

April 05, 2004

MGAM suffers total loss of Kansas City business.

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Wyandotte Nation of Oklahoma's illegal casino in downtown Kansas City was raided last week by Kansas State and city officials with the support of the Governor's office. The raid occurred despite the tribe's claims that the casino was on Indian land and that only the National Indian Gaming Commission had jurisdiction over the operation. The local Kansas authorities removed 150 gaming machines. Many, if not all, of these games are believed to be owned by Multimedia Games, Inc. (NASDAQ: MGAM, \$23.65).

These games are in a far better market and far better location than Multimedia's core business. They were added in August 2003 and have helped Multimedia hide the deterioration of its core business. As the calculations contained in the research report titled "MGAM's analysts admit astonishing earnings decline" shows Multimedia's analysts are expecting at least a 30% deterioration of Multimedia's core business for the quarter ending March 31, 2004.

Below are four links to three articles and a televised news report that appeared in the KansasCityChannel.com website regarding the Wyandotte County Casino.

Authorities Raid Wyandotte County Casino

Wyandotte Casino Won't Close Wednesday

Indian Gaming Commission: KCK Casino Can't Legally Operate

Video Clip: Raid Wyandotte County Casino

Asensio & Company, Inc. covers Multimedia Games, Inc. and maintains a Strong Sell and Short Sell opinion. A summary of the basis of our opinion is found in our October 2, 2003 report published on www.asensio.com.

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TheKansasCityChannel.com

Authorities Raid Wyandotte County Casino

Tribe Says Local Officials Didn't Have Authority For Raid

POSTED: 10:02 AM CST April 2, 2004

UPDATED: 1:12 PM CST April 3, 2004

KANSAS CITY, Kan. -- Armed with a search warrant, local authorities raided a casino in downtown Kansas City around 6 a.m. Friday morning.

A few employees were inside at the time. Authorities said they charged one employee with a pair of gambling-related offenses, including felony commercial gambling.



The raid came after the National Indian Gaming Commission issued a letter last week, saying the casino could no longer legally operate. The NIGC said the land on which the casino stands does not meet the definition of tribal land for the purposes of gaming under the Indian Gaming Regulatory Act.

The casino is owned by the Wyandotte Tribe, which said it was outraged by the action. But Jason Hodges, a spokesman for the tribe, said the tribe was in the midst of contesting the NIGC's opinion. Authorities should not have closed the casino until that process had run its course, he said.

"We were doing what we were told to do," he said. "We were following procedures. To have county and local officials and everyone else jump in is completely ludicrous."

But Attorney General Phill Kline's office disagreed. They cited Section 18 of the U.S. Code, saying the state of Kansas does have the authority to supervise gambling on Indian land.

Gov. Kathleen Sebelius said she was pleased by the casino's closure.

"One of our core values as Kansans is respect for the law. The gaming operation

run by the Wyandotte Nation of Oklahoma is, and always has been, illegal," Sebelius said in a written statement. "I am pleased that state and local officials have worked together to uphold the law."

A federal judge on Tuesday rejected the tribe's request for a temporary restraining order that would have kept the casino open. The judge did so because the commission opinion was not "a final agency action," said David McCullough, the tribe's attorney.

"It's Indian land," he said, stressing that state and local officials had no jurisdiction. "The only issue is whether its available for gaming, and that's a federal, not a state, issue."

In its finding, the commission said while the site is on tribal land, it does not qualify for a casino because the tribe resides in Oklahoma and does not have a strong historical connection to the site, among other things. But the commission also said it would listen to any information the tribe might give the agency that "causes us to reconsider our opinion."

"I think it's probably just starting," McCullough said.

Authorities interviewed about 10 patrons who were in the casino when it was shut down, and they were then allowed to leave, Taylor said. Authorities were video taping the facility Friday morning and two casino employees were helping authorities remove money from the gaming machines. The money will be treated as confiscated evidence. The machines were being disconnected late Friday morning and carried out of the building.

The tribe said the machines are classified as bingo machines, though they look and play like slot machines. The distinction is important because facilities that have slot machines are required to negotiate gaming compacts with the state, while facilities with bingo machines do not, Hodges said.

"You are playing against players at other places across the country, not against the house," he said.

Authorities began removing about 150 of the gaming machines from the casino Friday morning.

TheKansasCityChannel.com

Wyandotte Casino Won't Close Wednesday

AG's Office Won't Say When Casino Will Close

POSTED: 1:39 p.m. CST March 31, 2004

UPDATED: 1:41 p.m. CST March 31, 2004

KANSAS CITY, Kan. -- Action will not be taken Wednesday to close a tribal owned casino in downtown Kansas City, Kan., officials said.



State and local officials announced last Thursday that the National Indian Gaming Commission had determined the casino was operating illegally and had given the Wyandotte Tribe one week to respond. Word of the commission's decision came in a letter to the government agencies and the tribe dated last Wednesday.

Attorney General Phill Kline said last week that the state would not take any action during the one-week grace period. Many expected the casino would be closed Wednesday, particularly after a federal judge on Tuesday rejected a temporary restraining order sought by the Wyandotte Tribe of Oklahoma to keep the casino open.

But Kansas City, Kan., spokesman Don Denney said the city participated in a conference call with the Kline and no action on the casino was expected Wednesday.

"We are waiting for him to take formal action," Denney said. "He said it wouldn't be today."

Whitney Watson, spokesman for Kline, said he couldn't say when the casino would be closed.

"You'll know when we do something," he said.

But he said the federal judge's decision this week "reinforced the fact that the law

was not on their side in this case."

Though the land is tribal land, the gaming commission found it did not qualify as a site for a casino because -- among other things -- the Wyandotte Tribe resides in Oklahoma and does not have a strong historical connection to the site.

Calls to tribal officials Wednesday were not immediately returned.

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TheKansasCityChannel.com

Indian Gaming Commission: KCK Casino Can't Legally Operate

Kline Pleased With Ruling

POSTED: 3:02 p.m. CST March 25, 2004

UPDATED: 3:11 p.m. CST March 25, 2004

KANSAS CITY, Kan. -- The agency that oversees Indian gaming has determined that a casino owned by the Wyandotte Tribe can no longer lawfully operate.



The National Indian Gaming Commission issued a 24-page letter Wednesday, stating that the Shriener Tract in downtown Kansas City, Kan., does not meet the definition of tribal land for the purposes of gaming under the Indian Gaming Regulatory Act.

"We are pleased that the NIGC agreed with us and took the appropriate action to insure that the law is followed," Kansas Attorney General Phill Kline said in a press release.

Kline said that the NIGC is allowing the Tribe one week to respond to the ruling. He said that his office would look at all legal means to stop illegal gaming at the site once the week was up and if the Tribe did not take action to comply.

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