

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

IN RE: HOLDINGS ACQUISITION CO., LP (RIVERS CASINO)

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PUBLIC HEARING

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

HEARING: January 26, 2011, 10:30 a.m.

LOCATION: Keystone Building
400 North & Commonwealth
Hearing Room #1
Harrisburg, PA

WITNESSES: Corey Plummer

Reporter: Cynthia Piro Simpson

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(Rivers Casino)

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CHAIRMAN:

We'll now call the matter of Holding Acquisition's Petition for Approval of OP5 Gaming Floor Plan. And again, I would advise any witnesses that you are still under oath. And with that, Holdings Acquisition, you may begin the second hearing.

ATTORNEY SKLAR:

Thank you. Michael Sklar, S-K-L-A-R, on behalf of Rivers Casino. This petition is for a modification of the gaming floor. Currently, the Rivers has 2,954 slot machines and 88 table games. The request that's before you today is at 19 table games, which would bring the total up to 107 tables. There is no reduction in slot machines. And this --- the addition of the 19 tables will create 100 new jobs. And with that --- with me, Corey Plummer, who's the Vice President of Gaming for the Rivers Casino, and he'll walk you through the modification.

COREY PLUMMER, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AS FOLLOWS:

1 MR. PLUMMER:

2 Corey Plummer, P-L-U-M-M-E-R. C-O-R-E-Y.

3 Thank you. Good morning, everyone.

4 CHAIRMAN:

5 Good morning.

6 MR. PLUMMER:

7 As we discussed in Michael's part of the
8 presentation, what we are seeking to do is to add to
9 our table game unit count. There's no reduction in
10 slot machines. There's some reconfiguration of the
11 slot floor, obviously, to do that. We started a new
12 dealer school on January 19th, taking in approximately
13 160 students. Our expectation is to add approximately
14 a hundred dealers to our roll in full-time and part-
15 time positions and a handful of supervisory positions
16 to add to this. Those increases are two-fold.

17 A, it continues to add to the job
18 opportunities. I think, as we all know, these jobs
19 that we provide at the Rivers are very good-paying
20 jobs of local residents, and internally it allows for,
21 you know, half a dozen promotion opportunities for
22 those who went through our original dealer school. On
23 this map here, if you look in the center of the
24 casino, to orient you on this map, north, south, east,
25 west, in the center location here, where we have our

1 tables currently, the proposal is to add this area
2 here, which is to the east. I have slot machines
3 there. So, we need to reorient the floor to add
4 essentially a new pit. And that pit, contiguous,
5 adjacent to our main gaming area in here, would allow
6 us to become a little more efficient during our
7 weekday scheduling.

8 These tables here, our craps tables,
9 would allow us to manage that more effectively through
10 our proposal of what we'd like to do on supervision
11 makes better sense for us there. Currently, those
12 tables are here. There's a craps table down here,
13 outside the Wheelhouse. So, this makes for a better
14 product for us. It makes it more efficient for us to
15 operate on a daily basis. To the west is the poker
16 room. We opened with 24 tables. This would give us
17 the opportunity to expand to 30 and meet the demand
18 for poker there. Essentially that construction space
19 is right in here, adding the six additional tables to
20 take us to 30.

21 And the movement of slot machines from
22 this area, we've created some new spaces down here and
23 back in this non-smoking area to blend some of the
24 product that was here, which is currently a
25 non-smoking space, into the floor and keep some of

1 those more popular products still in non-smoking for
2 our customers. So, really, that's kind of where we're
3 at. And it's not a complicated project for us from a
4 construction standpoint. We've asked for 45 days to
5 complete the entire project, but I don't see us taking
6 more than 30 days in order to have the project
7 completed with your approval.

8 ATTORNEY SKLAR:

9 Corey, can you just explain for the Board
10 some of the games --- the table games that you're
11 going to add are the iTable version. Can you explain
12 just what an iTable is and what the rationale is for
13 including them in the mix?

