

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

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

**March 10, 2020 9:30 a.m.**  
**MEETING MINUTES**

On Tuesday, March 10, 2020, 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. Andrew Palms  
Ms. Barbara Smith  
Mr. Patrick McQueen

Also attending:

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

**Business:**

Mr. Anthony called the meeting to order at 9:38 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 January 21, 2020. 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 January 21, 2020, 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 and one resigned their position. MGCB has 136 full-time employees and seven vacant positions.

Regarding the Board's budget, as of February 29, 2020, total expenditures were \$13,104,163 leaving an unexpended balance of \$18,031,266 in appropriated funding for fiscal year 2020, 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 January 31, 2020, was up 7.1% when compared to January 2019. Revenue was down 6.1% when compared to December 2019. For year-to-date January 31, 2020, the aggregate revenue for the Detroit casinos was up 7.1% compared to last year.

Gaming revenue for the month; MGM was up 2.1% to \$50 million, MotorCity was up 11.7% to \$41.8 million, and Greektown was up 9.8% to \$28.2 million. Market shares for January were MGM 42%, MotorCity 35%, and Greektown 23%.

For the month ended January 31, 2020, gaming taxes for the three Detroit casinos were \$9.7 million compared to \$9.1 million for the same period last year.

The three Detroit casinos reported submitting to the City of Detroit \$14.3 million in wagering taxes and development agreement payments during January 2020.

Mr. Kalm reported aggregate revenue for the three Detroit casinos for the month ending February 29, 2020, was up 6.3% when compared to February 2019. Revenue was up 1.5% when compared to January 2020. For year-to-date February 29, 2020, aggregate revenue for the Detroit casinos was up 6.7% compared to last year.

Gaming revenue for February 2020; MGM was up 6.4% to \$52.6 million, MotorCity was up 4.7% to \$40.5 million, and Greektown was up 8.3% to \$28.6 million.

For the three-month period ended February 29, 2020, gaming revenue for MGM was up 2.5%; MotorCity was up 5.2%; and Greektown was up 6.6%.

Mr. Kalm provided information regarding fantasy sports. The Fantasy Sports Consumer Protection Act was enacted on December 20, 2019. Under this law, fantasy contest operators which were operating in the state as of May 1, 2018, may continue to offer fantasy contests until they are issued or denied a license provided they apply within 60 days from the time applications become available. These operators are required to pay a monthly tax of 8.4% on their monthly adjusted revenues effective December 20, 2019, with payments due on the 20<sup>th</sup> day of each month. The Board staff is working with Treasury to establish a fantasy contest tax form and expect to publish it in the near future. The board is unable to tax the operators until it receives the forms but will be taxing them back to December 20, 2019, when the law was put into effect. Some of the operators, knowing they were going to be taxed from December 20, submitted unaudited taxes ahead of time. For the period of December 20, through December 31, 2019, fantasy contest operators reported total adjusted revenues of \$708,348 and paid taxes of \$59,501. For the period of January 1 through January 31, 2020, fantasy contest operators reported total adjusted revenues of \$1,465,358, and paid \$123,000 in taxes. Mr. Kalm emphasized these figures are unaudited and the board will audit them once the form is in place and it begins the licensing process.

Regarding minor in casino violations, Mr. Kalm reported one violation was issued since the January meeting.

Regarding supplier licensing and vendor registration, Mr. Kalm advised the Board that as of February 29, 2020, 559 active vendor exemptions were registered. As of February 29, 2020, 288 casino supplier companies were granted exemption from supplier licensing requirements.

Mr. Kalm reported a total of five active temporary nongaming-related and 10 active temporary gaming-related supplier licenses in effect. There are 94 annual supplier licenses in effect.

Regarding occupational licensing, Mr. Kalm advised the Board as of February 29, 2020, the Board's Employee Licensing section issued a total of 2,093 occupational licenses to MGM employees; 1,648 occupational licenses to MotorCity employees; and 1,274 occupational licenses to Greektown employees. In addition, 1,494 employees of various licensed casino suppliers have been granted occupational licenses. Currently, there are 199 temporary occupational licenses in effect.

