



PENNSYLVANIA GAMING CONTROL BOARD

Meeting of the Board October 6, 2010 Minutes

A meeting of the Pennsylvania Gaming Control Board was held on October 6, 2010 at the PUC Keystone Building, Hearing Room 1, Harrisburg, PA. The meeting began at approximately 10:00 a.m.

Members in attendance were:

Gregory C. Fajt, Chairman
Raymond S. Angeli
Jeffrey W. Coy
James B. Ginty
Kenneth T. McCabe
Gary A. Sojka
Kenneth Trujillo

Individuals who appeared officially before the Board:

Kevin O'Toole – Executive Directors Report
Claire Yantis – Personnel Related Items
Susan Yocum - Regulations
R. Douglas Sherman – Petitions
Steve Cook – Withdrawals, Report and Recommendations
Susan Hensel – Licensing Matters
Cyrus Pitre – Enforcement Actions
Dale Miller – Enforcement Actions
Mark Buterbaugh – Enforcement Actions
Billie Jo Matelevich-Hoang – Enforcement Actions
Nancy Wasch, Esquire, PA Thoroughbred Horsemen's Association
Mr. Quigley – Penn National
Nick Rodriguez-Cayro, Esquire, Presque Isle Downs

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

PUBLIC HEARINGS

- Chester Downs and Marina, LLC (Harrah's) – Presentation on Harrah's Stock Reclassification Update
- Philadelphia Entertainment and Development Partners, LP (Foxwoods) – Appeal of Bureau of Licensing's Determination to File a Principal License Application

PGCB MOTION NO. 2010-329 OCC – PEDP / Appeal of Bureau of Licensing’s Determination to File a Principal License Application

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved the Board hereby granted the oral motion of Lewis Katz and Philadelphia Entertainment and Development Partners to withdraw the August 16, 2010 Appeal from the Letter of Determination of the Bureau of Licensing’s Directive to File a Principal License Application.

Docket Number: 1608-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-330 OCC – PEDP / Appeal of Bureau of Licensing’s Determination to File a Principal License Application

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved the Board hereby granted the August 16, 2010 Motion of Lewis Katz and Philadelphia Entertainment and Development Partner’s to Protect Confidential Information of all exhibits attached to the pleadings but denies the Motion as to the body of those pleadings.

Docket Number: 1614-2010
Board Decision: Passed by unanimous vote

PUBLIC MEETING

ANNOUNCEMENTS

Chairman Fajt announced that the Board held an Executive Session on October 5th and, again, just prior to this meeting. The purpose of yesterday’s Executive Session was to discuss personnel matters, including new hires being acted upon at today’s meeting and to discuss pending litigation with its counsel, as well as to conduct quasi-judicial deliberations relating to matters coming before the Board today. He stated that today’s Executive Session was for the purpose of conducting quasi-judicial deliberations regarding the PEDP matter heard earlier.

He also formally announced that the Licensing Hearings covering each applicants eligibility and suitability for the remaining Category 3 License would be held on November 16th from 11AM and 4 PM and on the 17th from 10 AM and 3 PM. He stated that all hearings would be held at the State Museum, Harrisburg, PA.

MINUTES/TRANSCRIPT

The Transcript of the August 19, 2010 meeting was approved.

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Board Decision: Passed by unanimous vote

EXECUTIVE DIRECTORS REPORT

Mr. Kevin O'Toole expressed his appreciation publicly to PGCB staff for the successful test period at SugarHouse Casino in Philadelphia that led to the opening of the 10th casino in the Commonwealth. Each Bureau of the Board played its part in ensuring the overall regulatory preparedness of the casino staff at SugarHouse. Mr. O'Toole stated that he wanted to specifically acknowledge two dedicated employees for the Board: Art Watson, the Casino Compliance Supervisor assigned to SugarHouse and Jeanne Ort-Motto, the Gaming Operations Liaison who was the opening team leader. He stated that both Art and Jeanne worked tirelessly with their staffs to coordinate the testing and the opening process. Mr. O'Toole also thanked Commissioners Ginty and Trujillo for their efforts in serving as the Board's designated representatives during the testing and opening process.

Mr. O'Toole reported that slot revenue at Pennsylvania casinos increased nearly 8% in gross revenue during the month of September 2010 as compared to September 2009. He further reported that the implementation of table games and the continued growth in slot revenues, Pennsylvania is experiencing the benefits that were hoped for through the recent amendments to the Gaming Act.

Lastly, Mr. O'Toole expressed his appreciation to Catherine Stetler, Legislative Assistant, who is leaving our employment. He stated that Catherine has been a valuable member of our legislative office for 3 years and she will be greatly missed but the PGCB wishes her the best of luck in her new endeavors.

