

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

November 5, 2019 9:30 a.m.
MEETING MINUTES

On Tuesday, November 5, 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
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 9:40 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 10, 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. McQueen that the Board accept and approve the minutes of the September 10, 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 one new employee was hired. MGCB has 136 full-time employees and 7 vacant positions.

Regarding the Board's budget, as of September 30, 2019, the end of the fiscal year, total expenditures were \$37,138,843 leaving an unexpended balance of \$1,892,990 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 September 2019 was down 2.5% when compared to September 2018. Revenue

was down 6.3% when compared to August 2019. For year-to-date September 30, 2019, the aggregate revenue for the Detroit casinos was up 0.3% compared to last year.

The aggregate revenue for the month ending October 31, 2019 was down 0.3% when compared to October 2018. Gaming revenue for the month was MGM \$48.9 million, MotorCity \$39.3 million, and Greektown \$27.5 million. Compared to the same period last year, revenue for MGM was down 1.8%, MotorCity was up 1.9%, and Greektown was down 0.4%. Gaming taxes for the month of October were \$9.37 million compared to \$9.39 million last year.

Mr. Kalm also informed the Board; MotorCity Casino reached the \$400 million mark on October 24, 2019 which was the earliest it had been reached. Previously, the earliest was October 25. MotorCity Casino wired \$4 million to the City of Detroit and increased its tax rate by 1% as required by the development agreement.

Following his report to the Board, Mr. Kalm briefed the Board on the status of pending legislation regarding internet gaming, sports betting, etc.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board that as of October 31, 2019, 563 active vendor exemptions were registered. As of October 31, 2019, 292 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of six active temporary nongaming-related and four active temporary gaming-related supplier licenses in effect. There are 93 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of October 31, 2019, the Board's Employee Licensing section issued a total of 2,031 occupational licenses to MGM employees; 1,650 occupational licenses to MotorCity employees; and 1,226 occupational licenses to Greektown employees. In addition, 1,501 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 149 temporary occupational licenses in effect.

Mr. Kalm advised the Board since the September 2019 public meeting the required background investigations of 298 pending Level 1 and Level 2 occupational licenses have been completed. Prior to the November 2019 meeting Mr. Kalm approved 639 occupational license renewal requests and 81 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 Casino Operations 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. McQueen and supported by Ms. Smith that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Licensing & Investigations Division for the 298 pending Level 1 and Level 2 occupational license applications. A voice vote was taken.

Motion carried.

Next agenda item was consideration of the Licensing, Investigations, & Audit Division's recommendations regarding the pending supplier license renewal requests of 1st Choice Distributors, LLC; AGS, LLC with New Key Persons Geoffrey Todd Freeman and Anna Massion-

Greenberg; Ainsworth Game Technology Limited; Dee Cramer, Inc.; Dillon Energy Services, Inc.; Homespun Furniture, Inc.; IGT with New Key Person Samantha Fay Ravich; KLP Specialty Food, Inc.; Master Craft Carpet Service, Inc. d/b/a Master Craft Floors; Micro Wise, Inc.; RAM Construction Services of Michigan, Inc.; Shelby Wholesale Distributors, Inc.; and the Herjavec Group Corp. with New Key Person Jennifer Lee Ogle.

There being no questions from Board Members, Mr. McQueen 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 & Audit Division's recommendation regarding the suitability of New Key Person, Derik Jon Mooberry, of supplier licensee Bally Gaming, Inc. d/b/a Bally Technologies. There were no questions from Board Members. A motion was made by Mr. McQueen and supported by Ms. Smith that the Board grant the request. A voice vote was taken.

Motion carried.

The next item on the agenda was to consider the Licensing, Investigations & Audit Division's recommendation regarding the withdrawal request of BBMK Contracting, LLC d/b/a Blue Team Restoration. There was no discussion or questions from Board Members, therefore, a motion was made by Ms. Smith and supported by Mr. McQueen, that the Board approve the request. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Casino Operations Division's recommendation regarding the Acknowledgement of Violation of casino licensee MGM Grand Detroit, LLC. There was no discussion or questions regarding the recommendation; therefore, a motion was made by Mr. McQueen and supported by Ms. Smith to approve the violation. A voice vote was taken.

Motion carried.

The next agenda item was to consider the Casino Operations Division's recommendations regarding the Acknowledgement of Violation of supplier licensee Motor City Electric Co. There was no discussion or questions regarding the recommendations; therefore, a motion was made by Ms. Smith and supported by Mr. McQueen to approve the violation. A voice vote was taken.

Motion carried.

Next agenda item was to consider the Casino Operations Division's recommendations regarding the Administrative Law Judge's Proposals for Decision of occupational Chidi Nkume. Assistant Attorney General Bethany McCune summarized the violation for the Board. Neither Mr. Nkume nor his representative were present. A motion to accept the Proposal for Decision was made by Mr. McQueen and supported by Ms. Smith. A voice vote was taken.

Motion carried.

The Board then considered the Acknowledgement of Violation of occupational licensees Fred Anthony Williams. Mr. Williams nor his representative were present. Ms. McCune summarized the violations. There were no questions from Board Members. A motion to approve was made by Ms. Smith and supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Mr. Anthony then announced the Board's next regular public meeting would be held Tuesday, January 14, 2020, at 9:30 a.m.

There was no closed session.

Mr. Anthony then asked for a motion to adjourn the public meeting. A motion was made by Ms. Smith and supported by Mr. McQueen. A voice vote was taken.

Motion carried.

Mr. Anthony adjourned the meeting at 10:08 a.m.

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

Diane Brown, Board Secretary