

PENNSYLVANIA GAMING CONTROL BOARD
PUBLIC MEETING

KEYSTONE BUILDING
PUC-HEARING ROOM 1
HARRISBURG, PENNSYLVANIA

NOVEMBER 8, 2007, 2:12 P.M.

BEFORE:

MARY DiGIACOMO COLINS, CHAIRMAN
RAYMOND S. ANGELI
JEFFREY W. COY
JAMES B. GINTY
KENNETH T. McCABE
SANFORD RIVERS
GARY A. SOJKA (via telephone)
KEITH WELKS

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1 CHAIRMAN DiGIACOMO COLINS: I'd like to
2 call the meeting to order, please. It's 2:00 p.m.

3 Good afternoon, everyone. I'm Mary Colins,
4 Chairman of the Pennsylvania Gaming Control Board. I
5 want to welcome my fellow Board members, and all of
6 you, to this public meeting.

7 We have Commissioner Sojka. Are you on the
8 line?

9 COMMISSIONER SOJKA: Yes, I am.

10 CHAIRMAN DiGIACOMO COLINS: Very good.
11 Thank you.

12 We have Commissioner Sojka participating by
13 telephone and quorum of the Board is present and this
14 meeting is called to order.

15 We also have Keith Welks here attending on
16 behalf of State Treasurer, Robin Wiessmann. Stacy
17 Amsler, I heard is here. Okay. Good. Stacy Amsler
18 attending on behalf of Revenue Secretary Thomas W.
19 Wolf. Thank you both for being here.

20 Now, we'll go to regular housekeeping
21 items. If you would all please turn off your cell
22 phones, BlackBerries, and other electronic devices, I
23 would appreciate that very much.

24 Now we'll Pledge Allegiance.

25 (Pledge of Allegiance.)

1 CHAIRMAN DiGIACOMO COLINS: All right.
2 Thank you. Old business, by way of announcements,
3 the Board held Executives Sessions on October 16th,
4 November 1st, and prior to today's meeting, in
5 accordance with the Sunshine Act, to discuss
6 personnel issues, privileged agency business, and to
7 consult with counsel and other professional advisors
8 to the Board concerning current litigation, or
9 matters in which complaints are expected to be filed.

10 I want to, again, announce that the
11 application period for the last available Category 1
12 license will close on November 19th.

13 As a final reminder, the deadline for the
14 2006-2007 local law enforcement grant applications
15 has been extended. Grant applications will be
16 accepted on a first-come, first-serve, basis until
17 all of the 2006-2007 funds have been awarded.

18 The closing of the application period will
19 be posted on our website after those funds have been
20 awarded.

21 Now, I'll move on to the transcript and the
22 minutes. May I have a motion, please, for the Board
23 to approve the transcript and minutes of the
24 September 12th meeting and the revised minutes of the
25 August 8th meeting?

1 COMMISSIONER ANGELI: Madam Chairman, I
2 move that the Board approve the minutes of the
3 September 12th meeting and the revision of the August
4 8th, 2007 meeting.

5 CHAIRMAN DiGIACOMO COLINS: May I have a
6 second?

7 COMMISSIONER McCABE: Second.

8 CHAIRMAN DiGIACOMO COLINS: All in favor?

9 COMMISSIONERS: Aye.

10 CHAIRMAN DiGIACOMO COLINS: Opposed?

11 Motion carries.

12 (Washington Trotting Association, Inc.)

13 CHAIRMAN DiGIACOMO COLINS: Now, we'll move
14 to Greenwood Gaming.

15 Good afternoon. Come up, sir.

16 MR. GREEN: Thank you. Good afternoon.

17 Madam Chairman, members of the Board, members of the
18 staff, good afternoon and thank you for allowing us
19 the opportunity to appear before you today. My name
20 is Bob Green, G-r-e-e-n. I'm the Chairman of
21 Greenwood and Philadelphia Park.

22 And as you know, Madam Chairman, when I
23 last appeared before you in August, I updated the
24 Board on our progress with the first phase of our
25 master plan. I commissioned to the Board that we

1 would have that ready for you by October.

2 On the 12th of October, we filed our
3 petition and was scheduled to make a presentation to
4 you October the 26th. Unfortunately, that meeting
5 had to be canceled.

6 The agenda for this meeting has become very
7 full, we appreciate that we have to condense our
8 application within those time constraints. I'll be
9 as brief as I can.

10 To get to the point. Where we are today
11 has taken us somewhat longer than we originally
12 thought, but I am really excited to present this
13 first phase to you because I believe that over this
14 period of time, and with the benefit of the others of
15 our present operations, we've been able to develop an
16 absolutely outstanding facility that will become the
17 new benchmark for casino operations in this country.

18 In short, it will be, in my view, an
19 absolutely spectacular development. As you know, our
20 present Philadelphia Park Casino has been an
21 outstanding success story.

22 It's a first class facility that is
23 tremendously popular with our customers and it has
24 been the most productive casino in the country -- in
25 the Commonwealth, I should say.

1 However, this new stand alone casino that
2 you'll be shown today will take us to a new level, a
3 level that, in my view, will surpass any current
4 casino space that is being developed today in the US.

5 It will also give us the opportunity to
6 rededicate a large part of our existing grandstand to
7 racing as we move into a premiere league status with
8 our thoroughbred and reinvigorated horse racing
9 program.

10 As a piece of what I'm talking about, I
11 think the model that is in front of you, it shows you
12 -- you might get an impression at the site of this
13 but some soaring glass sculptures, video towers, a
14 fabulous, quite unusual double porte-cochere. I
15 think it will give you a flavor of how magnificent
16 this building is going to be.

17 Onto the visual element of this
18 presentation, we've engaged the leading architectural
19 group of Friedmutter for this project. I will let
20 their Senior Vice President, Joe Emanuele, tell you
21 about the look, the sizing, the construction
22 schedule, etc. of this building.

23 Just on a general note, this project has a
24 professional fee budget of over \$12 million and
25 already \$9 million has been contractually submitted

1 and agreed to the professional firms like
2 Friedmutter, who are involved in this project.

3 We have our teams together, and we're ready
4 to go. I would -- I would actually like to spend
5 more time talking to you about this project, but I
6 know I've used a span. So, I'll certainly be back if
7 there are any questions that you may have; but in the
8 meantime, I would like pass over to Joe Emanuele of
9 Friedmutter to do the presentation.

10 MR. EMANUELE: Good afternoon. Thank you,
11 members of the Board for having us here today.
12 Again, my name is Joe Emanuele. I'm Vice President
13 of the Friedmutter Group and in charge of the
14 Atlantic City office.

15 I've been involved in this project since
16 early this year. I think we have come up with a very
17 creative, dynamic, fascinating project that I would
18 like to take you through. Along with me is Rob
19 Shaffer, he is the senior designer on this project.

20 Just to tell you a little bit about
21 Friedmutter Group, we are a design firm doing
22 national projects. We have offices in multiple
23 cities in the country; Las Vegas, Newport Beach,
24 Atlantic City.

25 We do projects nationally and

1 internationally. These are the type of projects that
2 we do.

3 Some of the projects, just for reference,
4 and I'm bringing these similarities because this
5 project is very similar to a few that we have done in
6 the Las Vegas area such as Green Valley Ranch, Red
7 Rock Casino, these are local casinos, they are
8 neighborhood casinos with similar amenities.

9 We think that this project is by far
10 anything that is out there and anything that is in
11 Atlantic City, or in Pennsylvania that has been
12 developed and will be developed. We think this is a
13 leading edge project that we would like to present to
14 you today.

15 I'm just going to use this pointer. This
16 is our current location that we are planning to use
17 the facility.

18 CHAIRMAN DiGIACOMO COLINS: Sir, can you
19 speak into the microphone?

20 MR. EMANUELE: I'm sorry. This is the
21 current location for the new facility. This is a bit
22 of the racetrack, the existing grandstand.

23 The reason why the project was placed where
24 it is, is for multiple reasons. The street road is
25 out here. There's about 1300 feet from street road.

1 That gives you ample access, ingress, egress,
2 stacking, queuing.

3 The porte-cochere of this project is right
4 here. In addition, we have created new loop roads
5 coming around to the facility.

6 The service parking in this area is about
7 7,000 parking spaces, which is ample space for the
8 facility Phase 1 that we are intending to build here.

9 Adjacent here is handicapped parking, which
10 is direct access to the front entry. This consists
11 of two porte-cochere. It's a drop-off and a pick-up
12 porte-cochere.

13 One thing at the current facility, unlike
14 any other place, you can get to your car in about
15 three minutes. That's one of the goals we wanted to
16 maintain.

17 With the drop-off facility here, and
18 pick-up, valet attendants can take the car, pick it
19 up, drop it off, and valet parking is right in front
20 of here.

21 In addition, during construction, the
22 access road all the way to the existing facility will
23 be maintained. So, there will be minimal or no
24 disruption during construction of the new facility.

25 In addition to these 7,000 parking spaces,

1 there's the existing parking area that is adjacent to
2 the existing facility currently today that will be
3 utilized as well.

4 Next slide. The facility here, again, this
5 is a floor plan. This shows, again, these are
6 conceptual drawings. This shows approximately 4,000
7 slots, gaming positions.

8 The facility is about 120,000 square foot
9 net. It consists of a lot of different amenities,
10 such as center bars, and other food and beverage, a
11 large fast food outlet, other restaurants, a
12 multi-purpose room for entertainment, with potential
13 for expansion to the casino later.

14 Then here is our main entry, which is a
15 lobby space. That lobby space will have natural
16 daylight, as you can see on the model here. The
17 drop-off and pick-up porte-cochere.

18 One of the nice things is the way the
19 facility works today, in the existing facility, is
20 people come in, the players desk is right here, and
21 then they have a nice entrance to the facility.
22 We're doing something very similar. We've been
23 successful that way. We would like to continue that.

24 Also, service is at this end here. As you
25 can see here, there are a lot of mature trees here.

1 We're looking to maintain all those trees. There's a
2 natural setting that we would like to maintain. I
3 think it's very beautiful. It would be nice to keep
4 it that way.

5 We were charged -- they said, Joe, you
6 know, we have to do something here that is pretty
7 spectacular.

8 As you can see, this is porte-cochere, the
9 model here. These are large video screens, three of
10 them, which can play multiple video, multiple images.
11 So, when you come up to this facility, it will always
12 be changing. There will always be something new that
13 you see.

14 This will be a very contemporary design,
15 glass porte-cochere roofs, glass crystal boxes, if
16 you will, color changing. Again, when you come up to
17 this facility, it's always going to be something
18 special, something going on.

19 Throughout the whole facility, and in the
20 future as it may expand, as I will get into a little
21 bit later, this porte-cochere is always maintained
22 and never disrupted.

23 I hope you agree with me that we have come
24 up with something very spectacular here that is going
25 to be different than anything that you might see, not

1 only in Pennsylvania but in the gaming community
2 throughout the country.

3 Quickly, these are a couple of images,
4 again, early-on images of the lobby view, the
5 players' desk is here. There's a coffee area here, a
6 gift area and then also, the entrance into the
7 casino. Again, very similar to the existing facility
8 but much larger.

9 The large skylight with natural daylight.
10 Again, a players' card desk. Center bar, now this is
11 going to be a real center bar. It's very large. You
12 will be able to have different amount of venues there
13 for entertainment, you know, food experiences, gaming
14 experiences.

15 Again, it also -- you know, we have a large
16 casino. This is going to be one of the largest
17 casinos that are built. This is 120,000 square foot
18 net gaming.

19 It's compatible to anything that you would
20 see in Las Vegas, and even bigger than some of
21 facilities that I even mentioned before.

22 Another amenity, this is a video bar where
23 you can come in and see video screens, you'll have
24 entertainment there from the video. If you come in
25 and want to see Monday Night Football, what have you,

1 other events, that will also occur in here.

2 Our restaurant. We've done a lot of
3 research on restaurants. This is going to be the
4 state-of-the-art, contemporary restaurant that you
5 might see anywhere in Las Vegas, Atlantic City,
6 again, open kitchen, very contemporary, very edgy, a
7 menu that is pretty spectacular, different food
8 venues, so very edgy, contemporary facility.

9 Food court. Very large food court.
10 Multiple food venues, easy access to the casino, come
11 and go off the casino. Again, large, an appropriate
12 size for the casino.

13 The entertainment facility that I
14 mentioned, which is part of the multi-purpose room,
15 that is going to allow multiple things to happen
16 there.

17 It could be a convention. It could be
18 entertainment, headline entertainment. It could be
19 for other types of gaming tournaments or gaming
20 operations or special events, New Year's Eve. Then
21 again, it could be also possible for future expansion
22 of gaming.

23 One of the other items that was charged to
24 us is the connectivity to the existing facility.
25 Again, that existing facility is about 700 feet away.

1 Various marketing studies have been done
2 and what we found out is actually people like that
3 open, outdoor environment.

