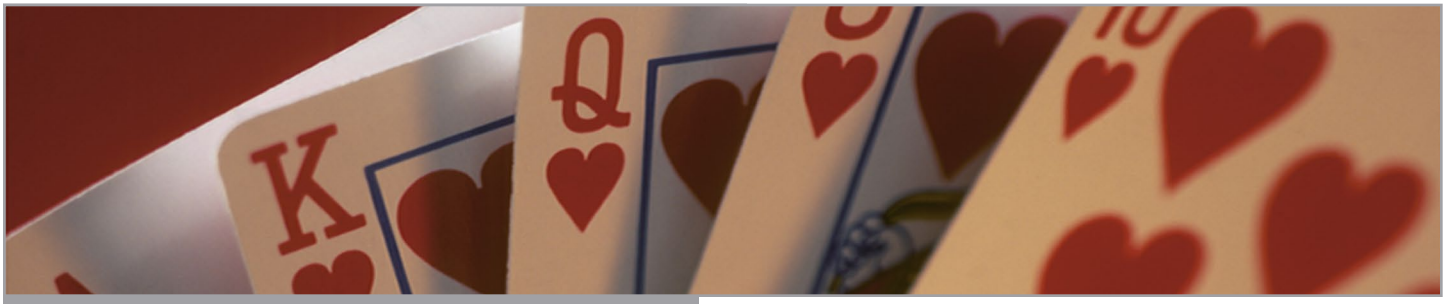
GAMING**LEGAL**NEWS



May 12, 2011 • Volume 4, Number 15

GAMING WEB SITES OF INTEREST

www.indianz.com
www.pechanga.net
www.indiangaming.org
www.nigc.gov
www.michigan.gov/mgcb
www.gaminglawmasters.com
www.casinoenterprisemanagement.com

DICKINSON WRIGHT FORMS ALLIANCE WITH WH LAW IN MALTA

Dickinson Wright and WH Law, headed by well-known and highly regarded gaming and business lawyer Olga Finkel, are pleased to announce that they have formed a strategic referral alliance to provide comprehensive legal services to their respective clients.

Malta has played a critical role in Mediterranean and European commerce for centuries. As a member of the European Union with a reputation for a stable, English-speaking economy with an excellent regulatory framework and a very favorable tax structure, Malta is recognized as a leading European situs for online i-gaming businesses, a major ship domicile (it has one of the largest port facilities in the world as a result of its central location between the eastern and western Mediterranean, southern Europe, and northern Africa) and a favored jurisdiction for captive insurance companies, investment funds, and commercial ship and aircraft financing.

Malta also is the home of one of the leading online gaming law firms in the world, WH Law. WH Law is the Malta law firm of choice for many of the leading online gaming companies that have established Malta as a jurisdictional base. WH Law also has extensive experience in business and finance, as well as the shipping industry.

Dickinson Wright, with ten offices in the United States and Canada, is well known for the breadth and depth of its international expertise in land-based and online i-gaming, banking, finance, captive insurance, business, intellectual property, and immigration. Dickinson Wright recognized the significant and continually growing role that WH Law and Malta play in European commerce. As a result, it was natural for the two firms to establish an alliance that enhances and strengthens the depth and breadth of legal services that both firms can provide to their respective clients and other businesses seeking to enter the North American and European markets.

WH Law's website is at www.whlaw.eu, and Olga Finkel can be contacted at olga.finkel@whlaw.eu and +356 21 332 657. Dickinson Wright's website is at www.dickinsonwright.com.

U.S. SUPREME COURT RULING ENFORCES ARBITRATION CLAUSES IN CONTRACTS

by Kathleen A. Lang and Farayha Arrine*

Last week, the United States Supreme Court delivered a resounding victory to corporations seeking to enforce arbitration clauses as written in consumer contracts. In *AT&T v. Concepcion*, 2011 US LEXIS 3367 (2011), the Supreme Court held that states cannot create their own rules and doctrines in order to avoid Congress's intent to broadly enforce arbitration clauses as written.

The AT&T case began when plaintiffs filed a putative class action alleging that AT&T's ads promising free phones to anyone who signed a service agreement were fraudulent because customers still had to pay sales tax, and the phones were not technically "free." The service agreement signed by each of the plaintiffs contained an arbitration provision requiring that all claims against AT&T were subject to mandatory arbitration and prohibiting class or collective actions in arbitration.

Nevertheless, plaintiffs claimed they were entitled to bring a class action claim against AT&T because California law held that most collective-arbitration waivers in consumer contracts were unconscionable and unenforceable. Specifically, under the California common law, if a consumer with limited bargaining power signed a contract, the mandatory arbitration clause contained in the agreement could simply be ignored.

