

May 6, 2016

Volume 22, Issue 14

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The MICHIGAN GAMING Newsletter



DETROIT CASINOS AND GOVERNMENTAL LEADERS JOINTLY REVIEW INDUSTRY IMPACT AT AGA ROUNDTABLE

On Wednesday, May 4, Detroit commercial casinos MGM Grand Detroit, MotorCity Casino Hotel and Greektown Casino Hotel gathered for a joint Economic Development Roundtable that was organized and sponsored by the American Gaming Association (“AGA”) as part of its “Get to Know



From L to R: Richard K. Studley (MI Chamber of Commerce), Geoff Freeman (American Gaming Association), Jason Gregorec (Greektown Casino Hotel), Bruce Dall (MotorCity Casino Hotel), Steve Zanella (MGM Grand Detroit), Brenda Jones (Detroit City Council).

Gaming Campaign.” The casino executives were joined by Congresswoman Brenda Lawrence (MI-14); Detroit City Council President Brenda Jones; Geoff Freeman, president and CEO of the AGA; and Roundtable moderator

Richard K. Studley, president and CEO of the Michigan Chamber of Commerce.

Mr. Studley noted that the Michigan Business Community, and more specifically the southeastern Michigan area, has benefited tremendously over the last 20 years from the job creation, capital investment, and a world-class tourism destination that the three casinos have provided. Council President Jones noted that the steady stream of predictable casino wagering tax revenues has been a critical component to the City of Detroit, and the gaming industry was a central piece of the City's recent exit from Bankruptcy. She stated that "the thousands of stable, good paying casino jobs have further benefited the City."



Bruce Dall, CFO of MotorCity Casino Hotel noted that his property alone has spent over \$2 billion with vendors since opening in 1999, and of this "50% has been spent with targeted and local businesses." Mr. Dall recognized MIG Construction and Sherwood Food Distributors as two local Detroit businesses that were in attendance as examples of the strong partnerships his property has developed with casino vendors to ensure the business community benefits. In addition, the Detroit casinos have benefitted from an open dialogue with the Michigan Gaming Control Board and that partnership continues to do a good job of attracting investment to the Detroit casinos.

Geoff Freeman, president and CEO of the AGA, provided a forward looking analysis of where the casino industry is heading and the issues that will continue to be important to educate lawmakers, regulators, and the public at large to ensure the

industry can continue to provide a positive economic impact. Mr. Freeman noted that "as the industry seeks to continue to provide a relevant entertainment product to the next generation the legalization of sports wagering needs to be revisited and efforts need to be made to overturn federal legislation that limits this activity to Nevada." He noted that during the recent NCAA March Madness there was \$200 million wagered legally in Nevada casinos, while another estimated \$9.2 billion was wagered illegally across the United States. He stated that the NBA has come out in support of legalization efforts and Major League Baseball has stated it is time to take a fresh look at the industry. Mr. Freeman also educated the audience to the fact that just across the border, in Windsor, Ontario, the Canadian government is looking at overturn its ban and permit sports wagering similar to what is authorized in Nevada.

Steve Zanella, President and COO for MGM Grand Detroit said that his company looks forward to continue to reinvest in its facility and noted that "predictability in taxation policy" is one of the most important aspects in ensuring MGM Grand Detroit can reinvest. Mr. Zanella stated that, between the permanent and temporary casino, his corporation has invested over \$1.2 billion in capital investment in the region. "Assuming we continue to have a stable tax structure the company will be able to continue to plan for the future and keep its product fresh," stated Mr. Zanella.

Mr. Dall discussed the health of the Michigan gaming market and stated that, with 24 casinos, the state is a very mature market and warned against the adverse implications that could occur if additional casinos are authorized within the state. Mr. Dall noted that assuming the casino market continues to benefit from a stable tax model and no additional competition is introduced, then the future will be extremely bright for Detroit as not only will the casinos continue to reinvest, but the region will also benefit from Mr. Dan Gilbert's investment in the downtown, along with what the Ilitch family is doing within its District Detroit and new Red Wings stadium.

Jason Gregorec, GM and CEO, Greektown Casino provided a firsthand look at the job growth

opportunities that the casino gaming offers in Detroit to its more than 6,000 employees. Mr. Gregorec said that he began in the casino gaming industry first as a bartender, later transitioning to a dealer and finally into the ranks as senior management; he is now the CEO of Greektown Casino Hotel. Mr. Gregorec celebrated the customer-focused approach that the Gilbert enterprise takes towards running its gaming facility. He stated that not only is Greektown Casino Hotel focused on providing the best customer experience, but it is also completing a \$70 million capital investment project.

