

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, January 13, 2015
9:30 a.m.

MINUTES

On Tuesday, January 13, 2015, 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. Michael Watza

Also attending was:

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

Absent: None

Business:

Mr. Anthony called the public meeting to order at 9:30 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 November 12, 2014. 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, a motion was made by Mr. Watza, which was supported by Mr. Palms for the Board to accept and approve the minutes of the November 12, 2014, regular public meeting. A voice vote was taken.

Motion carried.

Due to the time constraints of several Board Members, Mr. Anthony stated Mr. Kalm's report would be presented at the end of the meeting.

Next order of business was the request for Board approval of proposed Resolution 2015-01 regarding vendor exemption thresholds and waivers from supplier licensing. Mr. Kalm informed the Board the MGCB has been listening to the casinos and is "trying to promote a more business-friendly environment." The Resolution is an attempt to accomplish this. Mr. Kalm mentioned this would be reviewed from time to time in the future if the need arises.

There were no questions from Board Members, therefore, Mr. Palms put forth a motion for approval which was supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Next, the Board considered for approval the recommendations of the Executive Director and the Licensing & Investigations Division's staff regarding the 231 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. Watza and supported by Mr. Palms that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Investigations Division's staff for the pending 231 Level 1 and 2 occupational license applications. A voice vote was taken.

Motion carried.

The next agenda item was consideration of the pending supplier license applications of Blue Sky Marketing Group, LTD; Cadillac Travel, Inc.; and G&A Baking Company, LLC.

There were no questions from Board members. A motion was made by Mr. McQueen and supported by Mr. Watza that the Board enter Orders finding and concluding the applicants are eligible and suitable for licensure and accordingly, grant the requests. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the pending supplier license renewal applications of Ainsworth Game Technology Limited; American Gaming and Electronics, Inc.; Colasanti Construction Services, Inc.; Detroit Spectrum Painters, Inc.; Guideline Mechanical, Inc.; IGT; JJSV Enterprises d/b/a Pizzapapalis Taverna; KayWaZee Installations, Inc.; LaBelle Electric Services, Inc.; Master Craft Carpet Service, Inc. d/b/a Master Craft Floors; Midwest Game Supply; Northern Lakes Seafood and Meats, LLC; RAM Construction Services, Inc; Rhiannon Creations d/b/a/ Body Bliss; and WMS Gaming, Inc. Mr. Anthony noted for the record Ainsworth Game Technology Limited also included the suitability of new Key persons Michael Farrell Dreitzer, Colin John Henson, and David Hugh MacIntosh. With respect to IGT, the report also included the suitability of key persons Joseph Anton Sigrist and Eric Fitzrobert Brown. WMS Gaming included suitability of new Key persons, John Berard Sarno, James Robert Metcalfe, Debra Golding Perelman, and Michael Gavin Isaacs.

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

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

Motion carried.

The next agenda item was to consider the proposed Transfers of Interest in Socios Holdings, Inc. and US Foods, Inc. There were no questions from Board Members. A motion was made by Mr. Watza and supported by Mr. Palms that the Board approve the proposed transfers. A voice vote was taken.

Motion carried.

Next on the agenda was to consider the Acknowledgement of Violation (AOV) of supplier licensee, Wing Construction (Wing). Assistant Attorney General Thomas Nafso summarized the violation for the Board. Mr. Nafso stated the AOV consisted of three counts for violation of acquiring goods and/or services in excess of \$5,000 from not holding a supplier's license or an exemption in violation of Resolution 2009-01 and four counts violating the higher threshold of \$15,000 in Resolution 2012-01 which superseded Resolution 2009-01. Wing agreed to a fine of \$5,000 with \$2,500 being held in abeyance to be waived if Wing does not violate the Board's Act, Rules, or Resolutions in the next 12 months.

Wing Construction did not have a representative present for the meeting.

There being no questions from Board Members, Mr. McQueen put forth a motion to accept the Acknowledgement of Violation as proposed which was supported by Mr. Watza. A voice vote was taken.

Motion carried.

The next agenda item involved a Proposal for Decision of occupational licensee, Angela Shanks. Ms. Shanks worked as a dealer at MGM Detroit and was suspended for a five-day period in June 2014 for exposing her "hole" card during a game of Blackjack. Assistant Attorney General Thomas Nafso outlined the details of the matter. During MGCB's investigation of this matter it was discovered Ms. Shanks had falsified her application for an occupational license by answering "no" where it asks if you have ever been employed in another jurisdiction in the gaming industry. Several other issues were discovered during the investigation and in September 2014, a hearing was held before the Administrative Law Judge regarding revocation of her occupational license. The Administrative Law Judge recommended her license remain suspended pending Board decision of revocation. Ms. Shanks' representative, Steven Rideout, spoke on behalf of Ms. Shanks. Following statements from Mr. Nafso and Mr. Rideout, the Board decided to continue Ms. Shanks' suspension for the duration of her license which ends December 2015. A motion was put forth by Mr. McQueen and supported by Mr. Palms. A voice vote was taken.

Motion carried.

A second Proposal for Decision was also on the agenda regarding occupational licensee Raman Atto. Mr. Atto held a level two occupational license and was employed as a dealer at Greektown. Mr. Atto's occupational license was summarily suspended on June 19, 2014, when it was discovered he was part of an ongoing investigation regarding unemployment and

underemployment claims. On September 3, 2014, an Administrative Hearing was held and the suspension was upheld by Judge David Cohen. Mr. Atto's representative, Mr. Guzall, addressed the Board on Mr. Atto's behalf. Mr. Guzall stated Mr. Atto testified during the September hearing "that he did everything properly." Mr. Atto's attorney argued it would be unfair for the Board to proceed with revoking Mr. Atto's license since the Unemployment Agency has not completed their investigation nor made a determination. Following statements from both attorneys, the Board agreed not to revoke Mr. Atto's license but to continue with the suspension pending the Unemployment Agency's decision. A motion was made by Mr. McQueen which was supported by Mr. Watza. A voice vote was taken.

Motion carried.

Mr. Kalm reported annual revenue for the three Detroit casinos for the year ending December 31, 2014, was down 1.2 percent to 1.33 billion compared to the year-end 2013. Mr. Kalm said the decrease was less than expected due to a "very robust December."

Mr. Kalm encouraged Board Members to read the items in his report which had been provided to them regarding MSP significant activity since November 2014.

There were no requests from the public to address the Board.

Mr. Anthony announced the next public meeting would be held on Tuesday, March 10, 2015 at 9:30 a.m.

Mr. Anthony stated the Board would not be going into closed session for this meeting.

Mr. Anthony then asked for a motion to adjourn which was provided by Mr. Watza and supported by Mr. Palms. A voice vote was taken.

Motion carried.

Meeting adjourned at 10:05 a.m.

/s/

Diane Brown, Board Secretary