

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

* * * * *

BEFORE: LINDA S. LLOYD, PRESIDING OFFICER

HEARING: Wednesday, October 14, 2009

10:00 a.m.

LOCATION: Bensalem Township Municipal Building

2400 Byberry Road

Bensalem, PA 19020

WITNESSES: Alan C. Kohler, Esquire, Robert W. Green,

Ray Angeli, Joseph DiGirolamo, Carl Pearson, John

Evans, Dale Miller, Esquire, Nanette Horner, Gerald

Stoll, Donna Kibbie, Salvatore M. DeBunda, Esquire

Reporter: Kenneth D. O'Hearn

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A P P E A R A N C E S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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I N D E X

1			
2			
3	OPENING REMARKS		
4	By Presiding Officer	9 -	12
5	TESTIMONY		
6	By Attorney Kohler	12 -	25
7	TESTIMONY		
8	By Mr. Green	25 -	28
9	DISCUSSION AMONG PARTIES	28 -	29
10	QUESTIONS		
11	By Presiding Officer		30
12	QUESTIONS		
13	Attorney Dale Miller	31 -	43
14	QUESTIONS		
15	By Mr. Angeli	43 -	44
16	TESTIMONY		
17	By Mr. DiGirolamo	45 -	49
18	TESTIMONY		
19	By Mr. Pearson	50 -	52
20	DISCUSSION AMONG PARTIES	52 -	53
21	QUESTIONS		
22	By Attorney Dustin Miller	53 -	66
23	QUESTIONS		
24	By Attorney Kohler	66 -	70
25			

I N D E X (cont'd)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TESTIMONY

By Attorney Dale Miller 71 - 73

QUESTIONS

By Attorney Dale Miller 73 - 82

DISCUSSION AMONG PARTIES 82 - 97

TESTIMONY

By Attorney DeBunda 98 - 106

CLOSING STATEMENT

By Attorney Kohler 107

DISCUSSION AMONG PARTIES 107 - 109

E X H I B I T S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

		Page
<u>Number</u>	<u>Description</u>	<u>Offered</u>
<u>GGE:</u>		
1	Notice of Pre-Hearing Conference	11
2	Components of Renewal Application	28
3	PowerPoint Presentation	29
<u>OEC:</u>		
1	Complaint Documents	91
2	Complaint Documents	91
3	Complaint Documents	91
4	Complaint Documents	91
5	Complaint Documents	91
6	Complaint Documents	91
7	Complaint Documents	91
8	Complaint Documents	91
9	Complaint Documents	91
10	Complaint Documents	91
11	Complaint Documents	91
12	Complaint Documents	91
13	Complaint Documents	91
14	Complaint Documents	91
15	Complaint Documents	91
16	Complaint Documents	91

E X H I B I T S (cont'd)

	<u>Number</u>	<u>Description</u>	<u>Page</u> <u>Offered</u>
5	<u>OEC:</u>		
6	17	Complaint Documents	91
7	18	Complaint Documents	91
8	19	Consent Agreements	91
9	20	Consent Agreements	91
10	21	Consent Agreements	91
11	22	Consent Agreements	91
12	23	Consent Agreements	91
13	24	Complaints	92
14	25	Complaints	92
15	26	Warning Letter	92
16	27	Warning Letter	92
17	28	Warning Letter	92
18	29	Warning Letter	92
19	30	Response to Warning Letter	93
20	31	Response to Warning Letter	93
21	32	Response to Warning Letter	93
22	33	Warning Letter	92
23	34	Warning Letter	95
24	35	Response to Warning Letter	93
25	36	Response to Warning Letter	93

E X H I B I T S (cont'd)

3			Page
4	<u>Number</u>	<u>Description</u>	<u>Offered</u>
5	<u>OEC:</u>		
6	37	Warning Letter	92
7	38	Response to Warning Letter	93
8	39	Warning Letter	92
9	40	Warning Letter	92
10	41	Response to Warning Letter	93
11	42	2/15/08 Letter	93
12	43	Warning Letter	92
13	44	Response to Warning Letter	93
14	45	Response to Warning Letter	93
15	46	Response to Warning Letter	93
16	47	Warning Letter	92
17	48	Warning Letter	92
18	49	Response to Warning Letter	93
19	50	Response to Warning Letter	93
20	51	Warning Letter	92
21	52	Response to Warning Letter	93
22	53	Revocation of Gaming Permit	94
23	54	Revocation of Gaming Permit	94
24	55	Revocation of Gaming Permit	94
25	56	Revocation of Gaming Permit	94

E X H I B I T S (cont'd)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

		<u>Page</u>
<u>Number</u>	<u>Description</u>	<u>Offered</u>
<u>OEC:</u>		
57	Revocation of Gaming Permit	94
58	Uniform Crime Reporting Statistics	94
59	Uniform Crime Reporting Statistics	94
60	Uniform Crime Reporting Statistics	94
63	Revocation of Gaming Permit	94
64	Revocation of Gaming Permit	94
65	Suitability Report	95
66	Stipulation	94

P R O C E E D I N G S

PRESIDING OFFICER:

1
2 -----
3
4 Good morning everyone. If we can take
5 our seats. I see there's been a run on the hearing
6 this morning, a popular place to be. My name is Linda
7 Lloyd and I'm the presiding officer today assigned by
8 the Board to conduct this portion of the license
9 renewal hearing for Greenwood Gaming Entertainment,
10 Incorporated doing business as Philadelphia Park.
11 Before we begin if we could turn off our cell phones,
12 Blackberries, et cetera, or at least turn them to
13 vibrate. For those of you making presentations
14 there's a button in front of your microphone, if you
15 could push that in before you speak so that we can all
16 hear what you have to say, that would be great.

17 As the presiding officer I call this
18 hearing to order. The date is October 14th, 2009.
19 The time is ten o'clock and the location is the
20 Bensalem Township Municipal Building, Council Chambers
21 at 2400 Byberry Road in Bensalem, Pennsylvania. This
22 license renewal hearing is convened by the
23 Pennsylvania Gaming Control Board pursuant to the
24 authority found in Section 1326B of the Gaming Act and
25 the Board's regulations at 58 Pa Code 491A.8. This

1 public hearing was advertised on the Board's website
2 and in the local newspapers.

3 The Board's and its staff would like to
4 thank Bensalem Township and its staff for making its
5 Council chambers available for the Board for today's
6 hearing. The hearing will begin with the presentation
7 by Greenwood Gaming. After the close of each witness'
8 testimony or at the end of their presentation office
9 of enforcement Counsel will have an opportunity to
10 cross examine the witnesses. Redirect will be
11 permitted and so forth until all the parties are
12 satisfied that all questions have been asked and
13 answered. After Greenwood Gaming has concluded its
14 presentation the Office of Enforcement Counsel will
15 make its presentation. Again, after the close of each
16 witness' testimony Greenwood Gaming's Counsel will
17 have the opportunity to cross examine the witness and
18 redirect will be permitted until all parties are
19 satisfied that all questions have been asked and
20 answered.

21 After the close of the testimony and
22 evidence from the parties, those individuals that have
23 registered to speak today during the public comment
24 period will be heard as their name is called. Elected
25 officials will have ten minutes to speak,

1 representatives from community groups will have five
2 minutes and individuals will each have three minutes.
3 Following the close of the public comment period
4 Greenwood Gaming and OEC will have the opportunity to
5 provide short closing statements.

6 This is an official administrative
7 hearing so please treat this as if you were attending
8 a court proceeding. All witnesses could speak loudly
9 and clearly into the microphone so the court reporter
10 and others can hear you, that would be great. And
11 please when you speak for the first time state your
12 name and spell it for the court reporter. He would
13 appreciate that. If anybody has any questions about
14 the hearing there are a variety of Board staff in the
15 room. Please feel free to ask them questions and
16 they'll try to answer them. So let's begin by having
17 all witnesses from Greenwood Gaming and the Office of
18 Enforcement Council who will be testifying today at
19 the hearing to please stand and raise your right hand
20 to be sworn.

21 -----

22 WITNESSES SWORN EN MASSE

23 -----

24 PRESIDING OFFICER:

25 I have one exhibit to move into the

1 record as a Hearing exhibit and that is labeled
2 Hearing Exhibit Number One, which is the notice of the
3 pre-hearing conference and the hearing today for this
4 public comment --- or for this public hearing. We
5 have not received any public written comments for the
6 record, so there are none to be entered in to that
7 record. Greenwood is ready? Go ahead.

8 (Hearing Exhibit One marked for
9 identification.)

10 ATTORNEY KOHLER:

11 Good morning. I'm Allen Kohler,
12 K-O-H-L-E-R on behalf of Greenwood Gaming
13 Entertainment, Inc. As you're probably aware GGE, as
14 we refer to them, has been up open for business since
15 2006. This is our first corporate renewal proceeding
16 and we're certainly pleased to be here this morning.
17 We are going to present a PowerPoint on the status of
18 our operations and our future plans into the record.
19 As you probably know it's an exciting time for us with
20 the opening of our new casino in mid-December, which
21 is, you know, only two short months away. And we have
22 submitted, as you can see, quite a voluminous amount
23 of material into the record, and along with what'll
24 transpire today we believe the record will show that
25 there is --- that we have met our burden as to renewal

1 and that there's overwhelming evidence in favor of
2 renewal. The Philadelphia Park Casino has been very
3 much a success story and you will hear about that
4 today. With me this morning I have four
5 representatives from GGE. To my right is Joe Wilson
6 who is head of racing operations. Next to me to my
7 right is Tom Bonner who's general Counsel. To my left
8 is Bob Green who is chairman of the board of Greenwood
9 Racing and to my far left is Ron Davis who is director
10 of diversity. Our plan this morning is we're going to
11 go through a PowerPoint for the record. Counsel will
12 lead you through the PowerPoint. The witnesses are
13 here to answer any questions and Chairman Green will
14 do a conclusive statement at the end. With that said
15 with your permission we can start the presentation.

16 PRESIDING OFFICER:

17 Very good.

18 ATTORNEY KOHLER:

19 The first slide is just a --- identifies
20 the company representatives here today. The second
21 slide is just an overview of the presentation where
22 we're going to talk about the topics I know that
23 you've heard for all the renewal proceedings, the
24 benefits we've delivered through tax generation and
25 jobs, diversity, compulsive gambling are our

1 involvement and goodwill in the community. And, of
2 course, very importantly our commitment to racing. We
3 think the theme for our presentation for today should
4 be promises delivered. Again, we've been a major
5 success and we think we've delivered in every area and
6 we'll go through each area very briefly.

