

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

April 12, 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
Deidre Lambert-Bounds
Joni Thrower-Davis

Also attending:

Henry Williams, Executive Director
Diane Brown, Board Analyst
Derek Mathis, Departmental Analyst
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 9:33 a.m. and all Board 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 February 15, 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. Lambert-Bounds that the Board accept and approve the minutes of the February 15, 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 152 full-time employees and 18 vacant positions. Mr. Williams also informed the Board of the promotions of one Board employee.

Regarding the Board's budget, as of March 31, 2022, total expenditures were \$13,391,491 leaving an unexpended balance of \$21,569,305 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 \$94.7 million in monthly aggregate revenue in February and \$122.86 million in monthly aggregate revenue in March.

For the months ending February 28, 2022, and March 31, 2022, gaming taxes for the three Detroit casinos was \$17.5 million compared to \$16 million for the same period the previous year.

The three Detroit casinos reported paying the State of Michigan \$72,891 in retail sports betting taxes. For the months of February 2022 and March 2022, the three Detroit casinos reported paying the City of Detroit \$89,089 in retail sports betting taxes. For February and March 2022, the three Detroit casinos reported paying the City of Detroit \$25.8 million in wagering taxes and development agreement payments, compared to \$23.5 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 February 2022 was \$895.2 million for sports betting, \$301.2 million in from gross receipts, \$244 million was from internet casino gaming, and \$57.2 million from internet sports betting.

For January through February 2022, \$42.4 million in state taxes and payments; \$40.7 million from internet gaming and \$1.7 million from internet sports betting have been paid. City of Detroit received \$11.3 million from internet gaming and \$817,194 from internet sports betting for a total of \$12.1 million in taxes and fees. Tribal operator's payments through February were \$4.5 million.

Mr. Williams informed the Board that since the February public meeting, the employee licensing section completed required background investigations of 162 pending level one and level two occupational license applications, 75 level three license applications, and 546 license renewal requests. Mr. William stated he previously approved the 546 renewal requests and the 75 level three applications. The remaining 162 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 4,195 individuals on the list. As of January 31, 2022, the Board has received 979 applications seeking removal. Of those, 850 requests have been approved (4 have requested placement back on the list), and 58 requests were denied due to the applicants either not being eligible or not responding to information requested from the board. The remaining 71 requests are currently under review.

Regarding the Responsible Gaming Database (RGD), which created a statewide responsible gaming database, as of March 31, 2022; there have been 161 applications requesting placement in the RGD. 135 participants have been placed on the Internet Gaming list and 125 have been

placed on the Internet Sports Betting list. 23 applications received were incomplete and were returned for additional information. One 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 February 15, 2022 public meeting, 11 waivers were issued, and one was denied due to the applicant not being willing to accept responsibility for the conviction.

Mr. Williams added that two minor-in-the casino citations has been issued since the February 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 162 Level 1 and Level 2 occupational license applications.

There being no questions from Board Members, it was moved by Board Member Lambert-Bounds 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 Grand Traverse Band Economic Development Corporation. 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 Acres Manufacturing Company; Evolution US LLC; Masque Publishing, Inc.; SG Gaming Inc. d/b/a Scientific Games; and Sports Gambling Guides. 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 Cadillac Travel Inc.; Cammegh Limited; Carmela Foods Distributing Inc.; Detroit Spectrum Painters Inc.; Eagle Star Inc. d/b/a Eagle Star Equipment; Everi Payments, Inc.; Halifax Security Inc. d/b/a North American Video; Interblock Luxury Gaming Products D.d d/b/a Interblock D.d with New Key Persons Heather Rollo, David Quick, IB OCM Voteca, Jordan Kruse, Matt Wilson, and OCM Luxembourg Baccarat Bidco; Lavdas Enterprises Inc. d/b/a Lavdas Limousines; MRP Supply Inc.; Renaissance Man Food Services LLC; SG Gaming Inc. d/b/a Scientific Games with New Key Person Hamish Roy McLennan; SMS Staffing Solutions, Inc.; Surveillance Systems Integration Inc. d/b/a Surveillance Systems Incorporated; Tom Maceri and Son Inc.; and Universal Hotel Supply.

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 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 Boom Shakalaka d/b/a Boom Sports; Greentube USA LLC.; Novomatic Americas Sales LLC.; and The United States Playing Card Company. Board Members did not have any questions therefore, Ms. Lambert-Bounds 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, Greentube USA LLC.; Interblock Luxury Gaming Products D.d. d/b/a Interblock D.d.; Novomatic Americas Sales 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 Proposal for Decision of occupational licensee Tiffany Doggett. Assistant Attorney General Bethany McCune summarized the facts of the Violation. There were no questions from Board Members. Ms. Lambert-Bounds made the motion for approval which was supported by Ms. Davis. A voice vote was taken. Motion 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 June 7, 2022, 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 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 February 15, 2022, closed session. Motion carried.

Ms. Lambert-Bounds 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 10:14 a.m.

Derek Mathis

Derek Mathis, Board Analyst