

October 25, 2007

Volume 13, Issue 27

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

Editor in Chief:

David D. Waddell, Esq.

Phone: 517.507.3859

waddell@rmclegal.com

Senior Gaming Analyst & Editor:

Robert R. Russell, II

Phone: 517.507.3858

russell@rmclegal.com

Reporter

Douglas L. Minke

Phone: 313.221.9380

minke@rmclegal.com

Subscription information:

info@michingangaming.com

A publication of

RMC Ventures, LLC

University Place Center
333 Albert Ave, Suite 450
East Lansing, MI 48823
Phone: 517.507.3860
Fax: 517.908.0235
www.rmclegal.com

The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR SEPTEMBER 2007

On Monday, the Michigan Gaming Control Board (MGCB) released the September, 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
September	\$35,279,291.62	\$39,884,824.57	\$26,308,063.80
Total	\$365,062,308.54	\$364,675,338.98	\$260,195,842.92

(Continued on page 2)

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 September 2007 were \$101,472,179.99. Of this amount, the three Detroit casinos collectively paid to the state of Michigan \$12,278,133.78 and the City of Detroit \$12,075,189.42. The September 2007 revenues for the Detroit market represent a 7.62% decline over a year ago.

MICHIGAN GAMING CONTROL BOARD APPROVES SUITABILITY OF TED GATZAROS AND GATZAROS' ACQUISITION OF 1% OWNERSHIP STAKE IN GREEKTOWN CASINO, LLC

At Monday's public meeting of the Michigan Gaming Control Board ("MGCB" or "Board"), the Board considered the application for suitability filed by Mr. Ted Gatzaros, a Detroit businessman who owns the Atheneum Hotel and several area restaurants. Mr. Gatzaros was one of the driving forces behind bringing commercial casino gaming to the City of Detroit in the 1990s.

After an extensive investigation into the background and business history of Mr. Gatzaros, the MGCB staff issued a report to the Board in which it made no recommendation as to the suitability of Mr. Gatzaros, instead leaving the issue to the discretion of the four member Board.

Following a public statement by Mr. Gatzaros' attorney, Robert Young, Board Chairman Damian Kassab made the following comments regarding the application filed by Mr. Gatzaros:

I see a businessman who has done nothing but work diligently to promote the interest of the City of Detroit. He is a current holder of three liquor licenses which are in excellent standing. He has no delinquent taxes or outstanding concerns related to taxes that we're aware of. There's no concerns

regarding illegal or improper state or local political contributions. He's a member of some prestigious boards including the DMC. When I look at the findings of our staff – and again I think the staff, I have to say, did an excellent job in presenting objective evidence in this report. It was replete with information, and it's what we need as a board to see. We need to see everything in making these decisions. I appreciate the work they did. I think they did a very good, clean, and objective job.

Thereafter, the Board took a roll-call vote regarding the entry of an order finding Mr. Gatzaros eligible and suitable under the MGCB licensing standards. This vote passed by a unanimous margin of 4-0. ; and 2) approving the transfer of 1% of the ownership stake in Greektown Casino, LLC to Mr. Gatzaros. Both roll-call votes were unanimous votes, 4-0.

THOROUGHBRED LICENSE APPLICATION WITHDRAWN

On Monday of this week, the Office of Racing Commissioner announced that it had received a letter from a representative of Winfield Cooper III withdrawing his application for thoroughbred race dates at Great Lakes Downs for the 2008 calendar year. Mr. Cooper had filed an application for race dates that was conditioned upon his being able to reach an agreement to conduct the races at Great Lakes Downs. Magna Entertainment Corporation announced earlier this year that it was going to cease racing at Great Lakes Downs, and that it was seeking a buyer for the facility.

Racing Commissioner Christine White expressed her disappointment in this latest development.

“Our office is very disappointed by the news of Mr. Cooper's application withdrawal. However, we understand that there are circumstances that arise. The Office of Racing Commissioner continues to remain positive about the continuation of thoroughbred racing somewhere in Michigan.”

Given Magna's withdrawal, the Michigan racing industry is faced with the possible loss of thoroughbred racing next year unless a new track operator is selected.

(Continued on page 3)

The Racing Commissioner is expected to announce race dates on October 31st. Another thoroughbred track developer, Jerry Campbell, through his company, Post-It Stables, has applied for race dates for a proposed new track in Huron Township, the "Pinnacle" race course. Mr. Campbell is seeking dates for the fall of 2008. The Office of Racing Commissioner indicated that there is not any further news at this time about Mr. Campbell's proposal.

TRIBAL CASINO RESORT PROPOSED FOR MUSKEGON

Earlier this week, the Muskegon Chronicle reported that a developer, Archimedes Group, LLC, announced plans, for a \$2.5 billion, 70 acre tribal casino resort. The plan was announced Monday night in a private meeting with community leaders. In addition to making Muskegon a tourist destination, the Archimedes Group has said it believes the casino resort will also add 5,000 jobs to the region.

In 2003, Muskegon voters passed a non-binding ballot proposal supporting the concept of a casino in the area. It is anticipated that the casino would be owned by the Grand River Band of Ottawa Indians, a tribe which has been attempting to obtain federal recognition from the United States Government for years. If the Tribe can obtain federal recognition, the next step would be having the federal government take the proposed land into trust, a difficult process which can also take years.

MOTORCITY CASINO DELAYS GRAND OPENING OF HOTEL COMPLEX

MotorCity Casino announced this week that it will be delaying the grand opening of its new hotel complex due to the need for additional time to train employees and delays in the deliveries of certain hotel furnishings. The MotorCity Casino Hotel was previously scheduled to open on November 1.

According to WWJ Newsradio 950, MotorCity Casino plans to announce a new date for the hotel's grand opening within the next week.