

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

December 18, 2018 9:30 a.m.
MEETING MINUTES

On Tuesday, December 18, 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
Ms. Barbara Smith

Also attending:

Richard Kalm, Executive Director
Diane Brown, Board Secretary
Bethany McCune, Assistant Attorney General

Business:

Mr. Anthony called the meeting to order at 9:33 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 September 11, 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 September 11, 2018, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Kalm presented his report to the Board stating since the last board meeting five new employees were hired and six employees resigned. MGCB has 133 full-time employees and 16 vacant positions.

Regarding the Board's budget, as of November 30, 2018, total expenditures were \$2,921,279 leaving an unexpended balance of \$26,412,454 in appropriated funding for fiscal year 2019, 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 ending November 2018, was up 4% when compared to November 2017. Revenue was up 1.4% when compared to October 2018. For year-to-date November 30, 2018, the aggregate revenue for the Detroit casinos was up 2.5% compared to last year. Specifically, revenue for MGM was up 7.9% to \$52.4 million, MotorCity was down .5% to \$38 million, and Greektown was up 3.4% to \$27.2 million.

Mr. Kalm also informed the Board, MotorCity Casino reached \$400 million in adjusted gross revenue which calls for a 1% tax increase to the City of Detroit per the Development Agreement with the city.

Market shares for November were MGM 45%, MotorCity 32%, and Greektown 23%. Gaming taxes for the three Detroit casinos were \$9.5 million compared to \$9.2 million for the same period last year. The three Detroit casinos reported submitting to the City of Detroit \$18.9 million in wagering taxes and development agreement payments during November 2018.

The year-to-date gaming revenue for the Detroit casinos for the 11 months ending November 2018, was MGM \$564.4 million, MotorCity \$446.3 million and Greektown \$305.8 million. When compared to the same 11-month period last year, revenue for MGM was up 4.1%, MotorCity was up 1.7%, and Greektown was up .8%. The gaming taxes for the 11-month period were \$106.6 million compared to \$104 million for the same period last year.

Regarding the citation program instituted for a minor on the gaming floor; to date one citation has been issued to each casino. Fines were issued and include MGM \$2,500, Greektown \$2,500, and MotorCity \$3,000.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board that as of November 30, 2018, 616 active vendor exemptions were registered. As of November 30, 2018, 303 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of eight active temporary nongaming-related and four active temporary gaming-related supplier licenses in effect. There are 99 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of November 30, 2018, the Board's Employee Licensing section issued a total of 2,085 occupational licenses to MGM employees; 1,661 occupational licenses to MotorCity employees; and 1,408 occupational licenses to Greektown employees. In addition, 1,536 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 126 temporary occupational licenses in effect.

Mr. Kalm advised the Board since the September 2018 meeting the required background investigations of 225 pending Level 1 and Level 2 occupational licenses have been completed. Prior to the December 18, 2018 meeting Mr. Kalm approved 119 occupational license renewal requests and 563 Level 3 renewal 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 & Investigations Division's Employee Licensing staff regarding the 225 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Ms. Smith and supported by Ms. Walker-Miller that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Investigations Division for the pending Level 1 and Level 2 occupational license applications. A voice vote was taken.

Motion carried.

The next business item on the agenda was consideration of the pending supplier licensing applications of Creation Robco, Inc. d/b/a Robco Gaming; Crispelli's LLC d/b/a Bread by Crispelli's; and Johnico LLC d/b/a America's Green Line.

There being no questions from Board Members, it was moved by Ms. Walker-Miller and supported by Mr. Palms that the Board enter Orders finding the applicants and their qualifiers eligible and suitable for licensing and, accordingly, grant the requests for a one-year period. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the pending supplier license renewal requests of Alpha Video and Audio, Inc. with New Key Person David John Farrier; China Town Market, Inc.; Colasanti Construction Services, Inc.; Creative Breakthroughs, Inc.; Dillon Energy Services, Inc.; Duffey, Petrosky & Company, L.L.C. with New Key Person Matthew John Gribas; General Linen Supply Company d/b/a General Linen and Uniform Service; Heldon Shoe Company d/b/a Red Wing Shoes; Homespun Furniture, Inc.; Master Craft Carpet Service, Inc. d/b/a Master Craft Floors; Mastercraft FC, LLC; Micro Wise, Inc.; MIG East, LLC; Premier Services Group, LLC; RAM Construction Services of Michigan, Inc.; and Socios Holdings, Inc. d/b/a Quality Meats & Culinary Specialties.

There being no questions from Board Members, Ms. Walker-Miller supported the motion put forth by Mr. Palms that the Board enter Orders finding the 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 to consider the Licensing & Investigations Division's recommendations regarding the withdrawal of the license applications of supplier licensees E. GADS, LLC and SuzoHapp Gaming Solutions, LLC. A motion to approve the withdrawals was made by Mr. McQueen and supported by Ms. Walker-Miller. 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 Everi Payments, Inc. Maureen Therese Mullarkey-Miller. There was no discussion or questions regarding the recommendation, therefore, a motion was made by Ms. Smith and supported by Mr. Palms to approve the request. A voice vote was taken.

Motion carried.

Next on the Board's agenda was to consider the Licensing & Investigations Division's recommendation regarding the Transfers of Interest of Metro Sign, Inc. d/b/a Metro Detroit Signs,

Inc. and Wolverine Mailing, Packaging, Warehouse, Inc. There were no questions from Board Members. A motion was made by Ms. Walker-Miller and supported by Mr. McQueen to accept transfers. 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 for Aristocrat Technologies, Inc. for shipping unapproved software to MotorCity Casino. There were no questions from Board Members. A motion was made by Mr. Palms 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 Licensing & Investigations Division's recommendation regarding the Acknowledgement of Violation of occupational licensee Nashwan Kesto. It was noted for the record Mr. Kesto nor his representative were present at the meeting. Assistant Attorney General Bethany McCune addressed the Board to summarize the violation. There were no questions from Board Members. A motion to approve the Acknowledgement of Violation was made by Mr. McQueen and supported by Mr. Palms. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Licensing & Investigations Division's recommendation regarding the Acknowledgement of Violation of occupational licensee Johonne Edwin Lucas. It was noted for the record Mr. Lucas nor his representative were present at the meeting. Assistant Attorney General Bethany McCune addressed the Board to summarize the violation. There were no questions from Board Members. Ms. Smith made the motion to approve the violation which was supported by Ms. Walker-Miller. A voice vote was taken.

Motion carried.

The other business item on the agenda was representatives from Penn National Gaming and Vici Properties addressing the Board Members to provide a brief overview of the transaction involving the purchase of Greektown Casino. At this time there were no questions from the Board.

Mr. Anthony announced the Board's next regular public meeting would be held Tuesday, February 12, 2019, at 9:30 a.m.

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

Motion carried.

Following the closed session, the Board resumed the public meeting for the purpose of approving the September 11, 2018 closed session minutes.

Mr. Palms put forth the motion for approval which was supported by Mr. McQueen. 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. Palms and supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Mr. Anthony adjourned the meeting at 10:51 a.m.

A handwritten signature in cursive script that reads "Diane Brown". The signature is written in dark ink on a light-colored background.

Diane Brown, Board Secretary