



PENNSYLVANIA GAMING CONTROL BOARD

Meeting of the Board
January 26, 2011
Minutes

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

Members in attendance were:

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

Ex-Officio members in attendance were:

Robert Coyne, Designee, Department of Revenue
Robert McCord, State Treasurer
Dan Tufano, representing Secretary of Agriculture

Individuals who appeared officially before the Board:

Kevin O'Toole – Executive Director
Stacey Knavel – Agency Financial Report
Claire Yantis – Personnel Matters
Susan Yocum - Regulations
R. Douglas Sherman – Petitions
Steve Cook –Withdrawals, Report and Recommendations & Emergency Suspensions
Sean Hannon – Licensing Matters
Cyrus Pitre – Enforcement Actions
Billie Matelevich-Hoang– Enforcement Actions

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

PUBLIC HEARINGS WERE HELD AS FOLLOWS:

- Holdings Acquisition Co., LP (Rivers Casino) – Petition for Approval of Ballroom Construction
- Holdings Acquisition Co., LP (Rivers Casino) – Petition for Approval of OP-5 Gaming Floor Plan

PUBLIC MEETING

PGCB RESOLUTION NO. 2011-1 EXE – Jeffrey Coy
(recorded under hearing transcript – Holdings Acquisition)

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby approved the following Resolution.

WHEREAS, Jeffrey W. Coy was appointed in 2004 by the House Minority Leader and sat as an initial member of the Pennsylvania Gaming Control Board when it first met on December 14, 2004; and

WHEREAS, Commissioner Coy, was reappointed for two additional 2-year terms by the Speaker of the Pennsylvania House; and

WHEREAS, he was a leader in establishing the first state agency in more than 30 years, along with a comprehensive body of regulations to ensure the integrity of gaming and approval of thousands of individuals for licensure; and

WHEREAS, after an in-depth licensing process that included 18 days of public input hearings across the state as well as suitability hearings in Harrisburg, Commissioner Coy and the Board voted on September 27, 2006 to award Pennsylvania's first conditional slot machine casino operator licenses; and

WHEREAS, on November 14, 2006, less than two years after the Board held its first meeting, Pennsylvania's first licensed gaming facility, Mohegan Sun at Pocono Downs, opened to the general public; and

WHEREAS, the Board voted on December 20, 2006 to award Pennsylvania's first permanent slot machine casino operator licenses; and

WHEREAS, ten facilities are now operating with both slot machines and table games to provide employment for thousands of Pennsylvanians; and

WHEREAS, Commissioner Jeffrey W. Coy's actions as both a State Representative and Gaming Control Board Member played a major role in making property and wage tax reduction a reality for Pennsylvania homeowners; and

WHEREAS, additionally, due to these actions, Pennsylvania's horse racing industry is revitalized and a major contributor to the Commonwealth's number one industry, agriculture; and

WHEREAS, with his six years of service to the Pennsylvania Gaming Control Board, Commissioner Coy has achieved a total of 35 years in public service to the citizens of the Commonwealth, including 22 years in the Pennsylvania House of Representatives; be it

RESOLVED that the Pennsylvania Gaming Control Board proudly recognizes Commissioner Jeffrey W. Coy's exemplary record of service and leadership, and wishes him the very best in all of his future endeavors.

Upon Motion duly made and seconded, the foregoing Resolution was adopted on January 26, 2011.

Board Decision: Passed by unanimous vote

ANNOUNCEMENTS

Chairman Fajt announced that the Board held Executive Sessions on January 10th, January 20th, January 25th, and again, just prior to this meeting. The purpose of the executive sessions on January 10th and 20th were to discuss pending litigation and matters pending before the Board. The purpose for the January 25th Executive Session was to discuss personnel and labor relation matters, pending litigation, and to conduct quasi-judicial deliberations relating to matters being considered by the Board today. The Executive Session which was conducted following the January 26th public hearings was held to conduct quasi-judicial deliberations relative to those two hearings.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Kevin O'Toole stated that he has taken the opportunity during his Executive Director's report to describe the successes of the casino industry in Pennsylvania in generating revenue and the resulting tax revenue that benefits all Pennsylvanians. He stated that we remain committed to our effort to insure that each casino operator conducts its gaming activity responsibly and in a way that is mindful of the fact that some patrons become problem gamblers.

