

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

October 12, 2021, 9:30 a.m.
MEETING MINUTES

On Tuesday October 12, 2021, the Michigan Gaming Control Board held a public meeting, via Zoom, 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:

Linda Forte, Chair
Mr. Andrew Palms
Deidre Lambert-Bounds
Joni Thrower-Davis

Also attending:

Henry Williams, Executive Director
Diane Brown, Board Analyst
Mr. Gerald Whalen, Assistant Attorney General
Mr. Jason Geissler, Assistant Attorney General
D/F/Lt. Marcus Trammel, MSP

Business:

Ms. Forte called the meeting to order at 9:41 a.m. and all Members were present.

There was no preliminary business to discuss.

Ms. Forte stated the first order of business was to approve the minutes from the Board's regular public meeting held August 10, 2021. 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 Mr. Palms and supported by Ms. Lambert-Bounds that the Board accept and approve the minutes of the August 10, 2021, regular public meeting. A roll call vote was taken. Motion carried.

Mr. Williams presented his report to the Board stating since the last board meeting five new employees were hired, and one resigned their position with MGCB. MGCB has 139 full-time employees and 28 vacant positions.

Regarding the Board's budget, as of September 30, 2021, total expenditures were \$26,909,438 leaving an unexpended balance of \$10,378,602 in appropriated funding for fiscal year 2021,

which includes funds for anticipated expenditures to the Attorney General's Office and the Michigan State Police.

Mr. Williams reported the three Detroit commercial casinos continued to operate at full capacity on a 24-hour-per-day, 7-day-per-week basis.

For casino operations, in August and September 2021, the casinos reported \$113.82 million in monthly aggregate revenue in August and \$110.4 million monthly aggregate revenue in September.

For the months ending August 31, 2021, and September 30, 2021, gaming taxes for the three Detroit casinos was \$17.8 million compared to \$12.7 million for the same period in 2020.

The three Detroit casinos reported paying the State of Michigan \$193,256 million in retail sports betting taxes. For August and September 2021, the three Detroit casinos reported paying the City of Detroit \$30.1 million in wagering taxes and development agreement payments, compared to \$19.5 million for the same period in 2020.

For the months of August and September 2021, the three Detroit casinos reported paying the City of Detroit \$236,201 in retail sports betting taxes.

Mr. Williams reported revenue from the Lawful Sports Betting Act and Lawful Internet Gaming Act for January through August 2021, the total handle was \$1.88 billion for sports betting and \$666.7 million in adjusted gross receipts. Of the \$666.7 million, \$606.2 million was from internet gaming and \$60.5 million from internet sports betting. For January through August 2021 \$124 million in state taxes and payments; \$120.1 million from internet gaming and \$3.9 million from internet sports betting, have been paid. City of Detroit received \$35.5 million in taxes and fees. Tribal operator's payments through August were \$13.2 million. Mr. Williams then informed the Board of the Hold Harmless agreement clause regarding payment from the Internet Gaming fund to the City of Detroit if the City does not receive \$183 million. Since online gaming launched in the middle of the City's fiscal year, on January 22, 2021, it is estimated the Internet Gaming Fund will disburse, to the City of Detroit, approximately \$38.8 million.

Mr. Williams then went on to explain the new law signed in October 2020, regarding Disassociated Persons. Public Act 225 of 2020 signed by the Governor, allows Disassociated Persons to request removal from the lifetime ban after five years on the list. Currently there are 4,274 individuals on the list. As of September 30, 2021, the Board has received 779 applications seeking removal. Of those, 697 requests have been approved (nine have requested placement back on the list), and 36 requests were denied due to the applicants either not being eligible or not responding to information requested from the board. Forty-six requests are currently being reviewed.

Regarding the Responsible Gaming Database (RGD), which created a statewide responsible gaming database, there have been 49 applications requesting placement in the RGD. Forty-two participants have been placed on the Internet Gaming list and 41 have been placed on the Internet Sports Betting list. Seven applications received were incomplete and were returned for additional information.

Mr. Williams informed the Board that effective December 2019, the Gaming Control and Revenue Act was signed into law which allows the board to consider a waiver of misdemeanor convictions of at least ten years old for occupational license applications. This is providing the applicant does not pose a threat to the integrity of gaming, the applicant's conviction did not involve gambling,

dishonesty, theft, or fraud; and the applicant is otherwise eligible and suitable. To date the Board has issued 14 waivers and denied two. In addition, one vendor was also given a waiver of criminal conviction.

Mr. Williams then turned the meeting over to Lab Manager Rob Franklin for a presentation on new online technology and services provided by supplier GeoComply.

For Michigan State Police, Mr. Williams referred the Board to their copy of his report. Due to the report containing propriety and investigation information, Mr. Williams did not disclose in the public forum.

