

PENNSYLVANIA GAMING CONTROL BOARD

PUBLIC HEARING
IN RE: PITG GAMING, LLC, PETITION

MAY 14, 2008, 1:03 P.M.

TARA INN
2844 LAKE ROAD
CLARK, PENNSYLVANIA

BEFORE:

MARY DiGIACOMO COLINS, CHAIRMAN
RAYMOND S. ANGELI
JEFFREY W. COY
JAMES B. GINTY
KENNETH T. McCABE
SANFORD RIVERS
GARY A. SOJKA

APPEARANCES:

OFFICE OF ENFORCEMENT COUNSEL
E. BARRY CREANY, ESQUIRE

FOR - PGCB

SCHNADER, HARRISON, SEGAL & LEWIS, LLP
BY: JAMES J. EISENHOWER, ESQUIRE

FOR - PITG GAMING, LLC

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

1 CHAIRMAN DiGIACOMO COLINS: Good morning.

2 MR. EISENHOWER: Good morning, Madam Chairman.

3 CHAIRMAN DiGIACOMO COLINS: Good morning.

4 We're convening this hearing today as a result of a
5 petition that was filed by your client, PITG Gaming.
6 I'm going to turn it over to you at this point so that
7 you can make formally on the record the request I think
8 you made yesterday afternoon and a motion and give us a
9 little bit of background and understanding and the
10 reason for the request.

11 MR. EISENHOWER: Thank you. Madam Chair,
12 members of the Board. My name is Jim Eisenhower from
13 the Schnader Harrison law firm. I am counsel for PITG
14 Gaming, LLC.

15 First of all, I want to apologize on behalf of
16 Mr. Barden for the delay and request for postponement
17 here today. I can assure you that we would not have
18 made the request if we did not deem it necessary.

19 As I think members of your staff will attest
20 to, for the past actually two or three weeks but really
21 very intensively over the last week or ten days, we have
22 been working together with staff to compile the
23 documents that the staff needed to review in order to
24 make a recommendation to this Board regarding this
25 financing.

1 It's a very, very large deal. It's a very
2 complex deal with many layers and players and moving
3 pieces.

4 We had a large portion of it done; but as of
5 yesterday afternoon, it became clear to us that the
6 documentation, all of which has to be negotiated with
7 the lender and in this current climate with the way the
8 credit markets are, lenders are being very, very careful
9 about language.

10 We just believe that we could not finish these
11 negotiations and get the documents to the Board staff
12 with enough time for them to review them and to make a
13 recommendation to the Board. That is why we asked for a
14 postponement of our hearing on the amended petition.

15 CHAIRMAN DiGIACOMO COLINS: Just so you
16 understand and it's clear, I mean, the initial request
17 on the basis of immediacy for a hearing was made by your
18 client.

19 It's out of accommodation to that request based
20 on the urgency of his deadlines that we scheduled this
21 today.

22 I think it's in everyone's best interest that
23 whatever deal your client is negotiating in terms of
24 refinancing in this type of market, this type of credit
25 market, that he have time to complete what is a very

1 good deal. That's important to us.

2 So, you know, we will -- what we'll do is I'll
3 ask the Board if there are any additional comments.

4 I'll ask Mr. Creany to comment. Then we'll
5 break for just a few minutes to discuss your request and
6 then give you an answer to it.

7 All right. Mr. Creany, do you want to make a
8 statement before we ask any questions?

9 MR. CREANY: Thank you, Madam Chairman,
10 commissioners. Barry Creany on behalf of the Office of
11 Enforcement Counsel.

12 We had received the motion for postponement
13 yesterday. Although, we have not had time to formally
14 respond to it, we are not objecting to the motion.

15 We would ask since these negotiations, as we
16 understand it, are ongoing that once they've concluded
17 the investigation and we had all of the documentation
18 necessary for the Bureau of Investigation and
19 Enforcement financial employees to review, that we would
20 be able to move forward and have this placed back on the
21 agenda.

22 We wanted to make sure we had the chance to do
23 the review and an analysis of the terms of the loan that
24 are still in negotiations.

25 I'm not sure what timetable we're on, but we

1 would just ask -- I think our -- I can see from the way
2 they have worked the last two weeks that Jim Talerico's
3 group has worked expeditiously on these and late hours.

4 I think it's only a matter of a couple of days
5 once they receive all of the documents. We didn't have
6 them. At the last moment, there was a change that has
7 delayed us.

8 CHAIRMAN DiGIACOMO COLINS: Let's be clear that
9 the terms for the refinancing of this major proposal,
10 this facility, those terms basically go to the
11 underpinnings of the financial suitability and viability
12 of the licensee.

13 It's important that we have opportunity and
14 time, not only for your client to negotiate the best
15 deal possible but for us to review it so that we can
16 basically pass judgment on it at a public meeting.

17 Now, we have meetings scheduled May 29th, June
18 11th. There will be a meeting at the end of June.
19 That's a time frame that we would be interested in being
20 able to have this before us. Also, we need ample time,
21 again, to review it just so you can bring that info back
22 to your client for now.

