

November 21, 2014

Volume 20, Issue 32

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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR OCTOBER, 2014

The Michigan Gaming Control Board (“MGCB” or “Board”) released the October, 2014 total adjusted revenue figures for the three Detroit casinos—MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, the revenue for the Detroit market was up 6.6% compared to the same reporting period last year. Through October 31, the Detroit casinos’ year-to-date aggregate revenue was down 2.0%. Specifically, revenue for MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino was up 15%, 7.4%, and 1.6% respectively, during October 2014

Month in 2014	Total Adjusted Revenue 2014		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$41,231,507.57	\$31,710,276.19	\$23,106,523.77
February	\$47,575,032.11	\$37,245,026.02	\$25,788,555.32
March	\$50,756,665.25	\$42,961,184.96	\$31,218,833.96
April	\$46,974,038.53	\$38,240,494.81	\$27,058,910.49
May	\$47,385,946.12	\$39,070,816.47	\$28,051,733.40
June	\$49,682,916.37	\$34,026,664.62	\$25,298,039.91
July	\$46,343,669.19	\$36,460,812.42	\$28,531,147.02
August	\$47,205,939.88	\$37,911,812.76	\$27,545,154.13
September	\$43,262,784.01	\$33,252,420.87	\$26,596,444.33
October	\$47,044,684.28	\$37,675,876.39	\$28,654,577.50
<b>Total</b>	<b>\$467,463,183.31</b>	<b>\$368,555,385.51</b>	<b>\$271,849,919.83</b>

Month in 2014	Total Adjusted Revenue and Taxes 2014		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$96,048,307.53	\$7,779,912.91	\$10,469,265.52
February	\$110,608,613.45	\$8,959,297.69	\$12,056,338.87
March	\$124,936,684.17	\$10,119,871.42	\$13,618,098.57
April	\$112,273,443.83	\$9,094,148.95	\$12,237,805.38
May	\$114,508,495.99	\$9,275,188.18	\$12,481,426.06
June	\$109,007,620.90	\$8,829,617.29	\$11,881,830.68
July	\$111,335,628.63	\$9,018,185.92	\$12,135,583.52
August	\$112,662,906.77	\$9,125,695.45	\$12,280,256.84
September	\$103,111,649.21	\$8,352,043.59	\$11,239,169.76
October	\$113,375,138.17	\$9,183,386.19	\$12,357,890.06
<b>Total</b>	<b>\$1,107,868,488.65</b>	<b>\$89,737,347.58</b>	<b>\$120,757,665.26</b>

when compared to the same month last year.

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 October 2014 were 42%, 33%, and 25%, respectively.

The figures released by the 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, services providers or vendors; and 4) other normal business expenses.

## SAGINAW CHIPPEWA TRIBE MAKES 2% PAYMENTS

On Thursday, November 21, 2014, the Saginaw Chippewa Indian Tribe (“Tribe”) made its 2% distribution to local units of government from funds derived from its Class III gaming operations at the Soaring Eagle Casino & Resort and the Saganing Landing Casino. This year’s payments totaled \$2,139,786.70 in Isabella County and \$739,556.68 in Arenac and Northern Bay County.

In total, Isabella County local units of government and public schools submitted 322 funding requests totaling \$8,403,889.27 and Arenac and Northern Bay County local units of government and public schools submitted 79 requests totaling 1,837,601.60.

“Clearly the need is very apparent in the number of requests being submitted. The Tribal Council is very

proud that we can be part of satisfying some of these requests and we only wish we could fun each and every one,” stated Tribal Council Treasurer, Shelly Foster.

The 2% payments are made annually according to the Tribe’s compact with the state of Michigan, which was entered into in 1993.

