

October 4, 2018

Volume 24, Issue 31

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A publication of
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The _____ MICHIGAN GAMING _____ Newsletter



FREE EXHIBIT HALL ACCESS GLOBAL GAMING EXPO 2018



**OCTOBER 8—11
SANDS EXPO CENTER
LAS VEGAS, NV**

Michigan Gaming Newsletter subscribers are encouraged to take advantage of complimentary exhibit hall access to the Global Gaming Expo 2018!

Simply click the icon above for fast and simple registration. Stop by RMC's Booth #3316 and learn what's happening in this ever-changing industry.

For additional show information, please visit: www.GlobalGamingExpo.com.

GLOBAL GAMING EXPO 2018 KICKS OFF

Global Gaming Expo 2018 ("G2E"), the premier international gaming trade show presented by the American Gaming Association, kicks off in Las Vegas next week on October 8 with educational sessions and the exhibition space opens October 9. Both the exhibition space and the educational sessions run through October 11, 2018. The show will feature a gathering of more than 26,000 gaming professionals from more than 100 countries.

G2E will feature a special Sports Symposium educational track featuring discussions on the Supreme Court's repeal of the Professional and Amateur Sports Protection Act, individual state legislative issues, strategies for rolling out sports books and lessons learned from early adopters. G2E will again feature the AGA's popular Innovation Lab that will include fifteen-minute TED-talk-sessions. The Innovation Lab will cover topics ranging from big data and analytics to new terrain and emerging markets to a special innovation incubator that will feature a shark tank-like contest for gaming innovators judged by Shark Tank judges Kevin O'Leary and Daymond John as well as The Pink Ceiling and Sprout CEO Cindy Eckert (Whitehead).

There will be numerous awards bestowed at the show, including the Annual Casino Entertainment Awards, awarded to The Righteous Brothers and Nightlife Icon Victor Drai, the Global Gaming Awards, and the AGEM Awards, and will feature the Cintas Design Collective Fashion Show and the Global Gaming Women's keynote address delivered by WNBA president Lisa Borders. The National Center for Responsible Gaming will also hold its 19th Conference on Gambling and Addiction.

To register for a free exhibit hall pass and to visit us at Booth 3316, click on the banner at the top of the newsletter.

WINNERS ANNOUNCED FOR 17TH ANNUAL GGB GAMING & TECHNOLOGY AWARDS

On October 3, Global Gaming Business magazine announced the winners of the 17th Annual GGB Gaming & Technology Awards. The 2019 GGB Gaming & Technology Awards are the industry's standard in this field, recognizing excellence in innovation and practical application in all gaming disciplines. The awards will be presented to the winners at next week's Global Gaming Expo (G2E) in Las Vegas.

The winners of the 17th Annual GGB Gaming and Technology Awards are:

Best Consumer-Service Technology

Gold Medal: Konami Gaming for SynkConnect Cardless

Silver Medal: Everi for Jackpot Express

Best Productivity-Enhancement Technology

Gold Medal: GLI for Test Automation

Silver Medal: Lockdogs for Key Changeable Lock

Best Slot Product

Gold Medal: Aruze Gaming for Muso Triple-27

Silver Medal: Aristocrat for Dollar Storm

Best Table-Game Product or Innovation

Gold Medal: AGS for STAX Table-Game Progressive Solution

Silver Medal: Gamblit Gaming for PAC-Man Battle Casino

Best Interactive Product

Gold Medal: Scientific Games for Open Bet

Silver Medal: Ruby Seven Studios for Best Bet Casino

The nominations for the GGB Gaming & Technology Awards represented the best new products and services in the gaming industry," said Roger Gros, publisher of Global Gaming Business magazine in a press release, which administers the awards program. "The amazing products submitted for the judges' review were all at the cutting-edge of technology that serves all facets of the gaming industry."

This year, the record number of nominations demonstrates that the awards are truly considered the "Best of the Best". RMC's own Robert Russell, Gaming Analyst and Editor of the Michigan Gaming Newsletter, served as an esteemed judge for the awards.

