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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MARCH, 2013

The Michigan Gaming Control Board (“MGCB” or “Board”) released the March, 2013 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 0.4% in March, 2013 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino was down by 5.0%, while revenue for MotorCity Casino and Greektown Casino was up 5.1% and 0.3% respectively during March, 2013 in comparison to the same month last year.

Month in 2013	Total Adjusted Revenue 2013		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$45,053,237.92	\$35,104,651.68	\$26,014,038.75
February	\$46,465,030.58	\$38,280,263.88	\$26,554,877.16
March	\$54,317,934.38	\$45,753,508.81	\$34,689,130.33
Total	\$145,836,202.88	\$119,138,424.37	\$87,258,046.24

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.

The market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for March 2013 were 40%, 34%, and 26% respectively.

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Month in 2013	Total Adjusted Revenue and Taxes 2013		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$106,171,928.35	\$8,599,926.20	\$11,572,740.19
February	\$111,300,171.62	\$9,015,313.90	\$12,131,718.71
March	\$134,760,573.52	\$10,915,606.46	\$14,688,902.51
Total	\$352,232,673.49	\$28,530,846.55	\$38,393,361.41

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.

HON. BENJAMIN FRIEDMAN STEPS DOWN FROM MGCB BOARD; RECOGNIZED FOR DISTINGUISHED AND HONORABLE SERVICE TO STATE

After nearly eight years of service, Judge Benjamin Friedman retired from the Michigan Gaming Control Board (MGCB) at the end of 2012. Hon. Friedman was honored at this week’s MGCB meeting with Resolution No. 2013-01, which commends him for his distinguished and honorable service to the Board and the People of the State of Michigan.

Initially appointed on February 6, 2004 by former Governor Jennifer Granholm, Hon. Friedman succeeded Mr. Roman Gribbs whose term had expired. Hon. Friedman was reappointed to a second term that expired December 31, 2011, at which time he was reappointed for a third term by Governor Rick Snyder that expired on December 31, 2012.

MGCB Resolution No. 2013-01 thanks Hon. Friedman’ for his “dedication, integrity, fairness, astute leadership, keen insight, and prudent judgment as a member of the Michigan Gaming Control Board ... [and is] recognized and respected by his colleagues, members of the Board, and by the people of [the state of Michigan].

The Resolution continues: “Michigan Gaming Control Board hereby acknowledges and commends Benjamin J. Friedman for his diligent public service and many valuable contributions and accomplishments from February 2004 through December 2012, and extends to him our thanks and very best wishes for continued happiness, success and fulfillment in all his future endeavors.

Hon. Friedman of Huntington Woods is a partner at the Friedman & Lichterman, P.C. law firm. Prior to his role on the MGCB Board, Hon. Friedman was a 45B District Court judge.



(Left) Hon. Friedman and (Right) MGCB Executive Director, Richard Kalm

MGCB APPROVES TRANSFERS OF INTEREST IN GREEKTOWN CASINO; FINDS DAN GILBERT, MATT CULLEN AND ATHENS ACQUISITION SUITABLE FOR LICENSURE

At its public meeting on April 9, 2013, the Michigan Gaming Control Board (“MGCB”) unanimously voted to approve the qualification and transfer of interest application for Athens Acquisition, LLC (“Athens”), the company owned by Dan Gilbert that has agreed to purchase a majority interest in Greektown Superholdings, Inc. (“Greektown”), the ultimate parent company of Greektown Casino-Hotel. In addition, the MGCB found Athens, Mr. Gilbert and Matt Cullen eligible and suitable for licensure under the Michigan Gaming Control and Revenue Act. Athens filed documentation with the Securities and Exchange Commission on February 8, 2013, indicating that the company had acquired 76.8% of the voting securities of Greektown.

The MGCB’s approval clears the way for Athens to close on its purchase of the majority stake in Greektown, something that Mr. Cullen told the MGCB would likely happen within a week.

Mr. Gilbert and Mr. Cullen are also associated with Rock Gaming, LLC, an entity that owns majority stakes in two commercial casinos in Ohio, the Horseshoe Casino Cleveland and Horseshoe Casino Cincinnati, and is also involved in the development of a Horseshoe Casino in Baltimore, Maryland, which is expected to be completed in 2014.

MICHIGAN LEGISLATIVE UPDATE

Since beginning the 2013-2014 session, the Michigan legislature has introduced the following bills, summarized below, that would affect gaming activity in the state if passed.

[House Bill 4531 \(HB 4531\) / Senate Bill 0294 \(SB 0294\)](#) – HB 4531 was introduced on April 10, 2013 by Representative Kevin Cotter (R-Isabella/Midland County). On the same day, a concurrent bill was introduced in the Senate containing the

same language by Senator Rick Jones (R-Allegan/Barry/Eaton County). The legislation, if passed, would amend the McCauley-Traxler-Law-Bowman-McNeely Lottery Act (“Lottery Act”) to prohibit the sale of lottery tickets over the Internet. Notably, the Michigan Lottery is currently reviewing proposals received in response to an RFP issued on January 8, 2013 seeking a partner to develop an online lottery sales program.

The bills propose an amendment to the Lottery Act that would include the provision that “[T]he Commissioner shall not allow tickets or shares in the state lottery to be sold over the Internet.” If passed, the legislation would arguably prevent the state lottery from moving forward with developing an online sales platform, as contemplated in the January RFP. Currently, the state lottery is reviewing responses to the RFP received from potential partners and expects to announce the winning bid on May 17, 2013. Thereafter, the state lottery would work with the online partner to develop an online sales system that is expected to be operational by late-January, 2014.

