

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Wednesday, December 11, 2013
9:30 a.m.

MINUTES

On Wednesday, December 11, 2013, 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. Patrick McQueen
Mr. Andrew Palms
Mr. Dennis Beagen
Mr. Michael Watza

Also attending was:

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

Absent: None

Business:

Mr. Anthony called the public meeting to order at 9:33 a.m. It was noted for the record, all members were present. There was no preliminary business for discussion.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's last public meeting held November 5, 2013. Mr. Anthony noted all Board members had previously received copies of the minutes and asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Mr. Watza which was supported by Mr. McQueen that the Board accept and approve the minutes of the November 5, 2013, public meeting. A voice vote was taken.

Motion carried.

Mr. Kalm reported since the last Board meeting Steve Girodat, Lauren Dennis, and John Sullivan were hired as financial analysts in the Enterprise Licensing section and Catherine Retko was hired as a secretary for the Criminal Investigation section. There are currently 122 employees working and 19 vacant positions. The full Board roster includes the millionaire party enforcement and regulation group.

In regard to the Board's budget, Mr. Kalm reported as of November 30, 2013, total expenditures were \$2,112,658 which leaves an unexpended balance of \$24,356,642 in appropriated funding for fiscal year 2014; this includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm next reported aggregate revenue for the month ending November 30, 2013, was down .9% compared to November 2012. Revenue was up 5.2% compared to October 2013. Year-to-date through November 30, 2013, aggregate revenue was down for the three Detroit casinos 4.3% compared to the same period last year.

Revenue for MotorCity was up 2.8% to \$39.5 million, whereas MGM and Greektown were down 2.9% to \$46.4 million and 2.6% to \$25.9 million, respectively, when compared with November 2012.

The market shares for MGM, MotorCity, and Greektown for November 2013 were 42%, 35%, and 23%, respectively.

For the month ending November 30, 2013, gaming taxes for the three Detroit casinos were \$9.1 million compared to \$9.14 million for the same period in 2012.

For the three-month period ending November 30, 2013, aggregate revenue was down 4.0% compared to the same period last year. Gaming revenue for MGM, MotorCity, and Greektown for the three months ending November 30, 2013, was \$138 million, \$110.3 million, and \$76.2 million, respectively.

Revenue for the three months ending November 30, 2013, for MGM and Greektown was down 5.4% and 7.0%, respectively, whereas MotorCity was up .3% when compared to the same period last year. Gaming taxes for the three Detroit casinos for the three months ending November 30, 2013, were \$26.3 million compared to \$27.4 million for the same period last year.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of November 30, 2013, 1,161 active vendor exemptions were registered. Vendors with exemptions are authorized to conduct business with the three Detroit casinos without having to go through the full licensure requirement. As of November 30, 2013, 403 casino supplier companies were granted exemptions from supplier licensing requirements. As of November 30, 2013, there were a total of nine active temporary nongaming-related and two active temporary gaming-related supplier licenses in effect. In addition there are 122 annual supplier licenses in effect.

In regard to employee licensing, Mr. Kalm advised the Board as of November 30, 2013, the Board's Employee Licensing section issued a total of 2,138 occupational licenses to MGM employees; 1,741 occupational licenses to MotorCity employees; and 1,499 occupational

licenses to Greektown employees. In addition, through the month of November 2013, 1,597 employees of various licensed casino suppliers have been granted occupational licenses. Mr. Kalm advised the Board for the month of November 2013 the required background investigations for 149 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, Mr. Kalm stated he previously approved 179 renewal requests and 43 Level 3 requests on behalf of the Board.

Mr. Kalm reported on Michigan State Police (MSP) Board-related activity. Since the last public meeting there have been no staffing changes. One detective lieutenant position, two detective sergeant positions, and eight detective specialist positions remain vacant.

Mr. Kalm informed the Board of several noted MSP activities for the month of November, which were not available in the public forum but for board information only. During the month of November, the MSP gaming section made 17 arrests.

Next, the Board considered for approval the recommendations of the Executive Director and the Licensing & Regulation Division's staff regarding the 149 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. Beagen and supported by Mr. Watza that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Regulation Division's staff for the pending 149 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

The next agenda item was consideration of the pending supplier license application of Just for Fun, Inc. d/b/a JFF Uniforms.

There being no questions from Board members a motion was made by Mr. Palms and supported by Mr. Watza that the Board enter an Order finding and concluding Just for Fun, Inc. d/b/a JFF Uniforms is eligible and suitable for licensure and accordingly, grant the request.

Next agenda item was consideration of the pending supplier license renewal applications of Cummins-Allison Corp., HoneyBaked Ham Company, and J.C. Beal Construction, Inc.

