

PENNSYLVANIA GAMING CONTROL BOARD

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PUBLIC MEETING

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PENNSYLVANIA STATE MUSEUM AUDITORIUM

THIRD AND NORTH STREETS

HARRISBURG, PENNSYLVANIA

FEBRUARY 27, 2007, 3:12 P.M.

\* \* \* \* \*

BEFORE:

THOMAS DECKER, CHAIRMAN

RAY ANGELI

MARY DiGIACOMO COLINS

JEFFREY W. COY

KENNETH McCABE

SANFORD RIVERS

GARY A. SOJKA

KEITH WELKS

DENNIS WOLFF

THOMAS WOLF

REPORTER: KENNETH D. O'HEARN

REPORTER - NOTARY PUBLIC

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1                   CHAIRMAN DECKER:

2                   I'm Tad Decker, Chairman as the  
3 Pennsylvania Gaming Control Board. I'd like to  
4 welcome the board and all of you to this public  
5 meeting. We have a couple of new faces today. First  
6 Gary Sojka, who is our --- he was sworn in today as  
7 our new voting board member in just a couple of  
8 minutes. Gary is a welcome addition. He replaces  
9 Chip Marshall, who, as we've talked about before, was  
10 a terrific board member. Gary, welcome, and we'll  
11 keep moving along.

12                   MR. SOJKA:

13                   Thank you.

14                   CHAIRMAN DECKER:

15                   Second is the Secretary of Revenue  
16 designee, Tom Wolf. Tom.

17                   MR. WOLF:

18                   Right here.

19                   CHAIRMAN DECKER:

20                   I'm sorry, at the other end. Sorry.  
21 Who, once he is confirmed by the Senate of Secretary,  
22 will be an ex officio member of our board. And just  
23 to make sure there's no confusion, he should not be  
24 confused with the Secretary of Agriculture, Dennis  
25 Wolff, who is to our left, and who remains an ex

1 officio member of the board. Welcome.

2 MR. WOLFF:

3 Thank you.

4 CHAIRMAN DECKER:

5 Third, Keith Welks is here, again,  
6 representing the Treasury Office. Keith, welcome  
7 again.

8 MR. WELKS:

9 Thank you.

10 CHAIRMAN DECKER:

11 Finally, Commissioner Sanford Rivers is  
12 joining us by telephone today. Sandy, is that you I  
13 hear?

14 MR. RIVERS:

15 Yes, it is.

16 CHAIRMAN DECKER:

17 Thank you. As always, let me ask  
18 everyone to turn off their cell phones, Blackberries,  
19 et cetera, because these devices interfere with the  
20 sound system in the room. Let's start, as we usually  
21 do, with the Pledge of Allegiance.

22 PLEDGE OF ALLEGIANCE RECITED

23 CHAIRMAN DECKER:

24 Thank you. Our first order of business  
25 today is what I just referenced, will be the swearing

1 in of Dr. Sojka. We are very, very happy today to  
2 have joining us Judge Mary Hannah Leavitt of the  
3 Commonwealth Court. She is going to be here to  
4 administer the oath. Your Honor.

5 GARY SOJKA SWORN

6 CHAIRMAN DECKER:

7 Again, congratulations. It's terrific to  
8 have you. We won't call you doctor anymore, we'll  
9 just call you commissioner. Welcome to the board.  
10 It's wonderful. Just one other announcement. We held  
11 an executive session today before this meeting to  
12 discuss certain personnel matters. No business was  
13 conducted at this session.

14 Moving on to --- it is still old  
15 business. Transcripts and minutes. May I have a  
16 motion from the Board to approve the transcript and  
17 minutes of the December 13th, 2006 and December 20th,  
18 2006 meetings.

19 MR. ANGELI:

20 Mr. Chairman, I move that the Board  
21 approve the transcripts and minutes of the December  
22 13, 2006 and December 20th, 2006 meetings.

23 CHAIRMAN DECKER:

24 Thank you. Any questions or comments?  
25 Could I have a second, please?

1                   MR. MCCABE:

2                   Second.

3                   CHAIRMAN DECKER:

4                   I should have asked for the second.

5 Okay. Any comments or questions? All those in favor?

6 AYES RESPOND

7                   CHAIRMAN DECKER:

8                   Any opposed?

9 NO RESPONSE

10                  CHAIRMAN DECKER:

11                  The motion carries. Thank you. Moving

12 on to new business, let's go right to the Executive

13 Director's report. Anne?

14                  MS. NEEB:

15                  Good afternoon, Chairman, members of the

16 board. We have a full agenda before you, so I'll keep

17 my remarks brief. Before I move to the agenda items I

18 have, I'd like to update you on the latest casino

19 opening in Erie. In preparation for the planned

20 opening tomorrow of Pennsylvania's fourth slot

21 facility, Presque Isle Downs held two test days over

22 the weekend. The first of which was held Saturday,

23 and the second which was held yesterday.

24                  These test periods were overseen by

25 Commissioners Rivers and McCabe and the Board's casino

1 opening team. In addition, Commissioner Coy also  
2 participated in yesterday's test period.

3 I'm pleased to report that these test  
4 days were very successful, both in terms of the  
5 operator's performance and in terms of the total  
6 wagers and the amount raised for charity.

7 Total wagers over the two days exceeded  
8 \$2.6 million, which is a record among the properties.  
9 And at yesterday's test period, the invited guest  
10 wagered \$1.6 million, which was also a single day  
11 record. I would also point out that this was wagered  
12 on 2,000 slot machines.

13 In total for the two test nights, Presque  
14 Isle generated more than \$250,000 in gross terminal  
15 revenues, meaning the Commonwealth will receive  
16 approximately \$140,000 in tax revenue, and the  
17 designated charity, the United Way of Erie County,  
18 will receive approximately \$115,000.

19 The three agenda items I have before you  
20 today are related to the Presque Isle opening. The  
21 first motion would be to authorize Commissioner Rivers  
22 and Commissioner McCabe to determine the successful  
23 completion of the test period and to authorize a  
24 commencement of slot operations at Presque Isle Downs.  
25 I would ask that a motion be entertained at this time.

1                   CHAIRMAN DECKER:

2                   Thank you. May I have a motion for the  
3 Board along the lines that Anne Neeb, our Executive  
4 Director, just described?

5                   MS. COLINS:

6                   Yes. Mr. Chairman, I move that the  
7 Board, having consulted with the Executive Director,  
8 delegate the authority to board members McCabe and  
9 Rivers, to authorize, either collectively or in their  
10 individual capacity, the effective date and time which  
11 slot operations may commence at Presque Isle Downs in  
12 Summit Township, Erie County, pursuant to the Board's  
13 order dated November 6th, 2006.

14                   CHAIRMAN DECKER:

15                   Thank you, Commissioner Colins. Can I  
16 have a second, please?

17                   MR. COY:

18                   Second.

19                   CHAIRMAN DECKER:

20                   Second. Is there any discussion on this?  
21 Ken, did you want to offer any comments about anything  
22 that's ---?

23                   MR. MCCABE:

24                   No.

25                   CHAIRMAN DECKER:



1                   Because you've been at the --- Jeff ---  
2 Commissioner Coy as well.

3                   MR. MCCABE:

4                   Everything went very smoothly. Their  
5 internal controls was outstanding from --- we went  
6 from a couple pieces of paper to two thick binders.  
7 In fact, we're using the opening of Presque Isle as  
8 the model, I think, for the rest of the openings, of  
9 how we, as the Control Board, did our operations. It  
10 went very well.

11                   CHAIRMAN DECKER:

12                   Good. Okay. Well then, we have a motion  
13 pending and seconded. All those in --- no other  
14 comments? All those in favor, please indicate by  
15 saying aye.

16 AYES RESPOND

17                   CHAIRMAN DECKER:

18                   Any opposed?

19 NO RESPONSE

20                   CHAIRMAN DECKER:

21                   The motion carries. Thank you. Anne?

22                   MS. NEEB:

23                   Thank you. As a prerequisite to the  
24 Board authorizing the commencement of slot operations,  
25 I would also like to present for the Board's

1 consideration, the operator's floor plan, which  
2 depicts the gaming floor itself and any amenities in  
3 restricted area that is serving the slot operation.

4           For consideration today, the floor plan  
5 was prepared by Erie County architectural firm of R.B.  
6 Architects, Incorporated. It is a plan that was  
7 originally drawn as of March 20th, 2006, and has been  
8 revised through February 23rd. It depicts a gaming  
9 floor, 48,074 square feet with a maximum slot  
10 configuration of 2,000 slot machines. The slot  
11 machines are denoted by zone, denomination and  
12 manufacturer. In addition, the floor plan of Presque  
13 Isle Downs depicts the security zones, slot seating,  
14 drop routes, juvenile ingress and egress, the  
15 amenities servicing the facility, including the  
16 account room, cashier's cage, central vault, automatic  
17 teller machines and voucher redemption machines, and  
18 additionally, lottery machines.

19           The plan is proprietary to Presque Isle  
20 Downs, as it depicts in detail its surveillance and  
21 security plans and will be treated as a confidential  
22 submission to the Board. I've had an opportunity to  
23 review the plans thoroughly.

24           I respectfully request that the Board  
25 adopt a resolution approving the floor plan, as

1 submitted by Presque Isle Downs.

2 CHAIRMAN DECKER:

3 May I have a motion to that effect,  
4 please?

5 MR. COY:

6 So moved.

7 CHAIRMAN DECKER:

8 Second?

9 MR. SOJKA:

10 Second.

11 CHAIRMAN DECKER:

12 Thank you. Any discussions or questions  
13 of Anne on the subject? Hearing none. All those in  
14 favor, please indicate by saying aye.

15 AYES RESPOND

16 CHAIRMAN DECKER:

17 Any opposed?

18 NO RESPONSE

19 CHAIRMAN DECKER:

20 The motion carries. Anne, do you have  
21 another item?

22 MS. NEEB:

23 Thank you. I would like to present also  
24 for the Board's consideration the request for approval  
25 of the internal controls system and audit protocol

1 submitted by Presque Isle Downs. The internal  
2 controls system, which Presque Isle Downs has designed  
3 and implemented at its facility meet the minimum  
4 requirements, as set forth, in section 1322 of the  
5 Act, including procedures for safeguarding assets and  
6 revenues, retaining accurate and reliable financial  
7 records and ensuring complete connectivity to the  
8 central control computer system.

9           As part of its internal control  
10 submission, Presque Isle Downs has provided standard  
11 operating procedures for its key departments,  
12 including security, surveillance and slot operations.

13           Additionally, Presque Isle Downs, through  
14 its parent company, MTR Gaming, has engaged Deloitte &  
15 Touche to design additional internal controls for its  
16 operation.

17           I respectfully request that the Board  
18 adopt the resolution approving the internal control  
19 systems and audit protocols, as submitted by Presque  
20 Isle Downs.

