

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: CATEGORY 1 LICENSE RENEWAL FOR GREENWOOD GAMING  
AND ENTERTAINMENT, INCORPORATED, D/B/A PARX CASINO

\* \* \* \* \*

PUBLIC INPUT HEARING

\* \* \* \* \*

BEFORE: Linda S. Lloyd, Presiding Officer  
William H. Ryan, Jr., Chairman  
David W. Woods; John J. McNally, III;  
Annamarie Kaiser; Anthony C. Moscato;  
Gregory C Fajt, Jr.; Members

HEARING: Thursday, July 17, 2014  
10:08 a.m.

LOCATION: Bensalem Township Municipal Complex  
Council Chambers  
2400 Byberry Road  
Bensalem, PA 19020

WITNESSES: Tony Ricci; Ron David; Frederick Harran;  
Joseph DiGirolamo; Michael Witmer; John Sentell;  
Michael Wilbur; Elizabeth Lanza; Robert Tomlinson;  
Gene DiGirolamo; Salvator DeBunda, Esquire

Reporter: Nicole Montagano

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\*Confidential

EXHIBITS NOT ATTACHED

## P R O C E E D I N G S

PRESIDING OFFICER:

1  
2 -----  
3  
4 If we can take our seats, we'll get  
5 started, if you're going to sit. Good morning,  
6 everyone. My name is Linda Lloyd and I'm the  
7 Presiding Officer assigned by the Board today to  
8 conduct this portion of the Category 1 License renewal  
9 hearing for Greenwood Gaming and Entertainment,  
10 Incorporated, doing business as Parx Casino. So,  
11 before we begin, if we could all please turn off or at  
12 least to vibrate our cell phones and et cetera, et  
13 cetera.

14 As the Presiding Officer, I call this  
15 hearing to order. The date is Thursday, July 17th,  
16 2014. The time is 10:05, and the location is the  
17 Bensalem Township Municipal Building Council Chambers  
18 at 2400 Byberry Road, Bensalem, PA, 19020.

19 The Pennsylvania Racehorse Development  
20 and Gaming Act requires at Section 1326 that an  
21 operator's license shall be subject to renewal by the  
22 Board every three years. This license renewal hearing  
23 is convened by the Board pursuant to the mandate found  
24 in Section 2105-B(1)(i) of the Gaming Act, which  
25 requires that the Board conduct a public hearing for

1 any license renewal application.

2                   This public hearing was advertised on  
3 the Board's website, announced by the Board at several  
4 of its board meetings and advertised in local  
5 newspapers.

6                   We have six of our seven Board members  
7 here today for the hearing. To my immediate right is  
8 Chairman Bill Ryan. Going down the row we have Tony  
9 Moscato, Annmarie Kaiser and John McNally. And to my  
10 immediate left is Greg Fajt. Dave Woods, who will  
11 take a seat on the end, is on his way and apparently  
12 stuck in horrific traffic out on the Blue Route. So,  
13 when he gets here, he will be on the end. Our missing  
14 Board member today is Keith McCall.

15                   The hearing will begin with a  
16 presentation by Parx Casino. Our Board's Office of  
17 Enforcement Counsel (OEC) will have an opportunity to  
18 cross examine witnesses and back and forth until all  
19 parties are satisfied, all questions have been  
20 answered. And the Board will also have an opportunity  
21 to ask questions if they desire. After Parx has  
22 concluded its presentation, we're going to hear from a  
23 township individual who has another obligation, so  
24 we're going to squeeze him in in between. And after  
25 we hear from him, then our OEC will make its

1 presentation and, again, back and forth questions.

2           After the close of testimony and  
3 evidence of both parties, those individuals who have  
4 registered to speak at today's hearing during the  
5 public comment will be called. Elected officials will  
6 have ten minutes, representatives from community  
7 groups will have five minutes and individuals will  
8 have three. I don't believe we have any individuals  
9 today. After the close of the public comment, Parx  
10 and OEC will have an opportunity to provide a closing  
11 statement if they desire.

12           So, this is an official administrative  
13 hearing. Let's treat it as such. If all witnesses  
14 could speak loudly and clearly into the microphones  
15 provided so that the court reporter can hear you and  
16 so that our technical guy can hear you, too, because  
17 we are streaming this meeting live on our website. If  
18 anyone has any questions about the hearing or  
19 proceedings after Board staff is around to give them a  
20 --- ask the questions to them. Hopefully, they can  
21 provide you an answer.

22           So, let's begin by having all witnesses  
23 from Parx and OEC who will testify during the hearing  
24 today --- if you could please stand and raise your  
25 right hand to be sworn by the court reporter?

1 -----

2 WITNESSES SWORN EN MASSE

3 -----

4 PRESIDING OFFICER:

5 If you speak for the first time, if you  
6 could please state your name and spell it for the  
7 court reporter, that would be useful for her. And  
8 Parx, take it away.

9 ATTORNEY KOHLER:

10 Thank you, Director Lloyd. My name is  
11 Alan Kohler with Eckert Seamans. I represent  
12 Greenwood Gaming and Entertainment, Inc. We're  
13 certainly pleased and honored to be here for our  
14 renewal this morning. It's actually been, I think,  
15 close to five years since we appeared in this exact  
16 room. And I see Commissioner Fajt to my right, who  
17 certainly was here at that time, but we certainly have  
18 other new Commissioners. It is great to have, I  
19 guess, six Commissioners here this morning. We're  
20 pleased to --- and honored to have you actually attend  
21 our renewal hearing.

22 We have a brief presentation. We have  
23 two witnesses from Parx. The first one is to my  
24 direct left. It's Tony Ricci. He's the Chief  
25 Enforcement Officer, and he'll subsequently introduce

1 Ron Davis, who's the other witness.

2 MR. RICCI:

3 Thank you, Al. Good morning, Mr.  
4 Chairman, members of the Commission and staff. My  
5 name is Tony Ricci. I am the Chief Executive Officer  
6 of Greenwood Racing and Parx Casino, and I thank you  
7 for the opportunity to present our tremendous success  
8 story in this public forum. And my name is spelled  
9 R-I-C-C-I.

10 I'm proud and honored to represent our  
11 outstanding team, which I believe is the best in the  
12 business and has produced the number one casino for  
13 gaming revenue in the Commonwealth. It's also  
14 provided the blueprint for other states to emulate in  
15 terms of how you should conduct casino gaming in the  
16 future. Equally important and gratifying to us is the  
17 powerful, positive impact that we've had on our  
18 community and the racing industry, along with our  
19 exemplary performance in areas of diversity, community  
20 outreach, responsible gaming and compliance. We  
21 understand that a strong, vibrant community serves as  
22 an attractive destination for our customers and we are  
23 deeply committed to being a good neighbor.

24 The Parx grand is synonymous with a  
25 beautiful property that is well maintained, clean,

1 safe, while providing first class service to create  
2 customer satisfaction and long-term loyalty. In fact,  
3 customer surveys consistently rank Parx as the top  
4 customer service provider in our region. We recognize  
5 that great service can only be achieved by a talented,  
6 motivated and well-trained team. Our employees  
7 receive extensive training in both mandated areas and  
8 in customer service to ensure a consistent experience  
9 for our guests. Furthermore, we offer a very strong  
10 compensation package that includes an above-market  
11 health benefits plan. It's our exceptional team who  
12 provide the soul and the energy that brings our  
13 beautiful casino to life and creates the atmosphere of  
14 fun, entertainment and good luck that our customers  
15 have come to expect. And we're very proud of this  
16 result.

17                   And we've generated, as I said earlier,  
18 more tax revenue than any casino in the state. In  
19 fact, the total gaming tax that's paid since our  
20 opening in December 2006 are \$1.545 billion. That  
21 consists of revenues from slots of \$1.476 billion, and  
22 revenues from table games of \$69.4 million since our  
23 opening in July 2010. The success of our casino has  
24 also enabled us to contribute much more than the  
25 mandated minimum to the racing industry. In fact,

1 since our opening of the permanent casino in 2009,  
2 we've expended \$30 million in investments and repairs  
3 to the backstretch. To date we've renovated 28 of our  
4 36 barns and refurbished 12 dormitories. The eight  
5 remaining barns will be completed by May 2016, and we  
6 will then have the best backstretch in the racing  
7 industry. We're almost there.

8           We've built a manure storage facility to  
9 promote best management practices in environmental  
10 compliance, and we've also made significant  
11 improvements in other areas for road paving, roof  
12 repairs, et cetera. But not only have we improved the  
13 backstretch, we've significantly enhanced the level of  
14 purses that have been distributed to the horsemen. In  
15 2013, \$59 million in purses were paid, which is more  
16 than double what was paid before the casino opened in  
17 2004, and our average daily purses were \$302,000 per  
18 day.

19           Although we are very proud of our  
20 success to date, we are constantly looking and  
21 striving for new opportunities, new ideas, new ways to  
22 grow the business. Right now the city is packed,  
23 however, we recognize that there are challenges to the  
24 industry both in technical advances and competition.  
25 And our management works on a daily basis to come up

1 with ideas, explore different options to grow the  
2 business, grow the tax revenue stream for the  
3 Commonwealth. We have an outstanding technical team.  
4 And this technical team will help lead us into the  
5 future, which we do believe is a critical component of  
6 our growth. As you know, we presented the mobile  
7 gaming and social gaming device activities to you back  
8 in April. And we are preparing and will become ready  
9 whenever, if ever, internet gaming does become  
10 available in Pennsylvania.

11           From a competitive perspective, we are  
12 continually looking at new amenities and options for  
13 customers to continue to drive growth, not only in  
14 this local region, but to create a destination  
15 environment for people from a wider radius. We have  
16 several options that we're currently considering to  
17 expand the casino, and we're very close to moving  
18 forward on that. So, as long as Pennsylvania and the  
19 casino is permitted to operate on the level playing  
20 field that we have today, we are very confident that  
21 we will not only be able to maintain, but grow the tax  
22 revenues that have been generated by Parx for the  
23 state.

24           Another benefit of the success of our  
25 casino is the growth in employment. Our workforces of

1 December 2013 consisted of 1,852 employees in the  
2 gaming operation, 545 employees in the racing  
3 operation. Of the 852 casino employees, 82 percent of  
4 them are Pennsylvania residents, and 37 percent are  
5 representatives of historically underrepresented  
6 groups, and 39 percent are women.

7           With the launch of the casino, we've  
8 also created 125 full-time permanent executive  
9 managerial and professional positions. Seventy (70)  
10 percent of all our internal advancement opportunities  
11 have been filled internally. We're very much  
12 committed to creating a career path for our employees  
13 and again, speaking to the theme of a talented,  
14 motivated, engaged workforce, we strive to make sure  
15 that people do have a career path and we've delivered  
16 on that. We've also created many new casino  
17 professions ranging from finance, information  
18 technology, food and beverage, cocktail servers, human  
19 resources, et cetera. And, again, 82 percent of these  
20 employees reside in Pennsylvania.

21           Simply stated, we have more than  
22 fulfilled the objectives of the enabling legislation  
23 and the promises that we made to this Gaming Board  
24 back in 2006. I would now like to introduce our next  
25 presenter, a man who has been an integral part of our

1 success, Mr. Ron Davis, our Chief Diversity and  
2 Inclusion Officer and Director of Community  
3 Development. Ron?

