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# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## **MGCB PERMITS MOBILE AND INTERNET WAGERING ON HORSE RACING**

The Michigan Gaming Control Board ("MGCB") issued an order May 5, 2020 that will permit horse racing fans to place wagers online and via their mobile devices. The order can be found [here](#). While Michigan had passed legislation late in 2019 permitting such wagers by amending the Horse Racing Law of 1995, the MGCB had not promulgated its regulations governing and permitting such transactions until Tuesday. The amendments permitted race meeting licensees to enter into contracts with third parties to facilitate the wagering, commonly known as advanced deposit wagering or ADW.

Under the terms and conditions of the order, a third party facilitator, prior to offering ADW, must first agree to a joint contract with both all race meeting licensees and certified horseman's organizations in Michigan. Once a contract is entered, the third party facilitator must apply for a license, provide a plan for operation, obtain preapproval from the MGCB of any plan operation changes, pay a licensing fee of \$1,000 and an annual \$500 renewal fee, and to only offer pari-mutuel wagers that are permitted under Michigan law. All operators are also required to maintain confidentiality of customer information and are prohibited from sharing or selling any confidential information.

MGCB executive director Rick Kalm indicated: "The order should enable the state's horse racing industry to gain new followers through ADW and maintain protection for citizens who wish to place wagers on live and simulcast pari-mutuel racing in Michigan using their mobile phones. Before ADW can go live in Michigan, the race meeting licensee and the certified horsemen's organizations also must agree to a contract with a provider."

Currently, Michigan has one race meeting licensee at Northville Downs that offers thoroughbred racing, along with live and simulcasted pari-mutuel

wagering. Northville Downs remains closed through May 28 pursuant to Michigan's current stay at home order due to the COVID-19 emergency.

## **POKAGON TRIBAL CHAIRMAN MATT WESAW AND OTHER TRIBAL GAMING LEADERS DISCUSS HOW TRIBAL GAMING INDUSTRY IS HANDLING CRISIS**

A panel of three experts discussed how the tribal gaming industry can recover, what the steps will be, and how the COVID 19 crisis will change operations from now on. The panel discussion occurred as part of the ongoing CasinoWebinar.com "Gaming in Crisis: the Path Back" series that is being presented by RMC, The Innovation Group ("TIG"), and Global Gaming Business Magazine ("GGB"). The entire series of webinars is available for free at the following [link](#).

Roger Gros, Editor in Chief of GGB moderated the panel which included Matthew Wesaw, Tribal Council Chairman, Pokagon Band of Potawatomi Indians; Ray Pineault, President and General Manager, Mohegan Sun; and John J. James, Former President and CEO, Foxwoods Resort Casino.

Matthew Wesaw led off the discussion, and discussed how the Pokagon Tribe is addressing the crisis. "We recognize the devastation that COVID 19 has caused in this country, and it has been particularly hard on Indian Country." The Tribe formed a Government Health Task Force to develop a crisis plan and establish protocols. The Tribe and Task Force have made communication with tribal members a key priority, and regularly provide updates each week. The Tribal Government took steps to close the casinos early on, to issue a Shelter in Place Order for tribal citizens, and to modify and expand important Housing and Social Services for citizens including rent and mortgage relief, food donations, and several other measures to address the needs of citizens given that with the closure of the casinos, the per cap distributions to members stopped. They also created a special tax free disaster relief payment for citizens. Construction

projects have been put on indefinite hold.

The Pokagon Tribe continues to participate in weekly Michigan Tribal Chairpersons calls to share ideas on how to best address concerns. Additionally, they have two weekly calls with the Bureau of Indian Affairs, and continue to pursue key federal funding programs. Chairman Wesaw noted that casino management provides weekly updates to the Tribal Council and the Gaming Authority about potential re-opening scenarios, and noted that a partial re-opening with limited services is the most likely outcome. He noted: "I believe and the Council believes we have set a solid foundation for a reopening, it will be slow and resolute, but we have determined to do what is best for our people." Chairman Wesaw gave praise to the Gaming Commission and Executive Director David Vialpando who have done an excellent job of outlining different phases for preparation for re-opening not only on the licensing side but on the operations side for re-opening.

He said the task force is monitoring activity and the virus on a nationwide basis. Two things they do not want to have is (1) to open early, and have a case that traces back to their casino, or (2) have any cases of the virus within their community. He noted that so far they have not had any positive cases of the virus.

Based on the data continuing to be good, they expect to have a re-opening with limited staff, they will not open areas where people congregate, they will want strong social distancing, they will limit dining options significantly, they will create a policy of employee and customer face masks, and temperature controls in the least intrusive manner possible. They will also limit vendor activity to essential services only and restriction admissions to all ill patrons. They may initially open with just slots. They are considering various ways to do so with proper social distancing and cleaning. The hotel will not be open in the first phase. "Gaming as we know it for a period of time is going to be different."

Chairman Wesaw also noted the following: “We are very active in our community . . . and want to be as participatory as possible to helping the community,” he said. “If we can get through this crisis without the virus infecting our community and preventing the loss of life, we will consider this a major victory. I believe and the Council believes we will rebound based on how we have handled the shutdown of our properties.”