21                           CHAIRMAN DECKER:

22                           May I have a motion to that effect,  
23 please?

24                           MR. MCCABE:

25                           I would like to make a motion to the

1 Board to approve the proposed internal controls  
2 submitted by Presque Isle Downs, Inc.

3 CHAIRMAN DECKER:

4 Is there a second?

5 MS. COLINS:

6 Second.

7 CHAIRMAN DECKER:

8 Thank you. Any questions or comments on  
9 this? I think, Ken, you already commented on the  
10 controls, but if Jeff or Sandy has anything to add ---  
11 if not, we'll take the vote. All those in favor  
12 please indicate by saying aye.

13 AYES RESPOND

14 CHAIRMAN DECKER:

15 Any opposed?

16 NO RESPONSE

17 CHAIRMAN DECKER:

18 Motion carries. Thank you very much,  
19 Anne. Before we get into the rest of the --- the next  
20 item on the agenda, we were --- I believe there's a  
21 representative from Harrah's here today; is that  
22 correct?

23 MS. NEEB:

24 Yes. I believe there's also a  
25 representative here from Philadelphia Park.

1                   CHAIRMAN DECKER:

2                   Well, that's great. Could they --- would  
3 they mind ---.

4                   MS. NEEB:

5                   And Presque Isle.

6                   CHAIRMAN DECKER:

7                   Presque Isle, too. Oh, great. What we'd  
8 like to do is have you come up and make a brief, sort  
9 of discussion with us about where things stand now  
10 that the casino has been up and running, and the good  
11 things and some of the things you'd like to see us  
12 maybe alter or move in terms of helping with the  
13 operations. So we're anxious to hear this. We're  
14 going to do this periodically with our licensees who I  
15 say, in some respects, are customers in addition to  
16 people we are regulating. So please come up.

17                   And again, thanks for doing this at the  
18 last minute. We really do appreciate it. I don't  
19 know who wants to go first, but let us know how things  
20 are going and any suggestions you have or anything  
21 else would be very welcome.

22                   MR. DONLEVIE:

23                   I'll be glad to go first, Chairman.  
24 Vince Donlevie with Harrah's Chester Casino Racetrack.  
25 Before we get started, really I want to take the

1 opportunity, if we could, we haven't had the chance to  
2 say thank you to the Board and the staff of the Board  
3 for all the support and hard work in getting us to  
4 where we are today. Certainly, it's a grueling  
5 process to go through these openings, and I know the  
6 Board has gone through three now --- four of them in a  
7 row, back to back to back, and we realize how much  
8 work that is, but we also appreciate the tireless  
9 efforts to address all the challenges through that  
10 process to get us to where we are. And very  
11 professional, have partnered well with us while at the  
12 same point in time, certainly high integrity towards  
13 the regulatory process, and we really want to  
14 recognize that.

15                   Harrah's Chester, operations are going  
16 very well. We already are at a \$27 million revenue  
17 run through Sunday of this week. We've gotten  
18 tremendous feedback from our customers related to the  
19 quality of our facility, the quality of the customer  
20 service, that they're experiencing at the facility.

21                   CHAIRMAN DECKER:

22                   Mr. Donlevie, when was your official  
23 opening date?

24                   MR. DONLEVIE:

25                   The 22nd of ---

1                   CHAIRMAN DECKER:

2                   January.

3                   MR. DONLEVIE:

4                   --- January. Yes, it was.

5                   CHAIRMAN DECKER:

6                   Okay.

7                   MR. DONLEVIE:

8                   We also have, at this point in time,  
9 about 1,067 employees on our docket. A very good  
10 chunk of those coming from the City of Chester itself,  
11 which is something we're excited about because of the  
12 opportunity to forge the community and what it enables  
13 us to do to help to support the economics of the  
14 community at large.

15                   Our biggest challenge to date, as I think  
16 you know, Chairman, from the conversations that we had  
17 during our opening weekend, has been the process of  
18 just getting people through licensing despite the  
19 tremendous effort that's come out of the Gaming  
20 Board's staff to move that process along. It still  
21 has been very challenging.

22                   And to date, as we sit right now, at  
23 Harrah's Chester, still two of our restaurants aren't  
24 open. We haven't been able to get to the point where  
25 we can do 24-hour gaming on the weekends. We still



1 have limited valet parking services and ---. So some  
2 of the challenges of just getting people through the  
3 process in a --- in our environment in the City of  
4 Chester has been difficult.

5 CHAIRMAN DECKER:

6 Can you go into those in a little bit,  
7 maybe an example. I think it would be helpful for the  
8 Board to hear it and for the public, too.

9 MR. DONLEVIE:

10 I'd be glad to. The good news is that we  
11 think that we have moved along far enough that this  
12 week on the 1st of March, we will open up another of  
13 our restaurants, and around the 13th of March, our  
14 final restaurant will open up. So we are progressing  
15 along.

16 CHAIRMAN DECKER:

17 How many will that be, four?

18 MR. DONLEVIE:

19 That will give us six restaurants, plus  
20 three lounges at that point in time. So we are making  
21 progress. We still are chasing our EDS and our  
22 stewarding have been very, very big challenges in  
23 terms of getting people through the process as well as  
24 our valet parking and all of our culinary side of the  
25 restaurant business have been big challenges.

1           Some of the biggest issues that I'd say  
2 that we have are that folks struggle to complete the  
3 application, to fully complete the application, just  
4 --- I think a lot of folks, and the Gaming Board staff  
5 would probably be more versed in this than we are, but  
6 just folks that fill out the application, and for  
7 whatever reason, there's things missing or not  
8 complete, or criminal background that was not a  
9 hundred percent complete, so that has been a  
10 challenge, and has resulted in a significant number of  
11 folks who are in a review process struggling to get  
12 finished with the licensing process.

13           And one of the things that happens as a  
14 result of that is that these are frontline hourly  
15 folks, and unfortunately, they don't wait for that  
16 licensing process. So when the license finally pops  
17 through and you go back and you reach out to them,  
18 they're either onto the next job or have lost interest  
19 in working for the industry at that point in time. So  
20 it just creates a churn process of trying to get  
21 people and having to recruit a lot more people, than  
22 ultimately we need to hire in order to meet our  
23 numbers.

24           I think just the sheer volume of people  
25 that have been processed for licenses by the Gaming

1 Board staff has just been incredible. And I know that  
2 it's been an enormous task on the Gaming Board's side,  
3 and they have worked hard and diligently to process  
4 through that. But it's just a big, big volume issue  
5 that creates challenges for, I think, ourselves and  
6 the Gaming Board. And so the more that we can do to  
7 accelerate that process, I think the better we're all  
8 going to be, because we're going to have more people  
9 working on a more timely basis to help us to get  
10 there.

11           Some of the things that we've thought  
12 about is, because there's some of the challenges are  
13 that you cannot be licensed without a job offer. So  
14 we've got to get to the point where we had extended a  
15 job offer before anyone can start that whole slot  
16 application process. So that, in conjunction with the  
17 fact that there aren't any temporary licenses means  
18 that really you've got to have completely figured out  
19 who you're hiring before you can get anybody moving  
20 along towards the process, and that kind of creates a  
21 lead lag in --- from the time I can offer you a job  
22 until the time when you can actually walk in the doors  
23 and start working for us.

24           It was a little bit easier in the  
25 pre-opening time frame, because we didn't need

1 licenses for the training process, but as we go  
2 forward that becomes a bigger challenge in terms of  
3 replacing folks that turn over and keeping up to full  
4 staff as we move forward.

5           So I think those are probably the primary  
6 challenges that ---.

7           CHAIRMAN DECKER:

8           We'll come back to that in a minute, if  
9 it's okay. Philadelphia Park, please.

10          ATTORNEY BONNER:

11          Good afternoon, Mr. Chairman and board  
12 members. Thomas Bonner, I'm general counsel of  
13 Philadelphia Park. With me is Stephanie Wheeler, our  
14 vice president of human resources. We appreciate the  
15 opportunity to be here as well, Mr. Chairman. And I  
16 would certainly join in Vince's note of appreciation  
17 for all the hard work that we know was undertaken by  
18 the Board and the staff to get us open.

19          We opened on December 19th of 2006, after  
20 two test days on the 17th and the 18th. Our  
21 experience has been very similar to that --- that  
22 Vince described for you at Harrah's. The operation  
23 has proceeded well in our initial eight weeks of  
24 operation. Certainly our results have exceeded what  
25 the Board had projected the results would be for the

1 property, and we're very gratified by that.

2           We've been working well with Gaming  
3 Board's staff onsite and with State Police staff  
4 onsite. We're all trying to get to know each other  
5 pretty well and getting used to the procedures that  
6 are new to everybody, but we also have been heartened  
7 by how well that process has worked, interacting as  
8 operators and as regulators.

9           With respect to the licensing issues, we  
10 share in the comments that Vince has advanced to you,  
11 we face the same challenges in working through the  
12 process so that individuals looking for the line  
13 positions would be able to wait around for the  
14 position while the license process was being  
15 completed. And we've suffered some of the similar  
16 fate whereby people who were identified as good  
17 candidates for a position were no longer available for  
18 that position by the time the licensing had come  
19 through and they've moved on to another position.

20           We think that some of the suggestions  
21 that have been advanced by the Board or the Board's  
22 staff concerning temporary licensure, registration,  
23 perhaps treating certain categories of non-gaming  
24 employees who actually don't touch the casino floor in  
25 any capacity might be a way to address some of the

1 issues that we've encountered through the licensing  
2 process. And we certainly appreciate the opportunity  
3 that we've had to date in working with the Board's  
4 staff, and we would welcome the opportunity to  
5 continue to work and try to find some way to address  
6 what has been a licensing issue for all of the  
7 operators, and it's going to affect the entire  
8 industry, not just these two operators here.

9 CHAIRMAN DECKER:

10 Let me come back to something, and then  
11 we'll open it up for questions. Did I cut you off?

12 ATTORNEY BONNER:

13 You did not, Mr. Chairman.

14 CHAIRMAN DECKER:

15 Okay. One of the questions we had is if  
16 we had a process which allowed you to submit  
17 applicants who were sponsored by you --- right, so you  
18 were there filling out the applications, they weren't  
19 coming to Harrisburg, or our independent offices, you  
20 know, but they were sponsored by you, although they  
21 may not, at that moment have a bonafide offer, so to  
22 speak, would that be of some use or some help?

23 ATTORNEY BONNER:

24 As opposed to requiring an actual  
25 offer ---

1                   CHAIRMAN DECKER:

2                   Right.

3                   ATTORNEY BONNER:

4                   --- of employment, I think that would be  
5 a benefit.

6                   CHAIRMAN DECKER:

7                   But wouldn't you have --- we thought  
8 about this, and we've talked about it, but would that  
9 --- wouldn't you have the same issue, because we're  
10 thinking about it, obviously, but wouldn't you have  
11 the same issue about people walking in and wanting the  
12 offer? Do you see what I'm saying, and then you don't  
13 get them up and running for five, six days in any  
14 event?

15                   ATTORNEY BONNER:

16                   Yeah ---.

17                   CHAIRMAN DECKER:

18                   Do you see what I'm getting at?

19                   ATTORNEY BONNER:

20                   Yes, I do. I think that in my mind one  
21 possible solution would be to just be to just allow  
22 folks to apply for a license that don't have a job  
23 identified yet, that sponsorship or no sponsorship  
24 that, you know what, the gaming industry is something  
25 that's interesting to me, let me get that piece out of

1 the way, and I think they then come to the table with  
2 any of our operators with an extra tool, if you will,  
3 towards being hired, because they've already got a  
4 legitimate license in hand.