4 We plan on maintaining that with these
5 mature trees. This is a walkway, as if we're coming
6 from the existing facility walking towards the -- the
7 new facility walking towards the existing facility
8 with certain benches, gazebos, things of that
9 natures.

10 Then I'll show you after, how that will
11 also become a lifestyle center as other possibilities
12 might happen.

13 Another thing that we wanted to make
14 reference to, this is the existing grandstand
15 facility. In this will be new lounge seating and
16 handicapping areas with the latest video screens.

17 Trainers and horsemen will have their own
18 dedicated cafe. It will be also with this space
19 here, it will be good for large racing events or
20 casino special events and what have you.

21 Again, the connectivity and utilization of
22 this facility, in conjunction with the new one, is
23 the intent. The level of it is going to be
24 maintaining at the same level as the new facility so
25 that these are going to be the same, similar level of

1 experience.

2 On the third floor level, we have already
3 refurbished these horsemen luxury boxes. We're going
4 to continue the other public areas. This will have
5 their own separate access stairway.

6 The picnic area is here. Other things,
7 like the steakhouse and the buffet, will remain here.
8 Then, again, special events can happen here in the
9 existing casino bar, which is quite nice will remain.

10 If some time that other gaming would occur,
11 maybe such as poker, or whatever, this will also
12 accommodate that as well.

13 Lastly, but not lastly, this is the fifth
14 floor level. Again, this is going to be refurbished,
15 dedicated to racing, new ceiling treatments, floor
16 treatments.

17 There will be a new feature that will be
18 designed, handicapping seating, that will have views
19 over to the existing racetrack. You will be able to
20 wager on live races, or other simulcast racing. This
21 is all going to be refurbished, dedicated to racing.

22 Quickly, the program here, again, this is a
23 135,000 square foot gross casino, one of the largest
24 casinos similar in size to things in Atlantic City,
25 and ironically bigger than facilities that are in Las

1 Vegas, in terms of casino size.

2 It's a big facility, 260,000 square feet,
3 mostly on one level. You know what is unique about
4 this, is that we don't usually, as designers, get a
5 chance to design on a 400 acre plus site. We're
6 usually on postage stamps, designing something small
7 and tight.

8 This allows us to open up and a very
9 creative, single level. Casino 101, everything on
10 one level, very convenient. So, again, a very large
11 facility, 260,000 square feet.

12 The design schedule. As I mentioned
13 earlier, we have been engaged since fairly early on.
14 We are prepared, and we are already in the process of
15 completing schematic documentation.

16 We feel by early December of this year, we
17 will be done with schematic documentation. There's
18 two reasons that we need to do that.

19 Number one is we like to go and submit to
20 the local planning; and No. 2, the second line item
21 over here is we're trying to establish and confirm
22 the footprint of the building because we would like
23 to go out with a mill order package on December 18th.

24 The reason for that is that we're trying to
25 make a mill order schedule for early February. We

1 would like to go out and finish the drawings and
2 competitively bid them and be ready to put in a mill
3 order.

4 Other milestones in the construction
5 schedule is in January, mid-January, we're going to
6 to have a site civil package ready for, you know,
7 procurement.

8 We'll have a foundation of underground
9 utilities by the middle of February. We'll have a
10 core and shell completed package by the middle of
11 May. Then all the fit-out that is necessary, in
12 terms of the interiors, will be done in September.

13 All of this in conjunction, and we have
14 done these projects before, this is a pseudo-
15 fast-track casino entertainment facility.

16 The objective is to complete this project
17 by December 15th, '09. We believe that what we have
18 already started, that we can do that with this
19 schedule moving forward.

20 A little bit more about the schedule. Now,
21 I want to talk about the construction schedule to
22 back into the December 15th, '09 date.

23 We're going to select a general contractor
24 later on this month. I don't want to be
25 presumptuous, but it would be great to have Board

1 approval by early December of '07 on our master plan.

2 We feel with that, we can have a ground
3 breaking on March of '08. Then we would start
4 foundations, as you see here, in April. We will have
5 all of our permits, we think we can have by July,
6 again, the fast-track schedule.

7 We'll start steel erection. I was talking
8 about the mill order earlier. We'll start that steel
9 erection in August, and then topping off, which is a
10 milestone in construction. We believe that's going
11 to be also on schedule, to be for -- in May of '09.

12 All of this is intended to have a
13 substantially completed project by October of '09,
14 which would give us ample enough time for start-up,
15 regulatory commissioning, inspections. So, that
16 there's a soft opening in early December, and a grand
17 opening that we'll all go to on December 15th of '09.

18 Last, but not least, I bring you back to
19 the site plan. Design is a patient search. I can't
20 tell you how many iterations of where placing of this
21 facility occurred.

22 Literally, with 400 acres, we strategize a
23 lot of different scenarios sincerely; the distance
24 from the existing facility, the distance from street
25 road access.

1 We feel similar to Green Valley Ranch. And
2 some of these other facilities, they really become a
3 community place with a lot of amenity potential.

4 It's a unique configuration. You see how it is kind
5 of shaped, even the angle of the porte-cochere is
6 oriented toward the street road, perpendicular.

7 More, it's designed so that in this corner
8 as we have master planned it, and not that these
9 plans are solid, because even better, so as economic
10 times allows us, we can decide to move things or put
11 things in various different areas.

12 Right now, it's possibilities of putting a
13 hotel complex in this area with its own drop-off
14 area, again, similar to these facilities that you
15 might see in Las Vegas, that I just discussed.

16 This area here will be a casino expansion,
17 showroom expansion. We know that surface parking
18 would be eliminated. We can build structured parking
19 in this area.

20 Then on this whole side here, it's a
21 potential of putting retail, whether that is movie
22 theaters, you know, nightclubs, restaurants, bowling
23 alleys, different types of cultural experiences that
24 are conducive, and make this a unique, entertaining
25 facility that I think you and I will be proud of at

1 the end of the day, that this is so unique, so
2 fabulous, that I think it's something that the State
3 of Pennsylvania would really embrace in terms of the
4 public good.

5 So, I'm around if you have any other
6 questions.

7 CHAIRMAN DiGIACOMO COLINS: Thank you.

8 MR. EMANUELE: This is a fabulous project.
9 Thank you very much.

10 CHAIRMAN DiGIACOMO COLINS: Thank you very
11 much. All right. I wanted to address this issue.
12 Today, as I mentioned, this is an opportunity for
13 Greenwood Gaming to provide a summary.

14 This is not the hearing on the petition.
15 We're going to be conducting the hearing on the
16 petition prior to our Board meeting on December 18th.
17 That will be your hearing date.

18 The temporary license, I believe, expires
19 on the 18th. So, it will be out of necessity having
20 to make a lot of decisions and voting on the 18th.

21 In preparation of that, we understand time
22 is of the essence. Our staff is going to be working
23 with Greenwood Gaming to get this matter postured for
24 a vote on the 18th.

25 What I want to do is give you some

1 indications of the specific things, the specific
2 things that we are going to require, so that we can
3 go forward with a vote on this.

4 We have had discussions with licensing and
5 some of these -- these are some, but perhaps not all,
6 of what would be required.

7 Our staff will be reaching out to you to
8 have ongoing meetings and ongoing communications
9 between now and the hearing on the 18th.

10 But let me give you -- read for you some
11 items that we are going to be looking for from you; a
12 fully executed agreement between Greenwood Gaming and
13 a Pennsylvania licensed architectural firm, whereby
14 Greenwood is committed to purchase, and the firm is
15 obligated to prepare the plans necessary for the
16 construction; a firm deadline by which all required
17 architectural plans for Phase 1 including, but not
18 limited to, structural, mechanical, electrical,
19 plumbing, and fire protection will be prepared and
20 submitted to the Board.

21 A fully -- again, I'm articulating these
22 now so you have notice, so everybody can put their
23 heads together and get this nailed down for the vote.

24 A fully executed agreement between
25 Greenwood and a general contractor, whereby Greenwood

1 is committed to purchase, and the contractor is
2 obliged to build, everything necessary and the
3 construction of the new facility.

4 A firm construction schedule. We saw some
5 outline. I want a firm construction schedule
6 outlining dates for projected milestones, including
7 substantial completion of all phases of construction
8 of the new facility.

9 A construction budget, documentation from
10 lenders unequivocally confirming the existence of
11 funds to construct the new facility.

12 Gaming floor diagrams depicting slot
13 machine figurations and secured areas. Plans for any
14 future development of this site, and a document
15 indicating Greenwood's commitment to future
16 development.

17 In the event the Board would approve the
18 placement of slot machines in two separate buildings,
19 Greenwood's plans for handling countroom activities,
20 location and number of cashier cages and other
21 specifics, which our licensing people and operational
22 people will go and discuss with you in detail.

23 A specific plan for integrating gaming with
24 horse racing activities and wagering on-site,
25 including a plan for the integration in the event

1 that -- in the event that there would be a vote not
2 to approve slot machines in both places, so explore
3 both issues in terms of integration.

4 So, again, there will be a hearing on the
5 18th. We will be reaching out to you to schedule
6 meetings with our people. We look forward to getting
7 all of the specifics required and nailed down, so
8 that we can get everything tied up -- wrapped up on
9 December 18th.

10 So, we thank you very much for your summary
11 today.

12 Yes, Mr. Green?

13 MR. GREEN: Thank you, Madam Chairman. We
14 note the comments that you made and I have no doubt
15 that we can get together to enable you to deal
16 properly of this matter in December. So, we're very
17 grateful, and we thank you.

18 CHAIRMAN DiGIACOMO COLINS: Great. I think
19 there's a lot of hard work and attention to the
20 detail required. We will put in the time and effort
21 with you, hopefully to get you to where we require
22 you to be to vote on this. Thank you.

23 MR. GREEN: We appreciate it. Thank you.

24 CHAIRMAN DiGIACOMO COLINS: Okay. Now,
25 Melinda Tucker. We're going to -- there's going to

1 be a presentation. Will you tell us about this,
2 please?

3 MS. TUCKER: Good afternoon, Chairman
4 Colins, and members of the Board. This is a
5 continuation of our September meeting where we had
6 invited several horsemen's organizations to come and
7 make presentations to the Board on the status of the
8 horse racing pari-mutuel industry at their respected
9 facilities since the advent of gaming.

10 We have heard from one horsemen's
11 organization. That was the Meadows Standardbred
12 Owners Association, Kim Hankins made that
13 presentation.

14 Today, we have the PHHA, the Pennsylvania
15 Harness Horsemen's Association, to make a
16 presentation first. I didn't see Ron. There he is.
17 Ron Battoni is here to make his presentation.

18 CHAIRMAN DiGIACOMO COLINS: Thank you.

19 MR. BATTONI: Good afternoon, Chairman
20 Colins and members of the Pennsylvania Gaming Control
21 Board. My name is Ron Battoni. I currently serve as
22 Executive Director of the Pennsylvania Harness
23 Horsemen's Association, or PHHA.

24 Our organization represents the racing
25 industry at Mohegan Sun and also at Harrah's Chester.

1 I thank you for this opportunity to come before you
2 today.

3 It is difficult to explain the excitement
4 of many owners, trainers, drivers, and caretakers,
5 who compete in the Commonwealth standard bred tracks,
6 how significant harness racing has improved since
7 slot legislation was passed.

8 In fact, the extent to which our sport has
9 rebounded has exceeded even my most optimistic
10 predictions.

11 Purses at Mohegan Sun have increased from
12 2006, from an average of \$63,000 a day to a current
13 average of \$113,000.

14 To date, \$14.4 million has been paid to the
15 purse account compared, to \$9 million in 2006. At
16 Harrah's Chester, the current average is \$206,000 per
17 day compared to \$66,000 just one year ago for a total
18 of \$14.6 million paid to horsemen and purses.
19 Compared to last year, that was just three million.

20 The effect has been nothing short of
21 amazing. Horses, trainers, and drivers from across
22 the country have been drawn to Pennsylvania,
23 enhancing the reputation of Pennsylvania harness
24 racing on a national scene, and providing fans with
25 some of the best racing in the country.

1 In 2004, before slot legislation was
2 passed, 72 percent of our horses that had competed at
3 Mohegan Sun were from out of state.

4 We feel an obligation to share this
5 windfall with those out-of-state people who stuck
6 with Pennsylvania racing during the leanest years.

7 However, we have also made a substantial
8 effort to encourage more Pennsylvania horses and
9 horsemen to our Sire Stake Program, and by writing to
10 a number of Pennsylvania owned Sire races each racing
11 day.

12 There is other good news to report as well.
13 Beginning with Mohegan Sun, as you know Act 71
14 contains a provision for back stretch improvements
15 over the first five years, and then with additional
16 monies over -- I mean years six through ten.

17 I am pleased to report that our first
18 project, the PHHA and the management at Mohegan Sun
19 agreed on creating a new state-of-the-art paddock.