14 MR. PLUMMER:

15 Sure. What we'd like to do is continue
16 to increase the availability of technology to our
17 operation. I think it's something that we should
18 strive to do in terms of gaming in not only
19 Pennsylvania but certainly within the North American
20 gaming industry. The iTable represents that
21 opportunity on a very large scale because it allows
22 for a hybrid experience where you have a live dealer,
23 you have live cards, but the actual playing space and
24 the exchange of table games chips is electronic. So,
25 you have the opportunity to create a different

1 environment for players, where they can interact with
2 a live person, still get the face-to-face customer
3 experience. You still have the randomness, so to
4 speak, of live cards, and it's very transparent and
5 visible, but the actual game play and exchange of
6 monies from us to them is pretty straightforward and
7 easy. It eliminates a lot of errors for them and
8 potentially for us. So, I think that's a tremendous
9 opportunity.

10 We're also looking to add Rapid Roulette,
11 which is a similar hybrid product, live dealer, live
12 roulette wheel, but it encompasses individual betting
13 terminals that are electronic that allows people to do
14 different things from a play perspective, for those
15 that like exotic betting or just like the comfort of
16 having their own space instead of battling other
17 people over live tables. Again, it's an opportunity
18 to streamline the play process of placing wagers, but
19 also allows the streamlining and efficiency of cash
20 transactions between us and the customer. So, these
21 are two of the main things that we're proposing to do.
22 And again, I think there are many opportunities from a
23 technological standpoint on table games operations
24 that we ought to be trying to bring into the market.
25 And if Pennsylvania and Rivers specifically can lead

1 in that area, that's what we're attempting to do.

2 ATTORNEY SKLAR:

3 And Corey, these iTables, they're
4 approved by the Gaming Lab?

5 MR. PLUMMER:

6 Yes.

7 ATTORNEY SKLAR:

8 Thank you. That's all we have.

9 CHAIRMAN:

10 Thank you. Office of Enforcement
11 Counsel, do you have questions for the Holdings
12 Acquisition folks?

13 ATTORNEY MANIFESTO:

14 Good morning. Beth Manifesto from the
15 Office of Enforcement Counsel.

16 CHAIRMAN:

17 Beth, I'm sorry, could you please repeat
18 your name for the stenographer?

19 ATTORNEY MANIFESTO:

20 Yes. It's Beth Manifesto, M-A-N-I, F as
21 in Frank, E-S-T-O. And I do have a request, if I may
22 put it on the record, to amend one of the paragraphs
23 in the petition that was filed. This would be on
24 page --- it is in OEC's answer. It's on page three.
25 It's paragraph five, and it will be the first

1 sentence. The first sentence I'm requesting to amend
2 to read, the Rivers shall move any ATM offering credit
3 card advances from the gaming floor area to a
4 non-gaming classified area. And I did speak with Mr.
5 Sklar about that, and there is no objection.

6 I do have one question and that is
7 regarding, in the presentation as well as in the
8 petition on page two filed by Holdings Acquisition it
9 states the addition of 19 table games. And when you
10 elaborated on that in --- on page two of your
11 petition, it states that that would be 12 Blackjack
12 tables, one Rapid Roulette and four live poker tables
13 would be converted from tournament-only poker tables.
14 But that only comes to 17, and I wanted to know if you
15 could just confirm what the other two tables would be?

16 MR. PLUMMER:

17 The other tables are live roulette
18 tables.

19 ATTORNEY MANIFESTO:

20 Okay. I thought that that was the case,
21 but I wanted to make sure. That is all we have.

22 CHAIRMAN:

23 Great. Thank you. Do you have a
24 separate presentation?

25 ATTORNEY MANIFESTO:

1 We do not.

2 ATTORNEY PITRE:

3 No. We fully support them adding jobs
4 and tables.

5 CHAIRMAN:

6 Thank you. Questions from the Board?
7 Commissioner McCabe?

8 MR. MCCABE:

9 Yes. Corey, you brought up about how
10 this will eliminate errors on people's part, but also
11 this eliminates possible cheating by the players; is
12 that correct?

13 MR. PLUMMER:

14 Yes, it does. It eliminates some of the
15 various ways of chip manipulation and bet swapping and
16 even in the case of iTables because of the proximity
17 to the cards, any opportunity that customers would
18 have to handle the cards.

19 MR. MCCABE:

20 Now, this also --- these iTables will
21 also help with the accounting, where they're going to
22 be hooked up to the centralized computer system?

23 MR. PLUMMER:

24 Yes, that's correct.

25 MR. MCCABE:

1 So, then revenue --- the State would know
2 exactly what is being bet and what revenues are
3 instantly if we wanted to?