4 MR. DAVIS:

5 Thank you, Tony. It's Ron, D-A-V-I-S.  
6 Thank you, and it is an outstanding opportunity and  
7 honor for me to be here representing Parx and the  
8 things that we've done. Before I get to the slides,  
9 let me say how passionate I am about what we've done,  
10 because we've helped people have jobs and helped them  
11 eat. That's my perspective. People who have not  
12 experienced employment before, a whole range of people  
13 who have not been at the table, and we've helped them  
14 realize those jobs through Parx.

15 Diversity is different individuals  
16 valuing each other regardless of skin, intellect,  
17 talent or years. That value has to be there for any  
18 person, business, corporation or community to really  
19 understand what's going on. And I value and we value  
20 the partnerships that we've formed, some of them  
21 represented out in the audience, that have been there  
22 since 2006 and before 2006. They are outstanding  
23 representatives of what we feel are high performance  
24 communities and high performance businesses. We are a  
25 high performance business because we realize that

1 effective teams drive high performance businesses.  
2 I've had, in my career, the opportunity to play in the  
3 National Football League. So, I was on ineffective  
4 teams, so I know what effective teams are.

5           But the driving of performance through  
6 high performance organizations under Tony's leadership  
7 and our Board leadership is certainly there. And I'm  
8 just proud to be a part of it these last seven years.

9     It's just been outstanding. One of the principles  
10 that we strive at, we just didn't want good faith. We  
11 wanted the best faith in everything that we do. The  
12 word best you'll hear a lot. Best employees. Best  
13 outreach. Best inreach to our employees. So, the  
14 things you will see on this --- on our presentation  
15 represent the best of each one of those categories.  
16 And I'm, again, proud to be part of that. But I must  
17 say our partners in the community, I'm proud to be a  
18 partner with them, of the --- and you'll see that,  
19 again, in the presentation.

20           One of the partners, though, with PGCB  
21 is Mozelle Daniels, and I commend her for being a  
22 great steward of all things that you represent, but  
23 also looking at opportunities for inclusion and  
24 awareness of inclusion as she has been. She actually  
25 participates with us in a lot of our outreach efforts,

1 so I commend her. And our report is really her  
2 report, this diversity report that you've received  
3 every year. And you can see how outstanding we feel  
4 Parx has done compared with other operations within  
5 the state, so we're very, very pleased with that.

6 I want to look at employment through  
7 diversity employment with historically unrepresented  
8 groups. We're very proud of our outreach from a human  
9 resources standpoint because we've gone the  
10 nontraditional route in some cases. We've gone to  
11 churches, we've gone to community centers to find  
12 people who are talented. We are also, of course, on  
13 the internet. We've done a lot of things. Actually,  
14 we used the --- back in 2009, when we opened the  
15 second level of our gaming operation, we had thousands  
16 of people around our visitors centers. Jerry Lepping,  
17 who's our Executive Director there, can attest to  
18 that. Thousands of people who wanted jobs. Again,  
19 that's key for us. Jobs for Pennsylvanians, by the  
20 way. The 39 percent total workforce are female. And  
21 all of these measures are not just staff. We want to  
22 continue to move them, we want to continue to give  
23 opportunity to those within our operation.

24 As you turn to the next page, diversity  
25 in construction and vendor purchasing. Twenty-seven

1 (27) percent of our total expenditures for the new  
2 casino were allocated to MBE and WBE businesses. Very  
3 important, because that's the best faith that we  
4 certainly brought to the table. And again, if I might  
5 commend Mozelle again, we have had roughly 28 to 29  
6 meetings. Every quarter we meet and talk about ways  
7 to do what we do better. And one of the things that  
8 came out of one of those meetings was the term LBE.  
9 That didn't come from another --- an economist or ---  
10 we thought that if a casino did well, then the  
11 community around it should do well. So, we came up  
12 with the LBE measurement, local business enterprise.  
13 And now that's used statewide to really define what a  
14 casino means to a community. So, we're very proud of  
15 that.

16                   And you'll see some numbers here. Local  
17 business enterprise and in-state expenditures from  
18 2006 to 2014 was \$694 million out of \$1.3 billion, 53  
19 percent. And that is an exciting, realistic  
20 measurement, particularly when you look at other  
21 communities not far from here who have not invested in  
22 their communities, and you see what's happened. We've  
23 done --- NBE/WBE for that period was \$45 million. And  
24 then, we do outreach. So, we have ten how to do  
25 business sessions with Parx, not from only the

1 standpoint of historically unrepresented groups, but  
2 from the standpoint of business. We're part of the  
3 business outreach, particularly with the local  
4 businesses. We have 600 outreach meetings with  
5 MBE/WBE/LBE individuals and suppliers. And we  
6 maintain an active membership with the Eastern  
7 Minorities Supplier Development Council. As well, we  
8 maintain active membership with the Women's Business  
9 Enterprise Council. We also --- not on the screen,  
10 Professional Women's Business Network is part of our  
11 outreach, along with the Transportation Management  
12 Association.

13                   We are an active member of various local  
14 business development groups. Hispanic Chamber,  
15 African-American Chamber of Commerce, Asian-American  
16 Chamber of Commerce, Lower Bucks, Upper Bucks, Central  
17 Bucks Chamber of Commerce. And we're members of Visit  
18 Bucks, our tourism component. Over the last eight  
19 years, we have contributed more than \$1.6 million to  
20 Pennsylvania's Educational Improvement Tax Credit,  
21 EITC, and Opportunity Scholarship Tax Credit, OSTC  
22 programs, with annual contributions of \$315,000  
23 benefiting nine different grade schools and high  
24 schools in our area.

25                   Since 2006, we've awarded \$50,000 in

1 scholarship to 80 college-bound students of Bucks  
2 County Technical High School, Bensalem High School,  
3 Conwell-Egan and Archbishop Wood Catholic High  
4 Schools. Having people --- one of the things that  
5 happens and that's exciting, people come back after  
6 receiving these scholarships after four years and tell  
7 you what that scholarship meant. It's very, very  
8 compelling for us.

9                   We meet regularly --- and some of them  
10 are in the audience --- with the Bensalem Gaming  
11 Advisory Board to ensure that the Advisory Committee  
12 is informed about current operations and our future  
13 plans. And then, really to find the pulse of the  
14 community, we feel very strongly that service on the  
15 Board is important. So, we're on the American Red  
16 Cross Board, Network of Victim's Assistance, Citizens  
17 Crime Community, United Way of Bucks County, Lower  
18 Bucks Chamber of Commerce and Livengrin. We're also  
19 on the Boys Scouts Council of Bucks County and the  
20 African-American Chamber of Commerce. We're on all  
21 those boards. We also have a corporate membership by  
22 way in NAACP of Bucks County and host their annual  
23 meeting.

24                   Compulsive and problem gambling  
25 highlights. We've worked with representatives of the

1 Council of Compulsive Gambling to establish  
2 comprehensive compulsive and problem gambling  
3 training. We've incorporated compulsive gambling  
4 training into new employee orientation to ensure all  
5 team members are trained and aware. Yearly, \$25,000  
6 is contributed to the CCGP. Annual sponsor of ---  
7 we're an annual sponsor of CCGP educational training  
8 in Eastern Pennsylvania, and I had the honor to be  
9 chair of our Responsible Gaming Committee within our  
10 operation.

11                   Community involvement. Since 2006, we  
12 have made donations and established sponsorship  
13 totaling \$45 million over --- to over 400  
14 organizations. I don't think there's any question  
15 that even the group of casinos we've --- just Parx  
16 pales in relationship to them as far as the  
17 contributions that we've given to the community. We  
18 have donations made to international, national, local  
19 groups that support many of their causes. And you see  
20 them there. I'll just point out a few that I feel  
21 need to be highlighted.

22                   Habitat for Humanity. Our employees  
23 participate --- in fact, we're on our third build with  
24 that. We really feel, again, giving back to the  
25 community through Habitat is one outstanding way that

1 we can contribute. Special Olympics. The Special  
2 Olympics efforts that we have, not only locally, but  
3 statewide are certainly notable. And then, you see  
4 Pride Day, one of the things that --- we want to make  
5 sure that Bensalem has its community thought about in  
6 festivals and all the other things that it does, so we  
7 contribute to that.

8           We also have veterans outreach programs.  
9 And for those of us who may not be aware, there are so  
10 many veterans outreach programs that, not only we  
11 participate in, but we're going to. There's one  
12 called Stand Man, which basically brings in homeless  
13 veterans to a camp that we'll participate in. There's  
14 another one called Honor Fight. There's a tremendous  
15 veterans outreach that we have. But we will do and  
16 are going to do more. Then the handicapped or  
17 disabled, we really need to reach out more. In fact,  
18 we're volunteers with the Wheelchair Games that's  
19 coming up next month in Philadelphia. So, we have  
20 each one of those. We're going to do more with the  
21 LGBT community. We feel that's a really good  
22 opportunity to do a lot of outreach.

23           And Parx, along with these kinds of  
24 things, have been the creator of things over that  
25 period of time. We've had excess food in our

1 inventory, so we give them to food banks. We don't do  
2 it --- we don't beat our chest about it, we just give  
3 it to them. We had --- when we changed brands from  
4 Philadelphia Park Casino to Parx, we had uniforms or  
5 business suits that were leftover from that change.  
6 So, we go --- we gave that to the community, to  
7 churches, to those who needed it in our community.  
8 So, creative ways to help.

9           For all of this and more, our community  
10 involvement is outstanding. We've been recognized by  
11 the U.S. Department of State --- diversity and for our  
12 diversity and inclusion, in the top 100 businesses in  
13 the U.S. Women's Business Enterprise Center award of  
14 excellence we received. Bucks County NAACP award for  
15 community service. And we have a tourism impact award  
16 --- two awards from our friends at Visit Bucks. And  
17 the Bensalem Jewish Outreach Center community service  
18 award.

19           But all of this are awards of paper and  
20 things like that. The real impact are people having  
21 jobs. People having a seat at the table. Someone  
22 once said, if you're not at the table, you're on the  
23 menu. We want everybody at the table to be part of  
24 the solution. Parx --- one of the things that I kind  
25 of coined a phrase. We're always --- the P-A-R-X,

1 proud and always reaching for excellence. And in this  
2 category, we are reaching for excellence. Turn it  
3 back over to Tony.

4 MR. RICCI:

5 Thank you, Ron. And as a result of  
6 Ron's tireless efforts, you get a sense of the  
7 accomplishments we've made for the community. No  
8 casino could have a better representative than Ron.  
9 And his NFL career not only enabled him to identify a  
10 good or bad team, it toughened him up for the rough  
11 and tumble world of casino gaming. I'm not sure it's  
12 like a goal line pile-up, but it can get rough some  
13 days.

14 In closing, I would like to express that  
15 we are deeply conscious of our responsibilities as a  
16 Gaming Licensee, and also the promises that we made to  
17 this Board back in 2006. I'm very pleased to state  
18 we've delivered on those promises. And I list them  
19 here, not only to let you know that we've achieved  
20 them, but also to let you know we haven't forgotten,  
21 we're committed to continuing to achieving these  
22 promises.

