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The **MICHIGAN GAMING** Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES NOVEMBER 12, 2014 PUBLIC MEETING AGENDA

The Michigan Gaming Control Board (“MGCB”) will hold its regular public meeting on Wednesday, November 12, 2014 at the MGCB Detroit office, Cadillac Place, 3062 West Grand Blvd., Suite L-700, in Detroit. The agenda for the meeting includes the following items:

- A. Consider the Licensing & Investigations Division’s Recommendations Regarding Level 1 and Level 2 Occupational License Applications
- B. Consider the Executive Director’s Report and Licensing & Investigations Division’s Recommendations Regarding the Pending Supplier License Applications of

- 1. Milano Bakery, Inc., Board File No. SL004647-14-001

- C. Consider the Executive Director’s Reports and Licensing & Investigations Division’s Recommendations Regarding the Pending Supplier License Renewal Requests of

- 1. Absolute Imaging Professionals, Inc. d/b/a Absolute Images, Board File No. SL001009-14-001
 - 2. Brainstorm Logistics, LLC, Board File No. SL003101-14-001
 - 3. CP Procurement Services, Inc., Board File No. SL006505-14-001
 - 4. Del Bene Produce, Inc. Board File No. SL000620-14-001
 - 5. Duffey, Petrosky & Company, LLC, Board File No. SL006345-14-001
 - 6. E.GADS, LLC, Board File No. SL000961-14-002
 - 7. Gold Star Equipment, Inc. d/b/a Gold Star Products, Board File No. SL000146-14-001
 - 8. Halifax Security, Inc. d/b/a North American Video, Board File No. SL005262-14-001

9. International Market Place, Inc. d/b/a Fishbone's Rhythm Kitchen Café, Board File No. SL000141-14-001
 10. NRT Technology Corp., Board File No. SL001711-14-001
 11. Renaissance Man Food Services, LLC, Board File No. SL004299-14-001
 12. Suburban Motors Company, Inc. d/b/a Suburban Cadillac Buick, Board File No. SL006214-14-001
 13. Turner-Brooks, Inc., Board File No. SL001929-14-001
 14. Unique Linen Services, Inc., Board File No. SL001490-14-001
 15. Wing Construction, Board File No. SL000798-14-001
- D. Consider the Executive Director's Report and Licensing & Investigations Division's Recommendation Regarding the Suitability of New Key Person of Supplier Licensee Aristocrat Technologies, Inc.
1. Kathleen Marie Conlon, Board File No. SL000038-14-002
- E. Consider the Executive Director's Report and Licensing & Investigations Division's Recommendation Regarding the Suitability of New Key Person of Supplier Licensee GTECH USA, LLC
1. Georgia Worldwide PLC, Board File No. SL000284-14-006
- F. Consider the Executive Director's Report and Licensing & Investigations Division's Recommendation Regarding the Suitability of New Key Person of Casino Licensee MGM Grand Detroit, LLC d/b/a MGM Grand Detroit Casino
1. Anton David Nikodemus, Board File No. MGM-2014-002
- G. Consider the Executive Director's Reports and Licensing & Investigations Division's Recommendations Regarding the Pending Transfers of Interest In
1. Bally Gaming, Inc. d/b/a Bally Technologies. Board File No. SL000003-14-002
 2. Duffey, Petrosky & Company, LLC, Board File No. SL006345-14-002
 3. IGT & GTECH USA, LLC, Board File No. SL000002-14-003
 4. Multimedia Games, Inc. Board File No. SL006431-14-003
 5. Turner-Brooks, Inc., Board File No. SL001929-14-002
- H. Consider Board Acceptance of Acknowledgment of Violation of Casino Licensee, MGM Grand Detroit, Board File No. CDA-2014-5
- I. Consider Board Acceptance of Acknowledgment of Violation of Supplier Licensee, International Gaming Technologies (IGT), Board File No. SCC-2014-01
- J. Consider Board Acceptance of Acknowledgment of Violation of Occupational Licensee, Yvonne Purifoy, Board File No. OCC-2014-02, ODA-2014-5
- K. Consider Administrative Law Judge's Proposal for Decision Regarding Occupational Licensee Ebony Cash, Board File No. ODA-2014-6
- L. Consider Administrative Law Judge's Proposal for Decision Regarding Occupational Licensee Angela Shanks, Board File No. ODA-2014-4

The meeting will begin at 9:30 a.m. with the staff briefing, followed immediately by the agenda items. The meeting will take place in the Cadillac Place in Detroit's New Center Area near the John Lodge Freeway (M-10), between Second Avenue and Cass Avenue. The Fisher Building and the Albert Kahn Building are nearby landmarks.

