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The _____ MICHIGAN GAMING _____ Newsletter



GAMBLING EXPANSION BILL IS NOT ENACTED

A year-end effort to enact legislation to permit horse tracks to offer electronic gaming devices was not signed by the Governor by the end of the legislative session and the bill thus was not enacted into law.

House Bill 5546, which was introduced in April of 2012 by Rep. Kevin Daley (R– Lum), sought to amend the Horse Racing Law of 1995 and to expand the type and form of wagering that occurs at tracks to allow wagering on historic races via electronic machines. The language of the bill raised a substantial legal question with regard to whether both statewide and local voter approval would be required to comply with the Article IV, Sec. 41 of the Michigan Constitution (as amended by Proposal 1 of 2004), which provides:

“...No law enacted after January 1, 2004, that authorizes any form of gambling shall be effective, nor after January 1, 2004, shall any new state lottery games utilizing table games or player operated mechanical or electronic devices be established, without the approval of a majority of electors voting in a statewide general election and a majority of electors voting in the township or city where gambling will take place. This section shall not apply to gambling in up to three casinos in the City of Detroit or to Indian tribal gaming.”

GREEKTOWN CASINO ANNOUNCES RECEIPT OF PROPOSAL FOR ACQUISITION

On Wednesday, January 16, 2013, Greektown Superholdings, Inc. announced that it received a proposal for acquisition from Athens Acquisitions LLC, an entity owned by Daniel Gilbert. The acquisition of such interest is ultimately subject to Michigan Gaming Control Board

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approval.

In a press release issued by Rock Gaming, Chairman Dan Gilbert stated “Our plans are in the early phases, however, we envision significant investment in the Greektown Casino-Hotel, as well as the enhancement and growth of the existing entertainment district.”

In its press release, Greektown Superholdings, Inc. stated that “[t]he Board of Directors of the Company intends to fully review and investigate the proposal and to explore all strategic alternatives available to the Company.”

MGCB RELEASES REGULAR PUBLIC MEETING AGENDA

On Tuesday, January 22, 2013, the Michigan Gaming Control Board (“MGCB”) will hold its Regular Public Meeting. The agenda includes the following items:

- A. Consider the Licensing & Regulation Division’s Recommendation Regarding Level 1 and Level 2 Occupational License Applications
- B. Consider the Licensing & Regulation Division’s Recommendation Regarding the Pending Transfer of Interest of
 1. Allied-Eagle Supply Company, LLC, Board File No. SL003802-13-002
- C. Consider the Executive Director’s Reports Regarding the Pending Supplier License Applications of
 1. CP Procurement Services, Inc., Board File No. SL006505-13-001
 2. Turner-Brooks, Inc., Board File No. SL001929-13-001
- D. Consider the Executive Director’s Reports Regarding the Pending Supplier License Renewal Requests of
 1. Black Ties Staffing, LLC, Board File No. SL005496-13-001
 2. China Town Market, Inc. d/b/a Dai Lai Grocery, Board File No. SL004922-13-001

3. Heldon Shoe Company d/b/a Red Wing Shoes, Board File No. SL000745-13-001
4. Midwest Game Supply Company, Board File No. SL000167-13-001
5. MIG East, LLC, Board File No. SL001191-13-001
6. Motor City Electric Co., Board File No. SL000088-13-001
7. SMS Staffing Solutions, Inc., Board File No. SL005876-13-001
8. The End Zone Chicken & Ribs, LLC, Board File No. SL002059-13-001
9. The Right Productions, Inc., Board File No. SL001310-13-001

E. Consider the Executive Director’s Report Regarding the Supplemental and Confidential Background Regarding Suitability of New Key Person of Supplier Licensee American Gaming & Electronics, Inc.,

1. Norman H. Pessin, Board File No. SL001568-13-002

F. Consider the Request For Debt Transaction and Related Requests for Greektown Superholdings, Inc. and Its Related Entities, Board File No. GTC-2013-001

G. Consider the Proposed Greektown Superholdings, Inc. Shareholder Rights Plan

The MGCB meeting will take place at the Detroit Office Hearing Room, located at Cadillac Place, 3062 W. Grand Blvd., Suite L-700, Detroit, Michigan at 9:30 a.m. on Tuesday, January 22nd.

GUN LAKE CASINO LOCAL REVENUE SHARING PAYMENT DETAILS ANNOUNCED

Recently, revenue sharing payments from the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians’ (Gun Lake Tribe) Gun Lake Casino were disbursed to local governments. The semi-annual distribution provided the state with more than \$7 million, while local governments and municipalities received \$1.6 million. The local payments are calculated based on 2 percent of net win from electronic gaming devices, while the

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state payment is based on a sliding scale from 8 to 12 percent, based on gaming revenue earned between April 1, 2012 to September 1, 2012.