7 The next slide slows our growth. As I
8 said, we opened in 2006. We think we have a beautiful
9 facility, but it has been treated as a temporary
10 facility. It is in the grandstand of our casino as
11 I've said previously we're in the final stages of
12 opening a new casino, but you can see our --- just
13 from a matter of business growth measured in slot
14 machines that we've grown the business very steadily
15 since we opened in December of 2006. We opened with
16 2,076 slot machines, which was our assessment of
17 patron demand at that point in time. You know, within
18 seven --- within five months we have increased that by
19 over 300 slot machines and the increase continued into
20 the next year. In February of 2008 we were over 2,700
21 and by May of 2008, which is now about more than a
22 year ago, we were up to 2,912 which is actually our
23 current number. And I'm sure as you're aware it is
24 very close to the statutory limitation --- or at least
25 the initial statutory limitation of 3,000 slot

1 machines. And certainly as a temporary facility we're
2 able to generate demand, if measured through slot
3 machines, far in excess of any other temporary
4 facility and as you will see that's also measured in
5 revenue as well. And as the story continues we've
6 been able to generate more revenue than any other
7 casino, temporary or permanent.

8 So before we get to the revenue figures
9 we're just going to --- you know, as I said we're in
10 the final stages of opening --- or finishing
11 construction and subsequently opening our permanent
12 facility and this gives you an idea of where we stand.
13 The screen picture is a little bit dim, but we have
14 the hard copy presentations as well. This is a very
15 recent view of what the construction looks like inside
16 the casino at this point in time, and as you can see
17 you'll start to see carpet and finishings and the type
18 of things you'll see in the final construction stages.

19 The next slide is just the same thing
20 from another angle. I think we all think the
21 signature on the new facility is our video screens,
22 very, very large video screens, that are, of course,
23 outside of the casino facing patrons as they enter the
24 casino complex. Those screens are finished, they're
25 operating. You know, we're in the process of

1 developing content for post opening, but as you can
2 see, this is what they look like at night. They're
3 very large. They can be seen from quite a distance
4 and we think they're quite honestly spectacular. Also
5 as you can see from this slide we --- you know, we now
6 operate as Philadelphia Park Casino in the temporary
7 facility. When we move to the permanent facility we
8 are going to use the brand Parks Casino and I don't
9 know how you --- clearly you can see it on the slide,
10 but that's --- that will be the name of the casino.
11 This is what it looks like in the daytime. Again,
12 maybe you can sort of appreciate the size. It
13 essentially is what you see as you approach the
14 complex.

15 The next view are just renderings that
16 things will look like when we open this one is
17 somewhat of a repeat of the actual photo. The next
18 slide is what the gaming floor will look like upon
19 opening. The next rendering is sort of an aerial view
20 of casino at night, and again, you can see how the
21 video screens stand out. The final one is the high
22 limits area of the casino where the high limits slot
23 players would be.

24 We'll get off the permanent facility now
25 and move on to a subject that is very, very important

1 to us. As I'm sure you're aware, in addition to a
2 casino we operate and have operated for a long time a
3 thoroughbred racetrack. It's been one of the most, if
4 not the most, successful racing operation in the
5 nation when you consider not only the racing but the
6 --- our transmission of signals. Not only
7 domestically in the U.S. but also the export of the
8 signal to other countries, primarily Europe. This
9 slide just --- in addition to the pictures just shows
10 that we do have live racing all year around. It's on
11 --- the live racing is on Saturday, Sunday, Monday and
12 Tuesday, first race starting at 12:25.

13 PRESIDING OFFICER:

14 I'm assuming that's p.m.

15 ATTORNEY KOHLER:

16 That should be p.m. instead of a.m.

17 PRESIDING OFFICER:

18 You may not have a big audience, I don't
19 know, after midnight races.

20 ATTORNEY KOHLER:

21 Our racing fans are wild, but I don't
22 know how 12:25 a.m. will fly. The next item just
23 shows that we have simulcast daily from 11:00 a.m. to
24 2:00 a.m. The next slide summarizes the area that
25 possibly we're most proud of and that's our ability to

1 generate revenue in our temporary facility. I mean, I
2 think to really sum it up if you add --- this breaks
3 it down between state, local, the economic development
4 fund, which is a five percent tax, and the
5 Pennsylvania Horseracing Fund. If you add these
6 numbers --- the numbers up on the far right column
7 ---. And this is fairly recent through 9/30/09. We
8 have contributed no less than a \$1.5 billion or a
9 little over \$1.5 billion in taxes to the Commonwealth
10 since we opened. That is, you know, as reported on
11 the Board's --- again, the Board's website. The
12 highest revenue generating casino in the Commonwealth
13 by a significant margin and that margin continues to
14 grow. And you can also see how our --- and this is
15 done by the Commonwealth's fiscal year and not by our
16 fiscal year or by the calendar year, so the --- for
17 this fiscal year has just started. But you can also
18 see how our numbers grew starting in fiscal year
19 '06/'07, which, of course, was a partial year. But
20 then '07/'08 to '08/'09 and, you know, we expect
21 that'll certainly grow again this year. And
22 particularly when we open the new facility where we
23 expect to immediately generate some very significant
24 additional patron demand and revenue.

25

PRESIDING OFFICER:

1 I have a question for clarification. At
2 the bottom, the dollar sign and in thousands. Should
3 that be millions?

4 ATTORNEY KOHLER:

5 Well, the dollars are in thousands which
6 means you would put three zeros at the end of each
7 number, which the end result is --- the number ---.

8 PRESIDING OFFICER:

9 Okay.

10 ATTORNEY KOHLER:

11 The end number is in millions, but ---

12 PRESIDING OFFICER:

13 Okay.

14 ATTORNEY KOHLER:

15 --- it's dollars in thousands. Another
16 thing we're very proud of which, again, was, you know,
17 a promise. You know, we said we would generate a lot
18 of revenue for the Commonwealth. We have. In fact,
19 we've generated, I think, beyond most expectations.
20 The other thing we promised was that we would create a
21 lot of new jobs. This shows that we've delivered ---
22 this next slide shows that we've delivered on that
23 promise as of September 30th, 2009. It gives the
24 breakdown, the number of employees in the gaming
25 operation. The other thing we've done which was, you

1 know, a policy consideration of the Board. Something
2 the Board wanted to see was that the vast majority of
3 our employees be Pennsylvania residents, and despite
4 the fact that our casino is very, very close to the
5 Jersey border we --- 86 percent of our employees are
6 Pennsylvania residents.

7 Another priority of the Gaming Act is the
8 emphasis on minority hiring and, as you can see, we've
9 met that promise as well. And we'll get to this a
10 little more --- in a little more detail in one of the
11 next slides, but 29 percent of our employees are
12 representatives of various minority groups and 41
13 percent of our employees are women.

14 That sort of gives --- the next slide
15 gives sort of the highlights of our workforce, a
16 breakdown of the types of jobs that we've created. As
17 you can see you have the upper level management jobs,
18 we hire and then move people up through the
19 organization internally, so you see the 70 percent
20 statistic. And then there's a breakdown of the
21 various types of jobs that we've created through the
22 temporary facility. And, again, a reiteration, that
23 it's been largely through Pennsylvania revenues.

24 The next couple slides are a breakdown of
25 our diversity initiatives, again, a very important

1 consideration under the Gaming Act. We have Ron Davis
2 here who is our director of diversity and he can
3 answer any questions you might have, but Ron's done a
4 great job and our success in diversity is shown on the
5 next slide. I think this is a pretty impressive
6 statistic that 29 percent of our total employee
7 workforce is minority as compared to the comparative
8 statistic of 10 percent of the worst workforce in the
9 corresponding metropolitan statistical area. So we've
10 essentially tripled the diversity in the employee
11 workforce as compared to the surrounding area. And as
12 you can also see in the next statistic there's been an
13 emphasis on hiring of women and we've also developed
14 and met our promise as to that particular area.

15 The diversity initiative for our casino
16 goes beyond employees and it goes into who we retain
17 for our contracting, who our vendors are, who our
18 construction companies are, who the subcontractors
19 are, et cetera, et cetera. For our new casino
20 project, again, a similar statistic to the employee
21 number. Twenty-seven (27) percent of the dollars over
22 \$27 million has been allocated to minority business
23 enterprise and women business enterprise statistics
24 through June. Another \$4 million in non-construction
25 contracts to minority and women owned suppliers and

1 we've also, as it indicates on the slide, maintained
2 active membership with minority supplier development
3 council of Pennsylvania, Delaware and New Jersey. And
4 I also know we've been very active in participating
5 with organizations that are promoting minority
6 participation in the Philadelphia area and around the
7 state.

8 As the next slide indicates --- and you
9 can see the list. I won't read them off, but we've
10 been very active in also the groups, the Chambers, the
11 business Chambers and the groups that promote economic
12 development both for minorities and for economic
13 development generally. We contributed \$250,000 to the
14 benefits of local schools we award scholarships to the
15 local technical school and local high schools, and we
16 expect the president of this organization to be here
17 later, but we meet monthly with the Bensalem Gaming
18 Advisory Board to ensure that --- who essentially
19 represents the interests of the citizens in Bensalem
20 and to make sure we're doing things in a cooperative
21 fashion with them at all times.

22 The next slide is another important area
23 and one of emphasis under the Act and that being
24 compulsive gambling. We have a compulsive gambling
25 plan that lays out that initiative and under that plan

1 we've worked with representatives of the Council on
2 Compulsive Gambling in Pennsylvania. As the training,
3 we've done employee training and orientation on
4 compulsive gambling issues. Our employees are trained
5 in it, they are aware of it and they promote it. They
6 don't promote compulsive gambling, they promote
7 keeping compulsive gambling to an absolute minimum.

8 Another area we've been very involved is
9 community involvement and, as you can see, we've given
10 lots of money to charity, almost \$7 million to over
11 200 organizations. There's a list of them below and
12 you can see, we've been very active in contributing to
13 many, many different types of areas. We're going to
14 go back to our racing side, not so much the actual
15 racing, but our improvements of our --- in our
16 racetrack. And this is an area that we're
17 particularly proud of and I think particularly ahead
18 of the curve. We've done quite a bit of investment in
19 the racetrack. We have commitments to do in the
20 backside area of the racetrack. We have commitments
21 to do investment well beyond more than double the
22 investment that's required by the Gaming Act. We've
23 actually front loaded --- you know, as to the amount
24 that's required by the Gaming Act we've front loaded
25 that investment so that the improvements are seen

1 sooner than later as opposed to towards the end of the
2 period where the investment's required. You can see
3 some of the detail here. We have a new state of the
4 art 47 foot high definition infield video screen. You
5 can see the cost of \$1.2 million. We have a horsemen
6 agreement with the horsemen, which is where these
7 obligations I spoke of as to capital improvement are
8 set forth. We've agreed to rebuild 36 barns, renovate
9 12 dormitories and all this at a cost of \$25 million
10 over 10 years. In comparison the Gaming Act --- all
11 this as on the backside and as a point of comparison
12 the Gaming Act requires an investment of a little over
13 \$5 million.