HUMAN RESOURCES

PGCB MOTION NO. 2010-324 HR – Employment

Motion Made: Board Member Coy
Seconded: Board Member Angeli

Resolved, the Board hereby approves the hiring of Jonathan Lauterbach, Casino Compliance Representative, for employment.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-325 HR – Ratification of Employment

Motion Made: Board Member Sojka
Seconded: Board Member Coy

- ✓ Stephen Niglio, Casino Compliance Representative
- ✓ Albert Merrifield, Casino Compliance Representative
- ✓ Anthony DeLuca, Casino Compliance Representative

Resolved, the Board hereby ratifies the hiring of the above candidates for employment.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-326 RG – PA Thoroughbred Horsemen’s Association Employee’s Retirement Plan

Motion Made: Board Member Trujillo
Seconded: Board Member Ginty

Resolved, the Board, based upon the representations made at the October 6, 2010 Board meeting, and evidence presented by representatives of the PA Thoroughbred Horsemen’s Association, that the Employees Retirement Plan is hereby approved with the understanding that the Board has relied upon these representations, and with the further understanding that any changes or modifications to this Plan must come before the Board for further approval.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-327 RG – PA Thoroughbred Horsemen’s Association Trainer’s Retirement Plan

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board, based upon the representations made at the October 6, 2010 Board meeting, and evidence presented by representatives of the PA Thoroughbred Horsemen’s Association, that the Trainers Retirement Plan is hereby approved with the understanding that the Board has relied upon these representations, and with the further understanding that any changes or modifications to this Plan must come before the Board for further approval.

Board Decision: Passed by unanimous vote

OFFICE OF CHIEF COUNSEL

PGCB MOTION NO. 2010-328 REG – Temporary Regulation #125-133

Motion Made: Board Member Angeli
Seconded: Board Member Sojka

Resolved, the Board hereby adopts Temporary Regulation #125-133 and establishes a comment period of 30 days; and directs that the Temporary Regulation be posted on the Board’s website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-331 OCC – Withdrawals / Surrenders

Motion Made: Board Member Trujillo
Seconded: Board Member Angeli

Resolved, the Board hereby grants the withdrawal or surrender of Principal and Key Employee Applications, or Licenses, as well as Gaming Service Provider Registrations or Certifications as follows:

- ✓ Central Credit, LLC PGCB Docket Number 1540-2010
- ✓ Scott H. Betts PGCB Docket Number 1540-2010
- ✓ Cintas Corporation No. 2 PGCB Docket Number 1622-2010
- ✓ Plastic Graphic Company PGCB Docket Number 1600-2010
- ✓ Masanori Iwabuchi PGCB Docket Number 1617-2010

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-332 OCC – Report and Recommendation / Raymond Ball

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved the Board hereby adopted the Report and Recommendation issued by the Office of Hearings and Appeals and that the Emergency Suspension for Raymond Balls' Non-Gaming Employee Registration remain in full force and effect until further order of the Board.

Docket Number; 1608-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-333 OCC – Report and Recommendation / Anthony R. Bell

Motion Made: Board Member Coy
Seconded: Board Member McCabe

Resolved the Board hereby rejected the Report and Recommendation issued by the Office of Hearings and Appeals and further ordered that Anthony R. Bell's application for a Non-Gaming Employee Registration be denied.

Docket Number; 1579-2010
Board Decision: Passed 6-1 (Ginty Dissenting)

PGCB MOTION NO. 2010-334 OCC – Report and Recommendation / Douglas Young

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved the Board hereby approved the Report and Recommendation issued by the Office of Hearings and Appeals to deny Douglas A. Young's Non-Gaming Employee Registration Application.

Docket Number: 1529-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-335 OCC – Report and Recommendation / Kenneth Thomas

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved the Board hereby approved the Report and Recommendation issued by the Office of Hearings and Appeals to grant the Petition for Permission to Reapply for a Gaming Employee Permit submitted by Kenneth Thomas. The Board further ordered that this matter be remanded to the Office of Hearings and Appeals for further proceedings relative to Kenneth Thomas' suitability to receive a Gaming Employee Permit.

Docket Number: 1508-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-336 OCC – Report and Recommendation / Sherrell Burks

Motion Made: Board Member Sojka
Seconded: Board Member Trujillo

Resolved the Board hereby approved the Report and Recommendation issued by the Office of Hearings and Appeals to grant the Rivers Casino's Petition to withdraw the Key Employee Application of Sherrell D. Burks, with prejudice.