23 We promised there'd be job creation.  
24 We've created almost 2,000 jobs here at Parx alone,  
25 not to mention the multiplier effect that --- from the

1 spin-off business based on Ron's fine efforts in the  
2 local community. Again, that leads to the next  
3 promise, which was generation of new business for  
4 local suppliers and vendors. We've done that. We've  
5 recaptured dollars leaving the state. If you look at  
6 Atlantic City's performance, we've succeeded there.  
7 We've been a catalyst for future capital investment in  
8 Pennsylvania. We've invested ourselves approximately  
9 \$650 million since we were issued our license in 2006,  
10 and that doesn't count all the other investment  
11 related to our businesses.

12                   We've provided significant tax benefits  
13 to the state, over \$1.5 billion since our opening in  
14 2006. We've made physical improvements to the track  
15 and the back side, much more than the mandated minimum  
16 in the legislation. Ron's efforts in diversity and  
17 inclusion, involvement with the community and  
18 charitable giving have far exceeded any of the other  
19 casinos in the state. We've hired locally and  
20 utilized local businesses, we've partnered with  
21 educational institutions and we're committed to  
22 participate in efforts with the community to develop  
23 the economic area. We've got open communication with  
24 the local authorities, businesses and residents of the  
25 area. Ron mentioned the Gaming Advisory Boards. And

1 we have a tremendous record in compulsive gaming and  
2 compliance.

3 I'm very proud of this record and I  
4 commit to you that we are committed to continuing to  
5 deliver on these promises and you can count on what we  
6 do promise. We're very conscious of our reputation  
7 and our integrity. So, thank you very much for this  
8 opportunity, and we remain available for questions or  
9 however you would like to proceed.

10 ATTORNEY KOHLER:

11 And with that, Director Lloyd, we  
12 conclude our Direct case.

13 PRESIDING OFFICER:

14 Would you like to move the PowerPoint  
15 into the record?

16 ATTORNEY KOHLER:

17 Yes. Can we move it in as Parx Exhibit  
18 Number One?

19 (Parx Exhibit One marked for  
20 identification.)

21 PRESIDING OFFICER:

22 Yes. Any objection?

23 ATTORNEY MILLER:

24 No objection.

25 PRESIDING OFFICER:

1 Well then, we'll turn to the OEC for any  
2 questions you may have of Parx.

3 ATTORNEY MILLER:

4 Thank you. My name is Dustin Miller,  
5 I'm Assistant Enforcement Counsel for the OEC. With  
6 me today is Nan Davenport, Deputy Chief Enforcement  
7 Counsel for the OEC. Good morning, Director Lloyd,  
8 Chairman Ryan, members of the Board.

9 I just have a few questions based on  
10 the presentation for --- I guess for Mr. Ricci,  
11 primarily. I'd ask you to, if you could, turn to page  
12 --- slide six?

13 MR. RICCI:

14 Yes.

15 ATTORNEY MILLER:

16 And that's the workforce summary as of  
17 December 2013. Do you know, since that time, has the  
18 workforce pretty much remained stable, decreased,  
19 increased?

20 MR. RICCI:

21 Relatively the same. There's been a  
22 slight increase in table game staff, but it's in the  
23 --- around the same level.

24 ATTORNEY MILLER:

25 Okay. And I know earlier in the

1 presentation you had mentioned that you have a very  
2 competitive benefits package for your employees. Is  
3 that for full-time employees and part-time employees,  
4 or ---?

5 MR. RICCI:

6 It's for full-time employees, yes.

7 ATTORNEY MILLER:

8 Full-time employees. And the slide does  
9 not indicate how many full-time employees that you  
10 have. Do you know off the top of your head how many  
11 full time ---?

12 MR. RICCI:

13 It's approximately 65 percent of the  
14 total.

15 ATTORNEY MILLER:

16 Okay. And I know you had mentioned in  
17 the presentation that you guys are considering several  
18 different plans for future amenities. And you had  
19 specifically mentioned the mobile gaming presentation  
20 you had done. I believe that was a couple board  
21 meetings ago.

22 MR. RICCI:

23 Yes.

24 ATTORNEY MILLER:

25 Do you have any kind of time frame for

1 when you're going to make a decision on these future  
2 amenities?

3 MR. RICCI:

4 Some of that depends on our regulators.  
5 When these technical advances are approved, we intend  
6 to quickly implement them. We're working together  
7 with Williams, which is a gaming equipment  
8 manufacturer, and also the Gaming Board lab to  
9 convince them that these are operating properly.  
10 Obviously, we have to maintain the integrity of the  
11 gaming operation.

12 ATTORNEY MILLER:

13 Would any of these plans involve  
14 expanding the facility?

15 MR. RICCI:

16 We do have plans that we're considering  
17 to add amenities. I can't go into great detail right  
18 now because they're not formally approved, but we're  
19 very close.

20 ATTORNEY MILLER:

21 Okay. Now, the next question I have is  
22 not based on your presentation. This is a situation  
23 that actually occurred. Your license was renewed in,  
24 I believe it was, September of 2010. In late  
25 summer/early fall of that year, there was a number of

1 incidents, I think it was, I believe, four or five  
2 incidents, where children were left in vehicles in the  
3 parking lot ---

4 MR. RICCI:

5 Yes.

6 ATTORNEY MILLER:

7 --- of Parx Casino.

8 MR. RICCI:

9 Yes.

10 ATTORNEY MILLER:

11 And if I may, I'd like to ask you what  
12 --- and that's --- and I would like to say that that  
13 has tapered off since that time. But I would like to  
14 know what you guys have done to make that happen?

15 MR. RICCI:

16 Sure. I'm happy to answer that. We  
17 were shocked and dismayed that someone would do that  
18 with a child. It's obviously poor parenting. But  
19 when we discovered that this was occurring, we  
20 concentrated additional security rovers on a 24-hour  
21 basis to constantly monitor the parking lot.  
22 Separately, we worked together with our customers. We  
23 actually put notices in the area for customers to let  
24 us know. And on a couple of occasions, customers have  
25 let us know that children were left unattended in a

1 car. And all of those efforts have contributed to the  
2 tapering off you referred to. And we will continue  
3 that.

4 ATTORNEY MILLER:

5 Now ---?

6 MR. RICCI:

7 Particularly in the summertime.

8 ATTORNEY MILLER:

9 All right. I'm sorry. You did mention  
10 the rovers. Is that a vehicle or is that ---?

11 MR. RICCI:

12 It's a vehicle. It's a vehicle, yes.

13 Multiple vehicles.

14 ATTORNEY MILLER:

15 Multiple vehicles?

16 MR. RICCI:

17 Yes.

18 ATTORNEY MILLER:

19 Do you know how big your parking lot is?

20 MR. RICCI:

21 It's huge. We have over 450 acres, so  
22 we have well over 8,000 parking spaces. What that  
23 translates to in acreage, I'm not sure.

24 ATTORNEY MILLER:

25 We don't have any further questions at

1 this time.

2 PRESIDING OFFICER:

3 Any follow-up, Mr. Kohler?

4 ATTORNEY KOHLER:

5 No, Director Lloyd. Thank you.

6 PRESIDING OFFICER:

7 Okay. Well then, we'll --- that will  
8 conclude the Parx portion and we'll have --- hear from  
9 Frederick Harran. And if you can stay standing when  
10 you get up here. If you want to come and sit next to  
11 Mr. Miller? Stay standing and raise your right hand.  
12 We'll swear you in with the court reporter.

13 -----  
14 FREDERICK HARRAN, HAVING FIRST BEEN DULY SWORN,  
15 TESTIFIED AS FOLLOWS:

16 -----  
17 PRESIDING OFFICER:

18 You can sit down.

19 MR. HARRAN:

20 My name is Frederick Harran, H-A-R-R-A-  
21 N. I'm the Director of Public Safety for Bensalem  
22 Township, which translates, I am in charge of police,  
23 fire and EMS and public safety for the municipality.  
24 I've been here since 1987 and was very involved with  
25 Parx joining Bensalem Township in 2006. It will be

1 very short testimony. I've been asked to just say a  
2 couple things.

3                   They are a phenomenal partner.  
4 Obviously, we did not know what --- or I did not know,  
5 as far as law enforcement and public safety, what to  
6 expect with a casino coming into town. This was new  
7 to Pennsylvania and certainly new to Bensalem  
8 Township. I couldn't imagine working with any other  
9 organization delivering gaming. They've been  
10 fantastic partners. They've worked with us to deal  
11 with issues that have come up throughout the years,  
12 whether it be traffic congestion, traffic accidents,  
13 incidences at the casino or surrounding the casino.  
14 They've been a phenomenal partner.

15                   Their security department, their upper  
16 management, the gaming authorities, the Pennsylvania  
17 State Police, it's been one huge team involved with  
18 making sure that not only the customers and patrons of  
19 Parx is safe and secure, but also the surrounding  
20 community. Whatever we've asked of them, they have  
21 not put up any sort of a fight or we're not obligated  
22 to do that according to the law of the gaming rules  
23 and regulations. They work with us to make sure that  
24 everybody in town is safe and they've been just a  
25 phenomenal partner. We've actually seen, over the

1 last years, decreases in calls at the track.

2 I just want to make comment because I  
3 certainly also have heard the children left in car  
4 stories. What people don't focus on Parx is just that  
5 we look at it as another business. Not to mention  
6 names, but many of the box stores have the same issue  
7 and nobody is jumping down their throats. So many of  
8 the box stores have the exact same issues that Parx  
9 have, but Parx is a little bigger so the --- if you're  
10 a mathematician, if you --- if there's more people,  
11 more incidences. So, it's not really the issue that  
12 everybody makes it out to be because it's happening  
13 all over, not only in Bensalem, but all throughout ---  
14 anybody that has any type of stores or casinos.

15 With the exception of Parx and the other  
16 businesses, nobody else has taken a proactive stance  
17 on it. Parx has done things that they're not  
18 obligated to do, they're not the parent police and  
19 they have done well above anybody's expectation to  
20 work with us. Matter of fact, many of the calls now  
21 come, as you heard testimony, from their customers and  
22 their security personnel of children left in cars.  
23 And the --- it has decreased so much that we've had  
24 zero in 2014. Of course, I probably just jinxed us,  
25 but we've had zero in 2014. So, it really --- the

1 problem does not seem to exist the way it was for the  
2 last couple of years.

3 PRESIDING OFFICER:

4 Okay.

5 MR. HARRAN:

6 That's really all I have.

7 PRESIDING OFFICER:

8 Is that all you have? Any questions for  
9 Mr. Harran?

10 MR. HARRAN:

11 Thank you.

12 PRESIDING OFFICER:

13 Okay. You're excused. Thank you.

14 ATTORNEY MILLER:

15 Director Lloyd, we got notification that  
16 the Mayor also has a time situation. So, they asked  
17 if he could speak at this time ---

18 PRESIDING OFFICER:

19 Any objections?

20 ATTORNEY MILLER:

21 --- unless anybody has any objection to  
22 that?

23 PRESIDING OFFICER:

24 Sure.

25 OFF RECORD DISCUSSION

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PRESIDING OFFICER:

If you could please remain standing and raise your right hand, we'll have the court reporter swear you in.

-----  
JOSEPH DIGIROLAMO, HAVING FIRST BEEN DULY SWORN,  
TESTIFIED AS FOLLOWS:  
-----

MAYOR DIGIROLAMO:

Well, good morning. It's certainly an honor to have the Board here in Bensalem and in our chambers here. First, I want to touch on one thing. I think Bensalem is the only one to have an Advisory Board. They meet once a month with the casino and go through their issues and other issues, and certainly report to me those issues that are going on and there's something we can do about it. And they do, and the casino always has responded.