20 The paddock will have the capacity to
21 accommodate 14 races at one time. The total
22 estimated cost for this project is \$4 million. This
23 is an ideal project because the paddock serves two
24 vital functions.

25 For horsemen, it is where horses warm up

1 before racing. Standardbred horses require more time
2 to warm up than thoroughbred. Horsemen may spend up
3 to three hours in the paddock.

4 A quality facility will enhance their
5 ability to prepare their horses and therefore have a
6 positive impact on the quality of racing.

7 For the state, the paddock is where prerace
8 testing occurs. Screening for some illegal substance
9 is vital to maintaining the integrity of our sport,
10 and assure a level playing field for all that
11 participate.

12 However, with new construction brings some
13 inconvenience to the horsemen and women. The 2008
14 racing season at Mohegan Sun, which normally ends in
15 November, will have to conclude in September because
16 of the demolition of the old paddock, and the
17 construction and steel placement before the winter
18 weather.

19 Moving on to Harrah's Chester, as a newly
20 built facility, back stretch improvements are not
21 required under Act 71 for some time.

22 However, I am pleased to report that the
23 management at Harrah's Chester has continued to work
24 with us to correct the small mistakes that usually
25 occur during the construction of a large,

1 state-of-the-art facility and to tweak the facility
2 as needed to ensure the highest quality
3 accommodations for horsemen, staff, and members of
4 the Pennsylvania Harness Racing Commission to do
5 their jobs.

6 I would also like to thank at this time
7 Melinda Tucker, the Board's Director of Racetrack
8 Gaming, for all of her assistance. She has been an
9 invaluable resource and outstanding liaison working
10 with the horsemen organizations and the Pennsylvania
11 State Harness Racing Commission. We have enjoyed
12 working with her tremendously.

13 In closing, it is a great time to be
14 involved in the sport of harness racing in the
15 Commonwealth. I see only positive things ahead.

16 If Chairman Colins has any questions, or
17 any Board members, feel free to ask. Thank you.

18 CHAIRMAN DiGIACOMO COLINS: Thank you very
19 much.

20 Are there any questions?

21 Very good. Thank you, sir. We appreciate
22 it.

23 MS. TUCKER: Next on the agenda for a
24 presentation is Todd Mostoller, who is the Executive
25 Director of HBPA, and Joe Santanna, the President of

1 the HBPA, the Horsemen's Benevolent Protective
2 Association. They represent horsemen at Presque Isle
3 Downs, and at Penn National.

4 MR. MOSTOLLER: Good afternoon. As Melinda
5 indicated, my name is Tod Mostoller. I'm the
6 Executive Director of the Pennsylvania Horsemen's
7 Benevolent Protective Association. This is the
8 President of the Association, Joe Santanna.

9 On behalf of the horsemen at Penn National
10 and Presque Isle Downs, we thank Chairman Colins and
11 the Board for the opportunity to present today.

12 The Pennsylvania HBPA represents the
13 horsemen at both Hollywood Casino at Penn National
14 Racecourse and Presque Isle Downs.

15 As you're aware, Penn National has
16 currently no slots operating. We're awaiting
17 completion of the state-of-the-art racino, which has
18 an expected opening date of February 5th, 2008 at
19 this juncture.

20 Even though we are not running slots, there
21 has been a significant amount of planning that has
22 gone into the racing program for the implementation
23 of slots.

24 In early August, we reached a backside
25 improvement agreement with Hollywood Casino at Penn

1 National Racecourse, which included a \$10 million
2 commitment to the backside, \$7 million to be spent on
3 barns to be broken down, 19 new barns and 6
4 refurbished barns, \$2.5 million to to be used for
5 site improvements, and an additional \$500,000 to be
6 determined jointly.

7 We also negotiated a continued advance of
8 purses from Hollywood Casino at Penn National. With
9 that advance, there's an agreed upon systematic purse
10 increase.

11 We added a fourth day of racing in April.
12 We had a recalibration of purses and an incremental
13 increase of 20 percent, effective June 1st. Another
14 20 percent purse increase effective September 21st,
15 which effectively moved our purses to \$90,000 a day,
16 which is where we are currently.

17 Then there will be another 20 percent purse
18 increase upon the implementation of slots that will
19 move our daily purse average to \$108,000 a day.

20 The horsemen at Hollywood Casino at Penn
21 National Racecourse are excited about the future of
22 racing at Penn National, and look forward to the
23 challenges ahead.

24 At Presque Isle Downs, the meet was
25 concluded September 29th. We initiated racing

1 September 1st for 25 days of racing. We paid purses
2 of \$10.8 million over the 25 days, which is a daily
3 average of \$431,000.

4 This daily average, from an overnight
5 standpoint, exceeded the two prominent summer race
6 meets in North America, being Saratoga and Del Mar.

7 With this elevated purse structure, we were
8 regularly included in national horse racing news and
9 publications, the Daily Racing Forum, the Blood
10 Horse, Thoroughbred Times.

11 In a recent issue of the Thoroughbred
12 Times, they had reported an increase of 6 percent in
13 overall third quarter North American purse
14 distributions. They indicated that Presque Isle
15 Downs was the major reason for this 6 percent purse
16 increase over the previous year.

17 With these large, daily, overnight
18 expenditures, nationally prominent owners and
19 trainers have recognized the future of racing in
20 Pennsylvania and frequented the entry box.

21 Top owners to a race at Presque Isle Downs
22 included Maggie Moss, who was the leading owner in
23 2006 and again, will probably be in 2007. From a
24 national basis; Melnick Racing Stables, Pin Oak
25 Stable, Robert Bellon, Zion Stables. For these names

1 to appear in the entries and at a new racetrack in
2 Erie, Pennsylvania is quite remarkable.

3 Top trainers to run at Presque Isle include
4 Steve Asmussen, nationally leading trainer, Scott
5 Lake, Tom Amoss, Graham Motion. Tom Amoss won the
6 training title at Presque Isle Downs. He's won
7 numerous training titles in Kentucky.

8 Horses are shipped from all over the
9 country to participate in our program. Once the
10 Saratoga meet concluded in early September, we had a
11 number of horses come down from Saratoga. We had
12 horses from Del Mar, which is in San Diego,
13 California. There were a number of participants that
14 shipped from Chicago, to participate in our program.

15 The highlight of our meet was the \$400,000
16 Presque Isle master stakes, which was a six furlong
17 sprint for fillies and mares. It is the second
18 richest purse in the country for fillies and mares in
19 sprinting.

20 The winner was shipped in from Chicago.
21 Out of that race, we had four horses that went on to
22 compete in the Breeders Cup Filly and Mare Sprint,
23 which was held at Monmouth, October 27th; and two of
24 our participants finished second and third
25 respectively.

1 We are currently in the process of
2 negotiating a winning status with the Breeders Cup.
3 It's a newly implemented program. We're hopeful that
4 both the Master Stakes and the Presque Mile will
5 become a part of the Winning Breeders Cup status.

6 The two major reasons for the influx of
7 trainers from across North America to Presque Isle
8 were the purses I just discussed and our racing
9 surface .

10 In a negotiation with Mountaineer Gaming,
11 who represents Presque Isle Downs, we agreed to
12 install a synthetic racing surface called tapeta
13 footing. The initial feedback was extremely
14 positive. It's a safer surface for both rider and
15 horse.

16 We had a decrease in catastrophic
17 breakdowns, and the majority of the horsemen that I
18 spoke to personally thought it was the best racing
19 surface in the country.

20 At this point, it is far too early, with 25
21 days of racing, to draw any significant conclusions,
22 but the initial results look promising.

23 The successes of Presque Isle Downs have
24 not been coincidental. The horseman and management
25 have worked together extensively to plan the meet,

1 the condition book, and the stake schedule.

2 We must continue to jointly pursue
3 excellence. We, as horsemen, understand that there
4 are many things that can, and must, be improved upon
5 for the next meet.

6 We cannot become complacent and rest on our
7 laurels. We are hopeful that Presque Isle Downs will
8 join us in our endeavor.

9 The equitable distribution of slot revenues
10 to the equine industry provided by Act 71 has had a
11 major beneficial impact on the industry within the
12 Commonwealth.

13 The horsemen at both Hollywood Casino at
14 Penn National and Presque Isle Downs are fully
15 committed to achieving the primary objective, or one
16 of the primary objectives, of Act 71; to promote,
17 protect, and enhance the equine industry within the
18 Commonwealth.

19 If horsemen and racetrack operators
20 continue to work together and share the vision of
21 moving racing in Pennsylvania in the pinnacle in
22 North America, it can be achieved.

23 I would entertain any questions.

24 CHAIRMAN DiGIACOMO COLINS: Thank you very
25 much.

1 Are there any questions?

2 Very good. Thank you.

3 MS. TUCKER: Last, but not least, is our
4 representative from Philadelphia Park, the
5 Pennsylvania Thoroughbred Horsemen's Association, Sal
6 DeBunda.

7 MR. DeBUNDA: Good afternoon, Chairman
8 Colins and members of the Board. I am Sal DeBunda.
9 Before I go on, I actually want to acknowledge
10 gladly my brothers from the Poconos and Penn
11 National, we all worked together on this Bill and
12 it's nice to see things are going well there.

13 I've been a thoroughbred owner since 1988;
14 and during those 20 years, I have raced the tracks in
15 Pennsylvania, New York, New Jersey, Delaware,
16 Maryland, Kentucky, Florida, and Ohio. So, I do have
17 some idea about what racetracks should look like and
18 how they should be run.

19 I serve as a Director of the Pennsylvania
20 Thoroughbred Horsemen's Association at Philadelphia
21 Park. I am pleased and grateful to have this
22 opportunity to comment on where things have been and
23 where they hopefully are going in Philadelphia Park.

24 With the advent of casino gambling, not
25 even one year ago, this really is an exciting time

1 for the industry and the entire Commonwealth of
2 Pennsylvania, and a time where the future promises so
3 much opportunity for the development of the racehorse
4 industry.

5 While we clearly share that enthusiasm in
6 Philadelphia Park, we also have serious concerns
7 about where we are today, and the road that lies
8 ahead of us.

9 Some historical perspective, I think, would
10 be helpful. To understand the horsemen's perspective
11 on the current status of the industry, and to
12 appreciate our reaction to some of the
13 representations that have been made by Philadelphia
14 Park, some history is required.

15 Bob Green previously testified before this
16 Board and asked you to recognize that he and his
17 partners saved Philadelphia Park and the thoroughbred
18 industry in the Philadelphia area.

19 I want to acknowledge their contribution,
20 but want to make it clear to all of you that they are
21 not solely responsible for that achievement.

22 The horsemen at Philadelphia Park put on
23 the show that enables thoroughbred racing to occur at
24 Philadelphia Park.

25 Without their support and patience, since

1 Greenwood took ownership at Philadelphia Park, none
2 of the achievements that Mr. Green points to would
3 have ever occurred.

4 By way of example, the horsemen agreed to
5 accept 31 percent of the net receipts of pari-mutual
6 wagering as their share for purses for the horsemen.
7 This is in contrast to 50 percent of pari-mutuel
8 profits that are paid in most other jurisdictions of
9 the United States.

10 This was done to enable Greenwood to grow
11 their business in Philadelphia Park, including the
12 improvements they so proudly promote.

13 In effect, a lot of the cost of those
14 improvements was done with the financial cooperation
15 of the Philadelphia Park horsemen.

16 Besides this financial help, the horsemen
17 of Philadelphia Park continued to put on the show
18 despite the promise of, but no actual slots
19 legislation for almost eight years.

20 And despite the sometimes unsafe conditions
21 on the backstretch for their horses and their
22 employees, rather than leave, they clung to the hope
23 and promise that slots legislation would eventually
24 be passed and that the necessary backstretch
25 improvements would be made.

1 The horsemen of Philadelphia Park also
2 spent considerable time, energy, and money in
3 lobbying for and explained the need for appropriate
4 slots legislation to promote racehorse development in
5 the Commonwealth of Pennsylvania.

6 Hundreds of thousands of dollars that could
7 have been used for purses were instead spent on this
8 endeavor.

9 I personally put the equivalent of one
10 working year of my life into this venture without any
11 compensation.

12 Where are we today? The adoption of the
13 Racehorse Development and Gaming Act was a day of
14 enormous importance for the industry, and
15 specifically for the horsemen.

16 We view it as no mistake that the Act is
17 entitled Racehorse Development and Gaming Act. The
18 Legislature clear mandate was a development of a
19 racehorse industry in the Commonwealth. The horsemen
20 have focused on this goal from the outset.

21 On December 28, 2005, Greenwood Gaming
22 submitted its initial application seeking a license
23 to operate slot machines in Philadelphia Park.

24 As amended, Greenwood proposed a temporary
25 facility of up to 2,100 slot machines located

1 entirely within the existing grandstand, plus the
2 addition of amenities like an upscale steakhouse to
3 be followed by a construction of a replacement,
4 permanent, stand-alone facility that would increase
5 the casinos capacity between 3 and 5,000 slot
6 machines.

