

October 12, 2018

Volume 24, Issue 32

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

Editor in Chief

David D. Waddell, Esq.
Phone: 517.507.3859
waddell@rmclegal.com

*Senior Gaming Analyst
& Editor*

Robert R. Russell, II
Phone: 517.507.3858
russell@rmclegal.com

Reporter and Associate Editor

J.J. Burchman, Esq.
Phone: 517.999.5414
burchman@rmclegal.com

Distribution Coordinator

Julie Williams
Phone: 517.507.3861
jwilliams@rmclegal.com

Subscription information:
info@michigangaming.com

A publication of
RMC Ventures, LLC

Asher Court
321 W. Lake Lansing Rd.
East Lansing, MI 48823
Phone: 517.507.3860
Fax: 517.908.0235
www.rmclegal.com

The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR SEPTEMBER 2018 AND THIRD QUARTER 2018

In a [press release](#) dated October 9, the Michigan Gaming Control Board ("MGCB" or "Board") released the September 2018 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$115.2 million in aggregate revenue for September 2018, a 1.4 % increase from the same month last year. The results were 4.4% below the monthly revenue for August 2018.

Please see the linked [State of Michigan official financial report](#).

Revenue increased at MGM by 3.5% to \$49.7 million. MotorCity recorded a revenue increase of 1% to \$38.8 million. Greektown revenue decreased by 1.8% to \$26.7 million compared with September 2017 results.

The September 2018 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 43%, 34% and 23% respectively.

During September 2018, the three Detroit casinos paid \$9.3 million in gaming taxes to the State of Michigan, compared with \$9.2 million for the same month last year. The three casinos reported submitting \$14.2 million in wagering taxes and development agreement payments to the City of Detroit in September.

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 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.

Third Quarter Results 2018:

The three Detroit casinos posted a 3.2 percent increase in aggregate revenue during the third quarter compared with the same period in 2017. MGM's quarterly revenue was \$153.2 million, up 4.2 percent from third quarter 2017 results. MotorCity recorded \$119.3 million in revenue, a 1.7 percent increase. Greektown's \$82.5 million in revenue was up 3.5 percent from third quarter 2017 results.

The State of Michigan received \$28.8 million in gaming taxes from the three Detroit casinos during the third quarter. The casinos reported submitting \$46.9 million in wagering taxes and development agreement payments to the City of Detroit during the third quarter.

MICHIGAN TRIBES SHARED \$29.9 MILLION OF GAMING REVENUE WITH LOCAL COMMUNITIES IN 2017

Per a [press release](#) dated October 10, Native American tribes sent \$29.9 million in gaming-related payments to local governments and revenue sharing boards in Michigan during fiscal year 2017, according to a [report](#) published by the Michigan Gaming Control Board.

The Pokagon Band of Potawatomi Indians distributed \$6.1 million in payments, which was the largest amount disbursed by any of the dozen tribes. The second and third largest total revenue-sharing payments were made by the Saginaw Chippewa Indian Tribe, \$5.8 million, and the Nottawaseppi Huron Band of the Potawatomi Indians, \$5.6 million.

The largest revenue-sharing payments of \$1 million or more went to three public school

districts: Harper Creek, Wayland Union and Buffalo Public Schools.

Overall, revenue sharing was up 2.2 percent from fiscal year 2016, which indicates a general increase in the tribes' net win from slot machines.

The report, [Receipts and Distribution of Indian Casino Revenue by Local Revenue Sharing Boards](#), includes revenue sharing distributions for each tribe to the local communities. As required by Public Act 107 of 2017, the MGCB prepares the report annually.

Tribal gaming compacts with the state of Michigan and associated federal court consent judgments require payments to local governments or revenue sharing boards. The revenue sharing amount equals 2 percent of the tribal casinos' net win from slot machines.

Since 1994, Native American tribes operating casinos in Michigan have paid more than \$467 million in revenue sharing payments to local units of government and revenue sharing boards.

STATE GAMING COALITION OFFERING FREE WEBINAR ON AML ISSUES

The State Gaming Coalition, made up of associations and representatives of casino operators in numerous states, is offering a free webinar on Thursday, October 25th from 1:00 to 2:30 p.m. Eastern Time entitled "AML in Action: New Guidance for Gaming Operators". The webinar will feature former senior officials from FinCEN and the U.S. Department of Justice for a discussion about key developments in anti-money laundering enforcement and policy, together with compliance officers from major gaming operators who are addressing the challenges of assuring compliance. Topics will include:

- The impact of sports betting and the implementation of the new customer due diligence rule.
- Emerging regulatory and enforcement trends.

- What to expect going forward with regard to AML enforcement.

The webinar will feature:

- **Stephanie Brooker**, Gibson Dunn, former Director of the Enforcement Division at the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN) and a former federal prosecutor;
- **M. Kendall Day**, Gibson Dunn, former prosecutor with the U.S. Department of Justice (DOJ), serving most recently as an Acting Deputy Assistant Attorney General of the DOJ's Criminal Division, the highest level of career official in the Criminal Division;
- **Peggy Jacobs**, Vice President of Gaming Compliance, MGM Resorts International;
- **Ben Floyd**, Senior Vice President, AML and OFAC Officer, Caesars Entertainment;
- **Elizabeth Tranchina**, Vice President, Legal Counsel, Pinnacle Entertainment.

To register for the free webinar, contact BolsterATX@gmail.com.

FIREKEEPERS HOSTS MICHIGAN STATE POKER CHAMPIONSHIP

Firekeepers Casino and Resort in Battle Creek, MI is hosting the Mid-State Poker Tour (MSPT) State Poker Championship main event this weekend. The Championship began on October 6 and concludes on Sunday with the main event boasting a guarantee of \$300,000. The first flight of the main event was Thursday at noon, with the two other starting flights beginning Friday at noon and Saturday at noon. The survivors of those three flights will be combined on Sunday with play beginning at 11:00 a.m. The event will be broadcast live at www.msptpoker.com. Last year's winner was Chris Meyers, who also went on to win the Kimo Sabe Mezcal MSPT Season 8 Player of the Year award.