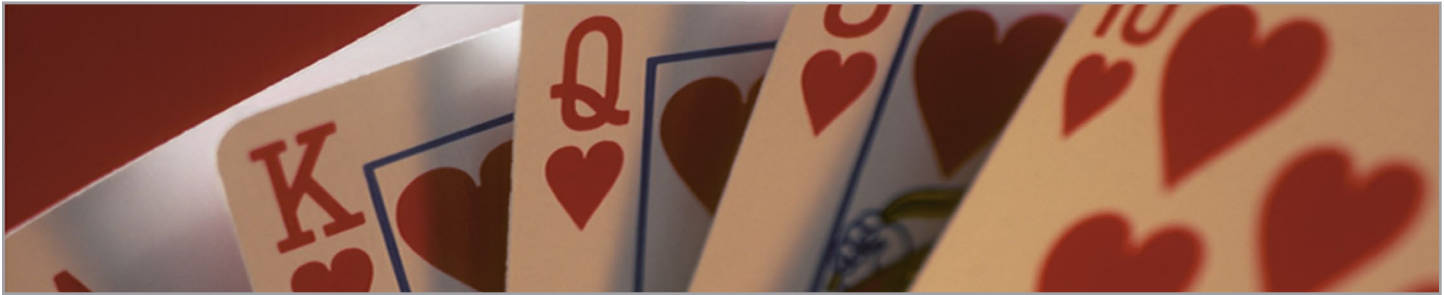


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BREAKING NEWS!

JUDGE ORDERS CLOSURE OF MICHIGAN OFF-RESERVATION INDIAN CASINO

by Peter H. Ellsworth

A federal judge on Tuesday ordered the temporary closure of an off-reservation Indian casino in Vanderbilt, Michigan. The casino, located near the northern tip of Michigan's Lower Peninsula, is owned by the Bay Mills Indian Community ("Bay Mills"). Bay Mills' reservation is located on the shores of Lake Superior, approximately 125 miles north of Vanderbilt in Michigan's Upper Peninsula. The casino was opened on November 3, 2010, without state or federal approval.

In separate lawsuits filed in December 2010, the Little Traverse Bay Bands of Odawa Indians, which operates an Indian casino in nearby Petoskey, Michigan, and the State of Michigan asserted that the Vanderbilt casino is not located on Indian lands and, therefore, was operating illegally, in violation of both the Indian Gaming Regulatory Act ("IGRA") and Bay Mills' gaming compact with the State of Michigan. Bay Mills argued that the 40-acre parcel on which the casino is located is "Indian Lands" because it was purchased with earnings from proceeds appropriated by Congress in the Michigan Indian Land Claims Settlement Act ("MILCSA"). MILCSA authorized the distribution of funds from the United States to various Indian tribes, including Bay Mills, in settlement of land claims.

Bay Mills relied on language in MILCSA which applies to distributions made to Bay Mills (and to no other tribe) which Bay Mills claimed automatically qualified as "Indian Lands" all lands acquired by it, thereby rendering them eligible for class III gaming under both IGRA and Bay Mills' Michigan gaming compact. Under Bay Mills' theory, lands acquired by it with earnings from MILCSA proceeds would be eligible for class III casino gaming no matter where they are located in the state of Michigan.

In issuing a preliminary injunction temporarily closing the Vanderbilt casino, U.S. District Court Judge Paul Maloney said that MILCSA authorizes the acquisition of lands located in proximity to Bay Mills' existing reservation, and not anywhere else in the state of Michigan as asserted by Bay Mills. The Judge's ruling is similar to an opinion issued

earlier by the Solicitor of the U.S. Department of the Interior. The Judge did not rule on whether lands properly acquired in the vicinity of Bay Mills' reservation would automatically qualify as "Indian Lands."

Bay Mills has attempted for several years to obtain approval for an off-reservation casino in the Detroit area, Flint, or Port Huron, Michigan. Some observers believe that if Bay Mills were successful in establishing an off-reservation casino in Vanderbilt, it would use the same legal theory as a basis to open a casino in Southeast Michigan.

Judge Maloney's ruling was preliminary; the case must now proceed to trial. In the meantime, Bay Mills has appealed Judge Maloney's decision to issue a preliminary injunction to the U.S. Court of Appeals for the Sixth Circuit.

DETROIT CASINOS' FEBRUARY REVENUES DECREASE SLIGHTLY FROM PRIOR YEAR: MICHIGAN GAMING CONTROL BOARD RELEASES FEBRUARY 2011 REVENUE DATA

by Ryan M. Shannon*

The Michigan Gaming Control Board ("MGCB") released the revenue and wagering tax data for February 2011 for the three Detroit, Michigan, commercial casinos. The three Detroit commercial casinos posted a collective 0.4% decrease in gaming revenues compared to the same month in 2010. Aggregate gross gaming revenue for the Detroit commercial casinos also decreased by approximately 0.49% compared to January 2011 revenue figures.

MGM Grand Detroit posted negative gaming revenue results for February 2011 as compared to the same month in 2010, with gaming revenue decreasing by 3.5%. MGM Grand Detroit continued to maintain the largest market share among the three Detroit commercial casinos, and had total gaming revenue in February 2011 of nearly \$47 million. MotorCity Casino had monthly gaming revenue approaching \$39 million, and posted a nearly 5.7% improvement in February 2011 over its February 2010 revenues. Greektown Casino posted a negative gaming revenue result in February 2011 compared to February 2010, with a 2.7% reduction in revenues, but improved its revenues as compared to January 2011 by 4.8%. Greektown had gaming revenue of approximately \$29 million for February 2011.

The revenue data released by the MGCB also includes the total wagering tax payments made by the casinos to the State of Michigan. The gaming revenue and wagering tax payments for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for February 2011 were:

Casino	Gaming Revenue	State Wagering Tax Payments
MGM Grand Detroit	\$46,916,833.57	\$3,800,263.52
MotorCity Casino	\$38,591,311.83	\$3,125,896.26
Greektown Casino	\$28,992,514.21	\$2,348,393.65
Totals	\$114,500,659.61	\$9,274,553.43

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