23 Do any Board members have any questions at this
24 point?

25 COMMISSIONER RIVERS: Yes. My question is to

1 Barry. Barry, any idea how long we might need once the
2 final documents have been presented to us for
3 evaluation?

4 MR. CREANY: I could ask Jim Talerico to speak
5 directly to that. When they received these documents,
6 Rich is in our office working late, doing what he needs
7 to --

8 COMMISSIONER RIVERS: Under normal
9 circumstances.

10 MR. TALERICO: Under normal circumstances, it
11 probably may be about two or three days. That all
12 depends on what the changes are, how many changes there
13 are because there are several documents, if there are
14 changes to each document, what the changes are and how
15 they affect the overall situation.

16 MR. EISENHOWER: I would just add that the
17 staff has been great and extremely cooperative and have
18 asked all of the appropriate questions and have come
19 back to us on a number of occasions for clarifications.

20 We have every confidence that they are working
21 very hard on this. I want to assure the Board, I was on
22 the phone with Mr. Barden. These negotiations went late
23 into last night. They are continuing right now as we
24 speak, and they will continue until we get the deal
25 done.

1 COMMISSIONER RIVERS: My biggest concern is the
2 fact that we don't run into a situation where you review
3 them. Two days later, they are requesting a hearing.

4 You need to make sure that your request evolves
5 around one of the meeting dates that the Chairperson
6 articulated. That's how we're going to handle this.
7 It's not going to be expedited. We're going to do it in
8 a normal business occurrence. I think that's the way we
9 should handle this.

10 MR. EISENHOWER: I understand.

11 CHAIRMAN RIVERS: Just so there's no
12 misunderstanding.

13 CHAIRMAN DiGIACOMO COLINS: Do we have to
14 recess or is anyone prepared to make a motion, at this
15 point in time?

16 COMMISSIONER COY: I have --

17 CHAIRMAN DiGIACOMO COLINS: Do you have some
18 questions?

19 COMMISSIONER COY: I do.

20 CHAIRMAN DiGIACOMO COLINS: Go right ahead.

21 COMMISSIONER COY: Thank you.

22 One of the concerns at the last meeting and I
23 guess it was asked if there was any sort of an update
24 that we can talk about was the public contribution --

25 MR. EISENHOWER: Yes.

1 COMMISSIONER COY: -- that Mr. Barden was to
2 make pursuant to the original order in the Hill
3 District. I know there had been discussion at our last
4 meeting.

5 We were hopeful that Mr. Barden could reach out
6 to the Mayor and the County Executive and see if some
7 agreement could be reached. Is there anything you can
8 report to the Board at this point about that?

9 MR. EISENHOWER: Yes. In fact, I was in the
10 process of preparing an amendment to our amended
11 petition. One of the reasons for that was --

12 COMMISSIONER COY: I did not know that when I
13 asked the question.

14 MR. EISENHOWER: One of the amendments was on
15 this issue.

16 COMMISSIONER COY: Okay.

17 MR. EISENHOWER: Mr. Barden met with County
18 Executive Onorato, Mayor Ravenstahl shortly after our
19 last hearing. They had some good discussions. An
20 agreement was reached in which that Mr. Barden would put
21 the three million dollar investment into the Hill
22 District.

23 The agreement was that it would be over a
24 five-year period instead of a three-year period and that
25 it would not be in an area that is controlled by the

1 Penguins. There are plenty of other areas in the Hill
2 District that are not controlled by the Penguins. That
3 was agreeable to the elected officials.

4 We have a letter to that effect, which we have
5 submitted to the Board staff. I will prepare an amended
6 petition that will reflect that.

7 COMMISSIONER COY: So as far as you know, those
8 two elected officials are in concert with the current
9 proposal?

10 MR. EISENHOWER: Yes.

11 COMMISSIONER COY: Thank you.

12 CHAIRMAN DiGIACOMO COLINS: Any further
13 questions?

14 Is there a motion?

15 COMMISSIONER RIVERS: Yes. Madam Chair, I move
16 that the Board accept the petition for postponement
17 presented by PITG for this meeting.

18 COMMISSIONER McCABE: Second.

19 CHAIRMAN DiGIACOMO COLINS: Any questions or
20 comments?

21 All in favor?

22 COMMISSIONERS: Aye.

23 CHAIRMAN DiGIACOMO COLINS: Opposed?

24 Motion carries.

25 The matter is postponed until further notice,

1 until the deal is accomplished and it's prepared for us
2 to thoroughly evaluate and vote on. Thank you.

3 MR. EISENHOWER: Thank you, Madam Chair. May I
4 be excused?

5 CHAIRMAN DiGIACOMO COLINS: You may.

6 COMMISSIONER COY: Thank you for coming.

7 CHAIRMAN DiGIACOMO COLINS: All right. That
8 concludes this hearing. Thank you.

9 (The hearing concluded at 1:14 p.m.)

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1 I hereby certify that the proceedings and evidence are
2 contained fully and accurately in the notes taken by me
3 on the within proceedings and that this is a correct
4 transcript of the same.

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Hillary M. Hazlett, Reporter
Notary Public

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