

January 7, 2011

Volume 17, Issue 1

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 and Associate Editor

Dustin M. Ford

Phone: 517.999.5414

dford@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.rmclegal.com

The MICHIGAN GAMING Newsletter



GLOBAL GAMING BUSINESS MAGAZINE INCLUDES JAMIE P. STUCK AND MATTHEW P. CULLEN IN ANNUAL "25 PEOPLE TO WATCH"

In its January, 2011 issue, *Global Gaming Business* magazine selected Jamie P. Stuck and Matthew P. Cullen, members of the Michigan and Ohio gaming industry, for inclusion in their "25 People to Watch" list. The annual list acknowledges individuals who will make a substantial impact on the gaming industry throughout the coming year.

Jamie P. Stuck, Tribal Council Vice Chairman for the Nottawaseppi Huron Band of Potawatomi, oversaw the opening of FireKeeper's casino in Battle Creek in 2009. In addition to his role as tribal council member, Stuck serves the Tribe on the FireKeepers Development Authority, FireKeepers Local Revenue Sharing Board, and Potawatomi Resource Conversation and Development Council. He is also a member of the Marshall Area Chamber of Commerce Board of Directors.

Matthew P. Cullen, President and Chief Operating Officer of Rock Gaming, will oversee the completion of two of Ohio's four casinos approved by a ballot measure in November of 2009. Prior to his position with Rock Gaming, Cullen served as general manager of economic development and enterprise services for General Motors in Detroit for 29 years. In his interview with *Global Gaming Business*, he stated that he views Rock Gaming's casino developments in Cincinnati and Cleveland as routes for urban revitalization. Rock Gaming recently selected Caesar's Entertainment to operate these two sites.

(Continued on page 2)

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR DECEMBER, 2010

The Michigan Gaming Control Board (“MGCB” or “Board”) released the December, 2010 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue for the Detroit Market was up by 2.4% in December, 2010 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino and MotorCity Casino was up by 4.2% and 11.9%, while Greektown Casino was down by 12.1% in comparison to the same month last year.

Aggregate revenues for Detroit’s commercial casinos for January through December, 2010, were up 2.87%, in comparison to the same reporting period in 2009. The 2010 total gaming revenues for MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino were up by 6.26%, .13% and 1.04% respectively, compared to 2009.

Month in 2010	Total Adjusted Revenue 2010		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$47,468,319.04	\$35,923,997.65	\$28,023,801.67
February	\$48,622,651.56	\$36,511,115.12	\$29,809,377.11
March	\$52,548,328.50	\$41,234,840.59	\$33,481,265.74
April	\$49,605,147.69	\$37,322,007.23	\$31,981,992.16
May	\$48,836,322.62	\$38,386,776.02	\$29,688,544.04
June	\$46,220,269.94	\$36,543,168.85	\$27,038,009.97
July	\$50,433,913.76	\$37,735,768.95	\$30,633,325.45
August	\$48,046,645.76	\$35,046,635.19	\$29,880,927.00
September	\$46,489,288.77	\$34,773,828.64	\$28,108,806.75
October	\$46,787,049.23	\$37,317,981.25	\$29,542,351.88
November	\$47,749,511.54	\$37,135,412.99	\$26,536,782.71
December	\$49,079,987.69	\$38,477,750.92	\$24,907,450.98
Total	\$581,887,436.10	\$446,409,013.40	\$349,632,635.44

On March 9, 2010, Greektown Casino received a tax base reduction certification from the MGCB. For the months of January and February, 2010, the State of Michigan’s share of the wagering tax reflected in the Greektown Casino numbers released by the MGCB was 12.1% and the City of Detroit’s share was 11.9% for a total tax of 24%. This 24% tax historically applied to all three Detroit casinos. As a result of all three casino facilities being deemed “fully operational,” they are subject to a wagering tax of 19%, with 10.9% of this levy to go to the City of Detroit, and 8.1% to be paid to the State of Michigan. Greektown Casino’s tax rollback was retroactive to February, 2009, and the casino received ongoing tax credits to offset prior payments. According to a report presented at the September 14, 2010 MGCB Public Meeting, as of September 10, 2010, the tax rollback credit has been depleted.

(Continued on page 3)

Month in 2010	Total Adjusted Revenue 2010		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$111,416,118.36	\$10,145,657.65	\$12,424,594.92
February	\$114,943,143.79	\$10,502,769.73	\$12,826,896.44
March	\$127,264,434.83	\$8,595,465.95	\$13,871,823.40
April	\$118,909,147.08	\$7,041,099.55	\$12,961,097.03
May	\$116,911,642.68	\$7,065,070.99	\$12,743,369.05
June	\$109,801,448.76	\$6,703,838.54	\$11,968,357.91
July	\$118,803,008.16	\$7,141,744.30	\$12,949,527.89
August	\$112,973,937.95	\$6,730,533.89	\$12,314,159.24
September	\$109,371,924.16	\$8,017,894.45	\$11,921,539.73
October	\$113,647,382.36	\$9,205,437.97	\$12,387,564.68
November	\$111,421,707.24	\$9,025,158.29	\$12,144,966.09
December	\$112,456,189.59	\$9,109,680.36	\$12,257,724.67
Total	\$1,377,929,084.94	\$99,284,351.66	\$150,772,602.05

The figures above do not include: 1) wages and benefits paid to casino employees; and 2) payments to suppliers, service providers or vendors.

