

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

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

August 10, 2021, 9:30 a.m.
MEETING MINUTES

On Tuesday August 10, 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. Ms. Forte then called for a roll call of Board Members; 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 June 8, 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. Thrower-Davis that the Board accept and approve the minutes of the June 8, 2021, regular public meeting. A voice vote was taken.

Motion carried.

Executive Director Williams welcomed the new Board Members and congratulated Mr. Palms on his reappointment. He then presented his report to the Board stating since the last board meeting seven new employees were hired and one resigned their position with MGCB. MGCB has 136 full-time employees and 17 vacant positions. Mr. Williams then asked for a moment of silence in honor of Regulation Officer Mike Passage, who passed away on July 25.

Regarding the Board's budget, as of July 31, 2021, total expenditures were \$21,458,202 leaving an unexpended balance of \$15,829,837 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 explained the three Detroit commercial casinos continued to operate under the capacity limitations due to the Covid-19 pandemic until June 22, 2021, when the Order was rescinded. Since June 22, 2021, all three casinos operated at full capacity on a 24-hour-per-day, 7-day-per-week basis.

For casino operations, in June and July 2021, the casinos reported \$108 million in monthly aggregate revenue in June and \$116.9 million monthly aggregate revenue in July.

For the months ending June 30 and July 31, 2021, gaming taxes for the three Detroit casinos was \$18 million compared to \$19.1 million for the same period in 2019, which was the June and July where the casinos operated at full capacity.

The three Detroit casinos reported paying the City of Detroit \$26.4 million in wagering taxes and development agreement payments during June and July 2021, compared to \$28.1 million in June and July 2019.

For June and July 2021, retail sports betting taxes paid to the State of Michigan for the three Detroit casinos were \$132,592.

The three Detroit casinos reported paying the City of Detroit \$162,058 in retail sports betting taxes.

For Fantasy Sports, Mr. Williams reported for months of May and June 2021, fantasy contest operators reported total adjusted revenues of \$2.6 million and paid taxes of \$800,000.

Mr. Williams reported revenue from the Lawful Sports Betting Act and Lawful Internet Gaming Act for January through June 2021, the total handle was \$1.5 billion and \$602 million in gross receipts and revenue. Of the \$602 million, \$483 million was from internet casino gaming and \$119 million from internet sports betting. Through June there is \$87.8 million in state taxes and payments. City of Detroit received \$25.5 million in taxes and fees. Tribal operator's payments were \$9.2 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 July 31, 2021, the Board has received 696 applications seeking removal. Of those, 611 requests have been approved (six have requested placement back on the list), and 34 requests were denied due to the applicants either not being eligible or not responding to information requested from the board. Fifty-one requests are currently being reviewed.

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.

The Board then considered the proposed Resolution 2021-04 honoring former Executive Director Richard Kalm. Ms. Forte read the Resolution into the record. Mr. Williams presented Mr. Kalm

with the Resolution and a plaque, thanking him for his 14 years of service. Mr. Palms read a good-bye letter from former Board Chair Robert Anthony. Ms. Forte then called for a motion to adopt the Resolution 2021-04. The motion was made by Ms. Lambert-Bounds and supported by Ms. Davis. A voice vote was taken. Motion carried.

Next, the Board considered for approval, the recommendation of the Executive Director and the Casino Operations Division's Employee Licensing staff regarding the 81 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Mr. Palms and supported by Ms. Davis that the Board enter an Order accepting and adopting the recommendation. A voice vote was taken. Motion carried.

Next for consideration was the Licensing & Investigations Division's recommendation regarding the suitability of new Key persons for Sportradar Solutions, LLC d/b/a Sportradar. There were no questions from Board members. Motions were made and supported for approval. A voice vote was taken. Motion carried.

The next item was the consideration of the Licensing & Investigations Division's recommendations regarding the pending Transfer of Interest of supplier licensee Sportradar Solutions, LLC. There were no questions from Board Members. A motion was made by Ms. Lambert-Bounds and supported by Mr. Palms. A voice vote was taken. Motion carried.