Something that --- certainly the testimony from Mr. Ricci and Ron Davis --- I think you see the passion when they talk about those things. And they're not just talking to you. I mean, this is a successful, successful business partner we have here in Bensalem. We're very proud of them. We're very, very proud. They respond to all the constituents, any

1 kind of a problem. They're always there. They  
2 respond to me. They'll meet with us on any given day,  
3 any call. It's just been a great relationship, and we  
4 expect that to continue.

5           Now, you heard our Director talking  
6 about the problems that were set up way back before  
7 the licenses were given out, with all the different  
8 kind of problems that could happen here. We haven't  
9 witnessed that here in Bensalem. We've had very  
10 little problems with the police coming in, and I keep  
11 telling the Director, well, that means we don't need  
12 as many policemen. And he comes back and says, no, if  
13 you do that, we need more. So, we've been really,  
14 really fortunate, I think. I can't say enough for the  
15 partnership that we've had.

16           And I know working with our Senator, our  
17 State Representative here in Bensalem and our Council,  
18 it's a team, and Parx is a big part of that team.  
19 They mentioned we have some many things going on here.  
20 They take part in everything. We have a fall festival  
21 here. 30,000 to 40,000 people come through here.  
22 Parx Casino is there. We have job fairs. Parx Casino  
23 is there at the job fair.

24           So, the employment, they are our largest  
25 employer here in Bensalem. I don't know how many of

1 you know, we are the eighth largest community in the  
2 State of Pennsylvania, so it's a very large ---.  
3 We're a second class township, but a lot of people  
4 think we should be a city. And most of you know, if  
5 you're a city, you can tax people as much as you want.  
6 So, the people here want us to stay as a second class  
7 township. So --- and the Senator, I think agrees  
8 with me and the State Representative.

9                   But really, I can't say enough for it.  
10 And, again, the passion that you heard from Ron, we  
11 see that on a daily basis. I actually worked with Ron  
12 Davis. I was on the Convention Center Board for many  
13 years, and Ron Davis worked on there and did such a  
14 fabulous job down there. And he continues to do it  
15 here. I would gladly answer any question. I had ---  
16 you know, I'm a pretty outspoken guy. If there's  
17 something negative, I'd talk about it. And we just  
18 don't have that here. We're the luckiest people, I  
19 think, of anywhere. And for what they do for us, I  
20 don't think anybody can duplicate that. I mean that  
21 with all sincerity. The Senator will tell you, I'd be  
22 the first one jumping up and down when --- if  
23 something's wrong, but ---. And I really thank them  
24 for the job that they are doing here and how  
25 responsive they are and responsible. So, if you have

1 any questions, I'd be glad to answer them. Okay.  
2 Thank you, and again, welcome to our community.

3 PRESIDING OFFICER:

4 Thank you.

5 OFF RECORD DISCUSSION

6 PRESIDING OFFICER:

7 So with that, we'll turn it over to OEC  
8 for their portion of today's hearing.

9 ATTORNEY MILLER:

10 We'll have to get our audio/visual set  
11 up here. One second.

12 PRESIDING OFFICER:

13 Well, while you're doing that, I do have  
14 a housekeeping matter. We also received several  
15 written comments into the record before the deadline.  
16 One was from the Teamsters Union Local Number 115 in  
17 support of the renewal. And we received two via our  
18 website, one in support, saying that Parx has  
19 excellent customer service and promotions. And one  
20 that was neutral, saying that this individual believes  
21 their money is held in escrow for taxes that are in  
22 dispute by Parx Casino. Our taxes have been raised.  
23 If we have this money, maybe an increase would not  
24 have been necessary. When will this dispute be  
25 rectified and answered?

1                   Those are the three written comments  
2 that we received. And if there are no objections,  
3 we'll move those into the record as Hearing Exhibit  
4 Number One.

5                   (Hearing Exhibit One marked for  
6 identification.)

7                   ATTORNEY MILLER:

8                   No objection.

9                   PRESIDING OFFICER:

10                  Okay. Take it away.

11                  ATTORNEY MILLER:

12                  Good morning, again. We have four  
13 witnesses today and a Joint Stipulation we'd like to  
14 put into the record. The first witness I'd like to  
15 call is Lieutenant Michael Witmer from the Gaming  
16 Enforcement Office of Pennsylvania State Police.

17 -----

18 MICHAEL C. WITMER, HAVING BEEN PREVIOUSLY SWORN,  
19 TESTIFIED AS FOLLOWS:

20 -----

21 A. Good morning.

22 DIRECT EXAMINATION

23 BY ATTORNEY MILLER:

24 Q. Lieutenant Witmer, could you state your name and  
25 spell your last name?

1 A. My name is Michael C. Witmer. The last name is  
2 W-I-T-M-E-R.

3 Q. And what's your title and duties?

4 A. I am the eastern section commander for the  
5 Pennsylvania State Police's Bureau of Gaming  
6 Enforcement. And my duties include supervising the  
7 State Police gaming operations at casinos, including  
8 SugarHouse, Parx, Chester and Valley Forge.

9 Q. And how long have you been with the Pennsylvania  
10 State Police?

11 A. I've been with the State Police for 22 years, and  
12 the Bureau of Gaming Enforcement for almost six.

13 Q. Could you tell the Board what the role of  
14 Pennsylvania State Police at a licensed facility is?

15 A. The State Police are responsible for law  
16 enforcement on the gaming floor of the casino.

17 Q. And who would have the primary jurisdiction over  
18 the parking lot of the casino?

19 A. In the instance of Parx Casino, it is located in  
20 Bensalem Township, and their police department covers  
21 that area.

22 Q. And how is Pennsylvania State Police's working  
23 relationship with Parx Casino?

24 A. Very professional, very efficient. Any time we  
25 have any issue, it's handled professionally and

1 quickly.

2 Q. And do you have that same relationship with the  
3 Bureau of Casino Compliance for the Pennsylvania  
4 Gaming Control Board?

5 A. Absolutely.

6 Q. Okay. At this time I'd like to ask you some  
7 questions about the UCR, the Uniform Crime Reporting  
8 system. Are you familiar with that system?

9 A. Yes, I am.

10 Q. And what agency compiles the information  
11 contained within the Uniform Crime Reporting system?

12 A. The Pennsylvania State Police in the Commonwealth  
13 of Pennsylvania is responsible for it here, but it's  
14 administered and overseen by the FBI.

15 Q. And is that in an electronic format?

16 A. Yes, it is.

17 Q. Okay. And is it available to the public?

18 A. Yes. It's available through the Pennsylvania  
19 State Police website.

20 Q. And how often is the information on that website  
21 updated?

22 A. Monthly. And by the 10th of each month, the  
23 information is input.

24 Q. And can that information be later edited?

25 A. Yes, and it often is.

1 Q. Under what circumstances?

2 A. At the end of the month, statistics are gathered,  
3 compiled and entered into the report. And if anything  
4 is determined to have had happened subsequently  
5 afterwards, the data goes onto the next month's  
6 report. So, we don't go backwards and change what's  
7 already in there. We just add the new statistics to  
8 the next report. Even, for example, if we find that  
9 one investigation is determined to be unfounded, we  
10 will list that on the next month's report as an  
11 unfounded offense.

12 Q. Can the number of offenses listed in the report  
13 be reduced if the case is later determined to be  
14 unfounded?

15 A. No. It will still be listed as a known offense.  
16 But then again, it will be listed on the next month as  
17 unfounded.

18 Q. Okay. And what all information is contained in  
19 the Uniform Crime Reporting system?

20 A. Types of crimes, numbers of offenses and  
21 information on the offenders, including sex and age.

22 Q. I'm going to ask you some questions about Parx,  
23 specifically. If you could, take a look at the slide  
24 that is --- could you tell us what we're looking at  
25 there?

1 A. That's a snapshot of, I believe it's 2010, and  
2 the year-to-date criminal statistics that were entered  
3 by the State Police Gaming Enforcement at Parx Casino  
4 for the time period stated.

5 Q. How are the offenses that occur at a licensed  
6 facility entered into the UCR?

7 A. There's one supervisor at each location that has  
8 been trained in the UCR system and how to classify and  
9 score offenses and to enter the data in the system.

10 Q. Does the UCR list the number of actual offenses  
11 that are prosecuted?

12 A. No, it does not.

13 Q. Based upon the report --- actually, we're looking  
14 at --- that would be year to date, December 2010 and  
15 year to date. What is the most common criminal  
16 offense?

17 A. It would fall under forgery and counterfeiting.

18 Q. Is that --- I want to show you some other slides.  
19 There's December 2011 and there is December 2012, '13,  
20 and then, finally, '14. It appears --- is that  
21 consistently the most common?

22 A. That is correct.

23 Q. What are --- could you tell us some examples of  
24 those type of offenses?

25 A. Counterfeit money, and there's obviously a lot of

1 money so there's a lot of counterfeits.

2 Q. Are there a significant number of violent crimes  
3 at Parx Casino?

4 A. No.

5 Q. How about crimes regarding individuals under the  
6 age of 21?

7 A. At Parx Casino, from what we see and the number  
8 of people that go to the casino, very, very few under  
9 age 21 incidents.

10 Q. Now, just for example, we're looking at the UCR  
11 from --- up to June of 2014. And to the right-hand  
12 portion of the screen we see offenses regarding  
13 juveniles, and there's zeros in that column. Is  
14 juvenile --- I guess a juvenile is a different  
15 definition for crimes as compared to underage people  
16 in the casino?

17 A. Correct. For UCR purposes, a juvenile is anyone  
18 under 18.

19 Q. Could you tell us, has there been any noticeable  
20 increase in any specific crimes between September of  
21 2010 and the present?

22 A. Yes. Any crime relating to table games, when  
23 they came on board in July of '10, obviously have  
24 increased since then, but it's leveled out over the  
25 years.

1 Q. Was there any specific crime that increased based  
2 upon the introduction of table games?

3 A. Cheating.

4 Q. After reviewing the UCR for offenses reported for  
5 Parx Casino, do you see any type of pattern of actual  
6 offenses that have occurred at the licensed facility?

7 A. Nothing of significance, no.

8 Q. And this --- the actual slide that we're looking  
9 at now regarding the month of June 2014, that's the  
10 latest report that's out there?

11 A. Correct. Those were statistics that were entered  
12 from June, and there is also a year-to-date column  
13 there for 2014.

14 Q. Is there a conclusion that can be drawn based  
15 upon the crime statistics between the different  
16 facilities in Pennsylvania based upon the data  
17 contained in the UCR?

18 A. No, not solely by looking at the numbers. If and  
19 when anyone wants to make a comparison, they really  
20 have to take into account all of the different  
21 variables, identify them, understand them and consider  
22 them to make any kind of meaningful comparison.

23 Q. Do you have any issues or concerns that you think  
24 would negatively impact the suitability of Parx Casino  
25 for renewal of its Category 1 Casino License?

1 A. We do not.

2 ATTORNEY MILLER:

3 Thank you, Lieutenant Witmer. I don't  
4 have any further questions.

5 PRESIDING OFFICER:

6 I have one question. You said that with  
7 the institution of table games, the incidents of  
8 cheating increased. Under what category in the  
9 Uniform Crime Reporting system would cheating be ---?

