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For more information on Michigan's gaming industry, please visit [www.michigangaming.com](http://www.michigangaming.com)

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



## INTERVIEW WITH MOTORCITY CASINO CEO GREGG SOLOMON

Gregg Solomon is the CEO of MotorCity Casino in Detroit, Michigan. Mr. Solomon recently met with *Michigan Gaming Newsletter* Reporter Blaine DeGracia in April. Below, please find the questions asked and responses given by Mr. Solomon. You can learn more about MotorCity Casino at: [www.motorcitycasino.com](http://www.motorcitycasino.com).

If you would like to participate in a future interview, please contact Mr. DeGracia online at [info@michigangaming.com](mailto:info@michigangaming.com).

### Q: Personal background/summary:

A: I began in the gaming industry with a company called United Coin Machine Company when I was 20 years old. United Coin was a slot route operator who managed slot machines all over the Southern Nevada region. They ran an ad in the paper offering \$6.00/hr. to attend their slot school. If you graduated, you had a job. Less than half graduated as they were very tough on the students as they wanted to “wash out” the ones who wouldn’t make it.

I later joined a small partnership that ran a service route in Las Vegas. In an effort to make ends meet, I worked a second job at a small casino near Hoover Dam called the Gold Strike Inn doing slot machine “loser checks” and conversions. This was the beginning of my association with Mike Ensign (founder of Gold Strike Resorts and C.E.O. of Mandalay Resort

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Group) and later Circus Circus/Mandalay Resort Group. I took a job with them in June 1983 as the Lead Slot Mechanic of the Pioneer Club in downtown Las Vegas. I stayed with this group for the next 22 years, working my way up from Lead Slot Mechanic to Slot Manager, Director of Slot Operations for our six properties, General Manager, company Director of Operations, and ultimately Senior Vice President of Operations of Mandalay Resort Group. After the merger between MRG and MGM/Mirage, I assumed the position of C.E.O. of Ilitch Gaming, the parent company of MotorCity Casino.

**Q: What would you say is your number one skill-set which has helped you get to your position in the casino gaming market today?**

**A:** I would have to say my willingness to put in more hours than the next guy, and a keen interest in how things work (or why they don't).

**Q: As MotorCity Casino Hotel has transformed its neighborhood and community, what are some of the initiatives that the casino is most proud of?**

**A:** I believe that the greatest testament to MotorCity's success as a member of the community is the huge number of high quality jobs we have created in an area and in a time period where good jobs have been hard to come by. We have recently celebrated our 10<sup>th</sup> anniversary and celebrated it with nearly 1,000 MotorCity associates that started with us from day one.

Of course, we are also very proud of how we have transformed the landscape of downtown Detroit with a landmark facility that fully embraced the best characteristics of this town and its heritage.

In addition, we have a very active community outreach committee. This group is comprised of MotorCity Casino Hotel associate volunteers from all departments. They recommend and implement philanthropic initiatives that positively impact various community organizations. Over the years this group has dedicated thousands of man hours and raised thousands of dollars from their fellow associates and company matches. Some notable

community partnerships include Mariners Inn, Southwest Solutions, St Jude's Pantry, Christ Child House, Vista Maria and Gleaners Food Bank. Other initiatives include an annual clean-up and beautification of our neighborhood.

**Q: What are some of the programs that MotorCity Casino Hotel has planned for next year to promote a positive community for Detroit?**

**A:** At a time when there are so many threats to our market, i.e. gaming being expanded to surrounding states, race tracks, and off-reservation Native American gaming, it is more important than ever for MotorCity to get its story out there. We have been an integral piece of the Detroit survival puzzle and we are the only locally owned and operated casino in the area. These constant and repeated threats to the one owner and the one industry that has invested in downtown Detroit can jeopardize the very business that has created so many jobs and invested so many millions in the city. We have kept every one of our promises to the citizens of Detroit. In order for MotorCity to promote a positive community for Detroit, we need the Detroit community to act positively in regards to its gaming industry. We are committed to meeting every threat to our market head-on in 2010, as it is a matter of survival for both MotorCity and the city of Detroit.

Furthermore, we will continue to reinvest in our guests, our campus, our associates and our community. We fully understand that our success is an important component in the success of this region. Therefore, we will continue to identify opportunities for community investment, and to improve our physical campus and guest experience. This includes remaining vigilante in our commitment to use our financial and human resources creatively and responsibly.

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**Q: What has MotorCity Casino Hotel done over the past decade to evolve and stay one step ahead of the game? Specifically, what has your casino property done over the past ten years to keep a competitive advantage in the Detroit/Windsor casino market?**

**A:** What has set MotorCity apart from its competitors is a willingness to take risks. This has manifested itself in our being comfortable with being a casino product designed and built specifically for Detroit. Ironically, there was a great deal of pressure, in the early days, from some of our local partners to do a “Mandalay Detroit” concept. The startup team felt strongly that if we were going to do well long-term, that we needed to embrace all that was great about Detroit. This attitude flowed through to the development of our iconic architecture, our interiors, our marketing – every element of our branding. We took risks in developing a Detroit style of service culture and in developing managers from the Detroit area rather than bring in a huge amount of talent from Vegas – a total of over 600,000 training hours were provided to our associates prior to our opening. There are very few areas where one could say that we played it safe.