Docket Number: 1406-2010
Board Decision: Passed by unanimous vote

BUREAU OF LICENSING

PGCB MOTION NO. 2010-337 LIC – Principal and Key Employee Licenses

Motion Made: Board Member Trujillo
Seconded: Board Member Angeli

Resolved, the Board hereby approved the issuance of Principal and Key Employee Licenses as follows:

Mountainview Thoroughbred Racing Association

Principal Initial Licensure

- ✓ **Desiree Burke**, Vice President and Chief Accounting Officer for Penn National Gaming, Inc. – Docket #44162-1

Sands Bethworks Gaming, LLC

Principal Initial Licensure

- ✓ **Jason Ader**, Director and Audit Committee Member of Las Vegas Sands Corporation – Docket #40392-1

Key Employees Initial Licensure

- ✓ **Tyler Arthur**, Shift Manager of Marketing Services – Docket #21216-3
- ✓ **Matthew Smolowitz**, Casino Cage Shift Manager – Docket #29866-2

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-338 LIC – Temporary Principal and Key Employee Credentials

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board hereby approved the issuance of 1 Temporary Principal and 14 Temporary Key Employee Credentials.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-339 LIC – Issuance of Gaming and Non-Gaming Permits and Registrations

Motion Made: Board Member Coy
Seconded Board Member Ginty

Resolved, the Board hereby approves the Order for the issuance of 567 (383 initial; 170 temporary G2; 14 full G2) Gaming Employee Permits and 378 Non-Gaming Employee Registrations.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-340 LIC – Withdrawal / Key Employees, Gaming & Non-Gaming

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby issued Orders approving 27 Key Withdrawals.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-341 LIC – Gaming Service Provider Certification

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby issues an Order approving the Gaming Service Provider Certifications as follows:

- ✓ Eastern Bag & Paper Company, Inc.
- ✓ Phoenix Roofing, Inc.
- ✓ Rodi Platcow Malin Advertising, Inc.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-342 LIC – Prohibited Gaming Service Provider List

Motion Made: Board Member Sojka
Seconded: Board Member Trujillo

Resolved, the Board hereby issues an Order approving the additions to the Prohibited Gaming Service Provider List, as follows:

- ✓ Response Envelope, Inc.
- ✓ XCEND Group, Inc.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010- 343 LIC – Abandonment / Gaming Service Provider Applications

Motion Made: Board Member Trujillo
Seconded: Board Member Angeli

Resolved, the Board hereby issues an Order approving the abandonment of the following Gaming Service Provider Applications:

- ✓ Kistler and Dinapoli, Inc.
- ✓ Lehigh Safety Shoe Company, LLC
- ✓ Valley Forge Fabrics, Inc.

Board Decision: Passed by unanimous vote

OFFICE OF ENFORCEMENT COUNSEL

PGCB MOTION NO. 2010-344 OEC – Consent Agreement / Chester Downs and Marina, LLC (Harrahs)

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board hereby approves the Consent Agreement between the Office of Enforcement Counsel and Chester Downs and Marina, LLC (Harrahs). Harrah's shall pay a civil penalty in the amount of \$70,000 for incidences of underage gaming.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-345 OEC – Consent Agreement / Presque Isle Downs

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby approves the Consent Agreement between the Office of Enforcement Counsel and Presque Isle Downs. Presque Isle shall pay a civil penalty in the amount of \$15,000 for incidences of underage gaming.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-346 OEC – Consent Agreement / Mountainview Thoroughbred Racing Association (Hollywood Casino)

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Consent Agreement between the Office of Enforcement Counsel and Mountainview Thoroughbred Racing Association (Hollywood Casino). Hollywood Casino shall pay a civil penalty in the amount of \$45,000 for incidences of underage gaming.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-347 OEC – Consent Agreement / Mountainview Thoroughbred Racing Association (Hollywood Casino)

Motion Made: Board Member McCabe

Seconded: Board Member Sojka

Resolved, the Board hereby approves the Consent Agreement between the Office of Enforcement Counsel and Mountainview Thoroughbred Racing Association (Hollywood Casino). Hollywood Casino shall pay a civil penalty in the amount of \$20,000 for an incident involving a minor on the gaming floor.

Board Decision: Passed by unanimous vote

ADJOURNMENT

On a motion by Board Member Sojka, and seconded by Board Member Trujillo, the meeting was adjourned.

I HEREBY CERTIFY THAT THESE MINUTES WERE APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD AT A PUBLIC MEETING ON THE 16th DAY OF DECEMBER, 2010.

Mickey Kane, Board Secretary