

July 2, 2010

Volume 16, Issue 23

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

Reporter

Blaine R. DeGracia

Phone: 517.507.3857

degracia@rmclegal.com

Subscription information:

info@michigangaming.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.rmclelegal.com

The MICHIGAN GAMING Newsletter



GREEKTOWN CASINO HOTEL EMERGES FROM CHAPTER 11 BANKRUPTCY

Greektown Casino Hotel successfully emerged from Chapter 11 bankruptcy on June 30, 2010, according to a filing made with the U.S. Bankruptcy Court for the Eastern District of Michigan. The casino's Chapter 11 plan of reorganization, confirmed in January, became effective Wednesday.

On Monday, June 28th, the Michigan Gaming Control Board (MGCB) approved the application for the transfer of interest in Greektown Casino, LLC, and also approved the eligibility, suitability, and qualification of individuals affiliated with Greektown Casino, L.L.C. and related requests including supplier licensing exemptions, debt transaction approvals, and institutional investor waivers.

George Boyer, former president and COO of MGM Grand Detroit, has been appointed as chairman of the board of directors. In addition, John Bitove, a Toronto based business professional and Yvette Landau, former chief legal counsel for Mandalay Resort Group, have also been appointed to the board.

Other pending appointments to the Greektown Casino board include: Mike Duggan, Detroit Medical Center CEO; Benjamin Duster, executive managing director of strategic advisory at Watermark Advisors LLC; Freman Hendrix, chairman of Detroit's Charter Revision Commission and deputy mayor under former Mayor Dennis Archer; and Joel Ferguson, member of the Michigan State University Board of Trustees and founder of F&S Development Co. and Lansing-based WLAJ-TV.

MGCB member Michael Wazta indicated that prior to the hearing on the matter, he had been undecided as to whether to approve the transfer of interest. The information presented by staff and by the proponents of the plan convinced him to vote in favor of the transfer. In a press release

issued by the MGCB staff, Mr. Watza stated: “this plan provides the maximum financial relief for the creditors above any other plan submitted in bankruptcy and at the same time assures a high level of regulation and protection for the casino itself, its customers, and the People of the State of Michigan and the City of Detroit.”

REGULATORY REFORM COMMITTEE MEETS TO DISCUSS HOUSE CONCURRENT RESOLUTION 0054

On Thursday, July 1st, the House Regulatory Reform Committee met to discuss House Concurrent Resolution 0054 (HCR 54). If passed, the resolution would approve a compact amendment which seeks to allow the Little River Band of Ottawa Indians (“Little River Band”) to open its second Class III gaming facility at a location in Muskegon County once certain other federal governmental approvals are received. The Little River Band currently owns and operates the Little River Casino Resort in Manistee, Michigan.

The resolution, which is primarily sponsored by Doug Bennett (D-92nd), seeks to approve amended language in the compact to allow the Little River Band to operate more than one facility. The Committee predominately heard from opponents of the Resolution. Committee Chair Bert Johnson (D-Detroit) noted that at a previous meeting, supporters were allowed to testify. The Committee took testimony in opposition to the resolution from:

- The Saginaw Chippewa Tribe;
- The Huron Band of Potawatomi Indians;
- The Gun Lake Tribe; and
- The Dorr Business Organization.

At the conclusion of the hearing, Committee Chair Johnson briefly allowed Robert Memberto, Economic Development Director of the Little River Band, to provide testimony in support.

Opponents of the Resolution argued that the compact amendment should not have been entered into because the casino development site is not currently tribal land that has been taken into trust

by the federal government.

Mr. Memberto, on behalf of the Little River Band of Ottawa Indians noted that the process of gaining approval is a complicated process with numerous steps at a local, state, and federal level. Thus, he argued, the compact approval process is just one necessary step.

The Regulatory Reform Committee will meet again in Muskegon on July 9th to discuss the issue further.

SENATE BILL SEEKS TO EXTEND SMOKING BAN TO DETROIT CASINO FLOORS

On Tuesday, June 29, 2010, Senator Ray Basham (D-8th District) introduced Senate Bill (SB) 1406, a measure which seeks to eliminate the exemption from the statewide smoking ban currently allowed for the gaming floors of the three Detroit casinos. On May 1, 2010, the statewide smoking ban, which prohibits smoking in all public places, including workplaces, restaurants and bars, became effective. The current law exempts cigar bars, specialty tobacco retailers stores and the gaming floors of the Detroit casinos from the smoking ban.

Sen. Basham’s bill proposes to, among other things, repeal MCL 333.12606b, which currently provides, in pertinent part, that “[a] casino that is in existence on the effective date of this section [May 1, 2010] may allow smoking in the gaming area of the casino...” The “casino” referenced in the current law is defined to mean the Detroit casinos authorized under the Michigan Gaming Control and Revenue Act, MCL 32.201 *et seq* and does not apply to the state’s tribal casinos authorized under the Indian Gaming Regulatory Act, 25 U.S.C. 2701 *et seq*.

SB 1406 has been referred to the Senate Committee on Economic Development and Regulatory Reform.