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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR SEPTEMBER 2017

The Michigan Gaming Control Board (“MGCB” or “Board”) released the September 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 1.3% in September as compared to the month last year. Please see the linked [State of Michigan official financial report](#).

Revenue rose at MotorCity 3.8 percent to \$38.4 million and at Greektown 2.1 percent to \$27.2 million compared with September 2016 results. MGM’s \$48 million in revenue was down 1 percent compared with the same month last year.

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 September 2017 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino 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; nor 4) other normal business expenses.

MGCB APPOINTEE BARBARA SMITH TESTIFIES

The Senate Regulatory Reform committee held a hearing October 18, 2017, at which Governor Snyder's appointee to the Michigan Gaming Control Board, Barbara Smith, testified.

Sen. Peter MacGregor (R-28th State Senate District) posed a series of questions asking Ms. Smith to detail her professional experience, disclose whether she or her family members had any interest in any casino or licensed supplier, what she felt the MGCB's greatest challenges were moving forward, and finally whether she thought fantasy sports were illegal. Ms. Smith replied that neither she nor her relatives had any interest in any licensed casino or supplier. She then went on to detail her background, indicating that she went to Cooley law school. She testified that she has always had an interest in volunteering for public service, noting that she had run for office a few times and most recently served six years on the Attorney Grievance Commission, the last three as chairperson. Ms. Smith testified that roughly 80% of her law practice is advance dispute resolution such as mediation. She noted that she has three adult children. Ms. Smith indicated that her personal challenge was that she is brand new to the area of gaming and that she will have a steep learning curve. Finally, she testified that she doesn't play fantasy sports, but explained that the MGCB appears to be well suited to the role of the regulator and that if the legislature passes a fantasy sports bill, then the MGCB (or whoever the regulator may be) will apply the law as passed.

Sen. Marty Knollenberg (R-13th State Senate District) asked what her motivation and interest was in the position. Ms. Smith replied that she was looking for another volunteer position after her term at the Attorney Grievance commission ended and she was approached by Governor Snyder.

SENATE FANTASY SPORTS BILL MOVES FORWARD

The Senate Regulatory Reform committee held a hearing October 18, 2017. On the agenda was to vote on SB 461 and SB 462, the package of fantasy sports bills. SB 461 is sponsored by Sen. Wayne Schmidt (R-37th State Senate District) and SB 462 is sponsored by Sen. Curtis Hertel (D-23rd State Senate District).

Sen. Hertel made some brief comments at the beginning of the hearing, noting that he is open to language changes. He noted that he is in contact with various constituent groups and has set a hard deadline for responses by the end of next week to submit language changes. He noted that some of the desired changes are "nonstarters" but that he continues to have dialogue with parties. Finally, Sen. Hertel noted that while he doesn't have complete control over the Senate floor, his intention is to get the feedback first and amend the bill possibly before it comes up for a vote on the floor.

The committee voted unanimously to pass both bills out of committee and recommend passage, with Sen. Peter MacGregor (R-28th State Senate District) passing on both votes.

MICHIGAN LOTTERY SPOKESMAN ANNOUNCES THAT LOTTERY REVENUES EXCEEDED \$3.3 BILLION AND DISCUSSES FRAUD PREVENTION

Appearing on the Stateside [program](#) on Michigan Radio, Michigan Lottery Director of Public Relations Jeff Holyfield announced that last year Lottery revenues exceeded \$3.3 Billion which ended September 30, 2017. This resulted in a contribution to the State School Aid Fund of \$915 million, a record high. Mr. Holyfield stated: "We are in the entertainment business, and so that is what our focus is on is providing players with games that are entertaining and fun and exciting . . ."

The Michigan Lottery last year was the number one lottery in the country as far as growth and a large part of that was that we had a 16 percent increase in our instant game ticket purchases. You know for a lottery that has been around for over 45 years, that is unprecedented.”

