

August 22, 2017

Volume 23, Issue 26

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A publication of
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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JULY 2017

The Michigan Gaming Control Board ("MGCB" or "Board") released the July 2017 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 0.5% when compared to the same reporting period last year.

Month in 2017	Total Adjusted Revenue 2017		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$47,122,785.88	\$38,437,983.01	\$26,444,022.40
February	\$48,090,071.92	\$40,560,815.83	\$28,590,936.09
March	\$54,150,615.38	\$45,102,231.26	\$31,950,728.99
April	\$49,596,029.88	\$42,121,055.77	\$29,280,455.10
May	\$50,523,650.08	\$40,664,492.10	\$28,757,824.72
June	\$48,614,446.33	\$37,943,849.44	\$26,515,591.39
July	\$51,207,554.53	\$40,495,541.62	\$27,322,068.37
Total	\$349,305,154.00	\$285,325,969.03	\$198,861,627.06

Month in 2017	Total Adjusted Revenue and Taxes 2017		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax*
January	\$112,004,791.29	\$9,072,388.09	\$13,328,570.16
February	\$117,241,823.84	\$9,496,587.73	\$13,951,777.04
March	\$131,203,575.63	\$10,627,489.63	\$15,613,225.50
April	\$120,997,540.75	\$9,800,800.80	\$14,398,707.35
May	\$119,945,966.90	\$9,715,623.32	\$14,273,570.06
June	\$113,073,887.16	\$9,158,984.86	\$13,455,792.57
July	\$119,025,164.52	\$9,641,038.33	\$14,163,994.58
Total	\$833,492,750.09	\$67,512,912.76	\$99,185,637.26
*Total includes wagering tax and development agreement payments to the city of Detroit as reported by the casinos			

Overall the three casinos' year-to-date aggregate revenue is tracking 1.8 percent higher than results for the first seven months in 2016.

Revenue increased at MGM Grand Detroit, while revenue was down slightly at MotorCity and Greektown casinos, compared with July 2016. Specifically, MGM Grand Detroit revenue increased 2 percent to \$51.2 million, MotorCity revenue decreased 0.2 percent to \$40.5 million, and Greektown was down 1.4 percent to \$27.3 million.

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 July 2017 market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino were 43%, 34%, 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; nor 4) other normal business expenses.

GOV. SNYDER MAKES APPOINTMENT TO MICHIGAN GAMING CONTROL BOARD

On August 18, 2017, Gov. Rick Snyder announced the appointment of Barbara Smith of Bloomfield Hills to the Michigan Gaming Control Board ("MGCB").

Headquartered in Detroit, the MGCB is responsible for licensing and regulating the state's commercial casino gaming industry.

"I thank Barbara for her service, and I believe her background in law will be an asset to this board," Gov. Snyder said.

Smith is the owner of the Law Offices of Barbara B. Smith, PLLC, the owner of Smith Mediation Center, and a partner with Smith & Pazner, P.C. She has served as an administrative law judge, a magistrate for the 48th District Court, and president of Michigan Malpractice Mediators. Smith holds a bachelor's degree from Michigan State University, a teaching certificate from the University of Michigan, and a law degree from Thomas M. Cooley Law School. She will represent Republicans and fill the vacancy created by the resignation of Dale Zahn.

She will serve the remainder of a four-year term expiring December 31, 2020. Her appointment is subject to the advice and consent of the Senate.

GREEKTOWN CASINO-HOTEL GOLF OUTING RAISES \$255,000 FOR LOCAL CHARITIES

Today, August 22, 2017, Greektown Casino-Hotel announced that its ninth annual Charity Golf Outing has raised a record \$255,000 to benefit three local nonprofit organizations: Alkebu-lan Village, Midnight Golf Program, and Detroit Area Agency on Aging's Meals on Wheels program. The event was hosted at the Detroit Golf Club and included a day of golf followed by dinner and auction.

"We are passionate about making a positive, lasting impact on the communities where our team members and guests reside," said Jason Gregorec, chief executive officer and general manager, Greektown Casino-Hotel. "These three organizations share our passion for the success of the city that we have been a part of for 17 years and we are proud to be able to support them."