Congresswomen Brenda Lawrence said that she has been amazed at the “eye opening experience it has been for her to learn about all of the skilled trade jobs that are part of the casino industry.” Congresswomen Lawrence emphasized that the economy of the future needs industries that support skill trade jobs and the casino industry is one of those that “the public at large needs to understand is not only a great entertainment destination, but they generate jobs that are in great demand in urban areas across the county.” The Congresswoman noted that regulatory and public policies need to support the industry in order to ensure that not only do government’s benefit from the high level of taxation that the industry pays but also through the creation of jobs.

City Council President Jones built upon the Congresswoman’s point and noted that state policy needs to be reviewed in order to ensure that small businesses can benefit from the Detroit casinos. She stated that she would ask the state to look at its policies for registering small businesses and seek to reduce the regulatory and licensing burdens.

Mr. Freeman further observed that both at the federal and state level regulatory policies need to be looked at with a “fresh” eye to ensure that the industry can 1) grow; 2) re-invest in its capital infrastructure and 3) compete with the numerous entertainment options that customers can chose from. Mr. Freeman noted that during the last 20 years, the casinos have been a great economic development tool for the Detroit region, but challenged casino operators, suppliers, and governmental leaders to explore changes to ensure

that the success of the last 20 years can continue into the future.

Watch the Facebook Live video of the event on AGA’s Facebook page at: <https://www.facebook.com/american gaming/>

MICHIGAN GAMING CONTROL BOARD RELEASES MAY 10, 2016 REGULAR PUBLIC MEETING AGENDA

The Michigan Gaming Control Board (“MGCB”) will hold its regular public meeting on Tuesday, May 10, 2016 at the MGCB Detroit office, Cadillac Place, 3062 West Grand Blvd., Suite L-700, in Detroit.

The agenda for the meeting includes the following items:

- A. Consider the Licensing & Investigations Division’s Recommendations Regarding Level 1 and Level 2 Occupational License Applications
- B. Consider the Executive Director’s Reports and Licensing & Investigations Division’s Recommendations Regarding the Pending Supplier License Applications of
 1. Jasman Construction, Inc., Board File No. SL000336-16-001
 2. The Herjavec Group Corp., Board File NO. SL007004-16-001
- C. Consider the Executive Director’s Reports and Licensing & Investigations Division’s Recommendations Regarding the Pending Supplier License Renewal Requests of
 1. Basement Beats, L.L.C., Board File No. SL005968-16-001
 2. Chef Source, Inc., Board File No. SL001276-16-001
 3. NRT Technology Corp., Board File No. SL001711-16-002

4. Rhiannon Creations, Inc. d/b/a Body Bliss, Board File No. SL005380-16-001
5. Royal Roofing Co., Inc., Board File No. SL001802-16-001
6. Tier One Marketing, LLC, Board File No. SL005584-16-001
7. VSR Industries, Inc., Board File No. SL000270-16-001
8. WPDET Associates, LLC, Board File No. SL005110-16-001

D. Consider the Executive Director's Report and Licensing & Investigations Division's Recommendation Regarding the Suitability of New Key Persons of Casino Licensee Greektown Casino, LLC d/b/a Greektown Casino

1. DG Athens LLC; Athens Acquisitions A LLC; Cullen Enterprises LLC; and Matthew P. Cullen Property Trust U/A/D October 31, 2011, Board File No. GTC-2016-02

E. Consider the Executive Director's Report and Licensing & Investigations Division's Recommendations Regarding the Pending Transfers of Interest In

1. Allied-Eagle Supply Company, LLC d/b/a Allied Office Specialists, Board File No. SL003802-16-002
2. Greektown Casino, LLC, Board File No. GTC-2016-01
3. Mercury Fulfillment Systems, Inc. d/b/a Mercury Promotions & Fulfillment, Board File No. SL005963-16-001

F. Consider the Casino Audit & Enforcement Division's Recommendation Regarding the Acknowledgment of Violation of Occupational Licensee

1. Courtney Carter, Board File No. OCC-2016-01

G. Consider the Casino Audit & Enforcement Division's Recommendation Regarding the Acknowledgement of Violation of Occupational Licensee

1. Leonard Famber, Board File No. OCC-2016-02

The meeting will begin at 9:30 a.m. with the staff briefing, followed immediately by the agenda items. The meeting will take place in the Cadillac Place in Detroit's New Center Area near the John Lodge Freeway (M-10), between Second Avenue and Cass Avenue. The Fisher Building and the Albert Kahn Building are nearby landmarks.

