

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

July 11, 2018 9:30 a.m.
MEETING MINUTES

On Wednesday, July 11, 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. Barbara Smith
Ms. Carla Walker-Miller

Also attending:

Richard Kalm, Executive Director
Philip Menna, Inspector, MSP
Don McGehee, Assistant Attorney General
Jason Geissler, Assistant Attorney General
Bethany McCune, Assistant Attorney General
Diane Brown, Board Secretary

Business:

Mr. Anthony called the meeting to order at 9:53 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 May 7, 2018. It was noted Board Members previously received copies of the minutes. Board Members were asked if there were any questions, concerns, or corrections; there were none.

A motion was made by Ms. Walker-Miller and supported by Mr. Palms that the Board accept and approve the minutes of the May 7, 2018, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Kalm presented his report to the Board stating since the May 2018 meeting one new employee was hired and three employees resigned. MGCB has 136 full-time employees and 10 vacant positions.

Regarding the Board's budget, as of June 30, 2018, total expenditures were \$17,340,748 leaving an unexpended balance of \$13,747,361 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 May 2018 was up 3.9% when compared to May 2017. Revenue was up .5% when compared to April 2018. For year-to-date May 31, 2018, the aggregate revenue for the Detroit casinos was up 1.2% compared to the same period last year.

Aggregate revenue for the three Detroit casinos for the month of June 2018 was up 5.3% when compared to June 2017. Revenue was down 4.4% compared to May 2018. For year-to-date June 30, 2018, the aggregate revenue for the Detroit casinos was up 1.9% compared to the same period last year.

Aggregate revenue for the Detroit casinos for the quarter ending June 30, 2018, was up 3.9% compared to the same period last year. Gaming revenue for the quarter was MGM \$157.4 million, MotorCity \$124.9 million, and Greektown \$85.6 million.

When compared to the same period last year, revenue for the quarter ending June 30, 2018, for MGM was up 5.8%, MotorCity was up 3.4%, and Greektown was up 1.2%. Gaming taxes for the quarter ending June 30, 2018, were \$29.8 million compared to \$28.7 million for the same period last year.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board that as of June 30, 2018, 664 active vendor exemptions were registered. As of June 30, 2018, 298 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of six active temporary nongaming-related and one active temporary gaming-related supplier licenses in effect. There are 102 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of June 30, 2018, the Board's Employee Licensing section issued a total of 2,132 occupational licenses to MGM employees; 1,697 occupational licenses to MotorCity employees; and 1,484 occupational licenses to Greektown employees. In addition, 1,594 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 68 temporary occupational licenses in effect.

Mr. Kalm advised the Board since the May 2018 meeting the required background investigations of 126 pending Level 1 and Level 2 occupational licenses have been completed. Mr. Kalm previously approved 421 renewal requests and 42 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 Licensing & Regulation (sic) Division's Employee Licensing staff regarding the 126 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Ms. Smith and supported by Mr. Palms that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Regulation (sic) Division for the pending Level 1 and Level 2 occupational license applications. A voice vote was taken.
Motion carried.

Next agenda item was consideration of the pending supplier license renewal requests of AGS LLC with New Key Person Eric Lurie Press, Yvette Ehr Landau, and Adam Chibib; BBMK Contracting, LLC d/b/a Blue Team Restoration; Del Bene Produce, Inc.; Galaxy Gaming, Inc.; Gold Star Equipment, Inc d/b/a Gold Star Products; Interblock Luxury Gaming Products D.d. d/b/a Interblock D.d.; Integration Partners Corporation; JCM American Corporation d/b/a JCM Global; JMC Electrical Contractor, LLC d/b/a JMC Technology Group; Mercury Fulfillment Systems, Inc. d/b/a Mercury Promotions & Fulfillment; Perfect Cleaners of Detroit, Inc.; Royal Roofing Co., Inc.; Sachse Construction and Development Company, L.L.C. d/b/a Sachse Construction with New Key Person Paul Christopher D'Ambrosio; TIE Leasing Company; Voice Data Systems, LLC with New Key Person Amy Hodgson Dunwell; and Wolverine Mailing, Packaging, Warehouse, Inc. d/b/a Wolverine Solutions Group.

There being no questions from Board Members, Mr. Palms supported the motion put forth by Ms. Walker-Miller 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 to consider the Licensing & Investigations Division's recommendation regarding the Suitability of New Key Person of supplier licensee Aristocrat Technologies, Inc., Julie Mireille Cameron-Doe. There was no discussion or questions regarding the recommendation, therefore, a motion was made by Mr. Palms and supported by Mr. McQueen and Ms. Walker-Miller to approve the request. A voice vote was taken.

Motion carried.

Next on the agenda was to consider the Licensing & Investigations Division's recommendation regarding the pending transfer of interest for Allied-Eagle Supply Company, LLC. There were no questions from Board Members. Mr. McQueen put forth the motion for approval which was supported by Mr. Palms and Ms. Walker-Miller. A voice vote was taken.

Motion carried.

Next on the Board's agenda was to consider the Casino Audit & Enforcement Division's recommendation regarding the Acknowledgement of Violation containing multiple infractions of Gaming Partners International USA, Inc. Assistant Attorney General Jason Geissler provided the Board with a summary of the facts. The violations resulted from shipments of playing cards containing missing or defective cards. The cards were shipped to Greektown Casino and MotorCity Casino during the time period of approximately October 2016 through April 2017. The casinos reported the violations to the MGCB. The fines totaled \$5,000. A motion was made by Ms. Smith and supported by Ms. Walker-Miller to accept the Acknowledgement of Violation. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Administrative Law Judge's Proposal for Decision of occupational licensees Charles Booker, Michael Love, Jakiser McKay, and Diamond Rogers. It was noted for the record that none of the licensees or their representatives were present at the meeting. Assistant Attorney General Bethany McCune addressed the Board to summarize the violations. All the licensees previously had their licenses summarily suspended for non-cooperation with Board staff in providing the requested documentation during their

renewal process. The Administrative Law Judge upheld the suspensions. The licensees have since provided the documents and all have been allowed to return to work. There were no questions from Board Members. A motion to approve the Administrative Law Judge's Proposal was made by Ms. Smith and supported by Mr. Palms. A voice vote was taken.

Motion carried.

The final business portion of the Board's agenda was to consider adopting Board Resolution 2018-01 delegating authority to the Executive Director concerning violations involving minors in the casinos and other routine violations. Mr. McQueen asked Mr. Kalm if there would be a report provided to the Board on the level of activities. Mr. Kalm replied that a report would be provided either at each board meeting or in the casinos' annual renewals. The Board and/or the casinos will still have the option of going to a hearing.

Mr. Anthony asked Assistant Attorney General Don McGehee if he would like to make a statement and he replied, "I provided a memo of advice on May 3rd to the Gaming Board, I stand by that."

Mr. Anthony then moved that the Board adopt Resolution 2018-01 which was supported by Mr. McQueen. 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, September 11, 2018, at 9:30 a.m.

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

Motion carried.

Following the closed session, the Board resumed the public meeting for the purpose of approving the May 7, 2018 closed session minutes.

Ms. Walker-Miller put forth the motion for approval which was supported by Mr. Palms. 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 11:13 a.m.



Diane Brown, Board Secretary