

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, March 22, 2016  
9:30 a.m.

**MINUTES**

On Tuesday, January 12, 2016, the Michigan Gaming Control Board held a public meeting at the Board's 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. Michael Watza  
Ms. Carla Walker-Miller

Also attending was:

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

**Business:**

Mr. Anthony called the public meeting to order at 9:48 a.m. All Board 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 regular public meeting held November 10, 2015. Mr. Anthony noted Board members 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. Palms, for the Board to accept and approve the minutes of the November 10, 2015, regular public meeting. A voice vote was taken.

Motion carried.

Mr. Kalm presented his report to the Board stating Carla Schulte was promoted to Principal Enforcement Manager in the Casino Audit & Enforcement Division. Since the November 10, 2015 meeting, three employees left the agency. MGCB has 134 full-time employees.

In regard to the Board's budget, as of December 31, 2015, total expenditures were \$4,486,862 leaving an unexpended balance of \$23,170,738 in appropriated funding for fiscal year 2016 which includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm next reported for the month ending December 31, 2015, aggregate revenue for the three Detroit casinos was up 6.2 % when compared to the same month last year. Revenue was up 15.4% when compared to November 2015. Year-to-date gaming revenue for the three Detroit casinos was up 3.3% percent compared to the same period last year.

Revenue for MGM was up 11.4% to \$55.8 million, MotorCity revenue was up 3.6% to \$41.4 million, and Greektown revenue was up .6% to \$28.6 million when compared to December 2014.

For the year ending December 31, 2015, gaming taxes for the three Detroit casinos were \$111.5 million compared to \$108.0 million for 2014.

Aggregate revenue for the three Detroit casinos for the year ended December 31, 2015, was up 3.3% to \$1.38 billion compared to the same period last year. The total revenue consisted from slots of \$1.14 billion (83%) and table games of \$237 million (17%). Revenue for MGM was up 3.7% to \$582 million, MotorCity was up 4.4% to \$464.5 million, and Greektown was up 1.0% to \$329.9 million when compared to the year-end 2014.

For the year ended December 31, 2015, gaming taxes for the three Detroit casinos were \$111.5 million compared to \$108.0 million for the year 2014. The market shares for MGM, MotorCity, and Greektown for the year 2015 were 42%, 34%, and 24%, respectively.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of December 31, 2015, 758 active vendor exemptions were registered. As of December 31, 2015, 363 casino supplier companies were granted exemption from supplier licensing requirements. As of December 31, 2015, there were a total of eight active temporary nongaming-related and nine active temporary gaming-related supplier licenses in effect. In addition, there are 103 annual supplier licenses in effect. Mr. Kalm noted that the amount of exemptions has increased while the number of supplier licenses has decreased with the implementation of Resolution 2015-01 on February 1, 2015.

In regard to occupational licensing, Mr. Kalm advised the Board as of December 31, 2015, the Board's Employee Licensing section issued a total of 2,215 occupational licenses to MGM employees; 1,752 occupational licenses to MotorCity employees; and 1,517 occupational licenses to Greektown employees. In addition, through the month of December 2015, 1,672 employees of various licensed casino suppliers have been granted occupational licenses. There are currently 35 temporary occupational licenses.

Mr. Kalm advised the Board since the November meeting, the required background investigations for 90 pending Level 1 and 2 occupational licenses have been completed. Pursuant to Board Resolution No. 2002-02, Mr. Kalm previously approved 493 renewal requests and 95 Level 3 requests on behalf of the Board.

Mr. Kalm reported Michigan State Police (MSP) Board-related activity. It was noted MSP has several vacancies.

Concluding his report, Mr. Kalm informed the Board of several noted MSP activities for the months of November and December which were not available in the public forum but for Board information only.

Next, the Board considered for approval the recommendation of the Executive Director and the Licensing & Investigations Division's staff regarding the 90 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Ms. Walker-Miller and supported by Mr. Palms that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Investigations Division for the pending 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 applications of Caniff Electric Supply Company, Inc.; Gasser Chair Company, Inc.; and MRP Supply, Inc.

There were no questions from Board members. A motion was made by Mr. Palms and supported by Mr. McQueen that the Board enter the Orders finding and concluding the applicants are eligible and suitable for licensure and, accordingly, grant the requests. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the pending supplier license renewal applications of Allied-Eagle Supply Company, LLC d/b/a Allied Office Specialists; American Gaming & Electronics, Inc. with new key persons Renee Marie Zimmerman and Michael Robert Levin; Arrow Motor & Pump, Inc.; China Town Market, Inc. d/b/a Dai Lai Grocery; Data Financial, Incorporated; General Linen Supply Company d/b/a General Linen and Uniform Service; Guideline Mechanical, Inc.; Motor City Electric Company; NRT Technology Corp.; Perfect Cleaners of Detroit, Inc.; PCT Security, LLC; RAM Construction Services of Michigan, Inc.; Wing Construction, Inc.; and Wolverine Mailing, Packaging, Warehouse, Inc. d/b/a Wolverine Solutions Group with new key person Darryl Patrick English.

