

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, May 12, 2015  
9:30 a.m.

**MINUTES**

On Tuesday, May 12, 2015, 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. Patrick McQueen  
Mr. Andrew Palms  
Mr. Michael Watza

Also attending was:

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

**Absent:** None

**Business:**

Mr. Anthony called the public meeting to order at 9:36 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 March 10, 2015. Mr. Anthony noted all 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 Mr. Watza, which was supported by Mr. McQueen for the Board to accept and approve the minutes of the March 10, 2015, regular public meeting. A voice vote was taken.

Motion carried.

Mr. Kalm reported since the last public meeting: in the Licensing & Investigations Division, Kevin Nosotti was promoted to Financial Specialist, Carla Schulte was promoted to Manager, Stephen Stanbury was hired as a Regulation Officer, and Robert Gambrell and Kathleen Klimaszewski were hired as Departmental Technicians. In the Administration & Indian Gaming Division, Shaun Prince was hired as an Auditor and Tina Ray was hired as a Department Analyst. In the Casino

Audit & Enforcement Division, Student Assistant Lakisha Adams was promoted to Secretary. The MGCB is once again hiring student interns for the summer and recently hired Susan Schoenherr as a Financial Analyst Intern. MGCB currently has 137 employees and 13 vacant positions. The full Board roster includes the State Police and the Attorney General staff.

In regard to the Board's budget, as of April 30, 2015, total expenditures were \$12,847,851 leaving an unexpended balance of \$14,332,949 in appropriated funding for fiscal year 2015 which includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Kalm next reported for the three month period ending April 30, 2015, aggregate revenue for the three Detroit casinos was up 3.2 percent when compared to the same period last year. Gaming revenue for the three months was MGM \$149.2 million, MotorCity \$123.0 million, and Greektown \$86.7 million. For the three month period ending April 30, 2015, MGM was up 2.7 percent, MotorCity was up 3.8 percent, and Greektown was up 3.1 percent compared to the same three month period in 2014.

Taxes for the three month period ending April 2015 for the three Detroit casinos were \$29.1 million compared to \$28.2 million for the same three months in 2014.

In regard to supplier licensing and vendor registration, Mr. Kalm advised the Board as of April 30, 2015, 813 active vendor exemptions were registered. As of April 30, 2015, there were 437 casino supplier companies granted exemptions from supplier licensing requirements. As of April 30, 2015, there was a total of 14 active temporary nongaming-related and three active temporary gaming-related supplier licenses in effect. In addition, there are 110 annual supplier licenses in effect.

In regard to occupational licensing, Mr. Kalm advised the Board as of April 30, 2015, the Board's Employee Licensing section issued a total of 2,207 occupational licenses to MGM employees; 1,761 occupational licenses to MotorCity employees; and 1,511 occupational licenses to Greektown employees. In addition, through the month of April 2015, 1,671 employees of various licensed casino suppliers have been granted occupational licenses.

Mr. Kalm advised the Board since the March meeting, the required background investigations for 164 pending Level 1 and 2 occupational licenses have been completed. Pursuant to Board Resolution No. 2002-02, Mr. Kalm previously approved 348 renewal requests and 54 Level 3 requests on behalf of the Board.

Mr. Kalm reported on Michigan State Police (MSP) Board-related activity. It was noted MSP has several vacancies.

Concluding his report, Mr. Kalm informed the Board of several noted MSP activities for the months of March and April which were not available in the public forum but for Board information only.

Next, the Board considered for approval the recommendations of the Executive Director and the Licensing & Investigations Division's staff regarding the 164 Level 1 and 2 occupational license applications.

There being no questions from Board members, it was moved by Mr. Palms and supported by Mr. Watza 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 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 application of Royal Magnate, Inc.

There were no questions from Board members. A motion was made by Mr. Watza and supported by Mr. McQueen that the Board enter an Order finding and concluding the applicant is 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 Allied-Eagle Supply Company, LLC; Assemblers III, LLC; BAC Greektown, LLC; Cadillac Coffee Company; Custom Architectural Sheet Metal Specialists, Inc.; Davis Iron Works, Inc.; FL Management, LLC d/b/a Fantasee Lighting; Gaming Partners International USA, Inc. d/b/a GPI USA; General Linen Supply Company d/b/a General Linen and Uniform Service; Lavdas Enterprises, Inc. d/b/a Lavdas Limousines, Inc.; Lorio Ross Entertainment Agency, Inc.; d/b/a Lorio Ross Sterling Entertainment Agency, Inc.; MIG East, LLC; Renaissance Man Food Services, LLC; TCS John Huxley America with new Key persons, Eric Poulton and Todd Paulden Cravens; Voice Data Systems, LLC; and VSR Industries, Inc.

There being no questions from Board members, Mr. McQueen made a motion which was supported by Mr. Watza 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.

Next on the agenda was to consider the requests for withdrawal of the supplier license applications of KONE, Inc. and The End Zone Chicken & Ribs, LLC.

There being no questions from Board members, a motion was made by Mr. Palms and supported by Mr. Watza that the Board enter Orders granting the requests. A voice vote was taken.

Motion carried.

Next was the consideration of the suitability of NF Athens, LLC, as a new Key person of casino licensee Greektown Casino, LLC. There being no questions from Board members it was moved by Mr. Watza and supported by Mr. McQueen that the Board enter an Order finding and concluding NF Athens, LLC is suitable as a new Key person of Greektown Casino, LLC. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Executive Director's Reports and Licensing & Investigations Division's recommendations regarding the pending Transfers of Interest of Davis Iron Works, Inc.; Athens Acquisition, LLC; PCT Security, LLC; and Voice Data Systems, Inc.

Board members did not have any questions. A motion was made by Mr. McQueen 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 two Acknowledgements of Violation (AOV) of casino licensee, Detroit Entertainment, LLC d/b/a MotorCity Casino. Assistant Attorney General Thomas Nafso summarized the violations for the Board. The first violation involved a patron having winnings of more than \$600 and MotorCity failing to withhold the required 25 percent federal income tax. MotorCity entered into and acknowledged the violation agreeing to a sanction of \$5,000 with \$2,500 held in abeyance for a 12-month period. If during the 12-month period MotorCity does not incur another violation, the remaining \$2,500 will be waived.

The second violation involved minors who entered the casino and gamed. One of the minors presented his brother's ID and gamed for approximately 3 ½ hours. The other minor presented a vertically-oriented underage ID to gain entry and gamed on an electronic gaming device. Together these fines totaled \$8,500.

All three of these situations were self-reported by the casino.

Cheryl Scott-Dube, General Counsel for MotorCity, was present to answer any questions the Board might have. Mr. McQueen inquired about the federal tax issue. Ms. Scott-Dube stated they file approximately 60,000 W-2Gs (withholding form) on an annual basis, which they also did in this case. However, in this case an error was made in not withholding the tax. Ms. Scott-Dube stated that even though the taxes did not get withheld it did not mean the taxes were not getting paid by the patron.

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

Motion carried.

Mr. Anthony announced the next public meeting would be held on Tuesday, June 16, 2015 at 9:30 a.m.

Lastly, a motion was made by Mr. McQueen for the Board to go into closed session. A roll call vote was taken. All members voted aye.

Motion carried.

The Board returned from closed session at 10:49 a.m. and Mr. Anthony then asked for a motion to approve the minutes from the closed session held March 10, 2015. Mr. Watza put forth the motion which was supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Lastly, Mr. Anthony asked for a motion to adjourn the public meeting which was made by Mr. Watza and supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Meeting adjourned at 10:50 a.m.

*/s/*

---

Diane Brown, Board Secretary