

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

PUBLIC MEETING – VIA MICROSOFT TEAMS LIVE
Cadillac Place
3062 W. Grand Blvd., Suite L-700
Detroit, Michigan 48202

March 23, 2021 9:30 a.m.
MEETING MINUTES

On Tuesday, March 23, 2021, the Michigan Gaming Control Board held a public meeting, via Microsoft Teams Live, at the Board's office in Cadillac Place, 3062 W. Grand Boulevard, Suite L-700, Detroit, Michigan 48202.

Present: In attendance were the following Board Members:

Mr. Robert Anthony, Chairman via video
Mr. Andrew Palms, via video
Mr. Patrick McQueen, via phone
Ms. Barbara Smith, via video

Also attending:

Richard Kalm, Executive Director
Diane Brown, Board Secretary
Mary Kay Bean, MGCB Communications Specialist,
Moderator via video
Mr. Gerald Whalen, Assistant Attorney General
Ms. Bethany McCune, Assistant Attorney General
D/F/Lt. Brad Cox, MSP

Business:

Mr. Anthony called the meeting to order at 9:42 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 January 12, 2021. It was noted Board Members previously received copies of the minutes. Board Members were asked if there were any questions, concerns, or corrections; there were none.

A motion was made by Mr. McQueen and supported by Ms. Smith that the Board accept and approve the minutes of the January 12, 2021 regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Kalm presented his report to the Board stating since the last board meeting one new employee was hired and three resigned their positions with MGCB. MGCB has 128 full-time employees and 17 vacant positions.

Regarding the Board's budget, as of March 15, 2021, total expenditures were \$11,694,041 leaving an unexpended balance of \$25,593,998 in appropriated funding for fiscal year 2021, which includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm explained the three Detroit commercial casinos continued to operate under the capacity limitations due to the Covid-19 pandemic.

For casino operations, in January 2021, the casinos reported \$90.84 million in monthly aggregate revenue. Table games and slots generated \$86.78 million in revenue while \$4.06 million was generated from retail sports betting.

Market shares for January were MGM 38%; MotorCity 38%; and Greektown 24%.

Table games and slot revenue and taxes for January 2021, Mr. Kalm reported the casinos' revenue for table games and slots for the month ending January 31, 2021 was down 27.7% when compared to the same month last year. Revenue was up 293% when compared to the previous month, December 2020. For year-to-date January 31, 2021, the aggregate revenue for the three Detroit casinos was down 27.7% compared to the same period last year.

Revenue for MGM was down 32% to \$34 million, MotorCity was down 20.7% to \$33.2 million, and Greektown was down 30.4% to \$19.6 million, when compared to January 2020.

For the month ending January 31, 2021, gaming taxes for the three Detroit casinos were \$7 million compared to \$9.7 million for the same period last year.

The three Detroit casinos reported paying the City of Detroit \$10.3 million in wagering taxes and development agreement payments during January 2021.

Regarding retail sports betting revenue and taxes Mr. Kalm stated retail sports betting qualified adjusted gross receipts for the month ending January 31, 2021 for MGM was \$863,439, MotorCity \$1,566,019, and Greektown \$1,633,659. Total handle reported by the three Detroit casinos was \$35,684,194.

For the month ending January 2021, retail sports betting taxes for the three Detroit casinos were \$153,586.

The three Detroit casinos reported paying the City of Detroit \$187,716 in retail sports betting taxes during January 2021.

For Fantasy Sports, Mr. Kalm reported for the month ending December 31, 2020, fantasy contest operators reported total adjusted revenues of \$1.9 million and paid taxes of \$158,726. It was noted that the fantasy sports figures lag a month behind.

For year-to-date December 31, 2020, the aggregate fantasy contest adjusted revenues reported by the fantasy contest operators totaled \$16.7 million and taxes paid totaled \$1.4 million.

For casino operations in February the three Detroit casinos reported \$86.38 million in monthly aggregate revenue while continuing to operate at limited capacity. Table games and slots generated \$86.46 million in revenue while (\$77,627) was generated from retail sports betting.

Market shares for February were MGM 40%; MotorCity 36%; and Greektown 24%.