ASSOCIATION OF GAMING EQUIPMENT MANUFACTURERS (AGEM) HONORS MEMORY OF GAMING LEADERS

WHAT: Jens Halle Memorial Award Honoring Excellence in Commercial Gaming Professionalism and the Peter Mead Memorial Award Honoring Excellence in Gaming Media & Communications

WHEN: Second-year winners will be revealed via press release Monday morning, Oct. 8, at 8 a.m. PT. The awards presentation with interview and photo opportunities with the winners will take place at 4 p.m. PT on Wednesday, Oct. 10.

WHERE: Awards presentation at AGEM booth No. 3700 at the Global Gaming Expo (G2E) at the Sands Expo in Las Vegas

WHY: AGEM created these memorial awards to acknowledge the lasting impact of two gaming leaders following their unexpected deaths last year. Halle, a longtime Bally and Novomatic executive in Europe who was most recently CEO of Gauselmann Group's Merkur Gaming based in Florida, died suddenly on May 20, 2015 at the age of 57. Mead, the founder and publisher of Casino Enterprise Management magazine, died suddenly in Las Vegas on June 24, 2015 at the age of 54.

HOUSE REGULATORY REFORM COMMITTEE SENDS BILL AMENDING GAMING ACT TO THE HOUSE FLOOR

On Wednesday of this week, the House Regulatory Reform Committee sent a Substitute House Bill 5881 to the House floor for consideration. The Committee voted on a substituted version of the bill which includes a number of changes to the Gaming Control and Revenue Act ("Act"). The Act has not been amended since its passage in 1997, and the Committee had previously discussed the need for some updates to be made.

The current substitute version of the bill makes several changes to make Michigan's regulatory standards more in line with other gaming jurisdictions. It includes relief with regard to occupational licensing standards, giving the Michigan Gaming Control Board ("MGCB") the discretion to allow people to be licensed even if they had a felony conviction (more than 10 years in the past) or a misdemeanor conviction (more than 5 years in the past) if the Board is convinced that the applicant does not pose a threat to the integrity of gaming and the applicant otherwise meets the licensing standards.

The bill also contains a number of updates to make some necessary corrections, to update the law to be consistent with certain Attorney General opinions that have been issued, to further strengthen the confidentiality of information that the MGCB obtains from licensees, and to make licensing standards more consistent with industry standards.

The House Bill Substitute H-3 was adopted, and reported to the full House floor by a vote of 14-1 by the Regulatory Reform Committee.

TWO NEW FANTASY SPORTS BILLS ARE INTRODUCED AND DISCUSSED AT REGULATORY REFORM COMMITTEE

On Tuesday of this week, Representative Iden introduced two new House Bills addressing the topic of Fantasy Sports in Michigan.

House Bill 6419 would amend the Michigan Penal Code to clearly permit wagering on fantasy sports in Michigan. The companion bill, House Bill 6420 seeks to create consumer protections applicable to the fantasy sports industry and creates a licensing system for "fantasy sports operators" to be managed by the Michigan Gaming Control Board. The Bill allows casinos licensed in the state to offer fantasy sports without the need for a separate "fantasy sports operators" license, and

also permits individuals to run their own fantasy sports contests without being licensed provided that the contests are conducted “solely from his or her private residence, . . . if none of the contests are made available to the general public, each of the contests is limited to no more than 15 total fantasy contest players, and the individual collects no more than \$10,000.00 in total entry fees for all fantasy contests offered in a calendar year” provided that at least 95% of the entry fees are awarded to the fantasy contest players.

HB 6420 further gives the MGCB broad authority to promulgate rules to regulate the activity. Licensed fantasy sports operators are required, under the bill, to pay an initial licensing fee of \$50,000 and an annual renewal fee of \$20,000, together with assessed investigative costs. The bill contains detailed requirements that will be imposed by the MGCB on operators, including requirements for approved internal controls, regular audits, and calls for the creation of a system to allow players to restrict themselves from participating in playing fantasy sports contests. It also gives the MGCB the ability to suspend, revoke, restrict or impose fines (up to \$20,000) on licensees.