The payments to the Local Revenue Sharing Board are distributed to local municipalities for costs incurred due to the operation of the casino, public safety services, and replacement of property tax revenue.

The amounts of the latest disbursements are as follows:

- Dorr Township - \$13,616.00
- Hopkins Township - \$13,616.00
- Leighton Township - \$13,616.00
- Martin Township - \$13,616.00
- Wayland City - \$13,616.00
- Yankee Springs Township - \$13,616.00
- Allegan Area Education Services Agency - \$123,281.00
- Allegan County - \$330,327.88
- Wayland Township - \$391,493.32
- Wayland Union Schools - \$745,998.00

The payments are made under the terms of the tribal-state gaming compact and do not include charitable donations. The Gun Lake Tribe noted that since the Gun Lake Casino opened two years ago, the Tribe has now shared a total of \$27,136,145 with state and local governments.

Gun Lake Casino opened in February 2011 and currently employs more than 800 individuals. For more information about the Gun Lake Casino, please visit www.gunlakecasino.com.

CEO ANDY ASSELIN LEAVES SOARING EAGLE CASINO

On January 1, 2012, the Saginaw Chippewa Indian Tribe's ("Tribe") *Tribal Observer* reported that Soaring Eagle Casino & Resort Chief Executive Officer, Andy Asselin, would not be renewing his contract with the Tribe. Mr. Asselin had been with the Soaring Eagle Casino for six years.

On November 21, 2012, Tribal Council members voted to approve the appointment of Sales Director, Bob VanWert, as Interim CEO of Soaring Eagle Casino & Resort as well as

Saganing Eagles Landing Casino in Standish, Michigan. Mr. VanWert has been with Soaring Eagle Casino & Resort since 1998.

The Tribal Council and the human resources department are actively searching for an appropriate candidate to fill the vacancy.

DETROIT CASINO FOUNDER, TED GATZAROS, PASSES AWAY AT AGE 68

Detroit businessman Ted Gatzaros passed away on January 9, 2013 at the age of 68.

Mr. Gatzaros and his wife Maria developed properties in the Detroit area for more than 30 years, and he and his business partners were key in the implementation of a major portion of the city's Greektown entertainment district, including Greektown Casino.

Mr. Gatzaros's endeavors include popular restaurants such as the London Chophouse, Fishbone's, and Pegasus.

MOTORCITY CASINO HOTEL WELCOMES NEW VP OF HUMAN RESOURCES

On January 14, 2013, MotorCity Casino announced that it had recently hired Ms. Deborah Moffatt as the new vice president of Human Resources. Ms. Moffatt will be responsible for HR management including strategic planning and labor relations for the company.

Prior to joining MotorCity Casino, Ms. Moffatt served as the vice president of Human Resources at several major hotel casinos in the Detroit and Las Vegas areas, where she was responsible for developing business objectives and managing individual employee accountabilities.

"We are extremely excited to welcome Deborah to our MotorCity team," said MotorCity Casino CEO Gregg Solomon. "Her past experience in the gaming industry, coupled with her proven track

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record for strategic planning, makes her an undeniable asset to our company.”

Ms. Moffatt earned Bachelor’s degrees from the University of Maryland and the University of New York, as well as her Master’s degree from the University of Nevada. In addition, she also holds a Certificate of HR Management from the University of Nevada.

FAHRENKOPF TO TRANSITION FROM AGA; FOUR BOARD MEMBERS REELECTED

On Monday, January 7, 2013, Frank Fahrenkopf, president and CEO of the American Gaming Association (AGA), announced that he is stepping down from his AGA position, effective June 30, 2013. The AGA has also reelected four board members at its December annual meeting.

Fahrenkopf Transitions From AGA

Mr. Fahrenkopf, who has been the CEO of the AGA since its inception in 1995, has been actively involved in succession planning with the group’s board of directors to ensure a smooth transition

During his tenure with the AGA, Mr. Fahrenkopf has presided over several notable accomplishments for the association, including the positive findings and recommendations of the National Gambling Impact Study Commission, the establishment and good works of the National Center for Responsible Gaming, and the worldwide success of industry trade shows the Global Gaming Expo and G2E Asia.

In acknowledging the host of key individuals who have contributed to the AGA’s achievements over the years, Fahrenkopf said, “Too many people have played a major part in our success for me to name each of them, but I would like to acknowledge the AGA board members who have provided the support we needed to succeed, and, of course, the staff, both current and former, who made coming into the office each day a pleasure. I look forward to continuing to work with this talented group in the coming months as we

transition to this new era for the AGA. Their experience leaves the organization in very good hands.”