10 A. That would be under other offenses in part two.

11 PRESIDING OFFICER:

12 Other offenses?

13 A. Uh-huh (yes).

14 PRESIDING OFFICER:

15 I'll turn it over to Alan Kohler. Do  
16 you have any questions?

17 ATTORNEY KOHLER:

18 I just have one question of  
19 clarification.

20 CROSS EXAMINATION

21 BY ATTORNEY KOHLER:

22 Q. You indicated that the highest volume category  
23 was, I believe, counterfeit money. Is that unusual  
24 for a Pennsylvania casino?

25 A. We notice a higher rate in the southeastern part

1 of the state, but looking at the volume and number and  
2 revenue, it's not outside the norms.

3 Q. And Parx Casino is one of the larger casinos in  
4 Pennsylvania; is that right?

5 A. That is correct.

6 Q. So, you would expect the actual numbers to be ---  
7 to reflect the fact that it's a very large casino; is  
8 that fair?

9 A. Yes.

10 ATTORNEY KOHLER:

11 Nothing further.

12 PRESIDING OFFICER:

13 Mr. Miller?

14 ATTORNEY MILLER:

15 No Redirect.

16 PRESIDING OFFICER:

17 Any questions from Board members? Okay.

18 You are excused.

19 ATTORNEY MILLER:

20 At this time I'd like to call John

21 Sentell from the Bureau of Casino Compliance.

22 -----

23 JOHN SENTELL, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED  
24 AS FOLLOWS:

25 -----

1 DIRECT EXAMINATION

2 BY ATTORNEY MILLER:

3 Q. Mr. Sentell, could you state your full name for  
4 the record and spell your last name?

5 A. It's John Sentell, S-E-N-T-E-L-L.

6 Q. And who are you employed by, Mr. Sentell?

7 A. The Pennsylvania Gaming Control Board, Bureau of  
8 Casino Compliance.

9 Q. What's your title?

10 A. Senior supervisor.

11 Q. How long have you worked for the Gaming Control  
12 Board?

13 A. Since 2006.

14 Q. And as a senior supervisor, what are your duties?

15 A. I'm responsible for supervision of the Bureau of  
16 Casino Compliance offices, primarily in the eastern  
17 part of the state.

18 Q. And Mr. Sentell, could you describe the role of  
19 the Bureau of Casino Compliance at a licensed gaming  
20 facility?

21 A. Yes. The Bureau of Casino Compliance is the  
22 24-hour a day, seven day, boots on the ground  
23 regulatory review and oversight of licensed casinos in  
24 Pennsylvania.

25 Q. What are some of your job duties that, you

1 know, ---?

2 A. We conduct compliance reviews of the daily  
3 operations of the casino. We also interact with  
4 patrons on a daily basis for questions or concerns or  
5 complaints. We're also the primary operational  
6 liaison with other state agencies that interact with  
7 the casino as well.

8 Q. Do you make sure that the employees of the casino  
9 are properly licensed?

10 A. Yes, we do.

11 Q. How about, do you --- does the Bureau of Casino  
12 Compliance have to be familiar with the Board regs and  
13 internal controls?

14 A. Yes, we do.

15 Q. And you ensure that the casino complies with  
16 those?

17 A. Yes.

18 Q. What kind of access do you have inside the  
19 facility?

20 A. We have unfettered access to all the casino  
21 management systems and the facility itself.

22 Q. And do you have any interaction with patrons?

23 A. Yes, we do.

24 Q. What interaction?

25 A. We answer questions. Patrons sometimes have

1 questions about the rules of the games or the  
2 operation of slot machines. We handle complaints  
3 which generate investigations where we interact with  
4 other agencies within --- or other offices or bureaus  
5 within the Gaming Control Board to try to get a  
6 determination --- to make sure the patron gets a fair  
7 shake.

8 Q. Is the Bureau of Casino Compliance involved at  
9 all with the self-exclusion process?

10 A. Yes. We also conduct intakes for the  
11 self-exclusion program, as well as facilitate  
12 distribution of the self-exclusion lists to the  
13 licensed facilities in Pennsylvania, along with the  
14 Office of Problem and Compulsive Gambling.

15 Q. On your end, how is the relationship between the  
16 Bureau of Casino Compliance and Pennsylvania State  
17 Police?

18 A. Outstanding.

19 Q. And how about your relationship between the  
20 Bureau of Casino Compliance and Parx Casino staff?

21 A. Excellent.

22 Q. Have they been cooperative in compliance reviews  
23 you've conducted?

24 A. Yes, they have.

25 Q. And what are the biggest or most common

1 regulatory issues that you guys run into at Parx  
2 Casino?

3 A. There's no particular chronic regulatory issue.  
4 I believe I attribute that to a proactive stance.  
5 When a problem is identified early on, and it's a  
6 small problem, there's a collaborative effort between  
7 the Bureau of Casino Compliance and the casino  
8 management to fix that problem before it becomes a  
9 larger problem.

10 Q. And do you have any issues or concerns that would  
11 negatively impact Parx Casino's suitability for  
12 continued licensure?

13 A. No, I do not

14 ATTORNEY MILLER:

15 Thank you.

16 A. Thank you.

17 PRESIDING OFFICER:

18 You're not done yet, John.

19 A. Oh, sorry.

20 PRESIDING OFFICER:

21 Not that easy.

22 A. Not that fast.

23 PRESIDING OFFICER:

24 Alan Kohler, do you have any questions  
25 for Mr. Sentell?

1                   ATTORNEY KOHLER:

2                   No questions.

3                   PRESIDING OFFICER:

4                   Board members? I think we have one  
5 here.

6                   MR. FAJT:

7                   Thank you, Linda. John, what's the  
8 number one complaint you get from patrons regarding  
9 the Parx Casino?

10 A. I believe the number one complaint, I would say,  
11 is patrons question the payout of slot machines. A  
12 patron will spend a significant amount of money in a  
13 slot machine and they won't win what they thought they  
14 should've won in that play of the slot machine. So,  
15 we have to explain the theoretical payout and what  
16 that basic principle is with a slot machine. That's  
17 probably the most common complaint we get.

18                   MR. FAJT:

19                   Do you get many complaints on smoking?

20 A. We do from time to time. And our agents, they're  
21 on the floor 24/7. They will monitor the casino's  
22 efforts in complying with the Clean Indoor Air Act.

23                   MR. FAJT:

24                   Thank you.

25 A. And Parx is very responsive in that aspect.

1                   MR. FAJT:

2                   Thank you.

3                   PRESIDING OFFICER:

4                   Okay. Any questions? Any follow-up,  
5 Mr. Kohler?

6                   ATTORNEY KOHLER:

7                   No.

8                   PRESIDING OFFICER:

9                   No? Okay. Now you can go.

10 A. For real. Thank you.

11                   ATTORNEY MILLER:

12                   Okay. Our next witness is going to be  
13 Michael Wilbur from the Bureau of Investigations and  
14 Enforcement (BIE).

15 -----

16 MICHAEL WILBUR, HAVING BEEN PREVIOUSLY SWORN,  
17 TESTIFIED AS FOLLOWS:

18 -----

19 DIRECT EXAMINATION

20 BY ATTORNEY MILLER:

21 Q. Mr. Wilbur, could you state your full name and  
22 spell your last name for the record?

23 A. I'm Michael Wilbur, W-I-L-B-U-R.

24 Q. And how are you employed by the Board?

25 A. I'm an investigator with the Pennsylvania Gaming

1 Control Board and the BIE.

2 Q. How long have you been doing that?

3 A. A little over seven years.

4 Q. And as an agent for BIE, what are your job  
5 responsibilities?

6 A. I conduct extensive backgrounds and --- for  
7 companies and individuals that wish to work in the  
8 legalized casino gaming in Pennsylvania.

9 Q. And in your professional capacity, have you been  
10 involved in the investigation of Parx Casino's renewal  
11 application?

12 A. Yes, I have.

13 Q. And when did that investigation begin?

14 A. August 21st, 2013.

15 Q. Could you tell us what the scope of the  
16 investigation is?

17 A. For any entity or associated entities, we look at  
18 the corporate structure, corporate organization and  
19 finances. I look at the violations of laws, the  
20 violations of rules and regulations. I review the  
21 consent agreements and warning letters associated with  
22 those violations of rules and regulations. I review  
23 any current and recent litigation and check for tax  
24 compliance. And we do a complete and thorough  
25 background investigation for all the principals

1 involved.

2 Q. And has Parx been cooperative during the course  
3 of your investigation?

4 A. Very.

5 Q. And is your investigation complete?

6 A. Yes, it is.

7 Q. During the course of your investigation, did you  
8 discover any areas of interest?

9 A. There were several areas of interest that I  
10 discovered during the investigation. A few of those  
11 involved Parx Casino or the Greenwood Group applying  
12 for other gaming licenses in this jurisdiction for the  
13 Philadelphia license, and they've also applied for and  
14 been found suitable in Massachusetts for a Slots  
15 Parlor License, and also in the State of Maryland for  
16 a Casino License.

17 Also, there has been two other areas that I  
18 looked into. There was a incident that occurred here  
19 at Parx Casino --- or at the racetrack, actually, back  
20 in 2010, when they conducted some renovations in the  
21 grandstand area. And they had authorization from  
22 Pennsylvania Gaming Control Board, but they failed to  
23 get the authorization from the Pennsylvania Horse  
24 Racing Commission. They received a fine, they paid  
25 that fine, and they're now in good standing with the

1 Pennsylvania Horse Racing Commission.

2 Also, in 2011, there was a Consent Agreement with  
3 the EPA where they failed to fully comply with a  
4 agreement that was reached back in 1997 to correct  
5 some runoff issues back in the backside of the track  
6 area at some barn areas.

7 Q. And do you know what the status of that ---?

8 A. That fine has been paid and cleared, and they're  
9 in 100-percent fine standing with the EPA.

10 Q. Did BIE discover any areas of concern during the  
11 course of the investigation?

12 A. No, we did not.

13 Q. Maybe you could tell the Board what the  
14 distinction is between an area of interest and an area  
15 of concern as far as BIE goes?

16 A. An area of interest would be just some items that  
17 have come up that have been straightened out, taken  
18 care of, something that OEC and the Board might want  
19 to know about. An area of concern is something that  
20 is extremely important that could affect the  
21 Applicant's license.

22 Q. And did the BIE discover anything during the  
23 course of the investigation that would preclude a  
24 finding of suitability for Parx Casino?

25 A. No.

1 Q. And did the BIE have the opportunity to create a  
2 Report of Investigation for Parx Casino and has it  
3 been submitted to the OEC?

4 A. Yes. The full report was completed on January  
5 31st of 2014 and submitted to OEC.

6 ATTORNEY MILLER:

7 Thank you.

8 PRESIDING OFFICER:

9 Mr. Kohler, any questions?

10 ATTORNEY KOHLER:

11 No questions.

12 PRESIDING OFFICER:

13 Board members?

14 A. Thank you.

15 PRESIDING OFFICER:

16 Okay. Thank you.

17 ATTORNEY MILLER:

18 Our final witness we have today is  
19 Elizabeth Lanza from the Office of Compulsive and  
20 Problem Gambling.

21 -----

22 ELIZABETH LANZA, HAVING BEEN PREVIOUSLY SWORN,  
23 TESTIFIED AS FOLLOWS:

24 -----

25 DIRECT EXAMINATION

1 BY ATTORNEY MILLER:

2 Q. Ms. Lanza, could you state your name and spell it  
3 for the record?

4 A. My name is Elizabeth Lanza, L-A-N-Z-A.

5 Q. And what position do you currently hold with the  
6 Board?

7 A. I am the Director of the Office of Compulsive and  
8 Problem Gambling.

9 Q. How long have you been the director?

10 A. Since 2010.

11 Q. Could you tell us what the Office of Compulsive  
12 and Problem Gambling, what their responsibilities are?

13 A. Sure. We regulate licensees through their  
14 compulsive and problem gambling plans, as well as we  
15 maintain, administer and distribute the self-exclusion  
16 lists as well.

