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STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
DETROIT

RICHARD S. KALM
EXECUTIVE DIRECTOR

CSI Supply, LLC
2121 Arbor Court NW
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W31900

EMERGENCY ORDER OF SUMMARY SUSPENSION

Under Executive Order 2012-4, the Executive Director of the Michigan Gaming Control Board was transferred all authority, powers, duties, functions, records, and property of the Lottery Commissioner, and Bureau of State Lottery, related to the licensing and regulation of millionaire parties under the Bingo Act and its promulgated Rules. MCL 432.101 *et seq.*

In conformance with this obligation, the Executive Director has conducted an investigation of the operation at Spectrum Lanes, in Wyoming, Michigan. The investigation revealed material violations of the Bingo Act, and Rules promulgated thereunder, necessitating an Emergency Order of Summary Suspension to protect the welfare and integrity of charitable gaming. MCL 432.116; MCL 24.292(2); and Administrative Rule 432.21111. This order is based on the following violation history, and investigative facts.

On February 23, 2009, to resolve non-compliance issues, the Michigan Bureau of State Lottery and Charitable Services (now CSI) agreed Charitable Services would ensure the total expenses would not exceed 50% of gross profits and Charitable Services would provide expert oversight to the qualified organizations assisting the organizations in keeping current and accurate game records, and accurately completed financial statements.

As a result of further acts contrary to the Bingo Act and its Rules, the Michigan Bureau of State Lottery suspended Charitable Services supplier license from October 25, 2009 through October 31, 2009. Charitable Services acted contrary to the Bingo Act and Rules when it failed to comply with advertising requirements. Charitable Services was also placed on probation for a one-year period.

While still on probation, the Michigan Bureau of State Lottery suspended Charitable Services supplier license from June 23, 2010 through June 26, 2010, for acting contrary to the Bingo Act and Rules by falsifying game forms, participating in the management of a licensed gaming event, and allowing another entity to use its license number on applications for millionaire party licenses.

On April 22, 2013, Michigan Gaming Control Board investigators found a CSI employee and/or agent was altering game records to reduce sales to under the statutory-\$15,000 limit, and promoting continued sales of chips by the charity. The CSI employee and/or agent was providing non-charity poker chips to a patron who would sell the chips to players at the high-stakes poker table which constitutes illegal gambling. There were at least \$16,000.00 in non-charity poker chips (black chips) in use for the illegal gambling. Continued investigation revealed the use of non-charity poker chips for illegal gambling through the involvement of the CSI employee and/or agent has happened on more than one occasion and possibly as frequently as once a week.

Section 16 of the Bingo Act, MCL 432.116, provides in part a license may be summarily suspended for a period of not more than 60 days when the Act and Rules have been violated. Additionally, Administrative Rule 432.21111 provides for the summary suspension of a license if:

- The licensee or lessor has repeatedly violated, or repeatedly failed or refused to comply with, any of the provisions, requirements, limitations, or duties imposed by the Act, these rules, terms of probation, directives of the bureau, public policy of the State of Michigan, or any other local, state, or federal law or regulation after having been previously notified by the bureau that a violation or violations of the same or similar provisions had been, or were being, committed by the licensee or lessor.
- *The licensee or lessor has or there is reasonable cause to believe the licensee or lessor engaged in illegal gambling, or a fraud or larceny offense.
- The immediate cessation of the licensed gaming event by the licensee is necessary for the protection or preservation of the welfare of the community within which these activities are being conducted, or for the protection or preservation of public policy of the State of Michigan, or any other local, state, or federal law or regulation respecting unlawful gaming activity.

For the reasons set forth above, CSI's supplier license is summarily suspended to advance the public policy prohibition against all gambling activities not conducted in strict conformance with expressed legislative exceptions, including the regulatory framework established in the Bingo Act and its Rules. As a result of the summary suspension, CSI is prohibited from providing goods or services related to events licensed under the Bingo Act.

IT IS SO ORDERED.

/s/

05/02/2013

Rick Kalm
Executive Director
Michigan Gaming Control Board

Date