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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JUNE 2016

The Michigan Gaming Control Board ("MGCB" or "Board") released the June 2016 total adjusted revenue figures for the three Detroit casinos—MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. During the month of June, the aggregate revenue for the Detroit market fell 1.2% compared to June of last year. Year-to-date aggregate revenue is up 0.04% from the same period in 2015.

Month in 2016	Total Adjusted Revenue 2016		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$46,718,389.11	\$37,132,788.69	\$25,215,520.31
February	\$47,193,903.95	\$40,385,060.23	\$28,822,028.76
March	\$51,818,121.13	\$43,700,908.78	\$29,430,087.08
April	\$50,462,057.70	\$42,346,725.48	\$29,548,118.17
May	\$51,903,469.93	\$39,010,274.10	27,621,012.43
June	\$47,555,020.17	\$35,895,882.01	\$25,161,438.57
Total	\$295,650,961.99	\$238,471,639.29	\$165,798,205.32

Specifically, revenue for MGM Grand Detroit was up 0.5% while MotorCity and Greektown were down 3.0% and 1.7% during June 2016 when compared to the same month last year.

Month in 2016	Total Adjusted Revenue and Taxes 2016		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$109,066,698.11	\$8,834,402.55	\$11,888,270.09
February	\$116,400,992.94	\$9,428,480.43	\$12,687,708.23
March	\$124,949,116.98	\$10,120,878.48	\$13,619,453.75
April	\$122,356,901.35	\$9,910,909.01	\$13,336,902.25
May	\$118,534,756.46	\$9,601,315.27	\$12,920,288.45
June	\$108,612,340.75	\$8,797,599.60	\$11,838,745.14
Total	\$699,920,806.59	\$56,693,585.33	\$76,291,367.92

All three casinos are subject to a wagering tax of 19%, with 10.9% of this levy payable to the City of Detroit and 8.1% payable to the State of Michigan.

The market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for June 2016 were 44 %, 33%, and 23%, 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.

HORSE RACING BILL SIGNED BY GOV. SNYDER

On June 29, 2016, Governor Rick Snyder signed into law Public Act 0271 '16 ("PA 0271"), which amends and revises the Horse Racing Law of 1995. The bill had gone through several iterations in both the House and Senate. The bill, among other things, establishes the 'Horse Racing Advisory Commission' to be created within the Michigan Department of Agriculture and Rural Development, and it could result in a reduction in the amount of live racing that will likely be conducted in the future.

The Horse Racing Advisory Commission will consist of appointments made by Governor Snyder within 90 days of the bill's passage and must include:

- A Chairperson who has knowledge about and expertise in horse racing in the state of Michigan;
- The Director of the Department of Agriculture and Rural Development or his or her designee;
- A veterinarian;
- Two individuals from 2 different statewide horse racing associations; and
- Two individuals who are owners or operators, or designees of owners or operators of 2 different horse racetracks in Michigan.

The Executive Director of the Michigan Gaming Control Board (“MGCB”), who has served as Racing Commissioner since 2010, previously expressed neutrality on the bill while noting the potential for the tracks to move forward with simulcast-only operations.

Further, the legislation states that “[t]he Racing Commissioner shall take under consideration the procedures established by the Advisory Commission under subsection (12)(A) in performing his or her duties under this Act.”

Section (12)(A) states further that “[t]he Advisory Commission shall ... [e]stablish for the Commissioner procedures governing the operation and promotion of horse racing in this state.”

[Click here to access PA 0271 ‘16.](#)

FOUR WINDS DOWAGIAC EXPANSION TO OPEN JULY 22

On Friday, July 22 at 10:30am, the Pokagon Band of Potawatomi Indians will open the expansion of its Four Winds Casino Dowagiac, located in southwest Michigan. In attendance will be Vice-Chairman Bob Moody of the Pokagon Band of Potawatomi Indians; Frank Freedman, Chief Operating office of Four Winds Casinos; and Linda Preston, Pokagon Township Supervisor.

The expansion to Four Winds Dowagiac includes an addition to the gaming floor and an exclusive entrance for Copper Members. The tribe plans a ribbon-cutting ceremony and a media tour of the expanded gaming space. Four Winds Dowagiac is located at 58700 M-51 South, Dowagiac, Michigan.