HB 6420 also makes it a felony to offer a fantasy sports contest in the state unless the person offering it is licensed by the MGCB, punishable by five years in jail and a fine of up to \$50,000.

Both of these fantasy sports bills were taken up by the House Regulatory Reform Committee on Wednesday, and were reported and forwarded to the House floor for consideration by a Committee vote of 14-1.

FEDERAL COURT GRANTS SUMMARY JUDGMENT TO STATE OF MICHIGAN IN BAY MILLS INDIAN COMMUNITY CASE

On September 28th, the Federal District Court for the Western District of Michigan Southern Division issued an Opinion granting summary judgment to Michigan Governor Rick Snyder in a

lawsuit brought by the Bay Mills Indian Community (“Bay Mills”) alleging that certain land in Vanderbilt, Michigan should be deemed to be “Indian Lands” as the term is used in the Indian Gaming Regulatory Act (“IGRA”), which thereby would permit gaming to occur on the property. Bay Mills had argued that since it had used proceeds from a land claim settlement approved by Congress in the Michigan Land Claims Settlement Act, that the land became “held as Indian Lands are held” under that Act, and that it should be treated as land “with a federal restriction on alienation” for purposes of IGRA.

Under IGRA, there are three categories of Indian lands that are permitted to allow gaming pursuant to a tribal state compact; (1) land that is part of the tribe’s reservation; (2) land that is taken into trust through a detailed federal process; and (3) Indian land with a federal restriction on alienation.

The federal court found that land acquired with proceeds from the settlement are not automatically held “with a federal restriction on alienation”, and thus are subject to the laws of the State of Michigan. Noting the plain language of the phrase “held as Indian Lands are held” the court pointed out that tribes can hold land in many different ways, including fee simple, which subjects them to the laws of the state. The Court noted that ordinarily when a tribe acquires land on the open market it holds the land with a fee simple title. The court further noted that the lack of any procedural safeguards in the language of the land claims settlement act suggested that Congress did not intend to allow such land to be used for gaming purposes. The Court noted:

Were the Court to adopt Bay Mills’ interpretation, the Tribe could purchase real estate anywhere in the State of Michigan, creating the potential for conflicts with State and local governments, and without any recourse for those entities. And, while the Vanderbilt Parcel is located in a relatively rural area of Michigan, the possibility exists

that Bay Mills could purchase lands in much more developed areas of the State.

Bay Mills has not yet announced whether it will appeal the decision.

LINCOLN PARK MAN PLEADS GUILTY TO EMBEZZLEMENT

Per a press release dated October 2, a 67-year-old Lincoln Park man pled guilty Sept. 21 in Wayne County's Third Circuit Court to felony embezzlement and forgery charges and three misdemeanors, including larceny by conversion and two charitable gaming license violations, for crimes against two Wayne County charities. The Lincoln Park Moose Lodge No. 1665 and the Lincoln Park Women of the Moose No. 1036 were the victims, according to a complaint filed earlier this year after a joint investigation by the Michigan Attorney General's Office and the Michigan Gaming Control Board (MGCB).

Donald G. McDonald, the former Moose Lodge treasurer, admitted embezzling up to \$25,000 from the two charitable organizations between 2013 and 2016 although the organizations estimated up to \$100,000 was missing. Both organizations were licensed by the MGCB to conduct charitable gaming events, and some of the stolen funds were proceeds from those fundraising events.

"The MGCB urges non-profit organizations to establish controls such as dual signatures on checks and monthly or quarterly financial reviews to avoid becoming victims of crime," said Richard S. Kalm, executive director, Michigan Gaming Control Board in the press release. "Charities work hard to raise funds. Without oversight, it's easy for one person to divert the money they raise."