14 Another component of the Gaming Act is
15 --- one of the reasons for passage of the Gaming Act
16 was to --- I guess is to save horseracing. In our
17 case it certainly has enhanced horseracing and the
18 area where --- through subsidies from the gaming side
19 in the area where most of the money has gone as far as
20 the horsemen's money is to purses. You can see our
21 race purses have gone from an average of \$120,000 per
22 day to \$270,000 per day. That's well more than double
23 and the result of that is that we quickly are now
24 becoming one of the elite or the elite racetracks on
25 the east coast and across the nation. We expect that

1 to continue to evolve and we have an annual race, the
2 Pennsylvania Derby on Labor Day of each year, which is
3 quickly becoming, and we believe is, one of the elite
4 races and at some point in time maybe essentially a
5 triple crown race.

6 The next slide, again, is in each of the
7 areas that I've gone through. These are things we
8 told the Gaming Board that we would do when we filed
9 our application back in 2005 and in each case we've
10 delivered and in most cases exceeded our committee by
11 a significant margin. We're comfortable with that
12 being the focus of this proceeding. A promise
13 delivered, we've done what we said we were going to go
14 do. I'm not going to go through them again, but the
15 next slide basically summarizes those things as well,
16 and as a matter of sort of bringing our presentation
17 to a close I want to call to the stand and turn over
18 the microphone to Bob Green who's Philadelphia Park's
19 chairman of the Board for some brief comments.

20 MR. GREEN:

21 Thank you. Staff and members of the
22 Board and representatives of the staff,
23 representatives of the Board I thank you for allowing
24 us to make this renewal presentation today. I would
25 just like to put this renewal in a historical context.

1 We first acquired or agreed to buy Philadelphia Park
2 in 1989. It was a very difficult time in terms of the
3 credit markets so most deja vu 20 years on. And we
4 finally consummated the purchase of Philadelphia Park
5 in 1990. And I spent I would say months living in a
6 furnished apartment in Street Road, a one bedroom
7 furnished apartment while we raised the money to
8 develop this business. At that time it was the ---
9 the business was more abundant. It was losing money.
10 It looked as though the track would be developed as
11 another shopping mall, but we had a vision for
12 Philadelphia Park. We finally completed that
13 transaction 20 years ago. We began by developing an
14 off track facility to some of the best facilities in
15 the U.S. We renovated the racetrack, we developed the
16 largest telephone account network in the U.S. We also
17 developed technology that enabled us to do full cost
18 simulcasting both here in the U.S. and the ability to
19 transmit that to Europe and further afield.

20 During that period of time we invested
21 and reinvested any earnings that were generated from
22 our racetrack business into our racetrack business.
23 And probably by the mid-'90s we had become one of the
24 most established forces in the racing industry. About
25 that time there was a development towards expanding in

1 certain other states and it mainly took the form of
2 riverboat gambling, and this developed into a number
3 of states expanding gaming at racetracks, mainly to
4 start with in the mid-west. And that trend also
5 developed and we realized that we had to pursue a
6 campaign at that time to expand gaming into
7 Philadelphia Park. This was accelerated as
8 surrounding states like West Virginia and Delaware,
9 managed to obtain expanded gaming at racetracks. By
10 2004 with the help of local state representatives and
11 senators and the governor we were instrumental, I
12 believe, in getting legislation passed that allowed
13 slot machines at racetracks. It took the regulation
14 and Board appointments approximately two years before
15 that became effective. And in 2006, in September of
16 that year, we were finally granted a license to
17 operate gaming. Within four months of that time we
18 opened our facility in the grandstand of Philadelphia
19 Park December the 17th, 2006. So this December we
20 would have been in operation for three years and by
21 that statutory deadline we could, and all things being
22 equal, we should be in our new facility.

23 I come back to the point that we have
24 been here for 20 years. None of the --- there are
25 just four shareholders in the business. We're a

1 private concern. None of those individuals have taken
2 dividends from the company. We have invested any
3 earnings generated from the business into both our
4 racing business and into our gaming business. We
5 understand and accept that our license to operate here
6 is a privilege. We believe that we have to serve a
7 number of different components from our racing fans,
8 our thoroughbred horsemen, our gambling fans, our
9 employees and the community. As Mr. Kohler has said,
10 I think we have delivered on the promises we've made
11 and we look forward to working with both the Board and
12 the community and our friends and colleagues in the
13 racing industry for many years to come. Thank you.

14 ATTORNEY KOHLER:

15 With that, that closes our presentation.
16 We can move for admittance now or do you want to do
17 that later?

18 PRESIDING OFFICER:

19 You can move it now and get that out of
20 the way.

21 ATTORNEY KOHLER:

22 I think the way we worked out to do this
23 is GGE will have three exhibits. The first being all
24 the components of our renewal application, which is
25 comprised of our original application which is now

1 more than a year old, an update which was recently
2 filed and then two supplements, supplemental number
3 one and supplemental number two to our update. We
4 would mark all of that material as GGE Exhibit One.
5 GGE Exhibit Two is a very recent submission in
6 response to inquiries from Board staff in the last
7 couple of days addressing our employment situation.
8 We've marked that as GGE Exhibit Two. GGE Exhibit
9 Three would then be this morning's PowerPoint
10 presentation and with those exhibits marked I'd move
11 for admission.

12 PRESIDING OFFICER:

13 Any objection?

14 (GGE's Exhibits One through Three marked
15 for identification.)

16 ATTORNEY DALE MILLER:

17 We have no objection.

18 PRESIDING OFFICER:

19 So moved. Any confidentiality issues?

20 ATTORNEY KOHLER:

21 Yes, we --- well, I guess following the
22 procedures for confidentially that were agreed to in
23 the Mohegan renewal, and I have --- I've discussed
24 this with Mr. Miller so I think he's agreeable to
25 doing the same thing here. We have --- throughout the

1 materials we have marked every page that we assert is
2 confidential as confidential either through header,
3 footer or stamp. And as far as I know --- Mr. Miller
4 can speak for himself, but as far as I know he does
5 not dispute any designation and we would ask that
6 orally that you accept those designations and treat
7 the information as confidential accordingly.

8 PRESIDING OFFICER:

9 These are documents that are protected by
10 provisions of the Gaming Act as well as our ---?

11 ATTORNEY KOHLER:

12 As well as Commission --- as well as
13 Gaming Board regulations, yes.

14 PRESIDING OFFICER:

15 Okay. Those are accepted. I have one
16 question. You spoke of the number of employees
17 currently employed in your gaming operation. Do you
18 have an estimate of the number of employees you will
19 employ at your permanent facility understanding this
20 is just an estimate?

21 ATTORNEY KOHLER:

22 Well, at least initially --- I mean, I
23 think you have to look at it from day one and then as
24 things evolve. Initially we're --- the permanent
25 facility will open with 3,300 slot machines. That's

1 about 400 more than the 2,912 that we have now, so
2 it's not going to take a huge increase. There will be
3 an increase in the workforce, but it's not going to
4 take a huge increase in the workforce to accommodate
5 those extra machines. However, we're certainly hoping
6 and expecting that we'll be expanding that 3,300 slot
7 machines, hopefully quickly. We expect the patron
8 demand to be there. I guess time will tell. And
9 frankly we're also hoping that there may be an
10 expansion of gaming possibly in the near future in the
11 table games. We are ready to go if that occurs. That
12 is a particularly labor intensive area, far more labor
13 intensive than slot machines. And if all that occurs
14 we will be hiring lots more, a lot more new jobs and
15 hiring a lot more new employees in the near future.

16 PRESIDING OFFICER:

17 Okay. At this time if that concludes
18 your presentation we'll turn it over to the Office of
19 Enforcement Counsel for any questions.

20 ATTORNEY DALE MILLER:

21 Thank you, Ms. Lloyd. We have a few
22 questions. Mr. Kohler, perhaps you can address this,
23 but you did not mention table games in your
24 presentation. But we all know that --- it's pretty
25 clear that it's likely the table games will be

1 approved by the legislature. Do you have room in the
2 new facility for table games and how many table games
3 would you anticipate putting in the new facility
4 should it be allowed in the facility?

5 ATTORNEY KOHLER:

6 Let me --- I'll sort of do an
7 introductory answer and then I'll turn it over to Mr.
8 Green for anything additional. Yeah, one of the ---
9 for anybody's whose been to the casino, which I know
10 is at least most of you up front here, the initial
11 thing that just hits you and just once you pass the
12 video screens out front is the --- you know, the
13 enormity of the place. It is a very, very large
14 facility. I believe our gaming floor is going to be
15 much bigger than any other casino, at least as far as
16 I know. In addition to that we built in a very large
17 area as reserve space that we haven't determined
18 exactly what we're going to use it for, but obviously
19 one of the thoughts in that planning and design was
20 that there was at least a possibility that table games
21 would be legalized. And that is --- you know,
22 absolutely would be a priority use if, in fact, the
23 legislation you spoke of passes. Another potential
24 use is additional slot machines. If as we expect the
25 demand generated by the new facility requires us to go

1 above 3,300. In fact, yesterday we filed a petition
2 with the Board that addressed a number of things, but
3 one of them was to approve us going over the statutory
4 --- the initial statutory maximum of 3,000 and then
5 allowing us to go to 4,000 very quickly if and when we
6 verify that the demand is there after the new facility
7 opens.

8 MR. GREEN:

9 We have approximately 18,000 square feet
10 of shelf space available. Clearly the number of
11 tables would be hard to define at this time until we
12 --- assuming that legislation is passed a major factor
13 and that would be the tax rate and the economics of
14 the number of tables that you would provide. If it
15 was at what we would consider a realistic rate as in
16 the proposed Senate Bill of 1033 I think for fewer
17 tables there would be a number between 100 and 150
18 plus whatever the demand we thought there would be for
19 poker tables.

20 ATTORNEY DALE MILLER:

21 Now, having said that, there will be
22 additional employees hired, as you stated, because of
23 the labor intensity required by the table games. Do
24 you anticipate that you're going to maintain that 86
25 percent Pennsylvania resident employee percentage that

1 you have to this date? And I say that because
2 obviously table games have been legalized in New
3 Jersey for some time and I would imagine that you're
4 going to look to people who are already trained. And
5 having said that, will you be attempting to maintain
6 that 86 percent PA residents and if your --- if you
7 have difficulty in finding PA residents with table
8 gaming training will you take on the responsibility of
9 training Pennsylvania residents to work in the table
10 games area?

