January 17, 2025

Volume 31, Issue 1

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

Editor in Chief **J.J. Burchman, Esq.** Phone: 517.999.5414 burchman@rmclegal.com

Senior Gaming Analyst & Editor Robert R. Russell, II Phone: 517.507.3858 russell@rmclegal.com

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

News Reporter Carlie Shaw cshaw@rmclegal.com

Production Coordinator Christina M. Morris cmorris@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

The MICHIGAN GAMING



Deidre A. Lambert-Bounds Re-Appointed to Michigan Gaming Control Board

On January 9, 2025, Governor Gretchen Whitmer reappointed Ms. Lambert-Bounds to represent Independents for a term commencing January 9, 2025, and expiring December 31, 2028. Ms. Deidre Lambert-Bounds served as a Michigan Gaming Control Board member for a term expiring on December 31, 2024.



Ms. Lambert-Bounds is president and co-owner of Ignite Social Media, LLC, and the chief operating officer and co-owner of its sister company, Carusele Media. With nearly 30 years' experience providing strategic council and marketing solutions to multi-billion dollar global brands, Ms. Labert-Bounds brings expertise in branding, reputation management, crisis communications span traditional advertising, social media and digital strategies. Her continued service on the Michigan Gaming Control Board brings a wealth of knowledge that will benefit both the state's gaming industry and its regulatory framework.

At the MGCB's January 14, 2025, public meeting, Executive Director Henry Williams noted his appreciation for her willingness to continue on the Board and appreciated the knowledge and expertise she has brought to the Board during her first term. Detroit Casinos Report \$109.6 Million in December Revenue and \$1.29B for the Year

Monthly Table Games, Slot Revenue, Sports Betting and Taxes

According to the December revenues released by the Michigan Gaming Control Board ("MGCB"), the three Detroit casinos reported \$109.6 million in monthly aggregate revenue in December. Table games and slots generated \$109.3 million, and retail sports betting generated \$276,509.

The December market shares were:

- MGM, 47%
- MotorCity, 30%
- Hollywood Casino at Greektown, 23%

The casinos' revenue for table games and slots increased 2.7% when compared to last month November 2024. From Jan. 1 through Dec. 31, the Detroit casino's table games and slots revenue increased by 4.9% compared to the same period last year.

The Detroit casinos paid \$8.9 million in gaming taxes to the State of Michigan, and \$13.5 million to the City of Detroit for December 2024, based on their retail sports betting revenue.

The three Detroit casinos reported \$19.77 million in total retail sports betting handle, and total gross receipts of \$279,649 for the month of December. Retail sports betting qualified adjusted gross receipts ("QAGR") were down by 85.6% when compared to November 2024.

December QAGR by casino was:

- MGM: negative (\$154,514)
- MotorCity: \$342,638
- Hollywood Casino at Greektown: \$88,385

During December 2024, the casinos paid \$16,293 in gaming taxes to the state and reported submitting \$19,913 in wagering taxes to the City of Detroit based on their retail sports betting revenue.

In addition to reporting revenue from the three Detroit casinos, the MGCB released revenue numbers from fantasy contest operators.

Fantasy contest operators reported total adjusted revenues of \$1.2 million and paid taxes of \$100,486 during November 2024.

Top revenue generators were:

- DraftKings, \$778,132.53
- Fan Duel, \$294,347.33

Quarterly Table Games, Slot Revenue and Taxes

The aggregate revenue was up for all three Detroit casinos by 18.7% for the fourth quarter of 2024, compared to last year.

Q4 2024 gaming revenue number were:

- MGM, \$149.9 million
- MotorCity, \$97.8 million
- Hollywood Casino at Greektown, \$71.8 million

The Detroit casinos paid \$25.9 million in gaming taxes to the State of Michigan, and

\$13.5 million to the City of Detroit for December 2024, based on their retail sports betting revenue.

Annual Revenue for Table Games, Slots, and Retail Sports Betting

The total yearly aggregate revenue of \$1.29 billion by the three Detroit casinos for slots, table games, and retail sports betting was generated by:

- Slots: \$1.03 billion (79.8%)
- Table games: \$250.96 million (19.4%)
- Retail sports betting: \$9.7 million (0.8%)

The casinos' market shares for the year were:

- MGM, 47%
- MotorCity, 30%
- Hollywood Casino at Greektown, 23%

In 2024, the three Detroit casinos paid the state \$103.9 million in wagering taxes for slots and table games, and \$372,729 in wagering taxes for retail sports betting. In 2023, they had paid \$99.0 million and \$528,314 for each, respectively.

Grand Traverse Band to Open Temporary Casino in Benzonia, Michigan During the Week of January 20th

According to a report in Crain's Grand Rapids Business, the Grand Traverse Band of Ottawa and Chippewa Indians (GTB) is set to open a temporary casino in Benzonia, Michigan, on January 22, marking its third Class III facility in the state. Located in a former tribal government building, it will serve as a testing ground for a potential permanent facility. GTB operates two other casinos in Michigan: Turtle Creek Casino & Lodge and Leelanau Sands Casino & Lodge.

GTB CEO Johnny Barrientoz highlighted the future potential of the site, saying, "At some point down the road, once we get operations running and we can make plans to develop a new casino on that property somewhere, we will actually turn that original building back over to the government operations." The temporary casino will feature slot machines and table games for approximately 250 patrons. GTB plans to evaluate the facility's performance over the next year to decide on further development.

Barrientoz emphasized the casino's economic impact, noting it will create around 40 jobs and offer new opportunities for local residents: "This is just going to change their lives, change their future, and give them opportunities that they currently don't have." Construction and renovation work has been led by Litten Development, with a new 90-space parking lot added to the 47-acre site.