**Q: What role have new technologies played in the success of your casino property and what can casino patrons expect to see during 2010 and beyond?**

**A:** MotorCity has been a technology leader not just in the market, but a leader in the nation since its inception. MotorCity was the first casino in the country to implement property-wide bonusing, the Intelligent Cash Box System, Wager Account Transfer (the only fully paperless, cashless system in operation today), the first implementation of the Gaming Standards Association’s Best of Breed (BOB) protocol – the precursor to the G2S standard that makes server based gaming possible, automated DMX lighting control systems, subwoofers in slot cabinets, RFID technology for asset management in the hotel, and so on. We have provided players the ability to self-redeem their accrued club points and comps electronically, at every point of sale outlet, since opening. MotorCity Casino Hotel has been the recipient of the 20 Best Casino Products award for its technology – something usually reserved only for

gaming manufacturers.

For 2010, MotorCity Casino Hotel will continue to expand its implementation of server based gaming and has just finished a property-wide upgrade to our IGT Advantage System. We have taken a big position in the introduction of electronic table games and will further that technology as well. An initiative is underway to allow us to better understand the huge amounts of raw data that we collect in a way that is customer-centric and much more intuitive, as well as understand the ways that we can better market our product in the social media space such as Facebook, Twitter, MySpace, SMS and text messaging, etc. We will also be making e-procurement a cornerstone of our purchasing efforts to maximize our buying efficiencies.

**Q: Given the difficult economic times, what has MotorCity Casino Hotel done to mature, expand or develop as a property?**

**A:** MotorCity has taken the position that we cannot “cut” our way to greatness. While others are lowering quality or cutting back services, MotorCity Casino Hotel intends to see what MORE we can offer in these difficult times. We are stepping up our promotions and entertainment to unprecedented levels. We are intensifying our out-of-market initiatives and taking better advantage of our Detroit-based assets, such as professional sporting events, concerts, etc. We continue to refine our physical plant as we better understand and utilize all the new amenities we have introduced with our \$334 Million expansion.

**Q: What is your advice for surrounding local businesses looking to capitalize on the influx of casino attendees to the area surrounding the casino?**

**A:** First, many local businesses are unaware of the intricacies of doing business with the Detroit gaming industry. We are under the most intense scrutiny of any business in the state of Michigan, and those with whom we do business must subject themselves to that scrutiny. At a time when we are trying harder than ever to do business with Detroit-based vendors and support our

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struggling local partners, the gaming regulators have expanded the scope of their licensing requirements relative to smaller businesses that supply non-gaming related goods and services. Due to the cost both in time and money, and the degree to which they require confidential financial information, this has resulted in many local businesses no longer being able or desiring to provide services to casinos. Any supplier wishing to do business with a Detroit casino would be well advised to understand the licensing requirements thoroughly before pursuing a relationship with a licensee.

Secondly, the casinos have raised the bar in many areas of guest experience. We offer top-notch entertainment, great restaurants and a high quality hotel product. If Detroit is to survive this economic downturn, then each and every business must step up their game, and compete on a national level. It only takes one eyesore to create a negative mental image in the minds of the new Detroit tourist, which devalues all of our investments. We need to work together to ensure that all Detroit businesses pull their share in making a great first impression. We are constantly finding that people who have not given Detroit a shot in twenty years have been very pleasantly surprised at all Detroit has to offer now, but we have to go further. We compete with Chicago, Orlando, Atlantic City and Las Vegas for our traveler's dollar. For those who give Detroit another chance, we cannot afford any missteps – Detroit's future depends on it.

## **FIREKEEPERS CASINO LOCAL REVENUE SHARING BOARD DEADLINE APPROACHES**

Christine Zuidema, Executive Secretary for Calhoun County, Michigan today told *The Michigan Gaming Newsletter* that no local governments have submitted applications to the FireKeepers Casino Local Revenue Sharing Board (LRSB) revenue. The applications to receive reimbursements for costs incurred from the establishment of the FireKeepers Casino in Battle Creek are due May 7.

According to the *Battle Creek Enquirer*, the FireKeepers LRSB has \$1.93 million available to give out to local governments who can show an

increase in costs associated with FireKeepers Casino or Pine Creek Reservation, home of the Nottawaseppi Huron Band of Potawatomi, the casino's tribal owners.

According to LRSB bylaws, twenty four local governments rest in the immediate vicinity of the casino which are eligible for funds. According to Ms. Zuideman, applications have been sent to the local governments and Calhoun County is currently awaiting submissions. She also stated that Emmett Township, home to FireKeepers Casino, will likely submit an application asking for the largest percentage of funding due to increased expenditures in such services as road improvement and police and fire municipalities. Calhoun County Road Commission has declared they will be asking for \$250,000 to cover the cost of building Wheatfield Parkway and installing traffic signals at 11 Mile and Verona Roads.

Interested local government units will be provided opportunities to prove actual cost increases before the LRSB the week of May 24. After all approved reimbursements have been paid out, 80% of the remaining funds will be distributed among governments who have experienced a decrease in tax revenue due to the casino construction. Those payments are scheduled to be made by July 12, 2010.

