

July 11, 2014

Volume 20, Issue 21

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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JUNE, 2014

The Michigan Gaming Control Board (“MGCB” or “Board”) released the June, 2014 total adjusted revenue figures for the three Detroit casinos—MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, the revenue for the Detroit market was up 5% when compared to the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino was up 18.9%, while MotorCity Casino and Greektown Casino revenues were down by 4%, and 5%, respectively, during June 2014 compared to the same month last year.

Month in 2014	Total Adjusted Revenue 2014		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$41,231,507.57	\$31,710,276.19	\$23,106,523.77
February	\$47,575,032.11	\$37,245,026.02	\$25,788,555.32
March	\$50,756,665.25	\$42,961,184.96	\$31,218,833.96
April	\$46,974,038.53	\$38,240,494.81	\$27,058,910.49
May	\$47,385,946.12	\$39,070,816.47	\$28,051,733.40
June	\$49,682,916.37	\$34,026,664.62	\$25,298,039.91
<b>Total</b>	<b>\$283,606,105.95</b>	<b>\$223,254,463.07</b>	<b>\$160,522,596.85</b>

All three casinos 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.

Month in 2014	Total Adjusted Revenue and Taxes 2014		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$96,048,307.53	\$7,779,912.91	\$10,469,265.52
February	\$110,608,613.45	\$8,959,297.69	\$12,056,338.87
March	\$124,936,684.17	\$10,119,871.42	\$13,618,098.57
April	\$112,273,443.83	\$9,094,148.95	\$12,237,805.38
May	\$114,508,495.99	\$9,275,188.18	\$12,481,426.06
June	\$109,007,620.90	\$8,829,617.29	\$11,881,830.68
<b>Total</b>	<b>\$667,383,165.87</b>	<b>\$54,058,036.44</b>	<b>\$72,744,765.08</b>

The market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for June 2014 were 46%, 31%, and 23%, respectively.

The figures released by the Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, services providers or vendors; and 4) other normal business expenses.

## INTERVIEW WITH FIREKEEPERS CASINO EXECUTIVE CHEF MICHAEL MCFARLEN

Michael McFarlen is the Vice President of Food Operations and the Executive Chef at FireKeepers Casino in Battle Creek and has served in this role since 2009. Prior to his current role, Mr. McFarlen served as an Executive Chef at several other hospitality establishments including Ameristar Casino and MGM Mirage.



**Q:** Between the six on-site restaurant offerings at the FireKeepers Casino Hotel in Battle Creek, patrons are provided with a wide variety of dining experiences. What is your team’s strategy to provide such variety of experiences with such a high quality?

**A:** Our strategy is to focus on each individual outlet and make it a stand-alone, remarkable experience. We have accomplished that through scratch cooking, attention to service detail and a commitment to embrace our patrons and react to their needs and recommendations.

**Q:** What do you see as the greatest contribution that the dining experience has on a patron’s overall visit to the FireKeepers property?

**A**: With active competition within 1 – 1.5 hours of our property, we have felt that by offering a superior food and service product we would be able to capture a segment of the gaming populace that is driven by their need for exceptional culinary fare in addition to their gaming needs.

**Q**: Nibi, the signature restaurant at the FireKeepers Casino Hotel, has received accolades in the media and from patron reviews since its opening. How have you kept the experience fresh while continuing its success?

**A**: The menu has constantly evolved with market trends and customer needs. From building our happy hour business with tapas style offerings to increasing our composed plates to seasonal specials and the addition of our Cruvinet system for high end wines by the glass, our Nibi team is continuing to challenge the staff to raise the bar and create a more memorable experience for our guests.

**Q**: The emphasis on high quality dining experiences at gaming properties has increased dramatically over the past decades, for example the evolution from the historically cost-conscious buffets in Las Vegas to world-class culinary locations. How do you think this evolution has affected both the restaurant and gaming industries?

**A**: I think this has paved the way to some of the most amazing advances our industry has seen in decades. You now can travel to Las Vegas and eat at some of the best restaurants in the world, all in one city. It used to be you had to travel all over the country and Europe to experience Michelin Star quality chefs and restaurants. Non-gaming revenue is now the number one source of income in Las Vegas, with gaming revenue coming in second. I think that's pretty incredible.

**Q**: Are there any upcoming culinary initiatives that the public can look forward to at FireKeepers?

**A**: We are looking at increasing our local sourcing and bringing in more products geared to sustainability and seasonality. I recently attended a summit at Harvard University sponsored by The Culinary Institute of America dealing specifically with the business of healthy, sustainable, delicious food choices. With the amount of people we feed in a given day its incumbent on us to pass along the healthiest, best sourced products we can while still maintaining our fiscal commitment to our owners.

**Q**: What are some of the unique challenges and opportunities of operating restaurants that are located within a gaming complex? Have these impacted your general approach to developing your menu?

**A**: This can be a double edged sword at times. You are guaranteed a certain amount of traffic in the restaurants due to casino patrons but at the same time you can sometimes alienate the true "foodie" that is not comfortable eating inside a casino. We have used our new restaurant, Smoke N' Fire, to work on marketing our products to non-gaming patrons through creative advertising and utilizing its entrance thru the hotel. It's also a challenge with the age stipulation of 21 and over for all restaurants on the casino floor, this can take away a lot of your potential dining demographic due to the age restriction. We have, however, cultivated a very good reputation with our food and service quality and continue to build our cash business with our consistency and commitment to excellence

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

## **MICHIGAN GAMING CONTROL BOARD ISSUES NEW EMERGENCY CHARITABLE GAMING RULES**

**O**n July 2, 2014, the Executive Director of the Michigan Gaming Control Board ("MGCB")

filed Millionaire Parties Emergency Rules (“Emergency Rules”) with the Michigan Secretary of State, which modify the existing rules governing licensed Millionaire Parties.