11 MR. GREEN:

12 The brief answer is yes.

13 ATTORNEY DALE MILLER:

14 Okay. Give me an expanded answer.

15 MR. GREEN:

16 It will certainly be our goal, and it may
17 not be achievable from day one, is to maintain that
18 high percentage of Pennsylvania residents. We will
19 create our own training program both internally and
20 that goal and that language is, in fact, embedded in
21 Senate Bill 1033. So a part from the fact that we
22 want to do that there will be an obligation contained
23 in that legislation if it's passed in that form.

24 ATTORNEY DALE MILLER:

25 Okay. Thank you. Now, another question

1 with regard to the new facility. Obviously, from the
2 slides that you presented the new facility is a ---
3 let's face it, it's a stand alone building. It's not
4 physically connected to the grandstand. One of the
5 conditions of the Board's approval, as I recall, of
6 that facility was that you would run a bus service
7 between the new facility and the grandstand. I didn't
8 see that mentioned in there, but are you going to live
9 up to that condition and continue or at least begin to
10 run that bus service back and forth so that you can
11 make some use of the grandstand and the patrons who
12 want to patronize both businesses?

13 ATTORNEY KOHLER:

14 The short answer is absolutely. We're
15 well aware that's in the statement of conditions.
16 We're going to meet every requirement of the statement
17 of conditions. We actually have been thinking about
18 not as to the condition itself, but we're going to
19 have very efficient and hopefully transparent
20 transportation between the facilities. We're thinking
21 about ways to make that the best for patrons and ---
22 but we're certainly going to meet the obligations of
23 the statement of conditions. If there were any change
24 to that at any time you would be the first to know.

25 ATTORNEY DALE MILLER:

1 So the answer is that you plan to
2 maintain the integration between slot machines and
3 racing because, as we know, you do have every single
4 license; is that correct?

5 ATTORNEY KOHLER:

6 Yes. And not only that, as I know ---
7 and this is also addressed in Board orders and in the
8 statement of conditions. I think the way the
9 statement of conditions reads we're required to
10 exercise best efforts to have a simulcast area in the
11 actual new casino, and we are --- we do ---. We are
12 going to have a very, very nice, we think, beautiful
13 simulcast area in the new casino. This is not heavy
14 lifting for us. We have our own business interest to
15 integrate racing and gaming. You know, if general
16 assembly legalizes table games that business interest
17 heightens because generally everybody believes that
18 the horseracing patron and the table game patron are
19 much more alike than the horseracing patron and the
20 slot machine patron. So all of this I think creates,
21 you know, huge business incentive to integrate. We're
22 going to integrate. We're well aware of our
23 commitments and obligations. We're going to meet
24 them.

25 ATTORNEY DALE MILLER:

1 Thank you. Now, I have one question
2 that's in regard to certain violations that
3 Philadelphia Park has had in the past couple years.
4 One of which is a Liquor Control Board violation. You
5 didn't mention that in your presentation, so I'll
6 mention that now because there has been a Liquor
7 Control Board violation and it would be Exhibit Number
8 62 of the OEC Exhibits. And I just want to ask you
9 what that was about. Is that a strike for purposes of
10 LCB violations and how that will affect, if it would
11 affect at all, your ability to keep your bars and your
12 patrons happy?

13 ATTORNEY BONNER:

14 I can answer that, Mr. Miller. That case
15 involved an alleged service of alcoholic beverage to
16 an intoxicated patron. The Liquor Control Board filed
17 the citation on that basis. We entered into a
18 settlement with them that resulted in the citation
19 that is the exhibit to which you referred for purposes
20 of the existing liquor laws. That is one strike of
21 the strikes that are permitted. We promptly initiated
22 department wide training programs and retraining
23 programs for our beverage service personnel and
24 bartenders including the RAMP program that is
25 certified by the state and by the LCB. That training

1 has been completed and it was completed on the
2 schedule that the Liquor Control Board had required.
3 In addition the individual employees who were involved
4 in that incident were specifically addressed and
5 counseled and trained with respect to the appropriate
6 procedure, so we believe that we acted prudently
7 Department wide as well as the individuals who were
8 affected. And we believe that we are able to provide
9 appropriate service as required by the customers in
10 compliance with applicable Liquor Control laws.

11 ATTORNEY KOHLER:

12 Let me just add a little bit to that. I
13 think it's --- when you consider the size of our
14 facility, the number of people that are going out ---
15 in and out every day, the fact that unlike some of the
16 other casinos we do provide free drinks to people that
17 are actively playing slot machines. I mean, I find it
18 amazing that we only have one liquor violation in
19 close to the three years that we've been opened. Did
20 you say it was a strike?

21 ATTORNEY BONNER:

22 Yes.

23 ATTORNEY KOHLER:

24 Serving visibly intoxicated is a strike
25 under the liquor law, but I think as we sit here today

1 Philadelphia --- and we're very mindful of three
2 strikes like every other facility in the Commonwealth,
3 but we're in much better shape as to that particular
4 criteria than some of the other casinos. The other
5 thing --- so at least the record shows that we've done
6 a particularly good job in that area. The other thing
7 I'd add since we've been talking about the table game
8 legislation is that the recent amendment to Senate
9 Bill 1033 that the Senate passed, and for that matter
10 the House Bill as well, exempts casinos from the three
11 strike rule which will take the pressure off of
12 everyone. We certainly think that's fair. It always
13 seemed very unfair that we were held to the same
14 standard as the local bar, you know, given the volumes
15 of patrons and the volumes of just the pure volumes
16 involved. You know, the two pending Bills certainly
17 recognize that and, you know, I think we're hopeful on
18 behalf of the entire industry, that that fairness is
19 inserted into the liquor law. With that said, you
20 know, control of our sale and also giving away of
21 alcoholic beverages is high priority for us as Mr.
22 Bonner said and I think the record reflects that.

23 ATTORNEY DALE MILLER:

24 There's also been a number of incidents
25 of underage gaming at your facility and several

1 concerns with the Gaming Control Board for fines, for
2 underage gaming, which are part of the exhibit package
3 for the Office of Enforcement Counsel. Given the fact
4 that you're building a new state of the art facility,
5 will that facility by its set up enable you to better
6 prevent underage gamers from getting into the casino?

7 ATTORNEY BONNER:

8 We believe that it will. As you know
9 from personal involvement in some of those
10 proceedings, Mr. Miller, we believe that the design of
11 the new facility is dramatically different from and
12 better than the facility that we've been operating
13 since December of 2006. We think the limited access
14 point --- there are only three main entrance points
15 for our casino, two at the front, one on the west
16 side. We think that the limited access points there
17 --- and by the way that compared to about 15 or 17 in
18 the existing building, but we think those limited
19 access points will enable us to do an even better job
20 of ensuring that no underage persons enter the casino.
21 We also intend to limit entrance to the casino to
22 persons 21 years and older, which is not the current
23 case at the existing facility because racing occurs in
24 the same building where persons 18 and older may
25 participate. So we think the physical layout, we

1 think the policy with respect to the age restriction
2 and I think also significant is the heightened focus
3 that we have directed, too, the issue of underage
4 gaming, specifically through our security department
5 and the new security director who started a little
6 over a year ago. We've seen dramatic improvement in
7 performance because we've made this a significant
8 focus and realize that we had to increase the focus on
9 it. So our performance through this calendar year has
10 been good and the incidents that you've described
11 which are exhibits, in fact, were all 2008 and older.
12 So we think we have made the appropriate improvement
13 in this area.

14 MR. GREEN:

15 Just I would add to that. I think that
16 this is one of the advantages of a stand alone
17 building that at the present time an 18 year old can
18 go quite legitimately to the fifth floor of our
19 building and place a \$2 exact to bet. Some the
20 problems occur when that same individual may go down
21 the back stairways and enter the casino and maybe put
22 a quarter in the slot machine, which is illegal. The
23 fact that we do have now --- or will have a new
24 separate building I believe will make it much easier
25 to supervise and control. It also allows us to

1 expand, if you like, the family atmosphere of the
2 restaurant where people can bring their children
3 certainly in the summer to the picnic drive and make
4 it a more family orientated sport and pastime. And I
5 believe that will be one of the significant advantages
6 for both the racetrack in its new form and the
7 facility as a stand alone building.

8 ATTORNEY DALE MILLER:

9 And my understanding from your discussion
10 of the new facility is that you have no plans to put
11 or maintain any slot machines in the grandstand once
12 the new facility's in operation; is that correct?

13 MR. GREEN:

14 Not at this stage we don't have any plans
15 to place machines in the grandstand, no.

16 ATTORNEY DALE MILLER:

17 But under the pending --- some of the
18 pending legislation may allow you an opportunity to
19 put table games in the grandstand, and I assume ---.
20 And correct me if I'm wrong, but I assume that you're
21 thinking about that at least; correct?

22 MR. GREEN:

23 Yes. Certainly we would be thinking
24 about that and we would have certain space available
25 in the reconfigured grandstand for racing to do that.

1 ATTORNEY DALE MILLER:

2 Then that would give you a larger
3 incentive to more fully integrate the grandstand with
4 the permanent facility?

5 MR. GREEN:

6 Yes.

7 ATTORNEY DALE MILLER:

8 I have no further questions. Thank you.

9 PRESIDING OFFICER:

10 Any follow up for Philadelphia Park?

11 ATTORNEY KOHLER:

12 No Redirect, but with your permission
13 Director Lloyd we have two witnesses that we'd like to
14 call that just arrived and we were hoping you would
15 grant us permission to have them testify now.

16 PRESIDING OFFICER:

17 Certainly.

18 ATTORNEY KOHLER:

19 And I don't know whether they --- I'm not
20 sure whether they want to testify individual or
21 together. I'll leave that up to them, but it's Mayor
22 Joe DiGirolamo.

23 ATTORNEY DALE MILLER:

24 Mr. Kohler, if we can wait just a second.
25 I apologize, but I didn't mention that we have also

1 here Mr. Raymond Angeli from the Pennsylvania Gaming
2 Control Board and Mr. Angeli has asked if he may ask a
3 question.

4 ATTORNEY KOHLER:

5 I'm sorry.

6 MR. ANGELI:

7 You mentioned on your slide that you've
8 got figured a \$25 million program to rebuild the barns
9 and the dorms. Have you started that?