Next, the Board considered for approval, the recommendation of the Executive Director and the Casino Operations Division's Employee Licensing staff regarding the 121 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Ms. Lambert-Bounds and supported by Ms. Davis that the Board enter an Order accepting and adopting the recommendation. A roll call vote was taken. Motion carried.

Next on the agenda for consideration was the Licensing & Investigations Division's recommendation regarding the pending supplier application requests of AlchemyBet Limited; Amelco UK Limited; Boom Shakalaka, Inc.; Crown Michigan Gaming, LLC d/b/a DraftKings; Design Works Gaming Michigan LLC; GeoComply Solutions Inc.; Golden Nugget Online Gaming, LLC; Oddsworks, Inc. d/b/a Oddsworks; Rush Street Interactive Michigan, LLC; SportsContentCo, LLC; TSG Interactive US Services Limited d/b/a FoxBet; and White Hat Gaming. There were no questions from Board Members. Ms. Davis made the motion that the Board approved the supplier license requests which was supported by Mr. Palms. A roll call vote was taken. Motion carried.

Next agenda item was consideration of the Licensing & Investigations Division's recommendations regarding the pending supplier license renewal requests of A.J.R. Equities, Inc.; Concept 3 LLC; Core Electric Company, Inc.; Dee Cramer, Inc.; Del Bene Produce, Inc.; Diversified Construction Specialists, Inc.; Gaming Partners International USA, Inc. d/b/a GPI; Greektown Propco LLC; JMC Electrical Contractor, LLC d/b/a JMC Technology Group; Premier Services Group, LLC; Socios Holdings, Inc. d/b/a Quality Meats & Culinary Specialties; The United States Playing Card Company with New Key Persons Arnaud Jean-Louis De Cartier De Marchienne, Louis Emile A De Cartier De Marchienne, and Baptiste GCG De Cartier De Marchienne; and Turner Electric Services, LLC.

There being no questions from Board Members, Ms. Lambert-Bounds 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 roll call vote was taken. Motion carried.

The following item was consideration of the withdrawal requests of supplier licensees Homespun Furniture, Inc. and LLP Services, Inc. There were no questions from Board Members. Ms. Lambert-Bounds put forth the motion for approval which was supported by Ms. Davis. A roll call vote was taken. Motion carried.

The Board then considered the Casino Operation's Division recommendation regarding the Acknowledgement of Violation of Supplier Licensee, BetMGM, LLC d/b/a Roar Digital. There

were no questions from Board Members. Ms. Davis put forth the motion for approval which was supported by Mr. Palms. A roll call vote was taken. Motion carried.

Next for Board consideration was the Casino Operations Division's recommendation regarding the Acknowledgement of Violation of casino licensee MGM Grand Detroit, LLC. There were no questions from Board Members. MGM did not address the Board. Mr. Palms made the motion which was supported by Ms. Davis that the Board approve the recommendation. A roll call vote was taken. Motion carried.

Next was consideration by the Board regarding the Licensing & Investigations Division's recommendation regarding the suitability of New Key Person of supplier license BetMGM, LLC d/b/a Roar Digital; Victoria Clare Jarman. Board Members did not have any questions therefore, Ms. Lambert-Bounds put forth a motion for approval. The motion was supported by Mr. Palms. A roll call vote was taken. Motion carried.

The Board next considered the Casino Operations Division's recommendation regarding the Acknowledgments of Violation of occupational licensees Justin Liggons and Queli Merkel, and the Administrative Law Judge's Proposal for Decision of Erica Adams. Assistant Attorney General Jason Geissler summarized the facts of the Violations. None of the Licensees, nor their representatives, addressed the Board. There were no questions from Board Members. Motions were made and supported. Roll call votes were taken. Motions carried.

There were no requests from the public to address the Board.

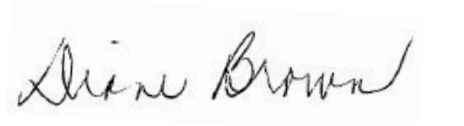
Ms. Forte then announced the Board's next regular public meeting would be held Tuesday, December 14, 2021, at 9:30 a.m.

Ms. Forte then asked for a motion to go into closed session. Ms. Davis made the motion which was supported by Mr. Palms. A roll call vote was taken. Motion carried.

Following the closed session, the public meeting resumed, and a voice vote was taken to approve the minutes from the August 10, 2021, closed session. Motion carried.

Mr. Palms then made a motion to adjourn the public meeting which was supported by Ms. Davis. A roll call voice vote was taken. Motion carried.

Ms. Forte adjourned the meeting at 11:10 a.m.



Diane Brown, Board Analyst