Next for consideration was the online gaming and sports betting operator license applications of Firekeepers Development Authority d/b/a Firekeepers Casino Hotel and Sault Ste. Marie Tribe of Chippewa Indians. There were no questions from Board Members. Ms. Davis made the motion for approval which was supported by Mr. Palms. A voice vote was taken. Motion carried.

Next on the agenda was consideration of the Licensing & Investigations Division's recommendation regarding the pending supplier license applications of Ainsworth Game Technology Limited; BetMGM, LLC d/b/a Roar Digital; Cammegh Limited; Control Point Technology, LLC; Everi Interactive, LLC; High 5 Games, LLC; IGT; and Konami Gaming, Inc.

There were no questions from Board members. A motion was made and supported to approve the requests. A voice 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 Aristocrat Technologies, Inc.; Detroit Spectrum Painters, Inc.; Everi Payment Inc. with New Key Person Mark Foster Labay; Galaxy Gaming, Inc.; Gaming Laboratories International, LLC; Gold Star Equipment, Inc. d/b/a Gold Star Products; IGT with New Key Persons Paolo Basilico and Marco Costaguta; Interblock Luxury Gaming Products D.d. d/b/a Luxury Gaming D.d.; International Market Place, Inc. d/b/a Fishbones Rhythm Kitchen Café; Jasman Construction, Inc.; Midwest Game Supply Company; NRT Technology Corp. with New Key Person Adam Terry Jerusalem; SG Gaming, Inc. d/b/a Scientific Games with New Key Person Antonia Korsana; TCS John Huxley American, Inc.; and Unique Linen Services, Inc.

There being no questions from Board Members, Mr. Palms supported the motion put forth by Ms. Lambert-Bounds 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 following item was consideration of the withdrawal request of supplier licensee Great Lakes Hotel and Supply Company. Ms. Lambert-Bounds put forth the motion for approval which was supported by Mr. Palms. There were no questions from Board Members. A voice vote was taken. Motion carried.

Next for Board consideration was the Licensing & Investigations Division's recommendation regarding the Acknowledgement of Violation of casino licensee Detroit Entertainment LLC d/b/a MotorCity Casino. There were no questions from Board Members. Detroit Entertainment did not address the Board. Mr. Palms made the motion which was supported by Ms. Lambert-Bounds that the Board approve the recommendation. A voice vote was taken. Motion carried.

The next item on the agenda was to consider the Licensing & Investigations Division's recommendation regarding the pending casino license renewal of MGM Grand Detroit, LLC. There were no questions from Board Members. A motion was made by Mr. Palms and supported by Ms. Davis that the Board approve the renewal request. A roll call vote was taken. Motion carried.

The next item on the agenda was to consider the Licensing & Investigations Division's recommendation regarding the pending casino license renewal of Detroit Entertainment, LLC d/b/a MotorCity Casino. There were no questions from Board Members. A motion was made by Ms. Davis and supported by Mr. Palms. A roll call vote was taken. Motion carried.

The next item on the agenda was to consider the Licensing & Investigations Division's recommendation regarding the pending casino license renewal of Greektown Casino, LLC. There were no questions from Board Members. Ms. Lambert-Bounds made the motion for approval which 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 Gary Dawan Davis and Connie Guerin. Assistant Attorney General Jason Geissler summarized the facts of the Violations. Neither Licensee, nor their representatives, addressed the Board. There were no questions from Board Members. Motions were made and supported. A voice vote was taken. Motion carried.

The Board approved the fiscal year 2021-2022 public meeting schedule for posting to the MGCB website.

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, October 12, 2021, at 9:30 a.m.

Ms. Forte then asked for a motion to go into closed session. Ms. Lambert-Bounds made the motion which was supported by Ms. Davis. 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 June 8, 2021, closed session. Motion carried.

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

Ms. Forte adjourned the meeting at 10:42 a.m.

Diane Brown

Diane Brown, Board Analyst