7 Following a May 12th, 2006 public input
8 hearing and a September 12th, 2006 suitability
9 hearing, on October 26th, a little more than a year
10 ago, the Board issued its adjudication granting a
11 conditional category license to Greenwood.

12 The conditional license made clear the
13 construction of the permanent, stand-alone facility
14 as proposed was to begin in the spring of 2007 and be
15 completed in late 2008; within the deadline provided
16 by Section 1207.17 of the Act, 24 months.

17 Following the Gaming Board's approval of
18 this conditional category license, Greenwood
19 commenced renovation of the grandstand area of
20 Philadelphia Park to accommodate its temporary
21 facility.

22 As we all know, before this project began,
23 the entire grandstand was devoted almost exclusively
24 to live racing.

25 The renovation and creation of the

1 temporary facility severely and negatively impacted
2 the accommodation for live racing.

3 Yet, as the Horsemen's Association, we
4 signed off on this proposal as we were led to believe
5 it would be a temporary inconvenience for a permanent
6 improvement.

7 As a result of the changes made to create
8 the temporary facility, all racing-related activities
9 at Philadelphia Park are combined to the 5th floor of
10 the grandstand, and a small area off the paddock of
11 the racetrack.

12 It should come as no surprise that since
13 the temporary facility opened, Philadelphia Park's
14 receipts of gross handle, and hence the amounts
15 payable, the horsemen purses under the live racing
16 agreement has declined.

17 While a share of the slots revenue has
18 increased purses per day, by approximately \$80,000 to
19 \$210,000 a day, the gross handle of Philadelphia Park
20 and live racing on track has decreased from January
21 through September 30th, 2007. The last numbers we
22 have, by 13 percent, which has severely reduced the
23 impact of the additional slot revenues on total
24 overall purses.

25 I can also advise you that on Pennsylvania

1 Derby Day this year, September 3rd, 2007, the
2 on-track handle, despite the one million dollar purse
3 for the Pennsylvania Derby, was down 22 percent from
4 the same track handle on September 5th, 2005.

5 You will recall that the Pennsylvania Derby
6 was canceled in 2006 due to refurnishing of the
7 grandstand.

8 Let me emphasize that the horsemen very
9 clearly understood that the creation of the temporary
10 facility in the grandstand would negatively impact
11 live racing.

12 Make no mistake, although we may not have
13 anticipated the extent of the impact, we accepted the
14 fact that the conditions for the live racing would
15 suffer in the short term.

16 We accepted that because we were led to
17 believe that it would only be temporary, and that we
18 would have construction completed by the end of 2008.
19 That has not occurred. Now a new master plan has
20 been filed.

21 What is the current state of live racing
22 today at Philadelphia Park? We continue to endure
23 the negative conditions created by the temporary
24 facility.

25 We have not seen any material progress

1 towards a permanent facility. Construction did not
2 begin this past spring. We have no idea when
3 construction will begin, although today we saw some
4 promises.

5 Instead of moving forward with construction
6 in the spring, Greenwood filed an application to
7 expand their facility, their temporary facility, and
8 worse, to reclassify as permanent some months ago.

9 Where do we go from here? We do not wish
10 the gaming -- leave the Gaming Board that we cannot
11 work with Philadelphia Park or that we believe that
12 the sky has fallen.

13 The existence of casino gambling already
14 has benefited our members, in terms of purses and
15 other benefits.

16 From January 1, 2007 through October 31st,
17 2007, almost \$24 million has been generated from the
18 slots for purses. I want to repeat that \$24 million.

19 \$4.75 million has had been generated for
20 the breeders from Philadelphia, and almost \$1.2
21 million for health and pension benefits.

22 We are also working with Philadelphia Park
23 to try to improve the temporary conditions, which
24 have so negatively impacted the live racing
25 experience, but also working with them to ensure that

1 Philadelphia Park meets its obligations with respect
2 to conditions on the backside.

3 We believe that these obligations are not
4 just in the Act, and our live racing agreement, but
5 for the fact that they actually own the facility and
6 are responsible for the conditions there.

7 At the same time, the events of the last
8 six months, which you are aware, make us very
9 concerned about whether we will reach the full
10 promise of the Act.

11 While we were and will still continue to
12 work with Philadelphia Park as we always have, we
13 will remain vigilant in ensuring that Philadelphia
14 Park and Greenwood meet their obligations.

15 We request that the Board use all of its
16 powers to do the same, and ensure that the Horse
17 Racing Development Act and the Gaming Act benefits
18 all parties intended by the Legislature.

19 That's the main thrust of what I want to
20 say today. There's been new things promised here.
21 All we ask is that you be vigilant in making sure
22 that they occur.

23 I think a lot of the questions that you
24 raised today, and asked them to come back, go a long
25 way. I will end those remarks with just a few other

1 things.

2 First of all, I will have copies of this
3 presentation available for Melinda so she can make
4 them available to you.

5 Some of you know, we petitioned to
6 intervene with respect to the master plan and the
7 other filings. The petition to intervene will have
8 all future filings on there. That was not meant to
9 be arrogant, but it was meant to somewhat think
10 green, not Bob Green, but about trees and saving some
11 paper.

12 We understand that there may not be a
13 reason for that. Yesterday, we filed an answer
14 suggesting that we would like to only intervene with
15 respect 6, 7, and with respect to this master plan.

16 Since that petition has not yet been
17 granted, I will not make any comments today on the
18 master plan, but would hopefully have that petition
19 granted and would reserve any comments to the
20 December 18th hearing, if that petition is granted.

21 I want to close by reiterating what one of
22 my other colleagues said, with the cooperation of
23 Melinda Tucker and her work with us has been
24 terrific.

25 We look forward to working this Board and

1 with her in the future to actually, as Bob Green
2 said, get it right. Thank you very much for your
3 time. I will answer any questions you may have.

4 CHAIRMAN DiGIACOMO COLINS: Thank you very
5 much.

6 Are there any questions?

7 Okay. Thank you. I appreciate it.

8 COMMISSIONER SOJKA: Madam Chairman?

9 CHAIRMAN DiGIACOMO COLINS: I want to thank
10 all of the presenters today for giving us their
11 insights and updates.

12 Yes? Is that Gary?

13 COMMISSIONER SOJKA: Could I just ask,
14 since I could not see the visuals from Greenwood, if
15 they have those in any smaller form, if they could
16 share them so they could be sent to me.

17 CHAIRMAN DiGIACOMO COLINS: Yes, Gary,
18 there is a smaller form. We will send it to you.

19 COMMISSIONER SOJKA: Thank you very much.

20 CHAIRMAN DiGIACOMO COLINS: Thank you.

21 All right. Now, at this point, we are
22 moving now towards the approval of the Harness
23 Horsemen's Association pension plan; is that correct?

24 MS. TUCKER: That is correct. There are
25 two items on the agenda. The consideration of the

1 approval of a PHHA, Pennsylvania Harness Horsemen
2 Association's pension plan and consideration for
3 approval of the Meadows Standardbred Owners
4 Association's pension plan.

5 Included in your materials for the day
6 today is a memo for your consideration that I would
7 like to offer to the Board at this time and submit it
8 to the Board for approval.

9 CHAIRMAN DiGIACOMO COLINS: All right.
10 Very good. Thank you.

11 MS. TUCKER: I do have this to say,
12 Chairman Colins, that Jim Talerico of our office has
13 reviewed these plans and has determined that they are
14 compliant.

15 The only addition to any motion that might
16 be made with respect to these plans is that, once the
17 pension plan members approve a financial vehicle to
18 invest in, that particular contract with whoever it
19 might be, Prudential or whoever might have the --
20 Great Western, whatever, that has to be approved by
21 the Board as well.

22 So, although, we are approving the pension
23 plan today as it is written, the vehicle that will be
24 used to invest in has to be approved at a future
25 date.

1 CHAIRMAN DiGIACOMO COLINS: All right.

2 COMMISSIONER McCABE: Melinda, I have a
3 question about this. Have these plans, or do these
4 plans, need to be reviewed or seen by the Racing
5 Commission? Did they get to provide any input to
6 this?

7 MS. TUCKER: Both the -- the Harness
8 Commission has reviewed these plans. They have
9 submitted them to an outside independent contractor,
10 a CPA, who reviews, who handles pension work, who has
11 indicated his approval of the plans as well.

12 COMMISSIONER McCABE: Thank you.

13 CHAIRMAN DiGIACOMO COLINS: Very good.

14 All in favor?

15 COMMISSIONERS: Aye.

16 CHAIRMAN DiGIACOMO COLINS: Opposed?

17 Motion carries.

18 All right. Thank you very much, Melinda.

19 Now, to the report from our Executive
20 Director, Anne?

21 MS. LaCOUR NEEB: Okay. Can you all hear
22 me?

23 CHAIRMAN DiGIACOMO COLINS: Yep.

24 MS. LaCOUR NEEB: Good afternoon, Chairman
25 Colins and members of the Board. At this time, I

1 would like to just provide the Board with an update
2 on the operations of two of our newer casinos.

3 The first would be the update on Penn
4 National. This week, we had members of our opening
5 team go out to do a preliminary inspection of the
6 project at the site.

7 I'm happy to report that when this casino
8 opens, this will be the Commonwealth's seventh slot
9 machine facility. It will be the first property
10 located in Central Pennsylvania.

11 Our Board's office, you know, now, the
12 Office of Gaming Operations, has shifted its focus to
13 Penn National which is -- seems according to all
14 indications, notwithstanding maybe some blizzards
15 that might come by, but suggests it may be opening in
16 February of 2008.

17 This will be a fully integrated horse
18 racing and gaming facility similar to Harrah's
19 Chester and Presque Isle Downs.

20 The five story, 365,000 square foot
21 facility will feature a 97,985 square foot gaming
22 floor with 2,000 slot machines, a sports bar with a
23 large video wall, four food venue, a casino lounge
24 with a sound stage and a dome projection screen and a
25 five story parking garage.

1 Penn National has conducted several local
2 job fairs and has begun submitted gaming and
3 non-gaming employee applications to our Bureau of
4 Licensing.

5 They have hosted several diversity training
6 sessions with vendors, which have been attended by
7 our Chief Diversity Officer, Mozelle Daniels.

8 In addition, the Office of Gaming
9 Operations has received the initial submission of
10 Penn National system of internal controls. Those are
11 currently under review, and we anticipate they will
12 be ready at the time when they commence slot
13 operations.

14 The other update I want to give the Board
15 was on PITG Gaming, which is Majestic Star in
16 Pittsburgh. We have had a recent meetings with PITG
17 representatives.

18 They have submitted their site plans,
19 construction schedule, and term sheet for financing
20 as required by the statement of conditions issued in
21 the license.

22 We anticipate that by the end of next week,
23 they will be going to their closing on their credit
24 facility and starting construction soon thereafter.

25 So, they are on target, and I just want to

1 give the Board an update on those two facilities.
2 That's all I have. If you have any questions, I
3 would be happy to answer them.

4 CHAIRMAN DiGIACOMO COLINS: Thank you very
5 much.

6 Any questions?

7 MS. LaCOUR NEEB: Thank you.

8 CHAIRMAN DiGIACOMO COLINS: And now, we
9 have a report from our Chief Financial Officer,
10 Eileen McNulty.

11 CHAIRMAN DiGIACOMO COLINS: Time out?
12 There is a time out. We're going to take -- before
13 you present on the budgets, I have to -- I misread
14 the agenda. We're going to take a recess.

15 We're going to conduct an Executive Session
16 during this recess. We'll schedule it for a
17 15-minute recess and then Executive Session and then
18 return. Thank you.

19 (Recess.)

20 CHAIRMAN DiGIACOMO COLINS: Now, we'll
21 proceed with Eileen McNulty's presentation regarding
22 budgets.

23 MS. McNULTY: Good afternoon, Chairman
24 Colins and members of the Board. Today, we take up
25 the 2008-2009 budgets for the agencies that regulate

1 gaming in the Commonwealth.

2 Section 1202(b)(29) of Title 4 charges the
3 Board with the duty to prepare and, through the
4 Governor, submit annually to the General Assembly an
5 itemized budget, including recommendations for the
6 Pennsylvania State Police, the Department of Revenue,
7 and the Attorney General as to the amount needed to
8 meet their obligations under the Act.

9 I will present the PGCB budget request and
10 representatives of our sister agencies are here today
11 to present their budget requests to you.

12 If you approve these budget requests, the
13 next step will be to forward them, and the supporting
14 detail, to the Governor's Budget Office for inclusion
15 in the Governor's request to the Legislature.

16 As you know, the most significant driver of
17 the budgetary requirements of the regulatory agencies
18 is the number of licensed locations to be regulated.

19 The slide shows that five licensed venues
20 were opened in fiscal year 06-07. One, Mount Airy,
21 has already been opened in the current fiscal year
22 and another, Penn National, is expected to be open in
23 February.

