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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR FEBRUARY, 2015

The Michigan Gaming Control Board (“MGCB” or “Board”) released the February, 2015 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 3.5% compared to the same reporting period last year. Specifically, revenue for MotorCity Casino, and Greektown Casino was up by 4.8% and 8.1%, respectively, while MGM Grand Detroit Casino revenue was down by 0.1% during February, 2015 when compared to the same month last year. It should be

Month in 2015	Total Adjusted Revenue 2015		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$46,227,016.63	\$38,061,452.27	\$26,733,375.86
February	\$47,523,251.14	\$39,023,483.79	\$27,875,609.34
Total	\$93,750,267.77	\$77,084,936.06	\$54,608,985.20

Month in 2015	Total Adjusted Revenue and Taxes 2015		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$111,021,844.76	\$8,992,769.43	\$12,101,381.08
February	\$114,422,344.27	\$9,268,209.89	\$12,472,035.53
Total	\$225,444,189.03	\$18,260,979.31	\$24,573,416.60

noted that although the market saw an increase over 2014 for the reporting period, the market remains behind 2012 figures as it is trailing the start of 2012 by double digits.

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.

The market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for February 2015 were 42%, 34%, and 24%, 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.

DEPARTMENT OF INTERIOR RELEASES REPORT ON POKAGON INDIANA DEVELOPMENT, TRIBE ANNOUNCES APPOINTMENT OF NEW CHIEF OPERATING OFFICER

On Thursday, March 12, 2015, the U.S. Bureau of Indian Affairs (“BIA”) published its notice of draft environmental impact statement on the Pokagon Band of Potawatomi Indians (“Tribe”) proposed land and casino development project in South Bend, Indiana. The notice “advises the public that the [BIA], in cooperation with the [Tribe], intends to file a draft environmental impact statement with the U.S. Environmental Protection Agency.” In addition, on March 20, 2015, the Tribe announced that it had hired Frank Freedman as the Chief Operating Officer of its Four Winds casinos.

BIA Environmental Impact Statement

The Tribe initially filed a Notice of Intent to prepare the impact statement on August 24, 2012, followed by public hearings and comment periods. The environmental report is a part of the Tribe’s efforts to receive the appropriate federal approvals

needed to construct tribal housing, government, and casino facilities on land owned by the Tribe. Specifically, the Tribe is seeking to place 18 parcels of land totaling over 165 acres into trust with the BIA in order to improve access to governmental services, provide land for housing projects, to increase economic development opportunities, and to begin development of a Class III casino with hotel, restaurants, and other amenities. The Tribe currently holds the land in fee, and placing the land into trust with the BIA is a necessary step in allowing the land to be eligible for certain tribal gaming activity under the Indian Gaming Regulatory Act. The Tribe, however, must also negotiate a compact with the Indiana Governor’s Office and complete other administrative requirements in addition to the land -into-trust process.

The BIA has chosen Atkins, an independent consulting firm, to prepare the environmental impact statement. Public comments will be accepted by the BIA regarding the proposed transfer for a period of 45 days after the Environmental Protection Agency publishes its Notice of Availability in the Federal Register. In addition, a public meeting has been scheduled for 6:00pm, April 14, 2015, at the South Bend Century Center to receive comments related to information that needs to be clarified or included in the draft environmental impact report.

The Tribe has approximately 5,000 members, as well as over 2,800 acres of land in Michigan held in trust by the BIA for the benefit of the Tribe. The Tribe also owns the Four Winds casino brand, which includes three successful casino properties located in southwest Michigan. To review reports and documents related to the Tribe’s request, please visit the project’s website at: <http://pokagonsouthbendeis.com/>.

Frank Freedman hired as COO of Four Winds

On March 20, 2015, the Tribe announced that it had hired Frank Freedman as COO of its Four Winds Casinos. Mr. Freedman was formerly the General Manager of Four Winds Hartford, Four Winds Dowagiac, and the Assistant General Manager of Four Winds New Buffalo, positions held since May 2013.

Mr. Freedman will replace Matt Harkness, who is leaving Four Winds to pursue other interests. John P. Warren, Chairman of the Tribe, stated that “we sincerely thank Matt for his hard work, dedication and leadership over the past eight years, and we wish him all the best in his future endeavors....We are also very pleased to appoint Frank Freedman as COO of Four Winds Casinos. Frank has worked closely with Matt Harkness for 20 years, including the last eight at Four Winds, and we have the utmost confidence in his abilities to lead the organization to continued success.”

The Tribe has three Four Winds brand casinos, located in New Buffalo, Hartford, and Dowagiac. For more information on the Tribe and its casino properties, please visit: www.fourwindscasino.com

MICHIGAN GAMING CONTROL BOARD COMBATS ILLEGAL GAMBLING IN STATE

In its continued effort to help thwart unauthorized and illegal gambling within the state of Michigan, the Michigan Gaming Control Board (“MGCB”) recently announced that it is investigating millionaire parties that were conducted for the benefit of Rockford’s Cannonsburg Elementary School and Cannonsburg Parent Teacher Council (“PTC”). In addition, the MGCB has recently worked with the Roseville Police Department to shut down an illegal gambling operation.

Shannon Marie Rosales, the former treasurer for the PTC, pled guilty to attempted embezzlement of \$21,000 in PTC funds in Kent County Circuit Court, and last month she was sentenced to five years of probation and ordered to repay the PTC in timely installments or face 45 days in jail.

Rosales was actively involved in managing Cannonsburg school- and PTC-sponsored millionaire party events. From 2012 to 2014, she chaired and worked at millionaire party events and signed financial statements for some events.

“While we recognize the school and PTC are embezzlement victims and are innocent of any criminal wrongdoing, the MGCB cannot allow

organizations without proper financial controls to run charitable gaming operations,” stated MGCB Executive Director Richard Kalm.

In addition, the MGCB has recently worked with the Roseville Police Department to shut down an illegally run sweepstakes cafe at a Roseville tanning salon. The MGCB provided information that helped lead to the execution of a search warrant on December 18, 2014, which resulted in the seizure of 43 illegal slot machines. Ammar Victor Kattoula, 38, admitted to operating an illegal sweepstakes cafe in 39th District Court. Kattoula was arraigned on January 13 and charged with a 90-day misdemeanor under a city ordinance.

“Our agency works hand-in-hand with state and local police agencies and the Attorney General’s office to find and eliminate unlicensed gambling operations and the unwanted crime that accompanies them,” MGCB Executive Director Richard Kalm said.

“I encourage Michigan citizens to use our anonymous tip line, 888-314-2682, to report any illegal or suspicious activity and help us stop illegal gambling in Michigan.”

MICHIGAN LOTTERY ANNOUNCES RECORD CLUB KENO SALES

On March 11, 2015, the Michigan Lottery announced that sales of its Club Keno games totaled over \$13 Million for the week of March 3-9, 2015. The sales are over \$1 Million from the Lottery’s prior highest sales week for the games. Over \$9 Million was returned to players as prizes during the week.

The Lottery has attributed the increase in sales to its “Doublor Days” promotion, launched March 3. The promotion includes random Club Keno tickets that, if the player wins, double the payout of the prize up to a limit of \$4 million per drawing. The promotion will run until April 2, 2015.

For more information on Club Keno, please visit the Michigan Lottery’s website at: <https://www.michiganlottery.com/>.