potential for legalized iGaming in North America

A list of the speakers and sessions can be found at: <http://igamingnorthamerica.com>.

For more information, visit: [www.igamingnorthamerica.com](http://www.igamingnorthamerica.com).