

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

May 21, 2019 9:30 a.m.
MEETING MINUTES

On Tuesday, May 21, 2019, 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

Also attending:

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

Business:

Mr. Anthony called the meeting to order at 9:39 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 March 12, 2019. 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. Smith and supported by Mr. Palms that the Board accept and approve the minutes of the March 12, 2019, 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 two new employees were hired and five employees resigned. MGCB has 136 full-time employees and 12 vacant positions.

Regarding the Board's budget, as of April 30, 2019, total expenditures were \$15,443,380 leaving an unexpended balance of \$15,275,453 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 March 2019 was up 1.3% when compared to March 2018. Revenue was up 22.5% when compared to February 2019. For year-to-date March 31, 2019, the aggregate revenue for the Detroit casinos was up 1.9% compared to last year.

Aggregate revenue for April 2019 was up 0.8% when compared to the same month last year. Revenue was down 10.8% compared to March 2019.

The aggregate revenue for the three months ending April 30, 2019 was up 2.0% when compared to the same three months in 2018. Gaming revenue for the three-month period was MGM \$161.1 million, MotorCity \$131.3 million, and Greektown \$87.7 million. Compared to the same three months last year, revenue for MGM was up 3.8%, MotorCity was down 0.01%, and Greektown was up 1.6%. Gaming taxes for the three-month period were \$30.8 million compared to \$30.2 million last year.

Regarding the citation program instituted for minors on the gaming floor, four citations were issued to Greektown Casino.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board that as of May 15, 2019, 578 active vendor exemptions were registered. As of May 15, 2019, 297 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of five active temporary nongaming-related and two active temporary gaming-related supplier licenses in effect. There are 92 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of May 15, 2019, the Board's Employee Licensing section issued a total of 2,050 occupational licenses to MGM employees; 1,645 occupational licenses to MotorCity employees; and 1,364 occupational licenses to Greektown employees. In addition, 1,496 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 118 temporary occupational licenses in effect.

Mr. Kalm advised the Board since the March 2019 public meeting the required background investigations of 245 pending Level 1 and Level 2 occupational licenses have been completed. Prior to the May 21, 2019 meeting Mr. Kalm approved 679 occupational license renewal requests and 71 Level 3 applications 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 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Mr. Palms and supported by Mr. McQueen that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Investigations Division for the 245 pending Level 1 and Level 2 occupational license applications. A voice vote was taken.

Motion carried.

The next item of business on the agenda was consideration of the pending supplier licensing applications of Baratta Brothers, Inc. d/b/a Fairway Packing Company; International Precast Solutions, LLC; LoPiccolo Bros. Produce, Inc.; and Reliable Landscaping, Inc.

There being no questions from Board Members, it was moved by Mr. McQueen 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 Allied-Eagle Supply Company, LLC d/b/a Allied Office Specialists; Cadillac Coffee Company; Cadillac Travel, Inc.; Carmela Foods Distributing, Inc.; Gable Signs & Graphics, Inc.; Gold Star Equipment, Inc. d/b/a Gold Star Products; Incredible Technologies, Inc.; International Market Place, Inc. d/b/a Fishbones Rhythm Kitchen Café; KLP Specialty Food, Inc.; Lavdas Enterprises, Inc. d/b/a Lavdas Limousines, Inc.; Masque Publishing, Inc.; Mercury Fulfillment Systems, Inc. d/b/a Mercury Promotions & Fulfillment; MRP Supply, Inc.; Perfect Cleaners of Detroit, Inc.; Renaissance Man Food Services, Inc.; Tier One Marketing, LLC; and Tom Maceri and Son, Inc.

There being no questions from Board Members, Mr. Palms supported the motion put forth by Ms. Smith 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 recommendation regarding the suitability of New Key Person, Paul Jude Salem, of casino licensee MGM Grand Detroit. There were no questions from Board Members. A motion was made by Mr. Palms and supported by Mr. McQueen that the Board grant the request. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Casino Audit & Enforcement Division's recommendation regarding the Acknowledgement of Violation of supplier licensee Bally Gaming, Inc. d/b/a Bally Technologies. The violation was for the distribution of unapproved software or associated equipment at MotorCity Casino. There was no discussion or questions regarding the recommendation; therefore, a motion was made by Mr. McQueen and supported by Mr. Palms to approve the violation. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Licensing & Investigations Division's recommendations regarding the Acknowledgements of Violation of supplier licensees Halifax Security, Inc. d/b/a North American Video and Konami Gaming, Inc. Each of the violations were for a Transfer of Interest without prior Board authorization. There was no discussion or questions regarding the recommendations; therefore, a motion was made by Ms. Smith and supported by Mr. Palms to approve the violations. A voice vote was taken.

Motion carried.

Following the Acknowledgement of Violation for Halifax Security, Inc. the Board considered the Licensing & Investigations Division's recommendation regarding approval of its Transfer of Interest. There were no questions from Board Members; therefore, a motion was made by Mr. Palms and supported by Mr. McQueen that the Board approve the transfer. A voice vote was taken.

Motion carried.

