

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
Gregory C. Fajt, James B. Ginty, Keith R.
McCall, Anthony C. Moscato, Gary A. Sojka,
Kenneth I. Trujillo; Members
Jennifer Langan, Representing Robert M.
McCord, State Treasurer
Robert Coyne, Representing Daniel P.
Meuser, Secretary of Revenue
HEARING: Wednesday, August 22, 2012
10:00 a.m.
LOCATION: Strawberry Square Complex
Second Floor
Harrisburg, PA 17101
WITNESSES: Tyreese O'Neal; Jack Buscemi

Reporter: Kayla Bolze

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CHAIRMAN:

Thank you. Thank you all, we'll begin our regularly scheduled meeting. By way of announcements, the Board held an Executive Session yesterday, August 21st. The purpose of yesterday's Executive Session was to discuss personnel-related matters, matters relating to the procurement of a lease holding to real estate, consideration of matters pertaining to Local Law Enforcement Grants issued or to be issued by the Board, and to conduct quasi-judicial deliberations relating to matters being heard and considered by the Board this morning.

We will first have consideration of a motion to approve the transcript and minutes of our last meeting, July 11th, 2012. May I have such a motion?

MR. MCCALL:

Mr. Chairman, I move that the Board approve the minutes and the transcript of the July 11th, 2012 meeting.

CHAIRMAN:

Second?

MR. MOSCATO:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed?

7 NO RESPONSE

8 CHAIRMAN:

9 Motion carries. Next will be Kevin
10 O'Toole, Executive Director, to provide his report.
11 Kevin.

12 MR. O'TOOLE:

13 Good morning, Chairman Ryan, members of
14 the Board. In November of 2011 the Pennsylvania
15 Gaming Control Board issued a solicitation for
16 proposal to obtain bids for providing approximately
17 6,500 square feet of office space to house the Western
18 Regional Office of the Bureau of Investigations and
19 Enforcement. As part of this process, we utilized the
20 services of the state approved broker. The Board
21 received nine viable proposals for the lease of office
22 space in the Greater Pittsburgh area. Upon review of
23 these proposals and with the recommendation of the
24 broker, four office locations were selected for a site
25 visit by the Board's Evaluation Committee. The

1 properties were toured, best and final offers from the
2 landlords were solicited, and one property was
3 identified as providing the best location for meeting
4 the day-to-day needs of our Pittsburgh Regional
5 Office.

6 The landlord for the property, identified
7 as Hub Properties Trust. And the complex where the
8 office space is located is Foster Plaza. For the last
9 several weeks the Board Staff has been in negotiations
10 with Hub Properties Trust. At this time, I am pleased
11 to report to the Board that while there are a few
12 details being worked out and final language still
13 needs to be reviewed, we have agreed on Principal to
14 the terms of a ten year lease with Hub Properties
15 Trust.

16 This relocation of the Western Regional
17 Office is one more step that we are taking to reduce
18 the Board's overall expenses associated with leases
19 for office space and parking. At this time, I request
20 the Board's authorization to enter into a lease with
21 Hub Properties Trust.

22 CHAIRMAN:

23 Kevin, this new lease should result in a
24 considerable savings for the Board and more
25 importantly for the Commonwealth, as far as lease

1 costs; is that correct?

2 MR. O'TOOLE:

3 Yes, that is correct, Chairman.

4 CHAIRMAN:

5 Any other questions, comments from the
6 Board? Ex-officio members? May I have a motion?

7 MR. FAJT:

8 Yes, Mr. Chairman. I move that the Board
9 authorize the Executive Director, and to enter into a
10 lease agreement with Hub Properties Trust as described
11 by the Executive Director.

12 MR. GINTY:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed?

19 NO RESPONSE

20 CHAIRMAN:

21 Motion carries. Thank you, Kevin. Next,
22 we have Stacey Knavel, our Budget Manager, to present
23 us --- present to us on a Law Enforcement Grant
24 Application. Stacey?

25 MS. KNAVEL:

1 Good morning, Chairman Ryan, Members of
2 the Board. I have one Local Law Enforcement Grant
3 Application to present to you today. It is the
4 Bloomsburg Police Department in Columbia County for
5 \$32,060. This application has been reviewed by the
6 appropriate staff, has been determined to be in
7 compliance with the grant program, and is recommended
8 for approval.

9 CHAIRMAN:

10 Stacey, is this a one-year grant?

11 MS. KNAVEL:

12 Yes. Twelve (12) months.

13 CHAIRMAN:

14 And obviously we have the ability to
15 monitor this through the period of the grant to make
16 sure the funds are being spent as they're supposed to
17 be?

18 MS. KNAVEL:

19 We have the opportunity to monitor that.
20 We can request information from the grant recipients.
21 Typically we just have them file reports at the end of
22 the 12 month period.

23 CHAIRMAN:

24 Okay. Any questions, comments from the
25 Board?

1 MR. SOJKA:

2 A couple, quick. Is this the first one
3 from Bloomsburg, the first application?

4 MS. KNAVEL:

5 No, this is a grant renewal to
6 Bloomsburg.

7 MR. SOJKA:

8 This is their renewal?

9 MS. KNAVEL:

10 Yes.

11 MR. SOJKA:

12 Okay. So, in fact, you have then had the
13 opportunity to evaluate any successes they've had with
14 the expenditure of the first part of the grant?

15 MS. KNAVEL:

16 That's correct. We've evaluated their
17 successes as well as their ability to meet our
18 reporting requirements.

19 MR. SOJKA:

20 Thank you.

21 CHAIRMAN:

22 Ex-officio members? May I have a motion?

23 MR. FAJT:

24 Yes, Mr. Chairman. I move that the Board
25 approve the Local Law Enforcement Grant as presented

1 by Budget Manager Stacey Knavel.

2 CHAIRMAN:

3 Second?

4 MR. GINTY:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed?

11 NO RESPONSE

12 CHAIRMAN:

13 The motion carries. Thank you, Stacey.

14 Next, Doug Sherman, Chief Counsel. Doug?

15 ATTORNEY SHERMAN:

16 Good morning, Chairman, members of the
17 Board. Our first agenda item relates to a Temporary
18 Regulation, which Assistant Chief Counsel Susan Yocum
19 will present.

20 CHAIRMAN:

21 Morning, Susan.

22 ATTORNEY YOCUM:

23 Good morning, Chairman, Commissioners. I
24 have one Temporary Rulemaking for your consideration
25 today. It's 125-164, which addresses the rules of

1 play, the bet requirements, permissible waivers and
2 the payout odds for a five card high low. This is a
3 banks table game. It's a proprietary game owned by In
4 Bet, LLC, which is a Certified Gaming Related Gaming
5 Service Provider. I'd be happy to answer any
6 questions that you may have.

7 CHAIRMAN:

8 Questions, comments from the Board?
9 Ex-officio members? May I have a motion?

10 MR. MOSCATO:

11 Yes, Mr. Chairman. I move that the Board
12 adopt Temporary Regulation 125-164 and that the
13 regulation be posted on the Board's website.

14 CHAIRMAN:

15 Second?

16 MR. SOJKA:

17 Since this is the first time, a game that
18 looks simple enough that I could actually play it, I'm
19 happy to second that motion.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed?

25 NO RESPONSE

1 CHAIRMAN:

2 Motion carries.

3 ATTORNEY YOCUM:

4 Thank you.

5 CHAIRMAN:

6 Thank you, Susan.

7 ATTORNEY SHERMAN:

8 Today the Board has one petition before
9 it for a vote. It presently is scheduled to be
10 considered upon the documents filed. The petition is
11 that of Brigade Capital Management, LLC and Brigade
12 Leveraged Capital Structures Fund Limited's Request to
13 Continue Institutional Investor Status and not be
14 required to file licensure as a Principal of MTR
15 Gaming Group, the operator of Presque Isle Downs. In
16 advance of the meeting, the Board has been provided
17 with the petition and the response of OEC.

18 By way of background, Brigade Capital and
19 the Structures Fund that I referenced are requesting
20 that the Board grant a permission to hold up to 15
21 percent of the outstanding securities of MTR Gaming
22 Group, and to continue to file with the Board as an
23 Institutional Investor rather than as a Principal
24 Owner of the MTR Group.

25 At present, Brigade Capital owns

1 approximately 9.7 percent of the outstanding shares of
2 MTR and has filed the necessary forms with both the
3 Board and the Federal Securities and Exchange
4 Commission indicating that it's a passive investor of
5 the company. Brigade avers that it may increase its
6 holdings in MTR to a --- up to a maximum of 15 percent
7 of the outstanding publicly traded shares of the
8 stock. However, they wish to continue their
9 Institutional Investor status and not be required to
10 file a Principal Application in connection therewith.
11 If permitted to do so, Brigade has indicated that it
12 would continue to remain a passive investor with
13 respect to MTR and, upon acquisition of any additional
14 shares, would file an amended form 13G with the SEC,
15 again reaffirming that its interest is purely of a
16 passive nature.

17 The Office of Enforcement Counsel (OEC)
18 has filed an Answer objecting to the request,
19 primarily on the basis that the Board's regulations
20 currently set a threshold of 10 percent for the amount
21 of shares of a publicly traded company, which a
22 passive institutional investor may hold without being
23 licensed. Bill Downey of Fox Rothschild Law Firm is
24 here today representing Brigade Capital, as is Barry
25 Creany, from the OEC on behalf of OEC and BIE to

1 address the Board as to their positions, and along
2 with answering any questions that the Board may have.

3 CHAIRMAN:

4 Mr. Downey? I think I don't speak out of
5 turn, even though I speak for myself in saying there
6 is some concern on the part of the Board with this
7 proposal, this concerns us.

8 ATTORNEY DOWNEY:

9 I'm here to answer your concerns.

10 CHAIRMAN:

11 Questions from the Board?

12 MR. GINTY:

13 Yeah. I have a question more in the
14 nature of a request. I'm not sure whether it's for
15 OEC or --- and not today, Cyrus, but at some point I'd
16 like to understand from your point of view --- and if
17 Counsel wants to jump in --- Brigade is incorporated
18 in the Cayman Islands. I would like to know from your
19 perspective, what, if any, issues that may present in
20 terms of our ability to conduct meaningful
21 investigations of investors. That's a request and if
22 you want to reply to whatever comes in, that's fine,
23 too. But you know, given the secrecy of some of these
24 offshore incorporations, I would certainly like to
25 better understand the implications.

1 ATTORNEY DOWNEY:

2 Commissioner, if you wouldn't mind, I'd
3 like to respond to that? And obviously it doesn't
4 supplant the request, but from the inception of the
5 process here in Pennsylvania, your staff has wrestled
6 with that issue, they've seen this --- they've seen
7 this fight before, this is not their first dance. And
8 just to be clear, the premise of your question, I want
9 to be very clear about the way the structure is set
10 up. The Investment Fund is a Cayman organization and
11 is an exempted corporation. It's set up specifically
12 by the Cayman government to provide for a vehicle for
13 non-Cayman investment. So, the structure itself
14 intends that it be used in foreign investment. There
15 is absolutely a great deal of secrecy if you want to
16 use a less perhaps nefarious word, given the
17 presidential environment, I would call it maybe
18 privacy.

19 MR. GINTY:

20 That had nothing to do with my question.

21 ATTORNEY DOWNEY:

22 But the Fund itself is somewhat akin to a
23 headless horseman. In the absence of the manager,
24 which is in fact a Delaware corporation, and is
25 managed by a person who has come under your scrutiny,

1 at least, informally, the personality of the Fund,
2 I'll call it, is quite clear. And I think I'd ask
3 --- ultimately I'm going to ask OEC to weigh on that,
4 including their process in this particular instance.

5 In addition, I would point out that from,
6 bluntly, my first dealings with this agency, OEC in
7 conjunction with FIU has requested, and at least in
8 every instance in which I've been involved, has
9 received from the --- from these funds, a listing of
10 the holders of a five percent or greater interest in
11 the Fund. So, while to the public world there is a
12 certain level of privacy that is afforded to these
13 folks, and certainly through a Cayman law, Cayman law
14 does not require in the case of exempt organizations
15 that a list even be filed --- that shareholders need
16 to be filed with the government, your OEC has --- and
17 probably more appropriately, BIE, has taken to that
18 --- the list of five percent of regular holders, which
19 is precisely that list that you'd be looking at in the
20 context of licensure in any event. Again, I'll leave
21 it to Mr. Creany to discuss with you that process.
22 But I did want to make both of those points clear,
23 that you've seen the structure before and in each
24 instance, at least in which I've been involved, you
25 have seen the underlying holdings.