24 Six new locations are expected to be opened
25 in the budget year 2008-2009. Thus, the budget year

1 will reflect a near doubling of the number of
2 licensed locations under regulation.

3 In addition to the opening of six new
4 locations, two of our existing licensees will be
5 relocating and expanding from temporary facilities to
6 permanent facilities during the budget year.

7 The slide shows the anticipated opening
8 schedule that was used to establish the regulatory
9 agency budgets that are before you today.

10 These opening dates were established in
11 consultation with our staff and with the awarded
12 licensees.

13 You will note that we have also made
14 assumptions regarding possible opening dates of
15 resort locations and the seventh track location, none
16 of which have actually been awarded licenses at this
17 point.

18 Our goal with this information is not to
19 establish timetables, but to make explicit the
20 assumptions behind these budgets, and to ensure that
21 the agency budgets are based on consistent
22 assumptions. As the budget process unfolds, we will
23 make any necessary adjustments as schedules evolve.

24 To provide an overview of the budget
25 requests that you are about to consider, we have

1 provided a summary of the four agency budget
2 requests.

3 Together, the four budgets total \$64.3
4 million. This is an increase of \$14 million, or 28
5 percent, over the total appropriations of \$50.1
6 million that are included in Act 9(a) of 2007.

7 Reflecting the 86 percent increase from 6
8 to 13 in the number of operating licensees that are
9 anticipated during the budget year.

10 Broken down by agency, the budgetary
11 increases over the current year are 19 percent for
12 the Gaming Control Board, 51 percent for the
13 Pennsylvania State Police budget, 30 percent for the
14 Department of Revenue budget, and 18 percent for the
15 Attorney General's request.

16 The next slide provides a breakdown of the
17 total regulatory budget by category of expense.
18 Personnel costs across the four agencies constitute
19 70 percent of the combined budget.

20 Personnel costs reflect budgeting for 505.5
21 positions across the four agencies. It's Revenue
22 that has half a person.

23 Operating costs total \$17.5 million, or 27
24 percent, of the combined budgets. The \$2 million
25 cost for investigations represents only third party

1 investigative costs of the Gaming Control Board,
2 which will be recovered.

3 Other recoverable costs, including agency
4 personnel time and PSP charges for fingerprints, are
5 included in the appropriate budget categories.

6 The Gaming Control Board's total budget
7 request is \$35.7 million. Personnel expense is 75
8 percent of this amount and totals \$26.7 million.
9 This is an 18.6 percent increase over the amount
10 budgeted for 06-07, and reflects 58 new positions.

11 All but four of the new positions.
12 Budgeted are for casino enforcement agents reflecting
13 the addition of six new facilities.

14 We have budgeted seven positions at each
15 licensed location. Our current filled complement is
16 245 positions. By the close of next fiscal year,
17 with 13 venues opened, our anticipated complement
18 would be 320 positions.

19 Operating expenses anticipated for the
20 budget year total \$6,993,404 or 19 percent, of the
21 budget request.

22 Rentals and leases continue as the largest
23 category of operating expense in the budget year.
24 Those expenses total a little over \$2 million and are
25 29 percent of the operating budget request.

1 Real estate costs are increasing by 3.4
2 percent during the budget year, reflecting the
3 indexing of rent payments to the consumer price
4 index.

5 Services comprised the second largest
6 operating category, and represent 28 percent of our
7 operating expenses. This category includes funding
8 for a case management system that will enable the
9 agency to maintain a common database and manage
10 workflow as an entity moves from applicant through
11 investigations to licensing decisions.

12 That system is also expected to provide
13 workflow management of all related legal filings,
14 enforcement actions and appeals, and web update
15 capability for internal control filings.

16 The services category also reflects legal
17 services and the cost of interagency billings for
18 such items as comptroller services, audits, and
19 payroll preparation.

20 To provide a context for consideration of
21 this budget request, we have collected performance
22 statistics to illustrate the volume of work that the
23 agency has handled and processed during the previous
24 two fiscal years.

25 Sean Hannon from our Bureau of Licensing

1 will explain this data followed by Mike Cruz of our
2 Gaming Lab, who will present the performance
3 statistics for the lab's activity in prior years and
4 through the beginning of this fiscal year.

5 Sean?

6 MR. HANNON: Good afternoon, Chairman
7 Colins and members of the Board. Today, I will be
8 providing the Board with an overview of fiscal year
9 totals for applications and licenses received and
10 issued over the past two fiscal years.

11 The first slide that will be explained
12 today shows the total number of applications
13 received, reviewed, and presented by the Bureau of
14 Licensing and investigated by the Bureau of
15 Investigations and Enforcement during the fiscal
16 years 2005-2006 and 2006-2007.

17 The types of applications summarized today
18 include the total applications received from Category
19 1, Category 2, and Category 3 slot operators;
20 manufacturers, suppliers, certified and registered
21 vendors, horsemen's organizations and labor
22 organizations.

23 As part of the application packages
24 received from each, the Board also received
25 applications filed for affiliated entities,

1 principals, key employees, gaming and non-gaming
2 applicants.

3 As you can see from the chart, starting
4 with the number of applications received by the
5 Board, the Bureau of Licensing received 1,303
6 applications in fiscal year 2005-2006.

7 This number jumped significantly to 8,955
8 applications received in fiscal year 2006-2007,
9 almost a 600 percent increase.

10 The majority of applications received in
11 2005 and 2006 were from the entities and principals
12 seeking casino operator, manufacturer, and supplier
13 licenses.

14 In fiscal year 2006-2007, the Board saw the
15 first wave of gaming and non-gaming employee
16 applications received in the Bureau of Licensing.

17 The gaming and non-gaming applications
18 accounted for roughly 75 percent of the 8,955 total
19 applications received during the fiscal year
20 2006-2007.

21 The creation of a sophisticated on-line
22 application program called SlotsLink positioned the
23 Board staff to handle the onslaught slot of 6500
24 electronically filed applications in one year.

25 As a result, five Category 1 facilities

1 were able to open between November of 2006 and
2 mid-June 2007.

3 In fiscal year 2006-2007, the Board acted
4 on over 7,000 applications. This would include over
5 6300 approvals, 474 denials, 264 withdrawals, and 13
6 surrender of licenses.

7 To date, the Board has approved four
8 licensure six Category 1 applicants, five of which
9 are open today; five Category 2 applicants, of which
10 one is now open; 16 manufacturers, all of which are
11 either still within the first year of licensure, have
12 renewed their license, or have submitted a renewal
13 application. The Board has also approved 20
14 suppliers, of which four have sought renewal of their
15 license.

16 As of the end of fiscal year 2006-2007, the
17 Board has certified 22 vendors and registered another
18 102 vendors. A listing of these vendors can be found
19 on the Board's website under Licensure.

20 Although it is not shown on the slide, in
21 the first quarter of fiscal year 2007-2008, the Board
22 approved an additional 1500 licenses, permits, and
23 registrations. The Board has also certified or
24 registered over 100 additional vendors.

25 As you are aware, going forward, the Board

1 must annually renew all licenses and occupational
2 permits. To date, this would encompass over 3200
3 renewal applications. This is comprised of open
4 slots facilities, licensed manufacturers, suppliers,
5 and their principals, affiliates, key employees, and
6 gaming employees.

7 It is estimated that once all 14 licensed
8 facilities are operational, there will be over 7,000
9 renewal applications received annually by the
10 Pennsylvania Gaming Control Board.

11 The next slide will summarize the number of
12 enforcement actions and internal control submissions.
13 In fiscal year 2006-2007, the Bureau of Enforcement
14 Counsel issued 15 fines, issued 2 warning letters,
15 and conducted 133 gaming and non-gaming employee
16 hearings.

17 The Office of Gaming Operations reviewed
18 and approved 23 submissions of changes to internal
19 controls in fiscal year 2006-2007.

20 The next section will be summarized by
21 Michael Cruz, Senior Manager of the Gaming Lab
22 Operations.

23 MR. CRUZ: Thanks a lot, Sean.

24 Good afternoon, Chairman Colins, members of
25 the Board. I just want to give a brief, a little bit

1 more details as far as numbers go here. I guess I
2 could probably start with numbers of games monitored.
3 The definition of that is basically the number of
4 games operating on the Central Computer System in the
5 state, and that adds up to all games operating as of
6 June 30th.

7 I'll proceed down to equipment reviews
8 conducted. This is as of fiscal year 06-07.
9 Luckily, the submissions of products coincided with
10 the fiscal year. So, we received our first
11 submissions in July of '06 and subsequently ended
12 June of '06.

13 We have just shy of 8,000 different
14 programs and percentages. This means there are 8,000
15 different variations of programs that can be selected
16 by casino operators to be installed on the floor.

17 Also, 8,000 does include several products
18 that have been rejected. So, 8,000 is the total that
19 we have reviewed.

20 The 115, that consists of hardware and
21 software are operating systems, communication
22 software, associated software and equipment, and as
23 well as the systems, the in-house systems themselves
24 that have been reviewed, approved, or rejected within
25 fiscal year 06-07.

1 If you can go to the next slide. Right
2 here, as you can see, this is a snapshot of our
3 master game library, as of November 1st of this year.

4 Now, this is just games reviewed and
5 approved here. This is a running list that
6 comprises -- includes fiscal year '06 and '07. But
7 if we subtract the number from before to the 9420, we
8 can get a number, which will be significant to us
9 because since the fiscal year ended in July, our lab
10 was also established in July.

11 So, going forward from there, we can get a
12 good number of how many products that we actually
13 review, approved, and/or rejected while our lab was
14 fully functional.

15 So, I have left all of the nitty gritty
16 details out; but if you do the mathematics, you get
17 about 1,426 products reviewed since July 1st of this
18 year.

19 Of those 1,426, 1,381 have been approved
20 and 45 have been rejected. So, that means -- and
21 that includes pretty much the month of July that was
22 taken to set up the lab to a state where we can
23 actually review products on our own.

24 So, prior to that, even during fiscal year
25 '06 and '07 when we had the use of abbreviated

1 testing, we still rejected over 200 products, meaning
2 that we reviewed documentation from other
3 jurisdictions and still deemed certain products to
4 not meet either the statute, or regulation for the
5 minimum design standards of games in Pennsylvania.

6 Since this is a good, probably three-month
7 period of activity, if you project outward for fiscal
8 year 07-08, we were on pace to review 6,000 plus
9 products for this fiscal year. That's just games.
10 It does not include system modifications, aggressive
11 communication, operating systems, and of the like.

12 So, a conservative number would be 6,000
13 plus, and we'll be on par with the 8,000 that was
14 from the previous fiscal year.

15 Just another note on that is, we went from
16 zero to 8,000 in one fiscal year because we had no
17 library coming into last year. Now, we have a
18 library that is approaching 10,000 products that can
19 be used in the Commonwealth.

20 We are constantly updating that and growing
21 it, and also approving products that make
22 enhancements to already approved software.

23 So, that being said, I'll open it up to any
24 of the Board members that might have any questions or
25 comments regarding the items that I have mentioned

1 here.

2 CHAIRMAN DiGIACOMO COLINS: Are there any
3 questions?

4 Do you want to continue?

5 Thank you. Thank you very much.

6 MS. McNULTY: Next, I would like to
7 introduce Scott Frederick, Director of the Fiscal
8 Division of the State Police and Tim Allue, the
9 Director of Gaming Enforcement Office for the State
10 Police to present the State Police's budget request.

11 CHAIRMAN DiGIACOMO COLINS: Good afternoon.

12 MR. FREDERICK: Good afternoon, Chairman
13 Colins and members of the Board. Pennsylvania State
14 Police Gaming Enforcement Office fiscal year 08-09
15 budget request is \$17.5 million.

16 Personnel costs are budgeted at \$15.3
17 million and operating and fixed assets are budgeted
18 at \$2.1 million.

19 In accordance with the Pennsylvania Gaming
20 Control Board's September 2006 memo, this budget
21 supports the operation of a headquarters unit in 13
22 casino sites.

23 It also reflects personnel changes
24 identified in the October 11th, 2007 letter from the
25 Office of the Governor to members of the Legislature,

1 which lowered the amount of troopers assigned to the
2 headquarter's unit, as well as to each casino.

3 As a result of these changes, our current
4 gaming enlisted complement will also need to be
5 increased from 115 to 151 troopers.

6 However, the changes outlined in the
7 October 11th letter result in the State Police being
8 able to only provide coverage during two of the three
9 work shifts of the casino.

10 The Department still feels it is in the
11 best interest of public safety to provide 24-hour
12 coverage at each casino and therefore, recommends the
13 enlisted complement at each casino be reinstated to
14 the original amount.

15 It should also be noted that this budget
16 does not request or identify any potential salary
17 requests that may come to pass on ongoing contract
18 negotiations with the PSPA.