4 MR. PLUMMER:

5 That's correct. Yeah, that aspect of it
6 is a benefit for a regulatory and revenue
7 accountability standpoint, but also for us in terms of
8 monitoring something that's very difficult to monitor
9 in table games, which is the actual amount of wagers
10 being placed. These give us the opportunity to see by
11 individual what the actual wagers are being placed on
12 a daily basis up to the minute through the reporting
13 of these products.

14 MR. MCCABE:

15 Thank you.

16 CHAIRMAN:

17 Commissioner Sojka?

18 MR. SOJKA:

19 First of all, just to continue with that,
20 we've talked in the past about this connectivity
21 between the eTables and G-Tech and the Department of
22 Revenue. You're saying in your answer to Commissioner
23 McCabe that it's not a potential, but that these
24 tables, when they come online, will be connected to
25 G-Tech and Revenue will know the volume of play on the

1 tables?

2 MR. PLUMMER:

3 No. These tables will not be connected
4 to G-Tech, but they are connected to ---

5 MR. SOJKA:

6 To your system.

7 MR. PLUMMER:

8 --- our system.

9 MR. SOJKA:

10 Okay. That's an important clarification,
11 I think. Also then it's my constant question to you,
12 do you, down the line, see this as a possibility to
13 connect those tables to the Department of Revenue in
14 the way that slot machines are so that the State is
15 absolutely certain of the amount of tax due before we
16 go to a count room, before we do anything?

17 MR. PLUMMER:

18 There's always that opportunity down the
19 road. If the vendors either are required or so see
20 fit to spin that R&D expense to do that, because in
21 its electronic platform, the opportunity does exist
22 down the road.

23 MR. SOJKA:

24 Okay. And at least we're not losing any
25 ground doing this.

1 MR. PLUMMER:

2 We're not losing any ground, no.

3 MR. SOJKA:

4 Can I change the direction a little bit?
5 You mentioned the dealer school, and we have seen
6 every, I think, imaginable configuration of dealer
7 schools in this Commonwealth. We've seen two-year
8 schools add programs. We've seen licensees charge
9 people tuition. And we've seen licensees give away
10 the instruction. What are you going to do for the 160
11 students you have?

12 MR. PLUMMER:

13 Our instruction is free to the students.

14 MR. SOJKA:

15 It is free. So, it's free to, in this
16 case, 160 persons who have prequalified?

17 MR. PLUMMER:

18 Yes.

19 MR. SOJKA:

20 But you're only going to hire a max of
21 100?

22 MR. PLUMMER:

23 That's correct. So, in a sense, you're
24 providing, if you will, a public service of educating
25 or providing a skill to people who then may export

1 that. They may take it to another licensee and try to
2 get a job.

3 MR. PLUMMER:

4 Now, what actually happens, a lot of the
5 students, for a variety of reasons, actually don't
6 graduate. So, some students get into the class and
7 they realize dealing is not for them, once they start
8 going through the motions, for a variety of reasons.
9 Sometimes it's the dexterity of the procedure.
10 Sometimes it's standing on their feet. Sometimes it's
11 the ability to maintain the mathematics mentally.
12 Some people don't --- some people have a hard time
13 developing the mental dexterity to be able to deal, so
14 they opt out of the class.

15 Other students, through the audition
16 testing process, are unable to pass an examination of
17 their abilities at that time. So, it's really an
18 opportunity, a free opportunity, for people to come in
19 and give it a go. Some people take it more seriously
20 than others in terms of home practice and availing
21 themselves of the instruction of the people that we
22 have on hand teaching the school. But ultimately,
23 that's pretty normal. People go into a school. They
24 opt out or they're selected out because of
25 performance. So, we expect that number to be

1 somewhere around 80 or 90 students. And there's a
2 little bit of carryover from a previous school to get
3 us to the 100 number.

4 MR. SOJKA:

5 So, that 160 that you have at the moment
6 that got through your audition you think will produce
7 close to the number you need?

8 MR. PLUMMER:

9 Yes.

10 MR. SOJKA:

11 Do you have a minimum age for taking that
12 audition and taking a class?

13 MR. PLUMMER:

14 Well, the minimum age is 18. The first
15 school, I believe we had three that were under 21, and
16 I believe we have one in this school.

17 MR. SOJKA:

18 Okay. Because we're aware that there are
19 some dealers in the Commonwealth that are under 21. I
20 wondered if --- so you're saying that's still a small
21 number, that the majority of people ---?