5 CHAIRMAN DECKER:

6 But from our standpoint we would want, I  
7 would think --- I'm suggesting this to you, to have  
8 you at least have interviewed them and have shown some  
9 interest in them before sending them to us, even  
10 though you didn't have a current job for them. So in  
11 other words, you create an inventory of people, if you  
12 will, that you could utilize to fill openings in an  
13 industry where there is a huge turnover annually.

14 ATTORNEY BONNER:

15 Right.

16 CHAIRMAN DECKER:

17 What is it 30 percent at least annually.  
18 And we don't have a track record, here yet. We  
19 haven't been ---.

20 ATTORNEY BONNER:

21 I think historically with new operations  
22 and new jurisdictions, there's a little bit of an  
23 adjustment process for the employee base of getting  
24 used to 24/7 operations. So there'll be higher  
25 turnovers in the short term. Ultimately, we certainly



1 would hope that it will settle down to less than 30  
2 percent on the long haul, but in the next year or two,  
3 I would expect it'll be higher.

4 CHAIRMAN DECKER:

5 Okay. Any questions from the board  
6 members about this? Please.

7 MR. MCCABE:

8 Yeah, I have one. What you just  
9 proposed, having a pool of potential candidates before  
10 they're being sponsored by anybody, one of the things  
11 we'll be concerned about is who's going to pay for  
12 that. If we got to do some backgrounds or some charge  
13 backs that have to go, where do we --- who do we  
14 charge, where do we get the money to do that?

15 MR. DONLEVIE:

16 I guess in Harrah's model right now, the  
17 individual applicant is paying for their license. So  
18 we have, certainly, forwarded --- or fronted that  
19 money for them, and we do payroll deductions to make  
20 that up. But in this scenario that I'm suggesting, we  
21 would actually look for --- and the folks who are  
22 interested enough in working in the industry, that  
23 they were willing to pay the fee to submit an  
24 application.

25 CHAIRMAN DECKER:

1                   And how about from Philadelphia Park's  
2 standpoint?

3                   ATTORNEY BONNER:

4                   We would agree with that same approach,  
5 Mr. Chairman. We do --- and currently, we advanced  
6 the gaming fee on behalf of the employees and then let  
7 them work it off or take a payroll deduction, if they  
8 don't stay with us for the term of the one-year  
9 license. But we would ---.

10                  CHAIRMAN DECKER:

11                  After one year they're covered, so to  
12 speak?

13                  ATTORNEY BONNER:

14                  Yes. It gets worked off, and after one  
15 year it's forgiven. But then, again, the license term  
16 is one year, and there's another fee that's going to  
17 be due, so ---.

18                  CHAIRMAN DECKER:

19                  That's right. We have annual renewals.

20                  ATTORNEY BONNER:

21                  Without a change or with the additional  
22 cost that would be incurred again. But I would agree  
23 with Vince's comments in that point, Mr. Chairman.

24                  CHAIRMAN DECKER:

25                  Okay. How about, can you comment a

1 little bit on --- I know you're not in New Jersey, but  
2 you all have --- Vince, you have employees that have a  
3 lot of experience in New Jersey. As I understand it,  
4 they've gone through a sort of temporary kind of  
5 permit, if you will --- I may not be describing it  
6 right, for people that come in, until they can finish  
7 the rest of their background.

8 MR. DONLEVIE:

9 There's a couple of things ---.

10 CHAIRMAN DECKER:

11 I'm talking non-gaming now. The gaming  
12 was ---.

13 MR. DONLEVIE:

14 Yeah. There's a couple different pieces  
15 that have happened in New Jersey, and I'll ask ---

16 CHAIRMAN DECKER:

17 Please.

18 MR. DONLEVIE:

19 --- Lynn Hughes, our vice president and  
20 chief legal counsel for the eastern division, to chime  
21 in as well. One, there's certain positions that have  
22 been deemed not to have any impact on the integrity of  
23 gaming, and therefore there's simply a registration,  
24 which means that we notified the Gaming Board that  
25 these folks are working with us. We still do a

1 criminal check within our own organization. We still  
2 do drug tests within our own organization, but it's  
3 more of a notification that these people are working  
4 for us.

5 CHAIRMAN DECKER:

6 A lot of those work in the hotels, don't  
7 they, and they don't touch the gaming floor at all;  
8 correct?

9 MR. DONLEVIE:

10 There is some of that. I think places  
11 like valet parking have been incorporated into that.  
12 Some of the cleaning personnel have been incorporated  
13 into that. Some of the restaurant personnel have been  
14 incorporated into that, where ---.

15 CHAIRMAN DECKER:

16 Even those that have access to the gaming  
17 floor?

18 ATTORNEY HUGHES:

19 There is a fine line, and there is a ---  
20 they do, do it by class ---

21 CHAIRMAN DECKER:

22 Right.

23 ATTORNEY HUGHES:

24 --- on who enters. Obviously, your food  
25 servers or your beverage servers are going to require

1 a certain type of license. It's by category, and I'll  
2 be more than happy to share it, but it's --- I think  
3 they look at the classification --- job classification  
4 to determine whether they require some type of license  
5 or whether it's a registration or whether it's no  
6 license required at all.

7 MR. DONLEVIE:

8 Well, even in --- and my understanding is  
9 in the restaurant side of the business, Chairman,  
10 there is not a licensing requirement. It is more of a  
11 registration, because they just don't have an impact  
12 on the gaming floor, they're more related to that  
13 isolated operation. Then there's also the actual  
14 licenses themselves, have a temporary component to  
15 them, whereby you can have your license issued fairly  
16 rapidly; right?

17 ATTORNEY HUGHES:

18 Forty-eight (48) hours.

19 MR. DONLEVIE:

20 Forty-eight (48) hours.

21 ATTORNEY HUGHES:

22 It's temporary, and pending, obviously,  
23 the return from fingerprinting and ---.

24 CHAIRMAN DECKER:

25 After 48 hours, you can get the

1 temporary ---

2 ATTORNEY HUGHES:

3 Right.

4 CHAIRMAN DECKER:

5 --- issued, and then you --- and then  
6 there's a period of time where they finish the  
7 investigation for the permit.

8 MR. DONLEVIE:

9 Yeah, and should the investigation have  
10 any challenges, that person loses their credential and  
11 loses their opportunity to work in that position.

12 MS. COLINS:

13 And is that a workable process for you in  
14 New Jersey? Does that work smoothly for you, that  
15 process?

16 ATTORNEY HUGHES:

17 It does.

18 MR. DONLEVIE:

19 Yeah, it works very well. It just  
20 accelerates the process that you can bring people  
21 onboard. It really makes a big difference in that  
22 regard.

23 MS. COLINS:

24 So that 48-hour period is not an  
25 impediment to you, that 48-hour waiting period?

1                   MR. DONLEVIE:

2                   No.

3                   ATTORNEY HUGHES:

4                   No. And it addresses some of the issues,  
5 as Vince was saying, the EVS ---.

6                   CHAIRMAN DECKER:

7                   EVS, I'm sorry?

8                   ATTORNEY HUGHES:

9                   Your environmental ---

10                  CHAIRMAN DECKER:

11                  Cleaning.

12                  ATTORNEY HUGHES:

13                  --- cleaning the public areas. It  
14 addresses that where you do need these folks, and  
15 sometimes they're not able to wait the two or three  
16 weeks.

17                  CHAIRMAN DECKER:

18                  Would you want a weigh in this?

19                  MR. DONLEVIE:

20                  Excuse me, a lot of those folks are  
21 living paycheck to paycheck. They're at a lower pay  
22 scale. And so you know, for them to say I'll wait for  
23 a week, two weeks, three weeks, if something else  
24 comes along --- in most cases I think those folks are  
25 going to go ahead and grab those opportunities. So

1 the 48-hour piece, at least enables us to say two days  
2 from now, you show up, we put you through new-hire  
3 training and away you go, and you're being paid, and  
4 we move forward from there.

5 CHAIRMAN DECKER:

6 Does Philly Park have any comments on the  
7 temporary issue?

8 ATTORNEY BONNER:

9 We think it will be a tremendous  
10 advantage to the industry. I think the unattended  
11 result, Chairman, has been that a certain group of  
12 folks seem to be disenfranchised just because they  
13 can't wait for the license process to come through.  
14 So I think the temporary structure would allow those  
15 people to participate fully in the industry, as I  
16 think the legislation had intended. So that would be  
17 a big step, the 48-hour wait is entirely workable, and  
18 I think that if we're talking about employees who  
19 generally don't affect the integrity of the gaming  
20 operations like the valet parkers, like the food and  
21 beverage people who have nothing to do with casino  
22 operations, there shouldn't be a regulatory concern,  
23 yet we achieve a very important goal of having folks  
24 put to work.

25 CHAIRMAN DECKER:



1 Right. I'm not being argumentative at  
2 all, but do you feel differently about people who  
3 touch the customer versus those that don't touch the  
4 customer, either on the gaming floor or outside of the  
5 gaming floor.

6 ATTORNEY BONNER:

7 I think with respect to valet parking,  
8 people who do touch the customer, I believe that  
9 Philadelphia Park would be comfortable with a  
10 temporary structure, as we discussed, because we will  
11 put these people through our own training program. We  
12 will do our own background investigations of them, and  
13 I think that we would satisfy ourselves that these  
14 people would be acceptable employees.

15 CHAIRMAN DECKER:

16 Before they became, going into the  
17 temporary status?

18 ATTORNEY BONNER:

19 Yes. We would do this before they  
20 actually went to work for us with a temporary  
21 credential.

22 MR. MCCABE:

23 So what I'm hearing then is, you're  
24 willing to certify that these people are capable of  
25 working in the gaming industry, but you'll take the

1 responsibility for any actions that they take.

2 CHAIRMAN DECKER:

3 You would any way.

4 ATTORNEY BONNER:

5 Yes. I think as a result of the  
6 employer/employee relationship, we do that. We put  
7 these people in our properties with our customers, and  
8 we are assuming that risk, Mr. McCabe, yes.

9 MS. COLINS:

10 I have a question for Mr. Donlevie and  
11 Chester Downs. You had mentioned that one of the  
12 problems is that the applications are not being  
13 completed properly in some instances. I think you had  
14 said that in your opening remarks, and I'm wondering  
15 if your human resource people have people assigned to  
16 actually guide these applicants through the  
17 application and help them through it so that that  
18 doesn't happen?

19 MR. DONLEVIE:

20 As a matter of fact, we do. We have  
21 people there all the time. Some of the challenges are  
22 as simple as --- again, we're hiring frontline folks  
23 and entry-level kinds of positions. And sometimes the  
24 computer skills aren't at the same level as --- or at  
25 a level that makes the application, the electronic

1 application process easy. And sometimes it's --- as  
2 hard as you try to communicate that, as an example,  
3 the need for a hundred percent disclosure on any  
4 criminal activity, you know, you're working your way  
5 through whatever filters people might have in their  
6 own heads.

