

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

PUBLIC MEETING
Cadillac Place Hearing Room and Via Zoom
3062 W. Grand Blvd., Suite L-700
Detroit, Michigan 48202

June 7, 2022, 9:30 a.m.
MEETING MINUTES

On Tuesday April 12, 2022, the Michigan Gaming Control Board held a public meeting, in person and 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
Joni Thrower-Davis

Also attending:

Henry Williams, Executive Director
Derek Mathis, Board Analyst
Kellie McGuire, Assistant Attorney General
Ms. Bethany McCune, Assistant Attorney General
D/F/Lt. Marcus Trammel, MSP
Mary Kay Bean, Communications Specialist

Business:

Ms. Forte called the meeting to order at 9:43 a.m. with all present Board Members.

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 April 12, 2022. 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 April 12, 2022, 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 nine new employees were hired, and one resigned their position with MGCB. MGCB has 156 full-time employees and 14 vacant positions. Mr. Williams also informed the Board of the promotions of three Board employee.

Regarding the Board's budget, as of May 31, 2022, total expenditures were \$18,650,021 leaving an unexpended balance of \$16,310,776 in appropriated funding for fiscal year 2022, 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, the casinos reported \$118.7 million in monthly aggregate revenue in April.

For the month ending April 30, 2022, gaming taxes for the three Detroit casinos were \$9.5 million compared to \$8.7 million for the same period the previous year.

The three Detroit casinos reported paying the State of Michigan \$70,714 in retail sports betting taxes. For the month of April 2022, the three Detroit casinos reported paying the City of Detroit \$86,428 in retail sports betting taxes. For April 2022, the three Detroit casinos reported paying the City of Detroit \$13.9 million in wagering taxes and development agreement payments, compared to \$12.8 million for the same period the previous year.

Mr. Williams reported the total handle from Lawful Sports Betting Act and Lawful Internet Gaming Act for January 2022 through April 2022 was \$1.72 billion for sports betting, \$626.5 million in from gross receipts, \$508.1 million was from internet casino gaming, and \$118.4 million from internet sports betting.

For January through April 2022, \$92.4 million in state taxes and payments; \$88.9 million from internet gaming and \$3.5 million from internet sports betting have been paid. City of Detroit received \$24.4 million from internet gaming and \$1.9 million from internet sports betting for a total of \$26.3 million in taxes and fees. Tribal operator's payments through April were \$9.9 million.

Mr. Williams informed the Board that since the February public meeting, the employee licensing section completed required background investigations of 101 pending level one and level two occupational license applications, 42 level three license applications, and 292 license renewal requests. Mr. William stated he previously approved the 292 renewal requests and the 42 level three applications. The remaining 101 level one and level two requests were part of the Board's agenda for this meeting.

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 4,146 individuals on the list. As of May 23, 2022, the Board has received 1021 applications seeking removal. Of those, 923 requests have been approved (28 have requested placement back on the list), and 64 requests were denied due to the applicants either not being eligible or not responding to information requested from the board. The remaining 34 requests are currently under review.

Regarding the Responsible Gaming Database (RGD), which created a statewide responsible gaming database, as of May 23, 2022; there have been 203 applications requesting placement in the RGD. 165 participants have been placed on the Internet Gaming list and 154 have been placed on the Internet Sports Betting list. 33 applications received were incomplete and were returned for additional information. Five application is pending processing.

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. Since the April 12, 2022 public meeting, 6 waivers were issued, and one was denied due to the applicant not being willing to accept responsibility for the conviction.

Mr. Williams added that no minor-in-the casino citations has been issued since the April 2022 meeting.

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 the information in the public forum.

First regular agenda item the Board considered for approval was the recommendation of the Executive Director and the Casino Operations Division's Employee Licensing staff regarding the 101 Level 1 and Level 2 occupational license applications.