10 ATTORNEY KOHLER:

11 Yes. I'm going to turn it ---
12 Commissioner, I'm going to turn it over to ---.

13 MR. WILSON:

14 Yes, we have.

15 ATTORNEY KOHLER:

16 As I said before, not only have we
17 started on it, we've already made such a significant
18 investment and if you look at our statutory obligation
19 the net result of that investment is that we've front
20 loaded it to the early years of the legal requirement
21 and I separate the legal retirement from the
22 contractual requirement.

23 PRESIDING OFFICER:

24 Okay.

25 MR. DIGIROLAMO:

1 Good morning.

2 PRESIDING OFFICER:

3 Good morning.

4 ATTORNEY KOHLER:

5 Director Lloyd, I'm not going to do any
6 Direct. I'm just going to open it up to Mayor
7 DiGirolamo for his comments.

8 MR. DIGIROLAMO:

9 Yeah. I have not been subpoenaed by the
10 way. I'm here of my own freewill. Good morning,
11 Director Lloyd.

12 PRESIDING OFFICER:

13 Good morning.

14 MR. DIGIROLAMO:

15 First let me welcome everybody here to
16 this great community of Bensalem. I'm sure you'll
17 have a great day here. Plenty of places for lunch for
18 everybody and I know that you can possibly go over to
19 the casino. There are some great places there to eat.
20 Anyway, I'm here today to talk a little bit about the
21 past and my experience with what we call New Parks,
22 which is the Philadelphia Park previously. And we're
23 grateful for the name change, by the way, and I
24 appreciate that. We're in Bensalem so our
25 relationships go way back certainly with thoroughbreds

1 and the racing industry here in Bensalem and certainly
2 they have been an incredible partner with us through
3 the years here in Bensalem. They are our biggest
4 employer and tax paying entity and we've worked very
5 well together and especially at the casino.

6 The casino has been a new entity here and
7 certainly new to Pennsylvania and going through the
8 process now building a new casino. It's been a very,
9 very big job for them and for us. We have our own
10 Casino Advisory Board here and hopefully you'll get to
11 hear from their chairman that's here today. So we pay
12 really, really close attention. The thing that I've
13 always admired --- do we always agree? Absolutely
14 not, but do we get to where we agree? Yes. We've
15 never had a problem where we didn't come to a
16 satisfactory conclusion. Working through the casino
17 and knowing it's a new industry for the whole State of
18 Pennsylvania, my interest has always been, number one,
19 thoroughbreds. It was always important and that's why
20 I was a big opponent of the gaming industry coming in
21 to our community and throughout Pennsylvania. And
22 it's still a major issue. Maybe not an issue, but ---
23 it's not an issue but it's a major component of the
24 gaming industry here in Bensalem. I can tell you that
25 I would meet almost bi-weekly with the casino. They

1 come into our meeting. We meet every Thursday. I
2 meet with all my staff for three hours for lunch and
3 we go through and they're invited to come and they do
4 come and express any problems that we have. And I can
5 tell you there hasn't been one that hasn't been worked
6 out.

7 Every time that we come, we have our back
8 and forth and within weeks it's remedied and that's
9 always very important to me and nothing goes without
10 problems. I don't care. We have problems at home, so
11 we all need to work out problems and in this case
12 we've had a very, very good relationship with the
13 casino.

14 I look forward --- and I think you talked
15 about the new legislation that's coming up. I'm
16 almost positive it's coming. It's part of a budget
17 bill so I'm pretty sure that some way they'll work out
18 table games and I'm sure that at the time that the
19 casino will come in and talk to us again about exactly
20 how they're doing that. If anybody knows, I work very
21 hard for our local share in all of this and we've been
22 very fortunate to be able to have that here in
23 Bensalem and --- for the quality of life of our
24 people.

25 And there's several issues that, you

1 know, everybody looked at in the beginning. The track
2 was a major issue, crime, you know. We put on more
3 police with the anticipation of this. That part
4 hasn't actually occurred. We haven't had no problems
5 of the traffic going in and out of the casino, there's
6 been no --- to me a major relief to see how that's
7 worked out. And as far as crime goes we don't see
8 maybe no serious crime. Has there been little things?
9 I have my director of police if he'd like to say a few
10 words on it, that's up to the committee. But we
11 haven't seen any of that. Everything has been
12 addressed, our traffic problem --- we have more to do
13 and I'm sure the casino knows that and they're
14 addressing that as we speak. So as a great neighbor I
15 appreciate what they are doing for our community.
16 Continue to do that.

17 The quality of life is important for the
18 rest of our community. They're addressing that. Our
19 EMS and those problems, they've worked out. They've
20 taken on greater expense on that on their own for our
21 EMS people to be able to be over there on time and
22 have enough ambulances to do it. And that's very
23 important to me. When you think of these kind of
24 things that says something to me that they're
25 interested in the community because they went over and

1 above to do those things. So we have a great
2 relationship, we look forward to a great relationship,
3 we look forward to the table games coming in and for
4 local share to be in there. So I can tell you that I
5 will continue 'til the day that they hit the hammer
6 and say they're through to work on that, but they've
7 been great neighbors and I appreciate everything that
8 they've done through the years. And, again, back to
9 the thoroughbred industry, it's very important to us
10 also, so we want to make sure that they strive and
11 have good things coming in here. So I thank you. I
12 mean that sincerely. Several of you gentleman --- a
13 couple of them I don't know, but three of them I know
14 very well, and they've done a fabulous job. Actually,
15 I don't know if they'd say that about me because when
16 I make the phone call they respond. But I know how
17 happy they are to hear from me, but they've been great
18 neighbors and we're very much appreciative and I mean
19 that sincerely to these gentlemen to my left.

20 PRESIDING OFFICER:

21 Thank you.

22 MR. DIGIROLAMO:

23 Thank you.

24 ATTORNEY KOHLER:

25 Thank you, Mayor. Director Lloyd, ---?

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PRESIDING OFFICER:

Would you spell your last name for the court reporter, please?

MR. DIGIROLAMO:

D-I capital G-I-R-O-L-A-M-O.

ATTORNEY KOHLER:

First name?

MR. DIGIROLAMO:

Joe.

ATTORNEY KOHLER:

The next witness we'd like to call is Carl Pearson. He's the Chairman of the Bensalem Gaming Advisory Board. Mr. Pearson.

PRESIDING OFFICER:

And it's just been brought to my attention, Mayor, that you were not sworn in. My fault. I have to make this official, so let's swear the Mayor in and Mr. Pearson.

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

ATTORNEY KOHLER:

Again, Director Lloyd, I'm not going to ask any questions of Mr. Pearson. I would just ask

1 that his testimony just be given through his own
2 comments.

3 PRESIDING OFFICER:

4 Okay. If you can state your name and
5 spell it for our court reporter.

6 MR. PEARSON:

7 Sure. It's Carl, C-A-R-L, Pearson,
8 P-E-A-R-S-O-N.

9 PRESIDING OFFICER:

10 You may begin.

11 MR. PEARSON:

12 Thank you. Good morning everyone. I
13 would just like to follow up and reiterate what the
14 Mayor had said. I am Chairman of the Gaming Advisory
15 Board for the township. We were in a little different
16 group where we are charged to address a lot of the
17 concerns with regards to the neighbors and the
18 citizens that live in the township. We meet on a
19 monthly basis, the first Wednesday of every month.
20 It's a public forum. Everyone in the township is
21 invited to attend and we address a lot of the issues
22 that are concerning to the neighbors about what's
23 going on at the casino. Since our inception many
24 years ago even before they started the gaming we had
25 very good cooperation with the track officials. They

1 attended our meetings on a regular basis. We have
2 toured their facility on several occasions. We've
3 been kept up to speed and up to date on everything
4 that goes on there as much as concerns us. Any
5 questions or concerns that the residents have brought
6 forward we've been able to take it to the senior
7 executive and gotten good answers and returned
8 positive responses to the residents. Again, I want to
9 reiterate what the Mayor said earlier. We're here for
10 the residents themselves, the casinos work very
11 closely with us, any issues we've had they've
12 addressed them on an immediate basis.

13 ATTORNEY DIGIROLAMO:

14 Thank you.

15 MR. PEARSON:

16 Any questions for me?

17 PRESIDING OFFICER:

18 I don't have any questions. Counsel?

19 No? No questions.

20 MR. PEARSON:

21 Okay.

22 ATTORNEY KOHLER:

23 Thank you for being here.

24 MR. GREEN:

25 Thank you.

1 PRESIDING OFFICER:

2 Has Greenwood Gaming completed their
3 presentation or did you have any follow up?

4 ATTORNEY KOHLER:

5 That's it for us.

6 PRESIDING OFFICER:

7 Does OEC have any follow-up questions?

8 ATTORNEY DALE MILLER:

9 We have no follow-up questions.

10 PRESIDING OFFICER:

11 Okay. We'll take a short five minute
12 break so we can exchange PowerPoint programs, et
13 cetera. We will reconvene at 11:15.

14 SHORT BREAK TAKEN

15 PRESIDING OFFICER:

16 If we take our seats we will get started
17 again. I understand the Office of Enforcement
18 Counsel, as attorneys usually do, come up with a few
19 more questions for Philadelphia Park representatives,
20 so we will begin with those few questions before OECs
21 presentation.

22 ATTORNEY DUSTIN MILLER:

23 Thank you, Director Lloyd. Yes, in the
24 break there were a couple of follow-up questions that
25 were identified, specifically these come from the

1 suitability report. Relating to the horseracing side
2 apparently there's an issue regarding heat in the
3 dorms. I would ask your horseracing person to
4 identify whether that's been resolved since last
5 winter.

6 MR. WILSON:

7 Sure. We've received some reports about
8 what we did. We put new heat and air conditioning
9 units in each room to where the dorms would never have
10 any type of cooling previous and there was a report
11 that the unit was not heating the room quite enough.
12 We looked at it, looked at whether, you know, doors
13 with being open, if we could improve it and we did
14 insulate the roofs of the dorms, on top of the
15 ceilings of each room and also we're in the process of
16 replacing the doors and the thresholds, which
17 basically will keep them warm.

18 ATTORNEY DUSTIN MILLER:

19 Okay. Thank you. Regarding your
20 internal controls, this is for Philadelphia Park
21 people, there is a record keeping internal control
22 outstanding and it's come to our attention it's due to
23 be submitted by October 26th, 2009. Is Philadelphia
24 Park on track to have that submitted and approved by
25 that time?

1 ATTORNEY BONNER:

2 Yes, we are. We're all scheduled to meet
3 that date.

4 ATTORNEY DUSTIN MILLER:

5 And finally our office of gaming
6 operations performed an audit at your facility and
7 there were several minor deficiencies that were
8 identified in that report, which will be included. I
9 believe it's a part of the suitability report. Are
10 those minor deficiencies on track to be corrected?