7           I mean, we've had many situations of  
8 individuals who have had very minor misdemeanors that  
9 they haven't reported that --- you know, we try to  
10 tell folks it's not going to knock you out of a box in  
11 terms of a license, but somehow through that process  
12 small things that happened 30 years ago aren't on that  
13 application, and it puts them in this review process,  
14 which slows things down. And rightfully, they should  
15 be completing all that information, and I guess  
16 there's always the question about why it wasn't a  
17 hundred percent completed. I can tell you that we  
18 coach and work and communicate and over communicate,  
19 not only the hows, have somebody sitting there helping  
20 people through it and still folks sometimes --- many  
21 times don't complete the application a hundred  
22 percent.

23                   MS. COLINS:

24                   Thank you.

25                   CHAIRMAN DECKER:

1                   Are there any other questions? We  
2 wrestle with two concepts. One is the idea of  
3 protecting the public, and particularly the customers.  
4 And the other is providing employment to people. And  
5 we're empathetic with the fact that in some  
6 communities there are some issues with respect to  
7 that, and that there's conflict. We're trying to  
8 reduce this process, in any event, to get to the  
9 answers that we need at the end of the day, whether  
10 people can work. I think Susan has already --- Susan  
11 Hensel's already talked to you about the reduction in  
12 the application form, which could be one page if there  
13 are no issues.

14                   If there are disclosures to be made, then  
15 it could be ten pages or something, or 12 pages. But  
16 we're empathetic that --- and we hope you're all going  
17 to continue to do the work you're doing, which I think  
18 has helped in terms of educating the applicants. But  
19 we still have this issue about what is a disqualifying  
20 event for someone, either a non-disclosure, which may  
21 be just a temporary problem they can resolve through a  
22 hearing or something, or whether they've committed a  
23 felony or something --- a serious felony in the last  
24 few years, which would --- might debar them. And you  
25 know, I think that's something that our Bureau of

1 Investigations and Enforcement and the licensing  
2 people and staff are working on. And I guess we'll  
3 hear more about that.

4                   But that's something we probably can't  
5 relax too much. I don't know if you have any comments  
6 on it. I presume you --- and we've talked about this,  
7 so it's an easy --- I'm going to give you a softball.  
8 I presume that you don't want to have, you know,  
9 serious felons working in any place in the casino;  
10 correct, just for the ---?

11                   MR. DONLEVIE:

12                   Absolutely not, Mr. Chairman. That's not  
13 any way, shape or form what we have concerned  
14 ourselves with. It's more a matter of how we get  
15 people that --- you know, had a clean record for a  
16 period of time, ---

17                   CHAIRMAN DECKER:

18                   Right.

19                   MR. DONLEVIE:

20                   --- or had small misdemeanors. How do we  
21 get them through the process and enable them to be  
22 part of the economic process and part of the industry?

23                   CHAIRMAN DECKER:

24                   I think the question is the seriousness  
25 of it and the repetitiveness and the closeness to the

1 application process as opposed to someone who  
2 committed something that wasn't very serious, you  
3 know, 15 years ago, 14 years ago. Any other questions  
4 or any other comments that you want to make? Sandy,  
5 anything from you? Okay. Thank you for coming.  
6 We're sorry to drag you all the way out here, but it's  
7 very, very helpful in our fact finding to hear from  
8 you.

9 MR. DONLEVIE:

10 I appreciate the opportunity to comment  
11 and to be part of the process.

12 CHAIRMAN DECKER:

13 Great. Thank you.

14 ATTORNEY BONNER:

15 Glad to be here, Chairman.

16 CHAIRMAN DECKER:

17 Thank you. Thanks for coming. And  
18 Eileen is our next --- Eileen McNulty.

19 MS. NEEB:

20 Yes. We have our chief financial  
21 officer, Eileen McNulty, who has a motion for you all.

22 CHAIRMAN DECKER:

23 Welcome, Eileen.

24 MS. MCNULTY:

25 Thank you, Mr. Chairman. Act 71 requires

1 the Gaming Control Board to recover the costs  
2 associated with establishing and operating the gaming  
3 lab. You have before you a proposal to recover those  
4 costs from casino operators and licensed manufacturers  
5 in the following manner.

6           Casino operators would be billed for the  
7 direct travel and labor costs associated with gaming  
8 lab personnel at their facilities assisting the  
9 connection of the machines with the central control  
10 computer system as part of their opening activity.

11           Licensed manufacturers would be billed  
12 based on direct labor costs associated with product  
13 evaluation and the remaining overhead costs based on  
14 the proportion of the total number of products  
15 reviewed by the lab through the billing quarter.

16           We anticipate sending a billing next  
17 month, which would cover the period July 1st through  
18 the end of January of '07, and we anticipate sending  
19 another bill in June that would cover the period,  
20 February 1st through May 31st.

21           The billing that we anticipate sending in  
22 March would total \$346,115, of which \$251,107 would be  
23 distributed among the manufacturers, and \$95,008 would  
24 be billed to the facilities based on direct time and  
25 travel costs.

1                   CHAIRMAN DECKER:

2                   Okay.

3                   MS. MCNULTY:

4                   Thank you.

5                   CHAIRMAN DECKER:

6                   Do we need a motion?

7                   MS. MCNULTY:

8                   Yes. I believe you have a motion.

9                   CHAIRMAN DECKER:

10                  To approve the schedule for reimbursement  
11 of these operational costs?

12                  MS. MCNULTY:

13                  Yes.

14                  CHAIRMAN DECKER:

15                  May I have a motion to that effect?

16                  MR. SOJKA:

17                  Yes, Mr. Chairman. I move the adoption  
18 of the attached schedule and method for reimbursement  
19 of the costs of establishing and operating the gaming  
20 lab.

21                  CHAIRMAN DECKER:

22                  Thank you. Is there a second?

23                  MR. MCCABE:

24                  Second.

25                  CHAIRMAN DECKER:



1 Thank you. And again, any questions for  
2 Eileen on the subject? All those in favor, please  
3 indicate by saying aye.

4 AYES RESPOND

5 CHAIRMAN DECKER:

6 Any opposed?

7 NO RESPONSE

8 CHAIRMAN DECKER:

9 Motion carries. Thank you very much,  
10 Eileen.

11 MS. MCNULTY:

12 Thank you.

13 CHAIRMAN DECKER:

14 Okay. Next up is Michael Walsh, our  
15 director of administration.

16 MR. WALSH:

17 Thank you, Mr. Chairman, members of the  
18 board. There are 18 recommended candidates for  
19 consideration by the board today. And I'll present  
20 those names to you now. The first one is in the  
21 Bureau of Administration, Todd Snyder, as an  
22 application developer in our Office of Information  
23 Technology. In the Bureau of Licensing, John Francis,  
24 as a licensing analyst. And we have several in the  
25 Bureau of Investigations and Enforcement. As an

1 investigator in the eastern region, Michael Wilbur.  
2 In the central region as an investigative analyst,  
3 Elizabeth Kotzmoyer. And as clerical support  
4 specialist in the central region, Jennifer Frye and  
5 Karen Miller.

6           In the Casino Enforcement units in the  
7 Chester Casino, Barbara Starkes as a casino  
8 enforcement agent, and Tara Kirkland-Starr as a casino  
9 enforcement agent. Some additional ones in Chester,  
10 Matthew Curci as a casino enforcement agent. Walter  
11 Washington as a casino enforcement agent. And  
12 finally, Arthur Watson as a casino enforcement agent.

13           In the Presque Isle Casino in Erie, there  
14 are four. Carrie Beasom as an agent. Denise  
15 Austerburg (phonetic) as an agent. George Torbic as  
16 an agent, and Rick Baker as an agent. Finally, BIE as  
17 a senior financial investigator, we have Marcia  
18 Shaffer. And the last two in the Office of Financial  
19 Management working for the CFO, Dorthy Theis. And in  
20 the Bureau of Corporate Compliance, Christine Welker  
21 as an administrative assistant.

22           As is customary, all 18 candidates have  
23 undergone a background investigation, including a drug  
24 screening and are recommended by the office of human  
25 resources.

1                   CHAIRMAN DECKER:

2                   Thank you. May I have a motion? You're  
3 asking us to approve these names? You're suggesting  
4 we approve them?

5                   MR. WALSH:

6                   I would respectfully request a motion to  
7 approve these 18 candidates.

8                   CHAIRMAN DECKER:

9                   Thank you. May I have a motion to that  
10 effect?

11                   MS. COLINS:

12                   Mr. Chairman, I'll make that motion that  
13 we approve these candidates.

14                   MR. MCCABE:

15                   Second.

16                   CHAIRMAN DECKER:

17                   Thank you. Any questions or comments?  
18 All those in favor?

19 AYES RESPOND

20                   CHAIRMAN DECKER:

21                   Any opposed?

22 NO RESPONSE

23                   CHAIRMAN DECKER:

24                   Motion carries. Thank you. Michael, is  
25 that it? Anything else today?

1                   MR. WALSH:

2                   I have a workforce diversity report,  
3 which I can ---

4                   CHAIRMAN DECKER:

5                   Please.

6                   MR. WALSH:

7                   --- I just got, which I can update. And  
8 that is, as of two days ago, our compliment stands at  
9 198, and the male/female ratio we are 57 percent male,  
10 43 percent female. And racial diversity, we are 16.6  
11 percent minority, 83.3 percent white. And I have  
12 breakdowns by professional and support management  
13 compliments that I will send out to the Board.

14                   But the 16 percent stays consistent at 16  
15 percent, minority in the executive management  
16 compliment, 16 percent in the professional compliment,  
17 and 19 percent in support. So we want to have that  
18 information available for the Board, and we'll get  
19 that out.

20                   And all those figures exceed the summary  
21 that has been provided to us as the averages in other  
22 state agencies. So we continue to try to push that  
23 number higher.

24                   CHAIRMAN DECKER:

25                   Very good. Thank you, Michael. I

1 appreciate it very much.

2 MR. WALSH:

3 Thank you.

4 CHAIRMAN DECKER:

5 Okay. Next up is Frank Donaghue.

6 ATTORNEY DONAGHUE:

7 Good afternoon, Mr. Chairman and members  
8 of the board. This afternoon, first we're going to  
9 have Richard Sandusky, who's the director of our  
10 regulatory review process, give a presentation on a  
11 number of regulations, including some amendments to  
12 temporary regulations on proposed regulations as well  
13 as on final regulations. Richard?

14 MR. SANDUSKY:

15 Good afternoon. The first item is a  
16 temporary regulation amendment to Chapter 405. This a  
17 bit of housekeeping in that we're deleting material  
18 that was repetitive in terms of how the Office of  
19 Chief Enforcement Counsel was going to process  
20 enforcement actions for replacing the language there  
21 with a reference to Chapter 493, which contains our  
22 provisions for the handling of complaints. If there  
23 are any questions, I'll be happy to answer. If not,  
24 we'd request a motion for approval.

