



## Judge shuts Bay Mills tribe's casino in Vanderbilt

Jaclyn Trop / The Detroit News

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A federal judge shut down a northern Michigan casino operated by the Bay Mills Indian Community today on the grounds that it was run illegally because it is on non-tribal land.

The tribe, which operates two other casinos on its reservation in the Upper Peninsula, opened the gaming hall in Vanderbilt on land it purchased with compensation for outstanding land claims from the federal government.

The tribe argues that the casino in Vanderbilt in the Lower Peninsula — 125 miles south of the Bay Mills reservation — is on land that qualifies as tribal because it bought the parcel as part of the land trust settlement.

A U.S. District Court judge in Kalamazoo rejected the argument and ordered the casino to close today at noon. The decision follows two lawsuits filed by the Michigan Attorney General's Office and another tribe, the Little Traverse Bay Band of Odawa Indians, seeking an injunction against the Bay Mills tribe. The Bay Mills tribe opened the casino in Vanderbilt in an attempt to expand its gaming business. It has fewer than 80 slot machines.

The Little Traverse Bay Band of Odawa Indians operates a casino about 30 miles away in Petoskey and is being harmed by the Vanderbilt casino, Judge Paul Maloney noted in his opinion.

**"The disputed issue here extends far beyond whether a relatively small gaming facility with 80 slot machines in Vanderbilt is cannibalizing revenues from its much larger competitor 30 miles down the road," said Alex Calderone, director at Birmingham-based turnaround firm Conway MacKenzie.**

The outcome will have far-reaching implications in Michigan and across the country, he said.

**"In both commercial and Native American gaming, barriers to entry are high, which is why investors are typically willing to make large capital investments in new facilities," Calderone said.**

**"If you take away those barriers to entry, and new supply is allowed to enter the market without restraint, those who have invested millions of dollars in existing facilities could be placed in a precarious situation, since operators of makeshift facilities could come cannibalize and erode their revenue streams."**

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