Mr. Kalm advised the Board since the January 2020 public meeting the required background investigations of 108 pending Level 1 and Level 2 occupational licenses have been completed. Prior to the March 2020 meeting Mr. Kalm approved 571 occupational license renewal requests and 106 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. Palms and supported by Mr. McQueen that the Board enter an Order accepting and adopting the recommendations of the Executive Director and the Casino Operations Division for the 108 pending Level 1 and Level 2 occupational license applications. A voice vote was taken.

Motion carried.

Next on the agenda was consideration of the Licensing, Investigations, & Audit Division's recommendations regarding the pending supplier licensing applications of Gaming Partners International d/b/a as GPI USA, and Zuvid LLC. There were no questions from Board Members. A motion was made by Mr. McQueen and supported by Ms. Smith that the Board enter Orders finding the suppliers and their qualifiers eligible and suitable for licensure and accordingly grant the request for a one-year period.

Motion carried.

Next agenda item was consideration of the Licensing, Investigations, & Audit Division's recommendations regarding the pending supplier license renewal requests of Ainsworth Game Technology Limited; Aristocrat Technologies, Inc. with new Key Persons Hector Leonard Fernandez, Richard Harvey Bell, and Phillippe Gerald Etienne; Cadillac Coffee Company; Detroit Spectrum Painters, Inc.; Gable Signs & Graphics, Inc.; Galaxy Gaming, Inc. with new Key Person Michael Gavin Isaacs; House Advantage, LLC; Incredible Technologies, Inc.; Interblock Luxury Gaming Products, D.d. d/b/a Interblock D.d.; Johnico LLC d/b/a America's Green Line; Masque Publishing, Inc.; Motor City Electric Company with new qualifying business Motor City Electric Employee Stock Ownership Trust; Northern Lakes Seafood & Meats, Inc.; SMS Staffing Solutions, Inc.; TCS John Huxley America, Inc.; The Printer, Inc.; 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 & Audit Division's recommendation regarding the suitability of New Key Person of MGM Grand Detroit, David Tsai. 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 Board then considered the Acknowledgements of Violation of occupational licensees Darrel Dianta Daniels, Amrique Shawnell Dockery, and Dishaun Adam Williams-Ryan. None of the licensees nor their representatives were present. Assistant Attorney General Bethany McCune summarized the violations. There were no questions from Board Members. A motion to approve was made by Mr. McQueen and supported by Ms. Smith. A voice vote was taken.

Motion carried.

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

Motion carried.

The commercial casinos' CEOs, David Tsai of MGM, Bruce Dall of MotorCity, and John Drake of Greektown, each addressed the board and presented their plans to begin sports betting March 13 and 14. Each CEO outlined how they are going to protect the integrity of gaming, what platform providers they are partnering with, how bets will be placed, etc. Mr. Kalm informed the board that all of the suppliers have been issued temporary licenses until a more thorough investigation can be completed, in order to allow betting to begin this week.

Mr. Anthony asked for a motion in support of the casinos opening their sports betting operations beginning March 13, 2020 at 11:00 am. Mr. McQueen made the motion which was supported by Mr. Palms. A voice vote was taken.

Motion carried.

There were no members of the public who registered to address the Board.

Mr. Anthony then announced the Board's next regular public meeting would be held Tuesday, May 12, 2020, at 9:30 a.m.

A motion to go into closed session was made by Mr. Palms and supported by Mr. McQueen. A roll call vote was taken. Motion carried.

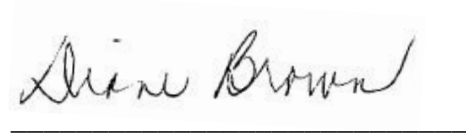
When the Board reconvened following the closed session, Mr. Palms put forth the motion to approve the minutes from the last closed session. Ms. Smith supported the motions. A voice vote was taken.

Motion carried.

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

Motion carried.

Mr. Anthony adjourned the meeting at 10:48 a.m.

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

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Diane Brown, Board Secretary