19 At this time, I would like to open it up to
20 questions.

21 CHAIRMAN DiGIACOMO COLINS: Thank you.

22 Are there any questions?

23 No?

24 Very good. Thank you, sir.

25 MS. McNULTY: Thank you, Scott.

1 Here to present the Department of Revenue's
2 budget request are Dave Barish, the Executive Deputy
3 Secretary of Revenue and Stacy Amsler, the Director
4 of the Office of Fiscal Management of the Department
5 of Revenue.

6 MS. AMSLER: Good afternoon, Chairman
7 Colins and members of the Board. Thank you for
8 allowing me to present the Department's budget
9 request for fiscal year 2008-09 for your approval.

10 As you know, under Act 71, the Department
11 is tasked with the procurement and operation of the
12 Central Control Computer System, as well as the
13 collection and distribution of the taxes and
14 assessments imposed by the Act.

15 In order to complete these tasks, we are
16 requesting total funding of just over 10 million
17 dollars. Our funding has distributed \$1.99 million
18 to fund salaries and benefits for 29 people, and \$8.1
19 million for operating costs.

20 Our operating costs include the cost of the
21 Central Control Computer System, which totals \$6.3
22 million and another \$1.35 million for change orders.

23 We have also included \$300,000 for audit
24 costs for Comptroller and the Auditor General. The
25 increase is shown from prior year for personnel cost

1 is related to the salary and benefit increases
2 according to the Commonwealth's master agreement.

3 The increases in operating, of course, with
4 the Comptroller going to \$300,000, change orders of
5 one million for the CCS, and an increase in our prior
6 year costs of the CCS prior this -- this current year
7 it is budgeted 5.9. Next year, it will be \$6.3
8 million. This increase is based on the additional
9 GTR for the opening of the new venues.

10 Thank you for the opportunity to allow me
11 to present the Department's budget. I would be happy
12 to answer any questions.

13 CHAIRMAN DiGIACOMO COLINS: Thank you very
14 much.

15 Any questions?

16 All right. Thank you.

17 MS. McNULTY: Finally, here to present the
18 Attorney General's budget request is Richard Sheetz,
19 Executive Deputy Attorney General for Criminal Law
20 and Anne Marie Kieser, the Director of Legislative
21 Affairs.

22 MR. SHEETZ: And I'll introduce Erik Olsen.
23 Good afternoon, Chairman Colins, Judge and other
24 members of the Board.

25 As you know, I'm the Director of Criminal

1 Law Division for the Office of Attorney General.
2 Also with me is Chief Deputy Attorney General Erik
3 Olsen, who I have asked to form our gaming unit in
4 the Office of Attorney General.

5 This year, we're requesting an award of
6 \$941,552. This represents a 17.8 percent increase
7 over the award that was given to us just this year,
8 that we have just received this July.

9 Of this, most goes to personnel, \$697,000
10 and operating goes to a little over \$243,000. The
11 request for the addition here, and I know this is a
12 modest request, but it's one that is important to the
13 office and to the Commonwealth would add an
14 additional Deputy Attorney General.

15 The request last year gave us four
16 positions in the office. We originally thought that
17 we needed three agents and one attorney. We think
18 it's more prudent if we start off with more agents.
19 We have changed that this year.

20 We're looking at hiring them. As we speak
21 right now, we've had certain contract obligations to
22 post these positions, which has been done and Chief
23 Deputy Attorney General Olsen is in the process of
24 interviewing the applicants that we have for these
25 positions.

1 Next year, we believe that it would be
2 important to have an attorney, who will supervise
3 these agents in their investigations and guide them
4 through that.

5 As you are aware, approximately a year ago,
6 the Attorney General's Office was given concurrent
7 jurisdiction with the various DAs to enforce the
8 Gaming Act.

9 We view our role to include looking at the
10 more complex and long-term investigations. So, with
11 that, we'll be working very closely with the various
12 DAs, who have casinos, racinos in their
13 jurisdictions.

14 We'll also be working very closely with the
15 State Police, and the troopers that they have
16 assigned to these locations, and also working with
17 your agents in BIE to monitor these situations.

18 Given the resources that are available to
19 us and our office, we think that if we look at the
20 long term and more complex cases, that would be a
21 prudent way to go.

22 One of those resources that we would have
23 would be a Statewide Investigating Grand Jury. It
24 would lend itself well to these type of cases.

25 We believe that we will act as a watchdog,

1 to be able to monitor the possible criminal
2 infiltration, or any potential corruption, into the
3 gaming industry in Pennsylvania.

4 It's our goal to ensure that there is
5 integrity in this process. We're going to focus not
6 only on operators, but also all of the businesses
7 that are associated with them.

8 With that, we hope you will entertain our
9 request favorably and we're glad to answer any
10 questions that you may have. Thank you.

11 CHAIRMAN DiGIACOMO COLINS: Thank you very
12 much.

13 Are there any questions?

14 Hearing none, we'll now go to the motions,
15 I believe.

16 Thank you very much, Eileen.

17 All right. May I have a motion to approve
18 the fiscal year 2008-2009 Pennsylvania Gaming Control
19 Board budget?

20 COMMISSIONER McCABE: Are we going to take
21 them separately?

22 CHAIRMAN DiGIACOMO COLINS: We'll do them
23 separately, starting with the Gaming Control Board
24 budget.

25 COMMISSIONER GINTY: I move that the Board

1 approve the 2008-2009 budget as described in detail
2 by the Chief Financial Officer.

3 CHAIRMAN DiGIACOMO COLINS: May I have a
4 second?

5 COMMISSIONER COY: Second.

6 CHAIRMAN DiGIACOMO COLINS: Any questions
7 or comments?

8 All in favor?

9 COMMISSIONERS: Aye.

10 CHAIRMAN DiGIACOMO COLINS: All opposed?
11 Motion carries.

12 May I now have a motion to approve the
13 2008-2009 gaming regulatory budget for the
14 Pennsylvania State Police?

15 COMMISSIONER McCABE: Madam Chair, I move
16 that the Board approve the 2008-2009 gaming
17 regulatory budget as described by the Pennsylvania
18 State Police.

19 CHAIRMAN DiGIACOMO COLINS: May I have a
20 second?

21 COMMISSIONER SOJKA: Second.

22 CHAIRMAN DiGIACOMO COLINS: Any questions
23 or comments?

24 All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN DiGIACOMO COLINS: All opposed?

2 Motion carries.

3 May I now have a motion for the Board to
4 approve the 2008-2009 gaming regulatory budget for
5 the Department of Revenue?

6 COMMISSIONER RIVERS: I move that the Board
7 approve the 2008-2009 gaming regulatory budget as
8 presented by the Department of Revenue.

9 CHAIRMAN DiGIACOMO COLINS: May I have a
10 second?

11 COMMISSIONER SOJKA: Second.

12 CHAIRMAN DiGIACOMO COLINS: Any questions
13 or comments?

14 All in favor?

15 COMMISSIONERS: Aye.

16 CHAIRMAN DiGIACOMO COLINS: Opposed?

17 Motion carries.

18 May I have a motion to for the Board to
19 approve the 2008-2009 gaming regulatory budget for
20 the Office of Attorney General.

21 COMMISSIONER ANGELI: Madam Chairman, I
22 move that the Board approve the 2008-2009 gaming
23 regulatory budget as presented by the Attorney
24 General's Office.

25 CHAIRMAN DiGIACOMO COLINS: Second?

1 COMMISSIONER RIVERS: Second.

2 CHAIRMAN DiGIACOMO COLINS: Thank you.

3 Any questions or comments from the Board?

4 All in favor?

5 COMMISSIONERS: Aye.

6 CHAIRMAN DiGIACOMO COLINS: All opposed?

7 Motion carries.

8 Thank you very much.

9 MS. McNULTY: Thank you, Madam Chairman.

10 Next item on my portion of the presentation is the
11 consideration of Local Law Enforcement Grants.

12 For this part of the presentation, I would
13 like to introduce Stacey Knavel, our Budget Manager.

14 CHAIRMAN DiGIACOMO COLINS: Thank you very
15 much to all of you who came to present your budgets
16 today. Stacey, you can go forward.

17 MS. KNAVEL: The following Local Law
18 Enforcement Grant Applications are recommended for
19 approval today.

20 The Montgomery County District Attorney,
21 \$250,000; the Pittsburgh Bureau of Police,
22 \$181,129.08; the Erie County District Attorney,
23 \$199,698; the Armstrong County District Attorney
24 \$41,278; the Lebanon County District Attorney,
25 \$140,000; the Susquehanna County District Attorney,

1 \$35,000; the Allegheny County Police Department,
2 \$160,568.

3 Upon approval, these grants will be paid
4 out of the 2006-2007 program funds. These grants
5 total \$1,007,673.08.

6 CHAIRMAN DiGIACOMO COLINS: Thank you very
7 much.

8 May I have a motion for the Board to
9 approve the grants under the Local Law Enforcement
10 Grant Program?

11 COMMISSIONER COY: Yes, Madam Chair, I move
12 that the Board approve the local law enforcement
13 grants as described by the Grant Administrator.

14 COMMISSIONER GINTY: Second.

15 CHAIRMAN DiGIACOMO COLINS: Any questions?
16 All in favor?

17 COMMISSIONERS: Aye.

18 CHAIRMAN DiGIACOMO COLINS: Opposed?
19 Motion carries.

20 Thank you.

21 Now, Frank Donaghue, our Chief Counsel has
22 matters to bring before the Board.

23 MR. DONAGHUE: Thank you, Chairman Colins.
24 The Board has received four petitions for relief
25 filed by various licensees.

1 Two of the petitions are from Washington
2 Trotting Association, which the Board heard and
3 received evidence in an oral hearing held earlier
4 this afternoon.

5 The two other petitions have been filed by
6 Down Racing and Chester Downs respectively and are
7 being considered upon documentary hearings.

8 The petitions have all been responded to
9 by the Office of Enforcement Counsel. The Board has
10 been provided with petitions and supporting
11 evidentiary materials, as well as the responses of
12 Office of Enforcement Counsel to the petitions.

13 I would like to first turn your attention
14 to the Chester Downs petition regarding the sale and
15 transfer of interest of Joseph Lashinger. I
16 understand through Chief Enforcement Counsel Pitre
17 that he has obtained information related to that
18 particular petition.

19 At this time, I would turn it over to our
20 Chief Enforcement Counsel.

21 MR. PITRE: Chairman Colins, members of the
22 Board, this morning, Chief Enforcement Counsel
23 received a correspondence filed with the Board's
24 clerk from counsel of Chester Downs and Marina, LLC.

25 The correspondence basically states that

1 Chester -- advises the Board and the staff that a
2 dispute has arisen between the parties of the
3 purchase agreement as to whether or not the purchase
4 agreement can be consummated.

5 As a result, it is the recommendation of
6 the Office of Enforcement Counsel that this matter is
7 tabled and remanded to the Office of Hearing and
8 Appeal for action.

9 MR. DONAGHUE: And I would concur with the
10 recommendation.

11 CHAIRMAN DiGIACOMO COLINS: Consistent with
12 our regulations, I will refer this back to Hearings
13 and Appeals and ask that a Hearing Officer be
14 appointed and a hearing scheduled on the matter.

15 Thank you very much. Continue, please.

16 MR. DONAGHUE: I think a motion to table it
17 would be appropriate as well.

18 CHAIRMAN DiGIACOMO COLINS: Very good.

19 COMMISSIONER COY: Madam Chair, I move to
20 adopt the recommendation of the Office of Chief
21 Counsel and have the matter tabled and referred to a
22 Hearing Officer for a review and hearing.

23 COMMISSIONER McCABE: Second.

24 CHAIRMAN DiGIACOMO COLINS: Any questions
25 or comments?

1 All in favor.

2 COMMISSIONERS: Aye.

3 CHAIRMAN DiGIACOMO COLINS: Opposed?

4 Motion carries. Thank you.

5 MR. DONAGHUE: Thank you.

6 Doug?

7 MR. SHERMAN: The next two petitions
8 concern the Washington Trotting Association matter,
9 which was heard earlier today by this Board.

10 In the first petition, WTA proposes to
11 alter the original plans to its permanent facility.
12 The petition requested permission to make
13 modifications, which as the Board heard included the
14 five-story hotel, spa facilities, and changes in
15 restaurant facilities and some other more minor
16 changes than those.

17 The Office of Enforcement Counsel
18 responded, stating that it has no objection to the
19 relief requested if that petition. There have been
20 no objection lodged by any other Bureau.

21 The Board has been provided with the
22 documentary filings in this matter and has had the
23 benefit of conducting the oral hearing to receive
24 further testimony and evidentiary items.

25 The record on that petition is now closed

1 and it is ripe for this Board's consideration, by way
2 of motion, based upon the record, which has been
3 presented.

4 CHAIRMAN DiGIACOMO COLINS: Thank you. May
5 I have a motion for the Board to approve petition by
6 Washington Trotting Association, Inc. for the
7 approval of modifications to its proposed permanent
8 facility?