A major component of that Board's commitment to problem gambling is our administration of the self-exclusion program. Mr. O'Toole introduced Director Liz Lanza of the Office of Compulsive and Problem Gambling to give an update of our Self-Exclusion program. *(A copy of this presentation can be found on the website under the Board Meeting Schedule – 1/26/11)*

HUMAN RESOURCES

PGCB MOTION NO. 2011-29 HR – New Hires

Motion Made: Board Member Coy
Seconded: Board Member Sojka

Resolved, the Board hereby approved the following new hires: Casino Compliance Representatives Emily Dugan for Harrah's and Daniel Livewell for the Philadelphia region.

Board Decision: Passed by unanimous vote

OFFICE OF FINANCIAL MANAGEMENT

Stacey Knavel, Budget Manager provided an Agency Financial Report.

OFFICE OF CHIEF COUNSEL

PGCB MOTION NO. 2011-30 REG – Final Regulation #125-129

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board hereby adopts Final Regulation #125-129 and establishes a comment period of 30 days; and directs that the Regulation be posted on the Board's website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-31 REG – Proposed Regulation #125-142

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby adopts Proposed Regulation #125-142 and establishes a comment period of 30 days; and directs that the Regulation be posted on the Board's website.

PGCB MOTION NO. 2011-32 OCC – Ratification of Legal Contracts

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby approved to ratify the contracts as provided by Chief Counsel that are designated contracting officers of the Board for all legal services and contracts.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-33 OCC – Petition / Holdings Acquisition – Ballroom Construction

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby granted Holdings Acquisition Co. L.P.'s Petition for Approval of Ballroom Construction was granted, subject to the condition that they will provide BGO with written confirmation that it has received all required occupancy, fire, panic code and other building code approvals from any state, federal, and or local government agencies relative to the construction of the ballroom; and that the construction of the ballroom will be completed by August 9, 2011 and that they shall continue to comply with all provisions of its Statement of Conditions. Exhibit A attached to the Petition shall be maintained as confidential.

Docket Number: 1794-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-34 OCC – Petition / Holdings Acquisition – OP5 Gaming Floor Plan

Motion Made: Board Member Sojka
Seconded: Board Member Trujillo

Resolved, the Board hereby granted Holdings Acquisition Co. L.P.'s Petition for Approval of OP-5 Gaming Floor Plan was granted, subject to 11 conditions. *(The conditions of the Order can be found on the common drive under the Office of Hearings and Appeals).*

Docket Number: 1792-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-35 OCC – Withdrawals / Surrenders

Motion Made: Board Member Angeli
Seconded: Board Member Coy

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

- | | | |
|---------------------------------|----------------------|------------------------|
| ➤ David Elmslie | Licensing No. 28572; | PGCB Doc No. 1741-2010 |
| ➤ Robert Bernard Davis | Licensing No. 24974; | PGCB Doc No. 1742-2010 |
| ➤ Robert Turner | Licensing No. 24955; | PGCB Doc No. 1743-2010 |
| ➤ David Lowy | Licensing No. 26962; | PGCB Doc No. 1744-2010 |
| ➤ Janus Capital Management, LLC | Licensing No. 27283; | PGCB Doc No. 1745-2010 |
| ➤ David W. Grimes | Licensing No. 44991; | PGCB Doc No. 1767-2010 |

➤ Gay Nordfelt	Licensing No. 44997;	PGCB Doc No. 1768-2010
➤ Penelope Morris	Licensing No. 1222-4 & 1222-5;	PGCB Doc No. 1783-2010
➤ Robert Davis	Licensing No. 24974;	PGCB Doc No. 1780-2010
➤ Ian Fair	Licensing No. 29294;	PGCB Doc No. 1771-2010
➤ John O'Neill	Licensing No. 29297;	PGCB Doc No. 1772-2010
➤ Thomas Ross	Licensing No. 29308;	PGCB Doc No. 1773-2010
➤ Andrew Leitch	Licensing No. 29298;	PGCB Doc No. 1774-2010
➤ Thomas Gallagher	Licensing No. 29306;	PGCB Doc No. 1775-2010
➤ Benjamin Brazil	Licensing No. 41304;	PGCB Doc No. 1776-2010
➤ Christopher Corrigan	Licensing No. 26964;	PGCB Doc No. 1777-2010
➤ Geoffrey Dixon	Licensing No. 26965;	PGCB Doc No. 1778-2010
➤ William Todd Nisbet	Licensing No. 30619;	PGCB Doc No. 1779-2010

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-36 OCC – Report and Recommendation / Scott Ferguson

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board hereby adopted the Report and Recommendation issued by the Office of Hearings and Appeals to continue the Suspension of Scott Ferguson's Non-Gaming Employee Registration.

