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The MICHIGAN GAMING Newsletter



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

The Michigan Gaming Control Board (“MGCB” or “Board”) released the February, 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 13.7% in February, 2013 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino MotorCity Casino and Greektown Casino was down by 13.1%, 10.8% and 18.4%, respectively during February, 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
Total	\$91,518,268.50	\$73,384,915.56	\$52,568,915.91

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
Total	\$217,472,099.97	\$17,615,240.10	\$23,704,458.90

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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 February 2013 were 42%, 34%, and 24% respectfully.

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.

MICHIGAN LEGISLATIVE UPDATE - LOTTERY LICENSE LEGISLATION INTRODUCED

On March 5, 2013, State Representative Roger Victory (R-Hudsonville) introduced legislation that, if passed, would provide penalties for Michigan lottery sales licensees that exchange lottery tickets for food assistance program benefits. The legislation, [House Bill 4361](#) (“HB 4361”) provides that those holding a lottery license that participate in such conduct would be subject to a suspension or revocation of their lottery license.

The bill would provide for licensing actions for lottery licensees that are convicted of or administratively disqualified from acting as a merchant under the Food and Nutrition Act of 2008 because of certain transactions. These transactions include those that involve allowing food assistance program benefits to be used for items other than eligible foods and that are “related to the sale of a lottery ticket under the lottery sales license.” First time violators would be subject to a 60-day license suspension and multiple infractions would result in a license revocation.

The language of the bill, along with other procedural information, can be found at the Michigan legislature’s website by [clicking here](#).

NEW JERSEY GOVERNOR CHRIS CHRISTIE APPEALS SPORTS WAGERING RULING

On Wednesday March 13, 2013, New Jersey Governor Chris Christie, along with the other defendants in the federal lawsuit filed by professional sports leagues (the NFL, NBA, NHL and Major League Baseball) and the NCAA challenging the recently enacted New Jersey sports wagering law, filed respective Notices of Appeal related to the U.S. District Court’s recent decision issuing a permanent injunction barring New Jersey from implementing its sports wagering scheme. See “U.S. District Court Issues Ruling in New Jersey Sports Wagering Case”, *Michigan Gaming Newsletter*, Vol. 19, Issue 5, March 1, 2013. Joining Governor Christie in the appeal are David Rebuck, Director of the New Jersey Division of Gaming Enforcement, Frank Zanzuccki, Executive Director of the New Jersey Racing Commission, Stephen Sweeney, President of the New Jersey Senate, Shelia Oliver, Speaker of the New Jersey General Assembly and the New Jersey Thoroughbred Horseman’s Association.

The case will now move to the United States Court of Appeals for the Third Circuit in Philadelphia that will review, among other issues, the District Court’s decision upholding the constitutionality of the Professional and Sports Protection Act (“PASPA”), the federal law prohibits the expansion of sports wagering outside of the licensed Nevada sports books and certain limited lottery games and non-banking sports pools previously authorized in Oregon, Delaware, and Montana. The State of New Jersey contends that PASPA is unconstitutional in a number of respects, in part, because it prohibits sports wagering in 46 of the states, yet “grandfathered in” certain sports wagering schemes in the four other states.

Many in the gaming industry have predicted that this could potentially create issues that need to be resolved at the United States Supreme Court level. Governor Christie has said publicly that he will indeed appeal to the Supreme Court, if necessary.