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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING BOARD ADOPTS ORDER TO CLOSE DETROIT CASINOS IF GAMING BOARD IS SHUT DOWN BY STATE BUDGET SHUT DOWN

The Michigan Legislature and Michigan Governor Jennifer Granholm have yet to come to an agreement on a budget for the state's 2008 Fiscal Budget. Consequently, the state of Michigan's governmental operations will close if a budget is not approved by the state for the new fiscal year, which begins on October 1, 2007.

As a result of the potential government shut down, the Michigan Gaming Control Board ("Board") held a special meeting today and adopted an Order entitled: "Non-Disciplinary Order Temporarily and Summarily Suspending Respondents' Casino Licenses and Directing that all Gaming Cease Immediately in the Event the Gaming Board is Prevented from Discharging its Regulatory Duties on or after October 1, 2007"

Richard Kalm, Executive Director of the Board, said, if there is no budget agreement between Governor Granholm and the state Legislature, in compliance with the Order approved by the Board today, he would issue a notice at 12:01 a.m. Sunday, ordering the three Detroit casinos to suspend gambling within 24 hours.

Below are certain key provisions from the Board Order that was adopted today by the Board:

"Now therefore, it is Ordered that:

Pursuant to the Act and R. 432.11109(1)-(3), and consistent with the findings and holdings in this order, the Board temporarily suspends the casino licenses of the Respondents (Greektown, MotorCity and MGM Grand Detroit), contingent upon notification in writing from the Executive Director that the duties of the Gaming Control Board can no longer be discharged due to a failure to appropriate funds for Gaming Control Board activities.

It is further Ordered that:

The Board delegates to, and authorizes, the Executive Director of the Board to do the following:

- A. Give Respondents twenty-four (24) hour prior written notice that Respondents' casino gaming licenses are temporarily and summarily suspended and that they must cease any and all gaming operations in the event that the Gaming Control Board is unable to discharge its regulatory duties.
- B. Direct the Respondents to take actions within that 24 hour period, and later, if necessary, to preserve and maintain casino and patron assets, records, and equipment during the period of suspension.

It is further Ordered that:

This temporary summary suspension order is not issued for disciplinary reasons and any required reporting of it to other jurisdictions should so indicate.

It is further Ordered that:

This temporary summary suspension order is limited to the halting of any and all gaming operations and does not include any other activities the Respondents may be lawfully engaged, including the continued construction of the permanent casino enterprise.”

The Order approved by the Board does not impact the operations of the Michigan Tribal casinos operating in the state of Michigan on Native American Indian Reservations.

COMPLAINT ISSUED AGAINST NATIVE AMERICAN MICHIGAN CASINO

The National Labor Relations Board has issued a formal complaint against the Native American owned and operated Class III Soaring Eagle Casino & Resort alleging an unfair labor practice interfering with Teamsters' efforts to organize casino workers.

Saginaw-based Teamsters Local 486 filed charges earlier this year. As reported in the *Morning Sun*, “Union officials claim that the casino threatened employees and told them to stay away from informal meetings the Teamsters scheduled. Also, they claim that the casino told them that the casino workers would be subject to adverse consequences if they went to an organizing meeting and passed out flyers.”

Federal investigators determined there was enough evidence to schedule a hearing before an administrative law judge. The judge in the matter will examine whether the unfair labor practice actually took place.

A hearing has been scheduled for Oct. 17 in Mt. Pleasant, Michigan.

The Saginaw Chippewa Indian Tribe, owners of the Class III Native American casino, claim the National Labor Relations Board has no jurisdiction over the tribe because it is a sovereign nation.

The Michigan Teamster Local 486 website, (<http://www.michiganteamster.com/Local%20486.htm>) states that Indian tribes are subject to federal labor law due to a recent court case in Ninth U.S. Circuit Court of Appeals. An article about this case called, “Appeals court rules Indian tribes subject to federal labor law,” can be read at their website, (http://www.michiganteamster.com/appeals_court_rules_indian_tribe.htm).

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR AUGUST 2007

On Tuesday, the Michigan Gaming Control Board (“MGCB”) released the August 2007, total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

Month in 2007	Total Adjusted Revenue 2007		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$40,503,320.38	\$40,452,401.96	\$28,439,733.74
February	\$36,771,280.82	\$39,208,228.16	\$28,998,669.02
March	\$47,402,120.22	\$42,894,972.21	\$33,427,503.33
April	\$41,040,958.48	\$39,345,925.30	\$30,060,692.80
May	\$41,417,910.37	\$36,787,442.36	\$27,394,026.36
June	\$38,562,158.58	\$42,333,206.56	\$28,490,060.73
July	\$41,334,381.05	\$42,676,452.96	\$29,281,394.59
August	\$42,750,887.02	\$41,091,884.90	\$27,795,698.55
Total	\$329,783,016.92	\$324,790,514.41	\$233,887,779.12

The figures released by the MGCB are the gross receipts less winnings paid to wagerers. The figures do not include: 1) the 12.1% state share of the wagering tax; 2) the 11.9% City of Detroit portion of the wagering tax; 3) any fees or other relevant city, state or federal taxes; 4) wages and benefits paid to casino employees; and 5) payments to suppliers, service providers or vendors.

The three Detroit casinos’ total adjusted gross receipts for August 2007 were \$111,638,470.47. Of this amount, the three Detroit casinos collectively paid to the state of Michigan \$13,508,254.93 and the city of Detroit \$13,284,977.98. The August 2007 revenues for the Detroit market represent a 2.73% increase over a year ago