

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, March 9, 2010
9:30 a.m.

MINUTES

On Tuesday, March 9, 2010, the Michigan Gaming Control Board held a public meeting at the Board office in the Cadillac Place, 3062 W. Grand Boulevard, Suite L-700, Detroit, Michigan.

Present: In attendance were the following Board members:

Ms. Barbara Rom, Chairperson
Judge Benjamin Friedman
Mr. Jim Plakas
Mr. Michael Watza

Also attending were:

Richard Kalm
Fred Cleland
Thomas Barker
John Page
D/F Lt. Vicki Johnson
Gerald Whalen
Diane Brown

Business:

Ms. Rom called the staff briefing of the public meeting to order at 9:33 a.m. It was noted for the record that Mr. Damian Kassab had retired from the Board and a new member, Jim Plakas, was present for this meeting. There was no preliminary business to discuss.

Ms. Rom stated that the first order of business was to approve the minutes from the December 15, 2009, regular public meeting. Ms. Rom noted that all Board members had previously received the minutes, and asked if there were any questions or concerns.

It was then moved by Judge Friedman and seconded by Mr. Plakas that the minutes of the December 15, 2009, meeting be approved. A voice vote was taken.

Motion carried.

Next Mr. Kalm presented the Executive Director's report. Mr. Kalm reported that since the last Board meeting, Jason Maue and Joy Segal resigned as regulation officers in the Enforcement Compliance Section and Warren Lamb resigned as lead regulation officer in the Employee Licensing Section, leaving 13 authorized positions to fill.

In regard to the Board's budget, Mr. Kalm reported that as of February 28, 2010, total expenditures were \$6,825,742, which leaves an unexpended balance of \$14,236,158 in appropriated funding for fiscal year 2010. These funds include anticipated expenditures by the Attorney General's Office and the Michigan State Police.

Mr. Kalm next reported that the casinos continue to operate 24/7 and for the month of December 2009, the aggregate revenue and taxes for all 3 Detroit casinos were up 5.1% compared to the same month last year and were up 3.31% compared to the previous month, November, 2009. Revenue for MGM Grand Detroit and Greektown Casinos were up by 3.31% and 18.6% respectively, while MotorCity Casino was down by 1.7% compared to the same month last year.

For the month ending December 31, 2009, gaming taxes for the 3 Detroit casinos were \$10.03 Million compared to \$9.42 Million for the same period last year.

Mr. Kalm further reported that for the month of January 2010, the aggregate revenue and taxes for all 3 Detroit casinos were up by 5.32% compared to the same month last year, and were up 1.19% compared to December 2009. Revenue for MGM Grand Detroit and Greektown Casinos were up 3.8% and 15.2%, respectively, while MotorCity Casino was down by 2.4% compared to the same month last year. During the auto show in January 2010, the revenues for MGM Grand Detroit and Greektown Casinos were up by 11% and 20%, respectively, while MotorCity Casino was down by less than one percent, .58%, compared to the same time period last year.

For the month ending January 31, 2010, gaming taxes for the 3 Detroit casinos were \$0.15 Million compared to \$9.63 Million for the same period last year.

Also, for the month of February 2010, the aggregate revenue and taxes for all three Detroit casinos were down by 1.7% compared to the same month last year, however, they were up 3.2% compared to the previous month, January 2010. Revenue for Greektown Casino was up by 8.4%, whereas revenue for MGM Grand Detroit and MotorCity Casino was down by 1.68% and 8.7%, respectively.

For the month of February 2010, gaming taxes were \$10.50 Million compared to \$10.57 Million for the same period last year.

Mr. Kalm continued to report the aggregate revenue for all three Detroit casinos for December 2009, January and February 2010, were up 2.4% compared to the same three month period last year. The gaming revenue for MGM, MotorCity and Greektown Casinos for this three month period was \$143 Million, \$107 Million and \$86.2 Million, respectively. Revenues for the three month period for MGM and Greektown Casinos were up by 1.7% and 13.8%, respectively, whereas MotorCity Casino was down 4.5%

compared to the same period last year. Gaming taxes for December 2009, January and February 2010 were \$30.7 Million compared to \$29.6 Million for the same period last year.