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

The next agenda item was consideration of the Licensing & Investigations Division's recommendation and the Executive Director's report regarding the pending operator license application of Soaring Eagle Gaming. There were no questions from Board members. Ms. Davis made a motion for approval which was supported by Mr. Palms. A voice vote was taken. Motion carried.

The next agenda item was consideration of the Licensing & Investigations Division's recommendation and the Executive Director's report regarding the pending supplier license applications of Banach Technology Limited, NetEnt Americas LLC, Rising Digital Corporation, Shye West, Inc. d/b/a Imagine This, and Stakelogic USA Limited, LLC. There were no questions from Board members. Ms. Davis made a motion for approval which was supported by Mr. Palms. 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 AGS LLC, Bangarang Enterprises, LLC d/b/a Gander Group, with new key persons Michelle Zientek, Jams Family Trust, Jams Family Holdings, Inc., and Gander Group Stakeholders, LLC, Cadillac Coffee Company, Core Electric Company, Inc. d/b/a Core Group Services, Gold Star Equipment, Inc. d/b/a Gold Star Products, Incredible Technologies, Inc., International Market Place, Inc. d/b/a Fishbones Rhythm Kitchen Café, and JCM American Corporation d/b/a JCM Global, Kimprint, Inc. d/b/a Progressive Printing, Konami Gaming, Inc., with new key persons Hideki Hayakawa, Katsunori Okita, and Masami Saso, and Nicolson Associates, Inc.

There being no questions from Board Members, Ms. Davis 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 voice vote was taken. Motion carried.

Next was consideration by the Board of the Licensing & Investigations Division's recommendations regarding the suitability of New Key Persons of supplier licensees AGS LLC, American Wagering, Inc. d/b/a William Hill Sports Book, Crown MI Gaming LLC d/b/a DraftKings, Konami Gaming, Inc., Rush Street Interactive MI, LLC, Sportradar Solutions LLC d/b/a

Sportradar, and WSI US, LLC d/b/a Wynn Sports. Board Members did not have any questions therefore, Mr. Palms put forth a motion for approval. The motion was supported by Ms. Davis. A voice vote was taken. Motion carried.

The Board then considered the Licensing & Investigations Division's recommendations regarding the Transfer of Interests of supplier licensees, Sportradar Solutions LLC. 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.

The Board next considered the Casino Operations Division's recommendation regarding the Acknowledgement of Violation of occupational licensee LaKeita Christian. Assistant Attorney General Kellie McGuire summarized the facts of the Violation. There were no questions from Board Members. Mr. Palms made the motion for approval which was supported by Ms. Davis. A voice vote was taken. Motion carried.

The Board next considered the Casino Operations Division's recommendation regarding the Acknowledgement of Violation of occupational licensee Alyssea Mills. Assistant Attorney General Kellie McGuire summarized the facts of the Violation. There were no questions from Board Members. Mr. Palms made the motion for approval which was supported by Ms. Davis. A voice vote was taken. Motion carried.

The Board next considered the Casino Operations Division's recommendation regarding the Acknowledgement of Violation of supplier licensee BetMGM, L.L.C. d/b/a ROAR Digital. There were no questions from Board Members. Mr. Palms made the motion for approval which was supported by Ms. Davis. A voice vote was taken. Motion carried.

There was one request from the public to address the Board.

Mr. Mathis stated the request from the public which consisted of three questions from Ms. Moore of HPRP. First question was, "Who is the current third-party vendor providing the Michigan Problem Gambling Hotline?" Second question was, "Who at the Michigan Gaming Control Board is responsible and/or is the contact manager of this service, and what is their contact information?" Last question was, "Where can the public get a copy of the most current contract for the Michigan Problem Gambling Hotline?"

Ms. Forte then asked Mr. Williams to come up to address this public request and provided for Ms. Moore to reach out to our Responsible Gaming Manager, Sandra Johnson at 313-456-4100.

Ms. Forte then announced the Board's next regular public meeting would be held August 9, 2022, 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 April 12, 2022, 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 11:05 a.m.

Derek Mathis

Derek Mathis, Board Analyst