9 COMMISSIONER RIVERS: Yes, Madam Chair, I
10 move that the Board approve the petition filed by
11 Washington Trotting Association, Inc., to modify its
12 proposed permanent facility.

13 COMMISSIONER SOJKA: Second.

14 CHAIRMAN DiGIACOMO COLINS: Any questions
15 or comments?

16 COMMISSIONER GINTY: This would be subject
17 to the six conditions that the Office of Enforcement
18 laid out.

19 MR. SHERMAN: That's on the next petition,
20 yes. It would be subject to the conditions of the
21 general permanent license.

22 COMMISSIONER GINTY: Okay.

23 CHAIRMAN DiGIACOMO COLINS: Thank you.

24 All opposed?

25 Did I ask all in favor?

1 All in favor?

2 COMMISSIONERS: Aye.

3 CHAIRMAN DiGIACOMO COLINS: Opposed?

4 Motion carries.

5 MR. SHERMAN: The second WTA petition is to
6 expand the gaming floor of the temporary facility to
7 include the additional 78 slot machines, 1,141
8 additional square feet, and additional security
9 devices.

10 OEC has filed a response to the petition
11 indicating that they had no objection to that
12 petition as long as six conditions were met. Those
13 six conditions were outlined by Enforcement Counsel
14 Barry Creany earlier.

15 Counsel for WTA has stipulated to the
16 conditions requested by the Office of Enforcement
17 Counsel, and has submitted a proposed order
18 containing those conditions specified.

19 Upon this basis, there is no further
20 objection to the petition noted. The Board has been
21 provided with the documentary filings and of course,
22 has had the benefit of hearing the oral presentation.

23 The record on this matter also is now
24 closed and is ripe for the Board's consideration.

25 CHAIRMAN DiGIACOMO COLINS: Thank you. May

1 I have a motion for the Board to approve the petition
2 by Washington Trotting Association, Inc. for approval
3 to expand the gaming floor at its temporary facility.

4 COMMISSIONER ANGELI: Madam Chairman, I
5 move that the Board approve the petition filed by the
6 Washington Trotting Association, Inc., to expand the
7 gaming floor at its temporary location.

8 COMMISSIONER COY: Second.

9 CHAIRMAN DiGIACOMO COLINS: Any questions
10 or comments?

11 COMMISSIONER GINTY: Again, subject to
12 those --

13 CHAIRMAN DiGIACOMO COLINS: Correct.

14 MR. SHERMAN: Correct.

15 CHAIRMAN DiGIACOMO COLINS: All in favor?

16 COMMISSIONERS: Aye.

17 CHAIRMAN DiGIACOMO COLINS: All opposed?

18 Motion carries.

19 MR. SHERMAN: The final petition before the
20 Board today is that of Downs Racing. As you know,
21 Downs Racing is a Category 1 licensee operating
22 Mohegan Sun at Pocono Downs in Wilkes Barre.

23 Currently, Downs Racing is operating a
24 temporary gaming facility while its permanent
25 building is being constructed.

1 The conditional license was issued to Downs
2 Racing on November 13th, 2006. Under the Gaming Act,
3 Downs Racing is required to operate and make
4 available a minimum of 1500 machines at any one
5 licensed facility within one year of the issuance of
6 the slot machine license, unless extended by the
7 Board upon application and for good cause shown and
8 that extension can be for a period of up to 24
9 additional months.

10 Downs Racing currently has approximately
11 1,203 machines in operation in its temporary
12 facility.

13 The one-year anniversary of the conditional
14 license by which the Downs Racing must have 1500
15 machines is November 13th, 2007.

16 Downs Racing has requested an extension of
17 the deadline from November 13th of '07 to November
18 13th of 2008 to reach the statutory minimum number of
19 slot machines.

20 Downs Racing argues that good cause exists
21 for the extension from this Board for the following
22 reasons:

23 One, Downs Racing's decision to open a
24 temporary facility while the permanent building was
25 under construction has enabled the Commonwealth to

1 receive more than \$72 million in revenues that it
2 would not have received had Downs Racing waited to
3 open their facility.

4 Two, the temporary facility is operating at
5 full capacity. It simply has no more space for
6 additional slot machines at this time.

7 And three, Downs Racing has complied with
8 all of the conditions of licensure set forth in the
9 Board's adjudication and order and will have the
10 permanent facility fully operational by the end of
11 the summer in 2008.

12 The Office of Enforcement Counsel has not
13 lodged an objection to the extension based on the
14 reasons asserted.

15 And therefore, based upon the evidentiary
16 record, which has been presented to this Board, the
17 reasons asserted by the petitioner and the OEC
18 response, it would be appropriate for this Board to
19 consider a motion relative to petition for an
20 extension of time to meet the minimum number of
21 machines subject to the conditions agreed to by Downs
22 Racing at this time.

23 CHAIRMAN DiGIACOMO COLINS: Thank you.

24 May I have a motion?

25 COMMISSIONER COY: Madam Chair, I move that

1 the Board approve the petition filed by the Downs
2 Racing, LP for an extension of time to reach a
3 statutory minimum number of slot machines by November
4 13th, 2008.

5 COMMISSIONER SOJKA: Second.

6 CHAIRMAN DiGIACOMO COLINS: Any questions
7 or comments?

8 All in favor?

9 COMMISSIONERS: Aye.

10 CHAIRMAN DiGIACOMO COLINS: All opposed?
11 Motion carries.

12 MR. DONAGHUE: Next, Chairman Colins, I
13 would turn it over to the Director of our Regulatory
14 Review, Richard Sandusky, who is going to ask the
15 Board to consider some changes to our regulations as
16 it relates to vendor registration.

17 CHAIRMAN DiGIACOMO COLINS: Thank you.

18 MR. SANDUSKY: The item we have for your
19 consideration today is amendments to Chapter 437a,
20 which deals with vendors.

21 Many of the amendments are housekeeping in
22 nature, updating form names and whatnot but there is
23 one particular substantive change that I would like
24 to mention.

25 In this regulatory package, we are changing

1 the process for vendor registration to allow
2 potential applicants to file without having the
3 endorsement of a particular slot machine licensee.

4 It is the thought of the Bureau of
5 Licensing that by doing this, we will encourage more
6 businesses, particularly small businesses, to apply
7 to become registered vendors.

8 Once a registered vendor is approved, they
9 go on the approved vendor list. So, this will be a
10 win/win both in terms of allowing more vendors to get
11 on the list, but it will also provide more vendors
12 for the slot machine licensees to choose from.

13 Susan or I will try and answer any
14 questions you may have. If you don't have any
15 questions, we would ask for a motion for approval of
16 this proposed rulemaking.

17 CHAIRMAN DiGIACOMO COLINS: Are there any
18 questions? May I have a motion then?

19 COMMISSIONER McCABE: Madam Chair, I move
20 that the Board adopt the proposed regulation No.
21 125-74 amending Chapter 437a with a proposed public
22 comment period of 30 days, and that the proposed
23 regulation be posted on the Board's website.

24 CHAIRMAN DiGIACOMO COLINS: May I have a
25 second?

1 COMMISSIONER GINTY: Second.

2 CHAIRMAN DiGIACOMO COLINS: All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN DiGIACOMO COLINS: Opposed?

5 Motion carries.

6 Thank you very much.

7 MR. SANDUSKY: Thank you very much.

8 MR. DONAGHUE: Chairman Colins and Board
9 members, I would next like to turn it over to our
10 Deputy Chief Counsel, Mozelle Daniels, who is going
11 to make a presentation for the Board's consideration
12 on a procurement policy for the Gaming Control Board.

13 CHAIRMAN DiGIACOMO COLINS: Thank you.

14 MR. DONAGHUE: Also joining Mozelle is
15 Steve Wilson of our office, and Mike Walsh.

16 MS. DANIELS: Good afternoon, Chairman
17 Colins and members of the Board. The Board has
18 received for consideration the Pennsylvania Gaming
19 Control Board's procurement handbook.

20 The handbook provides a standard reference
21 to establish policy, procedures, and guidelines for
22 the procurement of supplies and services under the
23 authority of the Commonwealth Procurement Code,
24 commonly referred to as Act 57, and the Pennsylvania
25 Racehorse and Development and Gaming Act, known as

1 Act 71.

2 The handbook is designed to achieve maximum
3 uniformity for procurements by all Bureaus within the
4 Pennsylvania Gaming Control Board.

5 In the development of this handbook, we
6 considered the unique nature of the gaming
7 regulations, Act 71, the Commonwealth's Procurement
8 Code, also known, again, as Act 57, the DGS handbook,
9 the AVA Model Procurement Code, and the procurement
10 policy and procedures of approximately ten other
11 jurisdictions.

12 The handbook has been reviewed by the
13 Pennsylvania Control Board's Executive Director, the
14 Chief Counsel, the Director of Administration, and
15 the Chief Financial Officer. We received input and
16 acted upon the input and information provided to us
17 from all of the members of the Board as we prepared
18 this handbook.

19 The purpose of the handbook is to ensure
20 the fair and equitable treatment of all persons who
21 deal with the Pennsylvania Gaming Control Board as we
22 go through the procurement process.

23 We also look to the procurement handbook to
24 provide increased economy in our procurement
25 activities, maximize the use of our purchasing funds,

1 cost for effective and broad-based competition, and
2 to provide safeguards for the maintenance of our
3 procurement system and the quality and integrity of
4 the system and process as well.

5 We would be happy to answer any questions
6 that you may have about this handbook. If
7 appropriate, we would ask that you adopt the
8 Pennsylvania Gaming Control Board's procurement
9 policy. Thank you.

10 CHAIRMAN DiGIACOMO COLINS: Thank you.

11 May I have a motion for the Board to
12 approve the agency's procurement policy?

13 COMMISSIONER COY: Madam Chair, I move that
14 the Board approve the agency's procurement policy as
15 described very adequately by the Office of Chief
16 Counsel.

17 COMMISSIONER RIVERS: Second.

18 CHAIRMAN DiGIACOMO COLINS: Any questions
19 or comments?

20 I would like to make a comment. I would
21 like to thank you for your hard work over the past
22 year in developing this policy. I know it required a
23 lot of -- a lot of work, a lot of attention to
24 detail. We're very grateful. So, I want to express
25 the appreciation to it.

1 Okay. All in favor?

2 COMMISSIONERS: Aye.

3 CHAIRMAN DiGIACOMO COLINS: Opposed?

4 Motion carries.

5 MR. DONAGHUE: Chairman Colins, next I will
6 turn to withdrawals. The Board has received a total
7 of 111 petitions to withdrawal applications, which
8 include 7 employee applications, 1 key employee
9 qualifier renewal application, 1 principal key
10 employee waiver application, one principal
11 application, and 101 gaming and non-gaming employee
12 applications.

13 A full listing of the individuals in each
14 category, along with the docket numbers, have been
15 provided to the Board. With regard to each of these
16 requests, they were reviewed by the Office of
17 Enforcement Counsel.

18 The Chief Enforcement Counsel has no
19 objection to the withdrawals as there is no
20 information constituting good cause to deny,
21 condition, or prejudice the withdrawals of these
22 applications and all required fees have been paid as
23 of this date.

24 These petitions would all be granted
25 without prejudice. The Chief Counsel's Office

1 concurs in this review and submits the 111 petitions
2 to the Board for consideration of a motion to grant
3 the petitions without prejudice.

4 CHAIRMAN DiGIACOMO COLINS: Thank you. May
5 I have a motion for the Board to approve the Board
6 orders regarding the withdrawal of gaming and
7 non-gaming employees permit and registration
8 applications.

9 COMMISSIONER McCABE: Madam Chair, I move
10 that the Board approve the withdrawal of gaming and
11 non-gaming employee permit and registration
12 applications as described by the Office of Chief
13 Counsel.

14 COMMISSIONER COY: Second.

15 CHAIRMAN DiGIACOMO COLINS: Any questions
16 or comments?

17 All in favor?

18 COMMISSIONERS: Aye.

19 CHAIRMAN DiGIACOMO COLINS: Opposed?

20 Motion carries.

21 MR. SHERMAN: The Board has before it today
22 one report and recommendation for consideration.
23 That report and recommendation is following a hearing
24 -- follows a hearing to deny the application for a
25 non-gaming registration to John A. Koss.

1 The report and recommendation, along with
2 the records pertaining to this hearing, have been
3 provided to the Board in advance of this meeting.

4 Mr. Koss had applied to be registered by
5 the Board to work at a casino. During the course of
6 the investigation of the application, it was
7 determined that Mr. Koss failed to disclose arrests,
8 which had a bearing on the suitability for the
9 position.

10 Upon being notified that he was being
11 recommended for denial, Koss requested a hearing but
12 failed to show up at the hearing.

13 The Office of Enforcement Counsel proceeded
14 with the hearing and established the nondisclosures
15 on the record.

16 Based upon the record, the Hearing
17 Officer's recommendation, and the records presented
18 along with that recommendation, it would be
19 appropriate for the Board to consider a motion to
20 adopt the recommendation and deny the registration.