11 ATTORNEY BONNER:

12 Yes. Some of them have been corrected
13 and we're in the process of addressing the others that
14 are not yet fully resolved.

15 ATTORNEY DUSTIN MILLER:

16 Okay. I just want to remind you that if
17 they are not resolved, that could be the basis for an
18 enforcement action in the future.

19 ATTORNEY BONNER:

20 Understood. Thank you.

21 ATTORNEY DALE MILLER:

22 And I will state that that compliance
23 assessment review is Exhibit Three to the suitability
24 report, which you have and you can view, I'm sure.
25 Correct? You're absolutely committed to fulfilling

1 the conditions of that audit; correct?

2 ATTORNEY BONNER:

3 Yes, we had responded in writing with the
4 matter which we intended to address those issues and
5 we intend to comply with that submission.

6 ATTORNEY DUSTIN MILLER:

7 Okay. That concludes those follow-up
8 questions.

9 PRESIDING OFFICER:

10 We can begin your presentation.

11 ATTORNEY DUSTIN MILLER:

12 Thank you. The first witness we'll call
13 --- by the way I'm Dustin Miller, Assistant
14 Enforcement Counsel and our first witness we'll call
15 today is Lieutenant John Evans from the Gaming
16 Enforcement Office of the Pennsylvania State Police.
17 Good morning, Lieutenant Evans. Could you identify
18 yourself for the record, please?

19 MR. EVANS:

20 Good morning. My name is John C. Evans,
21 E-V-A-N-S.

22 ATTORNEY DUSTIN MILLER:

23 And could you give your title?

24 MR. EVANS:

25 I'm a lieutenant with the Pennsylvania

1 State Police and my assignment is the eastern section
2 commander within the gaming enforcement office.

3 ATTORNEY DUSTIN MILLER:

4 And how long have you been with the
5 gaming enforcement office?

6 MR. EVANS:

7 I've been with the gaming enforcement
8 office since March of 2007, which would be two years
9 and six, seven months.

10 ATTORNEY DUSTIN MILLER:

11 And how long have you been with PSP?

12 MR. EVANS:

13 I've been with the Pennsylvania State
14 Police for 23 years.

15 ATTORNEY DUSTIN MILLER:

16 Lieutenant Evans, briefly could you go
17 into the role of Pennsylvania State Police at
18 Philadelphia Park Casino?

19 MR. EVANS:

20 Basically the role of the Pennsylvania
21 State Police as defined in the Gaming Act itself and
22 in particular Philadelphia Park is to provide law
23 enforcement presence on the gaming floor and the
24 associated gaming related areas at each particular
25 site. We provide a law enforcement presence, we

1 provide all law enforcement services for the gaming
2 floor proper at each particular site. In this case it
3 would Philadelphia Park and at the temporary facility
4 we provide services on the two gaming floors at that
5 site.

6 ATTORNEY DUSTIN MILLER:

7 Okay. So to the extent of the
8 Pennsylvania State Police jurisdiction is the gaming
9 floor of the facility?

10 MR. EVANS:

11 Yes. Of course, the outside remains a
12 part of the State of Pennsylvania. We do have
13 jurisdiction there, however, the primary police
14 presence and jurisdiction for that area is Bensalem
15 Township Police Department, which we provide mutual
16 aid in matters of mutual concern.

17 ATTORNEY DUSTIN MILLER:

18 Lieutenant Evans, briefly what's your
19 working relationship with Philadelphia Park Casino
20 been like?

21 MR. EVANS:

22 We have a good work relationship with
23 Philadelphia Park. It's an effective working
24 relationship where we are both able to accomplish our
25 missions. I would characterize it as satisfactory

1 overall and any issues that we have had we have been
2 able to resolve them satisfactorily.

3 ATTORNEY DUSTIN MILLER:

4 Now, Lieutenant Evans, does the
5 Pennsylvania State Police interact with the casino
6 compliance personnel of the Pennsylvania Gaming
7 Control Board within Philadelphia Park Casino?

8 MR. EVANS:

9 Yes. We have an excellent working
10 relationship with the on site agents from the Board.
11 Our troopers who are stationed directly here at
12 Philadelphia Park work on a daily basis with those
13 agents and in particular the lead agent there.
14 Excellent cooperation. I couldn't ask for a better
15 relationship at this facility.

16 ATTORNEY DUSTIN MILLER:

17 Lieutenant Evans, could you tell us about
18 the uniform crime reporting system?

19 MR. EVANS:

20 The uniform crime reporting system is a
21 system set up by the Federal Bureau of Investigation
22 initially to quantify and qualify crimes that occur in
23 the United States, but in particular in Pennsylvania
24 it is a system whereby offenses, arrests and tracking
25 of victims and persons arrested are quantified and

1 qualified in a report. And that particular --- the
2 uniform crime report in the State of Pennsylvania is
3 administered by the State Police.

4 ATTORNEY DUSTIN MILLER:

5 Okay. The information included on --- in
6 that system, how frequently is it updated?

7 MR. EVANS:

8 The information in that system is
9 contained actually in an electronic format and has
10 been for several years, and that is updated daily, but
11 the official reporting is updated each month. By the
12 10th of each month the report for the previous month
13 is filed by each particular jurisdiction.

14 ATTORNEY DUSTIN MILLER:

15 Is it available to the public?

16 MR. EVANS:

17 Yes, it's located on a website. It's
18 UCR.PSP.statePA.us. It's available to the public to
19 research and compile reports at their leisure.

20 ATTORNEY DUSTIN MILLER:

21 Specifically what information is
22 contained in the uniform crime reporting system?

23 MR. EVANS:

24 The information that's contained in the
25 uniform crime report includes all agents --- all law

1 enforcement agencies in the Commonwealth of
2 Pennsylvania are required to make entries in regards
3 to offenses reported to them. The result of their
4 investigations which would be clearances, the
5 demographics for persons who are arrested by that
6 jurisdiction, the demographics, age, sex, race in
7 regards to the persons that are arrested and also
8 persons who are victimized within that jurisdiction.
9 Each month that particular jurisdiction is required to
10 enter all that data and at the end of the year a
11 report is compiled.

12 ATTORNEY DUSTIN MILLER:

13 Could you explain the difference between
14 an actual offense and offenses known with respect to
15 the callings of the uniform crime reporting system?

16 MR. EVANS:

17 Are we going to have ---?

18 ATTORNEY DUSTIN MILLER:

19 Yeah.

20 MR. EVANS:

21 For offenses known --- there's two
22 categories for the uniform crime reporting system and
23 offenses known is offenses that were reported to that
24 particular jurisdiction. That's all that means, that
25 they were simply reported. Someone called the police

1 or someone had contact with the police and alleged
2 that an offense occurred. That's what offenses known
3 means. There's another category which I find is more
4 important for analysis and that is actual offenses.
5 And actual offenses are those offenses that upon
6 investigation were determined to have occurred, so
7 there is a difference between reported offenses and
8 actual offenses.

9 ATTORNEY DUSTIN MILLER:

10 Now, are criminal offenses that occur at
11 Philadelphia Park Casino is that a specific, I guess,
12 category in the uniform crime reporting system?

13 MR. EVANS:

14 Yes, there is a specific jurisdictional
15 code assigned within the uniform crime reports for
16 Philadelphia Park Casino for the State Police and it's
17 listed under PSP Gaming Enforcement Office in
18 Philadelphia Park. So the troopers assigned to
19 Philadelphia Park, that office, any investigations or
20 offenses recorded or investigated by them are actually
21 located on the crime report under that heading.

22 ATTORNEY DUSTIN MILLER:

23 Now, as you said, I pulled something up,
24 a document up, on the projector here. Basically is
25 that what you're referring to?

1 MR. EVANS:

2 Yes, that would be uniform crime report
3 for offenses that were reported to the Gaming
4 Enforcement Office at Philadelphia Park and the State
5 Police and that shows year to date for December 2008.
6 So that would be totals for 2008 and also for
7 reference within that chart is totals for 2007.

8 ATTORNEY DUSTIN MILLER:

9 Comparing the full year to date for 2007
10 and for 2008 can you explain the increase in actual
11 offenses for those two years?

12 MR. EVANS:

13 Well, as a matter of example you would
14 --- if you would look at larceny, the category of
15 larceny theft for 2008, if you look at the ---. It'd
16 be the fourth and fifth column. The fourth column
17 lists actual offenses for reported larceny and thefts
18 that we determine that actually occurred would be 328.
19 And then for 2007 there was a 194 of those offenses,
20 actual offenses, determined, on that particular chart.
21 That's just one example of those particular
22 categories, so that would be --- would show an actual
23 increase in offenses for a variety of reasons.

24 ATTORNEY DUSTIN MILLER:

25 Did the uniform crime report exist ---

1 does that have a list of offenses that are prosecuted
2 or just offenses that are arrests basically?

3 MR. EVANS:

4 Uniform crime report doesn't necessarily
5 deal at all with prosecutions. It does have a
6 category, which isn't shown here, but it shows
7 arrests. It also will show you what offenses were
8 cleared. Now, when an offense is cleared that can be
9 several things. It doesn't necessarily mean someone
10 was arrested for offenses cleared. There are a
11 variety of ways for an offense to be cleared and one
12 of the ones that occurs quite often at the casino is,
13 in fact, where the matter is resolved or it's
14 identified who the person was, who was alleged to have
15 committed the offense and the victim does not want to
16 proceed or the prosecutor does not want to prosecute
17 the offense. So we don't deal --- the uniform crime
18 report doesn't deal with convictions. It basically
19 deals with clearances and there are certain
20 restrictions and categories for clearing an offense.

21 ATTORNEY DUSTIN MILLER:

22 Now, with regards to the Philadelphia
23 Park, do you see any pattern of actual offenses that
24 have occurred at the facility?

25 MR. EVANS:

1 Overall the pattern shown in Philadelphia
2 Park by the statistics is comparable and is very much
3 in line with the other casinos throughout the state in
4 terms of the types of offenses that we see in those
5 particular numbers. Philadelphia Park is the busiest
6 casino in the state as far as my understanding from
7 the testimony today in regards to revenue and my
8 understanding also the number of patrons.
9 Corresponding to that we do have --- they are one of
10 our busier casinos in regards to criminal offenses,
11 but all in all the number of offenses and the types of
12 offenses are reflective of the other casinos.

13 ATTORNEY DUSTIN MILLER:

14 Okay. So your testimony today is that
15 Philadelphia Park is average as compared to the rest
16 of the casinos in the Commonwealth to your knowledge?