25 CHAIRMAN DECKER:

1                   May I have a motion to that effect,  
2 please?

3                   MR. ANGELI:

4                   Mr. Chairman, I move that the Board adopt  
5 the amendment to the Chapter 405 temporary relations  
6 and it be published in the Pennsylvania Bulletin being  
7 posted on the Board's website.

8                   CHAIRMAN DECKER:

9                   Thank you. Second, please?

10                  MR. MCCABE:

11                  Second.

12                  CHAIRMAN DECKER:

13                  Any discussion? Those in favor?

14 AYES RESPOND

15                  CHAIRMAN DECKER:

16                  Any against?

17 NO RESPONSE

18                  CHAIRMAN DECKER:

19                  Motion carries. Thank you.

20                  MR. SANDUSKY:

21                  The next item for your consideration is,  
22 again, a temporary regulation amendment, and this is a  
23 fairly extensive revision of Chapter 511, which deals  
24 with excluded persons. These are individuals, either  
25 with criminal records or who are cheats that we do not

1 want in the facilities.

2           In the revisions that were made, a number  
3 of them have to deal with clarity, but the significant  
4 portion were the revisions that were made to the  
5 process for putting a person on the excluded list.  
6 Basically, what will happen is the Bureau of  
7 Investigation and Enforcement will do investigations,  
8 either based on their own information or information  
9 that comes to them from facilities or law enforcement  
10 agencies.

11           If they find that there is an individual  
12 who should not be in the casinos, they will do a  
13 petition for exclusion. What will happen is when they  
14 do that petition, the individual will go on the list.  
15 They will be served notice of placement on the list  
16 and be notified that they have the opportunity to  
17 demand a hearing. If they request a hearing, the  
18 hearing will be held. If not, the petition, either  
19 way will eventually come to the Board, where the Board  
20 will have the opportunity to issue a final order  
21 affirming the placement on the list, or if based on  
22 the hearing, the grounds are not substantial and don't  
23 support the placement. They would then issue an order  
24 excluding, you know, taking the person off the list.

25           Additionally, the Board, as it always

1 does, would have the option for referring the matter  
2 back for further hearing, if necessary. The rest of  
3 the changes in this chapter, like I said, are pretty  
4 much housekeeping.

5           The staff has requested that these  
6 changes be done through a temporary regulation,  
7 because we want to implement them immediately to make  
8 sure that we keep these people out of facilities and  
9 we have a good, clean process for doing that.

10           A little later, you will see a proposed  
11 rule making for Chapter 511. That proposed rule is  
12 identical to this temporary amendment.

13           CHAIRMAN DECKER:

14           Thank you. May I have a motion?

15           MS. COLINS:

16           Yes. I move that the Board adopt the  
17 amendments to the Chapter 511 temporary regulations  
18 and that they be published in the Pennsylvania  
19 Bulletin and be posted on the Board's website.

20           CHAIRMAN DECKER:

21           Thank you. Is there a second, please?

22           MR. COY:

23           Second.

24           CHAIRMAN DECKER:

25           Thank you. Any discussion? All those in



1 favor, please indicate by saying aye.

2 AYES RESPOND

3 CHAIRMAN DECKER:

4 Any opposed?

5 NO RESPONSE

6 CHAIRMAN DECKER:

7 Motion carries. Please, Mr. Sandusky.

8 MR. SANDUSKY:

9 The final temporary amendment that we  
10 have for ---.

11 CHAIRMAN DECKER:

12 Richard, just one second. Anne, can I  
13 see you for one minute? Please, Richard, continue.

14 MR. SANDUSKY:

15 A final temporary amendment we have is a  
16 much smaller scale. This is an amendment to Chapter  
17 465, specifically Section 465.6(d), which sets the  
18 time frame within which audited financial statements  
19 are to be submitted to the Board. Currently the  
20 regulation requires the submission within 60 days.  
21 However, the SEC doesn't require submission of these  
22 reports until 90 days. And what typically happens is,  
23 they complete these, get these submitted to the SEC,  
24 and then there is a form 10-K that is also required by  
25 our regulations.

1           To put our filing time frames more in  
2 line with the SEC filings, we're recommending that  
3 their licensees be given one hundred days to submit  
4 this filing. That way they can complete their filings  
5 with the SEC and then file them with us, along with  
6 the 10-K.

7           CHAIRMAN DECKER:

8           Thank you. May I have a motion to that  
9 effect?

10          MR. ANGELI:

11          Mr. Chairman, I move the Board adopt the  
12 amendment to Chapter 465, temporary regulations, and  
13 that be published in the Pennsylvania Bulletin and  
14 posted on the Board's website.

15          CHAIRMAN DECKER:

16          Is there a second, please?

17          MS. COLINS:

18          Second.

19          CHAIRMAN DECKER:

20          Thank you. Any questions of Richard?  
21 Otherwise, all those in favor please indicate by  
22 saying aye.

23 AYES RESPOND

24          CHAIRMAN DECKER:

25          Any opposed?

1 NO RESPONSE

2 CHAIRMAN DECKER:

3 Motion carries. Richard, the next group.  
4 I think you have a group coming up here now; right?

5 MR. SANDUSKY:

6 Yes. The next item --- we're going to  
7 shift gears and do proposed rulemakings now. These  
8 rules, you know, are our codification of what are  
9 currently existing temporary regulations that we need  
10 to promulgate as permanent regulations.

11 These particular nine chapters are from  
12 sub-chapter B, which has to deal with licensing and  
13 permitting. The first two chapters, 421 and 423 are  
14 general requirements that go across all applications,  
15 and all applicants. 425 is the licensed entity  
16 representative chapter. These are the lobbyists and  
17 other representatives. Chapter 427 deals with  
18 manufacturers, and as I would point out, the initial  
19 chapters, we have done a lot of reformatting to give a  
20 consistent view, both in terms of format and substance  
21 in the licensing chapters.

22 We've done that with manufacturers, but  
23 we've also done some other substantive revisions that  
24 are based on changes that were made to the Act as a  
25 result of Act 135. So in this proposed rule we have

1 not only a lot of re-organization but we also have  
2 substantive changes to track that revision in the Act.

3           Similarly, the next chapter is Chapter  
4 431a, which deals with suppliers. And the same  
5 remarks apply there. We have changed not only format,  
6 but content to make sure that it is consistent with  
7 the requirements of Act 135.

8           Also included are Chapter 436 Horseman's  
9 Organization. We have only added one new provision in  
10 that chapter, and this was really something that was  
11 suggested by the Horseman's Organizations themselves.  
12 And it adds a provision that prohibits funds allocated  
13 to the Horseman's Organizations to be used for the  
14 personal benefit of officers, directors,  
15 representatives or fiduciaries, unless the benefit is  
16 one that is available to all the class.

17           They felt it was important that it be  
18 recognized in the regulations that officers and  
19 directors will receive no special benefits or special  
20 treatment as a result of these funds coming to the  
21 Horseman's Organizations.

22           The next chapter is Chapter 438a, Labor  
23 Organizations. We've just changed some terminology in  
24 that chapter, because of the new definition of the  
25 term principal that appears in Act 135.

1 Chapter 439, Junket Enterprises. Once  
2 again, we've done substantial reformatting to bring  
3 that consistent look across chapters. And the final  
4 chapter in this package is Chapter 440a management  
5 companies. And again, the same changes apply. If  
6 there are any questions, I'll be more than happy  
7 trying to answer --- and Susan is also right here to  
8 answer any technical questions you might have.

9 CHAIRMAN DECKER:

10 Okay. Are there any --- first of all,  
11 may I have a motion?

12 MR. MCCABE:

13 Mr. Chairman, I move that the Board adopt  
14 the proposed regulation Number 125-56 pertaining to  
15 subpart B, Chapters 421a, 423a, 425a, 427a, 431a,  
16 436a, 438a, 439a and 440a. I feel like a Canadian.  
17 That the Board establish a public comment period of 30  
18 days, and that the Board post its proposed regulation  
19 on the Board's website.

20 MR. COY:

21 That'll get you a little story.

22 CHAIRMAN DECKER:

23 Thank you.

24 OFF RECORD DISCUSSION

25 CHAIRMAN DECKER:

1 May I have a second?

2 MR. SOJKA:

3 Second.

4 CHAIRMAN DECKER:

5 Okay. Are there any questions for  
6 Richard about any of these chapters?

7 MS. COLINS:

8 I have a question.

9 CHAIRMAN DECKER:

10 Please.

11 MS. COLINS:

12 Richard, we've discussed --- you've  
13 discussed that these chapters, specifically 421 and  
14 423 cover licensing matters.

15 MR. SANDUSKY:

16 Right. General.

17 MS. COLINS:

18 And we've talked generally, and we've  
19 talked about how we're learning from our experience  
20 and we're making --- we're tweaking our licensing  
21 practices and our decisions, based on what we're  
22 learning as we go along. Is there --- are you  
23 confident that there is --- since we're going through  
24 the permanent process now, some flexibility built into  
25 these so that we can make whatever adjustments we have

1 to make as we go forward, as we open the casinos?

2 MR. SANDUSKY:

3 These general requirements, these are  
4 fairly flexible.

5 MS. COLINS:

6 Okay.

7 MR. SANDUSKY:

8 We are currently in process on working on  
9 Chapters which address vendors, employees, and those  
10 really address the issues that were talked about  
11 today. And we hope to be, to the Board, with  
12 something for the Board's consideration in those areas  
13 at the next board meeting.

14 MS. COLINS:

15 Again, I always feel that it's very  
16 important that there is language in the regulations  
17 that give us --- gives the Board sufficient discretion  
18 to be able to be flexible and not to be stuck really.  
19 And are you comfortable that that language is there,  
20 and will you go forward with that?

21 MR. SANDUSKY:

22 Yeah, we have done that. And one of the  
23 things you'll notice in all of these new licensing  
24 chapters is in the temporary regulations, we had very  
25 long laundry lists of items that would be submitted

1 with an application. Now, these laundry lists were  
2 developed as we were developing the applications. But  
3 in essence, they are duplicative of what is required  
4 in the application.

5           We have shifted --- we've taken that all  
6 out of the regulation and simply require the filing of  
7 that specific application. If we find we need  
8 additional information or we feel that streamlining is  
9 appropriate, we can do that through the application  
10 without having to come back through the rulemaking  
11 process. So we've tried to build that sort of  
12 flexibility in.

13           MS. COLINS:

14           Great. Thank you.

15           MR. SANDUSKY:

16           The additional thing is, these are also  
17 proposed rules. You will be seeing them again in  
18 approximately 90 to 100 days, once the AG has  
19 completed their review. IRRC and the standing  
20 committees have completed their review and we've  
21 completed the public comment periods. So these aren't  
22 a final product. We will still have the ability to  
23 make additional revisions during that time period.

24           CHAIRMAN DECKER:

25           Okay. Any other questions? Otherwise,



1 all those in favor, please indicate by saying aye.

