

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

PUBLIC MEETING
Cadillac Place
3062 W. Grand Blvd., Suite L-700
Detroit, Michigan 48202

Tuesday, September 12, 2017, 9:30 a.m.

JULY 11, 2017
MEETING MINUTES

On Tuesday, July 11, 2017, 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 48202.

Present: In attendance were the following Board members:

Mr. Robert Anthony, Chairman
Mr. Patrick McQueen
Ms. Carla Walker-Miller

Also attending was:

Richard Kalm, Executive Director
Insp. Emmitt McGowan, MSP
Melinda Leonard, Assistant Attorney General
Diane Brown, Board Secretary

Absent: Mr. Andrew Palms

Business:

Mr. Anthony called the meeting to order at 9:36 a.m. There was no preliminary business to discuss.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's regular public meeting held April 25, 2017. It was noted Board members previously received copies of the minutes. Board members were asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Ms. Walker-Miller and supported by Mr. McQueen that the Board accept and approve the minutes of the April 25, 2017, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Richard Kalm presented his report to the Board stating since the April 25, 2017 meeting, two employees resigned. MGCB has 131 full-time employees and 18 vacant positions.

With regard to the Board's budget, as of June 30, 2017, total expenditures were \$18,034,134 leaving an unexpended balance of \$11,960,466 in appropriated funding for fiscal year 2017, which includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

For casino operations, Mr. Kalm reported aggregate revenue for the three Detroit casinos for the month of June 2017 was up 4.1 percent when compared to the same month last year. Revenue was down 5.7 percent when compared to May 2017. For year-to-date June 30, 2017, the aggregate revenue for the Detroit casinos was up 2.1 percent compared to the same period last year.

For the month ending June 30, 2017, MGM's revenue was up 2.2 percent to \$48.6 million, MotorCity was up 5.7 percent to \$37.9 million, and Greektown was up 5.4 percent to \$26.5 million when compared to the same month last year.

Market shares for June 2017 were MGM 43%, MotorCity 34%, and Greektown 23%. For the month ending June 30, 2017, gaming taxes for the three Detroit casinos were \$9.2 million compared to \$8.8 million for the same period last year.

For the month ending June 30, 2017, the three Detroit casinos reported submitting \$13.5 million in wagering taxes and development agreement payments to the City of Detroit.

Aggregate revenue for the quarter ending June 30, 2017 was up 1.3 percent compared to the same period last year. Gaming revenue for the quarter was MGM \$148.7 million, MotorCity \$120.7 million, and Greektown \$84.6 million.

With regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of June 30, 2017, 683 active vendor exemptions were registered. As of June 30, 2017, 262 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of six active temporary nongaming-related and six active temporary gaming-related supplier licenses in effect. There are 107 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of June 30, 2017, the Board's Employee Licensing section issued a total of 2,118 occupational licenses to MGM employees; 1,686 occupational licenses to MotorCity employees; and 1,483 occupational licenses to Greektown employees. In addition, 1,555 employees of various licensed casino suppliers have been granted occupational licenses. Currently there are 77 temporary occupational licenses.

Mr. Kalm advised the Board since the April meeting, the required background investigations of 227 pending Level 1 and Level 2 occupational licenses have been completed. Mr. Kalm previously approved 569 renewal requests and 90 Level 3 requests on behalf of the Board.

Mr. Kalm reported Michigan State Police (MSP) Board-related activity, and staffing update. Mr. Kalm noted the confidential report submitted to the Board members containing significant activity of MSP.

Next, the Board considered for approval the recommendation of the Executive Director and the Casino Audit & Enforcement Division's staff regarding the 227 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Ms. Walker-Miller and supported by Mr. McQueen that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Casino Audit & Enforcement 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 Licensing & Investigations Division's recommendation regarding the pending supplier license applications of Creative Breakthroughs, Inc.; Foresite Sports, Inc.; Homespun Furniture, Inc.; and RAM Construction Services of Michigan, Inc.

There were no questions from Board members. A motion was made by Mr. McQueen and supported by Ms. Walker-Miller that the Board enter Orders finding and concluding the applicants are eligible and suitable for licensure and, accordingly, grant the requests. 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 person of casino licensee Detroit Entertainment, L.L.C. d/b/a MotorCity Casino, Brian Lee Johnson.