1 ATTORNEY CREANY:

2 Yes.

3 CHAIRMAN:

4 I guess, Mr. Creany, as I understand it,
5 OEC does object to this particular petition; is that
6 correct?

7 ATTORNEY CREANY:

8 Yes, we do. This is very ---.

9 CHAIRMAN:

10 Why don't you go into your explanation,
11 your reasons for why you object?

12 ATTORNEY CREANY:

13 Okay, Chairman. Barry Creany on behalf
14 of the OEC. It's C-R-E-A-N-Y. With this petition,
15 Chief Counsel Sherman laid out the facts and the
16 position exactly correctly. It was the Bureau of
17 Licensing's objection that we raised in our objection,
18 in this petition process. But when we received the
19 petition from Brigade Capital, BIE did what it does in
20 all of these situations. We requested the background
21 information as to who's behind the Brigade Capital.
22 And Brigade Capital is an investment --- investment
23 advisor/manager registered with the Securities and
24 Exchange Commission, and through its management of
25 portfolios and the other company identified in the

1 petition, the Leveraged Capital Fund, they were asked,
2 and they provided us with a confidential list of all
3 the investors. And BIE went through the list of
4 investors and identified no issues or concern relative
5 to those holding interests in the Brigade Capital
6 Funds.

7 Those are major types of organizations,
8 entities and retirement systems accounts and such, and
9 really it was just on the basis of the regulations
10 that we raised the objection on behalf of BOL, not on
11 the fact that there might be something behind the
12 entity that is going over the ten percent.

13 CHAIRMAN:

14 Cyrus?

15 ATTORNEY PITRE:

16 Because the regulation calls for that ten
17 percent, that's the threshold where we need the Board
18 to take action, whether or not this regulation can be
19 waived. We can't do that on our own, nor would we
20 want to do it. That's a Board decision as to whether
21 or not the regulation is waived. As far as the
22 individual investors that we went through, that list
23 was sent out to BIE. BIE went through the list. We
24 look for things and names that stand out, anything out
25 of the ordinary. Like Mr. Creany said, these were

1 your typical investors, 401(k) accounts, Investment
2 Retirement Funds. There wasn't anything that stood
3 out to us that would lead us to think that anything
4 nefarious was going on.

5 Now, obviously if we had to do a more
6 detailed background investigation on each one of these
7 that would account for numerous man hours, that could
8 probably take us upwards of over a year to complete.
9 But just with the --- just running through the names
10 and the database checks that BIE normally does in this
11 situation, we didn't see anything that would stand out
12 to cause concern in this matter. Now, that's not to
13 say --- in the past there have been names and
14 individuals that have stood out, and we've dealt with
15 those in a fairly discrete nonpublic way, basically by
16 telling them go away, we don't want you here, so ---.

17 CHAIRMAN:

18 Would it be safe to say, Cyrus, that OEC
19 does not at this point object to the petition?

20 ATTORNEY PITRE:

21 We don't object to the petition as far as
22 the investors are concerned, we object based upon the
23 regulation requiring the Board having the authority to
24 waive that particular regulation.

25 CHAIRMAN:

1 Okay. Questions from the Board? Ken?

2 MR. TRUJILLO:

3 Well, this is sort of a question and a
4 comment. So, what I think we have is the general and
5 the specific. And the general is the --- the
6 objection's based upon the regulation, ---

7 ATTORNEY PITRE:

8 Right.

9 MR. TRUJILLO:

10 --- as I understand it? And the specific
11 is the --- this petition to ask the Board to exercise
12 its discretion to waive and to allow up to 15 percent
13 ownership. So, I think that the discomfort, Mr.
14 Downey, is that --- number one, that the ancient
15 history with this Board, I mean, and the requirements
16 of disclosures were even less than five percent early
17 on, so that's been --- so there has been an opening,
18 or at least I think a maturing of the regulatory
19 process as the Board has become more comfortable
20 around certain entities that --- I guess as I would
21 describe it, that if you have --- it's likely not to
22 be a problem; right? So, you know, I use, for
23 example, the Fidelity investments or a large
24 institutional investor, Board regulations allow for
25 institutional investors obviously to have certain

1 shorter processes than an individual one. So, I think
2 the discomfort, at least as I have it right now, is
3 that the request to us is almost in the form of not
4 just to make a --- if we make an exception in this
5 case, we're virtually being shoehorned into making the
6 exception going forward. So, I think it's appropriate
7 to have the discussion as to whether or not we ought
8 to change the regulations to allow it to be the 15
9 percent. But I'm less comfortable making that
10 decision as an exception. And I guess I would be more
11 comfortable entertaining a change in the regulation.
12 And in that context then, so that we're treating other
13 organizations --- like organizations the same way.

14 So, I'm, number one, comforted, and I
15 think probably some of the other Commissioners are
16 comforted, by the notion of the fact that you are
17 receiving more information than is required or ---
18 under Cayman law, and so that does give me comfort
19 that you know who the individuals and the entities are
20 behind the Cayman's Organization. So, that does give
21 me comfort. But I think where I am at least is still
22 in that place where, at least if it were up to me ---
23 and it won't be up to me --- I'd be more comfortable
24 making the decision on the regulation first and your
25 client would then fit within the confines of that

1 regulation and wouldn't even need an exception. So, I
2 guess --- to you, Mr. Downey, I guess the only
3 question I have is, does that process ultimately
4 create a problem for your client?

5 ATTORNEY DOWNEY:

6 I think that it does. And I think it
7 does, because we're not dealing --- and thank you for
8 the question. Admittedly, I was anticipating that
9 from the other end of the dais because that's the
10 conversation we usually have with Commissioner Ginty
11 on the subject of which way we go with this on a
12 particular or generalized basis. Just on the
13 generalized question for a second, absolutely a
14 position that I would advocate, that you would be well
15 within --- certainly within your discretion and within
16 --- well within keeping with other jurisdictions in
17 expanding your --- what I'll call your exemption
18 language. But I want to point out that your statute
19 provides you with virtually unlimited discretion in
20 this area. You're simply able to waive institutional
21 investors. And what you have provided regulatorily is
22 for a trigger that, for all intents and purposes
23 subject to you pulling back, and hitting the brakes
24 and saying whoa. If I come in and I'm below ten, I
25 file my two page form; I'm good to go. There is room,

1 in fact there's precedent in other jurisdictions for a
2 second layer. And that is where Board discretion
3 still plays in up to another --- up to --- whether
4 guided by regulation or by statute, you will be in the
5 position to issue exemption or waiver, however you
6 want to characterize it, for a particular party under
7 particular circumstances.

8 Obviously the key to that analysis is
9 going to be that party and those circumstances. As
10 far as the particulars go, you know --- and frankly
11 this concept was born in New Jersey and ultimately
12 adopted in Las Vegas. Both of those jurisdictions are
13 now up to 25 percent. You've got places ---
14 Mississippi and Indiana I think are at the 15 percent
15 threshold, Missouri actually provides that split
16 system --- actually, no, Missouri provides the
17 executive director discretion with up to 10 percent
18 and then the Board can come in up to 20 or 25 percent.

19 There's precedent out there. You've got
20 a white paper that was issued by the American Gaming
21 Association in 2011, frankly their number three
22 request across the U.S., was that these --- these
23 thresholds be taken up uniformly to 25 percent. You
24 know, the issue there is, you never want to be the
25 jurisdiction that's the lowest common denominator.

1 You don't want to be the reason somebody can't get
2 investment on some level because your threshold is so
3 much lower than everybody else's.

4 So, having said that, I also,
5 incidentally, took the liberty of --- I've spoken with
6 representatives of seven of your operating Licensees,
7 all of whom have indicated that they would be
8 supportive of such a change in the regulatory
9 structure, and I can't imagine that those I didn't
10 would have an objection. Having said all that, what
11 we are talking about is capital investment. And I
12 think as you heard one of the Mount Airy
13 representatives say today despite the fact that things
14 --- that the ship seems to be getting righted; it's
15 still not an easy market. I've had the pleasure of
16 dealing on both sides of this issue, both in the
17 lending capacity and the borrowing capacity with your
18 Licensees.

19 And this issue, this investor waiver
20 issue has been critical, and --- particularly in those
21 cases where public offerings were indicated. We had
22 to draft very explicit language in the disclosure
23 documents relating to exactly this issue. What I
24 guess I would ask is that you take into consideration
25 that we're talking about operation in the secondary

1 market here, and that --- I don't know my client's
2 mind, but timing always seems to be the key here. You
3 hear people in the context of these offerings talking
4 about the window, we've got this window; we've got to
5 be able to go. Another client I know came before you
6 in the context of a shelf offering with exactly that
7 concept in mind. You know, give us the flexibility to
8 jump when that window presents itself. I guess in
9 that respect, that's where we get a little hamstrung
10 by the regulatory process. If that's what you're
11 looking to tie us to.

12 CHAIRMAN:

13 I will defer to Gary in a minute. But I
14 take it that your concern is that if you have to wait
15 for the former, former formal adoption of the
16 regulation, that it could be seriously harmful to your
17 client, is that what you're saying, Counselor?

18 ATTORNEY DOWNEY:

19 I am saying that although I do not know
20 the mind of my client as is appropriate on these
21 issues --- and particularly issues of timing, I do
22 know that they've expressed an interest now to
23 increase. And you know, it's certainly conceivable
24 that that window closes.

25 MR. GINTY:

1 Okay. Your client is the investor here,
2 not one of the licensed casinos?

3 ATTORNEY DOWNEY:

4 Correct.

5 MR. GINTY:

6 So, the harm to your client would be
7 perhaps missing an investment opportunity?

8 ATTORNEY DOWNEY:

9 Yes.

10 MR. GINTY:

11 Okay.

12 ATTORNEY PITRE:

13 I have talked to representatives from
14 MTR, and obviously they want this to occur.

15 MR. TRUJILLO:

16 Okay. Mr. Chairman, might we discuss
17 this in Executive Session?

18 CHAIRMAN:

19 I think it probably would be a good idea.

20 MR. SOJKA:

21 All right.

22 MR. CRAIG:

23 Mr. Chairman, can I just ask a couple of
24 clarification questions?

25 CHAIRMAN:

1 Certainly. Go ahead.

2 MR. CRAIG:

3 I have to admit, when I came into this I
4 didn't understand it, and I want to make sure my
5 understanding is clear. There are two corporations.
6 There are separate corporations related that are
7 involved, and it's Brigade Capital Management, LLC,
8 which is the investment advisor and manager, then
9 there's Brigade Leveraged Capital Structures Fund
10 Limited. That is the Fund that is the Cayman Islands
11 Fund; correct?

12 ATTORNEY DOWNEY:

13 Correct.

14 MR. CRAIG:

15 The investors, the general partner and
16 the limited partners, are disclosed to OEC --- that
17 are associated with Brigade Limited (sic) Capital
18 Structures Fund; correct?

19 ATTORNEY DOWNEY:

20 That's correct.

21 ATTORNEY CREANY:

22 Yes.

23 MR. CRAIG:

24 When that disclosure is made, that is
25 something different than a 13G form I assume?

1 ATTORNEY CREANY:

2 Yes. Oh, yes. It is the particular
3 entities that have interests in that Fund.

4 MR. CRAIG:

5 And do you, at least at the cursory
6 level, have the ability --- if what one of the
7 entities was --- casino investments fund, in other
8 words, it was a fund investing in another fund, do you
9 just have that or do you have any ability --- do you
10 at least have the ability if you wanted to, to ask
11 who's behind that initial ---?

12 ATTORNEY CREANY:

13 We did have the ability, and asked for
14 all the identifying information. A lot of them like I
15 had mentioned were retirement system funds --- are
16 also large --- other investment funds.

17 MR. CRAIG:

18 That's my next question. Is the
19 Commonwealth an investor?

20 ATTORNEY CREANY:

21 I'd ask ---.

22 MR. CRAIG:

23 And the reason why I ask that is, that is
24 information I think that would be useful for ---

25 ATTORNEY CREANY:

1 Yes.

2 MR. CRAIG:

3 --- us to know. And make no mistake, I
4 mean, I have seen some of these investment firms, they
5 may very well be. I'm not saying that ---.

6 ATTORNEY DOWNEY:

7 Yeah, when we received the information it
8 was asked that that be kept confidential. But there
9 are State Retirement System Funds that are part of
10 this.

