

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, September 13, 2016

**MINUTES**

On Tuesday, September 13, 2016, the Michigan Gaming Control Board held a public meeting at the Board's 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. Andrew Palms  
Mr. Patrick McQueen  
Ms. Carla Walker-Miller

Also attending was:

Richard Kalm, Executive Director  
Pamela Benzing, Lt., MSP  
Donald McGehee, Assistant Attorney General  
Jason Geissler, Assistant Attorney General  
Diane Brown, Board Secretary

**Business:**

Mr. Anthony called the public meeting to order at 9:35 a.m. It was noted for the record Board member Michael Watza was absent. 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 July 12, 2016. Mr. Anthony noted Board members previously received copies of the minutes and asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Ms. Walker-Miller and supported by Mr. Palms, that the Board accept and approve the minutes of the July 12, 2016, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Richard Kalm presented his report to the Board stating since the July 12, 2016 meeting, two new employees were hired and one employee left the agency. MGCB has 132 full-time employees and 17 vacant positions.

With regard to the Board's budget, as of July 31, 2016, total expenditures were \$21,883,853 leaving an unexpended balance of \$7,105,047 in appropriated funding for fiscal year 2016 which

includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

For casino operations, Mr. Kalm reported aggregate revenue for the three Detroit casinos for the month of July was up 3.2 percent when compared to the same month last year. Revenue was up 9.1 percent when compared to June 2016. For year-to-date July 31, 2016, the aggregate revenue for the Detroit casinos was up 0.5 percent compared to the same period last year.

For the month ending July 31, 2016, MGM's revenue was up 3.0 percent, MotorCity was up 4.7 percent and Greektown was up 1.5 percent when compared to the same month last year.

For the month ending July 31, 2016, gaming taxes for the three Detroit casinos were \$9.6 million compared to \$9.3 million for the same period last year.

For the month ending July 31, 2016, the three Detroit casinos reported submitting \$14.1 million in wagering taxes and development agreement payments to the City of Detroit.

Mr. Kalm reported aggregate revenue for the three Detroit casinos for the month of August was up 7.9 percent when compared to the same month last year. Revenue was down 2.2 percent when compared to July 2016.

For the month ending August 31, 2016, MGM's revenue was up 17.9 percent, MotorCity was up 2.0 percent, and Greektown was down 0.3 percent when compared to the same month last year.

For the month ending August 31, 2016, gaming taxes for the three Detroit casinos were \$9.4 million compared to \$8.7 million for the same period last year.

For the month ending August 31, 2016, the three Detroit casinos reported submitting \$13.8 million in wagering taxes and development agreement payments to the City of Detroit.

With regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of August 31, 2016, 698 active vendor exemptions were registered. As of August 31, 2016, 307 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of 16 active temporary nongaming-related and five active temporary gaming-related supplier licenses in effect. There are 104 supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of August 31, 2016, the Board's Employee Licensing section issued a total of 2,136 occupational licenses to MGM employees; 1,721 occupational licenses to MotorCity employees; and 1,478 occupational licenses to Greektown employees. In addition, through the month of August 2016, 1,658 employees of various licensed casino suppliers have been granted occupational licenses. There are currently 39 temporary occupational licenses.

Mr. Kalm advised the Board since the July meeting, the required background investigations for 151 pending Level 1 and 2 occupational licenses have been completed. Mr. Kalm previously approved 398 renewal requests and 74 Level 3 requests on behalf of the Board.

Mr. Kalm reported Michigan State Police (MSP) Board-related activity, noting that the confidential report submitted to the Board members contained significant activity items involving MSP.

Next, the Board considered for approval, the recommendation of the Executive Director and the Casino Audit & Enforcement Division's staff regarding the 151 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Ms. Walker-Miller and supported by Mr. Palms that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Casino Audit & Enforcement Division for the pending 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 dPOP, Inc. and Micro Wise, Inc.

There were no questions from Board members. A motion was made by Mr. Palms and supported by Ms. Walker-Miller that the Board enter the 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 requests of 1<sup>st</sup> Choice Distributors, LLC; Aristocrat Technologies, Inc.; Diversified Construction Specialists, Inc.; E.GADS, LLC; Guideline Mechanical, Inc.; Happ Controls, Inc.; JMC Electrical Contractor, LLC d/b/a JMC Technology Group; KBD, Inc.; Lavdas Enterprises, Inc. d/b/a Lavdas Limousines, Inc.; Mastercraft FC LLC; Premier Services Group LLC; Royal Magnate, Inc.; Sachse Construction and Development Company, L.L.C. d/b/a Sachse Construction; and Tom Maceri and Son, Inc.

There being no questions from Board members, Mr. McQueen put forth a motion which was supported by Mr. Palms 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 one-year period. A voice vote was taken.

Motion carried.

The next item on the agenda was the request for approval of the eligibility and suitability of new Key persons of supplier IGT, Blu Acquario Prima S.p.A. and Investendo Due S.r.L.

There were no questions from Board members. Ms. Walker-Miller motioned for approval which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

The next agenda item was the requests for proposed transfers of interest pending Board approval for Gemellaro Systems Integration, Inc., and IGT. There was no discussion or questions regarding the requests therefore a motion was made by Mr. Palms and supported by Mr. McQueen to approve the requests. A voice vote was taken.

Motion carried.

Next on the agenda was consideration of the request for supplier license application withdrawal of US Foods, Inc.

There were no questions from Board members. Mr. McQueen put forth a motion to approve the request which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

The next two items on the agenda were the Acknowledgements of Violations for supplier licensees Bally Technologies, Inc., and IGT. Both supplier's violations involved unapproved software being sent to the casinos. Assistant Attorney General Jason Geissler summarized the facts for the Board. There were no representatives present for either supplier.

Motions were made and a voice vote was taken.

Motions carried.

Next on the agenda were the three commercial casino license renewals. All three were presented separately. There were no issues, comments, or questions from the Board.

Mr. McQueen put forth a motion for MGM Grand, LLC's renewal which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

Mr. Palms made the motion for Detroit Entertainment LLC's (MotorCity) renewal which was supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Ms. Walker-Miller put forth the motion for Greektown Casino, LLC's renewal which was supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Next Detroit Entertainment, LLC President and CEO Bruce Dall addressed the Board and made a presentation regarding a proposed refinance of their entity. Mr. Dall is requesting the Board consider allowing a special meeting to consider MCC's request.

The last agenda item was the schedule of public meetings through the end of 2017. It was decided the Board will meet November 1, 2016; January 10, 2017; March 7, 2017; May 9, 2017; July 11, 2017; September 12, 2017; and November 14, 2017.

Next Mr. McQueen made a motion to go into closed session which was supported by Mr. Palms. A roll call vote was taken.

Motion carried.

Mr. Anthony announced the next public meeting would be held on Tuesday, November 1, 2016 at 9:30 a.m.

After closed session the public meeting resumed for the purpose of approving the minutes from the last closed session. Ms. Walker-Miller made a motion to approve the minutes from the July 12, 2016 closed session which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

A motion was made by Mr. McQueen which was supported by Ms. Walker-Miller to adjourn the public meeting. A voice vote was taken.

Motion carried.

Meeting adjourned at 11:12 a.m.

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Diane Brown, Board Secretary