17 MR. EVANS:

18 In terms of the types of offenses that
19 are occurring it would be average. In terms of the
20 shared numbers their numbers are somewhat higher than
21 the other casinos, but there's so many factors amongst
22 all the different casinos. We have nine facilities
23 open at the moment and in terms of volume of patrons,
24 number of machines, demographics and location. So
25 there's a variety of factors when you're looking at

1 these statistics.

2 ATTORNEY DUSTIN MILLER:

3 Okay. As I'm sure you're aware and as
4 you heard today Philadelphia Parks casino will move
5 into its new permanent facility in December of 2009.
6 Are you familiar with where the Pennsylvania State
7 Police will be located within that new facility?

8 MR. EVANS:

9 Yes. I've toured the office space during
10 the construction phase and also my office commander
11 Sergeant Kevin Conrad has dealt closely with casino
12 staff and the construction and the Board in regards to
13 our office space.

14 ATTORNEY DUSTIN MILLER:

15 And the Pennsylvania State Police are
16 satisfied with those planned accommodations in the new
17 facility?

18 MR. EVANS:

19 Yes. The planned accommodations meet our
20 requirements to date and my understanding is when it's
21 completed it will meet all the requirements and be a
22 very nice office space for us.

23 ATTORNEY DUSTIN MILLER:

24 I don't have any further questions for
25 Lieutenant Evans.

1 PRESIDING OFFICER:

2 Mr. Kohler, any Cross Examination?

3 ATTORNEY KOHLER:

4 Just a couple just so I understand the
5 statistics. In the record that the Office of
6 Enforcement Counsel produced there's two charts, one
7 for --- that compares '07/'08 and one that compares
8 '08/'09. Are you familiar with both of those?

9 MR. EVANS:

10 Yes.

11 ATTORNEY KOHLER:

12 And as for the one, the '08/'09 that has
13 year to date for 2009, did you print that out very
14 recently?

15 MR. EVANS:

16 I believe I have it here. Are you
17 dealing with offenses? Yes. Yes, I have it here.

18 ATTORNEY KOHLER:

19 Are those statistics through September,
20 if you know?

21 MR. EVANS:

22 Those statistics would be through ---
23 that was printed out on the 9th of October, so that
24 would include October offenses, too, for this.

25 ATTORNEY KOHLER:

1 Okay.

2 MR. EVANS:

3 I'm sorry. Excuse me. That would just
4 be through September.

5 ATTORNEY KOHLER:

6 Okay.

7 MR. EVANS:

8 Printed out on October 9th, so the
9 reporting for September would have occurred at the
10 time this was printed out.

11 ATTORNEY KOHLER:

12 Okay. I think you testified that there
13 was an increase of incidents between 2007 and 2008. I
14 know we only have a partial year for 2009, but it
15 looks to me like at least we're on track for our
16 reduction of incidents between 2008 and 2009. Do you
17 agree?

18 MR. EVANS:

19 Well, the only problem with the
20 statistical data shown here that shows the entire ---
21 I believe that shows the entire year for '08 and we're
22 only dealing with through September of '09.

23 ATTORNEY KOHLER:

24 Right. I understand ---

25 MR. EVANS:

1 Yes, yes.

2 ATTORNEY KOHLER:

3 --- anything could happen through the
4 remainder of the year, but we're more than halfway
5 through the year and ---.

6 MR. EVANS:

7 Yes.

8 ATTORNEY KOHLER:

9 And then just one other clarification on
10 these statistics. On both the charts it appears as if
11 the significant majority of incidents are under the
12 category of larceny and theft?

13 MR. EVANS:

14 Yes.

15 ATTORNEY KOHLER:

16 Is that your assessment?

17 MR. EVANS:

18 Yes.

19 ATTORNEY KOHLER:

20 And can you describe what type of
21 incidents are typically involved with larceny and
22 theft?

23 MR. EVANS:

24 In particular for the casinos a large
25 majority of those incidents involve voucher thefts,

1 and in a voucher theft several instances can ---
2 several examples I can give for voucher thefts, but
3 they vary all the way from a patron walking away from
4 a machine and not collecting their voucher to not
5 completely understanding the machine and leaving
6 credits on the machine. So those are --- and then all
7 the way to the additional theft that could have
8 occurred would have been, for example, a wallet was
9 left beside a machine. It was taken by a subject so
10 that includes from one extreme to the other in regards
11 to thefts.

12 ATTORNEY KOHLER:

13 And as I look at the statistics that
14 would appear to me that all of the incidents reported
15 overall that probably most of them involve voucher
16 theft. Is that the way you view it?

17 MR. EVANS:

18 I would say the majority of the thefts
19 reports involve something to do with vouchers and
20 overall as far as the sheer number, you would be
21 correct in your assessment.

22 ATTORNEY KOHLER:

23 Okay. Nothing further.

24 PRESIDING OFFICER:

25 Any Redirect?

1 ATTORNEY DUSTIN MILLER:

2 No.

3 PRESIDING OFFICER:

4 Call your next witness.

5 ATTORNEY DALE MILLER:

6 Thank you. By way of introduction I am
7 Dale Miller, the Deputy Chief Enforcement Counsel for
8 the eastern region for the Office of Enforcement
9 Counsel. And as you know, this is Dustin Miller,
10 Assistant Enforcement Counsel and also from the Office
11 of Enforcement Counsel. By way of background the
12 Office of Enforcement Counsel established within the
13 Board's Borough of Investigation Enforcement and
14 advises the Bureau on all matters including the
15 granting of licenses, permits and registrations, the
16 conduct and background investigations, audits and
17 inspections and violations of the Pennsylvania
18 Racehorse Gaming Act and the regulations in the
19 facilities internal controls. The Office of
20 Enforcement Counsel also files recommendations and
21 objections relating to the issuance of licenses,
22 permits and registrations on behalf of the Bureau of
23 Investigation and Enforcement.

24 The reason we're here is that pursuant to
25 130 --- Section 1302 of the Gaming Act one of the

1 issues of category for a slot machine license will be
2 licensed racetrack facility and has been issued a
3 license from either the State Horse Racing Commission
4 or the State Harness Racing Commission to conduct
5 thoroughbred harness race meetings with pari-mutuel
6 racing.

7 The Board approved gaming and obtained
8 for a conditional category one slot machine license
9 for September 27th, 2006 and issued the conditional
10 license on December 19, 2006. Greenwood Gaming opened
11 its temporary casino on December 19, 2006. The
12 facility now contains a gaming floor area of
13 approximately 80,837 square feet and the maximum
14 configuration of 2,912 slot machines. On December
15 20th, 2006 the Board approved a permanent category one
16 slot machine license for Greenwood Gaming
17 Entertainment, Incorporated. According to Section
18 1326 of the Gaming Act and Section 441A.16 of the
19 current regulations a slot machine Licensee's license
20 shall be valid for one year from the date of issuance
21 of the license. The license remains in effect so long
22 as a timely renewal application is received by the
23 Board. Greenwood Gaming Entertainment, Incorporated
24 did file a timely renewal application.

25 Now, for our next witness we call Nanette

1 Horner, the Director of the Bureau of Compulsive and
2 Problem Gambling of the Pennsylvania Gaming Control
3 Board. Thank you. Ms. Horner, could you please state
4 your name and spell your last name and provide the
5 position for which you serve the Gaming Control Board?

6 MS. HORNER:

7 My name is Nanette Horner, N-A-N-E-T-T-E,
8 last name H-O-R-N-E-R. I'm a Director of the Office
9 of Compulsive and Problem Gambling at Pennsylvania
10 Gaming Control Board.

11 ATTORNEY DALE MILLER:

12 Thank you. Ms. Horner, what are the
13 requirements under the Gaming Act for compulsive and
14 problem gambling within the casinos?

15 MS. HORNER:

16 The Gaming Act regulations and guidelines
17 address various issues that slot machine licensees
18 have to comply with. They are required to develop and
19 implement compulsive and problem gambling plan, train
20 employees regarding signs and symptoms of problem
21 gambling, establish and comply with procedures, train
22 employees to prevent self-excluded, excluded, underage
23 and intoxicated individuals from engaging in slot
24 machine gambling and from receiving direct mail
25 marketing materials. The casinos must notify my

1 office within 24 hours of a violation by an individual
2 who's on the self-exclusion or exclusion list. They
3 must include a problem gambling statement and a toll
4 free telephone number of an approved font size on all
5 advertisements and promotional materials, establish
6 procedures to respond to and disseminate problem
7 gambling materials and brochures and also place
8 approved signage at various locations in the
9 facilities to notify individuals who are under 21
10 years of age and those who are on the exclusion or
11 self-exclusion list that they are prohibited from
12 gambling.

13 ATTORNEY DALE MILLER:

14 Now, did Greenwood Gaming Entertainment
15 submit a compulsive and problem gambling plan to you?

16 MS. HORNER:

17 Yes. Greenwood Gaming Entertainment ---
18 and if it's okay I'll refer to them as Greenwood,
19 filed an original compulsive and problem gambling plan
20 in December --- on December 15th, 2006 prior to its
21 opening. That plan was approved. An amendment to the
22 plan was submitted and --- to my office and approved
23 by me on January 9th, 2009. An amendment was also
24 conditionally approved on May 22nd, 2008 and a recent
25 amendment was submitted on October 6th, 2009 and was

1 conditionally approved by me on October 7th, 2009.

2 ATTORNEY DALE MILLER:

3 When you say conditionally approved could
4 you tell us what these conditions are?

5 MS. HORNER:

6 Yes. On May 22nd, 2008 the entire
7 compulsive and problem gambling plan was rewritten,
8 reorganized and revised to comply with the current and
9 effective regulations. Our regulations had changed so
10 the compulsive and problem gambling plan was revised.
11 And in the compulsive and problem gambling plan there
12 were various exhibits that were submitted. Some of
13 the conditions that were placed on the approval on May
14 22nd, 2008 there were six conditions. One was to
15 ensure that the person that provides TIPS training,
16 which is alcohol service training was being provided
17 by somebody who was certified in TIPS and they ---
18 Greenwood did provide a copy of that certification.
19 That the signage language and locations of signs had
20 to be approved and placed. That was done. They had
21 to provide sign in and sign out sheets to be able to
22 verify the various training. That was provided.
23 Let's see. That any changes to their jobs compendium
24 must also --- the titles must also be changed in the
25 compulsive and problem gambling plan. That was done.

