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The _____ MICHIGAN GAMING _____ Newsletter



MOTORCITY CASINO HOTEL ANNOUNCES NEW VICE PRESIDENT OF CASINO OPERATIONS

On September 15, 2016, MotorCity Casino Hotel announced that it has promoted Mr. Phil Trofibio to Senior Vice President of Casino Operations. Mr. Trofibio previously served as Vice President of Slot Operations since 2003. In his new position, Mr. Trofibio will be responsible for table games, poker, and slot operations.

Mr. Trofibio began his gaming career in 1993 as an entry-level slot team member at Nevada Landing Casino in Jean, Nevada. He was quickly promoted within the department and became a Slot Shift Manager before moving to Detroit in 1999.

Prior to MotorCity Casino Hotel's Grand opening, Mr. Trofibio interviewed, hired, developed training for, and trained the slot department team. In 2001, he was named Assistant Director of Slot Operations.

"Phil's experience and knowledge of our operations and customers made him the clear choice to take on this very important position," said Bruce Dall, President of MotorCity Casino Hotel.

Trofibio is a native of New York City, and proudly served as a military police officer in the United States Air Force.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR AUGUST 2016; CASINOS' LICENSES RENEWED FOR ONE YEAR

On September 12, 2016, the Michigan Gaming Control Board (“MGCB” or “Board”) released the August 2016 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 rose 7.9% compared to the same reporting period last year. The MGCB also accepted the Board Staff’s

Month in 2016	Total Adjusted Revenue 2016		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$46,718,389.11	\$37,132,788.69	\$25,215,520.31
February	\$47,193,903.95	\$40,385,060.23	\$28,822,028.76
March	\$51,818,121.13	\$43,700,908.78	\$29,430,087.08
April	\$50,462,057.70	\$42,346,725.48	\$29,548,118.17
May	\$51,903,469.93	\$39,010,274.10	\$27,621,012.43
June	\$47,555,020.17	\$35,895,882.01	\$25,161,438.57
July	\$50,185,322.0	\$40,569,698.06	\$27,707,524.25
August	\$51,333,425.60	\$37,835,364.01	\$26,734,163.06
Total	\$397,169,709.65	\$316,876,701.36	\$220,239,892.63

Month in 2016	Total Adjusted Revenue and Taxes 2016		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$109,066,698.11	\$8,834,402.55	\$11,888,270.09
February	\$116,400,992.94	\$9,428,480.43	\$12,687,708.23
March	\$124,949,116.98	\$10,120,878.48	\$13,619,453.75
April	\$122,356,901.35	\$9,910,909.01	\$13,336,902.25
May	\$118,534,756.46	\$9,601,315.27	\$12,920,288.45
June	\$108,612,340.75	\$8,797,599.60	\$11,838,745.14
July	\$118,462,544.37	\$9,595,466.09	\$12,912,417.34
August	\$115,902,952.67	\$9,388,139.17	\$12,633,421.84
Total	\$934,286,303.63	\$75,677,190.59	\$101,837,207.10

recommendation to renew the state casino licenses for MGM Grand Detroit, MotorCity Casino and Greektown Casino for one year.

Specifically, revenue for MGM Grand Detroit was up 17.9%, MotorCity was up 2%, and Greektown fell 0.3% during August 2016 when compared to the same month last year.

All three casinos are subject to a wagering tax of 19%, with 10.9% of this levy payable to the City of Detroit and 8.1% payable to the State of Michigan.

The market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for August 2016 were 44%, 33%, 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; nor 4) other normal business expenses.

SPORTS WAGERING BILLS INTRODUCED IN MICHIGAN HOUSE

Two gambling-related bills have recently been introduced in the Michigan House related to the introduction of sports wagering activities within the state of Michigan.