SAULT TRIBE TO POSSIBLY PURSUE ROMULUS CASINO

According to the Sault Ste. Marie Tribe of Indians' ("Sault Tribe") January 3, tribal newsletter, *Win Awenen Nisitotung*, the Sault Tribe may attempt to build a casino in Romulus, Michigan, depending on the outcome of a voter referendum.

The issue of whether to pursue the casino will be determined by a voter referendum which seeks affirmation from the membership of a decision by the Tribal Council to pursue the development. The ballots for the voter referendum will be mailed to tribal members on January 7, 2011. The completed ballots are due January 27, 2011. According to the tribe's newspaper, at least 30 percent of eligible voters must cast a ballot to make the results binding.

The topic appears to be controversial, as some board members have spoken out against it based on a lack of clarity of who will be involved in the project.

According to an explanation of the Romulus casino project as included in the tribal newsletter:

"Outside developers would pay all up front costs and in return receive 14 percent of gross revenues the

(Continued on page 4)

first seven years of operation, after which the casino would belong solely to the tribe... The project hinges on Congressional approval. It would settle the tribe's Charlotte Beach land claims settlement, which dates back to the mid-1800s, by exchanging trust lands in Romulus for the tribe's claim to land in Charlotte Beach..."

The report also stated that the first \$5 million in profit would go to the Sault Tribe before the developers would receive any funds. Under the Sault Tribe's resolution passed by the board of directors, if the casino project comes to fruition, the Sault Tribe would control the management and operations in the property.

Tribal Chairman Darwin "Joe" McCoy stated in the newsletter that, "[t]he Romulus project does not cost us anything, and if the project is successful, will have a big return for our tribe."

A letter from Cathy Abramson, Unit I Director for the Sault Tribe, indicates that she does not support the business venture.

The Sault Tribe currently operates five other Kewadin Casinos in the Upper Peninsula of Michigan. For more information on the Sault Tribe, please visit www.saulttribe.com.

BAY MILLS CASINO DEVELOPMENTS

On December 17, 2010, the Bay Mills Indian Community ("Tribe") filed a deed to 28 acres of land in Flint Township. Though there have been no confirmed reports regarding the Tribe's future use of the land, there has been speculation that it might be used to develop a casino gaming facility. *The Flint Journal* reported that local businesses and other Michigan tribes believe the Tribe is using recently filed lawsuits regarding its Vanderbilt gaming facility as a test case for its ability to open casinos on lands the Tribe owns in both Port Huron and Flint.

On Wednesday, November 3, 2010, the Tribe opened a gaming facility in Vanderbilt, Michigan, which holds 36 slot machines, without receiving state or federal approval. The Tribe acknowledged in an interview with the *Port Huron Times Herald* in November, 2010, that litigation involving the Vanderbilt casino will provide a test case for the possibility of opening a casino on land recently purchased in Port Huron. On December 1, 2010, the Tribe broke ground on an expansion project at the Vanderbilt facility that would more than double the size of the existing facility in order to add more gaming machines and expand the restroom area.

On December 16, 2010, the Michigan Attorney General's office issued a letter to the Bay Mills Tribe that demands that it cease gaming operations at the Vanderbilt facility. The letter outlined the state's stance on the newly built tribal gaming facility, concluding that "the operation of this casino is not authorized by IGRA and therefore violates state and federal laws prohibiting gambling." Despite the letter, the Bay Mills Tribe has maintained that it has met all state and federal requirements for establishing a new gaming facility.

On December 21, 2010, a memorandum from the National Indian Gaming Commission ("NIGC") Chairwoman was issued indicating that the tribe's Vanderbilt casino is not on "Indian Lands" within the meaning of the Indian Gaming Regulatory Act. Therefore, the NIGC has declined jurisdiction over the controversy and referred the matter to state and local law enforcement.

Though the state's attorney general and other Michigan tribes have filed separate lawsuits in federal court challenging the legality of the Tribe's Vanderbilt gaming facility, to date the location remains open.

(Continued on page 5)

CASINO WINDSOR AND CAW NEGOTIATIONS LOOK POSITIVE

On Thursday, January 6, 2011, *The Windsor Star* reported that Caesars Windsor and CAW union Local 444 had officially launched new contract talks, and both sides are hopeful there will be a new contract without a strike. The current three-year employee contract expires April 3, 2011.

The casino has endured three strikes since 1995. Most notably, in 2004, casino workers went on strike for 40 days while contract negotiations went on between unionized employees and the casino.