

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

June 8, 2021 9:30 a.m.
MEETING MINUTES

On Tuesday June 8, 2021, the Michigan Gaming Control Board held a public meeting, via Zoom, 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, Chair via video
Mr. Andrew Palms, via video
Mr. Patrick McQueen, via video
Ms. Barbara Smith, via video

Also attending:

Henry Williams, 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
Mr. Jason Geissler, 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 March 23, 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 March 23, 2021 regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Williams presented his report to the Board stating since the last board meeting four new employees were hired and two resigned their positions with MGCB. MGCB has 130 full-time employees and 16 vacant positions.

Regarding the Board's budget, as of May 31, 2021, total expenditures were \$17,340,023 leaving an unexpended balance of \$19,948,000 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. Williams explained the three Detroit commercial casinos continued to operate under the capacity limitations due to the Covid-19 pandemic.

For casino operations, in March 2021, the casinos reported \$113.84 million in monthly aggregate revenue. Table games and slots generated \$110.87 million in revenue while \$2.97 million was generated from retail sports betting.

Market shares for March were MGM 39%; MotorCity 38%; and Greektown 23%.

Table games and slot revenue and taxes for March 2021, Mr. Williams reported the casinos' revenue for table games and slots for the month ending March 31, 2021 was up 93% when compared to the same month last year. Revenue was up 28.2% when compared to the previous month, February 2021. For year-to-date March 31, 2021, the aggregate revenue for the three Detroit casinos was down 5.1% compared to the same period last year.

Revenue for MGM was up 80.6% to \$43.21 million, MotorCity was up 107.2% to \$42.04 million, and Greektown was up 93.7% to \$25.62 million, when compared to March 2020.

For the month ending March 31, 2021, gaming taxes for the three Detroit casinos were \$9 million compared to \$4.7 million for the same period last year.

The three Detroit casinos reported paying the City of Detroit \$13.2 million in wagering taxes and development agreement payments during March 2021.

Regarding retail sports betting revenue and taxes Mr. Williams stated retail sports betting qualified adjusted gross receipts for the month ending March 31, 2021 for MGM was \$868,206, MotorCity \$1,276,470, and Greektown \$825,479. Total handle reported by the three Detroit casinos was \$24,241,730. Total gross receipts reported by the Detroit casinos was \$2,968,064.

For the month ending March 2021, retail sports betting taxes for the three Detroit casinos were \$112,272.

The three Detroit casinos reported paying the City of Detroit \$137,216 in retail sports betting taxes during March 2021.

For Fantasy Sports, Mr. Williams reported for the month ending February 28, 2021, fantasy contest operators reported total adjusted revenues of \$1 million and paid taxes of \$87,004. It was noted that the fantasy sports figures lag a month behind.

For year-to-date February 28, 2021, the aggregate fantasy contest adjusted revenues reported by the fantasy contest operators totaled \$3.3 million and taxes paid totaled \$280,752.

Casino operations for May 2021; The three Detroit casinos reported \$109.69 million in monthly aggregate revenue in May while operating at limited capacity. Table games and slots generated \$107.94 million in revenue while \$1.7 million was generated from retail sports betting.

Market shares for May: MGM 42%; MotorCity 36%; and Greektown 22%.

The casinos' revenue for table games and slots for the month ending May 31, 2021, was up 100% when compared to the same month last year. The 100% increase when compared to May 2020 was the result of the three Detroit Casinos mandated closure for all of May 2020. Revenue was up 0.5% when compared to the previous month, April 2021. For year-to-date May 31, 2021, the aggregate revenue for the three Detroit casinos was up 66.9% compared to the same period last year.

Revenue for MGM was up 100% to \$46.15 million, MotorCity was up 100% to \$38.19 million, and Greektown was up 100% to \$23.60 million, when compared to May 2020.

For the month ending May 31, 2021, state gaming taxes for the three Detroit casinos were \$8.7 million compared to \$0 for the same period last year.

The three Detroit casinos reported paying the City of Detroit \$12.8 million in wagering taxes and development agreement payments during May 2021.

Retail sports betting qualified adjusted gross receipts for the month ending May 31, 2021, for MGM was \$402,223 MotorCity \$709,796 and Greektown \$636,547. Total handle reported by the three Detroit casinos was \$20,196,877.

For the month ending May 2021, retail sports betting state taxes for the three Detroit casinos were \$66,096.

The three Detroit casinos reported paying the City of Detroit \$80,784 in retail sports betting taxes during May 2021.

For the year-to-date May 31, 2021, the aggregate retail sports betting qualified adjusted gross receipts for MGM was \$2,729,808, MotorCity was \$3,789,210, and Greektown was \$3,727,723.

For the year-to-date April 30, 2021, fantasy contest operators reported total adjusted revenues of \$1,484,842 million and paid taxes of \$124,727.

For the year-to-date April 30, 2021, the aggregate fantasy contest adjusted revenues reported by the fantasy contest operators totaled \$5.7 million and taxes paid totaling \$480,199.

Regarding supplier licensing and vendor registration, Mr. Williams advised the Board as of May 31, 2021, 744 active vendor exemptions were registered. As of May 31, 2021, 304 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Williams reported a total of one active temporary nongaming-related and six active temporary gaming-related supplier licenses in effect. There are 93 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Williams advised as of May 19, 2021, the Board's Employee Licensing section issued a total of 1,778 occupational licenses to MGM employees; 1,425 occupational licenses to MotorCity employees; and 967 occupational licenses to Greektown employees. In addition, 1,549 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 112 temporary occupational licenses in effect.