22 MR. PLUMMER:

23 Very --- yeah, very small.

24 MR. SOJKA:

25 The 100 jobs, headcount or FTE?

1 MR. PLUMMER:

2 Headcount.

3 MR. SOJKA:

4 What would that add up to in terms of
5 full-time equivalents?

6 MR. PLUMMER:

7 Somewhere between 60 and 65.

8 MR. SOJKA:

9 Okay. So, they're working a little over
10 half time, each of them?

11 MR. PLUMMER:

12 Yes. This school will provide
13 opportunities going forward for those that graduate
14 and are hired to be part time. They obviously will
15 have more opportunities down the road to become full
16 time as people either move on to other positions or
17 out of the industry or just out of the Rivers. So,
18 it's backfill opportunities for them. But also if we
19 get into April, May, June and it's even busier than we
20 expect it to be now, and we do expect it to --- we do
21 expect to see demand increase further at that time,
22 then it's an opportunity for them to pick up extra
23 hours as well.

24 MR. SOJKA:

25 What about benefits packages with

1 part-time folks? Do they carry a benefits package or
2 do they --- do you have some cut-of before they
3 qualify for your benefits package?

4 MR. PLUMMER:

5 There's a minimum threshold of hours to
6 qualify for benefits. Most of the part-time employees
7 won't qualify for benefits in this go. But again,
8 there will be opportunities for these people to move
9 into full-time positions or either meet that
10 threshold.

11 MR. SOJKA:

12 So, we're looking at an increase in
13 essentially part-time jobs but not necessary increase
14 in benefits packages as a result of this addition?

15 MR. PLUMMER:

16 No. There will be a reasonable amount of
17 people, and I would say close to half of the graduates
18 that will be full time.

19 MR. SOJKA:

20 Okay. And then they would, of course,
21 qualify?

22 MR. PLUMMER:

23 Yes, they would qualify.

24 MR. SOJKA:

25 And then finally, we've seen figures from

1 virtually all of our operators that are beginning to
2 answer a question that we asked early on and that is,
3 will the appearance of tables reduce slots revenue?
4 And we've seen the favorable answer, and that is that
5 as table play goes up, slots play goes up. Do you at
6 least --- I know you can't know this. Do you
7 anticipate that that will continue; that you'll
8 actually see an uptick in slots play as a result of
9 this?

10 MR. PLUMMER:

11 I think as the business grows, we will
12 continue to see that. I don't --- in our case, our
13 numbers are pretty big in terms of year-over-year
14 growth, so I don't think you'll see 30-percent growth
15 every month in 2011, but I do expect to see continuous
16 growth on both sides.

17 MR. SOJKA:

18 But you can't necessarily attribute that
19 to the addition of tables. You're just saying there's
20 going to be growth?

21 MR. PLUMMER:

22 I think there will be a combination of
23 factors that lead to growth. Some of those will be
24 through our marketing and product management efforts.
25 Some of those will be through the addition of table

1 games and from the marketing that we're able to do on
2 that side. Every time we increase our supply of table
3 game positions, it encourages people to come to the
4 property. So, some of those things where you've seen
5 companion play or just interest in coming out and
6 playing tables, whether it's poker or Blackjack, quite
7 often that leads into slot play.

8 MR. SOJKA:

9 So, you can ease the anxiety of those who
10 felt that the addition of tables would erode slots
11 revenue?

12 MR. PLUMMER:

13 Yes.

14 MR. SOJKA:

15 That's it for me.

16 CHAIRMAN:

17 Thank you. Commissioner Trujillo?

18 MR. TRUJILLO:

19 Well, just following up on that, I
20 understand OP5 doesn't contemplate the reduction of
21 any slot machines. Can you confirm that you don't
22 have any --- that you do not anticipate coming back to
23 us in the next few months and asking for any reduction
24 of slot machines?

25 MR. PLUMMER:

1 I will not reduce slot machines.

2 MR. TRUJILLO:

3 I'm sorry?

4 MR. PLUMMER:

5 I will not reduce slot machines.

6 MR. TRUJILLO:

7 Thank you.

8 CHAIRMAN:

9 Commissioner Ginty?

10 MR. GINTY:

11 One of the most definitive statements
12 we've heard. It's good news. I'm interested, what is
13 the breakdown between your iTables and your
14 non-iTables?