Stateside host Lester Graham asked Mr. Holyfield about a recent report in the Columbia Journal Review discussed in a prior Stateside program that found in some states that people oddly had won repeatedly. Mr. Graham asked how often this happens in Michigan.

“What we do in Michigan is that we mainly focus on repeat winners with our retailers,” Holyfield said. “What we’re looking at there, we have a system set in place where if a retail owner, one of our licensees, claims 20 prizes of more than \$600 in a year, or claims \$20,000 in total prizes, then we will look at them and conduct an investigation.

He said what’s going on there is a practice called “discounting.” When winners don’t want to cash the prizes under their own names, a retailer might buy the winning ticket from them, cash it on their behalf, and share the prize. Holyfield said that in the latest year there were “20 retailers that were investigated for that,” but in “most” of these cases there “was no evidence of discounting”. He stated that “there are some people who play a lot and you’re going to win a lot.”

When he was asked about the ability of Lottery to do something about players who sell their tickets in an effort to avoid paying back taxes, child support or some other tax dodge, Mr. Holyfield stated: “Unfortunately we don’t have many good options there, because you can imagine this transaction it is between two people, done in private, and they typically don’t talk about it or post it on Facebook.”

GUN LAKE TRIBE NAMES SAL SEMOLA PRESIDENT AND COO OF GUN LAKE CASINO

On October 16th, the Gun Lake Tribe (Tribe) announced the hiring of Salvatore (Sal), Semola as President & Chief Operating Officer of Gun Lake Casino.

Semola comes to Gun Lake Casino with over 40 years of experience in the gaming and hospitality industry, including experience at numerous successful Las Vegas properties. He also held management roles at Foxwoods Resort Casino, Cannery Casino Hotel, and Detroit’s Greektown Casino Hotel. Most recently, Semola was the president and owner of Semola Consulting/ Cornerstone Gaming Management, a casino consulting company.

Semola has earned several awards, including the Eastern Division of the Casino Management Association “Gaming Professional of the Year,” and the University of Nevada- Las Vegas William F. Harrah College of Hotel Administration “Industry Executive of the Year.” Semola has also served as an adjunct professor at the University of Nevada-Las Vegas, instructing casino management programs.

“I am very excited about the opportunity to work for the citizens of the Gun Lake Tribe, and to lead an incredible group of team members at the Gun Lake Casino,” commented Semola. “Gun Lake Casino is a beautiful property that is poised for tremendous growth that will produce mutual benefits for the Tribe and local community.”

NORTHVILLE DOWNS OFFERING VIRTUAL REALITY HARNESS RACING EXPERIENCE

This racing season, Northville Downs is offering a live action "virtual reality harness racing experience." The experience allows fans to sit in a sulky of a harness race and to see, hear and feel the experience of driving a horse in a real race.

This three-minute experience gives fans the full 360 degree high definition view of a complete harness race from start to finish. The track has indicated that it will be adding more races to its virtual reality menu to further enhance the experience.

The virtual reality experience is being offered this weekend for free.

Live harness racing takes place at Northville Downs on Friday and Saturday night. Complete details and rules of the virtual reality harness racing experience are available at the track.

NEOPOLLARD INTERACTIVE WELCOMES LIZ SIVER AS NEW GENERAL MANAGER

On October 17, 2017 Neo Pollard Interactive announced Liz Siver joined the company as General Manager on September 25, 2017. NeoPollard Interactive is a contractor working with the Michigan Lottery on new interactive games. In this newly established role, she will report directly to Doug Pollard, Co-Chief Executive Officer, and Ilan Rosen, Co-Chief Executive Officer. Ms Siver previously had 18 years of experience at Microsoft, and extensive experience overseeing public sector sales teams. As General Manager, she will be responsible for leading with an emphasis on adding new iLottery accounts and managing operations.

