



PENNSYLVANIA GAMING CONTROL BOARD

Meeting of the Board January 21, 2009 Minutes

A meeting of the Pennsylvania Gaming Control Board was held on January 21, 2009 in the Public Utility Commission – Keystone Building, Hearing Room 1, Harrisburg, PA. The meeting began at approximately 1:18 p.m. *Public Hearings were held prior to the public meeting.*

Members in attendance were:

Mary DiGiacomo Colins, Chairman
Raymond S. Angeli
Jeffrey W. Coy
James B. Ginty
Kenneth T. McCabe
Sanford Rivers
Gary A. Sojka

Ex-officio Members in attendance:

Keith Welks, ex officio designee of Honorable Robin Wiessmann, State Treasurer
Stacie Amsler attending on behalf of Honorable Stephen Stetler, Secretary of Revenue

Individuals who appeared officially before the Board:

Frank Donaghue – agency update
Michael Cruz – gaming lab update
Eileen McNulty – financial report and personnel matters
Richard Sandusky – statement of policy
Troy Beaverson – regulations
Doug Sherman – petitions, employee withdrawals
Steve Cook – report and recommendations
Susan Hensel – licensing matters
Cyrus Pitre – consent agreements, revocations and suspensions
Nan Davenport – consent agreements, revocations and suspensions
Dustin Miller – consent agreements, revocations and suspensions
Barry Creany – petitions
William J. Downey, Esquire – Fox Rothschild, LLP
Curtis J. Rogers, Esquire – representing Downs Racing – consent agreement
James Schneller, Southeastern Pennsylvania Citizens against Gambling - petition

A quorum of the Board being present, Chairman Colins called the meeting to order.

ANNOUNCEMENTS

Chairman Colins announced that the Board held an Executive session on January 20, 2009 to discuss personnel issues, privileged and confidential Agency business, to consult with Counsel and other professional advisors to the Board concerning any current litigation.

TRANSCRIPT/MINUTES

On a motion by Board Member Ginty, seconded by Board Member McCabe, the minutes and transcript of the December 2, 2008 meeting were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Acting Executive Director, Frank Donaghue, updated the Board on revenue trends at Pennsylvania slots casinos. He reported that last month again saw revenues grow comparing the six facilities operating in December of 2007 to the same six operating in December of 2008. That comparison shows an increase of 7.2%, or \$107 million this year compared to \$99.8 million last year.

As in the past, when making these comparisons, he cautioned the Board about drawing concrete conclusions from this increase since our market is still maturing. In addition, another important caveat to those figures is the fact that about 1,800 more slot machines were operating at those facilities last month over the amount in operation in 2007.

Pennsylvania's gaming market is producing very significant revenues. This includes more than \$66 million in tax revenues to the Commonwealth in December, which places total tax revenues generated from slots play since the initial November, 2006 opening of almost \$1.5 billion.

Mr. Donaghue also reported on another area which is the tremendous activity planned by the Gaming Control Board staff to oversee the opening of four gaming facilities in 2009. Two will be new facilities where gaming is not yet in operation, while the two others are the expansion of existing facilities.

The openings are target dates, and are subject to many factors such as construction schedules as well as oversight and review by PGCB opening team, PSP and DOR.

- ✓ The Meadows Racetrack and Casino currently operating with 1,825 slot machines in Washington County is planning to move into their permanent facility and begin receiving the public in mid-April of this year. This new facility will create an additional 250 jobs and house over 3,700 machines with Board approval. The permanent casino will be 350,000 square feet; will integrate harness racing with the casino, bowling alley and a parking garage.
- ✓ The Sands Casino Resort Bethlehem will work with our agency toward an opening in late May, 2009 with 3,000 slot machines and increase to 5,000 machines by the end of the year. The Casino is expected to create as many as 1,000 jobs.
- ✓ The Rivers Casino in Pittsburgh is planning to open to the public in the first half of August. It is projected to open with 3,000 slots machines and create as many as 1,000 new jobs. Initially, the 400,000 square foot facility will include five dining locations, lounges, a 1,000 seat amphitheatre and a parking garage.

