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The _____ MICHIGAN GAMING _____ Newsletter



CITIZENS FOR MORE MICHIGAN JOBS FILES PETITION SIGNATURES WITH STATE

On June 27, 2012, Citizens for More Michigan Jobs (CMMJ) announced that it had collected enough petition signatures to have its ballot initiative placed on the November ballot. The CMMJ ballot initiative seeks to authorize an additional eight commercial gaming establishments in the state.

According to recent reports, the CMMJ announced that it was able to collect 509,777 signatures. The eight casinos authorized under the initiative would be located in the following areas: Detroit, Grand Rapids, Birch Run, Romulus, Clinton Township, Cadillac, Pontiac, and Lansing.

The State Board of Canvassers will now randomly select a sample of signatures to check for validity of the submitted signatures.

With the proposal of the new casinos, CMMJ is seeking to increase the wagering tax from 19 percent to 23 percent. The group also says that the new developments will add \$275 million annually in state revenue along with an estimated 16,000 jobs.

Protect MI Vote, a group that is opposed to the ballot initiative, has argued that the proposal would eliminate local communities' right to vote on the casinos and has begun running a targeted campaign against the ballot initiative. FireKeepers Casino has also announced its opposition, holding an informational meeting on June 7, 2012 that detailed its arguments against the measure.

GREEKTOWN CASINO-HOTEL TO HOST 4TH ANNUAL CHARITY GOLF OUTING AUGUST 27

On August 27, 2012, Greektown Casino-Hotel will host its fourth-annual charity golf outing at the Shenandoah Country Club in West Bloomfield. Contributions made to the charity event will benefit the Boys Hope Girls Hope, the Coleman A. Young Foundation, and Think Detroit Pal foundations.

Last year, Greektown Casino-Hotel's golf outing was able to donate more than \$70,000 to organizations that seek positive development and well being for youth. The charity golf outing is only one of Greektown Casino-Hotel's community outreach initiatives.

The tentatively scheduled format of the charity event is as follows:

- 9 a.m. – Registration and continental breakfast
- 10 a.m. – Shotgun start
- 3:30 p.m. – Dinner and live auction

Greektown Casino-Hotel is currently accepting sponsorships for the outing. For more information or to register your foursome, please contact Lloryn Love at 313 223-2999 (ext. 5455).

SUMMER COMPLIANCE SERIES: NON-GAMING SUPPLIER INITIAL LICENSING PROCESS

In addition to its traditional coverage of developments in the state's gaming industry, The Michigan Gaming Newsletter is proud to announce its first annual Summer Compliance Series. From June until the end of August, The Michigan Gaming Newsletter will be publishing a regular column in order to provide readers with a basic understanding of Michigan gaming regulatory structures and considerations. The following is a general discussion of the state's compliance requirements and should not be considered legal advice.

The Michigan Gaming Control Board ("MGCB") requires that certain individuals or

entities that supply goods or services to the Detroit casinos apply for and receive a valid supplier license, vendor registration, or exemption from the licensing process. This article will broadly discuss the initial Non-Gaming Supplier License application and review process.

Non-Gaming Suppliers are defined as a person or entity that supplies goods or services that "are not related to, used in connection with, or affect, gaming" on a regular and continuing basis to one or more of the Detroit casinos. MGCB Rule 322. These types of goods or services include, but are not limited to, food and beverages, garbage handling, construction services, and the management of casino enterprises (i.e., restaurants, bars, retail locations, and other businesses that operate in the same or connected buildings to the casino). The categories of qualifying goods or service providers are further detailed in MGCB Resolution No. 2009-01, enacted September 8, 2009 ("Resolution 2009-01") that provides details for the Non-Gaming Supplier License process. The resolution is available in its entirety at the following link: www.michigan.gov/mgcb/0,4620,7-120-57615_58037-252211--,00.html.

Resolution 2009-01 exempts certain business activities and fields of commerce from the licensing process in order to establish a more detailed list of criteria for individuals to use to determine whether a certain business activity would require a Non-Gaming Supplier License. The resolution both provides guidance as to the MGCB's interpretation of what constitutes providing goods or services on "a regular and continuing basis," provides exemptions for certain fields of commerce, as well as details the process for issuing licenses and exemptions.

For Non-Gaming Suppliers, Resolution 2009-01 establishes volume thresholds that trigger certain licensing requirements. Those persons or businesses that supply up to \$5,000 worth of non-gaming goods or services to casino operators in a 12-month period are automatically exempt from licensure. Those that offer between \$5001 and \$300,000 to a single casino licensee (or up to \$600,000 to multiple casino licensees) in a 12-month period may apply for an exemption from

(Continued on page 3)

the licensing process by the Executive Director. This process requires the completion of the Vendor Exemption Form, which is an abbreviated version of the Non-Gaming Supplier application forms, and required fees.

Finally, if a person or business supplies greater than \$300,000 in goods or services to any single casino license or more than \$600,000 in goods or services to multiple licensees, then the person or business must first apply for and receive a valid Non-Gaming Supplier License. This requires completion of the Non-Gaming Supplier License application, personal disclosure forms for those principal and key employees of the business, business disclosure forms for parent/holding/affiliate companies, as well as payment of the required application fees. Those qualifying as a Non-Gaming Supplier may be issued a temporary license by the Executive Director upon the submission of a complete license application, confirmation that the applicant has an agreement to supply goods or services to a casino licensee, and provided the MGCB has no initial indication that the applicant would be unsuitable for licensure. See MGCB Rule 325.

