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For more information on Michigan's gaming industry, please visit www.michigangaming.com

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The MICHIGAN GAMING Newsletter



AGA ANNOUNCES DETROIT EVENT HIGHLIGHTING POSITIVE IMPACTS OF GAMING

As a part of the the American Gaming Association's ("AGA") "Get to Know Gaming" educational and advocacy campaign, the AGA is holding an event at the MGM Grand Detroit on Wednesday, May 4, 2016 at 10:00 am. The event, "Promises Made, Promises Kept: Casino Gaming Delivering for Detroit," will highlight the benefits of casino gaming in Detroit by focusing on job creation, economic impacts, as well as positive community impacts.

The AGA's "Get to Know Gaming" campaign is designed to highlight community impacts related to gaming activity across the country, focusing on the partnerships formed between casino operators and local government and interest groups. The campaign focuses on providing the public and policymakers with information related to the positive effects of casino gaming.

"The American Gaming Association will ensure that our industry's extraordinary story is heard," said Geoff Freeman, president and CEO of the American Gaming Association. "We are entering a critical stage in the gaming industry's evolution. Nationwide expansion is running headfirst into unsustainable tax rates and regulatory inefficiencies. 'Get to Know Gaming' will help to establish gaming as a mainstream business and pave the way for critical, pro-innovation reforms."

According to the AGA, the "Get to Know Gaming" campaign will help pave the way for more states to view casino operators as partners and adopt policies that reflect that mindset.

To sign up for the AGA's Get to Know Gaming campaign alerts and other AGA communications, please visit <http://www.americangaming.org/connect>.

KBIC SEEKS GOVERNOR'S APPROVAL FOR RELOCATING CASINO

On Monday, April 18, 2016, the Keweenaw Bay Indian Community (“Tribe”) announced that it would seek Governor Rick Snyder’s reconsideration to relocate its Ojibwe Casino in Marquette to an airport property that the Tribe purchased in 1999. According to the Tribe, in 2013, the Governor would not agree to move the casino.

“Governor Snyder had previously expressed interest in KBIC’s proposal, but unfortunately the community and state were not able to reach common agreement,” stated the Governor Snyder’s press secretary. “Per the community’s letter from this week, the governor is amenable to reopening that discussion now.”

Notably, on Saturday, December 12, the Tribe’s membership approved two casino proposals totaling \$40M located in Baraga and Marquette in the Upper Peninsula via ballot vote.

Tribal members were asked whether an estimated \$28 million should be spent by the tribe on a new casino and hotel, which would be built next to the current Ojibwa Casino in Baraga. The second proposal voted on was a \$12 million investment in new casino facilities in Marquette in addition to renovating the existing casino space.

In January, the Tribe sought two feasibility studies to be performed by Global Market Advisors (“GMA”) regarding the Tribe’s two casinos. The group assisted the Tribe with a casino and hotel market assessment for potential expansion.

According to GMA’s study, the \$20M Ojibwa Casino Baraga proposal includes demolishing and rebuilding the current resort with an upgraded casino and the ability to expand the number of gaming devices by 25%, in addition to adding a 75-room hotel and other amenities. The study projects a \$3.8M increase in profit in the first full year of operation.

Similarly, GMA’s study of the Ojibwa Casino Marquette includes demolishing and rebuilding the current casino and the ability to expand the

number of gaming devices by 25%; however, it does not recommend a hotel. GMA projects an increase in profit in the first full year of operation of \$2.5M. Financing for both projects would be secured using the Tribe’s Trust Accounts.

According to *Casino City*, Ojibwa Casino Marquette’s 13,500 square foot gaming space currently features 293 gaming machines and 11 table games. The Ojibwa Casino Baraga’s 17,000 square foot gaming space includes 316 gaming machines and 9 table games.

For more information, please visit: www.ojibwacasino.com.

CONGRESSIONAL HEARING ON DAILY FANTASY SPORTS SCHEDULE FOR MAY 11

The U.S. House Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade recently announced plans to hold an investigatory hearing on May 11, 2016 with regards to daily fantasy sports (“DFS”). It is expected that the committee will discuss the legal status of DFS and sports betting in general so as to inform themselves of the many issues with respect to DFS.

Ranking Member Frank Pallone (D-NJ) first requested a hearing in September of 2015 in response to industry providers DraftKings and FanDuel began radio advertising campaigns while also being accused of alleged insider trading violations. Rep. Pallone has consistently spoken in favor of allowing sports betting in his home state of New Jersey.

An ESPN report indicated that a focus of the hearing will include state action already enacted regarding DFS and a discussion regarding whether federal or state action is more appropriate. The NBA, MLB, and NHL all have varying equity interests in either DraftKings or FanDuel and 28 of the 32 NFL teams have sponsorship or marketing deals with the companies.

There have been a total of nine state Attorneys

General who have opined that DFS violates their respective state gaming regulations. Alabama, Illinois, New York and Texas are among the states currently engaged in litigation as to DFS. More than 20 state legislatures have considered bills this year seeking to clarify the legal status of DFS.

A link to the ESPN report is below.

http://espn.go.com/chalk/story/_/id/15202961/congressional-hearing-held-daily-fantasy-sports-may