



Rick Snyder  
GOVERNOR

STATE OF MICHIGAN  
**MICHIGAN GAMING CONTROL BOARD**  
DETROIT

Rick Kalm  
EXECUTIVE DIRECTOR

October 29, 2013

**EMERGENCY ORDER OF SUMMARY SUSPENSION**  
**PENDING FURTHER INVESTIGATION**

Under Executive Order 2012-4, the Executive Director of the Michigan Gaming Control Board (MGCB) was transferred all authority, powers, duties, functions, records, and property of the Lottery Commissioner and Bureau of State Lottery (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 millionaire parties conducted at Palace Card Room, Inc., a/k/a Gloria's Poker Palace (or) Palace Poker Room, located at 1110 E. Bristol Road, Burton, Michigan. The investigation remains pending, but it has already revealed material violations of the Bingo Act and rules promulgated thereunder, necessitating an emergency order of suspension of all licensed charity events at this location in order to protect the welfare and integrity of charitable gaming.

Section 16 of the Bingo Act (the Act), MCL 432.116, provides in part that a license may be summarily suspended for a period of not more than 60 days when the act and rules have been violated.

On repeated occasions, employees or agents of Palace Poker Room employed an illegal pay-to-play system where a qualified organization (charity) would only be scheduled to conduct its millionaire party (charity casino style gaming) at the Palace Poker Room if the charity allowed and agreed to give proceeds from one of their four licensed millionaire party gaming events to Renegades Travel Baseball team, an organization operated by or connected to Palace Poker Room employee(s) or agent(s). This activity is in direct violation of the Act which states the entire net proceeds of an event shall be devoted exclusively to the lawful purpose of the charity. MCL 432.109(1). MGCB's attempts to locate Renegades Travel Baseball team as a charity could not be found registered or regulated by the Attorney General, MGCB, or the Charitable Gaming Division of Lottery.

On repeated occasions, employees or agents of Palace Poker Room engaged in illegal gambling by operating and managing the millionaire party charity gaming events without the charity or chairperson of the charity being present. The Act requires the charity and its chairperson to be present during the gaming and that they manage

the gaming event. MCL 432.110(1); MCL 432.110a; R 432.21206(1)(a-d); R 432.21402(a-c); R 432.21403(5); R 432.21409(10)(a).

On repeated occasions, employees or agents of Palace Poker Room completed charity gaming records and financial statements. This is in violation of the Act and rules. MCL 432.110(1); R 432.21206(1)(c); R 432.21409(8).

On repeated occasions, employees or agents of Palace Poker Room falsified gaming records of charities. This is a violation of the Act and rules. MCL 432.114(1); R 432.21206(1)(c); R 432.21402(c); R 432.21414(1); R 432.21415(1).

On repeated occasions, employees or agents of Palace Poker Room counted, distributed, handled, sold, and redeemed gaming chips during the millionaire party events with no charity present. This is a violation of the Act and rules. MCL 432.110(1); R 432.21409(8)and(10)(a).

On repeated occasions, an employee or agent of Palace Poker Room was listed as a chairperson or officer of a charity that held a license to conduct a millionaire party charity gaming event at Palace Poker Room. This is contrary to R 432.21409(10)(b).

Based on the above facts, revenue from certain charitable organizations holding millionaire party gaming events at Palace Poker Room is repeatedly being diverted to unlawful purposes.

Palace Poker Room has acted with wanton disregard of previous Bureau of State Lottery warnings not to engage in this type of illegal activity. In particular, on November, 23, 2009, the owner of the Palace Poker Room was notified that agents of the location could not perform management duties including handling cash, chips, or completing game records. The owner was also notified that sales and redemptions must be recorded as they occurred and sales could not exceed \$15,000. As a result of these warnings, all charity gaming events at Palace Poker Room were previously suspended.

The charity, as the licensee, is responsible for ensuring the requirements of the Act and rules are met. MCL 432.110a(c). R 432.21206(1)(a); R 432.21402. Certain charities have allowed and or engaged in all or part of the above illegal activity with employees or agents of Palace Poker Room. Charities involved include, but are not limited to, St. Francis Xavier Men's Club; Lapeer West Wrestling Club, Inc.; 40 ET 8 Voiture 116; Lapeer West Softball Club, Inc.; Lapeer West Boys Basketball; Lapeer Soccer Club, Inc.; St Francis Xavier Church, Blessed Sacrament Church; Outreach East; and Barhitte Elementary School.

Palace Poker Room is currently conducting millionaire party events at its location and immediate action to protect the safety, welfare, and integrity of gaming is necessary.

Wherefore, I conclude the harm to the public and the charities from the above illegal activity is imminent, great, and significant and against the public policy of conducting gambling activities in strict conformance with expressed legislative

exceptions, including the regulatory framework established in the Act and its Rules.  
R 432.21111(1).

Wherefore, I further conclude Palace Poker Room and its owner, employees, or agents were previously advised of violations of the Act and rules, and have repeatedly failed or refused to comply with provisions, requirements, limitations, or duties imposed by the Act, the rules, public policy of the state of Michigan, or any other local, state, or federal laws.  
R 432.21111(1)(d).

Wherefore, I further conclude it is necessary to immediately suspend and cease the licensee's millionaire party gaming events to protect or preserve the welfare of the community within which these activities are being conducted, and for the protection or preservation of public policy of the state of Michigan, or any other local, state, or federal law or regulation banning unlawful gaming activity.  
R 432.21111(1)(g).

Wherefore, I further conclude the licensee, lessor and/or agents or employees of Palace Poker Room are engaged in illegal gambling in violation of the Act and Penal Code. R 432.21111(1)(f).

THEREFORE, based upon the forgoing reasons, the license of \_\_\_\_\_ for the event beginning on \_\_\_\_\_, IS HEREBY ORDERED SUSPENDED IMMEDIATELY.

IT IS SO ORDERED.

/s/  
Richard S. Kalm  
Executive Director  
Michigan Gaming Control Board