Exemptions issued to Non-Gaming Suppliers are valid for a period of 1 year and renewal materials must be submitted at least 30 days prior to the expiration of the exemption. In addition, the exemption is only valid as long as the holder continues to meet the standards and criteria for its issuance. Those holding an exemption that approach the \$300,000/\$600,000 dollar licensing threshold, for example, must submit the appropriate licensing application forms as soon as they believe that they will meet or exceed the threshold in any 12-month period.

In addition to detailing the licensing thresholds for Non-Gaming Suppliers, Resolution 2009-01 provides exemptions for certain fields of commerce or similarly regulated businesses. The Executive Director may issue exemptions to medical corporations or insurance companies licensed as such by the State of Michigan, government agencies (such as the USPS), certain publicly-traded companies and financial institutions, professional entertainers, advertisers, and others providing services that are outlined in Section IV of the resolution.

In addition, those holding a Non-Gaming Supplier License, Vendor Exemption, or temporary license must continue to comply with all MGCB reporting requirements and other stipulations placed on the license or exemption issued. The political contribution prohibitions included in Volume 18, *Issue 19* of The Michigan Gaming Newsletter is one regulation that such companies should be knowledgeable of.

Those interested in learning more about the Non-Gaming Supplier licensing process, including whether certain business activities qualify for exemptions and/or licensure, may refer to the MGCB's "Licensing Determination Flowchart," located at the following link: http://www.michigan.gov/mgcb/0,4620,7-120-57233_57052---,00.html.

GLOBAL GAMING EXPO OCTOBER 1-4 IN LAS VEGAS

The 2012 Global Gaming Expo (G2E) will be held October 1-4, at the Sands Expo Convention Center in Las Vegas, Nevada. The G2E offers the world's largest and most extensive education for the casino gaming industry and is produced by the American Gaming Association (AGA) along with Reed Exhibitions (RE). G2E provides an in-depth look at new products, technologies, insights and innovations within the gaming industry. Over 26,000 industry professionals attend the conference and offer a detailed look at new advancements within the gaming industry.

On Tuesday, October 2, Katty Kay of BBC World News America will be the first keynote speaker of the event and will be speaking in the Titian Ballroom from 10:30-11:30 a.m. Kay is a co-author of the book *Womenomics* that explores the success for business women based on recent trends of the value of women in the business world.

Additionally, on March 3, 2012, the AGA and RE announced that Jim Ryan, co-chief executive officer (CEO) of bwin.party digital entertainment plc, will be featured as the exclusive keynote speaker at the 2012 G2E. Bwin.party digital

(Continued on page 4)

entertainment is the largest listed internet gambling business in the world. Mr. Ryan is highly recognized as one of the more knowledgeable people currently in the Internet gambling industry. "As efforts to legalize and regulate Internet gambling in the United States advance and the global market continues to grow, Jim is the ideal person to provide a comprehensive overview of this developing sector of the industry," said Frank J. Fahrenkopf, Jr., president and CEO of the AGA. Ryan's conference keynote address will be held on Wed., Oct 3, and from 3:15-4:15 p.m.

The AGA also announced that it will be expanding table game content this year at the G2E and will be designating space on the floor to meet the specific needs of table game operators. At the 2012 G2E there will be more than 28,000 square feet of exhibit space that will showcase more than 25 companies that focus on table games. Companies that will be at the exhibit include, Shuffle Master Inc., Gaming Partners International Inc., Galaxy Gaming Inc., DEQ, Cammegh Ltd., Rye Park Gaming, Interblock, The Novomatic Group of Companies, AlfaStreet, Casino Technology and Euro Games Technology (EGT), and more.

Most recently, the G2E and Global Gaming Business Magazine (GGB) announced on June 11, 2012, that the judges for the 2012 G2E Casino Design Awards have been selected. The Casino Design Award honors architects, builders and designers in the casino gaming industry. The judges for the 2012 Awards are:

Michael Adams, editor-in-chief, *Hospitality Design*;

Robert Maricich, CEO, International Market Center Las Vegas;

Richard Paulos, former partner, co-CEO and executive vice president, The Jerde Partnership;

David Schwartz, director, University Of Nevada, Las Vegas Center for Gaming Research; and

Katherine Spilde, associate professor, San Diego State University, School of Hospitality and Tourism Management.

Additionally, the GGB's Gaming & Technology

Awards will also be presented at G2E. The Gaming & Technology awards are the gaming industry's awards for casino technology, products and services. This award ceremony will be held on October 3, 2012 and winners will be included in the November 2012 issue of *Global Gaming Business* magazine. Judges for the 2012 Gaming & Technology Awards are as follows:

Claudia Winkler, president, GHI Solutions;

Robert Russell, senior gaming analyst, Regulatory Management Counselors, P.C.;

Frank Neborsky, vice president of slot operations, Mohegan Sun;

Gerhard Burda, president and CEO, ESCAPES Advisory Services; and

Lindsay Stewart, vice president of electronic gaming, Sociedade de Jogos de Macau (SJM).

The event will close on Thursday, October 4, 2012, with a conference on tribal gaming. Donald "Del" Laverdure, Acting Assistant Secretary of Indian Affairs, will be speaking in the Titian Ballroom from 10:30-11:30 a.m. and will be the last keynote speaker of the week. Mr. Laverdure was previously Assistant Professor of Law & Director of the American Indian Law Program at Michigan State University College of Law, and has served as the Chairman of the Crow Nation Judicial Ethics Board, and also as an Appellate Judge of the Keweenaw Bay Indian Community.

To find more about the 2012 G2E, please visit <http://www.globalgamingexpo.com>

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