State Representative Robert Kosowski (D-Westland) introduced [House Bill No. 5828](#), which proposes to amend the Michigan Gaming Control and Revenue Act to authorize wagers on sporting events by the state's casino licensees as well as authorizes the Michigan Gaming Control Board ("MGCB") to allow 'sports betting agents to accept wagers on sporting events...'

HB 5828 provides the addition of three sections to the Gaming Act:

- 1) *The holder of a casino license may accept wagers on sporting events.***

- 2) *The Board may, in addition to casinos, provide for sports betting agents to accept wagers on sporting events to facilitate sports betting in this state.***
- 3) *The Board shall promulgate rules to regulate sports betting agents and the conduct of sports betting under the Act.***

Additionally, State Representative Aaron Miller (R - Sherman Township) introduced [House Bill No. 5849](#) that proposes to amend the Penal Code to permit certain fantasy sports contests under certain conditions.

The proposed language of **HB 5849**, in its entirety, reads as follows:

Sec. 310c. This chapter does not apply to participation in a fantasy or simulation sports game or educational game or contest as described in and that meets all of the conditions of [31 USC 5362\(1\)\(E\)\(ix\)](#) if the prize or purse is \$3,000.00 or less.

Both bills have been referred to the Committee on Regulatory Reform.

FREE ACCESS TO 2016 GLOBAL GAMING EXPO EXHIBIT HALL

[Click Here to Register for Free Exhibit Hall Access](#)

The Global Gaming Expo ("G2E"), which is presented by the American Gaming Association (AGA), will be held in Las Vegas September 27 – 29 at the Sands Expo and Convention Center. NBA Commissioner Emeritus David J. Stern will be a featured speaker and will discuss with AGA president Geoff Freeman the future of sports betting and its impact on major professional sports, as well as how the NBA's expansion parallels the casino gaming industry.

The AGA states that G2E 2016 will feature robust conversation on the industry's hottest topics with engaging programs by the nation's top experts to

prepare attendees for the rapidly growing casino gaming landscape.

NIGA Chairman Ernest Stevens Jr. and AGA President and CEO Geoff Freeman will also appear on stage together to discuss the further unification and evolution of the relationship between the casino industry's two key sectors, Native American and commercial casinos

2016 Additional New Show Elements Include:

- Keynotes All Three Days
- Integrated Resort Experience Moves to the Main Show Floor
- Re-Introduction of Tuesday/Wednesday Tracks
- AGA Member Discount

Registration for the 2016 G2E exhibit hall and G2E seminars is now open. For Registration, Pricing Packages and Overview please visit:

www.GlobalGamingExpo.com

RMC Legal will be exhibiting at the show in booth no. 3316. Stop by and see us.

FORMER BENTLEY SCHOOL BOARD MEMBER RECEIVES JAIL TIME FOLLOWING AG AND MGCB INVESTIGATION

Yesterday, September 20, 2016, the Michigan Gaming Control Board ("MGCB") announced that a Genesee County Circuit Court judge sentenced former Bentley School board member Michael McCollum to 90 days in jail for stealing thousands of dollars from Flint area charities' poker fundraiser proceeds between 2010 and 2013.

McCollum, 52, of Burton pled guilty in June to two larceny counts and 11 counts of misdemeanor charitable gaming violations.

Judge Geoffrey L. Neithercut also sentenced McCollum to five years' probation and \$1,416 in fines and fees on Sept. 13. McCollum was required by plea agreement to pay \$40,000 in

restitution to two Catholic churches, Blessed Sacrament and St. Francis Xavier.

The charges arose from an investigation by the Michigan Attorney General's office and the Michigan Gaming Control Board. McCollum operated charity poker events at the former Gloria's Poker Palace in Burton, Michigan.

"Stealing money from unwitting charities under the pretense of 'helping' them operate their games is wrong," said Richard Kalm, executive director, MGCB. "We enforce Michigan gaming regulations to help charities avoid becoming crime victims. We have seen fewer problems since introducing charitable gaming rules in 2014."