There being no questions from Board members a motion was made by Mr. Watza and supported by Mr. Beagen that the Board enter Orders finding and concluding the above-listed suppliers and their qualifiers are eligible and suitable for licensure and, accordingly, grant the requests for a new one-year period. A voice vote was taken.

Motion carried.

Next on the agenda item was the consideration of the suitability of Mark Lawrence Dunkeson as a new key person for Greektown Casino. There being no questions from Board members it was moved by Mr. McQueen and supported by Mr. Beagen that the Board enter an Order finding and concluding Mr. Dunkeson is suitable as a new key person of Greektown Casino. A voice vote was taken.

Motion carried.

Next was the consideration of the suitability of Gregory Mark Spierkel as a new key person for MGM Grand Detroit, LLC. There being no questions from Board members it was moved by Mr. Beagen and supported by Mr. Watza that the Board enter an Order finding and concluding Mr. Spierkel is suitable as a new key person of MGM Grand Detroit. A voice vote was taken.

Motion carried.

The next agenda item was the consideration for approval of the Transfers of Interest for Cummins-Allison Corp. and TCS John Huxley America, Inc. There being no questions from Board members, a motion was made by Mr. Palms and supported by Mr. Watza that the Board approve the Transfers. A voice vote was taken.

Motion carried.

The next item on the agenda was consideration of the Executive Director's reports and the Licensing & Regulation recommendations regarding Greektown Casino, LLC's requests to make a distribution to purchase shares from minority shareholders. Additionally to amend the Certificate of Incorporation of Greektown Superholdings, Inc.; approve transfers of interest to new key person Greektown Mothership, LLC; amend certain debt transaction documents; and approve the suitability of new key persons Greektown Mothership, LLC and Greektown Mothership Corporation.

Mr. Matt Cullen, President/CEO of Rock Gaming and Vice-Chair of Greektown Superholdings, approached the podium to give an overview on the refinancing of Greektown Casino, LLC. Greektown is targeting the end of 2013 to complete the buyout of the remaining 2% of the minority shareholders which equates to roughly \$5.8 million. This will happen by means of a reverse stock split which will be key in refinancing and taking the company private. Athens will be acquiring the remaining 2% which will result in no impact on the financial capacity of the casino. This obligation was taken on under the investor rights agreement when the shares were bought and will be paid for at \$90 per share which is consistent with what the other shares were bought at.

In regard to the restructuring from a C Corp. to an LLC, financing amendments with Comerica were necessary. Mr. Cullen reported they hope to accomplish this prior to year end pending Athens obtaining the remaining 2% of the shares. This will allow them to move forward with refinancing in the first quarter of 2014. Due to the market and a prepayment that went down significantly in January, a strategic decision was made to wait until the first quarter of 2014.

Mr. Cullen next reported that financing proposals from seven different banks have been solicited. They expect the financing package will include bank and bond in some balance. Mr. Cullen stated he anticipates coming before the Board at the February meeting for financing approval which will then allow them to take the company private.

Mr. Anthony inquired if any Board Members had questions. Mr. McQueen asked if there were any obstacles to making this happen by the end of the year.

Mr. Cullen responded no.

Mr. Anthony asked if there was an indication, in their discussions with the banks that the market is neutral if not favorable to the kind of financing being proposed.

Mr. Cullen responded that the financial institutions do not forecast ahead, but have been very receptive and are very excited about the plan and the leadership they are putting into place.

There being no further questions from Board members, a motion was made by Mr. Watza and supported by Mr. Beagen that Greektown Superholdings, Inc. make a distribution and amend its Certificate of Incorporation; to approve the applications to transfer interests in Greektown Holdings from Greektown Newco Sub, Inc., to Greektown Superholdings, and from Athens Acquisition LLC, to Greektown Mothership, LLC, further defined Greektown Mothership, LLC, and Greektown Mothership Corp., eligible, qualified, and suitable under the casino licensing standards of the Act and Rules, and finally, grant the request to amend the debt transaction documents. A voice vote was taken.

Motion carried.

There were no requests for public comment.

Mr. Anthony then announced the Board would entertain a motion to go into closed session. A motion was made by Mr. Watza and supported by Mr. Palms. A roll call vote was taken.

Motion carried.

Mr. Anthony then stated the Board's next regular public meeting is scheduled for Tuesday, February 11, 2014, at 9:30 a.m.

After the closed session Mr. Anthony asked for a motion to approve the closed session minutes from the November 5, 2013, meeting. Mr. Watza made a motion which Mr. Beagen supported. A voice vote was taken.

Motion carried.

Mr. Anthony then asked for a motion to adjourn the public meeting. It was moved by Mr. Palms and supported by Mr. McQueen to adjourn the meeting. A voice vote was taken.

Motion carried.

Meeting adjourned at 10:32 a.m.

Diane Brown, Board Secretary