- ✓ Finally, Philadelphia Park Casino and Racetrack, currently operating with 2,900 slots machines in Bucks County, will close out our busy year with a planned opening of its new facility in December. This new 250,000 square foot facility will house 4,000 slot machines and have eight restaurants, three bars and an entertainment lounge.

Mr. Donaghue closed his report by stating that 2009 is going to be a challenging year, but one promising to bring more tax revenue to the Commonwealth and more than 2,000 additional jobs in these tough economic times.

CHIEF FINANCIAL OFFICER AND ADMINISTRATION

PGCB MOTION NO. 2009-01 CFO – Hay Classification of Pennsylvania Gaming Control Board Employees

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

Resolved, the Board hereby authorizes the Chief Financial Officer to procure a Hay evaluation of Pennsylvania Gaming Control Board employee classifications and to provide recommendations for a classification structure.

Board Decision: Passed by unanimous vote

OFFICE OF CHIEF COUNSEL

PGCB MOTION NO. 2009-02 REG – Statement of Policy No. 125-98

Motion Made: Board Member McCabe
Seconded: Board Member Rivers

Resolved, the Board hereby adopts the Statement of Policy No. 125-98 amending Chapter 461b; and directs that the Statement of Policy be posted on the Board's website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-03 REG – Final-form Regulation No. 125-93

Motion Made: Board Member Sojka
Seconded: Board Member Coy

Resolved, the Board hereby adopts the Final-form Regulation No. 125-93 amending Chapters 401a, 403a, 405a, 491a, 493a, 494a, 495a, 497a, 499a and 511a; and that the Final-form regulation be posted to the Board's website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-04 OCC – Mount Airy #1, LLC Petition

Motion Made: Board Member Ginty
Seconded: Board Member Rivers

Resolved, the Board hereby approves the Mount Airy#1, LLC Petition for Second Amendment to its Revolving Credit and Term Loan.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-05 OCC – Mount Airy #1, LLC Petition Seeking a Protective Order

Motion Made: Board Member Rivers
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Mount Airy#1, LLC Petition to Maintain Confidentiality of Petition Exhibits.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-06 OCC – Shuffle Master, Inc. Petition

Motion Made: Board Member Sojka
Seconded: Board Member Coy

Resolved, the Board hereby tabled Shuffle Master, Inc. Petition seeking Approval of Vegas Star Roulette Slot Machine for Operation in the Commonwealth of Pennsylvania, OHA Docket Number 42719.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-07 OCC – Southeastern Pennsylvania Citizens Against Gambling Petition

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby denies the Motion and Petition submitted by the Southeastern Pennsylvania Citizens against Gambling to Intervene in the matter of the Category 3 Slot Machine Applications of Valley Forge Convention Center Partners, L.P., the Bushkill Group, Inc. and Vacation Charters, Ltd., OHA Docket Number 42625.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-08 OCC – Innovation Group Petition

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Petition by Innovation Group to be removed from the Prohibited Vendors List, OHA Docket Number 42818.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-09 OCC – Petitions to Withdrawal Applications or Surrender Licenses/Registrations

Motion Made: Board Member McCabe
Seconded: Board Member Rivers

Resolved, the Board hereby issues Orders approving the Withdrawal or Surrender of Principal and Key Employee Applications, as well as Vendor Registrations, without prejudice as follows:

Leslie S. Heisz	Licensing No. 1030;	PGCB Doc No. 42703
Andrew R. Heyer	Licensing No. 3203;	PGCB Doc No. 42793
Paul Meyer	Licensing No. 1063;	PGCB Doc No. 42702
Laurette Pitts	Licensing No. 1271;	PGCB Doc No. 42805
Michael Quartieri	Licensing No. 30981;	PGCB Doc No. 42794
Sabona of London Unlimited, Inc.	Licensing No. 28581;	PGCB Doc No. 42645
Alejandro Yemenidjian	Licensing No. 15028;	PGCB Doc No. 42840
Enrique Sanchez	Licensing No. 21021;	PGCB Doc No. 42640
Mentor Latifi	Licensing No. 27084;	PGCB Doc No. 42641

