

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, February 14, 2012
9:30 a.m.

AMENDED MINUTES

On Tuesday, February 14, 2012, 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:

Mr. Robert Anthony, Chairperson
Mr. Michael Watza
Mr. Andrew Palms

Board members not in attendance:

Judge Benjamin Friedman (appointed – not yet serving)
Mr. Patrick McQueen (appointed – not yet serving)

Also attending were:

Richard Kalm
Darryl Hill
Donald McGehee
Diane Brown

Business:

Mr. Anthony called the public meeting to order at 9:41 a.m. There was no preliminary business to discuss.

Mr. Anthony stated the first order of business was to approve the minutes from the December 13, 2011, regular public meeting. Mr. Anthony noted all Board members had previously received the minutes and asked if there were any questions or concerns.

Mr. Watza moved and Mr. Palms seconded the minutes of the December 13, 2011, meeting be approved. A voice vote was taken.

Motion carried.

Mr. Kalm reported since the last Board meeting Natalie Dirasion resigned her position in the Records section. There are currently 104 employees working and 16 vacant positions.

In regard to the Board's budget, Mr. Kalm reported as of January 31, 2012, total expenditures were \$5,412,727.03, which left an unexpended balance of \$20,897,072.97 in appropriated funding for fiscal year 2012; 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 next reported aggregate revenue for the year ending January 2012, was up by 3.4 percent to \$1.4 billion compared to 2011. The total revenue contributed to slots and table games was \$1.2 billion and \$224 million, respectively. The market shares for MGM, MotorCity, and Greektown for the 2011 were 42 percent, 33 percent, and 25 percent, respectively.

For the year ending December 2011, gaming taxes for the three Detroit casinos were \$115.4 million compared to \$99.3 million for 2010.

For the month ending January 31, 2012, aggregate revenue for all three casinos was down by 0.8 percent compared to the same month last year. Revenue was also down by 7.7 percent when compared to December 2011. Revenue for MGM and MotorCity was down by 1.7 percent to \$47.9 million and 5.1 percent to \$36.7 million, respectively, whereas Greektown was up by 7.0 percent to \$29.6 million compared to January of 2011, Market shares for MGM, MotorCity, and Greektown for January 2012 were 42 percent, 32 percent, and 26 percent, respectively. Revenue for the Auto Show period in January 2012 was down by 1.6 percent and 8.4 percent for MGM and MotorCity, respectively, whereas Greektown was up by 8.3 percent when compared to Auto Show week last year.

For the month ending January 2012, gaming taxes for the three Detroit casinos were \$9.2 million compared to \$9.3 million for the same period last year.

Aggregate revenue for all three Detroit casinos for the three months ending January 31, 2012, was up by 4.2% compared to the same period last year. Gaming revenue for MGM, MotorCity, and Greektown for the three months ending January 2012 was \$149.2 million, \$114.8 million, and \$89.0 million, respectively.

Revenue for the three months ending January 2012, for MGM, MotorCity, and Greektown was up by 2.5%, 0.5%, and 12.5%, respectively, compared to the same period last year.

For the three months ending January 2012, gaming taxes for the three Detroit casinos were \$28.6 million compared to \$27.5 million for the same period last year.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of January 31, 2012; 1,103 active vendor exemptions were registered and 371 casino supplier companies have been granted exemptions from supplier licensing requirements.

As of January 31, 2012, there were a total of 15 active temporary non-gaming licenses and four active temporary gaming licenses in effect. In addition, there were 111 annual supplier licenses granted to date and in effect.

In regard to employee licensing, Mr. Kalm advised the Board as of January 31, 2012, the Board's Employee Licensing Section issued a total of 2,238 occupational licenses to MGM employees; 1,833 occupational licenses to MotorCity employees; and 1,681 occupational licenses to Greektown employees. In addition, for the month of January 2012 1,390 employees of various licensed casino suppliers have been granted occupational licenses. Mr. Kalm went on to state the number of temporary licenses for casino and supplier employees is currently 30.

Mr. Kalm advised the Board for the months of December 2011 and January 2012, the required background investigations for 91 pending Level 1 and 2 licenses had been completed and would be considered for approval by the Board at this meeting and pursuant to Board Resolution No. 2002-02. He previously approved 352 renewal requests and 75 Level 3 requests on behalf of the Board.

Mr. Kalm reported on MSP Board related activity. Two D/Sgt. positions and five D/Spl. positions remain vacant. The MSP Gaming Section recently committed two D/Spl. Troopers (designated as "Special Investigations") to work directly with MGCB officers on a task force to address current criminal trends or violations of the Gaming Act.

Significant MSP activity included the investigation of 77 original complaints and 13 arrests. Mr. Kalm also noted four additional arrests were made from warrants authorized from a previous incident by MSP. There were 17 total arrest counts (charges). Mr. Kalm stated 15 of the complaints investigated and 12 of the arrests were made of disassociated persons.

Next, the Board considered for approval the recommendations of the Executive Director and the Licensing Division's staff regarding the 91 Level 1 and 2 occupational license applications.

It was moved by Mr. Watza and seconded by Mr. Palms that the Board enter an order accepting and adopting the recommendations of the Executive Director and the Licensing Division's staff for the pending 91 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

Next, the Board considered the Executive Director's Report and Licensing Division's staff recommendation regarding the pending supplier license application of Rhiannon Creations d/b/a Body Bliss.

There being no questions from Board members, it was moved by Mr. Palms and seconded by Mr. Watza that the Board enter an order finding and concluding Rhiannon Creations and its qualifiers are eligible and suitable for licensure under the licensing

standards and requirements of the Act and Rules of the Board, and accordingly, grant its supplier license application. A voice vote was taken.

Motion carried.

Mr. Anthony stated the next item on the agenda was the pending supplier license renewals of Advertising Specialties, LLC; Chef Source, Inc.; C.L. Rieckhoff Company, Inc.; Renaissance Man Food Services, LLC; Paltronics, Inc.; TCS John Huxley America, Inc.; The End Zone Chicken & Ribs, LLC; and Voice Data Systems, LLC.

There being no questions from Board members, it was moved by Mr. Watza and seconded by Mr. Palms that the Board enter orders finding and concluding Advertising Specialties, LLC; Chef Source, Inc.; C.L. Rieckhoff Company, Inc.; Renaissance Man Food Services, LLC; Paltronics, Inc.; TCS John Huxley America, Inc.; The End Zone Chicken & Ribs, LLC; and Voice Data Systems, 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 February 14, 2012. A voice vote was taken.

Motion carried.

The next item on the agenda was consideration of the Licensing Division's recommendation regarding the suitability of Mr. Eric Berg to be suitable as a required key person of IGT.

There being no questions from Board members it was moved by Mr. Palms and seconded by Mr. Watza that the board enter an order approving the suitability of Eric Alton Berg as a required key person of IGT. A voice vote was taken.

Motion carried.

Next, Mr. Anthony asked if there were any members of the public who wished to address the Board. There being none, Mr. Anthony 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 on December 13, 2011, as required by the Act.

Mr. Anthony also stated the Board's next regular public meeting was scheduled for March 13, 2012, at 9:30 a.m.

Therefore, it was moved by Mr. Watza and seconded by Mr. Palms the Board consider a motion to go into closed session immediately following the first portion of the 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 14, 2011. A roll call vote was taken.

Mr. Anthony	Aye
Mr. Palms	Aye
Mr. Watza	Aye

Motion carried.

After the closed session the public meeting was reconvened and there being no other business, Mr. Anthony adjourned the meeting at 10:32 a.m.

Diane Brown, Board Secretary