The property, held in trust since GTB's federal recognition in 1980, received approval after a 120-day review by the National Indian Gaming Commission and the Bureau of Indian Affairs. The GTB Gaming Commission issued a license in November. The tribe's 1993 gaming compact with Michigan ensures the project complies with regulations for Class III gaming.

Benzie County Commissioner Bob Roelofs expressed optimism for the new casino, stating, "We're looking forward to seeing this get opened up."

MultipleIndividualsSentencedforOperatingIllegalGamblingOperation in Flint

Gaming The Michigan Control Board ("MGCB") has announced the sentencing of Linos Antonio Kas-Mikha and Robert Jamerson, two individuals involved in running an illegal gambling operation at Cellular Bank in Flint. The sentencing followed their guilty pleas in October 2024 to charges of conducting a gambling operation without a license.

Kas-Mikha, 52, of Grand Blanc, was sentenced to 12 months probation and ordered to pay \$1,448 in fines and costs. Jamerson, 55, of Saginaw, also received 12 months probation and three days of jail credit. As part of the plea agreement, three additional felony charges were dismissed.

The operation, discovered in February 2024, involved illegal slot machines and online wagering capabilities. The investigation was a joint effort between the Michigan Department of Attorney General and the MGCB, resulting in felony warrants for both individuals.

"The Michigan Gaming Control Board is dedicated to upholding the integrity of gaming in our state," said MGCB Executive Director Henry Williams. "The sentencing of these two defendants for their involvement in running an illegal gambling operation at Cellular Bank sends a clear message that unlicensed gambling enterprises will not be tolerated. We also want to extend our sincere thanks to the Attorney General's office, whose support and collaboration were instrumental in this investigation and prosecution, ensuring successful а outcome."

"This underscores the importance of protecting our community from unlawful activities that harm our neighborhoods and exploit vulnerable residents," said Flint Mayor Sheldon Neeley. "Flint is committed to supporting efforts that uphold the rule of law and safeguard the well-being of our citizens. I commend the Michigan Gaming Control Board and the Attorney General's Office for their diligent work in ensuring justice is served."

The MGCB has also <u>announced</u> the successful prosecution and sentencing of five individuals involved in running an illegal gambling operation at the Hot Spot Skill Arcade in Flint. The arcade, located at 5542 Fenton Road, featured 41 casino-style gaming devices, where patrons earned points redeemable for Visa gift cards, violating Michigan's gaming laws.

The following individuals, all employees of the arcade, were sentenced for their roles in the operation:

- Michael Bixby, 48, of Holly: 24 months probation, a \$130 fine, \$318 in fees, and forfeiture of items.
- Jeffrey Ladd, 52, of Ortonville: 18 months probation, a \$130 fine, \$68 in fees, and forfeiture of items.
- Victoria Adams, 64, of Flint: 6 months probation, a \$130 fine, \$318 in fees, and forfeiture of items.
- Michelle Teall, 58, of Holly: 6 months probation, a \$130 fine, \$68 in fees.
- Courtney Thompson, 57, formerly of Fenton: 6 months probation, a \$130 fine, \$68 in fees, and forfeiture of items.

The prosecution followed their guilty pleas, with Bixby and Ladd convicted of operating an unlicensed gambling operation, and Adams, Teall, and Thompson convicted of maintaining a gambling house for gain. The sentencing took place in December 2024 in the 7th Judicial Circuit Court in Flint.

"We are thankful to Michigan Attorney General Dana Nessel and her team for their tireless efforts in bringing those responsible for this illegal gambling operation to justice," said MGCB Executive Director Henry Williams. "This prosecution demonstrates the commitment of the MGCB and our law enforcement partners to uphold the integrity of legal gaming in Michigan, and to hold individuals accountable for violating our laws."

"This successful prosecution serves as a testament to the strength of collaboration between state and local authorities in protecting our community from illegal activities," said Flint Mayor Sheldon Neeley. "Flint is committed to fostering a safe and lawful environment for its residents, and we will continue to support efforts that uphold integrity and justice."

The MGCB remains dedicated to upholding Michigan's gaming laws and encourages the public to report illegal gambling activities.

MGCB Highlights Human Trafficking Awareness During National Human Trafficking Prevention Month

In observance of National Human Trafficking Prevention Month, the Michigan Gaming Control Board ("MGCB") is raising <u>awareness</u> about the critical issue of human trafficking and its impact on communities. The Board is emphasizing its commitment to ensuring that gaming venues remain safe environments for all patrons and employees.

Human trafficking involves the use of force, fraud, or coercion to exploit individuals for labor, services, or commercial sex, with minors involved in commercial sex automatically classified as victims. While trafficking does not require movement across borders, it often affects vulnerable individuals, including those struggling with substance abuse, mental health issues, and homelessness.

In 2023, Michigan saw 254 cases of human trafficking, with 506 victims identified. The MGCB, in collaboration with law enforcement, community organizations, and stakeholders, is committed to addressing this issue in the gaming industry. "Human trafficking is a serious issue that affects gaming communities nationwide, and venues are increasingly becoming part of the national conversation about the ways in which traffickers may exploit vulnerable individuals," MGCB Executive Director Henry Williams said. "As regulators of the gaming industry, the Michigan Gaming Control Board recognizes the importance of being proactive in addressing this issue and is dedicated to ensuring the safety and wellbeing of all individuals in our casinos."

Michigan Attorney General Dana Nessel and Michigan Department of Health and Human Services ("MDHHS") Director Elizabeth Hertel also voiced their support for continued awareness and collaboration to combat human trafficking. The MGCB encourages anyone in need of support or who suspects human trafficking to contact the National Human Trafficking Hotline at 1-888-373-7888 or visit humantraffickinghotline.org for confidential assistance.