15 MR. PLUMMER:

16 We're going to start with six iTables,
17 and there's one Rapid Roulette station that has eight
18 seats.

19 MR. GINTY:

20 So, of all the tables you have now, only
21 six will be ---

22 MR. PLUMMER:

23 Yes.

24 MR. GINTY:

25 --- iTables? Is this a --- is there a

1 noticeable trend in the industry towards iTables or is
2 it too early to tell?

3 MR. PLUMMER:

4 This product in particular, I would say
5 no. The technology is fairly new, being just a couple
6 years old and different versions of it, but there are
7 a few casinos around the country that have some
8 version of this product, either in California or, you
9 know, in Nevada. So, there are a few properties that
10 have it. It's something that's continuing to be
11 advanced by the manufacturer. And there are similar
12 products in the market being advanced by other vendors
13 and, you know, at the end of the day it's going to be
14 up to operators and regulators to decide which of them
15 actually function properly and then customers play
16 them or they don't.

17 MR. GINTY:

18 That's all I have.

19 ATTORNEY SKLAR:

20 Other questions? Treasurer?

21 MR. MCCORD:

22 Just following up on the good questions
23 there, have you done any sort of market research to
24 test the popularity of iGames and iTables? This is
25 new to me. I'm curious.

1 MR. PLUMMER:

2 No, no formal research, per se, but when
3 you speak to the manufacturer, you know where the
4 product is, and again, you're capable of seeing the
5 numbers from these tables. Earlier --- I guess late
6 last year an opportunity to go to an east coast casino
7 where they have iTables, and as we often do in the
8 industry, share information, I was able to see the
9 table in operation and see their numbers to confirm
10 what the vendor was saying about their product. And
11 that helped form some of my confidence about going
12 forward with it. It's something we've looked at since
13 the opening of table games.

14 MR. MCCORD:

15 And then a basic revenue question about
16 --- assuming these modifications are improved, do you
17 have an estimate of, you know, additional gaming
18 revenues, both slots and table games?

19 MR. PLUMMER:

20 I do not have a number for you on the
21 slots. I do think our slot numbers will grow for a
22 variety of reasons. Some of those I mentioned before,
23 marketing and product and things. The addition of
24 these tables will certainly increase our volume of
25 drop. And revenue is always a moving --- or target on

1 table games. Sometimes we win. Sometimes they do.
2 But in terms of volume, I would expect the volume to
3 increase somewhere between five and ten percent. But
4 it's entirely possible that it could be higher once we
5 get into summer months.

6 MR. MCCORD:

7 And then just following up on the good
8 questions about jobs, what are the pre-qualifications
9 that you look for in those --- is it 160 people who
10 would be going to the dealer's school? What do they
11 need to have to qualify for that?

12 MR. PLUMMER:

13 Well, first and foremost, they have to
14 have the customer service skills we're looking for, a
15 personality that we're looking for. You have to like
16 people to be a dealer, first off; otherwise it's a
17 miserable experience. You have to have the
18 mathematics ability, which again is sort of a basic
19 level, but you have to have the mathematical ability
20 to be able to count and to properly exchange currency.
21 So, those things we test for. We do job fairs, and so
22 we have a series of interview points where we're able
23 to gauge their interaction with other people and
24 ourselves. They take a mathematics exam, and then
25 there's further interviews about what they would like

1 to do and sort of what we think they could add to the
2 dealer school and ultimately add to the business upon
3 graduation. So, we look at all those things.

4 You know, some people you can assess this
5 as a future supervisory candidate. We have candidates
6 that come from all walks of life. We have some
7 attorneys, fire and policemen, nurses, bankers,
8 looking for a change in career direction or just an
9 opportunity to do something different on a part-time
10 basis. So, you take all those things into
11 consideration. When you go into a job fair, it's not
12 just looking for the basic entry-level position, but
13 sometimes you're in a position to look at and identify
14 people that going down the road, building the business
15 and the culture, people that you want to be a part of
16 that.

17 MR. MCCORD:

18 In terms of that basic entry level,
19 though, it's just sort of a high school degree, GED,
20 plus the people skills; is that right?