17 Q. So, licensees are required to have a compulsive  
18 and problem gambling plan?

19 A. That is correct, prior to their opening.

20 Q. And could you summarize what the Act and the  
21 Board's regulations require with respect to the plan?

22 A. Sure. There are a lot of components in the plan.  
23 Some of them include employee training, placement of  
24 required signage throughout their facilities, the  
25 recognition of problem gamblers and self-excluded

1 violators and underage individuals, as well. And  
2 responsible alcohol service is also included in the  
3 compulsive and problem gambling plans, just to name a  
4 few.

5 Q. Does Parx Casino have a plan in effect that  
6 addresses all of the provisions of the Act and the  
7 regulations?

8 A. Yes, they do.

9 Q. And do you recall when it was approved?

10 A. It was just approved June 27th of this year.

11 Q. Is that something that ---?

12 A. Well, their amendment was --- that was their last  
13 amendment that was approved.

14 Q. And that's what I was going to ask you. Do they  
15 submit like an initial plan and it has to be renewed  
16 every so often?

17 A. Right. Well, they submit the initial plan prior  
18 to opening, and it has to be approved prior to them  
19 opening their doors. And then, whenever they need to  
20 change the plan, they submit an amendment to my  
21 office.

22 Q. And you said that that --- they submitted --- the  
23 last time they submitted an amendment was in June?

24 A. Yes, that is correct.

25 Q. And was it approved by your office?

1 A. Yes.

2 Q. Can you describe the training, the compulsive and  
3 problem gambling training, that the Parx Casino  
4 employees receive?

5 A. Sure. Each employee of Parx receives compulsive  
6 and problem gambling training prior to the start of  
7 their job duties. And then they receive the training  
8 annually thereafter. So, every year the casino  
9 employees will receive problem gambling training.  
10 This training includes how to spot a problem gambler  
11 or how to identify somebody who is on the  
12 self-exclusion list. It also gives individuals ---  
13 gives employees the confidence to recognize problem  
14 gamblers, their characteristics and who to report if  
15 they suspect somebody has a gambling problem, what  
16 employee they report it to.

17 Q. Ms. Lanza, is it your opinion that Parx Casino  
18 has met all the requirements of the Act and the  
19 regulations regarding the submission and  
20 implementation of its compulsive and problem gambling  
21 plan, including the placement of signage and the  
22 implementation of training programs?

23 A. Yes.

24 Q. And has Parx Casino been in compliance with its  
25 approved compulsive and problem gambling plan?

1 A. Yes.

2 ATTORNEY MILLER:

3 Thank you. I don't have any further  
4 questions.

5 A. Thank you.

6 PRESIDING OFFICER:

7 Any questions?

8 ATTORNEY KOHLER:

9 No questions.

10 PRESIDING OFFICER:

11 Board members? No? Okay, Dustin.

12 ATTORNEY MILLER:

13 That's my last witness. At this time I  
14 would like to make a motion to move --- it's OEC  
15 Exhibit One, which is the Uniform Crime Reporting  
16 system slides into the evidence.

17 (OEC Exhibit One marked for  
18 identification.)

19 ATTORNEY KOHLER:

20 No objection.

21 PRESIDING OFFICER:

22 Okay. So moved.

23 ATTORNEY MILLER:

24 And the last thing I have --- I have a  
25 Joint Stipulation that I've signed with Parx regarding

1 --- it's actually OEC Exhibits Two through Six, and  
2 I'd like to read it into the record.

3 (OEC Exhibits Two through Six marked for  
4 identification.)

5 PRESIDING OFFICER:

6 Sure.

7 ATTORNEY MILLER:

8 Regarding these exhibits, on June 11th,  
9 2014, the Pennsylvania State Horse Racing Commission  
10 issued a letter to Kevin Kile, the Director of  
11 Racetrack Gaming for the Pennsylvania Gaming Control  
12 Board saying that Bensalem Racing Association, Inc.,  
13 and Keystone Turf Club, Inc. are in good standing with  
14 the Commission. And that's OEC Exhibit Two.

15 And on June 30th, 2014, the Bureau of  
16 Liquor Control Enforcement issued a letter to OEC  
17 stating there have been no issued citations or  
18 adjudications against Racetrack Food Services, Inc.,  
19 since Parx's Category 1 Slot Machine License was last  
20 renewed in September of 2010. Since Parx was last  
21 renewed in September of 2010, the OEC and Parx have  
22 entered into nine Board Approved Consent Agreements,  
23 and Parx has fully complied with its under ---  
24 obligations under those Consent Agreements by paying  
25 \$132,000 in civil penalties, among various other

1 remedies including employee training.

2           Also during that time, the OEC conducted  
3 eight compliance conferences of Parx's facility and in  
4 each instance, Parx took corrective measure to remedy  
5 the concerns of the OEC. The OEC has also sent 43  
6 warning letters to Parx since the time of its last  
7 renewal for various violations of the Act and the  
8 regulations promulgated thereunder. Parx has  
9 appropriately responded to each and every warning  
10 letter issued by the OEC. And with that, I'd like to  
11 move --- by this stipulation, move OEC Exhibits Two  
12 through Six into evidence.

13                   PRESIDING OFFICER:

14                   Are any of these considered confidential  
15 exhibits?

16                   ATTORNEY MILLER:

17                   I believe ---.

18                   ATTORNEY KOHLER:

19                   Yes.

20                   ATTORNEY MILLER:

21                   Yes. I believe Five and Six, and  
22 they're appropriately marked as confidential.

23                   PRESIDING OFFICER:

24                   Okay. So, we will enter One --- or Two  
25 through Six into the record, with Five and Six

1 remaining confidential.

2 ATTORNEY KOHLER:

3 We signed the stipulation, so ---

4 PRESIDING OFFICER:

5 Okay.

6 ATTORNEY KOHLER:

7 --- we have no objection.

8 PRESIDING OFFICER:

9 Okay.

10 ATTORNEY MILLER:

11 And with that, we don't have anything  
12 further.

13 PRESIDING OFFICER:

14 Okay. Any questions from Board members  
15 before we move on to the public or what's left of the  
16 public? Okay. So, now we will begin the public  
17 portion --- comment portion. As I call your name,  
18 please come forward. Actually, whoever is left, I  
19 think there's four of you, if you could stand and  
20 raise your right hand and we'll just swear you all in  
21 right now by the court reporter.

22 -----

23 WITNESSES SWORN EN MASSE

24 -----

25 OFF RECORD DISCUSSION

1                   PRESIDING OFFICER:

2                   And with that, Senator Tomlinson, you  
3 can come on up to the microphone. Thank you.

4                   SENATOR TOMLINSON:

5                   Thank you, Director Lloyd and Chairman  
6 Ryan. Usually the table is on the other side here.  
7 I'm usually sitting there and you're usually sitting  
8 here and I'm asking the questions, but thank you.  
9 Yeah, I am definitely going to behave. David Woods is  
10 here. I always behave when --- David Woods and  
11 Annmarie Kaiser in the room. But thank you for coming  
12 to Bensalem. Thank you for coming to the district. I  
13 just want to say without any reservations how proud I  
14 am of the leadership at Parx Casino.

15                   Tony Ricci is a Father Judge graduate  
16 and a local Northeast Philadelphia boy, a somewhat  
17 so-so college basketball player. And Ron Davis  
18 definitely was a great NFL football player with the  
19 San Francisco 49ers and living proof that you can have  
20 a concussion and still have cognitive ability after  
21 that. But they truly have become great partners in  
22 Bensalem. Ron Davis is at Rotary Clubs, TMA meetings,  
23 Chamber of Commerce meetings, he is everywhere. And I  
24 know we stole you from the convention center, and that  
25 was a good deal for us. And Tony, being a local boy,

1 you really have done a great job with the casino, and  
2 not just being a part of the community, but steering  
3 this ship. It's really been incredible.

4 I was watching the Bloomberg News the  
5 other night, the financial report. And they had an  
6 analyst on there and they asked him, can New Jersey  
7 ever recover from what's happened in Atlantic City?  
8 Can New Jersey ever recover the revenues that they've  
9 lost because of the 45 percent downturn in Atlantic  
10 City? And it brought it all back to me when he said,  
11 yeah, we've basically got to do what they did in  
12 Pennsylvania. We've got to put the casinos where the  
13 people are. And we all know and we've heard that  
14 there has been political people and legislators in New  
15 Jersey who've wanted to move casinos up into the north  
16 part of New Jersey, raise the tax rate. And when you  
17 think about our tax rate at 54 percent and their tax  
18 rate at nine percent ---. And this casino is still  
19 giving out \$45 million to 400 organizations --- and  
20 still paying a 54 percent tax is an incredible feat.

21 But it came full circle for me when I  
22 saw that, because you and I have had conversations  
23 about where is gaming going, is it internet gaming,  
24 are we over saturated, is it a mature market? These  
25 are all the things we're dealing with. And I thought

1 it was very interesting to watch the model that  
2 everybody was trying to duplicate, which we did not.  
3 And we were accused back then, when we were doing this  
4 legislation, that, you know, you've got to be like  
5 Atlantic City. You can't be like Atlantic City. You  
6 want to be Atlantic City, yet you don't want to be  
7 Atlantic City. We didn't want to be Atlantic City.  
8 And we told the critics here in the community, we want  
9 a --- we don't want to be Atlantic City, we have no  
10 intention. We just want to keep our money on this  
11 side of the Delaware River. Of course, not only have  
12 we kept that money on this side of the Delaware River,  
13 we've brought a lot of their money back over to this  
14 side of the Delaware River and their numbers reflect  
15 that.

16                   But it's interesting to see, as gaming  
17 is maturing and developing --- and you're sitting in  
18 the spot where basically it started. It started at  
19 Keystone Racetrack, and before that, Liberty Bell  
20 Racetrack. And 35,000 people a day used to come to  
21 these racetracks to watch --- you couldn't move up and  
22 down Street Road. You couldn't get out of your house,  
23 there were so many people coming here. And then all  
24 of a sudden Atlantic City happened and people's habits  
25 changed. Their choices changed. And then, Atlantic

1 City gets bigger and bigger and everybody's trying to  
2 do it --- thinks that's great. And then, all of a  
3 sudden, Delaware does slot machines at racetracks, and  
4 takes some of our best horses. And then, all of a  
5 sudden --- that's one of the big reasons that I got  
6 involved in this, is I was watching --- because the  
7 horseracing industry here, they live here. They're my  
8 constituents. They work here full time. And they  
9 were starting to move their operations down to  
10 Delaware. We wanted to keep them here. So, in  
11 response to that, that's why I wanted slots at tracks.