There being no questions from Board members, Mr. McQueen put forth a motion which was supported by Mr. Palms that the Board enter Orders finding the above-listed suppliers and their qualifiers eligible and suitable for license renewal and, accordingly, grant the requests for a one-year period. Mr. Watza recused himself from voting on Motor City Electric Company. A voice vote was taken.

Motion carried.

Next was the consideration of the suitability of Maureen Ann Sweeny as a new Key person of supplier licensee Aristocrat Technologies, Inc.

There were no questions from Board members; therefore, it was moved by Mr. Watza and supported by Ms. Walker-Miller that the Board enter an Order finding and concluding Maureen Ann Sweeny is qualified as a new Key person of supplier licensee Aristocrat Technologies, Inc. A voice vote was taken.

Motion carried.

The next agenda item was the consideration of the suitability of Gabrielle Kirk McDonald and Derik Jon Moobery as new Key persons of supplier licensee Bally Gaming, Inc. d/b/a Bally Technologies.

There were no questions; therefore; a motion was put forth by Ms. Walker-Miller and supported by Mr. Watza that the Board enter the order finding and concluding Gabrielle Kirk McDonald and Derik Jon Moobery are suitable for licensure as a new Keys person of Bally Gaming, Inc. d/b/a Bally Technologies. A voice vote was taken.

Motion carried.

The next agenda item was the consideration of the suitability of Yashuhiko Yoshimura, Tsuyoshi Takagaki, Koji Yoshikawa, and Brian Andrew Smith as new Key persons of supplier licensee JCM American Corporation d/b/a JCM Global.

There were no questions by Board members; therefore, a motion was put forth by Mr. Palms and supported by Mr. Watza that the Board enter the order finding and concluding Yashuhiko Yoshimura, Tsuyoshi Takagaki, Koji Yoshikawa, and Brian Andrew Smith are suitable for licensure as new Key persons of JCM American Corporation d/b/a JCM Global. A voice vote was taken.

Motion carried.

The next agenda item was the consideration of the suitability of Peter Adam Hochfelder as a new Key person of supplier licensee The United States Playing Card Company.

There were no questions by Board members; therefore, a motion was put forth by Mr. Watza and supported by Ms. Walker-Miller that the Board enter the order finding and concluding Peter Adam Hochfelder is suitable for licensure as a new Key person of The United States Playing Card Company. A voice vote was taken.

Motion carried.

The next agenda item was the request for proposed transfer of interest pending Board approval for Data Strategy LLC. There was no discussion or questions regarding the requests therefore a motion was made by Mr. McQueen and supported by Ms. Walker-Miller to approve the request. A voice vote were taken.

Motion carried.

The final business item of the agenda was consideration of the Acknowledgement of Violations of supplier licensee Aristocrat Technologies, Incorporated.

Mr. Nafso, Assistant Attorney General, explained the violation was for distribution of software to MotorCity Casino which was not approved by the Board. MotorCity caught the issue upon delivery and the software was never on the gaming floor. MGCB and Aristocrat agreed to a \$15,000 fine. Mr. Waddell spoke to the Board on behalf of Aristocrat and explain new procedures being implemented by Aristocrat to attempt to avoid the same issues from happening again. There were no questions from Board members. Ms. Walker-Miller put forth the motion to accept the violation which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

In other business, there was a follow-up report on two previously suspended occupational licensees who were waiting for a final disposition from the court regarding accusations of falsely collecting under-employment benefits. Mr. Nafso explained their licenses have expired therefore, no further action was necessary on the part of the Board.

Mr. Anthony asked Mr. Kalm to prepare a report for the Board regarding daily fantasy sports such as the legality, how it's taxed, impact on casinos and so forth. Mr. Kalm stated his staff would put something together and have it for the Board if not at the March meeting, then the following meeting.

There were no public comments.

Mr. Anthony announced the next public meeting would be held on Tuesday, March 8, 2016 at 9:30 a.m.

A motion was made by Mr. McQueen which was supported by Mr. Watzka for the Board to go into closed session. A roll call vote was taken. All members voted aye.

Motion carried.

The Board returned from closed session at 10:52 a.m. and Mr. Anthony asked for a motion to approve the minutes from the closed session held November 10, 2015. Mr. Watzka put forth the motion which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

Lastly, Mr. Anthony asked for a motion to adjourn the public meeting which was made by Mr. Watzka and supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

Meeting adjourned at 10:55 a.m.

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Diane Brown, Board Secretary