21 MR. PLUMMER:

22 That would probably get most people
23 through the mathematics exam.

24 MR. MCCORD:

25 Okay. And then in terms of sort of the

1 value chain for a career, you have people who kind of
2 enter there. If they were to leave the gaming
3 industry, do you have any sort of observations about
4 other careers people seem to get into more easily
5 after their job experience working for you?

6 MR. PLUMMER:

7 In my experience, people that leave the
8 gaming industry early on tend to go back to the
9 industry that they came from. Opportunities sometimes
10 come up in those areas. But most people that stay in
11 the gaming industry, it all depends on what you want
12 to do. The further you go along --- just like in
13 every industry, the opportunities at the supervisory
14 or management level decrease under the pool of people
15 as you go along and people's motivations for seeking
16 those positions also change. But as a front-line
17 position, a dealer in our casino is doing quite well.
18 The salary that we pay along with the tokes that we've
19 been generating the first six months would put them in
20 the mid 40s range, so it's a pretty decent paying
21 opportunity that people may want to stay in for a long
22 time.

23 MR. MCCORD:

24 Thank you.

25 CHAIRMAN:

1 A couple questions. Can we go back to
2 the gaming floor plan? My concern is --- or my
3 questioning is on the square footage of the gaming
4 floor. I think, and I may have confused it with
5 another floor plan we were looking at, that --- did I
6 hear right that you're reducing the size of the gaming
7 floor in square footage?

8 MR. PLUMMER:

9 Yes. It's a really minimal amount of
10 space here in the front.

11 CHAIRMAN:

12 Okay.

13 MR. PLUMMER:

14 This is currently gaming --- gaming space
15 at the porte-cochere.

16 CHAIRMAN:

17 At the porte-cochere?

18 MR. PLUMMER:

19 Yeah. It's this space in here.
20 Actually, it's white on the map. That would become
21 non-gaming space. There's no gaming in that space.
22 It's a front entrance.

23 CHAIRMAN:

24 I see. Okay. So, my concern really is
25 we're adding 19 tables and not --- we're not

1 increasing the gaming floor space. And I'll take you
2 at your comment that there's no gaming in that space
3 there, so we have, in essence, 19 more table games in
4 an area where they weren't before. So, we're
5 condensing the gaming --- or the gaming facilities,
6 either slot machines or tables. So, my question is
7 the Fire Marshall --- are there any issues with the
8 Fire Marshall signing off on this plan, and do you
9 have to get approval for that?

10 Again, one of the great things about the
11 Rivers is, you know, it's pretty easy to get around
12 there. There are wide aisles. The room between the
13 machines are pretty spacious, and that helps for
14 people flow. My concern is we're now putting, again,
15 19 machines --- or 19 tables in with no additional
16 gaming floor space, which obviously is going to
17 condense the ability for people to move around the
18 floor.

19 MR. PLUMMER:

20 To address the Fire Marshall issue, there
21 should be no issue in terms of that. We're operating
22 essentially in the same space that we've operated
23 gaming in before since the reduction is in a non ---
24 it's in a space that's never been used for gaming.
25 So, it's still the same footprint. But when you get

1 out to the main floor, where we're adding tables here,
2 the slot machines that are coming out of here are
3 being added to spaces essentially that I've set aside
4 for this opportunity. When we manipulated the floor
5 during the summer months, these spaces down here were
6 left intentionally empty, so that could expand or move
7 later spaces down here, as well as up here. I have no
8 intention of changing any of the walk paths or
9 assessability to our floor.

10 One of the things that you often see in
11 our casinos is the opportunities for all types of
12 people to get around, whether they're moving quickly
13 or moving slowly. So, it's not something that I
14 intend to take away. It's part of the design factors
15 I take into consideration.

16 CHAIRMAN:

17 Let me ask Enforcement Counsel, is that
18 something that you look at?

19 ATTORNEY PITRE:

20 We did look at it, and it's not an issue.
21 It actually gives them a little extra opportunity to
22 catch underage individuals.

23 CHAIRMAN:

24 I'm sorry. I missed the last part.

25 ATTORNEY PITRE:

1 It gives them an extra opportunity to
2 catch underage individuals. By expanding that
3 non-gaming space, it allows more of an area where they
4 can card individuals.

