

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Monday, September 10, 2012
9:30 a.m.

MINUTES

On Monday September 10, 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. Andy Palms
Judge Benjamin Friedman
Mr. Pat McQueen
Mr. Mike Watza

Also attending were:

Richard Kalm, Executive Director
Darryl Hill, MSP Inspector
Donald McGehee, Assistant Attorney General
Diane Brown, Board Secretary

Business:

Mr. Anthony called the public meeting to order at 9:38 a.m. There was no preliminary business for discussion.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's regular public meeting held August 14, 2012. Mr. Anthony noted all Board members had previously received copies of the minutes and asked if there were any questions or concerns.

There being no questions, concerns, or changes Judge Friedman moved and Mr. McQueen seconded the minutes of the August 10, 2012, meeting be approved. A voice vote was taken.

Motion carried.

Mr. Kalm reported since the last Board meeting there have been no staffing changes. There are currently 104 employees working and 17 vacant positions.

In regard to the Board's budget, Mr. Kalm reported as of August 31, 2012, total expenditures were \$20,314,829.22, which left an unexpended balance of \$6,868,770.78 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 month ended August 31, 2012, was down 1.6% compared to August 2011. Revenue was up 4.4% compared to July 2012. The total revenue for MGM, MotorCity, and Greektown was 0.4% to \$49.8 million, 0.2% to \$38.1 million, and 5.8% to \$29.1 million, respectively, when compared to August 2011.

The market shares for MGM, MotorCity, and Greektown for August 2012 were 42%, 33%, and 25%, respectively.

For the month ended August 31, 2012, gaming taxes for the three Detroit casinos were \$9.5 million compared to \$9.3 million for the same period last year.

Aggregate revenue for all three Detroit casinos for the three months ended August 31, 2012, was down 2.3% compared to the same period last year. Gaming revenue for MGM, MotorCity, and Greektown for the three months ended August 2012 was \$145.9 million, \$110 million, and \$84.5 million, respectively.

Revenue for the three months ended August 2012 for MGM, MotorCity, and Greektown was down 1.5%, 4.3%, and 1.1% respectively, compared to the same period last year.

For the three months ended August 2012 gaming taxes for the three Detroit casinos were \$27.6 million compared to \$28.2 million for the same period last year.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of August 31, 2012, 1,044 active vendor exemptions were registered and 391 casino supplier companies have been granted exemptions from supplier licensing requirements. As of August 31, 2012, there were a total of 21 active temporary non-gaming licenses and four active temporary gaming licenses in effect. In addition, there were 116 annual supplier licenses granted to date and in effect.

In regard to employee licensing, Mr. Kalm advised the Board as of August 31, 2012, the Board's Employee Licensing Section issued a total of 2,176 occupational licenses to MGM employees; 1,811 occupational licenses to MotorCity employees; and 1,507 occupational licenses to Greektown employees. In addition, through the month of August 2012, 1,441 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 51.

Mr. Kalm advised the Board for the month of August 2012, the required background investigations for 37 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 217 renewal requests and 24 Level 3 requests on behalf of the Board.

Mr. Kalm reported on Michigan State Police (MSP) Board related activity. 10 trooper positions remain vacant.

Significant MSP activity included the investigation of 55 original complaints and 10 arrests. Mr. Kalm also noted four additional arrests were made from warrants authorized from previous investigations.

Mr. Anthony asked Mr. Kalm if there has been an identifiable effect of the Toledo casinos on the Detroit casinos. Mr. Kalm stated since Toledo has only been open for a few months; it was too soon to tell.

Next, the Board considered for approval the recommendations of the Executive Director and the Licensing Division's staff regarding the 37 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. McQueen and seconded by Mr. Watza that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing Division's staff for the pending 37 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 Transfers of Interest for The Mina Group and J.J.S.V. Enterprises, Inc. d/b/a Pizza Papalis.

There being no questions from Board members, it was moved by Mr. Watza and seconded by Mr. Palms that the Board enter Orders approving the Transfers of Interest. 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 applications of The Aaron Group, Inc.; Custom Architectural Sheet Metal Specialists, Inc.; Great Lakes Mechanical Corp.; J.C. Beal Constructions, Inc.; and Rain Marketing, Inc.

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 The Aaron Group, Inc.; Custom Architectural Sheet Metal Specialists, Inc.; Great Lakes Mechanical Corp.; J.C. Beal Constructions, Inc.; and Rain Marketing, Inc. are eligible and suitable for licensure under the licensing standards and requirements of the Act and Rules of the Board, and accordingly, grant their supplier license applications. A voice vote was taken.

Motion carried.

The next item on the agenda was the pending supplier license renewals of 1st Choice Distributors, LLC; Ainsworth Technology Limited; LaBelle Electric Services, Inc.; Oceanus, LLC d/b/a Mosaic Restaurant; Service Central, Inc.; and Wiltec Technologies, Inc.

There being no questions from Board members, it was moved by Mr. Palms and seconded by Judge Friedman that the Board enter Orders finding and concluding these suppliers 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 the requests for a new one-year period. 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 Andrew John Watson; Junaid Muhammad a/k/a Junaid Rahimullah; Hamad Mubarak Mohd Buamim; and Chacona Nicole Johnson as required Key persons of casino licensee MGM Grand Detroit, LLC. There being no questions from Board members, it was moved by Mr. McQueen and seconded by Mr. Palms that the Board approve the suitability of the above individuals as required Key persons of MGM Grand Detroit. 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 would 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 August 14, 2012, last public meeting, as required by the Act.

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

Therefore, it was moved by Judge Friedman and seconded by Mr. Watza 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 beginning of 2012. A roll call vote was taken.

Mr. Anthony	Aye
Mr. Palms	Aye
Judge Friedman	Aye
Mr. McQueen	Aye
Mr. Watza	Aye

Motion carried.

After the closed session, the public meeting was reconvened and Mr. Anthony asked for a motion to approve the closed session minutes from the Board's last closed session meeting held August 14, 2012. The motion was made by Judge Friedman and supported by Mr. McQueen. A voice vote was taken.

Motion carried.

There being no other business, Mr. Anthony asked for a motion to adjourn the public meeting. A motion was made by Judge Friedman and supported by Mr. Watzka. A voice vote was taken.

Motion carried.

Meeting adjourned at 10:27 a.m.

Diane Brown, Board Secretary