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-10 OCC – Denial of Non-Gaming Employee Registration for Ronald Manley

Motion Made: Board Member Rivers
Seconded: Board Member Sojka

Resolved, the Board hereby adopts the Report and Recommendation of the Office of Hearings and Appeals and denies the Non-Gaming Employee Registration of Ronald Manley, OHA Docket Number 42748.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-11 OCC – Denial of Non-Gaming Employee Registration for Dale Phillips

Motion Made: Board Member Sojka
Seconded: Board Member Coy

Resolved, the Board hereby adopts the Report and Recommendation of the Office of Hearings and Appeals and denies the Non-Gaming Employee Registration of Dale Philips, OHA Docket Number 42423.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-12 OCC – Slot Machine Licensee’s Promotional Guidelines

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby rescinds the March 27, 2008 Order regarding Licensee Promotional Guidelines.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-13 OCC – Category 3 Licenses

Motion Made: Board Member Coy
Seconded: Board Member Sojka

Resolved, the Board hereby tables the Motion to consider Applicants for the Category 3 Licenses.

Board Decision: Passed by unanimous vote

BUREAU OF LICENSING

PGCB MOTION NO. 2009-14 LIC – Manufacturer License Renewal

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Order renewing the Manufacturer License for Aristocrat Technologies, Australia Pty. Ltd.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-15 LIC – Manufacturer License Renewal

Motion Made: Board Member McCabe
Seconded: Board Member Rivers

Resolved, the Board hereby approves the Order renewing the Manufacturer License for Aristocrat Technologies, Incorporated.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-16 LIC – Manufacturer License Renewal

Motion Made: Board Member Rivers
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Order renewing the Manufacturer License for NRT Technology Corporation.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-17 LIC – Manufacturer License Renewal

Motion Made: Board Member Sojka
Seconded: Board Member Coy

Resolved, the Board hereby approves the Order renewing the Manufacturer License for Western Money Systems.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-18 LIC – Manufacturer License Renewal

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby approves the Order renewing the Manufacturer License for WMS Gaming, Incorporated.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-19 LIC – Issuance of Key Employee Licenses

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby issues an Order approving the issuance of Key Employee Licenses as follows:

Carl Joseph Heil, Cashier Shift Manager
John Zappas, Security Manager
Cynthia Ann Marx, Supervisor of Security
Mark Angelo, Slot Supervisor
Kalenna Honeywell, Cage Supervisor
Tammer Michelle Tucker, Cage Count Supervisor
Rodney Becker, Cashier Shift Supervisor
Din Duc Vu, Director of Facilities
Craig Gunkel, Security Training Manager
Bobby Wilburn, Security Shift Manager
Tanya Pappas, Cage Cashier Supervisor
Erwen Anton Brausam, Director of Surveillance
Paul Anthony Greco, Director of Slot Services
Harry Samuel Garula III, Surveillance Supervisor
Steven Marc Houle, Director of Slots Technical Services
Michael Alan Nicholas Nale, Cage Shift Supervisor
Luana Christina Gomez, Security Shift Manager
Stephanie Lynn Dunkerley, Surveillance Supervisor
Gretchen Erin Garrity, Internal Audit Manager
Laura Lee Palazzo, Vice President and Chief Financial Officer
David C. Minor, Senior Slot Supervisor
Timothy Ebling, Vice President and Assistant General Manager

William Haynes, Vice President of Information Technology
John G. Luderitz, Vice President and General Manager
John J. DeGrasse, Vice President of Legal and Business Affairs
Amy Ferrara, Cage Supervisor
Henry Patrick Burke, Financial Accounting Manager
Deborah Marchese, Vice President and Chief Financial Officer