5 CHAIRMAN:

6 Okay. Thank you. One last question.
7 And Mr. Sklar, this is probably more a statement than
8 a question. And this is just me, personally. Could
9 you relate to the management of the Rivers Casino ---
10 I have concerns about the number of general managers
11 that have now passed through the Rivers. And as I
12 count, your client is on the fourth GM. They've been
13 open 18 months. I am a big believer in stability. I
14 think stability breeds peace in the workforce and just
15 a general calming of, you know, the facility itself.
16 And when you have upheaval at the top of the food
17 chain, I have to tell you I have some concerns. And
18 again, four general managers in 18 months is a
19 revolving door in the best case scenario.

20 And I'm not telling them how to hire, who
21 to hire, I just would ask that you would express my
22 personal concern. I'm not speaking on behalf of the
23 Board. I'm speaking for me personally, that this is
24 something that I pay attention to. There have been
25 other casinos in Pennsylvania who maybe have gone

1 through, you know, two or three that have been open
2 much longer than the Rivers, but it seems to be a
3 problem there and it's something that I am paying
4 attention to.

5 ATTORNEY SKLAR:

6 Just let me say, Mike Bowman, who is the
7 most recent GM who left last week ---- or a week-and-
8 a-half ago, he --- the management, the owners, were
9 incredibly happy with him. He was very happy at the
10 Rivers. Unfortunately, he had some personal family
11 issues that he needed to be back in the Philadelphia
12 area. So, that's what precipitated his departure.
13 But, you know, we certainly want to have stability
14 and, you know, we had anticipated that Mr. Bowman was
15 going to be the general manager for the foreseeable
16 future but, you know, this unfortunate circumstance
17 came up. But they're actively looking for a permanent
18 replacement, you know, with the goal that this would
19 be a long-term hire.

20 CHAIRMAN:

21 Thank you. And I appreciate those
22 comments. In a moment we will recess into executive
23 session. But before we do that, I want to take a
24 moment to acknowledge my fellow Board member, Jeff
25 Coy. This may very well be Jeff's last public

1 meeting. And before we give him a comment to --- or a
2 time to make some comments, I just want to read a
3 resolution that I have here. And I'll paraphrase it.
4 Jeff was appointed to the Board in 2004 by the House
5 Minority Leader, and was reappointed after that for
6 two additional two-year terms by the Speaker of the
7 Pennsylvania House.

8 He was a leader in establishing the first
9 stage agency in 30 years, along with a comprehensive
10 body of regulations to ensure the integrity of gaming
11 and approval of thousands of individuals for
12 licensure. Jeff and Commissioner McCabe, as you well
13 know, are the two remaining original Board members.
14 These two, along with the other original Board, as
15 I've said very often, they took a lot of bullets, a
16 lot of arrows from a lot of people. And what they did
17 was just keep their nose to the grindstone, got
18 through all of the noise, as we call it, and started
19 an industry in Pennsylvania and a regulatory Board
20 that's generated over \$4 billion, that's with a B,
21 billion dollars of tax revenue for this Commonwealth
22 and created over 13,000 jobs for Pennsylvanians. And
23 that's an issue that I know that they're very, very
24 proud of.

25 But back to Jeff. He has served with

1 great distinction as a public servant in this
 2 Commonwealth for 35 years. And there aren't many of
 3 those folks left. I think he started when he was ten,
 4 looking at him, to have 35 years of service. But he's
 5 been a personal friend of mine since 1988, when I
 6 first ran for the State House. And Jeff, we will miss
 7 you on this Board. Your temperament and your insight
 8 and your history of not only the Gaming Board but also
 9 the legislative process and just government in general
 10 will be a great, great loss to this Board. But before
 11 I turn it over to Jeff, I would just like to ask if I
 12 could have a motion from the Board to adopt this
 13 resolution?

14 MR. MCCABE:

15 I'd like to move that --- so moved.

16 CHAIRMAN:

17 So moved. Second?

18 MR. SOJKA:

19 Second.

20 CHAIRMAN:

21 All those in favor, aye?

22 AYES RESPOND

23 CHAIRMAN:

24 Opposed?

25 NO RESPONSE

1 CHAIRMAN:

2 Motion passes. Jeff, I'll turn the mic
3 over to you. But again, on behalf of the Board and on
4 behalf of the citizens of the Commonwealth, thank you
5 for your 35 years of service.

6 MR. COY:

7 Thank you very much. Thank you, Mr.
8 Chairman. I recall on many events when I presented
9 citations like that from the Pennsylvania House of
10 Representatives --- there are, of course, 203 members
11 in the House of Representatives, I used to say that I
12 got this past 102 to 101. But I noticed the vote on
13 this was unanimous, so I do appreciate it.