## **NEW JERSEY CONFIRMS IT IS ACCEPTING SKILL-BASED GAMING APPLICATIONS**

On October 14, 2014, the New Jersey Office of the Attorney General issued a press release confirming that the New Jersey Division of Gaming Enforcement is currently authorized to accept skill-based gaming applications for review under the NJ First program. Such a submission review process will be expedited according to New Jersey Public Law 2011, Chapter 19, C.5:12-100(e)(5), which states:

*Any new gaming equipment or simulcast wagering equipment that is submitted for testing to the division or to an independent testing laboratory licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) prior to or simultaneously with submission of such new equipment for testing in a jurisdiction other than New Jersey, may, consistent with regulations promulgated by the division, be deployed by a casino licensee on the casino floor 14 days after submission of such equipment for testing. If the casino or casino service industry enterprise licensee has not received approval for the equipment 14 days after submission for testing, any interested casino licensee may, consistent with division regulations, deploy the equipment on a field test basis, unless otherwise directed by the director.*

The NJ First program seeks to revitalize the gaming and tourism industries in Atlantic City.

The law provides a provision allowing gaming products, which are submitted to New Jersey prior to or simultaneously with any other jurisdiction or testing lab, to be tested and, if approved, put onto the casino floor within 14 days. This is one of the most expedited game-approval processes in the country.

“Given the success of our New Jersey First program over the past 3 years, we have the fastest time to market for electronic gaming equipment anywhere in the country,” stated Division of Gaming Enforcement Director David Rebuck. “The Division is authorized to implement this approach and move forward with products. Bring your innovative skill-based games to New Jersey and we will work with you to get them approved quickly.”

The New Jersey Attorney General notes that the concept of combining skill-based and social elements to a casino game has broad-based appeal. Their aim is to integrate the style of social gaming into a gambling setting. New Jersey would most likely be the first state to implement these games into their casinos due to the “New Jersey First” provision.

## **ONTARIO PREPARES FOR ONLINE GAMING DEBUT**

On Tuesday, November 4, 2014, the Ontario Lottery and Gaming Corporation (“OLGC”) announced that certain lottery rewards program members have been selected to participate in a soft launch of its upcoming internet gaming platform. According to the OLGC, a full launch date has not yet been scheduled, but is expected to go live “in the coming weeks.”

The OLGC gaming system, titled “PlayOLG,” will be available to adults in Ontario and will offer a wide range of lottery and casino-style games for play over the internet. At launch, the OLGC will be offering slot games, table games such as blackjack, baccarat, and sic bo, as well as lottery sales. In the future, the OLGC plans to include online peer-to-peer poker, bingo, and sports wagering. The system will be operated by

GTECH, and features a number of unique responsible gaming tools to assist players in monitoring and limiting their gaming activity.

The OLGC has stated that it estimates that approximately 500,000 Ontario residents currently participate in “grey market” online gaming, spending an estimated \$400-500 million annually on such activities. With the launch of its PlayOLG system, the agency projects to repatriate approximately \$375 million in tax revenue to the province over the first five years of operation.

Online gaming options are currently available in several Canadian provinces under similar government regulated systems.

## **AGA LOOKS FORWARD TO PARTNERING WITH THE NBA, OTHERS TO THWART ILLEGAL GAMBLING**

Following National Basketball Association (“NBA”) Commissioner Adam Silver’s [New York Times op-ed on sports betting](#), the American Gaming Association (“AGA”) vocalized its willingness to partner with the NBA and others to fight illegal and unlicensed gambling in the United States.

The AGA notes that legal, regulated gambling protects the integrity of casinos and the millions of American consumers who enjoy it.

“Legal, regulated sports betting protects the integrity of casino games and the consumers who partake in them. In some cases, sports books in Nevada have even notified the FBI of unusual betting activity on sporting events that have led to convictions on match fixing,” stated AGA President and CEO Geoff Freeman. “In the coming months, the AGA will be working to identify the size and scope of illegal gambling in the United States and what can be done to address the issue at a federal and state level. The gaming industry is committed to thwarting illegal gambling wherever it occurs, and we look forward

to partnering with the NBA and others who share this goal.”

The AGA plans to utilize partnerships with third-party allies who share the AGA’s goals in an effort to develop solutions to these issues.

*The Michigan Gaming Newsletter would like to thank Austin Essenburg for his contributions to this Newsletter.*