There were no questions from Board members. Ms. Walker-Miller motioned for approval which was supported by Mr. McQueen. 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 person of supplier licensee Bally Gaming, Inc. d/b/a Bally Technologies, Karin-Joyce Tjon Sien Fat.

There were no questions from Board members. Mr. McQueen motioned for approval which was supported by Ms. Walker-Miller. 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 person of supplier licensee JCM American Corporation d/b/a JCM Global, Takatomo Imai.

There were no questions from Board members. Ms. Walker-Miller motioned for approval which was supported by Mr. McQueen. 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 person of supplier licensee TIE Leasing Company, Joshua Michael Young.

There were no questions from Board members. Mr. McQueen motioned for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

The next agenda item was a request for approval of the proposed transfers of interest pending Board approval in Allied-Eagle Supply Company, LLC; Duffey, Petrosky & Company, L.L.C.; TIE Leasing Company; and Wolverine Mailing, Packaging, Warehouse, Inc. d/b/a Wolverine Solutions Group. There was no discussion or questions regarding the requests therefore a motion was made by Mr. McQueen and supported by Ms. Walker-Miller to approve the requests. A voice vote was taken.

Motion carried.

Next agenda item was to consider the pending supplier license renewal requests of American Gaming & Electronics, Inc. with New Key Persons Renee Marie Zimmerman, Salvatore Anthony Basile, Robert Mark Pickus, and Michael Lee Shor; Bluegranite, Inc.; Del Bene Produce, Inc.; Everi Payments, Inc. with New Key Persons Linster Walter Fox; Eileen Fein Raney; and Dean Alan Ehrlich; Gambler's Oasis LLC; Gasser Chair Co., Inc.; Jasman Construction, Inc.; JMC Electrical Contractor, LLC d/b/a/ JMC Technology Group; Kimprint, Inc. d/b/a Progressive Printing; Lavdas Enterprises, Inc. d/b/a Lavdas Limousines, Inc.; Mercury Fulfillment Systems, Inc. d/b/a Mercury Promotions & Fulfillment; Motor City Electric Co.; Northern Lakes Seafood & Meats, L.L.C.; NRT Technology Corp.; Perfect Cleaners of Detroit, Inc.; Royal Roofing Co., Inc.; SMS Staffing Solutions, Inc.; Suburban Motor Company, LLC d/b/a Suburban Cadillac Buick; Wolverine Mailing, Packaging, Warehouse, Inc. d/b/a Wolverine Solutions Group with New Key Person Robert Tokarczyk Trust A F/B/O Robert N. Tokarczyk.

There being no questions from Board members, Mr. McQueen supported the motion put forth by Ms. Walker-Miller that the Board enter Orders finding the mentioned 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.

Next was the request for approval of an Acknowledgement of Violation of supplier licensee Aristocrat Technologies, Inc. Assistant Attorney General Thomas Nafso summarized the violation and facts. The violation involved Aristocrat permitting an unlicensed employee to conduct activities at MGM for which an occupational license is required. Attorney David Waddell from RMC addressed the board stating Aristocrat is in agreement with the violation and accepted the fine imposed.

There were no questions from Board members. Mr. McQueen put forth the motion for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

The next agenda item was a request for approval of an Acknowledgement of Violation for supplier licensee, Duffey, Petrosky & Company, LLC. Assistant Attorney General Adam Leyton explained the details of the violation. The supplier performed a Transfer of Interest prior to Board a resulting in a \$2,500 fine. There was no representative from Duffy, Petrosky & Company present.

Board members did not have any questions for Mr. Leyton. Ms. Walker-Miller put forth a motion for approval which was supported by Mr. McQueen. A voice vote was taken.

Motion carried.

After the business portion of the meeting concluded, Mr. Anthony asked if there were any members of the public wishing to address the Board. There were none.

Mr. Anthony announced the Board's next regular public meeting would be held Tuesday, September 12, 2017.

The Board did not go into closed session.

Mr. Anthony adjourned the meeting at 10:00 a.m.

Diane Brown, Board Secretary