The casinos' revenue for table games and slots for the month ending February 28, 2021, was down 29.0% when compared to the same month last year. Revenue was down .4% when compared to the previous month, January 2021. For year-to-date February 28, 2021, the aggregate revenue for the three Detroit casinos was down 28.3% compared to the same period last year.

Revenue for MGM was down 34.6% to \$34.43 million, MotorCity was down 22.9% to \$31.24 million, and Greektown was down 27.3% to \$20.79 million, when compared to February 2020.

For the month ending February 28, 2021, gaming taxes for the three Detroit casinos were \$7.0 million compared to \$9.9 million for the same period last year.

The three Detroit casinos reported paying the City of Detroit \$10.3 million in wagering taxes and development agreement payments during February 2021.

Retail sports betting qualified adjusted gross receipts for the month ending February 28, 2021, for MGM was (\$8,761), MotorCity (\$183,680), and Greektown \$114,814. Total handle reported by the three Detroit casinos was \$23,711,983.

For the month ending February 2021, retail sports betting taxes for the three Detroit casinos were \$4,340.

The three Detroit casinos reported paying the City of Detroit \$5,304 in retail sports betting taxes during February 2021.

For the year-to-date February 28, 2021, the aggregate retail sports betting qualified adjusted gross receipts for MGM was \$854,678, MotorCity was \$1,382,339, and Greektown was \$1,748,473.

For the year-to-date January 31, 2021, fantasy contest operators reported total adjusted revenues of \$2.2 million and paid taxes of \$186,699.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board as of March 15, 2021, 686 active vendor exemptions were registered. As of March 15, 2021, 303 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of two active temporary nongaming-related and 12 active temporary gaming-related supplier licenses in effect. There are 89 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised that as of March 11, 2021, the Board's Employee Licensing section issued a total of 1,779 occupational licenses to MGM employees; 1,523 occupational licenses to MotorCity employees; and 993 occupational licenses to Greektown employees. In addition, 1,423 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 44 temporary occupational licenses in effect.

Mr. Kalm advised the Board that since the January 12, 2021 public meeting, the required background investigations of 116 pending Level 1 and Level 2 occupational licenses have been completed. Prior to the March meeting, Mr. Kalm approved 471 occupational license renewal requests and 29 Level 3 applications on behalf of the Board.

Mr. Kalm then went on to explain the new law signed on October 16, 2020, regarding Disassociated Persons. Public Act 225 of 2020 signed by the Governor, allows Disassociated Persons to request removal from the lifetime ban after five years on the list. As of March 15, 2021, the Board has received 493 applications seeking removal. Of those, 385 requests have been approved and 16 requests were denied due to the applicants not being eligible or not responding to information requested from the board. The remaining requests are currently being reviewed.

Regarding internet gaming and sports betting: for suppliers, there are 55 unique entities having applied for either igaming or sports betting licenses (84 applications). For vendors, there are 248 unique entities having applied for either igaming or sports betting licenses (416 applications). As of March 15, 2021, 39 provisional licenses for internet gaming, and 34 provisional licenses for sports betting have been issued. Additionally, 174 vendors for sports betting have been registered and 132 vendors have been registered for internet gaming.

Revenue from the Lawful Sports Betting Act and Lawful Internet Gaming Act, total gross receipts and revenue since inception is \$132 million. Of that, \$109 million was from internet casino gaming and \$22.8 million from internet sports betting. Currently, there is \$18.5 million in state taxes and payments. Mr. Kalm clarified the term "payments" stating the Tribal casinos are not taxed, they require a payment and \$18.3 million was from internet gaming and \$253,935 from internet sports betting. City of Detroit taxes and fees (owed and received) totaled \$5.8 million. Of that, \$5.6 million was from internet gaming and \$154,325 from internet sports betting. Tribal operator's payments were \$1.77 million.

For Michigan State Police, Mr. Kalm referred the Board to their copy of his report. Due to the report containing propriety and investigation information Mr. Kalm did not disclose in the public forum.