14 I have just a few remarks, Mr. Chairman.
15 Life is about opportunities and challenges, and I'm
16 finishing the latest opportunity that has not ---
17 surprisingly, also has been one of the great
18 challenges. At the same time I leave this Board today
19 with a tremendous amount of pride and satisfaction on
20 what has been accomplished.

21 When I first became a member of the
22 Gaming Control Board late in 2004, there were no
23 employees of this agency, no officers, no regulations.
24 There was just a law that served as the blueprint on
25 how to launch a multi-billion-dollar industry in

1 Pennsylvania.

2 Today, through hard work and good
3 decisions, there is clearly a staff of professionals
4 who are as good, if not better, than any staff in
5 State government. There is strong enforcement of this
6 industry that has been --- that has seen us react
7 quickly and ensure that widespread crime and cheating
8 has no foothold at casinos in Pennsylvania. There has
9 been 14 --- nearly 14,000 persons working in
10 Pennsylvania's casino gaming industry, along with
11 other jobs retained within the horse racing industry.
12 And in terms of property tax reduction, I must relate
13 to you that during my 22 years in the legislature,
14 helping homeowners meet their property tax burdens was
15 a goal of me and my colleagues year after year with
16 many, many ideas on how to accomplish that. Only on
17 passage of the Gaming Act have homeowners in
18 Pennsylvania witnessed the flow of reduction of tax
19 dollars.

20 Success of this magnitude does not come
21 easy. We have been a target, and I would be less than
22 truthful if I told you that sometimes what has been
23 written in the press or stated by others with varying
24 intentions has been hurtful and unfair. That is
25 especially true when you have the great fortune to

1 serve with good people of the highest integrity who
2 came from all walks of life on a common mission to
3 serve this Board. Not every decision may have been
4 perfect, but it should be noted that every decision on
5 who should be granted the privilege of a license and
6 have been challenged in court have been upheld by the
7 Pennsylvania Supreme Court, as well as Federal
8 Appellate Courts to date.

9 I want to thank each of my colleagues,
10 including those who have served previously who are not
11 here today. But especially I want to thank the two
12 Kens, McCabe and Trujillo, Gary and Ray and Jim. I
13 address them by their first names not only because the
14 more formal title --- but because we have worked
15 collegiately together in making important decisions,
16 but also because these men have become my friends.
17 Thank you, gentlemen.

18 In particular, my congratulations to Greg
19 Fajt, with whom I served in the Pennsylvania House of
20 Representatives and watched his career progress as the
21 Secretary of Revenue and the Governor's Chief of
22 Staff, and for the last few years as a very excellent
23 and fair Chairman of the Gaming Control Board. A job
24 well done, my friend.

25 Finally, to everyone of the current and

1 past staff of hard-working professionals of this
2 Board, led by an excellent executive director in Kevin
3 O'Toole. I say to you that it has been my privilege
4 to work with you, and I look forward to you all
5 continuing to meet the challenge and the great
6 satisfaction of regulating an industry, which means so
7 much to the Commonwealth. Thank you all.

8 APPLAUSE

9 CHAIRMAN:

10 Okay. Having got that difficult task,
11 and it is difficult to say goodbye to our good friend
12 and colleague, out of the way, we're now going to
13 break for executive session to review the two matters
14 that the Board heard earlier today. We will break
15 for, I'm thinking, approximately 30 minutes, so we
16 should be back --- it's about 11:15 or so right now,
17 so I'm thinking maybe 11:45 we'll be back here. Thank
18 you.

19 * * * * *

20 HEARING CONCLUDED AT 11:15 A.M.

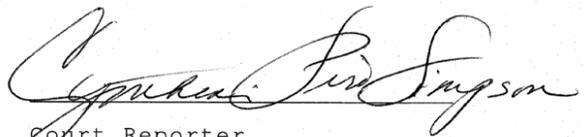
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23 CERTIFICATE

24 I hereby certify that the foregoing
25 proceedings, hearing held before Chairman Fajt, was

1 reported by me on 01/26/2011 and that I Cynthia Piro
2 Simpson read this transcript and that I attest that
3 this transcript is a true and accurate record of the
4 proceeding.

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7 Court Reporter
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