To obtain a copy of the LRSB application materials, please contact *The Michigan Gaming Newsletter* at: [info@michigangaming.com](mailto:info@michigangaming.com).

## **ODAWA CASINO DIRECTOR OF FINANCE RESIGNS**

According to a recent report in the *Petoskey News-Review*, Ken Harrington confirmed that Scott Cannaday, Odawa Casino's director of finance resigned April 23, 2010.

Ken Harrington, Tribal Chairman for the Little Traverse Bay Band of Odawa Indians told the *News-Review* that his resignation was a surprise, he stated, "[h]e resigned for personal reasons and we wish him well in his future endeavors.

The Odawa Casino's position for director of

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finance is currently available on the casino's website: <http://www.odawacasino.com/content/view/523/102/>.

Notably, on November 23, 2009, and without citing an official reason, Sean Barnard, former general manager of the Odawa Casino Resort resigned from his position. The position for casino general manager is also being sought on the Odawa Casino Resort's website: <http://www.odawacasino.com/content/view/451/102/>.

For information regarding the Little Traverse Bay Band of Odawa Indians, please visit: <http://www.ltbbodawa-nsn.gov/>.

## MICHIGAN LOTTERY INTRODUCES NEW GAMES

According to an April 28, 2010 press release from the Michigan Lottery, Powerball jackpots during the month of May can be multiplied 10 times, up to \$2,000,000 as a result of a new "Power Play 10X" promotion.

Traditionally, the Power Play feature allows players to chance to multiply their non-jackpot winnings 2, 3, 4, or 5 times, but beginning May 1, a 10X multiplier will be introduced. The cost of the Power Play option stays the same, an additional \$1 wager to a Powerball ticket. According to the release, players will have a total of nine opportunities to multiply their non-jackpot winnings by ten during the month of May.

On January 31, 2010 Michigan Lottery introduced the sale of Powerball tickets at Michigan's 11,000 Mega Millions retailers. An agreement was reached late last year between the Mega Millions consortium of 12 states and the Multi-State Lottery Association allowing the sale of Powerball lottery tickets in Michigan.

The Powerball lottery is available at the cost of \$1 per wager with jackpots starting at a guaranteed \$20 million and increasing as multi-jurisdictional sales increase. Drawings are conducted weekly at 10:59 p.m. on Wednesdays and Saturdays.

## 'LUCKY LINES' GAME DEEMED AN INSTANT SUCCESS

On April 26, 2010, the Michigan Lottery announced the addition of 'Lucky Lines' a new game that according to the Michigan Lottery, 'combines instant wins, big jackpots, and the excitement of bingo all into one fun game.' Lottery players from across the state have already started collecting their instant winnings which have ranged from \$1 up to \$25,000. The tickets are available wherever Michigan Lottery tickets are sold.

"We are thrilled with the positive response we have received from our players about Lucky Lines," said Lottery Commissioner M. Scott Bowen. "The big instant wins from just the first day alone show how popular Lucky Lines will be."

According to the Michigan Lottery, to play Lucky Lines players can select their own numbers or Easy Pick seven numbers between 1 and 49. A ticket will print with the player's seven numbers and a game board of 49 numbers. Like bingo, players have to match their numbers together horizontally, vertically or diagonally on the game board to win. Players can win by matching 3, 4, 5, 6, or 7 numbers.

For more information regarding these promotions, please visit: <http://michigan.gov/lottery/>

## RMC LEGAL, DOWLING ADVISORY GROUP AND RESORT ADVANTAGE PRESENT PART III OF FREE ONLINE WEBINAR SERIES; COMPLIANCE ALERT: KEY ISSUES FOR 2010

Next, Wednesday, May 5, 2010 at 2:00 p.m. NEST, Jim Dowling of Dowling Advisory Group will be presenting part three of a four part series entitled, *Are you prepared for BSA; OFAC and FACTA? You Think Your Casino is Compliant—Will an IRS Auditor Agree?* Series 3 will focus on how casinos can prepare for a Title 31 examination by the IRS, how to develop and implement an effective anti-money laundering program and how to prepare for an audit. Series 3

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will provide relevant information for commercial and Native American casinos in Michigan and across the United States.

To register for the free online Webinar Series, please visit <http://www.resort-advantage.com/events-news/events-webinars/bsa-ofac-facta-series.html> (Scroll to the bottom of page).

The Webinar Series is being produced through the joint efforts of RMC Legal, Dowling Advisory Group, Resort Advantage, and Convey Computer Systems, Inc.

Series 1 and 2 focused on the BSA and OFAC standards and gaming compliance requirements. In addition, it reviewed the FACTA/Red Flags Rule and gave an overview of new regulations, proposed enforcement, and potential application to the gaming industry. To obtain a copy of Series 1 and 2 materials, please click or copy and past the following: <http://www.resort-advantage.com/events-news/events-webinars/bsa-ofac-facta-series.html>

Persons who should consider attending the Webinar include casino operators, compliance managers and directors, accountants, regulators and lawyers.