Specifically, McCollum pled guilty to:

- Larceny by false pretenses of \$1,000 to \$20,000, a five-year felony;
- Larceny by false pretenses of more than \$20,000, a 10-year felony; and
- Managing a millionaire party without being a member of the qualified organization, a misdemeanor punishable by up to six months in jail and/or a \$1,000 fine (11 counts).

As part of a plea agreement, 10 other counts, including two felonies, were dismissed.

Investigators say McCollum spent charitable gaming proceeds on a time-share property in Mexico and vacations. He was accused of skimming profits from more than 130 licensed charity events.

NFL TV PARTNERS, ADVERTISERS PRIMED TO PROSPER FROM LEGALIZED SPORTS BETTING

On Thursday, September 15, the American Gaming Association ("AGA") announced the release of a [Nielsen Sports study](#). The study surveyed 1,000 U.S. adults (ages 18+), and an additional 500 pre-qualified NFL bettors, and concludes that the federal ban on sports betting is depriving NFL TV partners and advertisers of

significantly greater revenue through higher ratings and uniquely engaged viewers. Specifically, the study estimates that the number of NFL regular season viewers who bet on sports could jump from 40M to 57M if sports betting were legalized.

According to the study, adults who bet on the NFL watched 19 more games in the 2015 regular season than adults who did not bet at all. Sports bettors consisted of 25% of the total 2015 NFL regular season audience.

The study also concludes that betting on game outcomes is twice as popular as daily fantasy sports among avid sports fans, by a 51% to 26% margin. Among NFL-specific bettors, 46% bet on a single game outcome versus 28% who played daily fantasy.

“The federal government ban on sports betting is failing miserably,” commented Geoff Freeman, president and CEO of the AGA. “Broadcasters and advertisers who desire highly engaged viewers would reap the benefits of shifting tens of millions of sports bettors from the \$150 billion underground betting market to a legal, transparent environment that’s similar to what exists in Nevada, across Europe and elsewhere around the world.”

The AGA estimates before kicking off the 2016 NFL season that fans across the country will bet \$90 billion on NFL and college football games this season with \$88 billion, or 98%, of all bets being made illegally. The Professional and Amateur Sports Protection Act of 1992 (“PASPA”), a federal government ban on sports betting, was signed into law by President George H.W. Bush in 1992. Currently Delaware, Oregon and Montana permit some form of legal sports betting, while the vast majority of traditional sports wagering occurs in Nevada.

The AGA is building a broad coalition that will determine whether a rational alternative to current sports betting law exists. Such an alternative could include strict regulation, rigorous consumer protections and robust tools

for law enforcement to eliminate illegal sports betting and strengthen the integrity of games. For more information visit: SportsBettingInAmerica.com.

AGA ANNOUNCES GAMING HALL OF FAME INDUCTEES

On Tuesday, September 20, 2016, the American Gaming Association (“AGA”) announced the induction of five honorees into the Gaming Hall of Fame’s Class of 2016: John Acres, a gaming-technology pioneer; Lyle Berman, an instrumental catalyst in the development of casinos, now commonplace in 40 states nationwide; Don Brinkerhoff, the architect who designed many of Las Vegas’ iconic landmarks; Redenia Gilliam-Mosee, the first African-American casino vice president in Atlantic City; and Richard A. “Skip” Hayward, a visionary for Tribal gaming.

“Each inductee shaped today’s gaming industry in a distinct way, from paving the way for opportunities for employees of all backgrounds, revolutionizing the player experience and pushing the boundaries of what casinos look like and where they exist,” said Geoff Freeman, president and CEO of the AGA. “We’re proud to recognize their lifelong achievements by inducting them into the Gaming Hall of Fame.”

The inductees will be honored at an invitation-only ceremony Wednesday, September 28 at The Venetian as part of the annual Global Gaming Expo. For more information on the 2016 hall of fame inductees, please [click here](#).