Mr. Kalm further stated that for future meetings, revenues and taxes would be reported for a three month period, as well as, monthly.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board that as of February 28, 2010, 3,334 active vendor exemptions are registered, 223 casino supplier companies have been granted exemptions from supplier licensing requirements, 22 active temporary nongaming-related supplier licenses and 4 active temporary gaming-related supplier licenses are in effect. In addition, a total of 125 full annual supplier licenses have been granted by the Board and to date, remain in effect.

In regard to employee licensing, Mr. Kalm advised the Board that as of February 28, 2010, the Board's Employee Licensing Section had issued a total of 2,311 occupational licenses to MGM Grand Detroit Casino employees; 1,792 occupational licenses to MotorCity Casino employees; and 1,689 occupational licenses to Greektown Casino employees. In addition, for February 2010 1,379 employees of various licensed casino suppliers have been granted occupational licenses. To date, the Board has authorized the issuance of 16,716 occupational licenses to casino and supplier license employees; renewed 18,055 occupational licenses and denied 393 occupational license applications.

Mr. Kalm advised the Board for the months of December, January and February the required background investigations for 130 pending Level 1 and 2 licenses had been completed and would be considered for approval by the Board at today's meeting and pursuant to Board Resolution No. 2002-02 he has approved 216 renewal requests on behalf of the Board.

Next, Mr. Kalm reported on the MSP Board related activity. Since the November 30, 2009 report there has been no staff changes and MSP is actively interviewing to fill two detective trooper vacancies. During the months of January and February 2010, the MSP Gaming Section investigated 163 criminal complaints and made 46 arrests.

Mr. Kalm also reported that in regards to the tax-based reduction for Greektown Casino, which is part of today's agenda, the tax rollback amount as of February 28, 2010 was \$15,641,231.37. If approved by the Board at today's meeting, the rollback would be prorated to March 9, 2010.

It was also reported that the Licensing Division moved to a temporary location on the second floor of the Cadillac Place building while renovations were being made to L-700. These renovations were expected to be completed by the end of May 2010.

Mr. Kalm also advised the Board that the 2009 Gaming Year End Report was included in the packet of documents previously sent to them.

Next the Board considered for approval the recommendations of the Executive Director and the Licensing Division's staff regarding the 130 Level 1 and 2 occupational license applications.

It was moved by Mr. Watza and seconded by Judge Friedman that the Board enter an order accepting and adopting the recommendations of the Executive Director and the Licensing Division's staff for the 130 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

Next the Board considered the Executive Director's Reports and Licensing Division's staff recommendations regarding the pending supplier license applications of Graphic Controls, LLC, Perfect Cleaners of Detroit, Inc., SEL Management, Inc. and Wolverine Mailing Packaging & Warehouse, Inc.

There being no questions from Board members, it was moved by Mr. Plakas and seconded by Mr. Watza that the Board enter orders approving the supplier license application requests of Graphic Controls, LLC, Perfect Cleaners of Detroit, Inc., SEL Management, Inc. and Wolverine Mailing, Packaging & Warehouse, Inc., and their qualifiers for licensure under the licensing standards and requirements of the Act and Rules of the Board. And accordingly, grant these requests based upon the background investigation reports and the recommendations of the Board's Licensing Division staff. A voice vote was taken.

Motion carried.

Next the Board considered the Executive Director's Reports and Licensing Division's staff recommendations regarding the pending supplier license renewal applications of 538274 Ontario Limited, Advertising Specialties, LLC, Bally Gaming, Inc., C.L. Rieckhoff Company, Inc., Chef Source, Inc., ComSource, Inc., Eagle Star, Inc., General Linen Supply Company, John E. Green Company, MacKellar Associates, Inc., Premier Services Group, LLC, Renaissance Man Services, LLC, Ross Structural Steel, Inc., Wiltec Technologies, Inc., and Wrightway Group, LLC.