According to Greektown Casino-Hotel, since its inception the annual golf outing, with the help of generous sponsors, has raised more than \$1.4 million to benefit various Detroit-area charities, including Alternative for Girls, Big Brothers/Big Sisters of Metropolitan Detroit, Rhonda Walker Foundation, Ronald McDonald House of Southeast Detroit and Think Detroit PAL.

FREE EXHIBIT HALL ACCESS: 2017 GLOBAL GAMING EXPO

The Michigan Gaming Newsletter is proud to offer free exhibit hall access to the 2017 Global Gaming Expo!

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For additional pricing packages and registration, please visit:

www.GlobalGamingExpo.com

The Global Gaming Expo ("G2E"), which is presented by the American Gaming Association (AGA), will be held in Las Vegas from October 2-5 at the Sands Expo and Convention Center.

G2E 2017 will offer the next generation of casino innovations with the official introduction of skill-based slot machines. This year saw skill-based slots launching in casinos across the nation, and G2E 2017 attendees will experience the next iteration of these game-changing products before they are made available to the public.

"As the legalization of sports betting continues to grab national headlines, G2E 2017 will bring in the nation's top experts to address what a legal, regulated sports betting market will look like for our industry," said Geoff Freeman, AGA president and CEO.

Registration for the 2017 G2E exhibit hall and G2E seminars is now open. For Registration, Pricing Packages and Overview please visit: www.globalgamingexpo.com.

FLINT MAN CHARGED WITH EMBEZZLING CHARITABLE GAMING PROCEEDS FOLLOWING MICHIGAN AG AND MGCB INVESTIGATION

Michigan Gaming Control Board Press Release

August 15, 2017

A 78-year-old Flint man was arraigned Aug. 3 in 67th District Court in Grand Blanc for allegedly embezzling more than \$38,000 in charitable gaming funds from St. Pius X Catholic Church and School, Flint, and affiliated groups. Charges were filed following a joint investigation by the Michigan Gaming Control Board and the Michigan Attorney General's office.

David Lee Thiese Sr. was charged with one 10-year felony count of embezzlement of \$20,000 to \$50,000. He also faces three 10-year felony counts of embezzlement of \$1,000 to \$20,000 from a nonprofit or charitable organization. Each count also carries a possible penalty of \$15,000 or three times the amount embezzled.

"The charitable organizations allegedly did not maintain proper oversight and accounting of their funds," said Richard Kalm, executive director of the Michigan Gaming Control Board. "It's important for charities to have more than one person oversee and control accounts and to conduct periodic audits. By taking these steps, charities can reduce the chance of fraud."

Thiese Sr. was released on \$20,000 bond set at the arraignment by Judge Christopher R. Odette. He is scheduled for an Aug. 17 probable cause conference at the court.

Thiese Sr. allegedly deposited St. Pius X Church's net profits from charity gaming into an account he controlled. Investigators believe the charities earned nearly \$60,000 combined net profit. However, Thiese Sr. allegedly shared with the charities only \$22,900 in proceeds from all of the events.

Thiese Sr. was listed as the event chairperson for

28 charitable poker events held in the Flint area between 2012 and 2014. The events were licensed as benefits for the church, its school and other church-affiliated organizations. Michigan law requires the entire net proceeds of a charitable gaming event be devoted exclusively to the charity's purposes.

The charges followed an MGCB investigation of events held at the former Gloria's Poker Palace, Lucky's Poker Room and Pocket Aces. Investigators allege Thiese Sr. illegally kept the money for personal use.

The three so-called "poker rooms" are among several Michigan locations where charitable gaming was discontinued following investigations. Since 2014, 14 people associated with Gloria's, Lucky's and Pocket Aces have pled guilty to gaming crimes following investigations by the Michigan Attorney General's office and the MGCB.

In 2016, Michigan charities were awarded more than \$106,000 in restitution for stolen millionaire party profits.

A criminal charge is merely an accusation, and the defendant is presumed innocent until proven guilty.