11 MR. CRAIG:

12 But not necessarily ---?

13 ATTORNEY PITRE:

14 Unfortunately, Mr. Craig, we can't
15 comment on that publicly, but that's something ---.

16 MR. CRAIG:

17 Right. You can alert the members of the
18 Board if there is?

19 ATTORNEY PITRE:

20 Yes.

21 MR. CRAIG:

22 Okay. And I guess just as part of the
23 public --- and I'll be interested in both your
24 reaction as well as Counsel's reaction. If the Board
25 were to consider providing an exemption, would there

1 be objection or would it be appropriate, in your
2 opinion, to condition any of those exemptions on maybe
3 a certain stepped up level of disclosure? I mean,
4 once we've exceeded the five percent or even the ten
5 percent, typically the SEC says at a 20 percent level
6 you have to file, I think it was a 13D, which is
7 supposed to be a lot more extensive. Is it
8 appropriate and can you define the greater level of
9 maybe --- of disclosure in terms of the identity and
10 the ownership structure behind the Fund, be it the
11 Cayman Islands or anywhere else?

12 ATTORNEY CREANY:

13 Well, one of the primary concerns is if
14 it would move from a 13G filing to a 13D, to move out
15 of a passive investment, certainly that would be a
16 Principal entity that would need to be vetted out.
17 And the other interest we have is, if there's any
18 substantial change in types of clients that are a part
19 of this Fund. We've had that and it is a large
20 publicly --- you know, disclosed information relative
21 to the Brigade Capital. Anything that substantially
22 changes the nature of what is --- what type of
23 investors and the funds we would like to have notice
24 of.

25 MR. CRAIG:

1 I guess maybe the question in the form of
2 a suggestion or something that I'm offering for
3 comment is, maybe it would be appropriate for OEC if
4 the Board were to entertain an exemption to articulate
5 additional disclosure requirements each time an
6 exemption is potentially made that --- and I'm kind of
7 curious about this.

8 ATTORNEY DOWNEY:

9 Yeah. And if I could, the key here is
10 the confidentiality; ---

11 MR. CRAIG:

12 Okay.

13 ATTORNEY DOWNEY:

14 --- we can't go outside of OEC and
15 maintain --- or BIE more specifically and maintain the
16 confidentiality that we need to maintain. Now, if
17 you're suggesting that BIE or OEC in some fashion
18 formalizes its current practice, no problem with that
19 at all.

20 MR. CRAIG:

21 And make no mistake though, if OEC
22 recommends an action to the Board, they got to be able
23 to tell the Board why they're recommending it, and
24 each of the Board members, while also subject to
25 confidentiality requirements as well as Counsel to the

1 Board, should have the ability to say you know what,
2 we think that this particular investor poses a risk to
3 the Commonwealth's reputation, as well as maybe to the
4 integrity of gaming. I don't think that information,
5 under any reasonable circumstance, should be kept
6 confidential from members of the Board.

7 ATTORNEY PITRE:

8 No, the way this works --- and because
9 we're allowed a lot of discretion. So, anything we
10 ask them for, they either produce or we say then
11 you're not going to get what you want as far as we're
12 concerned. And we'll tell the Board why. If they
13 produce something to us and it's something that we're
14 not comfortable with or we're not happy with the
15 individuals, we'll approach them and say look, we're
16 not happy with A, B and C, what do you plan to do
17 about it? If they say we're going to get rid of A, B
18 and C and we'll show you how we're going to get rid of
19 A, B and C and prove to you that we got rid of A, B
20 and C --- once we confirm that, then we're okay. If
21 they refuse to get rid of A, B and C or we find out
22 that A, B and C didn't --- was not removed from the
23 situation, then that's information that we tell the
24 Board. That's information that would cause us to
25 object to their petition, to bring this matter ---

1 this full matter, for a full vetting before the Board.

2 MR. CRAIG:

3 And I understand that. And maybe I just
4 missed something, and I didn't do my homework well
5 enough. But I think what would be useful is almost an
6 affirmative statement. I mean, that is an averment in
7 the petition from OEC saying we have received
8 information related to the identity of the Fund, upon
9 review of that we raised no objection or something to
10 that effect.

11 ATTORNEY PITRE:

12 Okay.

13 MR. CRAIG:

14 I mean, I ---

15 ATTORNEY PITRE:

16 If that's something that ---.

17 MR. CRAIG:

18 --- may have been the only one, but I
19 didn't see something like that.

20 CHAIRMAN:

21 Gary?

22 MR. SOJKA:

23 Just a quick question for our own General
24 Counsel before we --- to provide additional
25 information before we would do something in Executive

1 Session. This derives a little bit from the concerns
2 expressed by Commissioner Trujillo, and that is that I
3 think you don't necessarily write good policy driven
4 by a specific case that happened to be before you. We
5 have the ten percent exemption breakdown, we've just
6 learned that other jurisdictions entertained different
7 percentage numbers. There are a couple of things that
8 I need to know with regard to that, and one is why did
9 the Commonwealth choose ten percent in the first
10 place? Secondly, when it made that choice we were a
11 slightly different kind of gaming jurisdiction, there
12 were no table games? And thirdly, it would be sort of
13 useful for us to know what kind of limits we might be
14 able to consider if we consider expanding that; if we
15 get say beyond 20 percent, do we create additional
16 problems?

17 ATTORNEY SHERMAN:

18 I think starting with the first question,
19 how did we get to ten percent? You know,
20 unfortunately, Commissioner, you didn't have the joy
21 of sitting in a big war room in 2006 crafting
22 regulations like some of us did. We looked at a lot
23 of these issues back at that time and tried to come up
24 with a number, really writing on a clean slate,
25 looking at some other jurisdictions. But coming up

1 with a number that was a threshold that seemed
2 reasonable at the time, recognizing that experience
3 may teach us that we were off a little bit and might
4 have to be adjusted up or down. But I think we also
5 took the approach back then, it was easier to err on
6 being on the conservative side of things because
7 nobody in the industry is going to complain later if
8 we relaxed the standards. They are going to complain
9 if you start in a constrictive pattern.

10 And so with that, I think the ten percent
11 was the threshold that was sought to be reasonable,
12 yet conservative, recognizing that over time --- and I
13 think we've seen this in a lot of different areas now,
14 that we're recognizing that, you know, maybe to help
15 foster the expansion of the industry the continued
16 success that we are having, and recognizing that there
17 are other competitive factors that are coming in,
18 maybe we can start relaxing some of the standards
19 without sacrificing the oversight and the integrity of
20 the processes that we have set up. And I think this
21 is one of those areas, if you look at other states, if
22 you look at the white paper I referenced, Jersey and
23 Nevada are at 25 percent. The key here is they're
24 holding common stock of a publicly owned, publicly
25 traded company. They are passive investors. They're

1 not exercising the typical indicia of ownership, which
2 brings control, management, those types of things.

3 So, this is really a policy decision for
4 the Board, do we want to relax that, do you want to
5 relax that somewhat to allow the opportunities for
6 increased investment and initial offerings, or
7 subsequent offerings by these publicly traded
8 companies? You know, I'm not here to make the case
9 for Brigade or for any of the Licensees. It's policy
10 decision here.

11 I guess the question then becomes, do you
12 make an exception solely for, one, a company, do you
13 grant the waiver with the direction that this --- the
14 policy will then go to --- in this case if it was at
15 15 percent with further direction that we begin a set
16 of revisions to the regulations, so it's applicable to
17 everybody. In which case, in that regulation I think
18 you can also make it part that OEC has to be provided
19 with the identity of the, you know, owners of the
20 Fund.

21 MR. SOJKA:

22 Would it be your opinion, that if indeed
23 we grant this request, we have in effect, in practical
24 terms, raised the threshold? Because how are you
25 going to deny others?

1 ATTORNEY SHERMAN:

2 Right. And that's I think --- to grant
3 this request, you have to be prepared to say we're
4 ready to go there, for everybody across the Board.

5 MR. SOJKA:

6 Or somewhere slightly different? One of
7 the only other things that bothers me is, we have ten
8 percent, and now we find ourselves discussing 15
9 percent, where did 15 come from? It came from a
10 specific request. Seems to me, I'd like to look at
11 that aspect as entirely independent from any case
12 before us. I realize it's a fine point, but I think
13 it's something we should do.

14 ATTORNEY SHERMAN:

15 I think the 15 percent, and not to speak
16 for Brigade, again, but I think if you look at our
17 regulations for manufacturers and suppliers, we
18 currently allow a threshold of 15 percent for
19 institutional investors there. So, I think --- I can
20 only speculate that thought was, if we can get up to
21 where those other ones are, we're not going to ask the
22 Board to expand beyond that because of the purposes of
23 this particular case.

24 MR. SOJKA:

25 But we could at least consider something

1 further, but 15 percent appears to be a convenient
2 number?

3 ATTORNEY SHERMAN:

4 Yeah, that would be consistent then with
5 the institutional ownership requirements for licensure
6 for manufactures and suppliers.

7 MR. SOJKA:

8 That's all I have. Thank you.

9 MR. TRUJILLO:

10 Mr. Chairman, I just ---.

11 CHAIRMAN:

12 Jim?

13 MR. GINTY:

14 I just want to see if I could understand
15 something. We do require anyone with a five percent
16 interest in a Licensee to be disclosed; is that
17 correct?

18 ATTORNEY SHERMAN:

19 Of an individual, yes.

20 MR. GINTY:

21 Of an individual? So, if you have X, Y,
22 Z capital with a ten percent interest, X, Y, Z capital
23 is obviously disclosed. What if X, Y, Z capital is to
24 investors, are we not requiring those two investors?

25 ATTORNEY SHERMAN:

1 If X, Y, Z qualifies as an institutional
2 investor, it falls under the threshold; they filed a
3 Notice of Institutional Investor Ownership and the 13G
4 indicating that they're passive and not actively
5 engaged in management.

6 MR. GINTY:

7 But if they have two investors ---.

8 ATTORNEY SHERMAN:

9 There's no ---.

10 MR. GINTY:

11 Each by virtue of flow through or however
12 you want to do it, they own five percent of that
13 company.

14 ATTORNEY COOK:

15 I think the distinction there might be
16 that individuals wouldn't file a 13G typically, or say
17 that they're --- you know, they're a passive investor,
18 you know, that are going to control, that's usually
19 reserved for an institutional aspect. I mean, that's
20 the triggering --- part of the triggering mechanism
21 here is the filing of a 13G, and the statement to the
22 SEC and to us that we're not going to manage, we're
23 simply passive investors. Individuals typically don't
24 do that.

25 CHAIRMAN:

1 Ken?

2 MR. TRUJILLO:

3 Just a comment, Mr. Chairman. I guess my
4 view is that --- as regulators, much like in a banking
5 world, I think we're both enforcement regulators but
6 also credential regulators that requires us to look at
7 the welfare of the industry as well as enforce the
8 regulations. And so I'm not allergic to utilizing our
9 discretion in an appropriate case, and I guess
10 particularly in the situation where the only objection
11 I'm hearing is that it would --- that there's nothing
12 with respect to either suitability or other concerns
13 coming from OEC, it's simply the fact of the 10 versus
14 the 15 number, that's the sole basis for the
15 objection?

16 ATTORNEY CREANY:

17 Exactly.

18 MR. TRUJILLO:

19 Okay.

20 ATTORNEY CREANY:

21 And we did see that there are --- they
22 mentioned the high-end that were New Jersey and
23 Nevada, but Michigan, Indiana, Iowa, Colorado, all use
24 a 15 percent. So, it isn't --- you know, we may be on
25 the lower end of the bar as far as that, and it is

1 consistent with the manufacturers. Just something
2 that Commissioner Trujillo was talking about, the
3 maturation of the regulations, years ago we were here
4 talking about a fix-seating, non-fixed-seating. And
5 there is a displeasure for a piecemeal type of
6 exemptions or waivers to these, so it would be
7 probably something that needs to go in the direction
8 with whatever the decision is on this petition.

9 CHAIRMAN:

10 Okay. It is now, according to my watch,
11 about 14, 13 minutes 'til noon, we're going to go into
12 Executive Session for about ten minutes. Thank you
13 ladies and gentlemen. We won't be long.

14 OFF RECORD DISCUSSION

15 CHAIRMAN:

16 Thank you, ladies and gentleman, we're
17 back in session. And this again is the matter of
18 Petition for Brigade Capital Management. Gary, do you
19 have a motion?

