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The MICHIGAN GAMING Newsletter



MOTORCITY CASINO HOTEL BRUCE DALL NAMED PRESIDENT OF MCC HOTEL



On June 16, 2016 MotorCity Casino Hotel announced that Interim President Bruce Dall has been name President. In this position, Mr. Dall will be responsible for the complete operations of the property including casino, hotel, food, beverage, retail, marketing, facility and administrative departments.

Mr. Dall has more than 28 years of experience in the casino industry. His most recent assignment at MotorCity Casino Hotel was Senior Vice President of Finance and Administration/Chief Financial Officer.

Prior to joining MotorCity Hotel, Mr. Dall was Assistant General Manager and CFO for Greektown Casino, Chief Financial Officer and Treasurer of the Hard Rock Hotel Casino, Controller of the Desert Inn, and Director of Internal Audit for Caesars World.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MAY 2016

The Michigan Gaming Control Board (“MGCB” or “Board”) released the May 2016 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 fell 1.1% compared to the same reporting period last year.

Specifically, revenue for MGM Grand Detroit was up 0.3% respectively, while MotorCity and Greektown were down 2% and 2.2% respectively during May 2016 when compared to the same month last year.

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
Total	\$248,095,941.82	\$202,575,757.28	\$140,636,766.75

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 May 2016 were 44 %, 33%, and 23%, respectively.

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
Total	\$591,308,465.84	\$47,895,985.73	\$64,452,622.78

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.

MGCB CONTINUES TO THWART ILLEGAL GAMBLING OPERATIONS IN MICHIGAN

The Michigan Gaming Control Board recently announced that a Bristol, Ind., man was sentenced to pay

\$1,198 in fines and court costs by Judge Michael E. Dodge in Cass County's 43rd Circuit Court on June 3 after pleading guilty to a felony illegal gambling charge in the Cassopolis court located in Southwest Michigan.

Robert G. George, 40, owner of George's Café, 69595 Sunset Blvd., Union, Mich., was charged after a Michigan Attorney General's office and Michigan Gaming Control Board investigation led to an early June 2015 raid of his business.

"Michigan law does not permit unlicensed, unregulated gambling establishments and the unwanted crime they bring," said Richard Kalm, MGCB executive director.

George pled guilty on March 14 to attempted gambling activities – a five year felony – and was ordered June 3 to pay a \$500 fine and \$698 in court costs and fees and to forfeit seized property, including \$2,351 in cash, \$700 worth of pre-paid gift cards and five illegal gaming machines.

George's employee, Heather Cradolph, 34, also pled guilty to a one-year misdemeanor count of gambling activities and was sentenced in April to a \$175 fine and \$125 in court costs and fees.

The investigation began in March 2015 after anonymous tips were received about illegal slot machines at George's Café, a bar and restaurant located about 45 miles southwest of Kalamazoo.

During the raid last summer, the Michigan Attorney General's office seized the now-forfeited property after a search warrant was served. The MGCB, Michigan State Police, Michigan Lottery and Michigan Liquor Control Commission assisted with the raid.

Additionally, two Flint residents were arraigned May 5 in 67th District Court in Flint on multiple felony and high court misdemeanor charges for allegedly conducting an illegal gambling operation last year at an internet café adjacent to the bingo hall at Ben Agree Hall, 3549 S. Dort Highway, Flint.

Charges were filed against David Slaughter, 60, and Beverly Davis, 41, after investigators from the Michigan Attorney General's Office and the

MGCB found more than 40 slot-style gaming terminals inside the bingo hall's café area in 2015. According to the MGCB, the location was operated as an illegal slot machine parlor.

"Our investigators documented illegal gambling inside the internet café during multiple visits between early July and November, which led to the charges," said MGCB Executive Director Richard Kalm. "The investigation began after two anonymous tips were received from the public, and we appreciate their help in identifying and stopping illegal gambling operations."

The terminals were seized in November by investigators from the Michigan Attorney General's office, MGCB, Michigan Lottery and Michigan State Police. The hall's website urged bingo patrons to "come early and play the slots at the Internet Café, which is open seven days a week."