Next, the Board considered for approval, the recommendation of the Executive Director and the Casino Operations Division's Employee Licensing staff regarding the 116 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by MsSmith and supported by Mr. Palms that the Board enter an Order accepting and adopting the recommendations. A roll call vote was taken.

Motion carried.

The next item was the consideration of the Licensing, Investigations, & Audit Division's recommendations regarding the pending supplier license applications of Betfair Interactive US LLC d/b/a FanDuel Sportsbook; Continent 8, LLC d/b/a Continent 8; Don Best Sports Corporation; NYX Digital Gaming (USA); Penn Sports Interactive, LLC; Sportradar Solutions LLC; Sports Information Services Limited d/b/a Kambi; and Stadium Technology Group, LLC.

Mr. McQueen expressed concern with Betfair Interactive US LLC's finances therefore, the item was tabled until the June meeting. There being no other questions, a motion was made by Mr. Palms and supported by Mr. McQueen to approve the remaining requests. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the Licensing, Investigations, & Audit Division's recommendations regarding the pending supplier license renewal requests of Allied-Eagle Supply Company, LLC d/b/a Allied Office Specialists; Atlas Wholesale Food Company; Cadillac Coffee Company; Colasanti Construction Services, Inc.; Creative Breakthroughs, Inc.; Curtis Glass Company; Data Financial, Incorporated; Eagle Star, Inc. d/b/a Eagle Star Equipment; General Linen Supply Company d/b/a General Linen and Uniform Service; International Precast Solutions, Inc.; Masque Publishing Inc.; MIG East LLC; Motor City Electric Co.; Renaissance Man Food Services, LLC; SMS Staffing Solutions, Inc.; and The Printer, Inc.

There being no questions from Board Members, Ms. Smith supported the motion put forth by Mr. McQueen that the Board enter Orders finding the suppliers and their qualifiers eligible and suitable for license renewal and, accordingly, grant the requests for a one-year period. A roll call vote was taken.

Motion carried.

Next on the agenda for the Board's consideration was the Licensing, Investigations & Audit Division's recommendation regarding the suitability of New Key Person of SG Gaming, Inc. d/b/a Scientific Games, Matthew Richard Wilson. There being no questions from Board Members, a motion was made by Ms. Smith and supported by Mr. Palms, that the Board grant the request. A voice vote was taken.

Motion carried.

The Board then considered the recommendation regarding the suitability of New Key Person of Detroit Entertainment, LLC d/b/a MotorCity Casino, John Anthony Policicchio, Jr. There were no questions from Board Members. Mr. Palms made the motion for approval which was supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Next for Board consideration was the Casino Operations Division's recommendation regarding the Acknowledgement of Violation of casino licensee Greektown Casino, LLC. Assistant Attorney General Bethany McCune explained the violation was in relation to solicitation of a disassociated person. There were no questions from Board Members. Greektown Casino did not address the Board. Mr. McQueen made the motion which was supported by Ms. Smith that the Board approve the recommendation. A roll call vote was taken.

Motion carried.

The Board next considered the Casino Operations Division's recommendation regarding the Acknowledgment of Violation of occupational licensee Atheer Salmo. Assistant Attorney General Bethany McCune summarized the facts of the Violation. Neither Mr. Salmo, nor his representative, addressed the Board. There were no questions from Board Members. Ms. Smith put forth the motion for approval which was supported by Mr. Palms. A roll call vote was taken.

Motion carried.

Mr. Anthony then announced the Board's next regular public meeting would be held Tuesday, June 8, 2021, at 9:30 a.m.

Mr. Anthony then asked for a motion for the Board to go into closed session. Mr. Palms made the motion which was supported by Mr. McQueen A roll call vote was taken.

Motion carried.

Following the closed session, the public meeting resumed, and a voice vote was taken to approve the minutes from the January 12, 2021 closed session.

Motion carried.

Mr. Palm then made a motion to adjourn the public meeting which was supported by Ms. Smith. A roll call voice vote was taken.

Motion carried.

Mr. Anthony adjourned the meeting at 11:26 a.m.

A handwritten signature in cursive script that reads "Diane Brown". The signature is written in black ink on a white background.

Diane Brown, Board Secretary