20 MR. SOJKA:

21 I do, Mr. Chairman. I'm going to move to
22 table this petition pending a report, and list of
23 recommendations relating to, or concerning exemptions
24 of this kind from the OEC, this matter to be taken up
25 next at the public meeting of this Commission on

1 September 12th.

2 CHAIRMAN:

3 Do I have a second?

4 MR. TRUJILLO:

5 Second.

6 CHAIRMAN:

7 Any discussion?

8 MR. GINTY:

9 I would just ask --- Cyrus, for you to
10 address my original question and set this up. I would
11 like to know what, if any, issues are presented by
12 funds that are incorporated offshore.

13 CHAIRMAN:

14 Any other questions from the Board or
15 from Ex-officio members? All right. All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed?

19 NO RESPONSE

20 CHAIRMAN:

21 Motion carries. Thank you, gentlemen.

22 Mr. Sherman?

23 ATTORNEY SHERMAN:

24 Next presenting Withdrawals and Reports
25 and Recommendations is Deputy Chief Counsel Steve

1 Cook.

2 CHAIRMAN:

3 Steve?

4 ATTORNEY COOK:

5 Good morning. The Board has received
6 three unopposed Petitions to Withdraw the Applications
7 or Surrender the Credentials of individuals or
8 businesses. The persons or one entity subject to
9 these petitions today are as follows; Nicholas R.
10 Khin, Eric R. Quisenberry and Joseph Miorelli and
11 Company, Inc. The OEC has no objections to these
12 Withdrawals. As such if the Board were inclined to
13 grant them they would be doing so without prejudice.

14 CHAIRMAN:

15 Questions or comments from the Board?
16 Ex-officio members? May I have a motion?

17 MR. TRUJILLO:

18 Mr. Chairman, I move that the Board issue
19 Orders to approve the Withdrawals and Surrenders as
20 described by the Office of Chief Counsel (OCC).

21 MR. FAJT:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1 CHAIRMAN:

2 Opposed?

3 NO RESPONSE

4 CHAIRMAN:

5 Motion carries.

6 ATTORNEY COOK:

7 Next before the Board for consideration
8 are five Reports and Recommendations received from the
9 Office of Hearings and Appeals (OHA) relative to one
10 Non-Gaming Registration, two Gaming Employee Permits,
11 and two Petitions to be placed on the Board's
12 Exclusion List. These Reports and Recommendations,
13 along with the complete evidentiary record have been
14 provided to the Board in advance of this meeting.

15 Additionally, in each case, the persons
16 at issue have been notified that the Board would be
17 taking up their Reports and Recommendations today,
18 that they could come forward and briefly address the
19 Board when the matter was announced. If any of these
20 persons are present and would like to address the
21 Board, I'd ask them to come forward when their matter
22 is called.

23 The first Report and Recommendation
24 before the Board pertains to Tyreese O'Neal. Mr.
25 O'Neal submitted a Non-Gaming Employee Application on

1 March 12th, 2012 seeking work as a janitor at the
2 SugarHouse Casino.

3 Mr. O'Neal disclosed on his application
4 that he had been arrested for DUI in 2008 and a theft
5 in 2010, both of these arrests having occurred prior
6 to his attaining the age of 21, but over the age of
7 18.

8 As a result of this criminal conduct, the
9 OEC issued a Notice of Recommendation of Denial based
10 upon the nature and recency of Mr. O'Neal's arrests
11 and convictions. A hearing was requested and it was
12 held on May 22nd, 2012. Both Mr. O'Neal and OEC
13 appeared and offered evidence, including testimony and
14 exhibits. During the hearing, Mr. O'Neal testified
15 that he served 72 hours of confinement and six months
16 probation relative to his DUI charge. And with regard
17 to his theft conviction, which involved his
18 allegations that he took \$120 from a prior employer,
19 Mr. O'Neal stated that he was placed on, I believe two
20 years of probation and remains on that period of
21 probation and a condition of that probation is that he
22 find employment, which is why he made application to
23 SugarHouse. He also expressed a desire to improve his
24 situation and seek and obtain full-time employment.

25 After reviewing all of the evidence

1 presented, the Hearing Officer issued a Report and
2 Recommendation recommending that Mr. O'Neal's non-
3 gaming application be denied given the nature and
4 recency of his criminal convictions. That matter is
5 before the Board for consideration. I believe Mr.
6 O'Neal is present today. Mr. O'Neal, would you like
7 to address the Board? I believe you first have to be
8 sworn in.

9 CHAIRMAN:

10 Mr. O'Neal, you are Tyreese O'Neal; is
11 that correct, sir?

12 MR. O'NEAL:

13 Yes.

14 CHAIRMAN:

15 All right. Sir, you'll have to be sworn
16 as a witness before you say anything to the Board, so
17 would you please stand? And first of all, state your
18 name and spell your last name.

19 MR. O'NEAL:

20 Tyreese O'Neal. Last name O'N-E-A-L.

21 CHAIRMAN:

22 Okay.

23 -----
24 TYREESE O'NEAL, HAVING FIRST BEEN DULY SWORN,
25 TESTIFIED AS FOLLOWS:

1 -----
2 CHAIRMAN:
3 All right. Mr. O'Neal, you can have a
4 seat. Speak into the microphone so everybody can hear
5 you, you seem to have a low voice; okay? You heard
6 Counsel tell the Board of your situation, you know why
7 you're here; right?
8 A. Yes.
9 CHAIRMAN:
10 Okay. What is it that you want to say to
11 the Board?
12 A. I'm not denying that it was something that I did.
13 I did it when I was younger.
14 CHAIRMAN:
15 How old were you?
16 A. The DUI I was 18.
17 CHAIRMAN:
18 How old are you now?
19 A. Twenty-two (22).
20 CHAIRMAN:
21 All right.
22 A. And the case after that I was 20, I wasn't 21 yet.
23 Two years ago --- I haven't been in trouble since.
24 You get in trouble and they expect you to stay on
25 track and to find a job and do better, but ---. I

1 found a job, but I can't --- I can't start working
2 until I get my Non-Gaming License.

3 CHAIRMAN:

4 So, you had a job offer; is that correct?

5 A. Yes.

6 CHAIRMAN:

7 Where?

8 A. At SugarHouse. I just can't start working until I
9 get the license.

10 CHAIRMAN:

11 Okay. SugarHouse has told you they would
12 hire you?

13 A. Yeah.

14 CHAIRMAN:

15 Do they know about your background?

16 A. Yes.

17 CHAIRMAN:

18 You told them, you were honest with them?

19 A. Yes.

20 CHAIRMAN:

21 And you know it's a non-gaming permit;
22 correct? You'll be a janitor; is that correct?

23 A. Yes.

24 CHAIRMAN:

25 Okay. Go ahead. Anything else?

1 A. No point in lying. I mean at the end of the day
2 I'm 22. I don't like depending on my mom and dad for
3 nothing.

4 CHAIRMAN:

5 Is that your mother here?

6 A. Yes.

7 CHAIRMAN:

8 Okay.

9 A. We need money to live, you got to work to get
10 money. That's all I'm trying to do.

11 CHAIRMAN:

12 Okay. Anything else?

13 A. I just really need the job --- trying to stay out
14 of trouble.

15 CHAIRMAN:

16 Any questions from the Board?

17 MR. SOJKA:

18 Just one. And that is the theft charge,
19 the other charge with another employer. What was your
20 position in that firm when the theft occurred?

21 A. I used to work at Lord & Taylor. Anybody who ever
22 worked retail, you know you pretty much do everything.
23 You're a cashier. You're a clerk. You do everything.

24 MR. SOJKA:

25 Specifically, you were not a janitor?

1 A. No.

2 MR. SOJKA:

3 Thank you. That's enough.

4 CHAIRMAN:

5 Anything else? Ex-officio members?

6 Greg?

7 MR. FAJT:

8 Just for the record, I'd like to
9 recognize that your Mother is here, and thank her for
10 accompanying you. I know this isn't an easy thing for
11 you to do or for her to do, and --- so, Thank You,
12 Mom, for being here.

13 CHAIRMAN:

14 Cyrus, does OEC have a position on this?

15 ATTORNEY PITRE:

16 Well, let me just start by saying that
17 Mr. O'Neal is currently on probation, and it would be
18 out of the ordinary for us to allow someone the
19 opportunity to work in the gaming industry while
20 they're currently on probation. But the fact that Mr.
21 O'Neal is here and he hasn't to my knowledge been
22 untruthful in any form or fashion regarding this, I
23 would not have a problem if the Board --- to seek to
24 allow Mr. O'Neal the opportunity to prove himself. He
25 will be monitored, as I'm sure he knows there are

1 cameras everywhere. We have people working the
2 casinos. And he will be closely monitored. And I can
3 say that --- Mr. O'Neal, I will tell you this in front
4 of your Mother and the Board. If I see your name pop
5 up anywhere, I will not waste any time taking your
6 license away and ensuring that you never work in the
7 gaming industry again; okay? So, this is an
8 opportunity for you, if the Board gives you this
9 opportunity. And we don't have a problem with it.

10 CHAIRMAN:

11 Mr. O'Neal?

12 A. Might I add I wouldn't be there alone, so I would
13 be out of trouble. My dad works there, my stepmom, my
14 uncle, and a few other people I know. So, it's
15 something to keep me out of trouble.

16 CHAIRMAN:

17 Okay. And you understand what Mr. Pitre
18 said, ---

19 A. Uh-huh (yes).

20 CHAIRMAN:

21 --- nobody can say for certain what's
22 going to happen in the future, but if you get in more
23 trouble with the criminal law and --- you're going to
24 have a big problem, you understand that?

25 A. Yes. I don't plan on getting in no trouble,

1 because I'm not a big fan of like law enforcement,
2 so ---.

3 CHAIRMAN:

4 Any other questions, comments from the
5 Board?

6 ATTORNEY COOK:

7 Just so we're clear, Mr. Chairman, the
8 Report and Recommendation is to deny his license. So,
9 if the Board would be inclined to grant it, it would
10 be rejecting the Report and Recommendation.

11 CHAIRMAN:

12 We understand. Do I have a motion?

13 MR. FAJT:

14 Yes, Mr. Chairman. I move that the Board
15 reject the Report and Recommendation of the OHA as
16 described by the OCC, and that the Board Staff
17 continue processing Tyreese O'Neal's Non-Gaming
18 Employee Registration Application.

19 MR. GINTY:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 AYES RESPOND

24 CHAIRMAN:

25 Opposed?

1 ATTORNEY TRUJILLO:

2 Opposed.

3 CHAIRMAN:

4 I'm sorry? One opposed, motion still
5 carries. Mr. O'Neal, good luck to you.

6 A. Thank you.

7 ATTORNEY COOK:

8 The next Report and Recommendation before
9 the Board pertains to Leo Clarke. Mr. Clarke
10 submitted a Gaming Employee Application to the Board
11 seeking work as a Table Games Dealer at the SugarHouse
12 Casino. Mr. Clarke disclosed on his application that
13 he had a 2007 arrest and conviction for receiving
14 stolen property and an arrest for DUI in 2010 in which
15 he completed an ARD program.

16 As a result of this criminal conduct, the
17 OEC issued a Notice of Recommendation of Denial based
18 upon the nature and recency of Mr. Clarke's receiving
19 stolen property conviction. A hearing was requested
20 and held on July 12th, 2012. Both the OEC and Mr.
21 Clarke appeared and offered testimony. During the
22 hearing, it was discovered that the theft conviction
23 at issue was the result of Mr. Clarke's prior
24 employment at a retail establishment where he
25 participated in an inventory refund scheme that

1 resulted in a loss to his employer of in excess of
2 \$49,000. As a result of the receiving stolen property
3 conviction, and the underlying facts related thereto,
4 the Hearing Officer issued a Report and Recommendation
5 recommending the denial of Mr. Clarke's application.
6 And that is the recommendation before the Board.

7 CHAIRMAN:

8 Questions or comments from the Board?
9 Ex-officio members? May I have a motion?

10 MR. GINTY:

11 Mr. Chairman, I move that the Board adopt
12 the Report and Recommendation of the OHA as described
13 by the OCC.

14 MR. MCCALL:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed?

21 NO RESPONSE

22 CHAIRMAN:

23 The motion carries.

24 ATTORNEY COOK:

25 The next report we have from the OHA's

1 pertains to Curtis Easley. Mr. Easley currently holds
2 a Non-Gaming Employee Registration and has been
3 employed since September 2011 as a steward in the
4 kitchen area of the SugarHouse Casino. Mr. Easley has
5 recently completed dealer training classes and has
6 applied for a position of Table Games Dealer at
7 SugarHouse. Related to that table games application,
8 submitted a Gaming Employee application to the Board
9 on April 4th, 2012.