McDonald pled guilty to three counts of embezzlement of more than \$1,000 but less than \$20,000 from a non-profit corporation or charitable organization. Two of the 10-year felony

embezzlement counts were dismissed as part of a plea agreement.

McDonald also pled guilty to forging a \$360 check drawn on the organization's account in August 2013. Forgery is a 14-year felony and also punishable by a \$15,000 fine. Additionally, he pled guilty to larceny by conversion of more than \$200 but less than \$1,000, which is a misdemeanor punishable by a year in jail and/or a fine of \$2,000. The two charitable gaming license violations carry a penalty of up to six months in jail and/or fines of \$1,000 each.

The investigation resulted from a tip received by the MGCB, which urges the public to report illegal or suspicious gambling-related activity to its anonymous tip line, 888-314-2682.

On Oct. 23, McDonald will be sentenced in Third Circuit Court by Judge Kelly Ramsey. McDonald has agreed to pay restitution as ordered by the court.

UNITED STATE HOUSE OF REPRESENTATIVES HOLDS SPORTS BETTING HEARING

While overshadowed by the Senate Judiciary Committee's hearing on Supreme Court nominee Brett Kavanaugh, the House of Representative's Judiciary's Committee's Subcommittee on Crime, Terrorism, Homeland Security and Investigations held a hearing on September 27 on what role, if any, the federal government should play in the regulation of sports wagering and online gaming post the Supreme Court's striking down of the Professional and Amateur Sports Protection Act.

The Subcommittee heard testimony from five witnesses—three in favor of federal regulation and two in favor of state regulation. The first witness was Jocelyn Moore, the NFL's VP of communications and public affairs. Ms. Moore warned of a "regulatory race to the bottom" should individual states be permitted to regulate sports wagering. She reiterated the NFL's desire

to receive a player integrity fee, to require sports betting operations to use only league-supplied data, and protection for the NFL's intellectual property. Following Ms. Moore, Les Bernal, director of Stop Predatory Gambling gave testimony. His testimony was also against state regulation, arguing that "states are laboratories of fraud, exploitation and budgetary shell-games", although he failed to give any examples to support his position. Finally, Jon Bruning, a former Attorney General of Nevada who now works for the Coalition to Stop Internet Gaming, an organization funded by Las Vegas Sands' owner Sheldon Adelson, testified about online gambling being "uniquely susceptible" to criminality, public corruption and terrorism.

Testifying in favor of leaving regulation to the states was Sara Slane, senior VP of public affairs for the American Gaming Association. Ms. Slane testified that existing state and tribal regulation of gaming already have the tools and expertise to regulate sports gambling. She noted that the federal government has no regulatory influence over slots, table games or other gambling products and because the existing system was working, there was no need to complicate it by having federal regulation as well. The hearing concluded with the testimony of Becky Harris, the chair of the Nevada Gaming Control Board. She testified that Nevada has been regulating sports wagering for decades without any problems. She noted that if there was additional federal regulatory oversight and taxation that might be more cumbersome, such regulation would only drive players to the more attractive gaming offerings of internationally licensed online operators.

Currently, in addition to Nevada, Delaware, Mississippi, New Jersey and West Virginia all offer sports wagering. New Jersey and West Virginia both allow online sports wagering in addition to sports wagering at the brick and mortar casinos. Looking forward, Rhode Island, Pennsylvania and

New York are also poised to offer sports wagering soon.

IN MEMORY: LAS VEGAS SHOOTING VICTIMS

One year ago, on October 1, 2017, the gaming industry, the nation, and the World suffered the tragic loss of 58 people who were attending what was supposed to be a fun country music festival in Las Vegas Nevada. The [Michigan Gaming Newsletter](#) wants to convey its deepest sympathies to the family and friends of the victims of this terrible tragedy and senseless Act, and express gratitude and appreciation for all of the members of the Las Vegas community that reached out in many different ways to help the victims.