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Michigan Internet Gaming and Sports Betting Operators Report Combined \$176.5 Million September Total Gross Receipts

As [reported](#) by the Michigan Gaming Control Board ("MGCB"), Michigan commercial and tribal internet casino gaming and sports betting operators reported a combined \$176.5 million total gross receipts in September. September receipts increased 14% when compared to last month.

September internet gaming gross receipts were \$128.7 million, down 1.7% from \$130.9 million reported in August 2022. Gross sports receipts totaled \$47.8 million, increasing 99.3% when compared with August 2022's total of \$24 million.

Combined total adjusted gross receipts of \$143 million were reported for September, including \$115.8 million from internet gaming and \$27.2 million for internet sports betting. Total monthly internet gaming adjusted gross receipts fell by \$1.7 million or 1.5% and, internet sports betting adjusted gross receipts increased by 36.9% or \$11.1 million when compared to August 2022.

Compared with September 2021, this month's internet gaming adjusted gross receipts increased 25.5%, and internet sports betting adjusted gross sports betting receipts increased by \$27.2 million.

Total internet sports betting handle at \$364.5 million and rose 66.6% compared with August 2022 results of \$218.81 million.

The operators delivered \$25.6 million in taxes and payments to the State of Michigan during September, with internet gaming taxes and fees contributing \$24 million and internet sports betting taxes and fees contributing \$1.6 million.

The three Detroit Casinos – MotorCity Casino, MGM Grand Detroit, and Greektown Casino – reported city wagering taxes and municipal service fees of \$7.1 million, with internet gaming taxes and fees contributing \$6.3 million and internet sports betting taxes and fees contributing \$759,345 for the month of September.

Tribal operators reported making total payments of \$2.8 million of wagering payments to the tribes' governing bodies according to the MGCB.

For the first nine months of 2022, aggregate internet gaming adjusted gross receipts totaled \$1 billion, and aggregate internet sports betting adjusted gross receipts were \$131.4 million.

An online gaming and sports betting revenue distribution [table](#) is available on the agency's website.

During September, one of the tribal operators ceased offering internet gaming, reducing the number of internet gaming operators to 14. A total of 15 commercial and tribal operators offered internet sports betting. Details for each operator's internet gaming and internet sports betting [results](#) are available and published on the MGCB website.

The Innovation Group's Insights from the 2022 Global Gaming Expo

The Innovation Group ("TIG") recently published its [insights and takeaways](#) from this year's Global Gaming Expo ("G2E"). According to TIG, the attendance and energy at G2E showed strong growth in the gaming industry in contrast to the pandemic lows. As much as pandemic-era thinking and policies have resulted in new business practices, the overall economic condition of the industry has been positive, despite the remnants of commercial impacts that continue to strain the industry in Asia.

The three key insights mentioned include the evolving landscape of the gaming industry, future market opportunities, and the further adoption of regulatory innovations.

The Evolving Landscape of the Gaming Industry

The landscape of the gaming industry is evolving, and players seek new destinations to game. During the pandemic, players have utilized online gaming, and that growth has been retained despite the reopening of physical gaming destinations. TIG speculates the future frontier of gaming may be in the virtual or augmented reality space, noting that VR and AR allow for more broad entertainment options that can be offered in a virtual casino in a place like the metaverse.

TIG also believes that as growth in the online gaming market slows, mergers and acquisitions will play a large role in the sports betting industry in the short run. This could be driven by companies seeking efficiencies in player acquisition and retention and could allow more niche products in the market to find a path to success. This could also include media companies' further involvement in the industry, which could result in the possibility of casino operators being acquired by non-gaming conglomerates. They also expect that tribal cooperation will lead to growth and innovation in the tribal gaming field in the future.

Future Market Opportunities

As the post-pandemic recovery continues, there have been meaningful developments in markets across the globe. There have been developments in North and Latin America, followed by hopeful signs in Europe, while Asia continues to lag behind.

In the U.S. commercial markets, seven state markets are expanding casino operations, creating new casino operations, or creating new industry markets. TIG identifies mobile sports betting and iGaming as presenting the most opportunity for significant growth in the market. Tribal Gaming continues to expand in North America, where at least four states that contain tribal casinos are expected to expand and add to new amenity-centric additions. Tribal gaming operators are also undertaking new diversification

strategies, including the operation of commercial casinos in some jurisdictions, in the wake of expanded competition.

Globally, Canada is expected to see growth across the gaming industry in commercial, First Nations, charitable, and provincial operations. Further, as Canada continues to adopt online and sports betting areas, its largest casino operations are figuring out how to absorb modernization. Additionally, there has been steady growth in online and sports betting in Latin America and the Caribbean. Brazil remains elusive in the gaming space as some Asian markets are underserved, like Korea and Vietnam, while others, like Singapore and the Philippines, are active, capitalizing on property and infrastructure improvements. TIG identifies Spain, UAE, and Thailand, among others, as countries that are lining up for potential IR developments.

Further Adoption of Regulatory Innovations

Regulatory innovations and gaming technologies are now seen in the industry as a tool for positive change and are more fully accepted.

