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Federal District Court Dismisses Kewadin Suit That Sought to Enjoin State Court

On Wednesday, the U.S. District Court for the Western District of Michigan, Northern Division, issued an opinion and order dismissing an action filed by the Kewadin Casinos Gaming Authority ("Kewadin"). The Kewadin suit was brought against a state court (Ingham County Circuit Court) judge and developers who have been pursuing a state court action against Kewadin related to the unsuccessful attempt to develop two casino projects in Michigan.

In the state court action, Kewadin had filed a motion to dismiss based on sovereign immunity. The state court, however, found that there had been "an express and unlimited, irrevocable waiver of sovereign immunity" and allowed the case to go forward. The developers involved filed a motion to compel discovery in that case, which the court granted. The state court judge then issued an order to show cause why Kewadin should not be held in contempt for failing to comply with discovery. Kewadin brought suit in federal court seeking to enjoin the state court and seeking declarations that (1) sovereign immunity barred the claims; (2) that the state court and state court judge lacked subject matter jurisdiction; and (3) that the developers and court should be barred from taking action within the Tribe's Indian country or that would violate tribal law.

The federal court rejected Kewadin's arguments, and further noted that a federal doctrine on the review of state court judgments by federal courts applied to the matter. The doctrine precludes cases brought by state court losers complaining of injuries caused by state court judgments rendered before the district court proceedings commenced and inviting district court review and rejection of those judgments. Kewadin argued that the state court's action did not amount to a "judgment", and that the doctrine should thus not apply.

The federal district court disagreed, stating:

“in sum, Kewadin did not prevail on its motion to dismiss and motions for reconsideration, among other motions, and came to federal court complaining of injuries because of the state court judgments. In effect, Kewadin’s request for injunctive and declaratory relief seeks a review of those state court judgments. The source of Kewadin’s injuries are the state court judgments. Therefore, under the . . . doctrine, this court is precluded from hearing Kewadin’s claims.”

The federal court further found the Anti-Injunction Act (“AIA”), to prevent the court from enjoining the state court. The AIA which states that a federal court may not grant an injunction to stay proceedings in a state court unless expressly authorized by an Act of Congress or where necessary in the aid of its jurisdiction, or to protect and effectuate its judgments, to be applicable to Kewadin’s claims.

State Investigators Seize 67 Gambling Devices and Cash from Two Alleged Flint Storefront Casinos

According to a [press release](#) issued by The Michigan Gaming Control Board (“MGCB”), state investigators on August 18 confiscated 11 video slot machines and 56 computers allegedly used for illegal gambling as well as \$10,141 in suspected gambling proceeds and gift cards in raids conducted at two Flint locations. The two locations are listed as The Cellular Vault, 3301 Corunna Road, and Cellular Bank, 4622 N. Saginaw Street. The joint investigation of the two freestanding businesses was conducted by the Michigan Department of Attorney General and the Michigan Gaming Control Board.

The Cellular Vault contained 39 computers used to play slot-style games, and Cellular Bank housed 11 free standing slot machines and 13 computers used to play slot-style games. Cellular Bank also

provided patrons a card with a PIN allowing them to wager online from offsite locations.

“The MGCB received several anonymous tips regarding both Flint locations, and we thank the public for their help in rooting out possible illegal gambling activities. Patrons at alleged storefront casinos do not have access to the consumer protections required for legal, regulated gambling. The operations also can draw other types of crime to the surrounding neighborhoods.” said Henry Williams, MGCB Executive Director.

The MGCB publishes a [fact sheet](#) about Michigan law and a separate [fact sheet](#) on unregulated machines used for illegal gambling. Michigan citizens are encouraged to report any suspicious or illegal gambling by calling the MGCB’s 24-hour anonymous tip line at 888-314-2682.

AGA Announces Its 2022 Gaming Hall of Fame Class

The American Gaming Association (AGA) announced in a [press release](#) the Gaming Hall of Fame Class of 2022, honoring three leaders for their noteworthy contributions to the industry:

- Gavin Isaacs, former President and CEO, Scientific Games Corporation, and current Chairman, Games Global
- Virginia McDowell, former President and CEO, Isle of Capri Casinos, and current Non-Executive Director, Entain PLC and Cofounder, Global Gaming Women
- Michael Rumbolz, former CEO, Everi Holdings, Inc. and current Executive Chairman of the Board, Everi Holdings, Inc.

“Gavin, Virginia and Mike have each helped transform the gaming industry in their own significant ways. From leading casino and manufacturing operations across the country to serving in a multitude of board and advisory roles, their influence has spanned the U.S. and global gaming industry—and we are all better off for it.”

said AGA President and CEO Bill Miller.

“The Gaming Hall of Fame is comprised of individuals that have pushed the industry forward through innovation, leadership, and excellence. This year’s inductees are well-deserving additions to its ranks, I look forward to celebrating their contributions alongside the entire gaming industry at G2E 2022.” said AGA Chairman of the Board and Hard Rock International Chairman and Seminole Gaming CEO Jim Allen.

Beginning in 1989, The Gaming Hall of Fame has recognized gaming legends, pioneers and business leaders or their lasting impacts on the gaming industry. The invitation only inductions ceremony will be held at the Global Gaming Expo (“G2E”) in Las Vegas October 2022, will honor its three newest members.

Selection of the Hall of Fame honorees are made by an independent panel of gaming executives. This year’s gaming executive panel includes:

- Jim Allen, Chairman, Hard Rock International and CEO, Seminole Gaming
- Kirsten Clark, Executive Director, International Association of Gaming Advisors
- Jeffrey Compton, Business Manager, CDC Gaming Reports
- Alan Feldman, Chairman, International Center for Responsible Gaming and Distinguished Fellow, UNLV International Gaming Institute
- Craig Ferreira, Interim Executive Director, UNLV International Center for Gaming Regulation
- Dan Little, Chief Intergovernmental Affairs Officer, San Manuel Band of Mission Indians
- Cassie Stratford, SVP, Legal Operations & Regulatory Compliance, Boyd Gaming and President and Chair, Global Gaming Women
- Steve Sutherland, President and CEO, Konami Gaming