10 On April 27th, 2012, the OEC issued a
11 Notice of Recommendation of Denial based on the fact
12 that Mr. Easley had outstanding tax issues, as well as
13 a prior criminal conviction. Mr. Easley requested a
14 hearing which was held on June 26th, 2012. Both he
15 and OEC appeared and offered testimony and exhibits at
16 that hearing. At that time at the hearing, OEC
17 testified that Mr. Easley had cured all of his tax
18 deficiencies, so that issue was no longer problematic
19 for Mr. Easley, nevertheless, OEC's objection remained
20 due to his prior criminal conviction.

21 At the hearing Mr. Easley stated that in
22 2008 he was convicted for theft-related charges in
23 which he served two years probation and was assessed
24 costs and fees. Specifically he testified that he was
25 employed as a temporary agency that had contracted

1 with the Pennsylvania Liquor Control Board to deliver
2 alcohol to various Pennsylvania Liquor Control stores
3 --- Liquor Control Board stores. In that capacity he
4 and a friend conspired to steal five cases of alcohol
5 from the back of a truck, and subsequently sold them
6 for in excess of \$1,200. The OEC averred that Mr.
7 Easley's theft conviction and the unpaid monies
8 related thereto, rendered him unsuitable for a Gaming
9 Employee Permit.

10 Subsequent to the hearing, the Hearing
11 Officer issued his Report and Recommendation
12 disagreeing with OEC and noting that the Board had
13 previously approved Mr. Easley for a Non-Gaming
14 Employee Registration, and in fact issued him a
15 Non-Gaming Employee Permit and Credentials. Despite
16 the criminal conviction, thereafter the Hearing
17 Officer took the position that the issue of
18 suitability, had already been predetermined relative
19 to the Non-Gaming Application, therefore could not be
20 revisited. As a result, the Hearing Officer concluded
21 that the Gaming Employee Permit should be approved.
22 And the Report and Recommendation presently before the
23 Board, basically says that the application should be
24 approved and he should be issued a Gaming Employee
25 Permit, because suitability had been predetermined

1 when he made application as a Non-Gaming Employee.

2 CHAIRMAN:

3 Questions or comments from the Board?

4 Ex-officio members? May I have a motion?

5 MR. MCCALL:

6 Mr. Chairman, I move that the Board
7 reject the Report and Recommendation of the OHA as
8 described by the OCC. And that Mr. Easley's Non-
9 Gaming Employee Application be denied and an
10 adjudication outlining the Board's rationale on this
11 matter be issued.

12 CHAIRMAN:

13 Second?

14 MR. MOSCATO:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed?

21 NO RESPONSE

22 CHAIRMAN:

23 The motion carries.

24 ATTORNEY COOK:

25 The next matter before the Board today

1 pertains to the Report and Recommendation regarding
2 Jack Buscemi, and the OEC's request to place him on
3 the Board's exclusion List.

4 By way of background, in 2008, a New
5 Jersey Grand Jury indicted Mr. Buscemi for
6 racketeering, money laundering, criminal usury and
7 promoting gaming for his part in a sports betting
8 ring, which was run out of a poker room at the Borgata
9 Hotel & Casino in Atlantic City.

10 In 2008, Mr. Buscemi pled guilty to one
11 count of criminal conspiracy/money laundering. All of
12 his other charges were dismissed. Subsequently, Mr.
13 Buscemi was sentenced to a term of incarceration,
14 followed by supervised intensive probation and
15 community service. He also forfeited assets including
16 an automobile and cash, as well as paid a \$20,000
17 fine.

18 As a result of this New Jersey conviction
19 in September of 2009, the New Jersey Casino Control
20 Commission issued a Preliminary Order placing Mr.
21 Buscemi on the Exclusion List for that jurisdiction,
22 with a Final Order placing him on that list in New
23 Jersey issued in March 2011. In June 2011, Mr.
24 Buscemi was placed on the Delaware Exclusion List as a
25 result of New Jersey's Order of Exclusion.

1 On October 6th, 2011, the OEC filed a
2 petition to place Mr. Buscemi on the Commonwealth
3 Exclusion List, and subsequently supplemented their
4 petition on October 26th, 2011. Generally OEC's
5 petition alleges that Mr. Buscemi has had contact or
6 has played poker in I believe Harrah's Casino and Parx
7 facility as well.

8 Mr. Buscemi filed an Answer and New
9 Matter to the petition of OEC, requested a hearing,
10 which was conducted on March 15th, 2012. Both Mr.
11 Buscemi and I believe he was represented by Counsel,
12 and OEC appeared at the hearing and offered testimony
13 and exhibits, and subsequently filed post-hearing
14 briefs. The Hearing Officer thereafter issued a
15 Report and Recommendation recommending that Mr.
16 Buscemi be placed on the Commonwealth Exclusion List.
17 And that was the Report and Recommendation presently
18 before the Board.

19 CHAIRMAN:

20 Is Mr. Buscemi here? Come forward. I
21 assume that you have an attorney here also?

22 ATTORNEY TAYLOR:

23 I am. Howard Taylor.

24 CHAIRMAN:

25 Mr. Taylor, is your client here to say

1 something to the Board?

2 ATTORNEY TAYLOR:

3 He would like to address the Board
4 briefly.

5 CHAIRMAN:

6 Okay. Mr. Buscemi, I'll have to have you
7 sworn, so remain standing.

8 -----

9 JACK BUSCEMI, HAVING FIRST BEEN DULY SWORN, TESTIFIED
10 AS FOLLOWS:

11 -----

12 CHAIRMAN:

13 And Counsel, what's your name for the
14 record again? I'm sorry.

15 ATTORNEY TAYLOR:

16 Howard Taylor.

17 CHAIRMAN:

18 Thank you. Thank you, sir. All right.

19 Mr. Buscemi, what do you have to say to us?

20 A. Well, I went in front of a Pennsylvania Judge and
21 I realized that when he wrote in the letter that I was
22 still seeing Andrew and Matt, the two people were
23 wrong. But I can see how they would see that would be
24 detrimental to the casino, so I have cut off all ties
25 with Andrew and Matt. And if I get placed on the

1 Exclusion's List it is going to put a big, big, big
2 burden on my family, which I have ten grandchildren,
3 four children that I'm active with every day and my
4 grandchildren, and I mentor two children --- one child
5 and my wife mentors the other family. And my father's
6 82, he's a big part of the gaming, which I drop him
7 off every day and pick him up, or my brother picks him
8 up. It'd just split our whole family apart.

9 I've been perfect since I've been home, perfect.
10 I mean, I mentor children, and I got an Outstanding
11 Mentor of the Year Award. Everything that was put in
12 front of me I met. I went to jail for 146 days, I
13 came home, I was placed on intensive supervised
14 probation, which is 38 extremely strict rules where
15 you have to keep curfews, and take urines, not allowed
16 to gamble a dollar, no contact with Andrew, anybody,
17 or any felon for that matter. I got 484 hours of
18 community service, double what everybody else got. I
19 completed 352 of it in seven months, I got 16 months
20 to do it. And when I came in front of the review, the
21 Judge recognized it and released me of my --- the rest
22 of my time because I excelled at it. I paid every
23 fine that was brought to me, not in bits and pieces
24 like I could have, I wanted to put everything behind
25 me. I paid every tax that I owed. I did the whole 16

1 months. I excelled in the ISP program, due to the
2 fact that there's thousands of people in the program.
3 At the end of the program, they asked eight people to
4 make a film that is shown every day in the prisons of
5 how to do the program properly, and out of the eight
6 people they picked four, and I'm the lead person. I
7 mean, I showed that I could follow the rules. I want
8 to put everything behind me. And I was doing perfect.
9 I had thousands of people we feed at Christmas,
10 thousands.

11 I heard that the gentleman from the --- Mount Airy
12 said that donate to Toys for Tots, and there was no
13 Toys for Tots in New Jersey. My family was Toys for
14 Tots. They couldn't even afford Toys for Tots at the
15 Boys and Girls Club and the Baptist Church. We're the
16 one that fed 800 people. And I've been doing it for
17 15 years, not because I got in trouble, I just never
18 took notoriety for it. We've been doing this for 15
19 years. If you read the letters, that --- I didn't go
20 and ask for notoriety. I would just drop off money
21 for the motive taking care of people. I made mistakes
22 in my life, I'm not an angel. But I also tried to
23 make amends for it to repair my license.

24 This would be a gigantic, gigantic imposition on
25 my family. And I've been a father since I was ---

1 just turned 20, and now I'm 54. I've been going to
2 the casinos since I was 21, including my father who is
3 a very active at 82, my mom passed, seven years, he
4 lives with us. We're so close-knit, everybody within
5 three minutes of my house, five minutes is the most.
6 And for me to have to move away from my family would
7 kill me. I mean, literally kill me. I'm so close to
8 my family, my daughters, my grandkids, everything.
9 This is my whole life.

10 I know that I made a mistake, I can't correct the
11 mistake, all I can do is learn from it and never do it
12 again, which I believe anybody can do if they --- if
13 given the opportunity. I know I definitely could do
14 it. Because everything that was ever put in front of
15 me I exceeded and excelled at it. Not to brag, but I
16 --- that's how I try to live my life. Every single
17 day of my life I try to make the community a little
18 better.

19 CHAIRMAN:

20 Mr. Taylor?

21 ATTORNEY TAYLOR:

22 I just wanted to add, because maybe the
23 Board is not aware that Mr. Buscemi --- that is how he
24 makes his living, he's a professional gambler, he's
25 registered as such.

1 CHAIRMAN:

2 Maybe that's not a great idea.

3 ATTORNEY TAYLOR:

4 Well, as a poker player, that is what he
5 has done, pretty much for --- that's how he makes a
6 living.

7 A. There's tens of thousands of people that ---.

8 ATTORNEY TAYLOR:

9 I mean, that's his job.

10 A. I am registered.

11 ATTORNEY TAYLOR:

12 He is registered. I believe he's never
13 had a problem. Some other things I'd like to add is,
14 that if you read the Report and Recommendation, the
15 Hearing Officer does acknowledge that Mr. Buscemi has
16 taken great steps towards rehabilitation. And
17 although he did recommend against, he did also state
18 that he was --- that he recognizes the efforts Mr.
19 Buscemi's taking, and that he thinks that there's ---
20 he thinks and hopes that there is a light at the end
21 of the tunnel that he would be permitted some day to
22 participate in the Commonwealth and the gambling. And
23 the other thing is that Mr. Buscemi had not had any
24 incidents. Since he's been released he's --- he was a
25 regular, and is a regular participant at the poker

1 rooms in Pennsylvania casinos. And not only hasn't he
2 had any problems, but he's been welcomed and he's
3 highly rated and highly thought of. As a matter of
4 fact, at the hearing one of the employees from one of
5 the casinos came in, a supervisor, to recommend and
6 --- in support of Mr. Buscemi.

7 And then finally, there was a proposal
8 that we did present to the Office of Enforcement that
9 if you would see clear to allowing Mr. Buscemi the
10 opportunity to continue to participate at casinos in
11 the Commonwealth, he would agree, because of the
12 notoriety of his problem --- the notoriety was pretty
13 much limited to the Greater Philadelphia area so that
14 he would be willing to self-exclude to the eastern
15 portion of the state, the casinos, and put up a bond
16 of whatever --- and any restrictions that the Board
17 would or could make, that he would comply with, with a
18 sort of one and done type of restriction, that if he
19 had any problem, because he's never had any problem
20 with Pennsylvania. He's never had any problem
21 anywhere except for --- for this one exception. And
22 like I said, he's been participating for two years now
23 in Pennsylvania, He's highly rated, and he's an asset
24 to these casinos.

25 CHAIRMAN:

1 Cassandra --- oh, I'm sorry.

2 MR. SOJKA:

3 Go ahead.

4 CHAIRMAN:

5 Cassandra, does OCC have a statement or
6 any comments?

7 ATTORNEY FENSTERMAKER:

8 Yes. OCC does have a statement. Mr.
9 Buscemi, throughout this process has spent a
10 significant amount of time discussing his
11 rehabilitation and his commitment to his family and
12 his community, but the fact is that while Mr. Buscemi
13 may be devoted to his family, he's also a man who pled
14 guilty to conspiracy and money laundering three years
15 ago for his involvement in the organization and
16 operation of an illegal gambling ring that operated
17 inside the Borgata Casino in neighboring New Jersey.

