

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

Tuesday, November 1, 2016

MINUTES

On Tuesday, November 1, 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. Michael Watza
Ms. Carla Walker-Miller

Also attending was:

Richard Kalm, Executive Director
Emmitt McGowan, Inspector, MSP
Donald McGehee, Assistant Attorney General
Tom Nafso, 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 Patrick McQueen 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 special public meeting held September 21, 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 Mr. Watza and supported by Mr. Palms, that the Board accept and approve the minutes of the September 21, 2016, special public meeting. A voice vote was taken.

Motion carried.

Executive Director Richard Kalm presented his report to the Board stating since the September 21, 2016 meeting, Dana Lazechko was promoted to Regulation Officer, Jason Baird was hired as an Auditor, and one employee left the agency. MGCB has 133 full-time employees and 16 vacant positions.

With regard to the Board's budget, as of September 30, 2016, total expenditures were \$34,166,025 leaving an unexpended balance of \$2,761,275 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 September was up 4.3 percent when compared to the same month last year. Revenue was down 3.2 percent when compared to August 2016. For year-to-date September 30, 2016, the aggregate revenue for the Detroit casinos was up 1.7 percent compared to the same period last year.

For the month ending September 30, 2016, MGM's revenue was up 7.2 percent, MotorCity was up 3.6 percent and Greektown was up 0.3 percent when compared to the same month last year.

For the month ending September 30, 2016, gaming taxes for the three Detroit casinos were \$9.1 million compared to \$8.7 million for the same period last year.

For the month ending September 30, 2016, the three Detroit casinos reported submitting \$17.8 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 September 30, 2016, 695 active vendor exemptions were registered. As of September 30, 2016, 311 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of 14 active temporary nongaming-related and six active temporary gaming-related supplier licenses in effect. There are 103 supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of September 30, 2016, the Board's Employee Licensing section issued a total of 2,129 occupational licenses to MGM employees; 1,748 occupational licenses to MotorCity employees; and 1,478 occupational licenses to Greektown employees. In addition, through the month of September 2016, 1,613 employees of various licensed casino suppliers have been granted occupational licenses. There are currently 92 temporary occupational licenses.

Mr. Kalm advised the Board since the September meeting, the required background investigations for 103 pending Level 1 and 2 occupational licenses have been completed. Mr. Kalm previously approved 428 renewal requests and 72 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.

Before concluding his report, Mr. Kalm presented Lt. Pamela Benzing with a certificate of appreciation for her work with the board in the MSP gaming section. Lt. Benzing retired on October 31, 2016.

Next, the Board considered for approval the recommendation of the Executive Director and the Casino Audit & Enforcement Division's staff regarding the 103 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 Cammegh Limited; Curtis Glass Company; and The Printer, Inc.

There were no questions from Board members. A motion was made by Mr. Palms and supported by Mr. Watza 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 Assemblers (III), LLC; Colasanti Construction Services, Inc.; Dee Cramer, Inc.; Dillon Energy Services, Inc.; Edward Don & Company; Gemellaro Systems Integration, Inc.; Gold Star Equipment, Inc. d/b/a Gold Star Products; Heldon Shoe Company d/b/a Red Wing Shoes; IGT with new Key Persons Jeremy James Hanley, James Francis McCann, Gianmario Tondato Da Ruos, Claudio Marco Demolli, Michael Kenneth Prescott, and Renato Ascoli; Johnson and Wood L.L.C. with new Key Persons Jeffrey Edward Torrey and Jonathon James Clark; KLP Specialty Food, Inc. d/b/a Empire Packing Company; LaBelle Electric Services, Inc.; Socios Holdings, Inc. d/b/a Quality Meats & Culinary Specialties; and Wolverine Mailing, Packaging, Warehouse, Inc. d/b/a Wolverine Solutions Group.

There being no questions from Board members, Mr. Watza 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 person of supplier American Gaming & Electronics, Inc., Anthony Tomasello Jr.

There were no questions from Board members. Ms. Walker-Miller motioned for approval which was supported by Mr. Watza. 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 person of supplier Bally Gaming, Inc. d/b/a Bally Technologies, Michael Alan Quartieri.

There were no questions from Board members. Mr. Palms motioned for approval which was supported by Mr. Watza. 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 person casino licensee MGM Grand Detroit LLC d/b/a MGM Grand Detroit, Michael Norman Neubecker.

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

Motion carried.

The next agenda item was the request for the proposed transfer of interest pending Board approval for American Gaming & Electronics, Inc. There was no discussion or questions regarding the request therefore a motion was made by Ms. Walker-Miller and supported by Mr. Watzka to approve the requests. A voice vote was taken.

Motion carried.

The next three items on the agenda were the Acknowledgements of Violations for casino licensees Detroit Entertainment LLC d/b/a MotorCity Casino (1) and Greektown Casino (2). The MotorCity violation and one of the Greektown violations involved minors in the casino. The other Greektown violation involved a person who was placed on the Disassociated Persons List. Assistant Attorney General Thomas Nafso summarized the facts for the Board. Ms. Cheryl Scott-Dube represented MotorCity and acknowledged the agreed-upon proposed fine and had no comments for the Board. Ms. Andrea Hansen represented Greektown and also acknowledged the violations and fines without additional comments.

Motions were made and a voice votes were taken.

Motions 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. Nobody came forward.

Mr. Anthony announced the Board's next regular public meeting would be held Tuesday, January 10, 2017.

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

Motion carried.

After closed session the public meeting resumed for the purpose of approving the minutes of the last closed session. Mr. Watzka made a motion to approve the minutes from the September 13, 2016 closed session which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

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

Motion carried.

Meeting adjourned at 10:56 a.m.

Diane Brown, Board Secretary