

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, June 11, 2013  
9:30 a.m.

**MINUTES**

On Tuesday, June 11, 2013, 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:

Mr. Robert Anthony, Chairperson  
Mr. Patrick McQueen  
Mr. Andrew Palms  
Mr. Dennis Beagen  
Mr. Michael Watza

Also attending were:

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

**Absent:** None

**Business:**

Mr. Anthony called the public meeting to order at 9:43 a.m. It was noted for the record, all 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 May 14, 2013. Mr. Anthony noted all Board members had previously received copies of the minutes and asked if there were any questions, concerns, or corrections.

There being none, Mr. Beagen made a motion which was supported by Mr. Palms the Board accept and approve the minutes of the May 14, 2013. A voice vote was taken.

Motion carried.

Mr. Kalm reported since the last Board meeting Jeremy Parise left his employment with the Board. There are currently 121 employees working and 21 vacant positions. The full Board roster includes the Millionaire Party enforcement and regulation group.

In regard to the Board's budget, Mr. Kalm reported as of May 31, 2013, total expenditures were \$17,007,783, which left an unexpended balance of \$16,889,317 in appropriated funding for fiscal year 2013; this includes the Millionaire Party oversight and Horse Racing budgets, which were transferred to Gaming, and funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm next reported aggregate revenue for the month ending May 31, 2013, was down 1.6% compared to May 2012. Revenue was down 2.9% compared to April 2013. The total revenue for MGM and Greektown was down 6.6% to \$48.3 million and 3.8% to \$28.6 million, respectively; whereas MotorCity was up 7.1% to \$39.6 million when compared with May 2012.

The market shares for MGM, MotorCity, and Greektown for May 2013 were 41%, 34%, and 25%, respectively.

For the month ending May 2013, gaming taxes for the three Detroit casinos were \$9.4 million compared to \$9.6 million for the same period in 2012.

For the three-month period ending May 31, 2013, aggregate revenue was down 1.5% compared to the same period last year. Gaming revenue for MGM, MotorCity, and Greektown for the three months ending May 31, 2013, was \$151.6 million, \$125.1 million, and \$94.6 million, respectively.

Revenue for the three months ending May 31, 2013, for MGM and Greektown was down 5.8% and 1.7%, respectively, whereas MotorCity was up 4.4% compared to the same three month period last year. Gaming taxes for the three Detroit casinos for the three months ending May 31, 2013 were \$30.1 million.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of May 31, 2013, 1,103 active vendor exemptions were registered. Vendors with exemptions are authorized to conduct business with the three Detroit casinos without having to go through the full licensure requirement. As of May 31, 2013, 394 casino supplier companies were granted exemptions from supplier licensing requirements. As of May 31, 2013, there were a total of seven active temporary nongaming-related and three active temporary gaming-related supplier licenses in effect. In addition there are 129 annual supplier licenses in effect.

In regard to employee licensing, Mr. Kalm advised the Board as of May 31, 2013, the Board's Employee Licensing Section issued a total of 2,184 occupational licenses to MGM employees, 1,757 occupational licenses to MotorCity employees, and 1,467 occupational licenses to Greektown employees. In addition, through the month of May 2013, 1,549 employees of various licensed casino suppliers have been granted occupational licenses. Mr. Kalm went on to state the number of temporary licenses for casino and supplier employees is currently 40.

Mr. Kalm advised the Board for the month of May 2013 the required background investigations for 83 pending Level 1 and 2 licenses had been completed and would be

considered for approval by the Board at this meeting and pursuant to Board Resolution No. 2002-02. Mr. Kalm stated that he previously approved 143 renewal requests and 42 Level 3 requests on behalf of the Board.

Mr. Kalm reported on Michigan State Police (MSP) Board-related activity. Since the last public meeting there has been no staffing changes. One detective lieutenant position, two detective sergeant positions, and ten detective specialist positions remain vacant.

Mr. Kalm informed the Board of several noted MSP activities for the month of May.

At the conclusion of Mr. Kalm's report, Mr. Anthony congratulated Mr. Kalm on his reappointment as Executive Director for an additional six years.

Next, the Board considered for approval, the recommendations of the Executive Director and the Licensing & Regulation Division's staff regarding the 83 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. Palms and seconded by Mr. Beagen the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Regulation Division's staff for the pending 83 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

The next agenda item was the consideration for approval of the Transfers of Interest for Allied-Eagle Supply Company, LLC; General Linen Supply Company; and Greektown Superholdings, Inc. There being no questions from Board members, a motion was made by Mr. Watza and supported by Mr. Palms the Board approve the Transfers. A voice vote was taken.

Motion carried.

Next on the agenda was the pending supplier license application request of Jay A. Emerson II.