For more information regarding the MGCB, please visit its website at: www.michigan.gov/mgcb

ILITCH COMPANIES VOW TO MAINTAIN FUTURE FAMILY OWNERSHIP AND LEADERSHIP

Yesterday, May 5, 2016, Ilitch Holdings, Inc., which represents leading brands in the food, sports and entertainment industries, including MotorCity Casino Hotel, shared plans to maintain long-term ownership and leadership stability at the Ilitch companies.

"Given the public nature of our companies, the wide range of interested stakeholders, the large-scale projects we are working on, and the thousands of hard-working employees we rely on every day, we thought it was important to publicly disclose our plans," said Mike Ilitch, Chairman of Ilitch Holdings, Inc. "Early on, Marian and I decided that we wanted every one of our businesses to remain family owned. Through careful long-term planning, which continues, I'm pleased to say that all of our businesses, including the sports teams, will remain 100% Ilitch-family owned."

"We've worked a lifetime to build these businesses, and we're pleased that they will all remain in our family," said Marian Ilitch, Vice Chairwoman of Ilitch Holdings. "As our health is relatively good, we thought that disclosing our plans now would help provide continued stability."

Mike and Marian Ilitch remain on the Boards of Directors of their various companies, providing overall leadership and strategic guidance. Mike

Ilitch will continue to run the Detroit Tigers and the Detroit Red Wings, and Marian Ilitch will continue to run MotorCity Casino Hotel.

Mike and Marian Ilitch will ensure that their respective future ownership and leadership succession plans comply with the rules and regulations of, and are approved by, Major League Baseball, the National Hockey League and the Michigan Gaming Control Board.

The organization also announced that Christopher Ilitch, president and CEO of Ilitch Holdings, will continue providing leadership over all of the Ilitch companies, now and into the future, succeeding his parents in their current roles over time. "Chris has done an outstanding job, and under his leadership, we have seen sustained growth and success. Both Marian and I are very confident in his ability to continue leading our companies," said Mike Ilitch.

Christopher Ilitch was appointed president and CEO of Ilitch Holdings, Inc. in 2004. For the past 29 years, he has spent his career in a variety of roles throughout the Ilitch companies, including as president of the Little Caesars Pizza Kit Fundraising Program. Christopher also serves as chairman of Ilitch Charities, a nonprofit organization that focuses on human services, community development, education and recreation. In addition, he is involved in a number of business and civic groups that help improve and promote Detroit and the region.

"I am fortunate and privileged to work with my mother and father, two hard working, committed and passionate people who have done so much for our companies, our employees and our community," said Christopher Ilitch. "I look forward to continuing my role at Ilitch Holdings and building on their tremendous legacy."

KBIC ANNOUNCES GOV. SNYDER REFUSES TO CONCUR IN RELOCATION OF MARQUETTE CASINO

On Tuesday, May 3, 2016,, the Keweenaw Bay Indian Community ("Tribe") announced that

Governor Rick Snyder refused to concur in the Tribe's request to relocate its Marquette gaming facility.

The Tribe is seeking Governor Rick Snyder's reconsideration to relocate its Ojibwe Casino in Marquette to an airport property that the Tribe purchased in 1999. Notably, under federal law, the land must be taken into trust by the Department of the Interior ("DOI). This process requires that Governor of the state concur with the DOI's determination.

In 2013, the Governor also chose not to concur with the tribe's plans after it received its initial determination from the DOI.

"Governor Snyder had previously expressed interest in KBIC's proposal, but unfortunately the community and state were not able to reach common agreement," stated the Governor Snyder's press secretary. "Per the community's letter from this week, the governor is amenable to reopening that discussion now."

Notably, on Saturday, December 12, the Tribe's membership approved two casino proposals totaling \$40M located in Baraga and Marquette in the Upper Peninsula via ballot vote.

Tribal members were asked whether an estimated \$28 million should be spent by the tribe on a new casino and hotel, which would be built next to the current Ojibwa Casino in Baraga. The second proposal voted on was a \$12 million investment in new casino facilities in Marquette in addition to renovating the existing casino space.

For more information, please visit: www.ojibwacasino.com.