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# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## NEW GREEKTOWN CASINO MANAGEMENT BOARD SEATED

Yesterday, Greektown Casino announced changes to the management board that governs its operation. Two new members have been appointed, subject to final approval by the Kewadin Gaming Authority. Greektown Casino's new management board consists of:

- Darwin Joe McCoy. Mr. McCoy is the elected Chairman of the Sault Ste. Marie Tribe of Chippewa Indians, the majority owners of Greektown Casino.
- Louis Glazier. Mr. Glazier is an attorney and certified public accountant who works at Franklin Advisors, LLC, a Farmington Hills-based financial consulting and corporate restructuring firm.
- Jacob Miklojcik. Mr. Miklojcik works as a casino industry analyst, and provides financial and other business planning services to clients across the country, through Michigan Consultants, a Lansing, Michigan consulting firm.

Greektown Casino provided the following statement in its press release announcing the new management board: "[t]he new Management Board will guide the property through its Chapter 11 reorganization, a process that began in late May 2008 and is expected to continue through exit later this year. Glazier and Miklojcik are outside professionals who bring to the board experience in gaming operations, business restructuring and general business management. Because of his ownership and management experience, McCoy remains on the Management Board."

All three Board members have received approval from the Michigan Gaming Control Board.

## **MICHIGAN HOUSE OF REPRESENTATIVES APPROVES GUN LAKE COMPACT**

Yesterday, the Michigan House of Representatives passed House Resolution (HR) 28, a measure concurring with the tribal-state gaming compact signed by Michigan Governor Jennifer Granholm and the Match-E-Be-Nash-She-Wish Band of Pottawatomis Indians of Michigan (Gun Lake Band) on May 9, 2007. The passage of HR 28, which was approved by a voice vote, comes on the heels of the Michigan Senate's passage of Senate Resolution 11, its respective concurrence in the Gun Lake Compact, last week. The subject tribal-state gaming compact allows for, and will govern, Class III gaming (i.e. Las Vegas-style gaming including slot machines and table games) at the tribe's casino facility to be built in Wayland Township, Michigan.

The Gun Lake Band is expected to announce a groundbreaking date for its casino complex in the near future. When completed, the Gun Lake Band's casino will contain approximately 2,500 slot machines, 80 table games, and employ 1,800 people. It is estimated that the casino facility will be completed between 12-16 months after construction begins.

## **COURT HEARS DISPOSITIVE MOTIONS IN NORTHVILLE DOWNS LAWSUIT**

In May, 2008, two tracks (Northville Downs and Mt. Pleasant Meadows) and the Great Lakes Quarterhorse Association filed suit in federal court against the state of Michigan, seeking to have the Constitutional requirement for both a statewide and local vote for the expansion of gaming stricken from the Michigan Constitution. This requirement was added to the Michigan Constitution by Proposal 1 of 2004, a statewide voter referendum. The racetracks have viewed

Proposal 1 of 2004 as a major obstacle in seeking to allow alternative forms of gaming at tracks, such as slot machines or Video Lottery Terminals.

On Wednesday, Judge Avern Cohn of the United States District Court for the Eastern District of Michigan heard two motions seeking to dismiss the suit, filed on behalf of Michigan Governor Jennifer Granholm and Attorney General Mike Cox, and the intervening defendant, MGM Grand Detroit Casino, LLC.

After more than an hour of oral argument, Judge Cohn took the matter under advisement. Judge Cohn told the parties that they would be hearing from him "in due course." Notably, the Plaintiffs have also recently filed a Second Amended Complaint, and have their own Cross-Motion for Summary Judgment pending before the Court. No hearing date has yet been set on the Plaintiffs' motion.

## **CHARITABLE MILLIONAIRE PARTIES' POPULARITY ON THE RISE**

A growing number of Michigan's non-profit organizations have taken an interest in casino-style charitable gaming events, according to the Michigan Bureau of State Lottery. The Michigan Lottery reports that it issued 4,043 Millionaire Party licenses for casino-style gaming in fiscal year 2008. The Charitable Gaming Division of the Michigan Lottery is responsible for granting charitable gaming licenses to non-profit organizations within the state and, according to Michigan Assistant Attorney General Don McGhee, "the charitable gaming section of Lottery is taking a very proactive role" in regulating these events.

The 2008 figures display a significant increase from fiscal year 2007, when the Michigan Lottery awarded 2,900 such licenses. Each non-profit organization is entitled up to four licenses per calendar year, enabling a charitable organization to conduct a millionaire party for up to four consecutive days with each license. As a result, there were over 15,500 events held during fiscal year 2008.

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Millionaire Parties are casino-style events which include such games as Black Jack, roulette and Texas Hold'em. Events are open to people 18 years of age and older. Only qualified, non-profit organizations are eligible to apply for these licenses.

Casino-style Millionaire Parties have earned Michigan charities an estimated \$10.4 million for the fiscal year 2008. Casino-style charity gambling events now are being held in more than 120 establishments statewide, according to the Charitable Gaming Division of the Michigan Lottery.

## CHARITABLE GAMING DIVISION ISSUES ANNUAL REPORT

In January, 2009 the Charitable Gaming Division of the Michigan Lottery issued its annual report for the period October 1, 2007 to September 30, 2008. According to the report, during fiscal year (FY) 2008, licensed charitable gaming operations generated nearly \$480 million in revenue, resulting in over \$75 million in net profits for the participating qualified non-profit organizations. Among all types of charitable gaming events, the FY 2008 revenue figures were as follows:

License Type	Revenue
Annual Charity Game Tickets	\$109,694,387
Special Charity Game Tickets	\$17,083
Large Bingo	\$235,098,740
Special Bingo	\$1,534,801
Millionaire Party	\$74,890,142
Large Raffle	\$58,624,927
<b>TOTAL</b>	<b>\$479,860,080</b>

As the popularity of charitable gaming has increased in Michigan, the Charitable Gaming Division of the Michigan Lottery has also increased its volume of regulatory and audit activities. In FY 2008, the Charitable Gaming Division conducted over 3,800 inspections, investigated 130 complaints, issued 225 warning notices, and held 175 training sessions attended by more than 1,100 individuals, in addition to its financial auditing activities.

A copy of the Charitable Gaming Division's Annual Report can be found at:

[http://www.michigan.gov/documents/cg/BSL-CG-AR2008\\_262688\\_7.pdf](http://www.michigan.gov/documents/cg/BSL-CG-AR2008_262688_7.pdf)

*THE MICHIGAN GAMING NEWSLETTER WOULD LIKE TO THANK JULIANNE PORTUGUES FOR HER CONTRIBUTIONS TO THIS NEWSLETTER*