

November 13, 2015

Volume 21, Issue 37

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A publication of
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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR OCTOBER 2015

The Michigan Gaming Control Board (“MGCB” or “Board”) released the October, 2015 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 down 0.5% compared to the same reporting period last year. Year-to-date aggregate revenue for the three Detroit casinos was up by 3.1 percent through October compared to the first ten months of 2014.

Month in 2015	Total Adjusted Revenue 2015		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$46,227,016.63	\$38,061,452.27	\$26,733,375.86
February	\$47,523,251.14	\$39,023,483.79	\$27,875,609.34
March	\$49,824,133.92	\$43,432,911.12	\$30,646,861.38
April	\$51,849,138.07	\$40,532,401.92	\$28,167,335.92
May	\$51,747,439.96	\$39,825,609.22	\$28,242,004.16
June	\$47,328,471.77	\$37,006,364.49	\$25,595,355.54
July	\$48,731,187.77	\$38,735,882.74	\$27,306,479.48
August	\$43,554,725.44	\$37,075,822.19	\$26,823,834.55
September	\$45,237,115.01	\$35,736,055.07	\$26,582,832.25
October	\$47,477,189.34	\$37,769,745.48	\$27,592,315.54
Total	\$479,499,669.05	\$387,199,728.29	\$275,566,004.02

Month in 2015	Total Adjusted Revenue and Taxes 2015		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$111,021,844.76	\$8,992,769.43	\$12,101,381.08
February	\$114,422,344.27	\$9,268,209.89	\$12,472,035.53
March	\$123,903,906.42	\$10,036,216.42	\$13,505,525.80
April	\$120,548,875.91	\$9,764,458.95	\$13,139,827.47
May	\$119,815,053.34	\$9,705,019.32	\$13,059,840.81
June	\$109,930,191.80	\$8,904,345.54	\$11,982,390.91
July	\$114,773,549.99	\$9,296,657.55	\$12,510,316.95
August	\$107,454,382.18	\$8,703,804.96	\$11,712,527.66
September	\$107,556,002.33	\$8,712,036.19	\$11,508,492.25
October	\$112,839,250.36	\$9,139,979.28	\$12,299,478.29
Total	\$1,142,265,401.36	\$92,523,497.51	\$124,506,928.75

Specifically, revenue for MGM Grand Detroit and MotorCity Casino was up by 0.9% and 0.3%, respectively while revenue for Greektown Casino was down 3.7%, during October, 2015 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 August 2015 were 42%, 34%, and 24%, 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.

DETROIT CASINOS CONTINUE UNION NEGOTIATIONS

Union negotiations between MGM Grand Detroit, MotorCity Casino, and Greektown Casino and the Detroit Casino Council will continue, with a bargaining session scheduled for next week. The Detroit Casino Council is a group representing workers in labor unions including members of UAW Local 7777, Unite Here Local 24, Teamsters Local 372, the Michigan Regional Council of Carpenters and Millwrights Local 687, and the International Union of Operating Engineers Local 324.

“The parties are negotiating in good faith and are committed to reaching an agreement that is beneficial for all,” stated Ms. Jacqui Woods, Vice President of Public Relations and Community Affairs for MotorCity Casino Hotel.

On its website, MGM Grand Detroit states: “We continue to negotiate for a contract that works for everyone.”

Similarly, Greektown Casino states the following on its website:

Throughout the upcoming contract negotiations, Greektown will work with Union leaders to negotiate a successor contract that works for everyone. Amid changing economic realities, our goal is to create an agreement that meets the current and future needs of our team members, the Unions, and Greektown. What happens during these negotiations will affect us all. We are all looking for a fair and successful outcome.

The negotiations involve over 6,000 employees at the three Detroit commercial casinos.

AGA ANNOUNCES ILLEGAL GAMBLING INITIATIVES

Yesterday, the American Gaming Association (“AGA”) announced that its Board of Directors issued a set of recommendations regarding the gaming industry’s approach to sports betting. Sports betting is currently illegal in all but four states (Nevada, Oregon, Delaware, and Montana).

According to the AGA, it will build a coalition that will seek to determine whether a rational alternative to current sports betting law is possible. The AGA states that the 2016 effort will include robust research, aggressive communications and partnerships with a variety of voices with interest in sports betting. Those voices will include, but not be limited to, gaming leaders, law enforcement officials, regulators, legislators and professional sports leagues.

AGA estimates that Americans will spend \$138.9 billion on illegal sports betting this year alone. On

the topic of daily fantasy sports, the AGA Board of Directors also made clear that the industry seeks legal clarity and adequate consumer protections. Further, if daily fantasy sports is a legal activity, the casino gaming industry should have the opportunity to participate and partner with daily fantasy sports providers.

