

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, May 10, 2011  
9:30 a.m.

**MINUTES**

On Tuesday, May 10, 2011, 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. Robert Anthony

Also attending were:

Richard Kalm  
Garth Burnside  
Don McGehee  
Diane Brown

**Business:**

Ms. Rom called the staff briefing of the public meeting to order at 9:37 a.m. There was no preliminary business to discuss.

Ms. Rom stated the first order of business was to approve the minutes from the March 29, 2011, 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 Mr. Anthony and seconded by Judge Friedman that the minutes of the March 29, 2011, meeting be approved. A voice vote was taken.

Motion carried.

Mr. Kalm reported that since the last Board meeting, Carrie Dodt had been promoted to a departmental analyst in the Regulatory Investigative Support Section, leaving 20 authorized positions to fill.

In regard to the Board's budget, Mr. Kalm reported that as of April 30, 2011, total expenditures were \$7,075,708, which left an unexpended balance of \$18,626,392 in appropriated funding for fiscal year 2011, this included the Horse Racing Budget which was transferred to Gaming and funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm reported that the year end report for the Gaming Control Board was forwarded to the Governor's office and other appropriate parties in the state legislature, with copies to Board members.

Mr. Kalm next stated that he would report revenues for March and April separately. For the month of March 2011, the aggregate revenue and taxes for all three Detroit casinos were up 4.4 percent compared to the same month last year. Revenues were also up by 16 percent compared to the previous month, February 2011. Revenues for MGM Grand Detroit (MGM) and MotorCity were up by 3.7 percent to \$54.5 million and 9.7 percent to \$45.2 million respectively compared to the same month last year. Revenue for Greektown was down by 1.1 percent to 33.1 million. The market shares for MGM Grand Detroit, MotorCity and Greektown for the month of March 2011 were 41 percent, 34 percent and 25 percent, respectively.

For the month ending March 31, 2011, gaming taxes for the three Detroit casinos were \$10.8 million compared to \$8.6 million for the same period last year. It was also noted this was mainly due to the tax rollback credit applied for Greektown Casino.

For the month of April 2011 the aggregate revenue and taxes for all three Detroit casinos were up 5.4 percent compared to the same month last year. However, revenues were down by 5.6 percent compared to the previous month, March 2011. Revenues for MGM Grand Detroit (MGM) and MotorCity were up by 5.2 percent to \$52.2 million and 11.2 percent to \$41.5 million respectively compared to the same month last year. Revenue for Greektown was down by 1.0 percent to 31.7 million. The market shares for MGM Grand Detroit, MotorCity and Greektown for the month of April 2011 were 42 percent, 33 percent and 25 percent, respectively.

For the month ending April 30, 2011, gaming taxes for the three Detroit casinos were \$10.2 million compared to \$7.0 million for the same period last year. It was also noted this was mainly due to the tax rollback credit applied for Greektown Casino.

Mr. Kalm further reported for the three months ending April 30, 2011, the aggregate revenue and taxes for all three Detroit casinos were up by 3.2 percent compared to the same three month period last year. Revenues for the three months ending April 30, 2011, for MGM and MotorCity were up by 1.8 percent and 8.9 percent, respectively, whereas Greektown was down by 1.6 percent compared to the same three month period last year.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board that as of April 30, 2011, 1,153 active vendor exemptions were registered and 337 casino supplier companies had been granted exemptions from supplier licensing requirements. As of April 30, 2011, there were a total of 13 active temporary non-gaming licenses and 6 active temporary gaming licenses in effect. In addition, there were 109 full annual supplier licenses granted to date remaining in effect.

In regard to employee licensing, Mr. Kalm advised the Board that as of April 30, 2011, the Board's Employee Licensing Section had issued a total of 2,332 occupational licenses to MGM Grand Detroit Casino employees; 1,775 occupational licenses to MotorCity Casino employees; and 1,754 occupational licenses to Greektown Casino employees. In addition, for the month of April 2011, 1,188 employees of various licensed casino suppliers had been granted occupational licenses. To date, the Board has authorized the issuance of 18,192 occupational licenses to casino and supplier license employees; renewed 21,277 occupational licenses; and denied 393 occupational license applications.

Mr. Kalm advised the Board that for the months of March and April 2011, the required background investigations for 58 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 had previously approved 511 renewal requests on behalf of the Board.

Next, Mr. Kalm reported on the MSP Board related activity. Since April 17, 2011 D/F/Lt. Vicki Johnson was reassigned and was replaced by D/F/Lt. Mary Kapp, and D/Sgt. Allan Reed and D/Sgt. Robin Coppens retired effectively March 31<sup>st</sup> and April 29<sup>th</sup>, respectively, leaving 3 D/Sgt. positions vacant. During the months of March and April, the MSP Gaming Section investigated 162 criminal complaints and made 51 arrests. Mr. Kalm also noted 31 of the complaints investigated and 27 of the arrests were made of disassociated persons.