12                   And then, the innovation study and, of  
13 course, the common sense tells you, you put these  
14 locations where the people are, you make it  
15 convenient. So, we went from destination gaming to  
16 convenience gaming. And now it's ironic that we watch  
17 Atlantic City to respond how they did --- tried it  
18 with iGaming, and we've talked a lot about iGaming. I  
19 have my reservations about that. I think we all are  
20 very, very concerned about the impact that will have  
21 on bricks and mortar. But clearly, they are going to  
22 move to their population areas shortly, I think, and  
23 try to duplicate what we've done in Pennsylvania, and  
24 what other states have subsequently done in their  
25 states, which has caused us a great deal of stress, I

1 think, in the western part of the state with the  
2 market that probably is oversaturated.

3                   But I tell you that story because it's  
4 important to understand the history to look to the  
5 future. And it's important to know that this  
6 leadership here not only had the vision 20 years ago  
7 to buy a racetrack that was failing --- remember,  
8 Philadelphia Park was Keystone, which was failing  
9 miserably. And Bob Green had the foresight to come  
10 here and buy this failing site that nobody else  
11 wanted, make a go of it without slot machines. I  
12 mean, it became a very profitable enterprise with full  
13 cart simulcast, offtrack betting and good management.  
14 That vision --- then, of course, it took us from  
15 riverboats to racetracks. And that's why we are where  
16 we are now, is because a gentleman by the name of Bob  
17 Green came here.

18                   I voted for a bill for riverboats in  
19 Philadelphia. I never met Bob Green, didn't know who  
20 he was. Gene Knopf introduced me to this man. He  
21 said, listen, you just voted to put me out of  
22 business, so how about considering this racetrack? I  
23 didn't realize it. But then it was --- I was okay  
24 with riverboats as long as racetracks got the same  
25 thing as the riverboat. And, of course, we knew that

1 riverboats --- we know that riverboats did not make  
2 it, and racetracks and standalones did. And it was a  
3 great, great success, not only for the state, but  
4 particularly for this area.

5           And when you think about what's revolved  
6 around this area, Liberty Bell Racetrack, Keystone  
7 Race Track, Philadelphia Park, Parx Casino. Always  
8 moving with the taste of the consumer, and I think  
9 that's one of my big points with this. I noticed  
10 early on --- well, you've got to do this to be like  
11 Atlantic City, when we first opened up --- or we were  
12 first proposing this. And I was --- I marveled at  
13 Parx leadership and that they tested the customer.  
14 They listened to the customer. They did what the  
15 customer wanted to do instead of what everybody else  
16 thought they should do.

17           So, I go through that long history and  
18 that story to tell you that this leadership is attuned  
19 to where we're going because it occurred to me that it  
20 was ten years ago, about, that we enacted this  
21 legislation, about eight years that they've actually  
22 been in service. And it was ten years before that  
23 that I actually started working on legislation to do  
24 slot machines at racetracks. So, these ten-year  
25 anniversaries all of a sudden occurred to me, it's

1 moving pretty fast. And as we observe the gaming  
2 world, as we observe the habits of these people, it's  
3 not only convenient which they have provided here.  
4 But they've provided a very safe, attractive,  
5 convenient place, handle to handle. I think the  
6 experience that people get here at Parx cannot be beat  
7 anywhere.

8                   They feel very safe here. They come in  
9 and out. And you talk about a large parking lot, but  
10 it surrounds the facility and it's easy for the  
11 customer to get in and out of the facility. And  
12 that's by design. And I think it was very forward  
13 thinking. But the point that we have --- we have to  
14 look at history. We have to remember where we came  
15 from to know where we're going to go. And we have all  
16 been talking in other hearings in Harrisburg,  
17 appropriations hearings, different hearings, where is  
18 this going to take us and are we going to continue to  
19 receive the revenue in the state that we have in the  
20 past? And are we going to keep this mature market  
21 going? And if any organization is on top of where  
22 we're going, I think it's the Parx organization  
23 following what the customer wants to do and what they  
24 like.

25                   And with that, I'll just close that as I

1 looked at ten years ago, and actually eight years in  
2 operation, I just can't get over the fact that little  
3 old Bensalem, little second class township, those  
4 citizens get 100 --- have gotten \$100 million in tax  
5 revenue back from this one casino alone, \$100 million  
6 back to one community. \$46 million back to the county  
7 for Social Services and different things of the  
8 county. And of that \$46 million, \$23 million back to  
9 our surrounding communities to fix a bridge in  
10 Hulmeville, to buy a fire truck in Middletown, to do  
11 street lighting in Bristol Township, to do different  
12 projects for these other communities that surround,  
13 not only Bensalem.

14                   On top of that, on top of the 54-percent  
15 tax, they gave \$45 million to 400 organizations. It's  
16 incredible. They have been truly a great community  
17 partner. I can't say enough about them. You've seen  
18 the Mayor. You understand how serious a man the Mayor  
19 is. He's not easy to please, but we do please him.  
20 And Gene DiGirolamo, the state representative, I've  
21 worked with him for many, many years. He's a very  
22 serious man, and so is our public safety director.  
23 Our community has been well served by the oversight  
24 and by the way this operation has worked. And I just  
25 have to repeat it, \$100 million to little old

1 Bensalem, and \$46 million to the county. And then in  
2 addition, another \$45 million given to the community.

3 So, they've been a great partner. They  
4 deserve to be --- get their license again. And we  
5 need to continue to think and look at the way the  
6 gaming industry is evolving, and they've done a great  
7 job in staying up with it. Thank you very much. Any  
8 questions?

9 PRESIDING OFFICER:

10 Mr. Fajt?

11 MR. FAJT:

12 Thank you, Linda. Just a quick  
13 statement. I've known the Senator for probably 25  
14 years. And I will tell you that you're being humble.  
15 I was involved in gaming, as you know, back in early  
16 2003. And I will tell you, as constituents of Senator  
17 Tomlinson, we would not have gaming in Pennsylvania  
18 without him. He fought for it, he got beat up by his  
19 colleagues in the Senate. It was not easy back in the  
20 days when we were fighting the ghosts of gaming. And  
21 without you, Senator, we would not have gaming.  
22 Gaming, I think, by most measures, has been an  
23 unmitigated success in the Commonwealth. The 16,500  
24 jobs, the \$8 billion of tax revenue, you should take  
25 full credit for all of that. So, thank you.

1                   SENATOR TOMLINSON:

2                   Well, thank you. That's kind. We also  
3 forgot to mention the hundreds and hundreds, maybe  
4 billions of dollars invested in construction that ---  
5 all those were great union-sustaining jobs in our  
6 community. And we're --- we have a lot of union  
7 workers that live in this area, and all these  
8 construction jobs were union construction jobs.  
9 That's another important point, the evolution. There  
10 was a lot of pressure, and Governor Rendell was a  
11 great partner in that and the Democrats in the House  
12 and the Republicans in the House and the Republicans  
13 in the Senate. The entire legislature were great  
14 partners, but there was a great push and great  
15 pressure on Parx to get up and opened immediately.  
16 And it's amazing when you look at that they spent \$185  
17 million to do the temporary facility in the old  
18 grandstands.

19                   Penn National tore their grandstands  
20 down. They operated their racing --- excuse me, out  
21 of a trailer. Parx kept it open and going. They  
22 spent \$185 million. Then they turned right around to  
23 stay relevant and be competitive and stay on top of  
24 the game, and they invested another \$400 million to  
25 open the facility you see now. Then they turned

1 around and invested another \$25 million back into the  
2 old grandstand to make that relevant and make that a  
3 good place for the horsemen and to showcase that.  
4 Because I firmly believe Bob Green came here because  
5 he loved horse racing. He loved that community and he  
6 wanted to help and save that community. And he  
7 invested that money back.

8           And you also heard how much money  
9 they've spent on the backstretch. They've spent more  
10 than required on the backstretch because I think,  
11 truly, Bob Green loves the horse racing community and  
12 came here to develop the horse racing community. So,  
13 when you think of the transitions, they went from the  
14 pressure --- and you knew Ed Rendell, it was a lot of  
15 pressure to get --- let's get this thing up and  
16 running. And Bob Green and the people here did that.  
17 Then they spent \$400 million, then they spent another  
18 \$25 million, and they're spending again. There's  
19 another expansion going on and there's things that  
20 they're working and planning on and trying to go  
21 through.

22           And the point of that is, the relevance  
23 is, today where we're --- we have questions of where  
24 this industry is going. They kept meeting the next  
25 standard. They didn't stay --- they weren't satisfied

1 with where they were. They wanted to do better. They  
2 want to provide a better gaming experience. So, it's  
3 very relevant to see where they came from and how they  
4 got to where they got. And they didn't do that just  
5 by sitting back and saying, okay, we can invest a  
6 minimum amount of money and we'll just make the money.  
7 They kept reinventing themselves, making themselves  
8 relevant to the market. But thank you for the  
9 compliment. I appreciate that. But there was a lot  
10 of people involved in that for a lot of good reasons.  
11 So, thank you.

12 PRESIDING OFFICER:

13 Any other questions or comments?

14 SENATOR TOMLINSON:

15 Thank you.

16 PRESIDING OFFICER:

17 I did receive a copy of written  
18 testimony. I'm not sure how closely you followed  
19 this.

20 SENATOR TOMLINSON:

21 Not one word that I said was ---.

22 PRESIDING OFFICER:

23 So, we'll include this in the record as  
24 well.

25 SENATOR TOMLINSON:

1                   Not one word that I said is in that  
2 testimony. Most of you have heard everything in that  
3 testimony I've said before at other hearings, number  
4 one. Number two, as you all know --- and the laughter  
5 there is because I very rarely say what they tell me  
6 to say. And I scare them all the time because they  
7 never know what I'm going to say. But yes, I thought  
8 I'd provide testimony, but knowing Mr. Chairman and  
9 the Board members, that --- keep it short, make a  
10 couple quick points and get out of the chair is the  
11 best way to propose it. Thank you.

12                   PRESIDING OFFICER:

13                   Okay. Well, we'll include this as  
14 written comment then.

15                   SENATOR TOMLINSON:

16                   Thank you.

17                   PRESIDING OFFICER:

18                   Representative Gene DiGirolamo.

19                   REPRESENTATIVE DIGIROLAMO:

20                   Yes. Good morning. Welcome. All that  
21 work Sean Shafer did for you, Tom, huh, all that  
22 testimony? Chairman Ryan and the members of the  
23 committee, welcome. I appreciate the opportunity to  
24 testify today. We're just so happy, and I'm here 100  
25 percent to support the renewal application of Parx

1 Racing and Parx Casino. And as I look at all of you  
2 up there, I know Keith is not here, and I've worked  
3 with most of you up in state government, I'm kind of  
4 waiting for somebody to say, have all the members  
5 voted? Have all the members voted?

6 But again, we're just thrilled to death  
7 to have you here today. And as you look at the clock  
8 on the back wall, 1692. We're very, very proud of  
9 Bensalem Township. As a matter of fact, next year in  
10 2014 with reapportionment, Bensalem Township is going  
11 to be my whole legislative district. And like Senator  
12 Tomlinson and Mayor DiGirolamo, I was born here and  
13 raised here in Bensalem. And we couldn't be any more  
14 prouder than what Parx Casino and Racing has done to  
15 our community and our county.