For more information regarding the MGCB, please visit their website at: www.michigan.gov/mgcb

NATIONAL LABOR RELATIONS BOARD REAFFIRMS DECISION IN SOARING EAGLE APPEAL

On Monday, October 27, 2014, the National Labor Relations Board ("NLRB") reaffirmed an administrative judge's decision issued on March 26, 2012, which requires the Soaring Eagle

Casino and Resort (“Soaring Eagle”) to allow its workers to discuss or promote unionization under certain circumstances. Notably, in April of 2013, the NLRB issued [359 NLRB No. 92](#) regarding Soaring Eagle Casino’s non-unionization policies, which has been incorporated into the most recent decision by reference. The Decision and Order from [Case 07-CA-053586](#) also requires the casino to offer full reinstatement to a former employee who was suspended as a result of the dispute including the payment of losses incurred during the suspension.

The NLRB’s recent decision and order states in part that “Respondent’s no-solicitation policy is facially invalid and overly broad because it prohibits employees from soliciting in any work area—defined as ‘any place where any employees perform job duties at the Casino’ – without distinguishing between working time and nonworking time, and therefore the policy can be read to prohibit solicitation during nonworking time,” 361 NLRB No. 73 (2014).

The dispute arose out of the dismissal of a housekeeping staff member employed at Soaring Eagle for repeatedly promoting unionization efforts between September 2009 and November 2010 in violation of the Saginaw Chippewa Indian Tribe’s (“Tribe”) non-solicitation policy. In April of 2011, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America filed an initial complaint with the NLRB alleging that the dismissal and the Tribe’s non-solicitation policy violated sections of the National Labor Relations Act (“Act”). The Tribe argued that the Act did not apply to the Tribe, in part because of the Tribe’s sovereign immunity and government status.

In the March 2012 ruling, Administrative Law Judge Michael A. Rosas stated that the Act applied to the Tribe’s activities at the casino and that the non-solicitation policy violated certain sections of the federal law. The decision stated, in part, that “applying the Act to the Tribe’s casino operations would not interfere with its rights of self-governance or intramural matters” and that portions of the non-solicitation policy were “unlawfully overbroad.”

In the Tribe’s Brief in Support appealing this decision, the Tribe argued again that the Act did

not apply to the Tribe because of the Tribe’s protected treaty rights, existing NLRB precedent and because the Tribe is a government and not an “employer” under the Act. Furthermore, the Tribe stated that “the Saginaw Tribe has established through expert testimony in these proceedings the undisputed existence of treaty rights that cannot be abrogated by the Board’s application of the [Act] ...the Saginaw Tribe respectfully requests that the Board refrain from asserting jurisdiction over the Saginaw Tribe and that these proceedings be dismissed.”

Notably, on Wednesday, November 5, 2014, the Saginaw Chippewa Indian Tribe (“Tribe”), owners of the Soaring Eagle, announced that unionization efforts by Security, Police and Fire Professionals of America failed to unionize the casino’s security personnel. “I am extremely pleased with the election results with nearly 90% of our security staff wishing to remain union free. I look forward to our continued teamwork and sincerely appreciate their vote of confidence,” stated casino Interim CEO, Bob VanWert. According to the Tribe, this is the fifth failed attempt by various unions to unionize employees at the casino.

To access the full NLRB Decision and Order issued on October 27, 2014, please visit: <http://www.nlr.gov/case/07-CA-053586>

BURTON MAN PLEADS GUILTY IN GAMBLING PROBE

On Monday, November 3, 2014, the owner of Shamrock’s Café in Genessee Township and booking contact for the adjacent Lucky’s Poker Room pled guilty to violations of state gaming laws regarding the operation of an illegal gaming room. Both Shamrock’s Cafe and Lucky’s Poker Room had their charitable gaming licenses suspended by the Executive Director of the Michigan Gaming Control Board (“MGCB”) on November 26, 2013 after investigations revealed material violations of state laws.

Mr. Thomas Joubron pled guilty to charges related to operating an illegal gaming room in the 7th Circuit Court in Flint and a sentencing hearing has been scheduled for December 1, 2014.