18 And although Mr. Buscemi has made
19 substantial contributions of time and money to his
20 community, both before and after his arrest in 2007,
21 he was also a bookie in Philadelphia taking sports
22 wagers for at least eight years. And while Mr.
23 Buscemi wants this Board to believe he is
24 rehabilitated, Mr. Buscemi continues to spend time
25 with the same individuals, with whom he was indicted

1 and convicted. Although, today he said that he has
2 broken all ties. But specifically, he spends time
3 with these individuals inside the poker rooms of
4 Commonwealth casinos. And any hurdles that Mr.
5 Buscemi faces regarding his ability to gamble are his
6 responsibility. His actions alone resulted in his
7 exclusion, first from New Jersey and then from
8 Delaware. It's because of his actions that he's
9 facing placement on Pennsylvania's Exclusion List
10 today.

11 Mr. Buscemi is a definitive career
12 professional offender as defined by the Board's
13 regulations. For years he has, for the purpose of
14 economic gain, engaged in activities that are criminal
15 violations under the Pennsylvania Crime's Code,
16 including bookmaking and conspiracy to launder money.
17 Mr. Buscemi has been convicted of a crime related to
18 the integrity of gaming operations in another
19 jurisdiction, a conviction that resulted in a five
20 year prison sentence, and he does in fact have a
21 notorious or unsavory reputation that would adversely
22 affect public confidence in gaming, as illustrated by
23 his careers as a bookie in Philadelphia, his criminal
24 conviction, and the numerous newspaper articles
25 discussing the details of the illegal gambling ring

1 that Mr. Buscemi was an instrumental part of. This
2 Board's primary responsibility under the Act is to
3 protect the public through the regulation and policing
4 of all activities involving gaming. Any scenario in
5 which Mr. Buscemi's exclusion is limited to certain
6 casinos would not adequately protect the public. Mr.
7 Buscemi's presence in Commonwealth casinos is inimical
8 to the interest of the Commonwealth and Licensed
9 Gaming in this Commonwealth. His continued presence in
10 Commonwealth casinos is inimical to the integrity of
11 Gaming and public confidence in the efficacy of this
12 regulatory process. In the best interest of the
13 Commonwealth, the OEC respectfully requests that you
14 grant its petition to exclude Jack Buscemi, Jr. from
15 Commonwealth Casinos.

16 CHAIRMAN:

17 Questions, comments from the Board?

18 MR. SOJKA:

19 One, again I --- it's been said several
20 times, but all your laudatory records about and
21 letters about your behavior, post your prison term,
22 have been read and have been considered. And you
23 paint a picture of a very nice person, that's not
24 what's at issue today. You can't gamble and have not
25 gambled in New Jersey since they banned you; is that

1 correct?

2 A. Correct.

3 MR. SOJKA:

4 You can't gamble in Delaware since
5 they've excluded you; is that correct?

6 A. Correct.

7 MR. SOJKA:

8 But you have gambled in Pennsylvania at
9 more than one facility; correct?

10 A. Yes, sir.

11 MR. SOJKA:

12 Which ones?

13 A. I've gambled at Harrah's, briefly, SugarHouse,
14 Bethlehem constantly, Bethlehem Sands, Valley Forge,
15 Penn Gaming once, Mohegan Sun. And that is it.

16 MR. SOJKA:

17 Okay. Can you tell me --- let's just go
18 to one, let's go to Harrah's. What is your status at
19 Harrah's?

20 A. Harrah's, I'm not allowed in because when they ---
21 Harrah's is the only casino that, if you're barred out
22 of one Harrah's in any part of the country, you're
23 barred out of all Harrah's.

24 MR. SOJKA:

25 So, you knew that?

1 A. Yes, I did.

2 MR. SOJKA:

3 Did you go back anyway?

4 A. I went back. I went from the door to the
5 Pennsylvania Casino Control Commission, and knocked on
6 the door, and I asked am I welcome in this casino?
7 And I gave them my license. Ms. Williams went in the
8 back, came out and says yes, you're not welcome in New
9 Jersey. And which I went from the back door right to
10 the place where you get a card to play. I'm very well
11 known at Harrah's, I used to go Harrah's. I had my
12 own personal room at Harrah's so it's not like I could
13 hide there. And I received 1099s for what I did,
14 everything was on --- they gave me a VIP room, as you
15 would say, and I earned money there. So, it's not
16 like I can sneak in. So, I went and knocked. I went
17 to Harrah's. I knocked on their Pennsylvania casino
18 door, from door to door, and gave them my license and
19 told them who I was. So, when I was at Harrah's, I
20 was there with the permission to be there.

21 MR. SOJKA:

22 Even though you had been barred by
23 Harrah's?

24 A. I was barred, but I didn't know I was barred from
25 the Pennsylvania Casino Commission. They told me that

1 about six months later when --- they said when you're
2 barred from one you're barred from all. But when I
3 went and knocked on the door, they told me I had
4 permission to be there.

5 ATTORNEY TAYLOR:

6 While he was there, he was legally there,
7 he was never illegally or improperly there. He was
8 there with their knowledge and permission. And then
9 at some point he was told that he couldn't be there,
10 and he hasn't been there since.

11 MR. SOJKA:

12 So, you would not go back to Harrah's?

13 A. I haven't been back to Harrah's, no. I pick up my
14 father and wait outside for him.

15 MR. SOJKA:

16 What sort of status do you have at any of
17 the other casinos where you've been gaming in
18 Pennsylvania?

19 A. I have the highest status. I'm welcome in every
20 casino in Bethlehem Sands. They send me all kinds of
21 shows every week, and Mohegan Sun's --- I've never
22 been to Mohegan Sun's, but they're trying to get my
23 business. They send me things. SugarHouse sends me
24 constant gifts all the time. Penn National, they send
25 me, if I want to come up, even though I've only been

1 there once. But Bethlehem Sands, where I play mostly,
2 I'm very well respected, and I give respect. You only
3 get respect if you give respect. And even at Parx I
4 was very well received, if you --- if anybody would
5 contact the floor people like Ari, or Sharon, or Vlad,
6 they all know me. Everybody knows me.

7 MR. SOJKA:

8 Did the people in New Jersey not also
9 know you and respect you, ---

10 A. Yes, they did.

11 MR. SOJKA:

12 --- despite what was going on in New
13 Jersey? Weren't you well thought of in the poker room
14 by all the professionals there?

15 A. Yes, I was.

16 MR. SOJKA:

17 So, how does that give us comfort if
18 you're respected in Pennsylvania, but still committed
19 the acts that you did in New Jersey, while being
20 respected by the other parties?

21 A. I did commit the acts, and I did make mistakes.
22 But I like to believe I'll never make another one
23 again. I can only learn from my mistakes and go
24 forward. I'd like to be respected and not have to
25 worry about that. And I don't jaywalk, sir.

1 MR. SOJKA:

2 Okay.

3 A. I would be scared to. I don't jaywalk. I know I
4 did wrong, and I did wrong. And I believe I did
5 everything I could possibly do, everything that was
6 thrown my way I did extra, just to put it behind me.
7 Like I said, I have 400 --- almost 500 hours of
8 community service. We're supposed to do 16 hours a
9 month. I did 352 in seven months. I used to work
10 five days and go do community service the other two
11 days, just to get it over with. And they asked me to
12 pay a fine. I paid it one day in. I took it out of
13 my TV Ameritrade account. I wanted everything behind
14 me, and it just keeps coming at me. So, I mean I
15 understand why I'm here, I just need a break. I
16 understand perfectly why I'm here. And I'm not saying
17 I did --- I deserve a break, I just need a break.

18 MR. GINTY:

19 Ms. Fenstermaker, you mentioned in your
20 presentation that Mr. Buscemi was making book in
21 Philadelphia?

22 ATTORNEY FENSTERMAKER:

23 That's correct. He testified during the
24 hearing that he was a bookie in Philadelphia for eight
25 years prior to his arrest in 2007.

1 MR. GINTY:

2 That's in the record then?

3 ATTORNEY FENSTERMAKER:

4 That is in the record.

5 MR. GINTY:

6 Mr. Bush --- I'm sorry. I am going to
7 mispronounce your name.

8 A. Buscemi.

9 MR. GINTY:

10 Buscemi. Are you still excluded by the
11 New Jersey Commission of Casinos?

12 A. Yes, for two more years, September 15th. And
13 that's under negotiation right now. My attorney is
14 under negotiations with them now. They're letting
15 people back in the casinos, slowly but surely after
16 three, four, five years.

17 MR. GINTY:

18 So, and is --- let's assume you're not
19 successful in your negotiations. Do you have to
20 reapply or petition to be unexcluded or is that
21 automatic, that ---?

22 A. I think it's automatic, but I wouldn't --- I don't
23 know 100 percent. I think it was a five year, but I'm
24 not positive. I might have to reapply. I don't know
25 the correct answer, to be honest with you. I know

1 people that are going back, don't have to reapply.
2 They just got them dates to go back. I don't know if
3 that would apply to me.

4 MR. GINTY:

5 You would advise us, in any event, if
6 that exclusion was lifted?

7 ATTORNEY TAYLOR:

8 Immediately.

9 MR. GINTY:

10 I have no further questions.

11 CHAIRMAN:

12 Any other questions? Ex-officio members?
13 May I have a motion?

14 MR. MOSCATO:

15 Mr. Chairman, I'd move that the Board
16 adopt the recommendation of the OHA as described by
17 the OCC, and the adjudication be issued outlining the
18 Board's rationale in this matter.

19 MR. SOJKA:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed?

1 NO RESPONSE

2 CHAIRMAN:

3 Motion carries. Thank you all.

4 ATTORNEY COOK:

5 The final Report and Recommendation
6 before the Board today pertains to Aouni Tannous. On
7 March 22nd, 2012, the OEC filed a Complaint requesting
8 that Mr. Tannous be placed on the Board's Exclusion
9 List for capping and pinching bets while playing Texas
10 Hold 'Em poker at Sands Bethworks.

11 Upon receipt of the Complaint, Mr.
12 Tannous requested a hearing which was held on May
13 10th, 2012. Mr. Tannous was represented by Counsel
14 and appeared at the hearing along with the OEC. Both
15 parties offered testimony and documentary evidence.
16 Upon completion of the hearing, both parties also
17 filed briefs as directed by the Hearing Officer. Upon
18 receipt and review of all of the evidence, including
19 video footage and the parties' briefs, the Hearing
20 Officer issued a Report and Recommendation
21 recommending placing Mr. Tannous on the Exclusion List
22 for bet capping and skimming bets as well, while
23 playing down at the Sands. This matter is now ready
24 for the Board's consideration.

25 CHAIRMAN:

1 Questions or comments from the Board?

2 Ex-officio members, may I have a motion?

3 MR. SOJKA:

4 Yes, Mr. Chairman. I'll move that the
5 Board adopt the Recommendation of the OHA as described
6 by the OCC.

7 MR. TRUJILLO:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed?

14 NO RESPONSE

15 CHAIRMAN:

16 Motion carries.

17 ATTORNEY SHERMAN:

18 And that concludes the matters of the
19 OCC.

20 CHAIRMAN:

21 Thank you. Next, we'll have Susan
22 Hensel, Director of Licensing.

23 MS. HENSEL:

24 Thank you, Chairman Ryan and members of
25 the Board. Before the Board today will be motions

1 regarding one Slot Machine Operator Renewal License as
2 well as 485 Principal, Key, Gaming and Non-Gaming
3 Employees. In addition, there will be consideration
4 of 12 Gaming Service Providers.

5 The first matter for your consideration
6 is the renewal of Mount Airy # 1, LLC's Category 2
7 License. The license renewal hearing for this entity
8 is complete, and the license renewal is now ready for
9 your consideration. I have provided you with a Draft
10 Order for this entity and the Principals associated
11 with the entity, and I ask that the Board consider the
12 Order to renew the Category 2 License of Mount Airy
13 # 1, LLC.

14 CHAIRMAN:

15 Any comments from Enforcement Counsel?

16 ATTORNEY PITRE:

17 Enforcement Counsel has no objection.

18 CHAIRMAN:

19 Questions or comments from the Board?

20 Ex-officio members? May I have a motion?

21 MR. TRUJILLO:

22 Mr. Chairman, I move that the Board
23 approve the Mount Airy # 1, LLC Category 2 License
24 Renewal as described by the Bureau of Licensing.