Mr. Williams advised the Board that since the March 23, 2021 public meeting, the required background investigations of 90 pending Level 1 and Level 2 occupational licenses have been

completed. Prior to the June meeting, the Executive Director approved 559 occupational license renewal requests and seven Level 3 applications on behalf of the Board.

Mr. Williams 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 May 31, 2021, the Board has received 625 applications seeking removal. Of those, 545 requests have been approved (five have requested placement back on the list), and 28 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 60 unique entities having applied for either igaming or sports betting licenses (92 applications). For vendors, there are 303 unique entities having applied for either igaming or sports betting licenses (495 applications).

Revenue from the Lawful Sports Betting Act and Lawful Internet Gaming Act, total gross receipts and revenue since inception is \$374.5 million. Of that, \$299 million was from internet casino gaming and \$75.5 million from internet sports betting. Currently, there is \$54.5 million in state taxes and payments. Of that, \$53.4 million was from internet gaming and \$1.1 million from internet sports betting. City of Detroit taxes and fees (owed and received) totaled \$16.4 million. Of that, \$15.7 million was from internet gaming and \$667,727 from internet sports betting. Tribal operator's payments were \$5.4 million.

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

The Board then considered the proposed Resolution 2021-03 regarding licensing exemption thresholds. Mr. McQueen asked what the expected impact of the Resolution would be in terms of the number of exemptions. Deputy Director Steinkamp explained that with the threshold being increased to \$100,000, approximately 75% of the vendors doing business with the casinos would fall under the limit for exemption. There were no other questions. A motion was made by Ms. Smith and supported by Mr. Palms. A roll call vote was taken. Motion carried.

Next, the Board considered for approval, the recommendation of the Executive Director and the Casino Operations Division's Employee Licensing staff regarding the 90 Level 1 and Level 2 occupational license applications.

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

The next two for consideration was the Licensing, Investigations & Audit Division's recommendation regarding the suitability of new Key persons for Greektown Casino and MGM Grand Detroit Casino. There were no questions from Board members. Motions were made and supported for approval. 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 online gaming and sports betting operator license applications of Bay Mills Gaming Authority; Detroit Entertainment, L.L.C. d/b/a MotorCity Casino; Greektown Casino L.L.C. d/b/a Greektown Casino; Gun Lake Tribal Gaming Authority d/b/a Gun Lake Casino; Hannahville Indian Community; Keweenaw Bay Indian Community; Little River

Casino Resort Enterprise of Little River Band of Ottawa Indians; Little Traverse Bay Band of Odawa Indians; MGM Grand Detroit, LLC d/b/a MGM Grand Detroit; and Pokagon Gaming Authority.

There being no questions, a motion was made by Mr. Palms and supported by Mr. McQueen to approve the requests. A voice vote was taken. Motion carried.

Next on the agenda was consideration of the Licensing, Investigations, & Audit Division's recommendation regarding the pending internet gaming supplier license applications of BetFair Interactive US, LLC d/b/a FanDuel Sportsbook and Incredible Technologies, Inc.

There were no questions from Board members. A motion was made and supported to approve the requests. A roll call 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 Cadillac Travel, Inc.; Cammegh Limited; Carmela Foods Distributing, Inc.; Duffey Petrosky & Company, LLC; Gable Signs & Graphics Inc.; Halifax Security, Inc. d/b/a North American Video; House Advantage, LLC, with new Key person Wolfe Gaming Trust; Incredible Technologies, Inc.; JCM American Corporation d/b/a JCM Global with new key persons Mitsuhiro Ueno, Norihito Nakarni, and Tatsuhiko Saruwatari; Johnico, LLC d/b/a America's Green Line; Kimprint, Inc. d/b/a Progressive Printing; Lavdas Enterprises Inc. d/b/a Lavdas Limousines, Inc.; MRP Supply, Inc.; Nicolson Associates, Inc.; Northern Lakes Seafood and Meats, L.L.C.; and Tom Maceri and Son, Inc.

There being no questions from Board Members, Mr. Palms supported the motion put forth by Ms. Smith 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 for Board consideration was the Licensing, Investigations & Audit Division's recommendation regarding the Acknowledgement of Violation of casino licensee MGM Grand Detroit, LLC. There were no questions from Board Members. MGM Grand Detroit did not address the Board. Mr. Palms made the motion which was supported by Mr. McQueen 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 licensees Leland Christian and Michael Glover. Assistant Attorney General Bethany McCune summarized the facts of the Violation. Neither Licensee nor their representatives, addressed the Board. There were no questions from Board Members. Mr. McQueen put forth the motion for approval which was supported by Mr. McQueen. A roll call vote was taken. Motion carried.

The last item of Business was the Proposals for Decision for occupational licensees Marnie Fletcher and Versie Simpson. Assistant Attorney General Jason Geissler summarized the facts for the Board. There were no questions from Board members. A motion was made and supported to accept the Proposals for Decision. A roll call vote was taken. Motion carried.

Mr. Anthony then announced the Board's next regular public meeting would be held Tuesday, August 10, 2021, at 9:30 a.m.

Mr. Anthony then asked for a motion 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 March 23, 2021 closed session. Motion carried.

Mr. McQueen then made a motion to adjourn the public meeting which was supported by Mr. Palms. A roll call voice vote was taken. Motion carried.

Mr. Anthony adjourned the meeting at 11:10 a.m.

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

Diane Brown, Board Analyst