Investigations into the operations of Shamrock's Café and Lucky's Poker Room began last year after anonymous tips were investigated by the MGCB. An initial investigation by MGCB agents revealed that Shamrock's Café, located inside Lucky's Poker Room, permitted customers to purchase credits that were wagered on computer-based casino-style games for cash prizes. Such activity is prohibited under various sections of the Penal Code regarding operating illegal lotteries, betting on uncertain events, and operating gaming houses.

After these preliminary investigations, the Executive Director suspended the charitable gaming licenses for these locations and provided investigative findings to the Michigan State Police. A subsequent investigation by the State Police and Attorney General's office resulted in multiple felony charges against the operations in April of this year.

In a press release, MGCB Executive Director Richard Kalm stated "[b]ecause Michigan law prohibits unregulated gambling, the MGCB works hard to ensure charitable organizations can operate their games with integrity and without exposure to illegal activities and their criminal consequences. We encourage charities to monitor their events and report illegal gambling activities, improving public safety and guarding their own reputations."

INDIANA CASINO REFORM UPDATE — LEGISLATIVE COMMITTEE SUPPORTS LAND-BASED OPTIONS

On Thursday, October 30, 2014, the Interim Study Committee on Public Policy ("Committee") of the Indiana Legislature held its third hearing in a series of discussions to review potential changes to the state's gaming laws and policies. The Committee unanimously agreed that land-based options for existing gaming licensees, currently only permitted to operate riverboat facilities, should be made available to better compete with similar options in competing jurisdictions.

As part of the hearing, the Committee released its

draft final report that recommends significant legal, regulatory, and policy changes for the state's gambling industry. Most significantly, the Committee recommends that the "General Assembly adopt legislation allowing the current riverboat licensees to move the casino to a land-based facility." As part of this legislation, the Committee has proposed that existing licensees be permitted to build permanent structures on its real estate owned by the licensee and that the total number of gaming positions be limited to those amounts as of July 1, 2014. In addition, changes in legislation regarding the move to land-based facilities should include capital investment incentives.

The Committee also recommended that the legislature extend the existing \$5 million annual cap on free-play deductions for two more years and that further analysis be conducted on how the deductions affect competition with other jurisdictions. Regarding casino admissions taxes, which provide revenue to local units of government but which operators have noted are unpredictable and difficult to assess, the draft final report states that the legislature should consider repeal of the tax and to replace it with another revenue source. This recommendation is in line with what was proposed by operator representatives during the previous two hearings.

For horse tracks that currently offer electronic table games, the Committee has recommended that legislation be amended or introduced to allow for live table games, capped at the number of electronic versions in place as of July 1, 2014. After two years of operation, the Committee has suggested that the tracks be able to petition to increase the number of live games.

For more information on the Committee and its findings, including the draft final report, please visit the Committee's website at: https://iga.in.gov/legislative/2014/committees/i_public_policy_interim_study_committee_on

LOTTERY PRESENTS EXCELLENCE IN EDUCATION AWARD TO LANSING EDUCATOR

On Friday, October 31, 2014, the Michigan Lottery announced that it has granted Ms. Diane Allen the Excellence in Education Award. Ms. Allen, a fourth-grade teacher at Atwood Elementary in Lansing. Michigan State's head basketball coach, Tom Izzo, presented the \$500 cash prize which also includes a \$500 dollar grant to her classroom, school, or school district.

Ms. Allen, a teacher of 26 years, was chosen due to her exceptional commitment to education and passion for her students. "They deserve my best efforts every day. They deserve to be valued and learn as much as they can do to reach their potential. They need me."

There are multiple recipients of this award throughout the state of Michigan. Notably, one winner will be chosen as "Educator of the Year" and granted a \$10,000 cash prize. Nominees for Excellence in Education are selected according to the following criteria:

Excellence – Their work consistently helps students and/or their schools or school districts advance to higher levels of academic achievement.

Dedication – They consistently go above and beyond expectations to help students succeed.

Inspiration – Their work inspires others around them to exceed expectations either academically or professionally.

Leadership – They demonstrate clear leadership skills in their positions with their school or school districts

Effectiveness – The nominee's work has clear and positive results on the educational advancement of students within the school or school district

To nominate an outstanding public school educator, go to <http://bit.ly/ExcellenceInEducation>.