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-20 LIC – Issuance of Temporary Key Employee Licenses

Motion Made: Board Member McCabe
Seconded: Board Member Rivers

Resolved, the Board hereby approves the Order issuing 58 Temporary Key Employee Licenses.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-21 LIC – Denial of Gaming and Non-Gaming Employee Permits and Registrations

Motion Made: Board Member Sojka
Seconded: Board Member Coy

Resolved, the Board hereby approves the Order denying Gaming and Non-Gaming Employee Permits and Registrations as follows:

<u>BOL Dbase</u>	<u>Docket #</u> <u>SLOTSLink</u>	<u>Applicant</u>
472	G1013038	Renardo Haynes
15435	G1003378	Phillip Perkins
474	N1013040	Abel Delgado
35565	N1013517	Manuel Toledo
583	N1013152	Wayne Wasily
35250	N1013361	Jason Mendez

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-22 LIC – Withdrawal of Applications for Gaming and Non-Gaming Permits and Registrations

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby issues an Order to approve the Withdrawal of Applications for 27 Gaming Employee Permits and 16 Non-Gaming Employee Registrations

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-23 LIC – Vendor Certifications

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby issues an Order approving the applications for Vendor Certification as follows:

Absecon Island Beverage
Adirondack Scenic, Inc.
Agilysys NV, LLC
Avatar Software Creations
Earl Girls, Inc.
Iron Tree Data Networks, Inc.
Micros Fidelio Worldwide, Inc.
Novick Brothers Corporation
Warko Roofing Company, Inc.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-24 LIC – Vendor Registration

Motion Made: Board Member McCabe
Seconded: Board Member Rivers

Resolved, the Board hereby issues an Order approving the applications for Vendor Registrations as follows:

AMA Systems, LLC, DBA: AMA Incentives.com
Anni Group, LLC, DBA: Safeway Exxon
B & D Sales and Services, Inc., DBA: Segway of the Lehigh Valley
BMC, Inc., DBA: BMC Desks Etc.
Chrisner Group, LLC
Corcoran Printing, Inc.
Database Solutions, Inc.
Dielco Crane Services, Inc.
Fromm Electric Supply Corp of Reading Pennsylvania
Funtastic Party Rentals, DBA: Event Express
Hammaker's Flower Shop, LLC
Jack Wise Interiors, Ltd.
Jerry's For All Seasons, Inc.
Just Cigars, Inc.
LJ & J Enterprises, Inc.
Macintosh Linen and Uniform Rental, Inc.
McClure Company, DBA: McClure Mechanical Services
Michael S. Sullivan, DBA: Master Fire & Security Systems
Michael Salove Company
Morrisville Sweeping, Inc.
Rumsey Electric Company

Ryan Ventures, DBA: Shred-Doc Company
Sign Here, Inc., DBA: FASTSIGNS - Erie
SLC Lawn Service, DBA: Strauser Nature's Helpers
Tridon Services, Inc.

Board Decision: Passed by unanimous vote

OFFICE OF ENFORCEMENT COUNSEL

PGCB MOTION NO 2009-25 OEC – Downs Racing Consent Agreement

Motion Made: Board Member Rivers
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Consent Agreement between the Bureau of Investigations and Enforcement and Downs Racing. Consistent with the terms of the Consent Agreement, Downs Racing shall pay a civil penalty of \$5,000.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-26 OEC – Revocation of Non-Gaming Employee Registration for Ashlie Buchanan

Motion Made: Board Member Sojka
Seconded: Board Member Coy

Resolved, the Board hereby issues an Order to revoke the Non-Gaming Employee Registration for Ashlie Buchanan, OHA Docket No. 42747.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-27 OEC – Revocation of Non-Gaming Employee Registration for Teagan Robinson

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby issues an Order to revoke the Non-Gaming Employee Registration for Teagan Robinson, OHA Docket No. 42556.

Board Decision: Passed by unanimous vote

ADJOURNMENT

There being no further business before the Board, Chairman Colins adjourned the meeting.