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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

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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 FULL YEAR AND DECEMBER 2018

In a <u>press release</u> dated January 8, 2018, the Michigan Gaming Control Board ("MGCB" or "Board") released the calendar year 2018 revenue figures for the three Detroit casinos — MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. During 2018, the three Detroit casinos reported a historic \$1.44 billion in annual revenue, which was \$20 million higher than the previous annual record of \$1.42 billion set in 2011.

Casino Revenues 2018:

The three Detroit casinos reported \$1.44 billion in total aggregate revenue for 2018, a 3.1% increase over 2017 totals. Slots contributed \$1.17 billion, or 81%, of annual revenue, and table games brought in \$272 million, or 19% of revenue.

Annual revenue rose at MGM by 4.6% to \$619.2 million and at Greektown by 1.7% to \$335.2 million when compared with 2017 results. MotorCity revenue gained with a 2.3% increase to \$489.7 million.

Full year market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 43%, 34% and 23% respectively.

During 2018, the three Detroit casinos paid \$117 million in gaming taxes to the state of Michigan compared with \$113.4 million in 2017. The three casinos reported submitting \$182.9 million in wagering taxes and development agreement payments to the City of Detroit during 2018.

December and 4Q Revenues 2018:

The three Detroit Casinos reported a total aggregate revenue of \$127.4 million in December 2018, a 9.7% increase over the same month in 2017. Total 4th Quarter revenue increased 5.6% over 4Q 2017 with a total of \$361.1

million. Please see the linked <u>State of Michigan</u> <u>official financial report</u>.

During December 2018, the three Detroit casinos paid \$10.3 million in gaming taxes to the state of Michigan compared with \$9.4 million for the same month in 2017. The three casinos reported submitting \$16.1 million in wagering taxes and development agreement payments to the City of Detroit during December 2018.

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.

KEWADIN CASINOS TREATS FEDERAL EMPLOYEES TO SATURDAY NIGHT BUFFET

Per a press release dated January 10, 2019, Kewadin Casinos is offering a FREE buffet dinner every Saturday night to all members of the US Coast Guard and affected federal employees, along with their immediate families, during the federal government shut down. This offer is available from 4 p.m. to close at the Horseshoe Bay Restaurant at Kewadin St. Ignace and the DreamCatchers Restaurant at Kewadin Sault Ste. Marie.

"Kewadin Casinos and the Sault Tribe would like to show our support for the Coast Guard and other federal employees with this small gesture," said Tribal Chairperson Aaron Payment.

Anyone planning to attend is asked to bring federal government identification to the buffet.

The buffet dinner is offered in appreciation of the dedication and service of federal employees. For more information about the Sault Ste. Marie Tribe of Chippewa Indians, please visit www.saulttribe.com. For more information about Kewadin Casinos, please visit www.kewadin.com.

FIREKEEPERS CASINO HOTEL CELEBRATES GRAND OPENING OF GAPI

In a press release dated January 9, 2019, FireKeepers Casino Hotel announced the opening of Gapi Coffee & Sweets. The Gapi menu will include not only coffee drinks, but soups and sandwiches.

The exclusive provider of coffee will be Five Lakes Coffee, a family owned business dedicated to roasting coffee since 2002. With roots in Sturgis Michigan, the company now owns six locations in Southwest Michigan and Northern Indiana.

"We are excited to partner with Five Lakes Coffee to expand our coffee offerings for our guests," stated Kathy George, FireKeepers CEO. "The food and bakery options are also a fantastic addition for guests looking to re-energize."

Gapi is the Potawatomi word for coffee. This naming initiative by the Nottawaseppi Huron Band of the Potawatomi, owners of FireKeepers Casino Hotel, incorporates the native language into the community focus of FireKeepers.

AMERICA GAMING ASSOCIATION SENIOR VP OF PUBLIC AFFAIRS SARA SLANE TO BE KEYNOTE SPEAKER AT SOUTHERN GAMING SUMMIT

The Southern Gaming Summit ("SGS") announced January 9, 2019, that Sara Slane would be the keynote speaker for Day 2 of the SGS. In the

press release issued by the Mississippi Gaming & Hospitality Association it praised Ms. Slane's accomplishments:

"As a key industry strategist and spokesperson, Slane has helped enhance the gaming industry's reputation and build favorable perceptions among critical stakeholders, including regulators, legislators, the media, and the broader public. Most recently, Slane managed the most important advocacy victory in AGA history, a campaign to repeal the federal ban on sports betting known as the Professional and Amateur Sports Protection Act (PASPA). Slane was integral to planning the campaign's strategy and leading key aspects, including building alliances with sports leagues and policymakers; handling the association's day-to-day grassroots and communications efforts; and overseeing the original development of research that demonstrated the overwhelming support for legal, regulated sports betting among fans and quantified the economic opportunities for American businesses. Slane and AGA's efforts culminated in the 14 May 2018 ruling by the U.S. Supreme Court to overturn PASPA and clear the way for the gaming industry to offer sports betting under state regulation."

Larry Gregory, the executive director of the Mississippi Gaming & Hospitality Association, said: "We're very excited that Ms. Slane will be attending our conference as a keynote speaker. As our industry's foremost expert on sports betting, she'll bring key insights and knowledge that will be of interest to, and benefit, all of our attendees." The SGS will be held May 7-9, 2019, in Biloxi, MS. It will include an opening golf tournament and Welcome Reception at the Hard Rock Hotel & Casino on May 7. On May 8, the day will include four educational sessions and the Global Gaming Women Luncheon. The SGS will close on May 9 with another six educational sessions and will be followed by the Hall of Fame Gala for the Mississippi Gaming Hall of Fame. More information and registration can be found at http://www.sgsummit.com/.

ASSOCIATION OF GAMING EQUIPMENT MANUFACTURERS (AGEM) ANNOUNCES RESULTS OF OFFICER ELECTIONS

In a press release dated January 9, 2019, The Association of Gaming Equipment Manufacturers (AGEM) announced that its Board of the Directors has elected a new slate of officers under the leadership of a new President — Luke Orchard, Senior Vice President, Chief Compliance & Risk Management Officer for IGT.

Previously an AGEM Vice President, Orchard replaces Tom Nieman as President for a 2-year term, while Mr. Nieman moves to the Treasurer position for a 1-year term. One-year terms were approved for:

- Vice President, Thomas Jingoli (Executive Vice President, Chief Commercial Officer, Konami Gaming)
- Vice President, David Lucchese (Executive Vice President, Digital & Interactive Business Leader, Everi)
- Vice President, Robert "Bob" Parente (Senior Vice President, Chief Revenue Officer, Gaming, Scientific Games)
- Vice President, Eric Fisher (President, Gaming, Crane Payment Innovations)
- Secretary, Mark Dunn (Executive Vice President & General Counsel, Aristocrat Leisure Limited)
- Treasurer, Tom Nieman (Vice President, Marketing, JCM Global)
- General Counsel, Daron Dorsey (Senior Vice President and General Counsel - Americas, Ainsworth Game Technology)

For more information, visit www.AGEM.org.