Prior to his work with the AGA, Mr. Fahrenkopf was the chairman of the Republican National Committee for six of Ronald Reagan’s eight years in the White House and led the party through successful presidential elections in 1984 and 1988. He continues to serve as co-chairman of the Commission on Presidential Debates, which conducts the general election presidential and vice presidential debates in presidential election years.

Board Members Reelected

At the December annual meeting of the American Gaming Association (AGA), the following four members of the AGA board of directors were re-elected to serve for three-year terms: Richard Hadrill, AGA chairman and chairman of Bally Technologies, Inc.; Gary Loveman, chairman, president and CEO of Caesars Entertainment Corporation; Jamie Odell, CEO and managing director of Aristocrat Leisure Limited; and Timothy J. Wilmott, president and COO of Penn National Gaming, Inc. Larry Ruvo, senior managing director of Southern Wine and Spirits of Nevada, also was re-elected to the board for an additional one-year term as an at-large director.

The leadership of the AGA board will remain in place with Hadrill serving as chairman, and Jim Murren, chairman and CEO of MGM Resorts International, as vice chairman. They will continue in their positions until their terms conclude at the end of 2013.

For more information about the AGA and the global gaming entertainment industry, visit www.americangaming.org and follow the AGA on Twitter and Facebook.

THREE MICHIGAN “INTERNET SWEEPSTAKES CAFES” RAIDED

On Wednesday, December 19, 2012, the Michigan State Police, along with agents from the Michigan Gaming Control Board and the

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Attorney General's office, served search warrants on three separate "Internet Sweepstakes Café" properties in Monroe and Washtenaw Counties where suspected illegal gambling was allegedly taking place.

84 computers along with their corresponding equipment were seized. Approximately \$9,000 was also confiscated. Additional warrants were also served in the state of Ohio resulting in the freezing of \$66,000 in funds related to the operations.

Sweepstakes Cafes operate similarly to typical Internet Cafes, selling internet access to customers, but bundle "sweepstakes entries" with each internet purchase. These entries then allow the customer to participate in a sweepstakes-style game to win prizes.

The State of Michigan has taken the position that, under the Michigan Penal Code and the Michigan Gaming Control & Revenue Act, unregulated gambling is strictly prohibited. Since May, 2012 the Attorney General's Alcohol & Gambling Enforcement Division has closed 32 Sweepstakes Café locations in Michigan.

The Michigan State Police Gaming Section was also assisted by the U.S. Secret Service and the U.S. Attorney's office in Detroit along with deputies from the Monroe County Sheriff's Office and troopers from the Michigan State Police Brighton Post.

Michigan citizens are encouraged by the State to report suspicious or illegal gambling to the Michigan Gaming Control Board by calling their 24-hour anonymous tip line at 888-314-2682.

IGAMING NORTH AMERICA 2013 CONFERENCE — FEBRUARY 19-21

The third annual iGaming North America Conference, ("iGNA"), will be held February 19-21, 2013 at the Planet Hollywood Resort & Casino in Las Vegas, Nevada. iGNA is a networking and education event based around the convergence of land-based and online gambling.

The goal of the conference is to educate and increase understanding regarding the potential

regulatory impacts of internet gambling in the U.S. and Canada, and to provide critical information regarding the players, resources, legislative framework and topics that are important to the commercial gaming segment.

Last year's conference featured 300 delegates from many of the major land-based and Internet gaming companies, and co-hosts Lewis and Roca are even more optimistic about 2013's conference. "We have a great program again this year. I think it represents the best set of speakers that the conference has ever featured."

Conference organizers feel that regulation in the U.S. and Canadian markets appears imminent as several bills for regulation are pending in various jurisdictions. Other focus points of the conference include commercial success, technology and geolocation issues, and opportunities surrounding iGaming that are not well understood by many of those in the traditional gaming industry in North America.

"With the surge in activity at both the state/provincial as well as federal levels, the time is right for all of the operators, consultants, vendors and suppliers focused on the North American audience to come together for this important informational event," stated Anthony Cabot, Partner at Lewis and Roca.

Those who should consider attending include:

- Existing land-based (commercial and Native American/First Nation) operators
- iGaming operators and associations
- Lottery, racing, sports betting and skill game representatives
- Government entities and regulators
- Industry vendors and suppliers
- Law firms
- Financial institutions
- Accountants and consulting firms
- I.T. and software providers
- Marketing, media and communications firms
- Other individuals and organizations interested in learning about the potential for legalized iGaming in North America.

Further information including speakers and sessions can be found at:

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www.igamingnorthamerica.com.

To register for this year's event please
visit: [http://www.igamingnorthamerica.com/
Register/tabid/107/Default.aspx](http://www.igamingnorthamerica.com/ Register/tabid/107/Default.aspx)

*The Michigan Gaming Newsletter would like to thank Scott
Nuyttens for his contributions to this Newsletter.*