

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

PUBLIC MEETING  
Cadillac Place  
3062 W. Grand Blvd., Suite L-700  
Detroit, Michigan

Tuesday, May 10, 2016  
9:30 a.m.

**MINUTES**

On Tuesday, May 10, 2016, the Michigan Gaming Control Board held a public meeting at the Board's office in the Cadillac Place, 3062 W. Grand Boulevard, Suite L-700, Detroit, Michigan.

**Present:** In attendance were the following Board members:

Mr. Robert Anthony, Chairperson  
Mr. Andrew Palms  
Ms. Carla Walker-Miller

Also attending was:

Richard Kalm, Executive Director  
James Wolf, Inspector, MSP  
Donald McGehee, Assistant Attorney General  
Diane Brown, Board Secretary

**Business:**

Mr. Anthony called the public meeting to order at 9:37 a.m. It was noted for the record Board Members McQueen and Watza were absent. There was no preliminary business for discussion.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's last regular public meeting held March 22, 2016. Mr. Anthony noted Board members previously received copies of the minutes and asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Mr. Palms and supported by Ms. Walker-Miller, for the Board to accept and approve the minutes of the March 22, 2016, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Richard Kalm presented his report to the Board stating Thomas Shouldice was hired as an auditor in the Casino Audit & Enforcement Division. Since the March 22, 2016 meeting, one employee left the agency. MGCB has 129 full-time employees and 20 vacant positions.

With regard to the Board's budget, as of April 30, 2016, total expenditures were \$13,893,279 leaving an unexpended balance of \$15,095,621 in appropriated funding for fiscal year 2016 which

includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

For casino operations, Mr. Kalm reported for the first quarter ending March 31, 2016, aggregate revenue for the three Detroit casinos was up 0.3 percent when compared to the same period last year. First quarter gaming revenue for the three Detroit casinos was MGM \$145.7 million, MotorCity \$121.2 million and Greektown \$83.5 million compared to the same period last year.

Revenue for MGM was up 1.5 percent, MotorCity revenue was up 0.6 percent, and Greektown revenue was down 2.1 percent when compared to the first quarter 2015.

For the quarter ending March 31, 2016, gaming taxes for the three Detroit casinos were \$28.4 million compared to \$28.3 million in 2015.

For the month ending April 30, 2016, aggregate revenue was up 1.5 percent when compared to the same month last year. Revenue was down when compared to March 2016. April year-to-date aggregate revenue for the three Detroit casinos was up 0.6 percent compared to the same period last year.

Revenue for MGM was down 2.7 percent to \$50.5 million, MotorCity was up 4.5 percent to \$42.3 million and Greektown was up 4.9 percent to \$29.5 million compared to April 2015. Market shares for April were MGM 41 percent, MotorCity 35 percent, and Greektown 24 percent.

For the month of April the three Detroit casinos reported submitting \$14.6 million in wagering taxes and development agreement payments to the City of Detroit. For the month of April 2016, gaming taxes for the three Detroit casinos were \$9.9 million compared to \$9.8 million for April 2015.

With regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of April 30, 2016, 737 active vendor exemptions were registered. As of April 30, 2016, 308 casino supplier companies were granted exemption from supplier licensing requirements. As of March 30, 2016, there were a total of 11 active temporary nongaming-related and four active temporary gaming-related supplier licenses in effect. There are 103 supplier licenses in effect.

In regard to occupational licensing, Mr. Kalm advised the Board as of April 30, 2016, the Board's Employee Licensing section issued a total of 2,135 occupational licenses to MGM employees; 1,780 occupational licenses to MotorCity employees; and 1,500 occupational licenses to Greektown employees. In addition, through the month of April 2016, 1,678 employees of various licensed casino suppliers have been granted occupational licenses. There are currently 44 temporary occupational licenses.

Mr. Kalm advised the Board since the March meeting, the required background investigations for 88 pending Level 1 and 2 occupational licenses have been completed. The Executive Director previously approved 473 renewal requests and 62 Level 3 requests on behalf of the Board.

Mr. Kalm reported Michigan State Police (MSP) Board-related activity. Mr. Kalm noted the confidential report submitted to the Board members contained significant activity items involving MSP and updates on cases by MGCB and the AG's office.

Next, the Board considered for approval, the recommendation of the Executive Director and the Licensing & Investigations Division's staff regarding the 88 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. Palms and supported by Ms. Walker-Miller that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Investigations Division for the pending Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

The next agenda item was consideration of the pending supplier license applications of Jasman Construction, Inc., and The Herjavec Group Corp.

There were no questions from Board members. A motion was made by Ms. Walker-Miller and supported by Mr. Palms that the Board enter the Orders finding and concluding the applicants are eligible and suitable for licensure and, accordingly, grant the requests. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the pending supplier license renewal requests Basement Beats, L.L.C.; Chef Source, Inc.; NRT Technology Corp.; Rhiannon Creations, Inc. d/b/a Body Bliss; Royal Roofing Co.; Tier One Marketing, LLC; VSR Industries, Inc.; and WPDET Associates, LLC.

There being no questions from Board members, Mr. Palms put forth a motion which was supported by Ms. Walker-Miller that the Board enter Orders finding the above-listed suppliers and their qualifiers eligible and suitable for license renewal and, accordingly, grant the requests for a one-year period. A voice vote was taken.

Motion carried.

The next item on the agenda was the request for approval of the eligibility and suitability of new Key persons of Greektown Casino: DG Athens LLC; Athens Acquisitions A LLC; Cullen Enterprises LLC; and Matthew P. Cullen Property Trust U/A/D October 31, 2011.

There were no questions from Board members. Ms. Walker-Miller made a motion for approval which was supported by Mr. Palms.

The next agenda item was the request for a proposed transfers of interest pending Board approval for Allied-Eagle Supply Company, LLC; Greektown Casino, LLC; and Mercury Fulfillment Systems, Inc. There was no discussion or questions regarding the requests therefore a motion was made by Mr. Palms and supported by Ms. Walker-Miller to approve the requests. A voice vote was taken.

Motion carried.

There were two occupational licensee Acknowledgements of Violation before the Board. Assistant Attorney General Donald McGehee outlined the facts where both licensees were security guards at one of the casinos, who after previously being warned, allowed minors into the casino. Each licensee agreed to a fine of \$100. There were no questions from Board members. Mr. Palms put forth the motion to accept the first violation which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

Ms. Walker-Miller put forth the motion to accept the second violation which Mr. Palms supported. A voice vote was taken.

Motion carried.

Mr. Anthony announced the next public meeting would be held on Tuesday, July 12, 2016 at 9:30 a.m.

A motion was made by Ms. Walker-Miller which was supported by Mr. Palms to adjourn the meeting. A roll call vote was taken. All members voted aye.

Motion carried.

Meeting adjourned at 10:01 a.m.

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Diane Brown, Board Secretary