25 MR. FAJT:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed?

7 NO RESPONSE

8 CHAIRMAN:

9 The motion carries.

10 MS. HENSEL:

11 Next for your consideration is the
12 approval of a Principal License. Prior to this
13 meeting the Bureau of Licensing provided you with a
14 Proposed Order for one Principal for IGT, a
15 Manufacturer Licensee. I'd ask that the Board
16 consider the Order approving this license.

17 ATTORNEY PITRE:

18 Enforcement Counsel has no objection.

19 CHAIRMAN:

20 Any questions or comments from the Board?
21 Ex-officio members? May I have a motion?

22 MR. FAJT:

23 Mr. Chairman, I move that the Board
24 approve the issuance of a Principal License as
25 described by the Bureau of Licensing.

1 MR. GINTY:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed?

8 NO RESPONSE

9 CHAIRMAN:

10 Motion carries.

11 MS. HENSEL:

12 Also for your consideration are Temporary
13 Key Employee Licenses. Prior to this meeting Bureau
14 of Licensing provided you with an Order regarding the
15 issuance of Temporary Licenses for seven Key
16 Employees. I ask that the Board consider the Order
17 approving those licenses.

18 CHAIRMAN:

19 Any comments from Enforcement Counsel?

20 ATTORNEY PITRE:

21 We have no objection.

22 CHAIRMAN:

23 Questions or comments from the Board?

24 Ex-officio members? May I have a motion?

25 MR. GINTY:

1 Mr. Chairman, I move that the Board
2 approve the issuance of Temporary Key Employee
3 Credentials as described by the Bureau of Licensing.

4 MR. MCCALL:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed?

11 NO RESPONSE

12 CHAIRMAN:

13 The motion carries.

14 MS. HENSEL:

15 Next are Gaming Permits and Non-Gaming
16 Registrations. Prior to this meeting, the Bureau of
17 Licensing provided you with a list of 342 individuals
18 to whom the Bureau has granted Temporary or Full
19 Occupation Permits and 90 individuals to whom the
20 Bureau has granted registrations under the authority
21 delegated to the Bureau of Licensing. I ask that the
22 Board consider a motion approving the Order.

23 CHAIRMAN:

24 Any comments from Enforcement Counsel?

25 ATTORNEY PITRE:

1 Enforcement Counsel has no objection.

2 CHAIRMAN:

3 Questions or comments from the Board?

4 Ex-officio members? May I have a motion?

5 MR. MCCALL:

6 Mr. Chairman, I move that the Board
7 approve the issuance of the Gaming Employee Permits
8 and Non-Gaming Employee Registrations as described by
9 the Bureau of Licensing.

10 CHAIRMAN:

11 Second?

12 MR. MOSCATO:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed?

19 NO RESPONSE

20 CHAIRMAN:

21 Motion carries.

22 MS. HENSEL:

23 We also have Withdrawal requests for Key
24 Employee Gaming and Non-Gaming Employees. In each
25 case, the license permit or registration is no longer

1 required. For today's meeting, I have provided the
2 Board with a list of two Key, 32 Gaming and 11 Non-
3 Gaming Employee Withdrawals for approval. I'd ask
4 that the Board consider the Orders approving the list
5 of Withdrawals.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 Enforcement Counsel has no objection.

10 CHAIRMAN:

11 Questions or comments from the Board?

12 Ex-officio members? May I have a motion?

13 MR. MOSCATO:

14 Mr. Chairman, I move that the Board
15 approve the Withdrawals as described by the Bureau of
16 Licensing.

17 MR. SOJKA:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed?

24 NO RESPONSE

25 CHAIRMAN:

1 The motion carries.

2 MS. HENSEL:

3 In addition, we have an Order to certify
4 the following five Gaming Service Providers, EBStyle,
5 Inc., Edmunds Communications Group, LLC, James Floor
6 Covering Company, Inc., La Frieda Meats, Inc. and
7 Premium Programmers, Inc. I ask that the Board
8 consider the Order approving these Gaming Service
9 Providers for certification.

10 CHAIRMAN:

11 Any comments from Enforcement Counsel?

12 ATTORNEY PITRE:

13 Enforcement Counsel has no objection.

14 CHAIRMAN:

15 Questions or comments from the Board?

16 Ex-officio members? May I have a motion?

17 MR. SOJKA:

18 Yes, Mr. Chairman. I move that the Board
19 issue an Order to approve the Applications for Gaming
20 Service Provider Certifications as described by the
21 Bureau of Licensing.

22 MR. TRUJILLO:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed?

4 NO RESPONSE

5 CHAIRMAN:

6 Motion carries.

7 MS. HENSEL:

8 Finally, we have an Order regarding
9 Gaming Service Provider Registrations. The Bureau of
10 Licensing provided you with an Order and an attached
11 list of seven Registered Gaming Service Provider
12 Applicants. I'd ask that the Board consider the Order
13 approving the registration of these Gaming Service
14 Providers.

15 CHAIRMAN:

16 Comments from Enforcement Counsel?

17 ATTORNEY PITRE:

18 Enforcement Counsel has no objection.

19 CHAIRMAN:

20 Questions or comments from the Board?

21 Ex-officio members? May I have a motion?

22 MR. TRUJILLO:

23 Mr. Chairman, I move that the Board issue
24 an Order to approve the Application for Gaming Service
25 Provider Registrations as described by the Bureau of

1 Licensing.

2 MR. FAJT:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed?

9 NO RESPONSE

10 CHAIRMAN:

11 The motion carries.

12 MS. HENSEL:

13 That concludes the matters of the Bureau
14 of Licensing.

15 CHAIRMAN:

16 Thank you, Susan. Next will be Cyrus
17 Pitre, our Chief Enforcement Counsel. Cyrus?

18 ATTORNEY PITRE:

19 Good afternoon. We have eight matters
20 for the Board's consideration today. One consisting
21 of one Consent Agreement, four Revocations and three
22 Exclusion Petitions. The first matter is the Consent
23 Agreement between the OEC and Chester Downs and
24 Marina. Bill Downey is here on behalf of Chester
25 Downs and Marina. Cassandra Fenstermaker will present

1 the matter on behalf of the OEC.

2 ATTORNEY FENSTERMAKER:

3 Thank you, Cyrus. Today we have for the
4 Board's consideration, a Consent Agreement between the
5 OEC and Chester Downs and Marina, LLC, doing business
6 as Harrah's Philadelphia Casino and Racetrack. This
7 Consent Agreement is the result of Harrah's doing
8 business with Vision Solutions, a company which was
9 placed on the Prohibited Vendor List in 2010.
10 Harrah's was billed by Vision Solutions on August
11 22nd, 2011 for its services, and Harrah's paid the
12 full amount of that invoice on December 21st, 2011,
13 all while Vision Solution was on the Board's
14 Prohibited Vendor List.

15 The parties have agreed that within five
16 days of the Board's Order, Harrah's shall pay a civil
17 penalty in the amount of \$5,000. This fine is
18 consistent with other fines levied against casinos for
19 doing business with Gaming Service Providers while
20 they are on the Prohibited Gaming Service Provider
21 List. The OEC asks that the Board approve the Consent
22 Agreement as presented today. The OEC and/or Bill
23 Downey, who is representing Harrah's of Philadelphia,
24 would I'm sure be happy to answer any questions you
25 have.

1 CHAIRMAN:

2 Mr. Downey, any comment?

3 ATTORNEY DOWNEY:

4 None, other than to say we're in accord
5 with the presentation of OEC and are prepared to
6 address any questions.

7 CHAIRMAN:

8 Thank you. Any questions or comments
9 from the Board? Ex-officio members? May I have a
10 motion?

11 MR. FAJT:

12 Mr. Chairman, I move that the Board issue
13 an order to approve the Consent Agreement between the
14 OEC and Chester Downs and Marina as described by the
15 OEC.

16 MR. GINTY:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed?

23 NO RESPONSE

24 CHAIRMAN:

25 Motion carries.

1 ATTORNEY DOWNEY:

2 Thank you.

3 CHAIRMAN:

4 Thank you.

5 OFF RECORD DISCUSSION

6 CHAIRMAN:

7 Sorry. Go ahead.

8 ATTORNEY FENSTERMAKER:

9 I have for the Board's consideration
10 today, three Revocations of Non-Gaming Employee
11 Registrations. The first is for Justin Wilbank. On
12 or about June 18th, 2012 the OEC filed a complaint to
13 revoke the Non-Gaming Employee Registration of Justin
14 Wilbank, who is employed as a food server at Harrah's.
15 On April 26th, 2012, Mr. Wilbank was charged with
16 theft by unlawful taking and receiving stolen
17 property. The charges were the result of an internal
18 investigation by Harrah's, wherein Mr. Wilbank is
19 alleged to have taken more than \$2,000 in unauthorized
20 comps and/or gratuities. Service was effectuated by
21 first class and certified mail. The Applicant failed
22 to respond to the complaint in any way, and therefore
23 pursuant to Board regulations, all facts alleged in
24 the complaint are deemed admitted. A default judgment
25 was filed in this matter on July 26th, 2012, and at

1 this time the OEC requests that the Board revoke Mr.
2 Wilbank's Non-Gaming Employee Registration.

3 CHAIRMAN:

4 Is Justin Wilbank in the hearing room?
5 Any questions or comments from the Board? Ex-officio
6 members? May I have a motion?

7 MR. GINTY:

8 Mr. Chairman, I move that the Board issue
9 an Order to approve the revocation of Justin Wilbank's
10 Non-Gaming Employee Registration, as described by the
11 OEC.

12 MR. MCCALL:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed?

19 NO RESPONSE

20 CHAIRMAN:

21 The motion carries.

22 ATTORNEY FENSTERMAKER:

23 And the second matter involves Kameron
24 Hobbs. On or about June 18th, 2012 the OEC filed a
25 complaint to revoke the Non-Gaming Registration of

1 Kameron Hobbs, who was employed as a bus person at
2 Harrah's. On April 26th, 2012, Mr. Hobbs was charged
3 with receiving stolen property. The charges were as a
4 result of an internal investigation by Harrah's
5 wherein Mr. Hobbs alleged to have received more than
6 \$504.94 in unauthorized comps and/or gratuities.
7 Service was effectuated by first class and certified
8 mail. The applicant failed to respond to the
9 complaint in any way, and therefore pursuant to Board
10 regulations all facts alleged in the complaint are
11 deemed admitted. A default judgment was filed in this
12 matter on July 26th, 2012. And at this time the OEC
13 requests that the Board revoke Mr. Hobbs Non-Gaming
14 Employee Registration.

15 CHAIRMAN:

16 Is Kameron Hobbs in the hearing room?
17 Any questions or comments from the Board? Ex-officio
18 members? May I have a motion?

19 MR. MOSCATO:

20 Mr. Chairman, I move that the Board issue
21 an Order to approve the revocation of Kameron Hobbs's
22 Non-Gaming Employee Registration as described by the
23 OEC.

24 MR. SOJKA:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed?

6 NO RESPONSE

7 CHAIRMAN:

8 Motion carries.

9 ATTORNEY FENSTERMAKER:

10 I'm sorry, gentlemen. Apparently, I got
11 carried away. I just skipped right over Candace
12 Carney, so I will ---.

13 CHAIRMAN:

14 That's okay. We can just go back.

15 ATTORNEY FENSTERMAKER:

16 All right. I will go back then. The
17 final revocation I have is for Candace Carney. On or
18 about June 18th, 2012, the OEC filed a complaint to
19 revoke the Non-Gaming Employee Registration of Candace
20 Carney, who is employed as a server at Harrah's. On
21 April 26th, 2012, Ms. Carney was charged with theft by
22 unlawful taking and receiving stolen property. The
23 charges were the result of an internal investigation
24 by Harrah's, wherein Ms. Carney is alleged to have
25 stolen more than \$1,200 in unauthorized comps and/or

1 gratuities. The complaint was effectuated --- or
2 service was effectuated by first class mail, the
3 Applicant failed to respond to the complaint in any
4 way. And pursuant to Board regulations, all facts
5 alleged in the complaint are deemed admitted. A
6 default judgment was filed in this matter on July
7 26th, 2012, and at this time the OEC requests that the
8 Board revoke Ms. Carney's Non-Gaming Employee
9 Registration.

10 CHAIRMAN:

11 Okay. Is Candace Carney in the hearing
12 room? Any questions or comments from the Board? Ex-
13 officio members? May I have a motion?

14 MR. MCCALL:

15 Mr. Chairman, I move that the Board issue
16 an Order to approve the revocation of Candace Carney's
17 Non-Gaming Employee Registration, as described by the
18 OEC.