NEW FEDERAL “DEFEND TRADE SECRETS ACT OF 2016” SIGNED INTO LAW; REQUIRES COMPANY ACTION

On May 11, 2016, President Obama signed the Defend Trade Secrets Act of 2016 (“DTSA” or “Act”) into law. The Act requires companies to give contractual notice regarding certain whistleblower protections for its contractual workers and subcontractors or risk being barred from recovering attorneys’ fees or exemplary damages in any subsequent lawsuit with the employee. This requirement also applies to amendments to any employee or subcontractor agreement that has been amended since the effective date of the Act (May 12, 2016).

Other highlights of the Act include:

- Choice of Federal or State Remedies
- New Federal Remedies
- New Recovery Tool
- Litigation Safeguards for Trade Secrets
- Specific Discussion about Digital Issues/ Remedies
- Whistleblower Protections
- Employer Notification Requirement

The whistleblower provision provides immunity to a person revealing a trade secret “in confidence” to local, state, or federal governments, or an attorney, solely for the purpose of reporting or investigating a suspected violation of law. As stated previously, employers have an affirmative duty to inform their employees and independent contractors about the immunity.

The passage of the DTSA warrants many suggestions for best practices including modifications of employment and contractor

agreements as well as verifying current and continuing reasonable measures designed to protect trade secrets. RMC has a detailed whitepaper that we can share upon request entitled [Congress Strengthens Trade Secret Protections; Employers Required to Notify Employees and Independent Contractors.](#)

Additionally, contact Attorney J.J. Burchman at Burchman@RMCLegal.com or 517.999.5414 if you have any questions regarding changes to employment and contractor agreements.

FORMER BENTLEY SCHOOL BOARD MEMBER PLEADS GUILTY TO LARCENY

On June 28, former Bentley School board member, Michael McCollum, plead guilty in Genesee County's 67th District court to two felony counts of larceny by false pretenses and 11 counts of misdemeanor charitable gaming violations, according to the Michigan Gaming Control Board ("MGCB"). Mr. McCollum must pay \$40,000 in restitution for funds after admitting to have stolen proceeds from charity poker fundraisers throughout the Flint area.

McCollum, 52, of Burton operated various charity poker events at the former Gloria's Poker Palace in Burton. The charges arose from a two-year investigation by the Michigan Attorney General's office and the Michigan Gaming Control Board into Mr. McCollum and the related charity events affiliated with two Catholic churches, Blessed Sacrament and St. Francis Xavier, held between 2010 and 2013.

Investigators say Mr. McCollum spent charitable gaming proceeds on a time-share property in Mexico and vacations. He was accused of skimming profits from more than 130 licensed charity events.

"State charitable gaming laws require charities to

manage the games and gaming records," said Richard Kalm, executive director, MGCB. "In this case, a non-member managed the events and stole from the gaming proceeds.

On September 8, 2016, at 8:30 am, Mr. McCollum will be sentenced. Though, as a part of a plea agreement, 10 counts, including two felonies, were dismissed.

"When the charitable gaming money was stolen, the charities had fewer resources for good works, which hurt the community," said Mr. Kalm. "We are pleased the charities will receive restitution. The MGCB enforces gaming regulations to protect charities and help them avoid becoming victims of crime. We have seen fewer problems since introducing charitable gaming rules in 2014."

AGA ACCEPTING NOMINATION FOR THE GAMING HALL OF FAME

The American Gaming Association ("AGA") is now accepting nominations for the 2016 Gaming Hall of Fame, a program sponsored by the American Gaming Association. The Gaming Hall of Fame ceremony is an annual event to honor achievements in industry leadership and entertainment. More than 80 people have been inducted into the Gaming Hall of Fame since its inception in 1989.

The Gaming Hall of Fame recognizes leaders who have made significant contributions and achievements in the gaming industry. This year's event will take place during [Global Gaming Expo \(G2E\) 2016](#) in Las Vegas on Wednesday, Sept. 28 from 5:30-7:30 p.m. at the Venetian Las Vegas, during an invitation-only event.

Nominations will be accepted until Aug. 5 in the following categories:

- Commercial Gaming;
- Tribal Gaming;
- Gaming Supplier;

- Industry Influencer; and
- Industry Pioneer.

Submit your nomination [here](#).

View the [complete list](#) of Gaming Hall of Fame members.

The Michigan Gaming Newsletter would like to thank Matthew Thornburg for his contributions to this Newsletter.