HB 4531 was referred to the House Committee on Government Operations on April 10, 2013. SB 0294 was referred to the Senate Committee on Regulatory Reform, also on April 10, 2013.

[House Bill 4361 \(HB 4361\)](#) – HB 4361 was introduced on March 5, 2013 by Representative Roger Victory (R-Hudsonville). The legislation aims to provide penalties for Michigan lottery sales licensees that exchange lottery tickets for food assistance program benefits. If passed, those holding a lottery license that participate in such conduct would be subject to a license suspension or revocation.

The bill would provide for licensing actions against licensees that are convicted of violations or administratively disqualified from acting as a merchant under the Food and Nutrition Act of 2008 because the licensee accepted food assistance benefits in exchange for lottery products. First time violators would face a 60-day license suspension, while repeat offenders would result in a license revocation.

HB 4361 was referred to the House Committee on Regulatory Reform on March 5, 2013.

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REGISTER NOW: TITLE 31 COMPLIANCE WEBINAR - A CASE STUDY

On April 17, 2013, the first of a two-part Title 31 Compliance Webinar series will be presented by casino industry professionals working together to enhance the casino industry's awareness of the Federal Anti-Money Laundering (AML) regulations. The series has been organized by the State Gaming Associations in Colorado, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, and Nevada.

Part one of the series, *A Casino Case Study*, has been assembled by industry experts in Anti-Money Laundering with the goal of exploring a real-life Casino AML audit case that resulted in penalties and fines by the Financial Crimes Enforcement Network (FinCEN). During the case study, presenters will highlight basic regulatory requirements to ensure compliance with FinCEN and IRS guidelines. The second part of the series, *Developing a Comprehensive Compliance Plan*, will look at suggestive systems to help ensure your casino meets the standards set forth by FinCEN and the IRS. See below for further details regarding Part One and Part Two of the webinar series.

Part 1 – A Casino Case Study

Cost: Free to *Michigan Gaming Newsletter* subscribers - \$50 for non-subscribers

April 17, 2013 from 2-3 p.m. EST

- Background Summary of the Case Study Scenario
- Common Regulatory and Internal Control Violations
- Culpability of Executives and Management teams
- Attendees will be Encouraged to Submit Written Questions to be Answered in Webinar

Part 2 – Developing a Comprehensive Compliance Program

Cost: Free to *Michigan Gaming Newsletter* subscribers - \$50 for non-subscribers

May 22, 2013 from 2-3 p.m. EST

- Introduction into a Comprehensive Compliance Program
- A Compliance Program's Impact on Operations
- A Walk-through of Proper Form Filing Procedures
- Experience with Common Technical Difficulties and Troubleshooting Procedures
- Written Q & A Session Directed at Answering Specific Attendee Questions Submitted From Series One

[Click Here to Register](#) or visit www.casinowebinar.com for more information.

MIDWEST GAMING SUMMIT TO BE HELD JUNE 3-4

The inaugural Midwest Gaming Summit conference will be held on June 3-4, 2013 at the Westin O'Hare in Rosemont, Illinois. It is one of BNP Media Gaming Group's six gaming tradeshows scheduled for this year and focuses on casino markets in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

The conference seeks to offer a comprehensive, in-depth view of the opportunities and challenges associated with significant gaming expansion in jurisdictions across the Midwest.

The Midwest Gaming Summit will start with an opening night reception on Monday, June 3, followed by a full day of conference sessions, and two keynote presentations; an opening keynote by David Patent, President and Chief Operating Officer, Rush Street Gaming, and a luncheon speech by Louis I. Lang, Illinois State Representative and Deputy Majority Leader (D-Skokie). Session topics include:

- Regional Round-up: The Casino Operators View
- Midwest Gaming by the Numbers
- The Illinois Video Gaming Market
- The Midwest Gaming Marketing Challenge

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- The Politics of Gaming in the Midwest

see www.midwestgamingsummit.com.

"As states look to gaming for new sources of revenue, jurisdictions across the Midwest are facing the same basic question: What forms of legislation and regulation are most likely to produce optimal results for all industry stakeholders?" said Randy Green, Group Publisher, BNP Media Gaming Group, the Summit's presenter. "The Midwest Gaming Summit will offer attendees answers to that question from a variety of perspectives, as well as offer a premiere networking environment for gaming professionals in the region."

BNP Meida Gaming Group's 2013 dates and venues for each event are as follows:

- **Gaming Technology Summit**, March 11-13, Green Valley Ranch Resort and Spa, Las Vegas, NV (www.gametechsummit.com)
- **Southern Gaming Summit / BingoWorld**, May 7-9, Mississippi Coliseum and Convention Center, Biloxi, MS (www.sgsummit.com)
- **Midwest Gaming Summit**, June 3-4, Westin O'Hare, Rosemont, IL (www.midwestgamingsummit.com)
- **Host Development Conference**, July 22-23, Paris, Las Vegas, NV (www.hostdevelopmentconf.com)
- **Casino Marketing Conference**, July 23-25, 2013, Paris, Las Vegas, NV (www.casinomarketingconf.com)
- **Cutting Edge Table Games Conference**, December 2013, Las Vegas, NV (www.tablegamesconf.com)

"The addition of the Midwest Gaming Summit to our product mix will keep our event offering current and in step wit the latest developments in gaming," said Randy Green, Group Publisher, BNP Media Gaming Group. "We have enjoyed great success with our events this year and have an established reputation as the first-rate producer of gaming events generally. We are confident that this addition to the gaming calendar will be produced in line with the excellent standards and deliver the high levels of value that our attendees, exhibitors and sponsors have come to expect of us over the years."

For a full list of speakers, as well as full details on how to register and every other aspect of the event,