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The _____ MICHIGAN GAMING _____ Newsletter



MHHA ANNOUNCES NEW GENERAL MANAGER

The Michigan Harness Horsemen's Association ("MHHA") announced this week that Dan Rakeiten will become its new General Manager. Mr. Rakeiten is currently working with Nancy Corrion, on the transition process. Ms. Corrion has been with the MHHA for 21 years, and is retiring from her position as General Manager.

Mr. Rakeiten has over 30 years of experience in the horse racing industry and previously was the General Manager of Jackson Harness Raceway. While at Jackson, he implemented new marketing strategies that created a major increase in the live handle and attendance.

"Dan's passion for our business and our horsemen will positively benefit our association and its members," said MHHA President, Brett Boyd.

When commenting about the new opportunity, Mr. Rakeiten stated, "I look forward to working with our horsemen, racetracks, Racing Commission, fairs and state leaders to enhance and preserve the 75 year tradition of horse racing in Michigan."

HOUSE REGULATORY REFORM COMMITTEE HOLDS HEARING ON SMOKING BAN: DECIDES TO "TABLE" VOTE

On Wednesday, April 29, 2009, the House Committee on Regulatory Reform held a public hearing to take testimony on House Bill (HB) 4377, a measure which proposes a statewide smoking ban, but provides exceptions to this ban for casinos and cigar bars. This House Committee held a series of hearings on this issue in March, and Committee members further took a number of site tours to bars, restaurants and the Detroit

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Casinos to examine the impact that such a measure would have on these businesses. However, the Committee had yet to vote on HB 4377.

While many expected Wednesday's Committee hearing to include a vote on HB 4377, Committee Chair Bert Johnson (D-Detroit) "tabled" a vote on the issue after taking testimony from just four witnesses. Rep. Johnson stated that he has been in talks with Speaker of the House, Andy Dillon (D-Redford Township) and Senate Majority Leader, Mike Bishop (R-Rochester), both of whom reportedly prefer dealing with the State's massive budget deficit before turning attention to the proposed smoking ban. Rep. Johnson stated that a future meeting of the Committee would be scheduled as soon as possible, and rather than hear additional testimony on the issue, the Committee would attempt to put forth a bill that had been agreed upon by both the House and Senate.

In addition to hearing testimony from Representative Lee Gonzalez (D-Flint), the sponsor of HB 4377, the Committee heard testimony from Senator Ray Basham (D-Taylor), a representative from Tobacco-Free Michigan, and the owner of the Alibi Bar in St. Johns, Michigan, who stated that a smoking ban "[would] kill my business."

CAESARS WINDSOR HOSTS 13TH ANNUAL CANADIAN GAMING SUMMIT

This week, the Ontario Lottery and Gaming Corporation and Caesars Windsor hosted more than 1,500 gaming industry professionals as part of the 13th annual Canadian Gaming Summit (the "Summit"). The 2009 Summit included an exhibit floor showcasing the latest products and services. It also included several "conferences within the conference," by co-hosting meetings with the International Masters Of Gaming Law and the Canadian Association of Security Directors. The conference also featured several tracks of seminars targeted toward the topics of food and beverage, marketing and communications, finance and markets, standard-bred wagering, innovation in gaming, human

resources, and slots, table games, and gaming operations.

The 3-day event took place in Caesars Windsor's 40,000 square foot exhibit floor in its Coliseum, which was added last year as part of the casino's re-branding and expansion efforts.

For more information regarding the 2009 Canadian Gaming Summit, please visit: www.canadiangamingsummit.com.

POKAGON-NEW BUFFALO AREA LOCAL REVENUE SHARING BOARD BEGINS RELEASING FUNDS

On Wednesday, April 29, the Pokagon-New Buffalo Area Local Revenue Sharing Board (LRSB) began the process of releasing an estimated \$6.2 million to local municipalities. These funds represent a portion of the electronic gaming device revenue earned by the Pokagon Band of Potawatomi Indians (Pokagon Band) at their Four Winds Casino Resort located in New Buffalo, Michigan. Under the Pokagon Band's Class III Gaming Compact with the State of Michigan, two percent (2%) of electronic gaming device revenue is to be paid to local governments. The complete disbursement of LRSB funds is expected to be completed over the next several months.

The Pokagon Band had been holding these funds in an interest bearing escrow account, citing concerns it had with the LRSB bylaws, as well as the proposed funding distributions. These disputes were resolved by an amendment to the Pokagon Band's Class III Gaming Compact which expanded the size of the LRSB from three to five members, and also allowed the Pokagon Band to build two additional satellite casinos, each with a maximum of 1,000 electronic gaming devices, in Van Buren and Cass Counties.

"Everyone is going to get some financial compensation for this, so that in my opinion is a very fair system," said Matt Wesaw, who represents the Pokagon Band of Potawatomi Indians on the LRSB. "Everybody is going to get a little piece of the pie and we're going to get it

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done quickly.”

Under the new bylaws, the LRSB will set aside a maximum of four percent (4%) of funds for the board’s own administrative expenses as well as to compensate local governments for specific and actual costs incurred since the start of the casino’s operation.

Once these two obligations have been met, 65 percent (65%) of the remaining funds will be distributed to localities based on millage rates. The remaining 35 percent (35%) will be distributed to the surrounding area in a way that awards those that are closest to the actual casino. Those municipalities that will share in the LRSB distributions include, among others, New Buffalo City and Township, Chikaming Township, Grand Beach Village, the New Buffalo Public Schools and Public Library, the Berrien County Intermediate School District and Lake Michigan College.

KPMG TO HOLD COMPLIMENTARY ‘WEBINAR’ CONCERNING TITLE 31 COMPLIANCE

The professionals at KPMG will be holding a complimentary ‘Webinar’ entitled “Casinos at Risk: Leading Practices for Title 31 and AML Compliance Programs in a Volatile Business Climate,” on Thursday May 7, 2009. Representatives of both the Internal Revenue Service and the Department of Justice will take part in the Webinar to provide a governmental perspective.

The Webinar will cover issues regarding the volatility of the current business climate by taking a look at the regulatory environment of casinos and the difficulties compliance personnel, internal auditors and security personnel face in the casino industry and what can be done to ensure compliance. Specifically, the Webinar will focus on the precautions a casino can take to prepare for Title 31 examinations from the Department of Justice and the IRS.

Speakers will include:

- Donna Mayer, BSA Technical Advisor (Casinos), IRS;
- Lester Joseph, Principal Deputy Chief, Asset Forfeiture Money Laundering Section (AFMLS) U. S. Department of Justice;
- Karen Brown-Wichman, Director of Internal Audit, American Casino and Entertainment Properties (ACEP); and
- James Dowling, Managing Director, KPMG Forensic.

The Webinar will be held from 1:00 pm – 2:00pm on Thursday, May 7, 2009. Those interested in reserving a seat can do so by [clicking here](#), and entering priority code:

G1U2402W1KPMG

After registering, a confirmation e-mail containing dial-in information about joining the Webinar will be sent.