Mohegan Sun’s President and General Manager Ray Pineault noted that his team has been doing a lot of planning and preparation focused on:

- Modeling and scenario planning;
- Post opening safety measures for guests and team members;
- Phased opening planning;
- Team member call back and communications;
- Obtaining, fabricating, and installing equipment and supply;
- Health department and gaming regulator coordination;
- Marketing plans and guest communication;
- Media and PR planning;
- Operation plans, efficiency and safety plans and protocol;
- Suspected cases plans—guests and team members;
- CDC and health department guidelines;
- Soft and public opening planning;
- Startup procedure planning;
- Vendor partner communications;
- Operations and labor expense planning for expected extended ramp up.

“We are community partners. We have been here in Connecticut forever. We are not leaving, we are not going anywhere. We are not just tenants, and we want to make sure we are here for a long time.”

John James, Former President and CEO of Foxwoods Resort Casino urged tribes to realize that the new normal will be an evolving normal for tribal casinos, and that the foundation is knowing the business model, developing the right phased approach to re-opening, evaluating the impact on the business, and developing a game plan to assure future operating performance in

alignment with overarching goals and objectives. He suggested that speed to market will matter, while recognizing that every market is different, and that an important part of the foundation is defining what the new normal operations will look like.

He outlined the following examples of basic factors and assumptions for consideration:

- Standards of cleanliness;
- Room amenities;
- Social distancing by area and personal hygiene;
- Operating challenges by areas such as food and beverage, pool, spa, fitness areas, etc.
- Temperature check and mandated quarantine;
- Procedures for managing suspected cases of COVID 19
- Crisis team on cross functional planning and communications;
- Developing destination standards;
- Branding standards;
- Cash Management;
- Supply chain management;
- Meeting supply and demand and stretching the elasticity of demands if known.

He stressed the importance of defining the evolving normal and rolling with success in the changing market.

Although the webinar was focused on a lot of the unique challenges that tribal operations are facing, there are also many commonalities to what commercial casinos are dealing with in making plans for re-opening.

## **“GAMING IN CRISIS: THE PATH BACK” WEBINAR SERIES PROVIDES VALUABLE INSIGHTS TO GAMING INDUSTRY**

Regulatory Management Counselors, P.C., Global Gaming Business Magazine, and The Innovation Group continue to join forces to present weekly informative webinars designed to help gaming

companies-operators, manufacturers and suppliers-executives, employees, investors and customers navigate the "new normal" as the world struggles through and emerges from the devastating effects of the coronavirus pandemic. The series now includes three webinars, with a fourth webinar entitled **"Moving Forward: iGaming in the Covid-19 Era"** scheduled for Thursday, May 14 at 2:00 p.m. ET. While most of the gaming industry has been devastated by the Covid-19 crisis, one part of the business is thriving. With players barred from casinos, online gaming has taken a giant leap forward. Not only does it provide continuing revenue for casino companies in times such as these, but states collect taxes where none existed before. But will the bloom fade when the crisis is over, or will states and jurisdictions rush to fill the void left by the continued absence of iGaming? Experts will discuss the long-term viability of online gaming and how the Covid-19 crisis has awakened some of its most subtle critics. The session will be moderated by Roger Gros, publisher of Global Gaming Business Magazine and will feature three panelists: Sue Schneider, VP, Growth & Strategy/ Americas, Sports Betting Community (SBC), Dermot Surfit, CEO of GAN, and Kresimer Spajic, CEO of Hard Rock Interactive. Interested parties can register for the upcoming free webinar [here](#).

The first webinar, entitled **"Beyond CARES: How the Relief Bill Helps the Industry and Employees and Where it May Fall Short,"** was moderated by Robert Russell, Gaming Analyst at Regulatory Management Counselors, P.C. and featured perspectives from casino operations, the financial market and impacts, and human resources, including Matt Sodi, Anthony Sanfilippo and Jennifer Martinez offering their thoughts and commentary. A summary of the webinar was previously reported in [Volume 26, Issue 16](#) of the Michigan Gaming Newsletter.

The second webinar, entitled **"Taking Care of Business: Difficult Decisions Ahead,"** was moderated by Michael Soll, President of The Innovation Group, featured comments by Ellen Whittemore, Executive VP & General Counsel of Wynn Resorts, Bobby Soper, President & CEO of Sun Gaming & Hospitality and Josh Swissman,

former CMO for Stations Casinos, currently Founder of The Strategic Organization. A summary of the webinar was previously reported in [Volume 26, Issue 17](#) of the Michigan Gaming Newsletter.

The most recent webinar, entitled **"Tribal Troubles: How Indian Gaming Will Rebound,"** was moderated by Roger Gros, publisher of Global Gaming Business Magazine, and featured insights from John J. James, former President and CEO of Foxwoods Resort Casino, Ray Pineault, President and General Manager of Mohegan Sun, and Matthew Wesaw, Tribal Council Chairman, Pokagon Band of Potawatomi Indians. A detailed summary of the webinar appears above in this newsletter.

All previous webinars were recorded and are available at [www.casinowebinar.com](http://www.casinowebinar.com), along with information regarding upcoming webinars and registration details.