

Resolutions #2001-05 (Adopted 11/31/01) – A Board Resolution Delegating Authority to The Executive Director To Consider and Decide Requests for Board Approval of Transfers of Ownership Interest of Less than 1% in a Casino or Supplier License Applicant

Pursuant to Part 5 of the Board's Administrative Rules

The Michigan Gaming Control Board ("Board") is authorized under section 4(17)(d) of the Michigan Gaming Control and Revenue Act, as amended, 1997 PA 69; MCL 432.201 et seq. ("Act") to promulgate rules necessary to implement, administer, and enforce the Act.

The Act, at section 4(8), provides for the appointment of an Executive Director to perform any and all duties that the Board shall assign to him or her.

The Act, at section 4a(1)(r), authorizes the Board to delegate its authority for the purpose of administering and enforcing the Act and Board Administrative Rules [see MR 432.1101 et. seq.] ("Rules").

The Board has adopted and promulgated Rule 214(j), MR 432.1214(j), which vests in the Executive Director the authority to, inter alia, "take any action that is reasonably requested by applicants, licensees, and holders of certificates of suitability in furtherance of, and consistent with, the efficient administration and enforcement of the provisions of the act and these rules."

The Act, at section 8c (1) and (2), requires board approval of any transfer, sale or other conveyance of an interest in a license issued under the Act.

The Board has adopted and promulgated rules with respect to the transfer or acquisition of ownership interest in a person applying for or holding a casino or supplier license. Part 5 of the rules, MR 432.1501 et. seq. implements the Board's approval authority regarding persons transferring or acquiring interest in a casino or supplier license applicant or licensee.

The Board routinely receives requests seeking approval for transfer of ownership interest of less than 1% in a casino or supplier license applicant or licensee in which:

1. The transferee is not required to qualify as suitable pursuant to MR 432.1304 of the Board's Administrative Rules;
2. An investigation into the background of the transferee is not required; and,
3. The request for transfer of interest conforms to the applicable provisions found in the Act and Rules.

The Board concludes that in the interest of administrative efficiency, it is reasonable and appropriate to delegate authority to the Executive Director to consider and decide requests for Board approval of the transfer, sale or conveyance of an interest that is

less than 1% in a casino or supplier license applicant or licensee, for and on behalf of the Board, pursuant to the Act and applicable Board Rules.

Limited Delegation of Authority:

By this limited delegation of authority, the Executive Director is authorized to consider and decide, for and on behalf of the Board, requests for Board approval of the transfer, sale or conveyance of less than 1% in a casino or supplier license applicant or licensee, pursuant to and in accordance with the applicable provisions of the Act and Part 5 of the Board's Rules, MR 432.1501 et seq., and the following conditions:

All requests for approval of the transfer, sale, or conveyance of less than 1% in a casino or supplier license applicant or licensee shall be made in writing and submitted to the Executive Director.

The Executive Director shall report all such requests to the Board at its next public meeting.

The Executive Director may approve transfers, sales, or conveyances, of a less than 1% interest in a casino or supplier license applicant or licensee only after making a determination, in writing, that the person making the request for approval has established, by clear and convincing evidence, that the requirements for approval of such transfers, sales, or conveyances, as provided in the Act and Administrative Rules of the Board, have been established.

The Executive Director shall issue a decision to approve or deny a request for approval of such transfers in writing, and shall provide a copy of the decision to the person making the request and to the Board.

The Board reserves the authority to reverse the decision of the Executive Director on its own motion.

A person whose request for approval of a transfer is denied by the Executive Director, may petition the Board for review.

ADOPTED AND ISSUED THIS 13TH DAY OF NOVEMBER 2001.
STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

Thomas G. Denomme, Chair
Attest:

Received and Filed:

Patricia S. James