There being no questions from Board members, it was moved by Mr. McQueen and seconded by Mr. Watza that the Board enter an Order finding and concluding the above-listed supplier and its qualifiers are eligible and suitable for licensure and, accordingly, grant the request. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the pending supplier license renewal applications of Bally Gaming d/b/a Bally Technologies; Brainstorm Logistics, LLC; Cadillac Coffee Company; Elekroncek Podjetje Za Razvoj Elektronike d.d. d/b/a Elekroncek d.d.; Gemaco, Inc.; Global Cash Access, Inc.; KBD, Inc.; The Mina Group LLC; Tier One Marking, LLC; and VSR Industries, Inc.

There being no questions from Board members a motion was made by Mr. Beagen and supported by Mr. Palms that the Board enter Orders finding and concluding the above-listed

suppliers and their qualifiers are eligible and suitable for licensure and, accordingly, grant the requests for a new one-year period. A voice vote was taken.

Motion carried.

Next on the agenda was the matter of Proposal for Decision in the disciplinary action of occupational licensee Nozmul Hoque. This agenda item was previously on the May agenda and was tabled when it was determined the Board had not received the complete document package. Subsequent to the May meeting the Board was provided the complete information package regarding Mr. Hoque's occupational license revocation.

Mr. Hoque and his attorney, Ronald G. Roberts, were present. Assistant Attorney General Bethany Scheib addressed the Board and explained the disciplinary action was a summary suspension of Mr. Hoque's occupational license on January 10, 2013. On February 6, 2013 a hearing was held before Administrative Law Judge (ALJ) David Cohen wherein the suspension of Mr. Hoque's occupation license was upheld. In the conclusions of law, it was determined Mr. Hoque violated various gaming rules. Mr. Hoque subsequently filed a petition with the Board for "Notice of Exception to Proposal for Decision Issued and Entered On 20<sup>th</sup> of February 2013" requesting a hearing before the Board. One rule determined to be violated by Mr. Hoque was failure to cooperate with the Board's investigation. Mr. Hoque appeared to be evasive and non-responsive to questions posed by Board investigators.

Mr. Roberts addressed the Board on behalf of his client and stated his objection to the suspension and requested the Board reverse the ALJ's decision. After several minutes of statements from Mr. Roberts and Ms. Schieb, and the question asked by Mr. Watza, it was stated several times the only matter before the Board was the decision to uphold the Administrative Law Judge's decision revoking Mr. Hoque's occupational license. There being no other questions by Board members, a motion was made by Mr. Palms and supported by Mr. Queen that the Board accept and adopt the Administrative Law Judge's decision revoking Mr. Hoque's occupational license. A voice vote was taken. Mr. Watza did not vote.

Motion carried.

Next on the agenda was to consider Greektown Casino's request for waiver of the Gaming Control Board's fixed charge coverage ratio for the second quarter. Mr. Puggi, CEO of Greektown Casino, addressed the Board. Mr. Puggi reminded the Board Greektown requested, and was granted, a waiver of the same at the April Board meeting for the first quarter.

Mr. Puggi informed the Board Greektown is making progress on their finance package and is expecting to be able to present it at the next public meeting on August 13, 2013. However, if financing cannot be in place by August, Mr. Puggi does not expect it to be any later than the September meeting.

There being no questions by Board members, a motion was made by Mr. Watza and supported by Mr. McQueen that the Board grant the temporary suspension of its June 2010 Order stating the Greektown entities shall maintain a fixed charge coverage ratio of 1.05:1.00 in the second quarter of 2013. A voice vote was taken.

Motion carried.

Next, Mr. Anthony asked if there were any members of the public who wished to address the Board. There being none, Mr. Anthony stated the Board would consider a motion to go into closed session immediately following the public portion of the meeting 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 Disassociated Persons List since the last public meeting, May 14, 2013, as required by the Act.

Mr. Anthony then stated the Board's next regular public meeting is scheduled for Tuesday, August 13, 2013, at 9:30 a.m.

Mr. Anthony asked for a motion to adjourn the public meeting. Mr. McQueen moved the public meeting be adjourned and Mr. Watza supported the motion. A roll call vote was taken.

Motion carried.

After the closed session, the public meeting resumed for the purpose of approving the minutes from the Board's last closed session which occurred on May 14, 2013. Mr. McQueen made a motion to approve the closed session minutes and was supported by Mr. Watza. A voice vote was taken.

Motion carried.

Mr. Beagen then moved to adjourn the public meeting. The motion was supported by Mr. Watza. A voice vote was taken.

Motion carried.

Meeting adjourned at 11:00 a.m.

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Diane Brown, Board Secretary