Responsible gaming initiatives have allowed for the growth of funding and further research making gains for private and public interests. Artificial Intelligence is becoming more of a developing technology that could assist in player protection and problem gambling.

Additionally, Blockchain as an immutably recorded transactional ledger could prove to be a key development for regulators. However, in order to get these tools into play, a large-scale education effort will be required.

Furthermore, illegal gaming will continue to remain as prevalent in online markets as enforcement and technology allow. Although online legal gaming has been helpful in mitigating grey market gaming, illegal online operators continue to push boundaries. In addition, grey market gaming machines continue to proliferate without enforcement, despite the growing efforts to raise awareness against grey market gaming.

Casino Esports Conference Recently Debuted its First East Coast Edition in Atlantic City

The Casino Esports Conference (“CEC”) recently made its debut on the east coast in Atlantic City. The CEC in Atlantic City followed the format of the past CEC in Las Vegas. However, this conference included the official ribbon-cutting ceremony and opening of Stockton University's Esports Innovation Center (“EIC”).

Executive Director of the EIC, Andrew Weilgus, described the center as a nonprofit set up in partnership with the New Jersey Economic Development Authority and Stockton to promote esports in South Jersey and Atlantic City.

Weilgus further said, "We want to help define and craft a casino strategy where they can take advantage of this growing boom of esports, both with events that come into Atlantic City, as well as potential wagering opportunities." He added, "Those opportunities could be people betting on professional esports, or on a peer-to-peer model where they can offer an experience-based platform, like playing (NFL video game) Madden."

Ari Fox, the producer, and CEO of the CEC, stated, "I think South Jersey needs esports and esports needs South Jersey. It's an issue of, how do you build that infrastructure? You start on the business-to-business side by educating entertainment venues and places where people congregate to enjoy competition."

The CEC addressed issues, including how casinos can become further involved in the massively growing esports industry, esports at the collegiate and high school level, and the future of esports in Atlantic City, among others.

More than 20 experts spoke at the conference, including experts like Weilgus; Anthony Gaud, of the Gaud-Hammer Gaming Group and the chair of the Esports Trade Association; and keynote speaker Tim Sullivan, the CEO of the NJEDA.

To see more of the conference activities, please check [here](#).

Experts Say Esports Hold a Vast Betting Potential

The Associated Press recently published an [article](#) written by Wayne Parry detailing the vast potential for betting in the esports industry. At the Casino Esport Conference in Atlantic City, video game executives and casino executives agreed there is a vast upside to getting the large market of competitive video game players interested in the casino industry.

The conference came as the casino industry is taking initial steps to attempt to integrate esports into gambling offerings.

Conference participants conveyed that there is an unlockable and expansive economic opportunity once gambling companies can figure out how to get interested players and spectators interested in betting on competitive esports.

"Esports is only going to get bigger," said The Chairman of Las Vegas' Downtown Grand casino, Seth Schorr. "It's not a fad."

The global audience for esports or competitive video games will increase by 8.7% this year to 352 million and will generate \$1.38 billion of economic activity worldwide, according to Newzoo, a research company that tracks the developments in the world of esports.

Furthermore, the Luxor casino in Las Vegas recently constructed a 30,000-square-foot esports arena to host tournaments and events, while Atlantic City Casinos have hosted several esports tournaments. Recently, the Esports Innovation Center officially opened at Stockton University, highlighting the growing involvement of colleges and universities in esports programs.

Scott Huston, a Stockton official, said a recent Rocket League tournament in which it participated had 50,000 online spectators, which

"is more than any traditional athletic event Stockton has ever put on," he said.

Ahman Green, a four-time Pro Bowl running back with the Green Bay Packers, said, "It's similar to online (casino) wagering: Instead of playing blackjack or poker, you're playing Angry Birds," he said. "That environment is coming. There's going to be a wagering angle, probably a large one. It's going to be a really big thing."

He is now deeply involved in esports and coaches the new esports program at Wisconsin's Lakeland University. He described how his love for video games started as a child, and he further described how his interest has continued, detailing how he and his NFL teammates would play competitive video games to relax during downtime.

Green further described how 2020 was a transformational year for the esports industry as the traditional sports professional sports industry had shut down for several months.

"People started finding stuff online they had never seen before," he said. "Their kids were playing video games. 'What's this Twitch thing?'"

Twitch is an online platform hosting 3 - 6 million people on it at any given time, said L. Anthony Gaud, an esports and media entrepreneur.

Despite the promising outlook, video game players and casinos have not been connected at a significant level. However, experts at the conference have a shared belief that video games offer a natural on-ramp for younger players at casinos who feel they have involvement in their bets.

Seth Schorr believes that the industry should concentrate first on attracting video game players where they live: online.

"It's good to fish where the fish are," he said. "They're online, not in the casinos. Start online, get them into the database before you bring them into the casinos."

Anthony Strangia, a deputy attorney general with the New Jersey Division of Gaming Enforcement, believes that states need to ensure that video game contests are conducted honestly and transparently. He further said, "There's definitely a future" and "It's a growing field."

New Jersey and Nevada gaming regulators are currently considering changes to their gambling laws governing esports to make it easier to take wagers on events while ensuring their integrity.