Next Mr. Kalm stated that he would like to report on some of MSP's enforcement activity. He reported that on March 22, 2011, after a five month investigation into illegal gambling, the MSP Gaming Section and other various law enforcement agencies seized 18 video slot machines, \$1,000 cash, and \$1,000 in illegal pull tabs.

Mr. Kalm also reported that MCC surveillance notified the MSP Gaming Section regarding money laundering at one of its crap tables. MSP Gaming Section staff stopped and arrested 2 suspects and the case is now in the hands of the Attorney General.

Mr. Kalm next presented professional excellence awards to D/Spl. Al Cox and D/Lt. Pamela Benzing.

Next, the Board considered for approval the recommendations of the Executive Director and the Licensing Division's staff regarding the 58 Level 1 and 2 occupational license applications.

It was moved by Judge Friedman and seconded by Mr. Anthony that the Board enter an order accepting and adopting the recommendations of the Executive Director and the

Licensing Division's staff for the pending 58 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 transfers of interest for Casino Credit Services, LLC, First Tech Direct, LLC, House Advantage, Inc., New Parthenon Restaurant, Inc., and Tom Maceri & Sons, Inc.

It was moved by Mr. Plakas and seconded by Judge Friedman that the Board enter orders approving the transfers of interest in Casino Credit Services, LLC, First Tech Direct, LLC, House Advantage, Inc., New Parthenon Restaurant, Inc., and Tom Maceri & Sons, Inc. A voice vote was taken.

Motion carried.

The Board next considered the Executive Director's Reports and Licensing Division's staff recommendations regarding the pending supplier license applications of Honey Baked Ham Company, and the Technicom Group, Inc.

There being no questions from Board members, it was moved by Mr. Anthony and seconded by Judge Friedman that the Board enter orders finding and concluding that Honey Baked Ham Company and The Technicom Group, Inc. 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 based upon the background investigation reports and recommendations of the Board's Licensing Division staff. A voice vote was taken.

Motion approved.

Next the Board considered the Executive Director's Reports and Licensing Division's staff recommendations regarding the pending supplier license renewal applications of Advertising Specialties, LLC, Bally Gaming, Inc., C.L. Rieckhoff Company, Inc., Don Coleman Advertising, First Tech Direct, LLC, FL Management, LLC, Gemaco, Inc., KBD, Inc., Lakes Game Development, LLC, MIG East, LLC, NRT Technology Corporation, and WPDET Associates, Inc.

There being no questions from Board members, it was moved by Judge Friedman and seconded by Mr. Anthony that the Board enter orders finding and concluding that Advertising Specialties, LLC, Bally Gaming, Inc., C.L. Rieckhoff Company, Inc., Don Coleman Advertising, First Tech Direct, LLC, FL Management, LLC, Gemaco, Inc., KBD, Inc., Lakes Game Development, LLC, MIG East, LLC, NRT Technology Corporation, and WPDET Associates, Inc. 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 May 10, 2011. A voice vote was taken.

Motion carried.

Next the Board considered the pending request of SMS Staffing Solutions, Inc. for a leave from the Board to waive the one year waiting period for re-application of its supplier license application.

There being no questions from Board members, it was moved by Mr. Plakas and seconded by Judge Friedman that the Board enter an order granting the request of SMS Staffing Solutions, Inc. for leave of the Board to waive the one year waiting period for re-application of their supplier license application based upon the Board's report and recommendation. A voice vote was taken.

Motion carried.

Ms. Rom stated the next item on the agenda was the suitability of MGM Grand Detroit, LLC key person, Mr. Burton Mayer Cohen.

There being no questions from Board members, it was moved by Mr. Anthony and seconded by Judge Friedman that the Board enter an order finding and concluding that Mr. Burton Mayer Cohen is suitable for licensure under the licensing standards and requirements of the Act and Rules of the Board. And accordingly, grant this request. A voice vote was taken.

Motion carried.

Next, Ms. Rom asked if there were any members of the public who wished to address the Board. There were none.

Ms. Rom then stated 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 Disassociated Persons List since the Board's last public meeting as required by the Act.

Therefore, it was moved by Judge Friedman and seconded by Mr. Anthony 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 March 29, 2011. A roll call vote was taken.

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

Motion Carried.

After the closed session the public meeting was reconvened and there being no other business, Ms. Rom adjourned the meeting at 10:43 a.m.

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Diane Brown, Board Secretary