2 AYES RESPOND

3 CHAIRMAN DECKER:

4 Any opposed?

5 NO RESPONSE

6 CHAIRMAN DECKER:

7 Motion carries. Richard, thank you. You  
8 have a couple more, I believe.

9 MR. SANDUSKY:

10 Yeah. The next proposed rulemaking  
11 package is Chapters 493a, 494a, 495a, 497a and 499a.  
12 These are the balance of our procedural rules for  
13 hearings and appeals. We have already discussed these  
14 at previous meetings, so I won't go into any of the  
15 details. If there are any questions, Dale, you know,  
16 will be more than happy to help me try and answer  
17 them, otherwise, we'd request a motion for approval as  
18 a proposed rule.

19 CHAIRMAN DECKER:

20 May I have a motion with respect to these  
21 particular chapters?

22 MR. ANGELI:

23 Mr. Chairman, I'd like to make that  
24 motion, but could I ask one quick question?

25 CHAIRMAN DECKER:

1                   Certainly.

2                   MR. ANGELI:

3                   And that is, do these four changes, are  
4 the subsumed under the proposed regulation, number 125  
5 through 56?

6                   MR. SANDUSKY:

7                   Yes. I believe that's the correct board  
8 number for it.

9                   MR. ANGELI:

10                  If that's the case then, Mr. Chairman, I  
11 would like to make the following motion, that the  
12 Board adopt the proposed regulation number 125 through  
13 56, which pertains to subpart H, Chapters 493a, 494a,  
14 495a, 497a and 499a, that the Board establish a public  
15 comment period of 30 days and that the Board post this  
16 proposed regulation on the Board's website.

17                  MR. COY:

18                  Second.

19                  CHAIRMAN DECKER:

20                  Thank you. Any questions?

21                  MS. COLINS:

22                  I'll second it.

23                  CHAIRMAN DECKER:

24                  Do we have a second? No, I think  
25 Commissioner Coy did.

1                   MS. COLINS:

2                   I'm sorry.

3                   CHAIRMAN DECKER:

4                   Okay. Any additional questions? All  
5 those in favor, please indicate by saying aye.

6 AYES RESPOND

7                   CHAIRMAN DECKER:

8                   Any opposed?

9 NO RESPONSE

10                  CHAIRMAN DECKER:

11                  The motion carries. I think we're on to  
12 Chapters 511 and 513a.

13                  MR. SANDUSKY:

14                  These are, again, a proposed rulemaking.  
15 And as I discussed earlier, under the temporary  
16 regulation amendments, the proposed Chapter 511 is  
17 identical to what the temporary amendments consist of.  
18 The other chapter, Chapter 513 deals with underage  
19 gaming. We've done some cleanup in that chapter, but  
20 we've also added provisions in that chapter, requiring  
21 the posting of signs, so that it is abundantly clear  
22 that anyone under 21 is not permitted to game. And we  
23 have also added the provision, which will prohibit  
24 check cashing privileges from being extended to anyone  
25 who's under 21.

1                   CHAIRMAN DECKER:

2                   Thank you. May I have a motion adopting  
3 these chapters?

4                   MR. ANGELI:

5                   Mr. Chairman, I move that the Board adopt  
6 the proposed regulation 125-57 pertaining to subpart  
7 J, Chapters 511a and 513a, that the Board establish a  
8 public comment period of 30 days, and that the Board  
9 posts its proposed regulation on the Board's website.

10                  CHAIRMAN DECKER:

11                  Thank you. Could I have a second,  
12 please?

13                  MR. COY:

14                  Second.

15                  CHAIRMAN DECKER:

16                  Thank you. Any questions? All those in  
17 favor.

18 AYES RESPOND

19                  CHAIRMAN DECKER:

20                  Any opposed?

21 NO RESPONSE

22                  CHAIRMAN DECKER:

23                  Motion carries. Thank you. Please,  
24 Richard.

25                  MR. SANDUSKY:

1           Okay. The next item is a bit of a  
2 landmark for us. It's our first final form  
3 regulation. And I'll take just a minute for the  
4 benefit of the record and the audience and the board  
5 members, since this is the first time we're doing a  
6 final form rulemaking, once it's adopted at today's  
7 meeting, we will deliver it to the designated standing  
8 committees and the independent regulatory review  
9 commission for their review pursuant to the regulatory  
10 Review Act.

11           IRRC will hold a public meeting, at which  
12 they will vote to approve, hopefully, or disapprove  
13 these regulations. Once IRRC has approved them, we  
14 can then submit them to the Attorney General for a  
15 final review on form and legality, a final fiscal note  
16 from the Office of Budget, and then we will be able to  
17 publish them in the Pennsylvania Bulletin. That will  
18 be the landmark and the action that puts them into  
19 effect as permanent regulations. So we're very happy  
20 to have these before you today.

21           The first package consists of Chapter  
22 451a, which is recordkeeping, and Chapter 471a filing  
23 fees. There were some minor comments filed by the  
24 Independent Regulatory Review Commission on this  
25 rulemaking. We have responded to those, you know, in

1 the narrative and made a couple of revisions based on,  
2 you know, their comments. There were no public  
3 comments filed on this chapter, and we'd ask for a  
4 motion for adoption as a final form rule.

5 CHAIRMAN DECKER:

6 Thank you. May I have a motion to that  
7 effect?

8 MS. COLINS:

9 Yes. Mr. Chairman, I move that the Board  
10 adopt the final form regulation, number 125-46  
11 pertaining to subparts D and F, Chapters 451a and  
12 471a, and that the Board post its final form  
13 regulation on the Board's website.

14 CHAIRMAN DECKER:

15 Second, please.

16 MR. COY:

17 Second.

18 CHAIRMAN DECKER:

19 Thank you. Any questions or comments for  
20 Richard? All those in favor.

21 AYES RESPOND

22 CHAIRMAN DECKER:

23 Any opposed?

24 NO RESPONSE

25 CHAIRMAN DECKER:

1 Motion carries. Thank you. I think  
2 we're getting close to the end.

3 MR. SANDUSKY:

4 A final regulatory item on our agenda  
5 today is another final form rulemaking. This one is  
6 Chapter 481a Diversity. This was a regulation that  
7 was --- proposes a rule on September 9, 2006. We did  
8 receive two sets of comments on this rulemaking. One  
9 from the Independent Regulatory Review Commission, and  
10 one from Downs Racing, LP, Mohegan. What this  
11 regulation does is it lays out the requirements for  
12 applicants and licensees concerning diversity plans  
13 filing those with us, for periodic reports that need  
14 to be filed with us so that we can monitor their  
15 progress in achieving the diversity goals and whatnot.

16 Probably the most significant comment was  
17 one by Mohegan Sun that requested that applicants have  
18 and licensees have the ability to designate some of  
19 the information that we're asking them to provide us  
20 as confidential. Some of it has to do with salaries  
21 and whatnot. So we've added a provision which will  
22 allow them to do that, if they so indicate. We have  
23 also added a couple of clarity changes in response to  
24 comments that were received by the Independent  
25 Regulatory Review Commission. I'll be happy to try

1 and answer any questions, and Mozell (phonetic) is  
2 also present, if there are any questions on these, and  
3 if not, we'd ask for a motion for adoption.

4 CHAIRMAN DECKER:

5 May I have a motion to that effect,  
6 please?

7 MR. COY:

8 Mr. Chairman, I move the Board adopt the  
9 final form regulation number 125-47 pertaining to  
10 subpart G, Chapter 418a, and that the Board post its  
11 final form regulation on the Board's website.

12 CHAIRMAN DECKER:

13 Thank you. Is there a second?

14 MR. ANGELI:

15 Second.

16 CHAIRMAN DECKER:

17 Thank you. Any questions for Richard or  
18 Mozell? All those in favor.

19 AYES RESPOND

20 CHAIRMAN DECKER:

21 Any opposed?

22 NO RESPONSE

23 CHAIRMAN DECKER:

24 Motion carries. Thank you. I think that  
25 ends the regulation adoption for today.



1                   ATTORNEY DONAGHUE:

2                   Correct, Mr. Chairman. Now I'd like to  
3 turn to four other items of business dealing with  
4 withdrawal petitions and the like. The first,  
5 actually, is a petition to surrender a supplier  
6 license. The Board has received a petition from  
7 Pennsylvania Coin & Slot, LLC to surrender its  
8 supplier license and all licenses and waiver requests  
9 associated with its license. The application  
10 addresses Pennsylvania Coin & Slot, LLC, Jason Seelig,  
11 Jeffrey Seelig, Jerald Seelig, Max Seelig, Wayne  
12 Leevy, Thomas McCormick, Denise Smyler, Denise Smyler  
13 Trust, Pennsylvania Gaming Supply, LLC, and Atlantic  
14 City Coin & Slot Service Company.

15                   With regard to this request, it was  
16 reviewed by the Office of Enforcement Counsel and the  
17 Chief Enforcement Counsel has no objection to the  
18 Petition as there was no information constituting good  
19 cause to deny condition or prejudice the granting of  
20 the petition to surrender the license and all  
21 associated licenses and waiver requests. All required  
22 fees have been paid as of this date and a request  
23 would be granted without prejudice. Chief Counsel's  
24 office concurs in this review and submits the  
25 following for motion by the Board to grant the

1 petition to surrender the license and all associated  
2 licenses and waiver requests without prejudice.

3 CHAIRMAN DECKER:

4 Thank you. May I have a motion  
5 concerning this licensee, please?

6 MR. MCCABE:

7 Mr. Chairman, I move that the Board  
8 approve the order granting the petition of the  
9 Pennsylvania Coin & Slot, LLC to surrender the  
10 supplier license of Pennsylvania Coin & Slot, LLC and  
11 all associated licenses and waiver requests.

12 CHAIRMAN DECKER:

13 Can I have a second, please?

14 MR. ANGELI:

15 Second.

16 CHAIRMAN DECKER:

17 Thank you. Any questions about it? All  
18 those in favor?

19 AYES RESPOND

20 CHAIRMAN DECKER:

21 Any opposed?

22 NO RESPONSE

23 CHAIRMAN DECKER:

24 The motion carries. Thank you.

25 ATTORNEY DONAGHUE:

1                   Okay. Mr. Chairman, next I'd like to  
2 turn withdrawal petitions. The Board has received 14  
3 petitions for withdraw without prejudice for the  
4 Board's consideration. With regard to these requests,  
5 they were reviewed by the Office of Enforcement  
6 Counsel and the Chief Enforcement Counsel has no  
7 objection to the withdrawal, as there's no information  
8 constituting good cause to deny condition prejudice or  
9 withdraw the application, and all required fees have  
10 been paid to date. These all would be granted without  
11 prejudice.

12                   Chief Counsel's office concurs in this  
13 review and submits the following for a motion by the  
14 Board to be granted, the withdrawal petitions, without  
15 prejudice to the following. Petition of WMS Gaming,  
16 Inc. to withdraw the key employee qualifier  
17 application of Norman Menell. Petition of Aristocrat  
18 Technologies, Inc. to withdraw the key employee  
19 qualifier application of Steven Atneosen. Petition of  
20 Kanomi Gaming to withdraw the key employee qualifier  
21 application of Karen Koetz. Petition of Atronic  
22 Americas, LLC to withdraw the permittee application of  
23 James Clair Keller. Petition of GTECH Corporation and  
24 Spielo Manufacturing, ULC, to withdraw the qualifier  
25 application of Joseph Gendron.