Docket Number: 1724-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-37 OCC – Report and Recommendation / Mark Wherley

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby adopted the Report and Recommendation issued by the Office of Hearings and Appeals and to continue the Suspension of Mark Wherley's Gaming Employee Permit.

Docket Number: 1650-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-38 OCC – Report and Recommendation / Kasey Daley

Motion Made: Board Member Sojka
Seconded: Board Member Trujillo

Resolved, the Board hereby Ordered that the matter of Kasey Daley's Emergency Suspension be referred to the Office of Hearings and Appeals to promptly conduct a hearing to determine the validity of the Temporary Emergency Order of Suspension and issue a Report and Recommendation. The Temporary Emergency Order of Suspension shall remain in effect until otherwise ordered by the Board.

Docket Number: 1835-2010
Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-39 OCC – Emergency Suspension / Margaret Sajez

Motion Made: Board Member Trujillo
Seconded: Board Member Angeli

Resolved, the Board hereby ordered that the matter of Margaret Sajez’s Emergency Suspension be referred to the Office of Hearings and Appeals to promptly conduct a hearing to determine the validity of the Temporary Emergency Order of Suspension and issue a Report and Recommendation. The Temporary Emergency Order of Suspension shall remain in effect until otherwise ordered by the Board.

Docket Number: 1840-2010
Board Decision: Passed by unanimous vote

BUREAU OF LICENSING

PGCB MOTION NO. 2011-40 LIC – Lightning Poker, Incorporated

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board approved the renewal of Lightning Poker, Inc.’s Slot Machine Manufacturer License.

Board Decision: Commissioner Ginty Recused himself. 6-Yes

PGCB MOTION NO. 2011-41 LIC – Principal and Key Employee Licenses

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board approved the following Key Employee Licenses:

Presque Isle Downs, Inc.

Key Employee Initial Licensure

- ✓ Lisa A. Younkins, Cage Supervisor – Docket #16008-4

Washington Trotting Association, Inc.

Key Employee Initial Licensure

- Susan Marie Pro, Cage Shift Supervisor – Docket #17972-4

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-42 LIC – Temporary Key Employee Credentials

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby approved the issuance of 14 Temporary Key Employee Credentials as follows:

Francis George Lengetti III, Kate M. Tyler, Vito Arthur Nardelli Jr., Robert Joseph Pellegrini, John David Casagrande, Richard A. O'Leary, Elliott Anthony Frazier, Mark Jonathon Peters, Peggy I. Battistella, Tracy M Mihalek, Carl R. Morgan, Mitchell Byrum Sye, Phillip Gerard Hawkins and Rosemarie A. Cook.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-43 LIC – Issuance of Gaming and Non-Gaming Permits and Registrations

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby approved the issuance of 437 (168 initial; 260 temporary G2; 9 full G2) Gaming Employee Permits and 88 Non-Gaming Employee Registrations.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2011-44 LIC – Withdrawals

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby approved the withdrawal of 38 Key Employee Applications, 44 Gaming Employee Permits and 8 Non-Gaming Employee Registrations.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2010-45 LIC – Gaming Service Provider Certification

Motion Made: Board Member Sojka
Seconded: Board Member Trujillo

Resolved, the Board hereby approved the following Gaming Service Provider Certifications:

- Brysco Foodservice, LLC
- Henkels & McCoy, Inc.
- The Star Group Communications, Inc.
- Toshiba International Corporation
- Zenith Media Services, Inc.

Board Decision: Passed by unanimous vote

OFFICE OF ENFORCEMENT COUNSEL

PGCB MOTION NO. 2011-46 OEC – Suspension / Kenneth Rankins

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board hereby approved the Complaint for Suspension of the Non-Gaming Employee Registration of Kenneth Rankins and ordered that the Registration be suspended for a period of six months.

Docket Number: 1750-2010
Board Decision: Passed by unanimous vote

ADJOURNMENT

On a motion by Commissioner Coy and seconded by Commissioner Ginty, the meeting was adjourned.