19 CHAIRMAN:

20 Second?

21 MR. TRUJILLO:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1 CHAIRMAN:

2 Opposed?

3 NO RESPONSE

4 CHAIRMAN:

5 Motion carries.

6 ATTORNEY FENSTERMAKER:

7 Thank you.

8 CHAIRMAN:

9 Thank you.

10 ATTORNEY MILLER:

11 Good afternoon, Chairman Ryan, members of
12 the Board.

13 CHAIRMAN:

14 Good afternoon.

15 ATTORNEY MILLER:

16 The next matter is a request for
17 revocation today involving Kevin Agudelo. My name is
18 Dustin Miller, Assistant Enforcement Counsel. Mr.
19 Agudelo was employed as a security officer at Parx
20 Casino, and permitted as a Gaming Employee. The OEC
21 filed an enforcement complaint to revoke Mr. Agudelo's
22 Gaming Employee Permit for failing to maintain his
23 suitability on April 6th, 2012. Mr. Agudelo was
24 terminated from Parx Casino on January 14th, 2012,
25 after Parx Casino's surveillance department observed

1 Mr. Agudelo stealing a pair of earphones from the lost
2 and found located inside the security command center.
3 The earphones were worth approximately \$200 and
4 belonged to a patron who returned to the casino to
5 claim the earphones from the lost and found.

6 The enforcement complaint was properly
7 served upon Mr. Agudelo to the address listed on his
8 application by both certified and first class mail.
9 Mr. Agudelo did not respond to the filing in any way.
10 Due to Mr. Agudelo's failure to respond, the averments
11 in the enforcement complaint are deemed to be admitted
12 as fact, and his right to a hearing has been waived.

13 On July 18th, 2012, the OEC filed a
14 request to enter judgment upon default. The matter is
15 now before the Board to consider the revocation of Mr.
16 Agudelo's Gaming Employee Permit.

17 CHAIRMAN:

18 Is Kevin Agudelo in the hearing room?
19 Any comments or questions from the Board? Ex-officio
20 members? May I have a motion?

21 MR. SOJKA:

22 Yes, Mr. Chairman. I move that the Board
23 issue an Order to approve the revocation of Kevin
24 Agudelo's Gaming Employee Permit as described by the
25 OEC.

1 CHAIRMAN:

2 Second?

3 MR. FAJT:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed?

10 NO RESPONSE

11 CHAIRMAN:

12 Motion carries.

13 ATTORNEY MILLER:

14 Thank you.

15 ATTORNEY DAVENPORT:

16 Good afternoon Chairman and

17 Commissioners. Before you today for the Board's

18 approval is a petition to place Paul Catanio on the

19 Board's Involuntary Exclusion List. On December 7th,

20 2011, Pennsylvania State Police arrested Mr. Catanio

21 for pinching and capping bets by playing Texas Hold

22 'Em, and bonus poker in Sands Casino. State Police

23 charged Mr. Catanio with one count of theft by

24 deception and 15 counts of violating Section

25 1518(a)(7.1) of the Gaming Act. OEC filed a petition

1 to place Mr. Catanio on the Exclusion List on March
2 15th, 2012.

3 Although the March 15th petition
4 contained a hearing request form, it appears it did
5 not contain notice of defense form, therefore OEC
6 reserved the petition on Mr. Catanio on June 19th,
7 2012. Both petitions were served by mailing a copy
8 via certified mail, return receipt requested and first
9 class mail. Certified mail was effectuated on both
10 petitions, as confirmed by the United States Postal
11 Service Track and Confirm System, and the return of
12 the certified mail mailing green card. Mr. Catanio
13 has not filed a response to either petition or
14 requested a hearing, therefore the facts in OEC's
15 petitions are deemed admitted.

16 On July 23rd, 2012, OEC filed a request
17 for default judgment. As set forth in its petition,
18 the OEC has demonstrated that Mr. Catanio satisfies
19 the criteria for exclusion under Section 1514 of the
20 Act and Chapter 511(a) of the regulations. I would
21 ask that the Board place Paul Catanio on the Board's
22 Involuntary Exclusion List.

23 CHAIRMAN:

24 Is Paul Catanio in the hearing room? Any
25 questions or comments from the Board? Ex-officio

1 members? May I have a motion?

2 MR. MOSCATO:

3 Mr. Chairman, I move that the Board issue
4 an Order to approve the addition of Paul Catanio to
5 the PGCB Involuntary Exclusion List as described by
6 the OEC.

7 MR. FAJT:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed?

14 NO RESPONSE

15 CHAIRMAN:

16 Motion carries.

17 ATTORNEY DAVENPORT:

18 Thank you.

19 CHAIRMAN:

20 Thank you.

21 ATTORNEY CREANY:

22 Good afternoon Chairman, Commissioners,
23 Barry Creany for the OEC. On October 11th of 2011,
24 the OEC filed a petition to place Thomas Hancock on
25 the PGCB's Exclusion List. This related to an

1 incident that occurred on August 29th, 2011, where Mr.
2 Hancock had been refused entry to the Rivers Casino
3 because he was underage. At the time he was 20 years
4 old and 11 months. However, he didn't leave the
5 premises, having been turned away by security, instead
6 he went outside of the main entry and went around to
7 the Rivers side and jumped the railing, and then
8 entered the exterior portion of the building and went
9 to one of the restaurants within the property. Rivers
10 is an over 21 facility, and this includes the
11 property's restaurants as set forth in the Rivers
12 Compulsive and Problem Gaming --- Gambling Plan. The
13 petition and Notice of Hearing Rights was properly
14 served via first class mail, and a certified mail was
15 returned, which was marked unclaimed after three
16 service attempts in October of 2011. Mr. Hancock did
17 not respond to the petition, therefore the averments
18 contained in the petition are deemed admitted.

19 The OEC filed a request for default
20 judgment on July 18, 2012, and served the petition via
21 first class mail to Mr. Hancock. The OEC now requests
22 the Board to include Mr. Thomas L. Hancock on the
23 Excluded Persons List.

24 CHAIRMAN:

25 Any questions, comments from the Board?

1 MR. FAJT:

2 Yeah. I have just a point of
3 clarification. Mr. Creany, this individual is being
4 asked to be put on the Exclusion List by OEC because
5 he went into a restaurant --- did not gain, but went
6 into a restaurant in the facility that is exclusively
7 over 21. If the same individual went to say the
8 Sands, or one of the other casinos where they allow
9 under 21 patrons to go into their eating
10 establishments, we would not be here doing the same
11 exclusion request; am I correct in that?

12 ATTORNEY CREANY:

13 I believe that's correct, Commissioner.
14 And you know, to clarify, he wasn't in the facility
15 very long, because security had alerted when he left,
16 to have him tracked. They followed him and saw him
17 reenter, they found him --- it wasn't a long period of
18 time --- in the restaurant. He didn't drink. He
19 didn't game at any point during that --- Rivers has a
20 designated gaming floor area, but nonetheless they
21 just exclude based upon their plan, anybody that's
22 under 21 in the facility.

23 ATTORNEY PITRE:

24 And probably because we came down pretty
25 hard and swift on them in the past for allowing ---

1 because they had some serious problems in the
2 beginning when they first opened.

3 CHAIRMAN:

4 And as I understand it, he didn't violate
5 any of our regulations here, would that be correct?

6 ATTORNEY CREANY:

7 That is correct. It was a defiant
8 trespass by virtue of entering the property.

9 ATTORNEY PITRE:

10 And State Police charged him with a
11 defiant trespass from the standpoint that he was
12 banned --- that Rivers didn't allow him in. And the
13 Act basically says that no one under 21 could be
14 allowed in any part of the facility where games are
15 played. That's basically open to interpretation.
16 Rivers basically said our whole facility. And their
17 Compulsive and Problem Gambling Plan was created in
18 that fashion. So, that's the only reason we took this
19 action with regard to this individual.

20 CHAIRMAN:

21 And again, the casino has the right to
22 make its own rules with respect to this?

23 ATTORNEY PITRE:

24 To be more restrictive, yes.

25 CHAIRMAN:

1 Right. But I think what's important to
2 me, and I think probably to the members of the Board,
3 and probably also to you gentlemen, is that there
4 wasn't any regulation here in Pennsylvania that this
5 young man was in violation of, and as I understand
6 what our job is as regulators, that's what our concern
7 has to be.

8 ATTORNEY CREANY:

9 That's correct.

10 MR. GINTY:

11 I would just make the comment then, that
12 I applaud Rivers' approach to these things, and it
13 should not be taken --- if we were to not deny the
14 Consent Agreement, we would have no reflection on
15 Rivers because I applaud what they do.

16 ATTORNEY PITRE:

17 Well, I believe the Board knows how Mr.
18 --- how vocal Mr. Sklar has been when he's come before
19 us with matters of this nature with Rivers. And I've
20 always assured the Board that we will go as far as we
21 can go to, you know, help the facilities out. But
22 understandably so, we all have our limitations.

23 CHAIRMAN:

24 Yeah. And I think all of us would agree
25 with Jim on that, that we can't do anything but

1 applaud them trying to do the best they can. But we
2 have a little bit different role here, and hey, that's
3 just the way it is.

4 MR. SOJKA:

5 But that applies to OEC, too.

6 ATTORNEY CREANY:

7 Yes.

8 MR. SOJKA:

9 It's just the right thing.

10 CHAIRMAN:

11 No question. Okay. Any other questions
12 for --- observations from the Board or ex-officio
13 members? May I have a motion?

14 MR. FAJT:

15 Yes, Mr. Chairman. I move that the Board
16 issue an Order to deny the request to place Mr. Thomas
17 Hancock on the PGCB Involuntary Exclusion List, as
18 described by the OEC. As we discussed up here, Mr.
19 Hancock did not violate the Gaming Act or the Board's
20 regulations, and did not attempt to participate in
21 gaming or the consumption of underage alcohol.

22 CHAIRMAN:

23 Second?

24 MR. GINTY:

25 I'll second. Sorry.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed?

6 NO RESPONSE

7 CHAIRMAN:

8 Motion carries. Thank you.

9 ATTORNEY SACAVAGE:

10 Good afternoon, Chairman Ryan, members of
11 the Board. My name is Alexandra Sacavage,
12 S-A-C-A-V-A-G-E. The next matter we have is a request
13 for placement on the Board's Excluded Persons List,
14 involving an individual named Fa Sheng Lian. On May
15 31st, 2012, the OEC filed a petition to place Mr. Lian
16 on the Exclusion List because he was charged with
17 knowingly by trick or fraud, to win or reduce a loss
18 and one count of theft by deception related to an
19 incident of past posting of betting at Hollywood
20 Casino, where he received an improper and illegal
21 payout of \$750. The petition was properly served upon
22 Mr. Lian to the address listed on the criminal
23 complaint filed against him by both certified and
24 first class mail. Mr. Lian did not respond to the
25 filing in any way. Due to Mr. Lian's failure to

1 respond, the averments in the petition are deemed to
2 be admitted as fact, and his right to a hearing has
3 been waived.

4 On July 18th, 2012, the OEC filed a
5 request to enter judgment upon default. This matter
6 is now before the Board to consider the placement of
7 Fa Sheng Lian on the Board's Excluded Persons List.

8 CHAIRMAN:

9 Any questions from the Board? Ex-officio
10 members? I guess I should ask, is Fa Sheng Lian in
11 the hearing room? Do I have a motion?

12 MR. GINTY:

13 Yes, Mr. Chairman. I move that the Board
14 issue an Order to approve the addition of Mr. Lian to
15 the PGCB Involuntary Exclusion List, as described by
16 the OEC.

17 MR. MCCALL:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed?

24 NO RESPONSE

25 CHAIRMAN:

1 The motion carries. Thank you all.
2 Ladies and Gentlemen, I believe that concludes today's
3 meeting. Our next scheduled public meeting will be
4 held here on September 12th at 10:00 a.m. Any final
5 comments from the Board? May I have a motion to
6 adjourn?

7 MR. MCCALL:

8 So moved.

9 CHAIRMAN:

10 Okay. Second?

11 MR. MOSCATO:

12 Second.

13 CHAIRMAN:

14 Thank you all very much. Meeting is
15 adjourned.

16 * * * * *

17 MEETING CONCLUDED AT 1:05 P.M.

18 * * * * *

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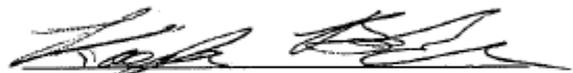
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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman was reported by me on 08/22/2012 and that I Kayla Bolze read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.


Court Reporter