There being no questions from Board members, it was moved by Judge Friedman and seconded by Mr. Watza that the Board enter orders finding and concluding that 538274 Ontario Limited, Advertising Specialties, LLC, Bally Gaming, Inc., C.L. Rieckhoff Company, Inc., Chef Source, Inc., ComSource, Inc., Eagle Star, Inc., General Linen Supply Company, John E. Green Company, MacKellar Associates, Inc., Premier Services Group, LLC, Renaissance Man Services, LLC, Ross Structural Steel, Inc., Wiltec Technologies, Inc., and Wrightway Group, LLC., and their qualifiers are eligible and suitable for licensure under the licensing standards and requirements of the Act and Rules of the Board. And accordingly, grant these requests for a one-year period beginning March 9, 2010. A voice vote was taken.

Motion carried.

Next the Board considered the Executive Director's Report and Licensing Staff's recommendation regarding the eligibility and suitability of Dubai World as a key qualifier of casino licensee MGM Grand Detroit.

Ms. Rom noted for the record the presence of Mr. Peter Weipert of Grant Thornton and invited Mr. Weipert to give a brief summary of the issue.

After Mr. Weipert concluded his summary, Ms. Rom asked Mr. Robert Stocker, legal counsel for Dubai World and Infinity World to identify himself for the record before addressing the Board.

Upon conclusion of Mr. Stocker's comments and questions from Board members were answered, it was moved by Mr. Watza and seconded by Mr. Plakas that the Board enter an order finding and concluding that Dubai World is eligible and suitable as a required qualifier of casino licensee MGM Grand Detroit under the licensing standards and requirements of the Act and Administrative Rules of the Board. A voice vote was taken.

Motion carried with abstention from Judge Friedman.

The Board then considered the Executive Director's Reports and Licensing Staff's recommendations regarding the eligibility and suitability of Corey Sanders, John McManus and Denis Muckelroy as key persons of casino licensee MGM Grand Detroit.

There being no questions from Board members, it was moved by Mr. Plakas and seconded by Judge Friedman that the Board enter orders finding and concluding that Corey Sanders, John McManus and Denis Muckelroy are eligible and suitable as required qualifiers of casino licensee MGM Grand Detroit under the licensing standards and requirements of the Act and Rules of the Board. A voice vote was taken.

Motion carried.

Next the Board considered the Acknowledgment of Violation of supplier licensee Bally Gaming, Inc.

Ms. Rom asked that Jason Geissler, Assistant Attorney General give a brief summary of the violation.

Upon conclusion of Mr. Geissler's summary, Ms. Rom noted for the record the presence of Mr. Robert Stocker, legal counsel for Bally Gaming, Inc.

Upon conclusion of Mr. Stocker's comments and questions from Board members were answered, it was moved by Judge Friedman and seconded by Mr. Watza that the Board accept the proposed Acknowledgement of Violation as agreed to by the Michigan Gaming Control Board staff and supplier licensee Bally Gaming, Inc. and issue an order adopting, accepting, and incorporating the Acknowledgment of Violation as the Board's final decision. A voice vote was taken.

Motion carried.

Next the Board considered the Acknowledgment of Violations of Greektown Casino and Detroit Entertainment, LLC.

Assistant Attorney General Jason Geissler requested that the Acknowledgment of Violations be acted on separately and that Assistant Attorney General Melinda Leonard would address Detroit Entertainment, LLC's violation.

Mr. Geissler proceeded to outline the violation of Greektown Casino for the Board members.

After Mr. Geissler's summarization, Ms. Rom noted for the record the presence of Ms. Andrea Hansen, legal counsel for Greektown Casino and Greektown representative, Mr. Eloka Dallah and invited Ms. Hansen to address the Board.