Ms Siver has held sales, marketing, and operations positions during her tenure with Microsoft. Most recently, she was Director of Public Sector Sales, responsible for the sale and implementation of large software solutions to government agencies in 21 states, generating annual revenue of \$88 million. Prior to her career with Microsoft, Liz worked at Deloitte & Touche as a Senior Marketing Manager, Business Development, where she gained strong foundational experience in Marketing and Business Development. She graduated with an undergraduate degree from the University of Dayton (Ohio).

"I am very eager to embark on this opportunity to enter the digital lottery space," said Liz Siver. "It's

a growing industry, and I'm excited to leverage my public sector knowledge and solution-selling experience to take advantage of the opportunities that iLottery can offer our clients."

"We welcome Liz Siver to the NPi team," said Ilan Rosen, Co-Chief Executive Officer, NeoPollard Interactive. "Microsoft has had great success with their digital products, and Liz possesses a wealth of industry expertise. We are certain that her passion for innovative digital products will enhance our ability to deliver the best possible iLottery solutions to our customers."

FIREKEEPERS CASINO HOTEL HOSTED MSPT MICHIGAN STATE POKER CHAMPION

Firekeepers Casino Hotel announced this week that it had recently hosted the Mid-States Poker Tour (MSPT). The MSPT Main Event took place Thursday, Oct. 12 through Saturday, Oct. 14. The Final Event was held on Sunday, Oct. 15 at 11 a.m.

"We are proud to partner with the Mid-States Poker Tour to bring such a high caliber tournament series to the FireKeepers Poker Room," stated Lance Allen, Vice President of Table Games at FireKeepers Casino Hotel.

The 2017 Michigan State Poker Championship was won by Chris Meyers of Buffalo, NY. Meyers walked away the champion with the top prize of \$191,196. There were 1067 participants in the tournament, and a prize pool that exceeded \$1 million.

FireKeepers Casino Hotel is owned and operated by the Nottawaseppi Huron Band of the Potawatomi.

AMERICAN GAMING ASSOCIATION TO HOST PANEL AT NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL CONFERENCE

Discussion will focus on casino gaming's commitment to working with minority and women-owned businesses

Washington, DC – As a part of its national Get to Know Gaming campaign, the American Gaming Association (AGA) will host a roundtable event at the [National Minority Supplier Development Council Conference & Business Opportunity Exchange](#) (NMSDC) on Tuesday, October 24th to highlight casino gaming's commitment to working with minority and women-owned businesses.

New research completed by Spectrum Gaming Group and commissioned by AGA shows that the casino gaming industry supports 350,000 small business jobs. The report, [The Gaming Industry's Impact on Small Business Development in the United States](#), examines nearly a dozen U.S. gaming markets and assesses casino gaming's direct and indirect impact on local, small businesses. Researchers concluded that gaming's widespread impact is felt in markets across the country, but has the largest impact in small to mid-sized communities where local businesses integrate into gaming operations.

WHO: **Geoff Freeman**, president and CEO, American Gaming Association;
Stacey Taylor, SVP & chief procurement officer Global Procurement, MGM Resorts;
Jessica Rosman, vice president of procurement, Caesars;
Renee Boyce, president, CEO and founder, My Next Career Path Staffing, LLC.;
Jacci Woods, VP of public relations and community affairs, MotorCity Casino Hotel; and
Shaundell Newsome, founder, Sumnu Marketing.

WHAT: **AGA Panel Discussion at NMSDC**

WHEN: Tuesday, October 24, 2017
11:30 am – 12:30 pm EST

WHERE: **Cobo Center, Detroit MI**
1 Washington Blvd, Detroit, MI 48226

About AGA: The American Gaming Association is the premier national trade group representing the \$240 billion U.S. casino industry, which supports 1.7 million jobs in 40 states. AGA members include commercial and tribal casino operators, suppliers and other entities affiliated with the gaming industry. It is the mission of the AGA to be the single most effective champion of the industry, relentlessly protecting against harmful and often misinformed public policies, and paving a path for growth, innovation and reinvestment.