21 CHAIRMAN DiGIACOMO COLINS: Thank you.

22 May I have a motion for the Board to deny
23 the non-gaming employee registration application for
24 John Koss?

25 COMMISSIONER GINTY: Madam Chairman, I move

1 that the Board approve the order denying the
2 non-gaming employee registration application of John
3 Koss, Docket No. 1006810.

4 CHAIRMAN DiGIACOMO COLINS: May I have a
5 second?

6 COMMISSIONER RIVERS: Second.

7 CHAIRMAN DiGIACOMO COLINS: Any questions?
8 All in favor?

9 COMMISSIONERS: Aye.

10 CHAIRMAN DiGIACOMO COLINS: All opposed?
11 Motion carries.

12 MR. DONAGHUE: Okay. Finally, from the
13 Office of Chief Counsel, the Board has received a
14 petition to surrender a temporary key employee
15 license.

16 With regard to this request, it was
17 reviewed by the Office of Enforcement Counsel and the
18 Chief Enforcement Counsel has no objection to the
19 withdrawal as there is no information constituting
20 good cause to deny, condition, or prejudice the
21 withdrawal of this license and all of the required
22 fees have been paid to date.

23 This petition would be granted without
24 prejudice. The Chief Counsel's Office concurs in
25 this review and submits the following petition for a

1 motion by the Board to grant the petition without
2 prejudice. That's at Docket No. K-7357.

3 CHAIRMAN DiGIACOMO COLINS: All right. May
4 I have a motion, please?

5 COMMISSIONER McCABE: Yes, Madam Chair. I
6 move that the Board approve the order to surrender
7 the temporary key employee license for Jason Comeaux,
8 Docket No. K-7357.

9 CHAIRMAN DiGIACOMO COLINS: Any questions?
10 All in favor?

11 COMMISSIONERS: Aye.

12 CHAIRMAN DiGIACOMO COLINS: Opposed?
13 Motion carries.

14 COMMISSIONER GINTY: Madam Chairman, did we
15 miss a motion?

16 CHAIRMAN DiGIACOMO COLINS: Well, I'm
17 looking at a motion -- no, that was -- there was one
18 that was consolidated, I believe. I believe we
19 consolidated -- Frank consolidated all of the motions
20 to withdrawal.

21 MR. DONAGHUE: That is correct.

22 COMMISSIONER COY: We appreciate it.

23 MR. DONAGHUE: Thank you.

24 CHAIRMAN DiGIACOMO COLINS: Thank you very
25 much.

1 Now, we will move to licensing and our
2 Director, Susan Hensel.

3 MS. HENSEL: Thank you, Chairman Colins and
4 members of the Board. I have a number of items to
5 bring before the Board today.

6 First, we have three manufacturer licenses
7 that are up for renewal. These licenses were
8 originally awarded in May of 2006.

9 Each of the licensees filed renewal
10 applications, which allowed their licenses to stay in
11 effect for an additional six months.

12 With respect to each of the renewal
13 applicants, the Bureau of Investigation and
14 Enforcement has completed its investigation and the
15 Bureau of Licensing has provided you with a renewal
16 suitability report.

17 In each case, no issues were identified by
18 either the Bureau of Investigations or Enforcement or
19 Licensing that would preclude licensure.

20 The renewal applicants are Atronic
21 Americas, LLC, Konami Gaming, Incorporated, and
22 ShuffleMaster, Incorporated.

23 I have provided you with draft orders prior
24 to this meeting for each of these companies and their
25 principals and ask that the Board consider the orders

1 individually.

2 CHAIRMAN DiGIACOMO COLINS: Thank you. May
3 I have a motion for the Board to approve an order to
4 renew the manufacturer license for Atronic Americas?

5 COMMISSIONER COY: Madam Chair, I move the
6 Board approve the order renewing the manufacturer
7 license for Atronic Americas, LLC.

8 COMMISSIONER McCABE: Second.

9 CHAIRMAN DiGIACOMO COLINS: Any questions
10 or comments?

11 All in favor?

12 COMMISSIONERS: Aye.

13 CHAIRMAN DiGIACOMO COLINS: Opposed?

14 Motion carries.

15 May I have a motion for the Board to
16 approve an order to renew the manufacturer license
17 for Konami Gaming, Incorporated?

18 COMMISSIONER GINTY: Madam Chairman, I move
19 that the Board approve the order renewing the
20 manufacturer license for Konami Gaming, Incorporated.

21 CHAIRMAN DiGIACOMO COLINS: May I have a
22 second?

23 COMMISSIONER McCABE: Second.

24 CHAIRMAN DiGIACOMO COLINS: Any questions
25 or comments?

1 All in favor?

2 COMMISSIONERS: Aye.

3 CHAIRMAN DiGIACOMO COLINS: Opposed?

4 Motion carries.

5 May I have a motion for the Board to
6 approve an order to renew the manufacturer license
7 for ShuffleMaster, Incorporated?

8 COMMISSIONER McCABE: Yes, Madam Chair. I
9 move that the Board approve the order renewing the
10 manufacturer license for ShuffleMaster, Incorporated.

11 CHAIRMAN DiGIACOMO COLINS: May I have a
12 second?

13 COMMISSIONER ANGELI: Second.

14 CHAIRMAN DiGIACOMO COLINS: Questions or
15 comments?

16 All in favor?

17 COMMISSIONERS: Aye.

18 CHAIRMAN DiGIACOMO COLINS: Opposed?

19 Motion carries.

20 Susan, are those the first renewals that we
21 voted on?

22 MS. HENSEL: These are actually the second
23 round of manufacturer renewals, yes. Time flies.

24 CHAIRMAN DiGIACOMO COLINS: Yes. Continue.

25 MS. HENSEL: Next is an order regarding the

1 issuance of a principal license for a principal of
2 Mountainview Thoroughbred Racing Association. The
3 Board was provided with a proposed order, which I ask
4 that you will consider.

5 CHAIRMAN DiGIACOMO COLINS: May I have a
6 motion to approve an order for the issuance of a
7 principal license?

8 COMMISSIONER ANGELI: Madam Chairman, I
9 move that the Board approve the order to issue the
10 principal license as described by the Bureau of
11 Licensing.

12 COMMISSIONER GINTY: Second.

13 CHAIRMAN DiGIACOMO COLINS: Questions or
14 comments?

15 All in favor?

16 COMMISSIONERS: Aye.

17 CHAIRMAN DiGIACOMO COLINS: Opposed?

18 Motion carries.

19 MS. HENSEL: I will now move to key
20 employee licenses. The Bureau of Licensing provided
21 you with a proposed order for 82 temporary key
22 employee licenses. I ask that the Board consider the
23 order granting these licenses.

24 CHAIRMAN DiGIACOMO COLINS: May I have a
25 motion to approve an order for the issuance of the

1 temporary key employee licenses?

2 COMMISSIONER RIVERS: Yes. Madam Chair, I
3 move that the Board approve the order to issue the
4 temporary key employee license as described by the
5 Bureau of Licensing.

6 COMMISSIONER SOJKA: Second.

7 CHAIRMAN DiGIACOMO COLINS: Questions or
8 comments?

9 All those in favor?

10 COMMISSIONERS: Aye.

11 CHAIRMAN DiGIACOMO COLINS: Opposed?

12 Motion carries.

13 MS. HENSEL: The Bureau of Licensing also
14 provided you with an order and list of 409
15 individuals who the Bureau has granted application
16 permits to, including 44 renewals and 462
17 individuals, who the Bureau has granted registrations
18 to under the authority delegated to the Director of
19 Licensing. I ask that the Board adopt a motion
20 approving that order.

21 CHAIRMAN DiGIACOMO COLINS: May I have a
22 motion to approve orders for the issuance of permits
23 and registrations?

24 COMMISSIONER COY: Madam Chair, I move that
25 the Board approve the order to issue the gaming and

1 non-gaming permits and registrations as described by
2 the Director of the Bureau of Licensing.

3 CHAIRMAN DiGIACOMO COLINS: May I have a
4 second?

5 COMMISSIONER McCABE: Second.

6 CHAIRMAN DiGIACOMO COLINS: Are these names
7 all published on our website, all of these
8 applicants?

9 MS. HENSEL: We are in the process of
10 placing the names of the gaming and non-gaming -- of
11 the applicants and permittees and registrants on the
12 website, but I don't believe those names are
13 currently posted.

14 CHAIRMAN DiGIACOMO COLINS: But they do go
15 up on the website?

16 MS. HENSEL: They will.

17 CHAIRMAN DiGIACOMO COLINS: Okay. Thank
18 you.

19 All of those in favor?

20 COMMISSIONERS: Aye.

21 CHAIRMAN DiGIACOMO COLINS: Opposed?

22 Motion carries.

23 MS. HENSEL: Finally, we have two orders
24 regarding vendors. First, a proposed order
25 certifying the following vendors: American Stare

1 Corporation, Inc., Colucci Tile and Marble, Inc.,
2 Deet's Roofing Company, Inc., and TLP, Inc.

3 I have consulted with Chief Enforcement
4 Counsel and BIE has no objection to the certification
5 of these four companies. I ask that the Board adopt
6 a motion approving the order.

7 CHAIRMAN DiGIACOMO COLINS: May I have a
8 motion to approve an order regarding the applications
9 for vendor certification?

10 COMMISSIONER GINTY: I move the Board
11 approve the order approving the applications for
12 vendor certification.

13 CHAIRMAN DiGIACOMO COLINS: May I have a
14 second?

15 COMMISSIONER McCABE: Second.

16 CHAIRMAN DiGIACOMO COLINS: Any questions?
17 All those in favor?

18 COMMISSIONERS: Aye.

19 CHAIRMAN DiGIACOMO COLINS: Opposed?
20 Motion carries.

21 MS. HENSEL: The final licensing matter is
22 for registered vendor applicants. Prior to this
23 meeting, the Bureau of licensing provided each of you
24 with an order and an attached list of the 34 vendors.

25 I have consulted with Chief Enforcement

1 Counsel and BIE has no objection to the registration
2 of the 34 companies. I ask that the Board adopt a
3 motion approving this order.

4 CHAIRMAN DiGIACOMO COLINS: May I have a
5 motion to approve an order regarding the applications
6 for vendor registration?

7 COMMISSIONER McCABE: Madam Chair, I move
8 that the Board approve the order approving the
9 application for vendor registration.

10 COMMISSIONER ANGELI: Second.

11 CHAIRMAN DiGIACOMO COLINS: Any questions
12 or comments?

13 All in favor?

14 COMMISSIONERS: Aye.

15 CHAIRMAN DiGIACOMO COLINS: Opposed?

16 Motion carries.

17 Thank you very much.

18 MS. HENSEL: Thank you.

19 CHAIRMAN DiGIACOMO COLINS: Now, to Cyrus
20 Pitre, our Chief Enforcement Counsel.

21 MR. PITRE: Good afternoon. The Office of
22 Chief Enforcement Counsel requests that the Board
23 approve the consent agreement that has been submitted
24 in the matter of Stanley Peters, Docket No. 1006153.
25 Assistant Enforcement Counsel, Tom Diehl, is here if

1 the Board has any questions with regard to the
2 consent agreement.

3 CHAIRMAN DiGIACOMO COLINS: May I have a
4 motion to approve a Board order regarding the consent
5 agreement between the Gaming Board and Stanley
6 Peters?

7 COMMISSIONER RIVERS: Yes. Madam Chair, I
8 move that the Board approve the consent agreement
9 between the Gaming Control Board and Stanley Peters,
10 Docket No. 1006153.

11 COMMISSIONER SOJKA: Second.

12 CHAIRMAN DiGIACOMO COLINS: All right. Are
13 there any questions? Are there any questions?

14 All those in favor?

15 COMMISSIONERS: Aye.

16 CHAIRMAN DiGIACOMO COLINS: Opposed?

17 Motion carries.

18 Thank you.

19 The next matter on the agenda was a
20 presentation by Tom Sturgeon. We have taken that off
21 the agenda. It's going to be presented on December
22 3rd, our next meeting, where he will present. So, we
23 will not get into that.

24 At this point, we will adjourn our business
25 portion of the meeting.

1 I guess, may I have a motion to adjourn the
2 business portion of the meeting?

3 COMMISSIONER RIVERS: So moved.

4 COMMISSIONER McCABE: Second.

5 CHAIRMAN DiGIACOMO COLINS: All in favor?

6 COMMISSIONERS: Aye.

7 CHAIRMAN DiGIACOMO COLINS: Thank you.

8 (The meeting concluded at 4:46 p.m.)

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1 I hereby certify that the proceedings and
2 evidence are contained fully and accurately in the
3 notes taken by me on the within proceedings and that
4 this is a correct transcript of the same.

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Hillary M. Hazlett, Reporter
Notary Public

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