

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, May 11, 2010
9:30 a.m.

MINUTES

On Tuesday, May 11 2010, 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:

Ms. Barbara Rom, Chairperson
Judge Benjamin Friedman
Mr. Michael Watza

Also attending were:

Richard Kalm
Fred Cleland
Thomas Barker
D/F/LT Vicki Johnson
Don McGehee
Laurie Lander
Damian Kassab (former MGCB Chairman)

Business:

Ms. Rom called the staff briefing of the public meeting to order at 9:37 a.m. There was no preliminary business to discuss.

Ms. Rom stated that the first order of business was to approve the minutes from the April 15, 2010, regular public meeting. Ms. Rom noted that all Board members had previously received the minutes, and asked if there were any questions or concerns.

It was then moved by Judge Friedman and seconded by Mr. Watza that the minutes of the April 15, 2010, meeting be approved. A voice vote was taken.

Motion carried.

Next Mr. Kalm presented the Executive Director's report. Mr. Kalm reported that since the last Board meeting, there have been no staffing changes leaving 13 authorized positions to fill.

In regard to the Board's budget, Mr. Kalm reported that as of April 30, 2010, total expenditures were \$10,240,704, which leaves an unexpended balance of \$12,036,246 in appropriated funding for fiscal year 2010, which includes 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 that the casinos continue to operate 24/7 and for the month of April, 2010, the aggregate revenue and taxes for all 3 Detroit casinos were up 7% compared to the same month last year, however, were down 6.6% compared to the previous month, March, 2010. Revenue for MGM Grand Detroit and Greektown Casinos were up by 12.1% and 11.9% respectively, while MotorCity Casino was down by 3.2% compared to the same month last year. The market shares for MGM, MotorCity and Greektown for the month of April 2010 were 42%, 31% and 27% respectively.

For the month ending April 30, 2010, gaming taxes for the 3 Detroit casinos were \$7.04 Million compared to \$10.2 Million for the same period last year. It was also noted that Greektown Casino has been granted a tax rollback, effective March 9, 2010 for \$14.97 Million, which is being offset against future wagering tax payments to the State and that is anticipated to last through July 2010. The unused portion of the rollback was \$10,337,736.

Mr. Kalm further reported that for the three months ending April 2010, the aggregate revenue and taxes for all 3 Detroit casinos were up by 3.7% compared to the same month last year. Revenue for MGM Grand Detroit, MotorCity and Greektown Casinos were \$150 Million, \$115 Million and \$95 Million respectively. Revenues for the three months ending April 30th for MGM and Greektown were up by 6.1 percent and 10.7 percent for those three months respectively, whereas MotorCity was down by 4.3% compared to that same three month period last year.

For the three months ending April 30, 2010, gaming taxes for the 3 Detroit casinos were \$26.1 Million compared to \$31.7 Million for the same period last year (due to GTC not remitting any gaming taxes, while using up the tax rollback credits).

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board that as of April 30, 2010, 2,227 active vendor exemptions are registered, 229 casino supplier companies have been granted exemptions from supplier licensing requirements, 18 active temporary nongaming-related supplier licenses and 4 active temporary gaming-related supplier licenses are in effect. In addition, a total of 122 full annual supplier licenses have been granted by the Board and to date, remain in effect.

In regard to employee licensing, Mr. Kalm advised the Board that as of April 2010, the Board's Employee Licensing Section had issued a total of 2,311 occupational licenses to MGM Grand Detroit Casino employees; 1,777 occupational licenses to MotorCity Casino employees; and 1,726 occupational licenses to Greektown Casino employees. In

addition, for April 2010, 1,322 employees of various licensed casino suppliers have been granted occupational licenses. To date, the Board has authorized the issuance of 17,396 occupational licenses to casino and supplier license employees; renewed 18,667 occupational licenses and denied 393 occupational license applications.

Mr. Kalm advised the Board for the month of March the required background investigations for 58 pending Level 1 and 2 licenses had been completed and would be considered for approval by the Board at today's meeting and pursuant to Board Resolution No. 2002-02 he has approved 194 renewal requests on behalf of the Board.

Next, Mr. Kalm reported on the MSP Board related activity. Since the April 15, 2010 report, Detective Specialists, Brad Cox has been transferred to MSP Metro South Post Motorcycle Unit, effective May 16, 2010, creating one vacancy in the MSP gaming section. During the month of April 2010, the MSP Gaming Section investigated 66 criminal complaints and made 32 arrests.

Next Ms. Rom asked Mr. Kassab to step up to the podium. He was presented with a Resolution honoring his contribution to the Board as Chairman from August 2003 through 2009. Mr. Kalm also presented Mr. Kassab with a plaque and a wallet, retirement badge. Mr. McGehee, Mr. Watza, Judge Friedman and Ms. Rom also expressed their thanks and appreciation for Mr. Kassab.

Next the Board considered for approval the recommendations of the Executive Director and the Licensing Division's staff regarding the 58 Level 1 and 2 occupational license applications.

It was moved by Mr. Watza and seconded by Judge Friedman that the Board enter an order accepting and adopting the recommendations of the Executive Director and the Licensing Division's staff for the 58 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

Next the Board considered the Executive Director's Reports and Licensing Division's staff recommendations regarding the pending supplier license applications of Ainsworth Game Technology, Star Group Communications, Inc. and Structural Group, Inc. and their qualifiers.

There being no questions from Board members, it was moved by Judge Friedman and seconded by Mr. Watza that the Board enter orders approving the supplier license application requests of Ainsworth Game Technology, Star Group Communications, Inc. and Structural Group, Inc. and their qualifiers for licensure under the licensing standards and requirements of the Act and Rules of the Board. And accordingly, grant these requests based upon the background investigation reports and the recommendations of the Board's Licensing Division staff. A voice vote was taken.

Motion carried.

Next the Board considered the Executive Director's Reports and Licensing Division's staff recommendations regarding the pending supplier license renewal applications of Absolute Images, LLC, Del Bene Produce, Inc., E. Gads, LLC, FL Management, LLC, Gemaco, Inc., Gold Star Equipment, Inc., IGT, KBD, Inc., Midwest Steel, Inc. and National Millwork, Inc.

There being no questions from Board members, it was moved by Mr. Watza and seconded by Judge Friedman that the Board enter orders finding and concluding that Absolute Images, LLC, Del Bene Produce, Inc., E. Gads, LLC, FL Management, LLC, Gemaco, Inc., Gold Star Equipment, Inc., IGT, KBD, Inc., Midwest Steel, Inc. and National Millwork, Inc. 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 these requests for a one-year period beginning May 11, 2010. A voice vote was taken.

Motion carried.

Next, Chuck Moore presented the Greektown Casino, LLC Monthly Status Report Pursuant to Show Cause Board Order of June 10, 2008.

Next, Ms. Rom stated that the Board needed to 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 Dissociated Persons List since the Board's last public meeting as required by the Act.

Therefore, it was moved by Mr. Watza and seconded by Judge Friedman that the Board consider a motion to go into closed session immediately following this portion of today's 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 Board's public meeting on April 15, 2010. A roll call vote was taken.

Ms. Rom	Aye
Judge Friedman	Aye
Mr. Watza	Aye

Motion Carried.

After the closed session the public meeting was reconvened and there being no other business, Ms. Rom adjourned the meeting at 10:18 p.m.

Diane Brown, Board Secretary