Following the Acknowledgements of Violation of Bally Gaming, Inc. d/b/a Bally Technologies with new Key persons Barry Laine Cottle and Kneeland Conner Youngblood; Halifax Security, Inc. d/b/a North American Video; and Konami Gaming, Inc., the Board considered the renewal of the suppliers' licenses. There was no discussion or questions from Board Members; therefore, a motion was put forth by Mr. McQueen and supported by Ms. Smith to approve the request. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Licensing & Investigations Division's recommendation regarding withdrawal requests of Gaming Partners International USA, Inc. d/b/a GPI USA, and Link Solutions Group, LLC d/b/a Link Solutions. There was no discussion or questions from Board Members, therefore, a motion was made by Ms. Smith and supported by Mr. Palms, that the Board approve the requests. A voice vote was taken.

Motion carried.

Next agenda item was to consider the Licensing & Investigations Division's recommendations regarding the Administrative Law Judge's Proposals for Decision of occupational licensees Osagie Osazuwa and Dreanna Lively. Assistant Attorney General Bethany McCune summarized the violations for the Board. Mr. Osazuwa and his attorneys Mr. Chadwick and Ms. Mead also addressed the Board. Mr. Osazuwa was found unsuitable for licensure after he was found to have child pornography on his phone and was showing it to a coworker while at work. Mr. Osazuwa requested the Board grant him a new hearing. The Board voted unanimously to deny the request for a rehearing and to accept the Proposal for Decision. Ms. Lively was found unsuitable for licensure due to her arrest for felony larceny which was later plead down to misdemeanor retail fraud. The Board voted to accept the Proposals for Decision.

The Board then considered the Acknowledgements of Violations of occupational licensees Omar Ramouni and Karisha Scott. Mr. Ramouni was given a three-day suspension for failure to report an arrest and Ms. Scott was given a five-day suspension for failure to report a prior criminal assault which was discovered when she was arrested a second time. Neither licensee nor their respective representatives were present. There were no questions from Board Members. A motion to approve was made by Mr. McQueen and supported by Mr. Palms. A voice vote was taken.

Motion carried.

Next on the agenda was consideration of the Casino Audit & Enforcement Division's recommendations regarding four Acknowledgements of Violation for Greektown Casino. These involved violations of the Gaming Control and Revenue Act regarding disassociated persons. There were no questions from Board Members; therefore, a motion was made by Ms. Smith and supported by Mr. Palms that the Board approve the violations. A voice vote was taken.

Motion carried.

The next item on the agenda was regarding the Transfer of Interest and suitability of New Key Persons, Penn Tenant III, LLC; Penn National Gaming, Inc.; Timothy Joseph Wilmott; Jay Anthony Snowden; William Joseph Fair; Rafael Ramon Verde; Peter Michael Carlino; David Alan Handler; John Michael Jacquemin; Barbara Jane Schattuck-Kohn; Ronald James Napes; Saul V. Reibstein; Jane Antoinette Scaccetti; and John Phillip Drake, of Greektown Casino, LLC as well as the pending gaming supplier license recommendation and request of Greektown Propco LLC. Mr. Anthony invited representatives of Penn National to address the Board. Mr. Timothy Wilmott, CEO of Penn National, summarized the transaction and provided a brief background of Penn National. Mr. John Payne, President of VICI Properties, then addressed the Board and provided them with a brief summary of the company. There were no questions from the Board. Mr. Anthony then asked for a motion which was put forth by Mr. Palms and supported by Ms. Smith. A voice vote was taken.

Motion carried.

Mr. Anthony moved on to the "Other Business" portion of the agenda where he introduced a Resolution naming a Delegate to carry out the duties and responsibilities delegated by the Board to the Executive Director. Mr. Kalm's term is scheduled to end on June 3, 2019, but there has been no indication from the Governor's office as to a replacement or his reappointment. Until such time as Mr. Kalm is held-over, reappointed, or a new Executive Director is appointed, Resolution 2019-01 delegates such duties to Deputy Director Henry L. Williams. A motion was made by Mr. McQueen and supported by Mr. Palms to adopt Resolution 2019-01. A voice vote was taken.

Motion carried.

For the public portion of the meeting Ms. Tiffany Ogetree, whose occupational license expired between the time a disciplinary compliance conference was held and the May Board meeting, addressed the Board. Ms. Ogetree does not currently have a job at one of the Detroit casinos. Ms. Ogetree was informed if she were to secure a job at one of the casinos then she could reapply for a new license.

Four members of casino workers union Unite Here Local 24, spoke to the Board regarding their concerns about recent changes in the ownership and board of MGM Resorts. They are concerned about job security.

Mr. Anthony then announced the Board's next regular public meeting would be held Tuesday, July 16, 2019, at 9:30 a.m.

A motion to go into closed session was made by Ms. Smith 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 March 12, 2019 closed session minutes.

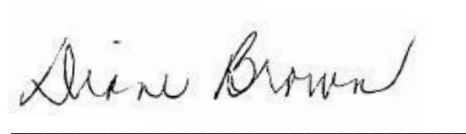
Mr. McQueen put forth the motion for approval which was supported by Ms. Smith. A voice vote was taken.

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. Smith. A voice vote was taken.

Motion carried.

Mr. Anthony adjourned the meeting at 11:31 a.m.

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

Diane Brown, Board Secretary