

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

PUBLIC MEETING
Cadillac Place
3062 W. Grand Blvd., Suite L-700
Detroit, Michigan 48202

Tuesday, March 13, 2018, 9:30 a.m.

January 9, 2018
MEETING MINUTES

On Tuesday, January 9, 2018, the Michigan Gaming Control Board held a public meeting at the Board's office in Cadillac Place, 3062 W. Grand Boulevard, Suite L-700, Detroit, Michigan 48202.

Present: In attendance were the following Board Members:

Mr. Robert Anthony, Chairman
Mr. Patrick McQueen
Mr. Andrew Palms
Ms. Carla Walker-Miller

Absent:

Ms. Barbara Smith

Also attending:

Richard Kalm, Executive Director
Insp. Emmitt McGowan, MSP
Gerald Whalen, Assistant Attorney General
Diane Brown, Board Secretary
Jason Geissler, Assistant Attorney General

Business:

Mr. Anthony called the meeting to order at 9:40 a.m. There was no preliminary business to discuss.

Mr. Anthony stated the first order of business was to approve the minutes from the Board's regular public meeting held October 30, 2017. It was noted Board Members previously received copies of the minutes. Board Members were asked if there were any questions, concerns, or corrections.

There being none, a motion was made by Mr. Palms and supported by Ms. Walker-Miller that the Board accept and approve the minutes of the October 30, 2017, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Kalm presented his report to the Board stating since the October 30, 2017, meeting three new employees were hired and two employees resigned. MGCB has 134 full-time employees and 15 vacant positions.

With regard to the Board's budget, as of December 31, 2017, total expenditures were \$3,313,802 leaving an unexpended balance of \$26,416,407 in appropriated funding for fiscal year 2018, 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 December was down .6% when compared to December 2016. Revenue was up 2.7% when compared to November 2017. For year-to-date December 31, 2017, the aggregate revenue for the Detroit casinos was up 1.1% compared to the same period last year.

For the month ending December 31, 2017, MGM's revenue was down 1.8% to \$50 million, MotorCity was up .9% to \$39.9 million, and Greektown was down .7% to \$26.3 million when compared to the same month last year.

Market share for December 2017 was: MGM 43%, MotorCity 34%, and Greektown 23%. For the month ending December 31, 2017, gaming taxes for the three Detroit casinos were \$9.4 million compared to \$9.5 million for the same period last year.

For the month ending December 31, 2017, the three Detroit casinos reported submitting \$14.7 million in wagering taxes and development agreement payments to the City of Detroit.

Aggregate revenue for the year ending December 31, 2017, was up 1.1% compared to the same period last year. Gaming revenue for the year from slots was \$1.401 billion (81%); table games \$260 million (19%). Revenue for MGM was up .1% to \$592.2 million, MotorCity was up 2.3% to \$478.6 million, and Greektown was up 1.2% to \$329.7 million when compared to 2016.

Gaming taxes for 2017 were \$113.4 million compared to \$112.2 million for 2016. Market share for the year 2017 were MGM 42%, MotorCity 34% and Greektown 24%.

The three Detroit casinos reported paying the City of Detroit \$177.4 million in wagering taxes and development agreement payments in 2017.

With regard to supplier licensing and vendor registration, Mr. Kalm advised the Board that as of December 31, 2017, 694 active vendor exemptions were registered. As of December 31, 2017, 278 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of eight active temporary nongaming-related and three active temporary gaming-related supplier licenses in effect. There are 106 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of December 31, 2017, the Board's Employee Licensing section issued a total of 2,126 occupational licenses to MGM employees; 1,700 occupational licenses to MotorCity employees; and 1,467 occupational licenses to Greektown employees. In addition, 1,539 employees of various licensed casino suppliers have been granted occupational licenses. Currently there are 84 temporary occupational licenses.

Mr. Kalm advised the Board since the October 2017 meeting, the required background investigations of 151 pending Level 1 and Level 2 occupational licenses have been completed.

Mr. Kalm previously approved 392 renewal requests and 79 Level 3 requests on behalf of the Board.

Mr. Kalm also reported Michigan State Police (MSP) Board-related activity and staffing update.

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

There being no questions from Board Members, it was moved by Mr. Palms and supported by Ms. Walker-Miller 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 Level 2 occupational license applications. A voice vote was taken.

Motion carried.

The next agenda item was consideration of the Licensing & Investigations Division's recommendation regarding the pending supplier license applications of Detroit Spectrum Painters, Inc.; Incredible Technologies, Inc.; and Masque Publishing, Inc.

There were no questions from Board Members. A motion was made by Mr. McQueen and supported by Ms. Walker-Miller 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.

The next item on the agenda was the request for approval of the eligibility and suitability of Daniel Evan Cohen, new Key person of supplier licensee AGS, LLC.

There were no questions from Board Members. Mr. Palms motioned that the Board enter an Order finding and concluding the applicant is eligible and suitable for licensure and, accordingly, grant the request for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

The next item on the agenda was the request for approval of the eligibility and suitability of Todd P. Cravens and Mark Allan Lipparelli, new Key persons of supplier licensee Galaxy Gaming, Inc.

