

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, June 8, 2010
9:30 a.m.

MINUTES

On Tuesday, June 8, 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
Mr. Jim Plakas

Also attending were:

Richard Kalm
D/F/LT Vicki Johnson
Don McGehee
Diane Brown

Business:

Ms. Rom called the staff briefing of the public meeting to order at 9:30 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 May 11, 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 Mr. Watza and seconded by Judge Friedman that the minutes of the May 11, 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, Tom Barker has announced his retirement and Robert Simon,

Budget Manager, has been promoted to Deputy Director of Administration. Also, Nick Alagna has announced his retirement effective June 12, 2010, leaving 13 authorized positions to fill.

In regard to the Board's budget, Mr. Kalm reported that as of May 31, 2010, total expenditures were \$11,685,951, which leaves an unexpended balance of \$10,590,999 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 May 2010, the aggregate revenue and taxes for all 3 Detroit casinos were down by less than 1% (0.78) compared to the same month last year. Revenues were down by 1.7% compared to last month (April 2010) Revenue for MGM Grand Detroit was up 3.4 percent, whereas MotorCity and Greektown Casinos were down by 5.1% and 1.5% respectively compared to the same month last year. MotorCity's gaming revenue is down for the fifth straight month of 2010. The market shares for MGM, MotorCity and Greektown for the month of May 2010 were 42%, 33% and 25% respectively.

For the month ending May 31, 2010, gaming taxes for the 3 Detroit casinos were \$7.06 Million compared to \$10.75 Million for the same period last year. This was primarily due to the GTC tax rollback that the Board approved some time ago.

Mr. Kalm further reported that for the three months ending May 2010, the aggregate revenue and taxes for all 3 Detroit casinos were up by 4% compared to the same three month period last year. Revenue for MGM Grand Detroit, MotorCity and Greektown Casinos for the three month period was \$151 Million, \$117 Million and \$95 Million respectively. Revenues for the three months ending May 31, 2010 for MGM and Greektown were up by 7.9 percent and 7.3 percent for those three months respectively, whereas MotorCity was down by 3% compared to the same three month period last year.

For the three months ending May 31, 2010, gaming taxes for the 3 Detroit casinos were \$31.8 Million compared to \$22.7 Million for the same period last year (due to GTC not remitting any gaming taxes, while using up the tax rollback credits). March 9, 2010, the Board granted Greektown Casino a tax rollback in the amount of \$14,971,488. During the month of May 2010, GTC used \$2.4 million against the rollback credits. The unused amount as of May 31, 2010 is 7,932,964.64, which will offset future gaming revenue taxes through approximately August 2010.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board that as of May 31, 2010, 2,244 active vendor exemptions are registered, 230 casino supplier companies have been granted exemptions from supplier licensing requirements, 18 active temporary nongaming-related supplier licenses and 3 active temporary gaming-related supplier licenses are in effect. In addition, a total of 125 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 May 31, 2010, the Board's Employee Licensing Section had issued a total of 2,292 occupational licenses to

MGM Grand Detroit Casino employees; 1,759 occupational licenses to MotorCity Casino employees; and 1,705 occupational licenses to Greektown Casino employees. In addition, for May 2010, 1,284 employees of various licensed casino suppliers have been granted occupational licenses. To date, the Board has authorized the issuance of 17,104 occupational licenses to casino and supplier license employees; renewed 18,936 occupational licenses and denied 393 occupational license applications.

Mr. Kalm advised the Board for the month of May the required background investigations for 48 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 274 renewal requests on behalf of the Board.

Next, Mr. Kalm reported on the MSP Board related activity. Since the May 11, 2010 report, there have been no staffing changes. During the month of May 2010, the MSP Gaming Section investigated 53 criminal complaints and made 26 arrests. Of those complaints investigated and arrests made, 11 were of disassociated persons.

Next the Board considered for approval the recommendations of the Executive Director and the Licensing Division's staff regarding the 48 Level 1 and 2 occupational license applications.

It was moved by Judge Friedman and seconded by Mr. Watza that the Board enter an order accepting and adopting the recommendations of the Executive Director and the Licensing Division's staff for the 48 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

Next the Board considered the Executive Director's Report and Licensing Division's staff recommendation regarding the pending transfer of interest in Western Money Systems.

It was moved by Mr. Plakas and seconded by Mr. Watza that the Board enter an order approving the proposed transfer of interest in Western Money Systems. A voice vote was taken.

Motion carried.

Next the Board considered the Executive Director's Report and Licensing Division's staff recommendation approving the supplier license application of Oceanus, Inc. and its qualifiers.

There being no questions from Board members, it was moved by Mr. Watza and seconded by Judge Friedman that the Board enter an order approving the supplier license application request of Oceanus, Inc. and its qualifiers for licensure under the licensing standards and requirements of the Act and Rules of the Board. And accordingly, grant this request based upon the background investigation report and the recommendation 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 Edward Don & Company, Service Central, Inc., Simon & Leeman Corp., and W. H. Canon, Inc.

There being no questions from Board members, it was moved by Judge Friedman and seconded by Mr. Watza that the Board enter orders finding and concluding that Edward Don & Company, Service Central, Inc., Simon & Leeman Corp., and W. H. Canon, 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 June 8, 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.

Mr. Robert Stocker from Dickinson Wright addressed the Board regarding the pending matters before the Board regarding Greektown Casino and its Chapter 11 bankruptcy.

Mr. Stocker also requested that a special Board meeting be held prior to the end of June in order to act on the requests for approval of the financing, the institutional investor waivers, the approval of Board members who have been vetted and approval of the consummation of the reorganization plan in accordance with the terms and provisions. Number one, of what the bankruptcy court has approved.

It was agreed the Board would hold a special public meeting on June 28, 2010 at 1:00 P.M. and that all Board members must be present at that meeting in order to proceed.

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. Plakas and seconded by Mr. Watza 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 May 11, 2010. A roll call vote was taken.

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| Ms. Rom | Aye |
| Judge Friedman | Aye |
| Mr. Watza | Aye |
| Mr. Plakas | Aye |

Motion Carried.

After the closed session the public meeting was reconvened and there being no other business, Ms. Rom adjourned the meeting at 11:00 a.m.

Diane Brown, Board Secretary