16 And maybe just to give you a little  
17 history of Bensalem Township --- and again, we're  
18 really proud. We believe --- Benjamin Franklin used  
19 to spend an awful lot of time in Bensalem during the  
20 summer. He had a very good friend, Joseph Growden,  
21 whose home is still here, has been restored. And we  
22 believe that the kite experiment where he discovered  
23 electricity took place right here in Bensalem  
24 Township. We believe it, the Historical Society  
25 believes it, and I also understand that Senator

1 Tomlinson and Mayor DiGirolamo were present that day  
2 when he had the ---. They seem to have been around  
3 that long.

4                   Anyway, just to talk about Parx, the  
5 casino and the racing. And if somebody says you hit a  
6 home run, that's a good thing. This has not only been  
7 a home run. This has absolutely been a grand slam for  
8 Bensalem Township, Bucks County and the Southeastern  
9 Pennsylvania. They have been absolutely amazing. And  
10 as a grand slam scores four runs, four quick points.  
11 Senator Tomlinson just did an excellent job of making  
12 them.

13                   The casino and gaming have absolutely  
14 saved the horseracing industry, not only here in  
15 Bensalem, but across Pennsylvania. I mean, we started  
16 talking about it this. We talked about 30,000 jobs  
17 that the horseracing industry supports. Would like to  
18 state for the record, wasn't thrilled to death with  
19 the budget and taking the money from the horseracing  
20 fund. Maybe next year we can do something about that  
21 and I hope it never happens again. But the  
22 horseracing industry has absolutely been saved and  
23 rejuvenated.

24                   Two, it's been talked about before, the  
25 number of jobs. Almost 2,500 jobs. 2,500 jobs in

1 this economy. Most of them are family sustaining jobs  
2 with benefits, 500 to 600 back in the horseracing part  
3 of the casino and almost 2,000 there in the casino.  
4 Created an awful lot of good jobs. The tax revenue  
5 back to the state, you heard Senator Tomlinson say  
6 over \$100 million in tax revenue to the Township. We  
7 have over 100 police officers here in Bensalem  
8 Township. And it's going to support the police, the  
9 EMS. We've given a rebate back to the homeowners here  
10 in Bensalem. The county's got money. The state's got  
11 money. I mean, just amazing.

12                   And number four, more than generous.  
13 And I want to point to this guy, and I don't want to  
14 pick on anybody, Ron Davis. And what an incredible  
15 job Ron has done on behalf of Parx for the local  
16 community. Almost \$50 million they have given away to  
17 groups and organizations here in Bensalem, in Bucks  
18 County and throughout Southeastern Pennsylvania. They  
19 have been generous to a fault. Generous to a fault.  
20 It is absolutely incredible. And when you look at the  
21 groups and organizations just here in Bensalem,  
22 Livengrin, Libertae, both drug and alcohol treatment  
23 facilities very close to my heart as Chairman of the  
24 Human Services Committee. And by the way, this  
25 morning I was talking to Deb Beck and she wanted to

1 make sure I said hello to everybody on the Board.

2                   Generous to a fault. This has been a  
3 grand slam. None of the problems that we talked about  
4 ten years ago have materialized at all. This has been  
5 a team effort with Parx, with our police, with our  
6 Gaming Board --- Advisory Gaming Board has done a  
7 phenomenal job. This has been a grand slam. You've  
8 got a lot of tough decisions to make. The renewal for  
9 Parx should be, in my mind, the easiest decision that  
10 you'll ever have to make as part of the Gaming Board.  
11 Thank you for the opportunity to testify. And if you  
12 have any questions, I'll be glad to answer. Good.  
13 Good to be with you. Thank you.

14                   PRESIDING OFFICER:

15                   Thank you. Summer colds are the worst.  
16 Carl Pearson.

17                   SENATOR TOMLINSON:

18                   Not here.

19                   PRESIDING OFFICER:

20                   He's not here?

21                   SENATOR TOMLINSON:

22                   Not here.

23                   PRESIDING OFFICER:

24                   Okay. And then we have Sal DeBunda.

25                   ATTORNEY DEBUNDA:

1                   Good morning. My name is Salvatore  
2 DeBunda. That's D-E, capital B, U-N-D-A. I'm an  
3 attorney and I'm the president of the Pennsylvania  
4 Thoroughbred Horsemen's Association. By the way,  
5 before I get into my remarks, since I'm here  
6 representing horsemen, it is true that Senator  
7 Tomlinson was the person who started all this and both  
8 the Democrats and Republicans and the Governor, but I  
9 have to mention Smarty Jones also had something to do  
10 with this. So, I want to take a little credit for  
11 that.

12                   Before I also --- I also like to  
13 introduce with --- in the audience with me is Mike  
14 Ballezzi, Esquire, who is the executive director of  
15 the Pennsylvania Thoroughbred Horsemen's Association  
16 is here and in support of my remarks. I also want to  
17 just take the opportunity, before I get into my  
18 remarks, to, since everybody's here, to thank the team  
19 that has really made horseracing thrive here in --- at  
20 Parx, Tony Ricci, Bob Green and Joe Wilson, his staff,  
21 the Senator Tomlinson, Representative DiGirolamo and  
22 Mayor DiGirolamo. They have really worked with the  
23 horsemen and it's been a great team effort to maintain  
24 what we have, to keep what we have and to try and keep  
25 the legislature from using the Racehorse Development

1 Fund as an ATM as little as possible.

2                   So, with that, I'd like to say that on  
3 behalf of the Pennsylvania Thoroughbred Horsemen's  
4 Association, I'm here to fully support the renewal of  
5 the Parx Casino Gaming License. I am here to state  
6 that Parx Casino and Racing has complied with or  
7 exceeded, in some cases, all of the requirements of  
8 Act 71 relating to racing and dealing with the Parx  
9 horsemen, including timely distribution of horsemen's  
10 share of proceeds from slots as soon as they are  
11 received from the Commonwealth of Pennsylvania. That  
12 may sound like it's not too important, but it's pretty  
13 important to make sure we have our purse money.

14                   They've exceeded expenditures required  
15 for the backstretch improvement and upgraded the  
16 dormitories located on the backstretch. They've been  
17 exemplary in doing that. The Act called for certain  
18 requirements. They saw that that was not enough to  
19 really do the job, and they stepped forward and did  
20 everything that's required. And as you saw the  
21 spending, they spent \$30 million to take care of that  
22 issue. And we will have the best backstretch,  
23 probably, in the United States when that is completed.

24                   They have refurbished the racing  
25 facility immediately after moving to their permanent

1 facility. I mean, they could've taken their time, but  
2 they made a commitment to do it in six months and they  
3 actually did it in less than six months. So, we  
4 really appreciate that because that really helped us  
5 to be able to continue and expand our operation. And  
6 they've also supported racing activities with the  
7 PTHA, including the fall festival and the Pennsylvania  
8 Derby, which is now the most successful program in  
9 Pennsylvania for horseracing. And you're all invited  
10 to come on the Pennsylvania Derby. Tony will be glad  
11 to you have you be his guests.

12                   So, I also --- a personal note before I  
13 get into the last comment. I happen to be wearing a  
14 pin today that says Philly Pops. I am the Chairman of  
15 the Board of Philly Pops and I'm most proud to say  
16 that Parx Racing, while they did not have it listed  
17 there, is the prime sponsor of the Philly Pops in the  
18 City of Philadelphia. So, we really applaud you for  
19 that participation. I think it's another feather to  
20 add to your participation.

21                   The last thing that I really would like  
22 to --- this has nothing to do with support of them,  
23 but I just want to throw out to the Gaming Control  
24 Board, because they may be a part of what's happening  
25 with the Racing Commissions and all that. The Gaming

1 Act provided that the funds that we get from slots are  
2 really used for three purposes, for purses, for  
3 pensions and for health care. It did not provide any  
4 funding from those funds for marketing of the  
5 horseracing industry. So, there is no --- we can't  
6 take money from purses or from pensions or from health  
7 care to use that.

8           Now, this has nothing to do --- Parx has  
9 done their best to make this work, and they've worked  
10 with us. We've also done some out of our money. But  
11 I think as --- the state needs to deal with the idea  
12 of how we come up with a way to fund the marketing of  
13 racing in the Commonwealth. I actually believe that  
14 between the cooperation with Parx Racing and the  
15 horsemen, we've done a pretty good job in the eastern  
16 part of the state. But there is no statewide program  
17 or commitment to do this. So, I think that we need to  
18 work with the casinos, work with the Gaming Control  
19 Board, work with the --- to get the horseracing  
20 commissions, wherever they may be located --- there's  
21 a legislation around about that. To get --- to deal  
22 with the fact that we need to really have a more  
23 statewide program for basically marketing horseracing.  
24 And with that, I conclude my remarks and thank you for  
25 this opportunity.

1                   PRESIDING OFFICER:

2                   Thank you. And we'll also include your  
3 written remarks.

4                   ATTORNEY DEBUNDA:

5                   Thank you.

6                   PRESIDING OFFICER:

7                   Any questions of Mr. DeBunda?

8                   ATTORNEY KOHLER:

9                   Not here.

10                  ATTORNEY DEBUNDA:

11                  Thank you, again.

12                  PRESIDING OFFICER:

13                  Thank you. Parx, do you have any  
14 closing you'd like to make at this point?

15                  ATTORNEY KOHLER:

16                  Oh, very briefly. You know, it occurred  
17 to me as I sat here this morning --- and maybe some of  
18 this is just a personal note. You know, what a good  
19 hearing this is and lots of goodwill towards Parx and  
20 how they do things the right way. And certainly, we  
21 all agree with that. But as you go back over the  
22 eight-year history since Parx has been open, it hasn't  
23 always been that way. Some people have thought, at  
24 times, that we didn't necessarily do things the right  
25 way and then that --- I can even remember the last

1 public input hearing that there was some criticism.

2                   But I think the successes with  
3 management to understand the community, the  
4 environment, what they had to do to have business  
5 success, and then combine that with the necessity to  
6 have successful relationships with their regulators.  
7 And they've just done, you know, on a personal note,  
8 and I think unequivocally on the record here today, an  
9 outstanding job and have now delivered a top product  
10 done the right way. And with that, we'll close.

11                   PRESIDING OFFICER:

12                   OEC?

13                   ATTORNEY MILLER:

14                   We don't really have any closing  
15 statement. We would ask that the record remain open  
16 until the Board considers Parx's Renewal Application  
17 in case something occurs in the meantime.

18                   PRESIDING OFFICER:

19                   Okay. With that, any briefs or written  
20 memorandum either party might wish to file would be  
21 due to be filed by close of business next Thursday,  
22 July 24th, if you find that necessary or not. The  
23 record will remain open until the Board hears the  
24 matter at a later public Board meeting. I will  
25 prepare a report based on the testimony and evidence

1 entered into the record today and a Suitability Report  
2 when it is filed with the Office of Hearings and  
3 Appeals (OHA). That report and all of the materials  
4 and transcript will be sent to all Board members. And  
5 the Board, at its convenience, will schedule this  
6 matter to be heard at a future public Board meeting in  
7 Harrisburg, so keep your eye on our website if you're  
8 interested in that Board meeting. You can also watch  
9 that live streamed the day of the meeting.

10 So, I thank you all for coming today and  
11 for your cooperation. This hearing is now concluded.  
12 Thank you.

13 \* \* \* \* \*

14 HEARING CONCLUDED AT 11:41 A.M.

15 \* \* \* \* \*

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## CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before Officer Lloyd was reported by me on 7/17/2014 and that I Nicole Montagano read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

A handwritten signature in black ink that reads "Nicole Montagano". The signature is written in a cursive style and is centered on the page.