“The culmination of a thorough process within our industry positions us to work with a wide variety of stakeholders who agree that rampant, unregulated and illegal sports betting is a threat to consumers and the sports we enjoy,” said Jim Murren, AGA chairman and MGM Resorts International chairman and CEO. “As the head of the largest private sector employer in Nevada, I’m confident that the entertainment experience we provide in Las Vegas – which is unmatched anywhere else in the world – can continue to excel even as our country takes a fresh look at our approach to sports betting.”

In addition, this week, the AGA announced that as part of its “Stop Illegal Gambling – Play it Safe” initiative, the Federal Bureau of Investigation (“FBI”) and the AGA are promoting efforts to combat illegal gambling in the United States. The FBI’s Internet Crime Complaint Center (IC3) online tool is a vehicle for the public to report tips and complaints pertaining to online crimes.

“Our effort with the FBI will help us make significant headway in the fight against illegal gambling,” said Geoff Freeman, president and CEO of the AGA. “In particular, the Internet Crime Complaint Center will be an invaluable tool for people in every state to report tips about the multi-billion dollar illegal gambling sector that preys on consumers, steals jobs and deprives state and local governments of revenues generated by the legal, regulated casino gaming industry.”

“Establishing and maintaining strong partnerships with public and private industry counterparts is essential in combating illegal gambling,” said J. Chris Warrener, Deputy Assistant Director of the FBI’s Criminal Investigative Division. “This joint initiative leverages the Internet Crime Complaint Center network to address transnational organized crime groups that use illegal gambling, most notably internet sports gambling, as a means to finance other forms of violent and illicit

activities.”

The IC3 is the FBI’s national platform for receiving information on any cyber-affiliated crime. The IC3 accepts cyber-facilitated crime complaints from either the actual victim or from a third party to the complainant. The tool allows detailed information to be easily submitted. Those wishing to report an illegal gambling tip may do so here: <http://www.ic3.gov/>.

Earlier this year, AGA formed its [Illegal Gambling Advisory Board](#) as part of its “Stop Illegal Gambling – Play it Safe” initiative. The Board is composed of: *Tim Murphy*, former deputy director of the FBI (chair); *Ed Davis*, former Boston police commissioner; *Bill Young*, former Clark County Sheriff and head of Las Vegas Metro Police Department, current senior vice president of compliance and security at Station Casinos; *James Dinkins*, former executive associate director at Immigration and Customs Enforcement Homeland Security Investigations; and *J.B. Van Hollen*, former Wisconsin State attorney general, U.S. attorney, and district attorney.

The AGA’s illegal gambling initiative focuses on four key areas of illegal gambling: illegal sports betting; black market machines; Internet sweepstakes cafes; and illegal online betting.

MICHIGAN LOTTERY TOUTS FRIDAY THE 13TH LUCKY FOR PLAYERS

According to the Michigan Lottery, the Mega Millions game has been particularly lucky for Lottery players on Friday the 13th. Since 2009, Lottery players have won more than \$95.5 million in big prizes playing the multi-state game on Friday the 13th.

In fact, two Lottery players won Mega Millions jackpots on the supposedly unluckiest of days. Kendall Warren, of Kalamazoo, won a \$27 million Mega Millions jackpot on Friday, May 13, 2011, and Kelsey Zachow, of Port Huron, won the game’s \$66 million jackpot on Friday, June 13, 2014.

Friday the 13th Mega Millions winners since 2009 include:

- June 13, 2014 – Kelsey Zachow, of Port Huron, \$66 million
- Dec. 13, 2013 – John Morris, of Waterford, \$1 million
- Dec. 13, 2013 – Deanna Wilson, of St. Clair Shores, \$1 million
- Sept. 13, 2013 – Simon Earley, of Belmont, \$10,000
- April 13, 2012 – Lucky 16 Lottery Club, of Oxford, \$250,000
- April 13, 2012 – Roy Redington, of Allen Park, \$10,000
- April 13, 2012 – Christopher Boden, of Muskegon, \$10,000
- May 13, 2011 – Kendall Warren, of Kalamazoo, \$27 million
- Aug. 13, 2010 – Matthew Lukas, of New Boston, \$10,000
- Aug. 13, 2010 – Grace Bonter, of Muskegon, \$10,000
- Nov. 13, 2009 – R. Ganier, of Wyandotte, \$250,000
- March 13, 2009 – Megan Shaffer, of Au Gres, \$10,000

With a jackpot of \$200 million for Friday night’s drawing, this Friday the 13th could be the most lucrative yet for a lucky Michigan Lottery player.

Mega Millions drawings take place each Tuesday and Friday evening. Each Mega Millions play is only \$1.

For an additional \$1 per play, players have the opportunity to add a “Megaplier” that can multiply non-jackpot prizes by up to five times. Mega Millions tickets are sold in 44 states, Washington D.C., and the U.S. Virgin Islands.