The 9th Circuit Court of Appeals agreed with plaintiffs and upheld the California common law rule, finding that certain arbitration clauses were indeed unenforceable because they were unconscionable. However, the United States Supreme Court disagreed and reversed the ruling. The Court concluded that the Federal Arbitration Act (FAA) reflects a strong policy favoring the enforcement of arbitration agreements contained in contracts. Further, the Court rejected the 9th Circuit's approach to revoking only portions of an agreement, holding that the FAA allows an arbitration provision to be rendered unenforceable only when there are equitable or legal grounds to revoke the *entire contract*, not just the arbitration provision. The Court further found that state laws or common law doctrines standing as an obstacle to the policies reflected in the FAA were preempted and could not be used as a means to not enforce limitations on arbitration agreements contained in contracts.

The *AT&T* decision provides businesses with authority that arbitration provisions should be enforced as written and not subject to selective enforcement based on individual states' laws. In this decision, the United States Supreme Court reinforced the "fundamental principle that arbitration is a matter of contract," and that "arbitration agreements should be placed on equal footing with other contracts" and not subject to unique interpretations or rules in order to avoid the parties' agreement.

**Kathleen A. Lang is a member in Dickinson Wright's Detroit office. She can be reached at 313.223.3771 or klang@dickinsonwright.com. Farayha Arrine is an associate in Dickinson Wright's Detroit office. She can be reached at 313.223.3153 or farrine@dickinsonwright.com.*

iGAMING NORTH AMERICA CONFERENCE REPORT

The inaugural iGaming North America Conference ("iGNA Conference") was held last week and by all accounts was a rousing success. The iGNA Conference attracted approximately 350 attendees from across the world. The iGNA Conference attendees represented a diverse spectrum of the gaming industry, including gaming equipment manufacturers, internet technology businesses, and major land-based casino operators. The iGNA Conference covered a wide variety of subjects, ranging from legal and policy developments to practical strategies for maximizing "liquidity" at internet sites.

The Conference kicked off with a panel discussion on legal issues surrounding the "Black Friday" i-poker indictments in the United States. The view from legal advisors with expertise in criminal law at the iGNA Conference tended to be that the i-poker indictments were not necessarily the product of a wider policy shift in the United States. Rather, the consensus was that the i-poker indictments represented an opportunity to proceed against three industry leaders as a result of a continuation of a previous indictment and criminal investigation of Australian payment processor Daniel Tzvetkoff.

Dickinson Wright member Peter Kulick moderated a panel discussing United States federal versus state i-gaming legislation. Speaking to a packed room, the panel had a spirited discussion on the impact of Black Friday on legislative efforts in the United States to authorize some form of i-gaming in the United States. While there were diverging views with respect to the impact of Black Friday, a consensus seemed to develop that 2011 will be the best opportunity to enact i-gaming legislation in the United States and that such legislation will be limited to i-poker.

In addition to lively discussions of the recent legal and policy developments in the United States, iGNA Conference participants offered the view from Europe. While most people in North America have referred to the April 15 i-poker indictments as "Black Friday," the view from Europe – particularly i-gaming sites operating in Europe – is that Black Friday actually represents "Gold Friday." That is, the sense from Europe is that the i-poker indictments may offer opportunities to other i-gaming operators when – and not if – the United States authorizes some form of i-gaming.

DETROIT CASINOS' APRIL REVENUES INCREASE FROM SAME MONTH LAST YEAR: MICHIGAN GAMING CONTROL BOARD RELEASES APRIL 2011 REVENUE DATA

by Ryan M. Shannon*

The Michigan Gaming Control Board ("MGCB") released the revenue and wagering tax data for April 2011 for the three Detroit, Michigan, commercial casinos. The three Detroit commercial casinos posted a collective 5.4% increase in gaming revenues compared to the same month in 2010. Aggregate gross gaming revenue for the Detroit commercial casinos decreased, however, by approximately 5.6% compared to March 2011 revenue figures, continuing the trend of a similar drop in revenues between March and April in prior years.

MGM Grand Detroit posted positive gaming revenue results for April 2011 as compared to the same month in 2010, with gaming revenue increasing by 5.2%. MGM Grand Detroit continued to maintain the largest market share among the three Detroit commercial casinos, and had total gaming revenue in April 2011 of slightly over $52 million. MotorCity Casino had monthly gaming revenue approaching $42 million, and posted over an 11% improvement in April 2011 over its April 2010 revenues. Greektown Casino posted a slightly negative gaming revenue result in April 2011 compared to April 2010, with just over a 1% reduction in revenues. Greektown had gaming revenue of approximately $32 million for April 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 April 2011 were:

Casino	Gaming Revenue	State Wagering Tax Payments
MGM Grand Detroit	$52,162,289.78	$4,225,145.47
MotorCity Casino	$41,512,570.85	$3,362,518.24
Greektown Casino	$31,657,354.70	$2,564,245.73
Totals	**$125,332,215.33**	**$10,151,909.44**

*Ryan M. Shannon is an associate in Dickinson Wright's Lansing office. He can be reached at 517.487.4719 or rshannon@dickinsonwright.com.