There were no questions from Board Members. Mr. Palms motioned that the Board enter Orders finding and concluding the applicants are eligible and suitable for licensure and, accordingly, grant the request for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

The next item on the agenda was the request for approval of the eligibility and suitability of Eddie Lawrence Conrad, new Key person of supplier licensee RAM Construction Services of Michigan, Inc.

There were no questions from Board Members. Mr. McQueen motioned that the Board enter an Order finding and concluding the applicant is eligible and suitable for licensure and, accordingly, grant the request for approval which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

The next item on the agenda was the request for approval of the eligibility and suitability of Chad Ryan Barnhill, new Key person of casino licensee Greektown Casino, LLC.

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.

Next agenda item was consideration of the pending supplier license renewal requests of Allied-Eagle Supply Company, LLC d/b/a Allied Office Specialists; American Gaming & Electronics, Inc.; Arrow Motor & Pump, Inc.; Cammegh Limited; China Town Market, Inc.; Data Financial Incorporated; dPOP, LLC with new Key person Jennifer Elizabeth Janus; Duffey, Petrosky & Company, LLC with new Key persons CP Marketing, Inc. and the Mark Petrosky Trust of April 16, 2002 as amended and restated on January 19, 2016; General Linen Supply Company d/b/a General Linen and Uniform Service; IGT with new Key person Heather Jane McGregor; Micro Wise, Inc.; Midwest Game Supply Company; Motor City Electric Company, Northern Lakes Seafood & Meats, LLC; SMS Staffing Solutions, Inc.; TCS John Huxley America, Inc.; and The Printer, Inc.

There being no questions from Board Members, Ms. Walker-Miller supported the motion put forth by Mr. McQueen that the Board enter Orders finding the mentioned 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 agenda item was a request for approval of the proposed transfers of interest of AGS, LLC, and RAM Construction Services of Michigan, Inc. There was no discussion or questions regarding the requests, therefore, a motion was made by Ms. Walker-Miller and supported by Mr. Palms to approve the requests. A voice vote was taken.

Motion carried.

The Board next considered the withdrawal requests of the supplier license applications of Assemblers III, LLC; Brainstorm Logistics, LLC; and Davis Iron Works, Inc. There being no questions, a motion was made by Mr. Palms and supported by Ms. Walker-Miller to approve the requests. A voice vote was taken.

Motion carried.

Next on the agenda was consideration of the Administrative Law Judge's Proposal for Decision regarding occupational licensee Elton Carr, II. Assistant Attorney General Jason Geissler summarized the facts which led to Mr. Carr's suspension. During the investigation for renewal of Mr. Carr's occupational license, the board discovered several documents were missing. Mr. Carr failed to provide the requested documents within the timeframe set forth by the Board which

resulted in his suspension. The Administrative Law Judge upheld the board's decision to suspend the license.

A motion was put forth by Mr. McQueen and supported by Ms. Walker-Miller to accept the Administrative Law Judge's Decision and issue an Order accordingly. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Administrative Law Judge's Proposal for Decision regarding occupational licensee Sidney Lee Davis. Assistant Attorney General Jason Geissler summarized the facts which led to Mr. Davis' suspension. During the investigation for renewal of Mr. Davis' occupational license, the Board discovered several documents were missing. Mr. Davis failed to provide the requested documents within the timeframe set forth by the Board which resulted in his suspension. The Administrative Law Judge upheld the Board's decision to suspend the license. It was noted by Mr. Geissler that on January 8, 2018, Mr. Davis provided the board with the requested documentation. Board staff reviewed the information and is satisfied with what was provided. Mr. Davis is in a position to have his suspension lifted.

The matter before the board was the approval of the Proposal for Decision therefore, a motion was put forth by Ms. Walker-Miller and supported by Mr. Palms to accept the Administrative Law Judge's Decision and issue an Order accordingly. A voice vote was taken.

Motion carried.

Next was the request for approval of an Acknowledgement of Violation of casino licensee Greektown Casino, LLC. There were no questions from Board Members. Mr. Palms put forth the motion for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

Next was the request for approval of an Acknowledgement of Violation of casino licensee MGM Grand Detroit, LLC. There were no questions from Board Members. Mr. Palms put forth the motion for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

After the business portion of the meeting concluded, Mr. Anthony asked if there were any members of the public wishing to address the Board. There were none.

Mr. Anthony announced the Board's next regular public meeting would be held Tuesday, March 13, 2018 at 9:30 a.m.

A motion to go into closed session was made by Mr. McQueen and supported by Ms. Walker-Miller. A roll call vote was taken.

Motion carried.

Following the closed session, the Board resumed the public meeting for the purpose of approving the October 30, 2017 closed session minutes.

Mr. Palms put forth the motion for approval which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

Mr. Anthony then asked for a motion to adjourn the public meeting. A motion was made by Mr. McQueen and supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

Mr. Anthony adjourned the meeting at 10:41 a.m.

A handwritten signature in cursive script that reads "Diane Brown".

Diane Brown, Board Secretary