1                   Petition of GTECH Corporation and Spielo  
2 Manufacturing, ULC to withdraw the qualifier  
3 application of Antonio Belloni. Petition of GTECH  
4 Corporation and Spielo Manufacturing, ULC to withdraw  
5 the qualifier application of Alfredo Drago. Petition  
6 of Greenwood Gaming and Entertainment, Inc. to  
7 withdraw the key employee application of Michael  
8 Elliott. The Petition of Greenwood Gaming and  
9 Entertainment, Inc. to withdraw the key employee  
10 application of Allen Pridgeon. Petition Aruze  
11 Corporation to withdraw the key employee qualifier  
12 application of Teruhiko Kobayashi.

13                   Petition of Aruze Corporation to withdraw  
14 the key employee qualifier of Mitsuo Kiyokawa.  
15 Petition of GTECH Corporation to withdraw the permittee  
16 application of Philip Settimi. Petition of Bally  
17 Gaming, Inc. to withdraw the permittee application of  
18 Scott Duenow. And petition of Downs Racing, LP to  
19 withdraw the permittee application of Gloria Tobin.  
20 I'd like to consider a motion on that.

21                   CHAIRMAN DECKER:

22                   Thank you. I think we're going to need  
23 an interpreter for your pronunciation, but that's  
24 okay. May I have a motion to that effect, please?

25                   MR. SOJKA:

1           Yeah, Mr. Chairman. I would like to make  
2 that motion, since I also have an unpronounceable  
3 name. I move that the Board approve the orders  
4 granting withdrawal of the applications of Steven  
5 Atneosen, Antoni Belloni, Alfredo Drago, Scott Duenow,  
6 Michael Elliot, Joseph S. Gendron, James Claire  
7 Keller, Nitsuo Kiyokawa, Teruhiko Kobayashi, Karen  
8 Koetz, Norman Menell, Allen Pridgeon, Philip Settimi  
9 and Gloria Tobin.

10                   CHAIRMAN DECKER:

11           Thank you. Any comments or questions?

12 OFF RECORD DISCUSSION

13                   CHAIRMAN DECKER:

14           All those in favor, please indicate by  
15 saying aye.

16 AYES RESPOND

17                   CHAIRMAN DECKER:

18           Any opposed?

19 NO RESPONSE

20                   CHAIRMAN DECKER:

21           The motion carries. Thank you. Frank,  
22 you have some other withdrawals with prejudice on this  
23 occasion; is that right?

24                   ATTORNEY DONAGHUE:

25           That is correct. The Board has received

1 one petition to withdraw a key employee application of  
2 David Abernethy from Greenwood Gaming Entertainment,  
3 Inc., Docket Number 4822. With regard to this  
4 request, it was reviewed by the Office of Enforcement  
5 Counsel and Chief Enforcement Counsel has no objection  
6 to the withdrawal, as there's no information  
7 containing good cause and deny a condition to withdraw  
8 of the application, and all fees have been paid as of  
9 this date. However, this request would be granted  
10 with prejudice. Chief Counsel's Office concurs in its  
11 review and submits the petition to the Board to grant  
12 the withdrawal petition with prejudice. Counsel for  
13 the Board and Greenwood Gaming Entertainment have  
14 agreed to this withdrawal with prejudice.

15 CHAIRMAN DECKER:

16 Thank you.

17 MR. ANGELI:

18 Mr. Chairman, I move the Board approve  
19 the order granting the withdrawal petition of  
20 Greenwood Gaming for the key employee application of  
21 David Abernethy with prejudice.

22 CHAIRMAN DECKER:

23 Thank you. Is there a second?

24 MS. COLINS:

25 Second.

1                   CHAIRMAN DECKER:

2                   Any questions for Mr. Donaghue? Those in  
3 favor.

4 AYES RESPOND

5                   CHAIRMAN DECKER:

6                   Any opposed?

7 NO RESPONSE

8                   CHAIRMAN DECKER:

9                   The motion carries. Thank you.

10                  ATTORNEY DONAGHUE:

11                  Okay. And finally, Mr. Chairman,  
12 Attorney Sherman, this morning or this afternoon, is  
13 going to discuss several motions to approve petitions  
14 to preserve confidentiality of documents filed by  
15 licensees.

16                  CHAIRMAN DECKER:

17                  Thank you. Mr. Sherman.

18                  ATTORNEY SHERMAN:

19                  Good afternoon, Mr. Chairman, members of  
20 the board. In accordance with regulation of 441.19u,  
21 the Board has received eight petitions to maintain the  
22 confidentiality of documents in accordance with  
23 section 1206f of the Act, Board regulations and common  
24 law privileges. Specifically, Category I licensees,  
25 Chester Downs Marina, Downs Racing, Greenwood Gaming

1 and Entertainment, Mountainview Thoroughbred Racing  
2 Association, Presque Isle Downs, Washington Trotting  
3 Association, along with Category II licensee  
4 Philadelphia Entertainment and Development Partners,  
5 and Category II applicants, Station Square Gaming,  
6 have each filed with the clerk's office, a petition to  
7 maintain the confidentiality of specified documents.

8           The specific documents subject to these  
9 petitions are delineated in the petitions and are  
10 limited to those which are protected from disclosure,  
11 specifically by the Act, by the regulation, or by  
12 recognized privileges, which protect proprietary  
13 business information and trader business secrets.

14           The documents subject to these petitions  
15 were obtained from the Board's staff as --- by the  
16 Board's staff as part of the applicant's application  
17 materials and through the background investigations  
18 into the applicant's suitability in accordance with  
19 Section 1310a of the Act.

20           The documents sought to be maintained as  
21 confidential have been reviewed by staff to assure  
22 that they do, in fact, meet the requirements for  
23 confidentiality under law. Those documents relating  
24 to the various applicants' proposals, which do not  
25 meet the requirements of confidentiality under law,



1 have been placed in the public file for each applicant  
2 and are available for public inspection.

3 I suggest that it would be appropriate  
4 for the Board to entertain a motion to consider and  
5 rule upon the petitions to maintain the  
6 confidentiality of the specified documents of the  
7 eight entities. I would be happy to entertain any  
8 questions about this matter.

9 CHAIRMAN DECKER:

10 May I have a motion concerning the  
11 confidentiality of these --- the continued treatment  
12 of confidentiality of these documents of the  
13 licensees?

14 MS. COLINS:

15 Mr. Chairman, I move that the Board  
16 approve orders granting the petitions to preserve the  
17 confidentiality of information and documents provided  
18 to the Board in connection with the application  
19 investigation and review process, leading up to the  
20 licensing decision in accordance with the provisions  
21 of the Act and other pertinent laws for Chester Downs  
22 and Marina, LLC, Downs Racing, LP, Greenwood Gaming  
23 and Entertainment, Inc., Mountainview Thoroughbred  
24 Racing Association, Presque Isle Downs, Inc.,  
25 Washington Trotting Association, Inc., Philadelphia

1 Entertainment and Development Partners, LP and Station  
2 Square Gaming, LP.

3 CHAIRMAN DECKER:

4 Thank you. Is there a second?

5 MR. MCCABE:

6 Second.

7 CHAIRMAN DECKER:

8 Thank you. Any questions? All those in  
9 favor?

10 AYES RESPOND

11 CHAIRMAN DECKER:

12 Any opposed?

13 NO RESPONSE

14 CHAIRMAN DECKER:

15 The motion carries. Thank you.

16 ATTORNEY DONAGHUE:

17 Thank you, Mr. Chairman and members of  
18 the board.

19 CHAIRMAN DECKER:

20 Thank you. The floor's yours, ma'am.

21 MS. KANE:

22 Good afternoon, Mr. Chairman and members  
23 of the board. You have before you the disposition  
24 today, a motion requesting an attorney who is licensed  
25 in New Jersey be granted permission to appear before

1 the Pennsylvania Gaming Control Board for the purpose  
2 of representing a specific individual or entity that  
3 has business before the Board.

4 The status of this attorney was reviewed  
5 by the Office of Chief Counsel, which has expressed no  
6 objection. May I have a motion?

7 CHAIRMAN DECKER:

8 Can you give us the name?

9 MS. KANE:

10 Nicholas Casiello.

11 CHAIRMAN DECKER:

12 Okay. May I have a motion to that  
13 effect, please?

14 MR. MCCABE:

15 Mr. Chairman, I move that the Board  
16 approve an order granting the motion for admission pro  
17 hac vice of Nicholas Casiello, Jr.

18 MR. COY:

19 Second.

20 CHAIRMAN DECKER:

21 Thank you. Any questions? Those in  
22 favor.

23 AYES RESPOND

24 CHAIRMAN DECKER:

25 Any opposed?

1 NO RESPONSE

2 CHAIRMAN DECKER:

3 The motion carries. Thanks, Mickey. All  
4 right. Next up, I believe, is Susan; correct?

5 MS. HENSEL:

6 That's correct.

7 CHAIRMAN DECKER:

8 Susan Hensel, our director of licensing.

9 MS. HENSEL:

10 Thank you, Chairman Decker, and good  
11 afternoon members of the Board. I have several  
12 licensing matters to bring before the Board this  
13 afternoon. Dale Miller, Chief Enforcement Counsel is  
14 here to assist me with some of those matters.

15 The first item is the approval of Board  
16 orders concerning the licensing and waivers of  
17 principals and key employees for the approved Category  
18 II licensees. Prior to today's meeting, each of you  
19 was provided with copies of the proposed orders for  
20 HSP Gaming, LP, Mt. Airy No. One, LLC, Philadelphia  
21 Entertainment and Development Partners, LP, PITG  
22 Gaming, LLC and Sands Bethworks Gaming, LLC.

23 These orders list the names of the  
24 entities and individuals who are principals or key  
25 employees of the approved licensees. Each has

1 submitted an application for licensure, caused  
2 application fees to be paid, and no issues have been  
3 identified by the Bureau of Investigation and  
4 Enforcement or the Bureau of Licensing that would  
5 preclude licensure or where requested waiver of the  
6 licensing requirement. I ask that the Board vote on  
7 each of these orders separately.

8 CHAIRMAN DECKER:

9 Okay. We'll start with HSP Gaming. May  
10 I have a motion to the effect to adopt the order  
11 suggested by Susan?

12 MR. COY:

13 So moved, Mr. Chairman.

14 CHAIRMAN DECKER:

15 Is there a second?

16 MR. MCCABE:

17 Second.

18 CHAIRMAN DECKER:

19 All those in favor.

20 AYES RESPOND

21 CHAIRMAN DECKER:

22 Any opposed?

23 NO RESPONSE

24 CHAIRMAN DECKER:

25 The motion carries. I think the next up

1 is Philadelphia Entertainment, otherwise known as  
2 Foxwoods, and may I have a motion from the Board to  
3 that effect?