After comments from Ms. Hansen and Mr. Dallah, and all questions from Board members were answered, it was moved by Mr. Watza and seconded by Judge Friedman that the Board accept the proposed Acknowledgment of Violation as agreed to by the Michigan Gaming Control Board Staff and casino licensee Greektown Casino, and issue an order adopting, accepting, and incorporating the Acknowledgment of Violation as the Board's final decision. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Acknowledgment of Violation of casino licensee Detroit Entertainment, LLC, however, Judge Friedman pointed out that there were 2 violations for Greektown Casino on the agenda. Ms. Rom then asked Mr. Geissler to step forward and give a brief synopsis of the second violation of Greektown Casino.

Upon conclusion of Mr. Geissler's summation, Ms. Hansen addressed the Board.

After all questions from Board members were answered, it was moved by Mr. Plakas and seconded by Mr. Watza that the Board accept the proposed Acknowledgment of Violation as agreed to by the Michigan Gaming Control Board staff and casino licensee Greektown Casino, and issue an order adopting, accepting, and incorporating the Acknowledgment of Violation as the Board's final decision. A voice vote was taken.

Motion carried.

Next Ms. Rom acknowledged for the record the presence of Melinda Leonard, Assistant Attorney General and Ms. Cheryl Scott-Dube, general counsel for MotorCity Casino.

Upon conclusion of Ms. Leonard's and Ms. Scott-Dube's comments, and questions from Board members were answered, it was moved by Judge Friedman and seconded by Mr. Watza that the Board accept the proposed Acknowledgment of Violation as agreed to by the Michigan Gaming Control Board staff and casino licensee Detroit Entertainment, LLC,

and issue an order adopting, accepting, and incorporating the Acknowledgment of Violation as the Board's final decision. A voice vote was taken.

Motion carried.

The Board next considered the Executive Director's Report and Licensing Division's staff recommendation regarding the request to withdrawal the pending supplier license application of Jenkins Construction, Inc.

There being no questions from Board members, it was moved by Mr. Watza and seconded by Judge Friedman that the Board enter an order granting the request of Jenkins Construction, Inc. for withdrawal of its supplier license application, based upon the Board staff's report and recommendation. A voice vote was taken.

Motion carried.

Next, the Board considered the request of Greektown Casino for a tax based reduction certification.

Chairwoman Rom invited Mr. Kalm to address the Board and give a brief summary of the issue. Ms. Rom also acknowledged the presence of Michael Schaller, outside counsel for the City of Detroit, and Charles Moore from Conway Mackenzie.

After Mr. Kalm, Mr. Schaller and Mr. Moore addressed the Board and all questions from Board members were answered, it was moved by Judge Friedman and seconded by Mr. Watza that the Board enter an order granting the request of Greektown Casino for a tax based reduction certification based upon the Board's report and recommendation. A voice vote was taken.

Motion carried.

Next, Chuck Moore presented the Greektown Casino, LLC Monthly Status Report Pursuant to Show Cause Board Order of June 10, 2008.

After acknowledging the presence of Sal Semola, President of Warner Gaming of Michigan and comments from Mr. Stocker, it was decided to move the April 2010 Board meeting from Tuesday, April 13th to Thursday, April 15th.

Next, Ms. Rom stated that the Board needed to consider a motion to go into closed session immediately following public comment for the purpose of receiving legal advice and counsel from the Board's attorney regarding pending Board litigation, and receiving confidential notification regarding the names of the individuals placed on the Board's Dissociated Persons List since the Board's last public meeting as required by the Act.

Therefore, it was moved by Ms. Rom and seconded by Mr. Watza that the Board consider a motion to go into closed session immediately following this portion of today's public meeting for the purpose of discussing pending Board litigation with the Board's attorney, discussing background investigations, and receiving confidential notification of

persons placed on the Board's disassociated persons list since the Board's public meeting on December 15, 2009. A roll call vote was taken.

Ms. Rom	Aye
Judge Friedman	Aye
Mr. Plakas	Aye
Mr. Watza	Aye

Motion Carried.

After the closed session the public meeting was reconvened and there being no other business, Ms. Rom adjourned the meeting at 12:01 p.m.

Diane Brown, Board Secretary