Notably, and from a historical perspective, the preamble to the Emergency Rules state:

*“[t]he new administrative rules went into effect on May 14, 2014. But on May 30, 2014, the Michigan Court of Claims, Hon. Pat M. Donofrio, issued an order enjoining the Executive Director from enforcing the new rules ‘in [a] manner that is inconsistent with the prior practice and rules that were in force prior to the issuance of the new rules.’ Michigan Charitable Gaming Assn v Kalm, Mich Ct of Claims No 14-112-MZ (issued May 30, 2014). The implication of this order is to permit self-proclaimed “poker rooms” to daily operate large-scale gambling in a manner not contemplated by the Bingo Act, without the necessary safeguards found in the newly promulgated rules. Given the need for consistent regulation, the order must be applied beyond the parties to the suit. Further, attempts to enforce the new rules against non-parties may spawn additional litigation, which is not in the public’s best interest.”*

Certain rule changes include the number of persons required to be present from the charitable organization during an event as well as a prohibition on certain people to engage in gambling at the charitable event.

For a full reading of the newly issued Emergency Rules please [Click Here](#).

## **U.S. SUPREME COURT DENIES REVIEW OF N.J. CHALLENGE TO SPORTS WAGERING PROHIBITION**

**O**n June 23, 2014, the U.S. Supreme Court denied the request of New Jersey Governor Chris Christie and other interested parties to review the September, 2013 decision of the Third Circuit Court of Appeals which upheld a permanent injunction prohibiting New Jersey from

implementing sports wagering at the Atlantic City casinos and state horse race tracks. The Supreme Court’s decision to deny this request for certiorari leaves the Third Circuit Court’s decision, which effectively found that the Professional and Amateur Sports Protection Act (“PASPA”)—the federal law currently prohibiting the expansion of sports wagering outside of the licensed Nevada sports books and certain limited lottery games and sports pools previously authorized in Oregon, Delaware, and Montana—was constitutional, as the controlling precedent in New Jersey.

This development is seen as a victory for the four professional sports leagues (including the NFL, NBA, NHL and MLB) and the NCAA, which had initially filed the action seeking to block New Jersey’s plans to offer sports wagering.

Though Governor Christie has stated that he accepts the Supreme Court’s decision and will “move on”, New Jersey State Senator Raymond Lesniak (D), one of the largest supporters of the expansion of sports wagering into New Jersey, made the following statement after the Court’s decision, “[t]his is a disappointing decision, but our fight is not over. Today I will introduce legislation repealing the state laws that make sports betting illegal at our casinos and racetracks. I expect that the U.S. Justice Department will refrain from intervening, as they have with Colorado and Washington when those states legalized marijuana.” Sen. Lesniak has since introduced New Jersey Senate Bill (“SB”) 2250, a measure that partially repeals prohibitions against sports wagering at New Jersey racetracks and casinos under current state laws. SB2250 was quickly passed by both the New Jersey Senate and General Assembly on June 26<sup>th</sup>. A copy of SB2250 can be found here: [http://www.njleg.state.nj.us/2014/Bills/S2500/2250\\_I1.PDF](http://www.njleg.state.nj.us/2014/Bills/S2500/2250_I1.PDF).

Governor Christie now has until August 10, 2014 to sign SB2550, veto it, or do nothing and allow it to become law. Though the implications of an enactment of SB2550 are not currently clear, it is likely that the professional sports leagues and the NCAA will continue to fight any attempts to expand sports wagering.

## **ISLAND RESORT AND CASINO NAMES TONY MANCILLA GENERAL MANAGER**

On July 9, 2014, the Hannahville Indian Community (“Tribe”) named Tony Mancilla as the General Manager of the Tribe’s Island Resort and Casino. Mr. Mancilla was formerly an attorney for the Tribe and has been credited as a key person in the development of the Sweetgrass Golf Club located at the resort.

“Working closely with Tony for many years, I’ve seen firsthand how his sharp mind, amicable personality, and relentless work ethic directly contributed to the growth of our resort and success of the Island Resort Championship,” stated Kenneth Meshigaud, Tribal Chairperson, in a press release on the matter. “I expect the Hannahville Indian Community to be gratified with their selection of Tony Mancilla for years to come.”

The Island Resort and Casino is located near Escanaba, Michigan in the Upper Peninsula. The resort casino operates over 1,200 slot machines and a variety of table games, in addition to multiple restaurants and entertainment venues. The resort is also home to the Sweetgrass Golf Club, which recently hosted a Symetra Tour event featuring a field of 144 professional women golfers.

## **GLOBAL GAMING EXPO 2014 REGISTRATION NOW OPEN**

On Tuesday, June 10, 2014, the 2014 Global Gaming Expo (G2E) announced that it is now accepting registration for this year’s G2E conference, to be held September 30 through October 2 at the Sands Expo & Convention Center in Las Vegas, Nevada.

To register, [Click Here](#).

This year marks the 14th anniversary of the G2E. The conference is the largest gaming industry trade show, bringing together industry professionals from around the world.

G2E provides an in-depth look at new products, technologies, insights and innovations within the

gaming industry and is attended by nearly 26,000 industry professionals from around the world. To learn more about G2E, including full conference schedules, please visit <http://www.globalgamingexpo.com/>

*The Michigan Gaming Newsletter would like to thank Jack Weyers for his contributions to this Newsletter.*