4 MR. SOJKA:

5 So moved, Mr. Chairman.

6 CHAIRMAN DECKER:

7 Is there a second?

8 MS. COLINS:

9 Second.

10 CHAIRMAN DECKER:

11 Any questions? All those in favor.

12 AYES RESPOND

13 CHAIRMAN DECKER:

14 Any opposed?

15 NO RESPONSE

16 CHAIRMAN DECKER:

17 The motion carries. I think next up is  
18 Mt. Airy No. One. Again, can we have a motion?

19 MR. SOJKA:

20 So moved, Mr. Chairman.

21 CHAIRMAN DECKER:

22 Thank you. Is there a second, please?

23 MR. MCCABE:

24 Second.

25 CHAIRMAN DECKER:

1 Thank you. Any questions? All those in  
2 favor.

3 AYES RESPOND

4 CHAIRMAN DECKER:

5 Any opposed?

6 NO RESPONSE

7 CHAIRMAN DECKER:

8 The motion carries. Our fourth would be  
9 PTIG Gaming, otherwise known as Majestic Star. May I  
10 have a motion to that effect?

11 MS. COLINS:

12 So moved.

13 CHAIRMAN DECKER:

14 Thank you. Is there a second?

15 MR. SOJKA:

16 Second.

17 CHAIRMAN DECKER:

18 Any questions? All those in favor.

19 AYES RESPOND

20 CHAIRMAN DECKER:

21 Any opposed?

22 NO RESPONSE

23 CHAIRMAN DECKER:

24 The motion carries. Thank you. I think  
25 our next --- fifth is Sands Bethworks. May I have a

1 motion from the Board to adopt the previously  
2 described order?

3 MR. COY:

4 So moved, Mr. Chairman.

5 CHAIRMAN DECKER:

6 Thank you. Is there a second?

7 MR. ANGELI:

8 Second.

9 CHAIRMAN DECKER:

10 Any questions? All those in favor.

11 AYES RESPOND

12 CHAIRMAN DECKER:

13 Any opposed?

14 NO RESPONSE

15 CHAIRMAN DECKER:

16 The motion carries with respect to Sands  
17 Bethworks as well. Our next is a manufacturer's  
18 license with respect to Ainsworth Gaming Technology.

19 MR. MCCABE:

20 So moved.

21 CHAIRMAN DECKER:

22 Thank you.

23 MR. COY:

24 Second.

25 CHAIRMAN DECKER:



1           Any questions? All those in favor please  
2 indicate --- excuse me. All those in favor.

3 AYES RESPOND

4           CHAIRMAN DECKER:

5           Any opposed?

6 NO RESPONSE

7           CHAIRMAN DECKER:

8           The motion carries. Thank you. Next up,  
9 this is the management company license for Harrah's.  
10 Could I have a motion from the Board to the effect  
11 previously discussed?

12          MR. SOJKA:

13          Yes. Mr. Chairman, I move to adopt the  
14 Board order approving a management company license for  
15 Harrah's Chester Downs Management Company, LLC.

16          CHAIRMAN DECKER:

17          Thank you. Is there a second?

18          MR. ANGELI:

19          Second.

20          CHAIRMAN DECKER:

21          Thank you. Any questions or comments?

22 Hearing none, all those in favor.

23 AYES RESPOND

24          CHAIRMAN DECKER:

25          Any opposed?

1 NO RESPONSE

2 CHAIRMAN DECKER:

3 The motion carries. Thank you. Our next  
4 up --- did we cover them all, Susan?

5 MS. HENSEL:

6 I think, yes, you've covered all of the  
7 principal and key employee orders. You've also  
8 covered the Ainsworth manufacturing license and the  
9 Harrah's management company license.

10 CHAIRMAN DECKER:

11 I was supposed to stop. I'm sorry, we  
12 were on a roll.

13 MS. HENSEL:

14 That's fine. Would you like me just to  
15 go sit down?

16 CHAIRMAN DECKER:

17 Yeah, I can go from here. That's fine.  
18 Did you want to describe the Ainsworth or the Harrah's  
19 management contract license for us, to talk about a  
20 little bit?

21 MS. HENSEL:

22 The Ainsworth Manufacturing license is  
23 similar to the 14 licenses that you have already  
24 awarded to manufacturers, this is for a company to  
25 produce slot machines and/or associated equipment.

1 And now it appears we have 15 manufacturers.

2 CHAIRMAN DECKER:

3 Thank you. And how about for the  
4 management contract for Harrah's? I think we're all  
5 very familiar with that.

6 MS. HENSEL:

7 Yes. Harrah's Management, the technical  
8 name is the Harrah's Chester Downs Management Company,  
9 LLC. This is the company that has been contracted to  
10 run the Chester Downs facility, and we have now  
11 approved them as a management company, which our  
12 regulations require that the Board do.

13 CHAIRMAN DECKER:

14 Thank you. Next up is key employee  
15 credentials. Do you want to describe that for us?

16 MS. HENSEL:

17 Absolutely. Prior to the meeting, the  
18 Bureau of License ---.

19 CHAIRMAN DECKER:

20 Should I just go right into the motion?

21 MS. HENSEL:

22 Whatever you'd like, Mr. Chairman.

23 CHAIRMAN DECKER:

24 I'm sorry.

25 MS. HENSEL:

1                   Prior to this meeting, the Bureau of  
2 Licensing provided you with an order and an attached  
3 list of 69 individuals, who the Bureau has granted  
4 temporary key employee licenses to under the authority  
5 delegated to the director of licensing. These  
6 individuals are employed in department head positions  
7 at several of our Category I facilities. I ask that  
8 the Board adopt a motion approving the order.

9                   CHAIRMAN DECKER:

10                   Thank you. May I have a motion to that  
11 effect?

12                   MR. SOJKA:

13                   Mr. Chairman, I move that the Board adopt  
14 the order accepting the report of the Bureau of  
15 Licensing regarding the issuance of temporary key  
16 employee credentials.

17                   CHAIRMAN DECKER:

18                   Thank you, Commissioner. Can I have a  
19 second, please?

20                   MR. COY:

21                   Second.

22                   MR. ANGELI:

23                   Second.

24                   CHAIRMAN DECKER:

25                   Okay. Thank you. Any questions for

1 Susan on this point? All those in favor?

2 AYES RESPOND

3 CHAIRMAN DECKER:

4 Any opposed?

5 NO RESPONSE

6 CHAIRMAN DECKER:

7 The motion carries.

8 MS. HENSEL:

9 The Bureau of Licensing has also provided  
10 you with an order and a list of 1,252 individuals, who  
11 the Bureau has granted occupation permits to, and  
12 1,235 individuals who the Bureau has granted  
13 registrations to under the authority delegated to the  
14 director of licensing. I ask that the Board adopt a  
15 motion to approve that order.

16 CHAIRMAN DECKER:

17 All right. As listed in the materials  
18 previously delivered to us; correct?

19 MS. HENSEL:

20 Yes.

21 CHAIRMAN DECKER:

22 May I have a motion to that effect,  
23 please?

24 MS. COLINS:

25 Yes. And I move that the Board adopt the

1 order accepting the report of the Bureau of Licensing  
2 regarding the issuance of employee permits and  
3 registrations.

4 CHAIRMAN DECKER:

5 Thank you. Can I have second?

6 MR. MCCABE:

7 Second.

8 CHAIRMAN DECKER:

9 Thank you. Any questions for Susan about  
10 any of the licenses, permits and registrations? All  
11 those in favor please indicate by saying aye.

12 AYES RESPOND

13 CHAIRMAN DECKER:

14 Any opposed?

15 NO RESPONSE

16 CHAIRMAN DECKER:

17 The motion carries. Thank you. Anything  
18 else?

19 MS. HENSEL:

20 That concludes the Bureau of Licensing's  
21 presentation.

22 CHAIRMAN DECKER:

23 Susan, did you have something about  
24 advertising, or do you want to come back for that?

25 MS. HENSEL:

1 I have nothing more for the Board.

2 CHAIRMAN DECKER:

3 Okay. Thank you. Okay. Next up is our  
4 gaming --- we're going to skip that; right? Oh, Don's  
5 here. Sorry. Among Don's other jobs, Counsel to our  
6 gaming lab. Our gaming lab folks are all in Erie  
7 working on Presque Isle's opening.

8 ATTORNEY SHIFFER:

9 Good afternoon, Chairman Decker and  
10 members of the Board. I have before you, for  
11 consideration this afternoon, a request from Spectrum  
12 Gaming Group, LLC to temporary possess the slot  
13 machines for the use --- at the Pennsylvania Gaming  
14 Congress in Harrisburg on March 11th through the 14th.  
15 This is the second such request in as many years from  
16 Spectrum Gaming Group, to temporary possess these  
17 machines. The use of these machines will be limited  
18 to running demonstration software, which precludes  
19 acceptance of coin currency vouchers or coupons.

20 Spectrum Gaming Group further agrees to  
21 ensure the security of the slot machines in their  
22 possession for the duration of the time that the  
23 machines will be housed at the conference venue.  
24 Pursuant to 4631(b)(6) of our regulations, the Board  
25 has the authority to allow certain persons authorized,

1 in writing by the Board to possess slot machines in  
2 the Commonwealth upon its finding that the possession  
3 of slot machines by such persons is not contrary to  
4 the goals and objectives of the Act. I have before  
5 you the consideration of this motion.

6 CHAIRMAN DECKER:

7 Thank you. May I have a motion to that  
8 effect with respect to Spectrum Gaming Group and their  
9 temporary possession of those particular slot  
10 machines?

11 MR. MCCABE:

12 Mr. Chairman, I move that the Board  
13 approve resolution 2007-2-GL for the possession of  
14 slot machines by Spectrum Gaming Group for the  
15 Pennsylvania Gaming Congress.

16 CHAIRMAN DECKER:

17 Thank you. May I have a second, please?

18 MR. SOJKA:

19 Second.

20 CHAIRMAN DECKER:

21 Any questions for Don about it? Hearing  
22 none, all those in favor.

23 AYES RESPOND

24 CHAIRMAN DECKER:

25 Any opposed?



1 NO RESPONSE

2 CHAIRMAN DECKER:

3 The motion carries. Don, thank you very  
4 much.

5 ATTORNEY SHIFFER:

6 Thank you very much.

7 CHAIRMAN DECKER:

8 Do we have anything else --- we're not  
9 covering advertising today; correct?

10 MR. NEEB:

11 No.

12 CHAIRMAN DECKER:

13 We have --- just to let you know, we are  
14 going to be talking at our next meeting about the  
15 Category III licenses and the time period for re-  
16 opening the application process for those. But we're  
17 not going to be doing it today. Along those lines,  
18 our next meeting is Thursday, March 15th at the North  
19 Office Building, at 11 o'clock. We had a change in  
20 the time. We're going to be starting these at 11  
21 o'clock from now on.

22 Like all of our meetings, this one was  
23 obviously open to the public, and we look forward to  
24 seeing you there. Do any of the board members have  
25 any final comments or questions? Hearing none, may I

1 have a motion to adjourn?

2 MR. ANGELI:

3 So moved.

4 CHAIRMAN DECKER:

5 Can I have a second?

6 MS. COLINS:

7 Second.

8 CHAIRMAN DECKER:

9 Thank you. I believe we're adjourned.

10 \* \* \* \* \*

11 HEARING CONCLUDED AT 4:43 P.M.

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