Michigan citizens are encouraged to report any suspicious or illegal gambling by calling the MGCB's 24-hour anonymous tip line, 888-314-2682.

LITTLE RIVER BAND OF OTTAWA INDIANS CONTRIBUTES \$710,400 TO LOCAL GOVERNMENTS

On June 13, 2016, the Little River Band of Ottawa Indians ("LRBOI") announced that it contributed \$710,408.40 to the Manistee County Local Sharing Revenue Board ("LRSB"). Since the casino opened in 1999, the total amount of local revenue sharing payments now amounts to \$30,479,814.

This payment represents two percent of the slot revenues from the Tribe's Little River Casino and Resort over the past six months. Payments are made twice a year.

These payments are a result of the gaming compact between the Tribe and the State of Michigan wherein the Tribe agrees to make annual contributions to the LRSB. In addition and in accordance with the state gaming compact, the

LRBOI states that it has paid more than \$85 million to the Michigan Economic Development Corporation.

The LRSB uses the funds to reimburse local units of government for costs related to the casino, such as law enforcement and emergency services. Any additional funds are then divided by the local governments and have been used to provide funding for needs in the local community including schools, school buses, equipment for emergency responders in Manistee, sidewalks and other critical needs.

“The Little River Band of Ottawa Indians developed gaming as an economic tool to strengthen government services,” said Larry Romanelli, Little River Casino Resort Assistant General Manager. “Our goal has been to provide economic development and jobs not only for tribal members but to the community as well. We are proud to share with the local community and help provide services provided to our members and our neighbors.”

FIREKEEPERS CASINO HOTEL ANNOUNCES MULTI-MILLION DOLLAR INVESTMENT IN BATTLE CREEK COMMUNITY

On May 25, 2016, FireKeepers Casino Hotel announced a multi-million dollar, non-profit initiative in Battle Creek, Michigan. The new initiative will blend a restaurant with large gardens to grow food for local schools and include a food pantry to help those in need.

In April, 2016, FireKeepers Casino Hotel and its owners, the Nottawaseppi Huron Band of the Potawatomi purchased a retired Fire Station in Battle Creek to house the initiative. This location will be the Hub of the project and a formal name and logo will be announced in the near future. The rear section of the building will house a food pantry in conjunction with the Food Bank of South Central Michigan, distributing food to those less fortunate. Farmable land adjacent to the building will be cultivated and Hoop Houses [Green Houses] and will be built to grow food, with a goal of providing a free salad bar for downtown schools in Battle Creek. The initiative also includes the

creation of a fund to support local charities, with 80% of all restaurant profits and an allocation of 50 cents from every restaurant check providing the monies. The remaining 20% of profits will be reinvested into the property.

“The Nottawaseppi Huron Band of the Pottawatomis is thrilled to be involved in this amazing community initiative,” said NHBP Tribal Council Chairman, Jamie Stuck. “We can deliver the region’s best casino resort product while simultaneously focus on improving the lives of local residents. Supporting the local community is always a goal for us and Chef Michael McFarlen deserves credit for developing the concept.”

“The project is going to provide something amazing for the community, including a Restaurant/Bakery, food pantry and much more,” stated Vice President of Food and Beverage and Executive Chef at FireKeepers, Chef Michael McFarlen. “This initiative creates multiple different avenues for FireKeepers to improve lives and create culinary options in downtown Battle Creek. We are all really excited about this new endeavor and eagerly anticipate the start of construction in the coming weeks.”

FOUR WINDS INVITATIONAL BEGINS TODAY

On Friday, June 17, the first round of the 5th annual Four Winds invitational at the Blackthorn Golf Club will commence, with the final round scheduled for Sunday, June 19. This tournament is a part of the Symetra Tour, Road to the LPGA, and is the 10th event of the 2016 season.

The Four Winds Invitational is the only Symetra tour event in Indiana but begins a three-week stretch in the Midwest, heading to Harris, Michigan thereafter. The tour will conclude on October 13-16 in Daytona Beach, Florida.