1 That they would continue to use their current
2 compulsive and problem gambling trainer and materials
3 and that is fine --- and that was done. And the final
4 of the six conditions was that all future
5 advertisements and billboards must be submitted
6 pursuant to and in compliance with Pennsylvania Code
7 421B, which is an advertising regulation guidelines.
8 Sorry. Advertising guidelines. And that has not been
9 complied with. The most recent amendment that was
10 received on October 6th was a copy of a draft
11 advertisement and billboard in which the font size on
12 the draft advertisement and draft billboard met the
13 requirements of 421B, which is the guidelines for
14 advertisements that meets the font size requirements.
15 And so on October 7 the copy of the example of a
16 billboard and an ad was conditionally approved by me.

17 ATTORNEY DALE MILLER:

18 Has Philadelphia Park agreed to the
19 conditions of your approval?

20 MS. HORNER:

21 There is I believe --- and Greenwood
22 please correct me if I am wrong. I believe that there
23 may be an issue with the conditions of the approval
24 that Greenwood may have --- may not want --- may seek
25 an opinion to see if the conditions may be placed on

1 the approval.

2 ATTORNEY DALE MILLER:

3 And perhaps my question should've gone to
4 Mr. Kohler. Has Greenwood --- is Greenwood aware of
5 the conditions attached to Ms. Horner's approval of
6 the compulsive and problem gambling plan and does
7 Philadelphia Park agree with those conditions? And if
8 not, what do you intend to do about it?

9 ATTORNEY KOHLER:

10 We're very aware of the conditions. We
11 pay very close attention to everything from the Board
12 including from the Office of Compulsive Gambling. The
13 one that Ms. Horner speaks about is very recent and
14 still actually under the administrative review period,
15 so this is --- we're evaluating this and we'll, you
16 know, certainly determine within the near future how
17 --- whether we're going to respond and how we're going
18 to respond. As to this proceeding to the extent if
19 it's a renewal issue I know under Director Lloyd's
20 rules for --- rules and guidelines for this proceeding
21 we have an option of filing a brief within five days
22 of today's proceeding. I don't know whether we're
23 going to do that or not, but I know that option's
24 available.

25 MS. HORNER:

1 Would you like me to read the condition
2 into the record?

3 ATTORNEY DALE MILLER:

4 I believe it's part of the suitability
5 report, but please do so.

6 MS. HORNER:

7 The condition placed on the approval of
8 the compulsive and problem gambling plan amendments
9 dated October 7, 2009, the nature of the amendment,
10 Exhibit S has been amended to provide an example of an
11 advertisement and billboard that meets the
12 requirements of 58 PA Code, Sections 421A.6 and 421B.
13 The plan amendment is conditionally approved based on
14 the Licensee's compliance with and assurances that,
15 one, all future advertisements will meet PGCB
16 regulatory requirements regarding the font size of the
17 problem gambling statement and toll free number. And,
18 two, all future advertisements and billboards must be
19 submitted pursuant to and in compliance with 58 Pa
20 Code Sections 421A.6 421B until the earlier of
21 February 5th, 2010 or notification by the Director of
22 the Office of Compulsive and Problem Gambling.

23 ATTORNEY DALE MILLER:

24 Yes, Mr. Kohler.

25 ATTORNEY KOHLER:

1 The other thing I just wanted to
2 emphasize. I think this goes without saying, but
3 whether it be a directive from the Office of
4 Compulsive Gambling or any other --- or from any other
5 area of the Board we will comply, unequivocally
6 comply, with anything that's legally binding on us.
7 We always have and we always will. This issue is just
8 --- it's very recent and it's just under advisement at
9 this point.

10 ATTORNEY DALE MILLER:

11 I understand, but, of course, you
12 understand that I think one of the requirements to
13 have your license renewed is that you comply in all
14 respects with the Gaming Act and with the regulations.
15 And my understanding from Ms. Horner's testimony this
16 morning is that she's only given you a conditional
17 approval and --- on this compulsive and problem
18 gambling plan portion of your application. And
19 therefore it behooves you to straighten this matter
20 out if you either agree to the conditions and
21 therefore get the full approval or you request in some
22 fashion that a legal opinion be issued on the
23 conditions. And I just assume that you will do that.

24 ATTORNEY KOHLER:

25 We understand very well that --- to the

1 extent this issue's a renewal proceeding. It'll go
2 before the Board or not. As I said before, we're not
3 going to not comply. If it's in effect we'll --- and
4 legally binding we'll comply and it may be that we'll
5 agree to it. That's --- I'm just not in a position to
6 speak to that, but, you know, we understand what you
7 said. We certainly respect Ms. Horner and her office
8 and we'll cooperate and comply in all cases. But this
9 is not something I'm prepared to speak to at this
10 moment.

11 ATTORNEY DALE MILLER:

12 Thank you. Ms. Horner, just a couple of
13 additional questions. In regard to the compulsive and
14 gambling plan --- compulsive and problem gambling in
15 general, what are the duties of the employees of a
16 casino with regard to compulsive and problem gambling?

17 MS. HORNER:

18 The Greenwood compulsive and problem
19 gambling plan provides that various departments have
20 duties, so security, surveillance, player services and
21 cashiering department would make sure that an underage
22 individual, meaning somebody under the age of 21, a
23 person on the exclusion list, the self-exclusion list
24 do not participate in gambling, receive any marketing
25 materials, participate in, you know, any sort of

1 gaming related activities. And so security and
2 surveillance, player services, cashiering would all
3 also attempt to identify someone on the gaming floor
4 who is underage, excluded or self-excluded to prevent
5 them from gambling. The food and beverage department
6 has been trained to prevent intoxicated individuals
7 from drinking, but also to attempt to prevent them
8 from gambling. If they are determined to be
9 intoxicated I believe that food and beverage employees
10 based on the compulsive and problem gambling plan are
11 trained in TIPS, which is training for intervention
12 procedures related to alcohol service. And I believe
13 that Mr. Bonner also testified that some individuals
14 are --- received RAMP training, which is Responsible
15 Alcohol Management Training.

16 ATTORNEY DALE MILLER:

17 And to your knowledge has Philadelphia
18 Park been cooperative in training their employees to
19 meet the requirements of compulsive and problem
20 gambling recognition and that sort of thing?

21 MS. HORNER:

22 Their compulsive and problem gambling
23 plan requires all employees to be trained regarding
24 the issues of compulsive and problem gambling in
25 addition to the alcohol service underage and that type

1 of thing. And they have contracted with the Council
2 on Compulsive Gambling in Pennsylvania to provide
3 their training of employees, and, yes, to the best of
4 my knowledge Greenwood has trained its employees and
5 continues to utilize the services of the Council for
6 training.

7 ATTORNEY DALE MILLER:

8 Thank you very much. Do you have any
9 questions?

10 ATTORNEY KOHLER:

11 No questions.

12 PRESIDING OFFICER:

13 All right. Your next witness?

14 ATTORNEY DALE MILLER:

15 Our next witness would be Gerald Stoll.

16 Mr. Stoll, would you please state your name for the
17 record, spell your last name and provide us with your
18 position with the Pennsylvania Gaming Control Board?

19 MR. STOLL:

20 Yes. The first name is Gerald,
21 G-E-R-A-L-D. Last name S-T-O-L-L. I'm currently the
22 Senior Compliance Supervisor at --- with the
23 Compliance Bureau at the Board.

24 ATTORNEY DALE MILLER:

25 Mr. Stoll, as the Senior Compliance

1 Supervisor what are your particular duties?

2 MR. STOLL:

3 My duties include supervising my agents,
4 which are, you know, located in every casino. I have
5 a staff of casino compliance representatives who
6 worked 24/7 in every facility in the Commonwealth.

7 ATTORNEY DALE MILLER:

8 And I take it there are casino compliance
9 representatives at Philadelphia Park casino?

10 MR. STOLL:

11 Yes, sir, there are.

12 ATTORNEY DALE MILLER:

13 And they work directly in the casinos
14 there?

15 MR. STOLL:

16 They do.

17 ATTORNEY DALE MILLER:

18 And I take it by working in the casino
19 there is interaction between the compliance
20 representatives and the employees of the facility; is
21 that correct?

22 MR. STOLL:

23 Yes, sir.

24 ATTORNEY DALE MILLER:

25 Can you describe, if you know, how

1 successful the interaction has been between your
2 casino compliance representatives and Philadelphia
3 Park?

4 MR. STOLL:

5 All right. I have firsthand experience
6 and knowledge that the relationship between
7 Philadelphia Park and all members of the casino
8 compliance is a very professional one. It's very
9 cooperative. Although we don't agree on every issue,
10 there is communication that brings us to a conclusion
11 that is fair, reasonable to the Commonwealth as the
12 patrons of the casino as well as the operator of the
13 casino.

14 ATTORNEY DALE MILLER:

15 And in your opinion have there been any
16 problems with the casino compliance representatives
17 and the Philadelphia Park facility that would prevent
18 the Board from renewing the license of Greenwood
19 Gaming?

20 MR. STOLL:

21 No, sir.

22 ATTORNEY DALE MILLER:

23 Now, you see that the compliance
24 representatives also work with the State Police, is
25 that not true?

1 MR. STOLL:

2 That's correct. We do.

3 ATTORNEY DALE MILLER:

4 Has there been any problems between the
5 casino compliance representative and the State Police
6 representatives that might prevent the Board from
7 renewing the license of Greenwood Gaming?

8 MR. STOLL:

9 No. The relationship between the State
10 Police and the Board has grown into a cooperative
11 effort to, you know, have a fair package of regulation
12 both criminal and the regulatory regulations required
13 to, you know, assure fairness to the Commonwealth
14 residents, the OR to the Board and I think we're
15 sufficient in --- you know, with our time in this
16 endeavor. I think we're doing very well to provide a
17 significant product.

18 ATTORNEY DALE MILLER:

19 And when the time comes that you require
20 cooperation from Philadelphia Park on investigations
21 and that sort of thing have they been cooperative?

22 MR. STOLL:

23 Yes, sir.

24 ATTORNEY DALE MILLER:

25 And you expect that to continue?

1 MR. STOLL:

2 Yes, sir.

3 ATTORNEY DALE MILLER:

4 Thank you very much.

5 MR. STOLL:

6 You're welcome.

7 ATTORNEY KOHLER:

8 No questions.

9 ATTORNEY DALE MILLER:

10 Our last witness would be Agent Donna
11 Kibbie.

12 MS. KIBBIE:

13 It's Donna Kibbie, K-I-B-B-I-E.

14 ATTORNEY DALE MILLER:

15 You anticipated my question.

16 MS. KIBBIE:

17 Sorry.

18 ATTORNEY DALE MILLER:

19 I'm assuming you've done this before.

20 Could you please state your title and your duties with
21 the Pennsylvania Gaming Control Board?

22 MS. KIBBIE:

23 I'm an agent with the Bureau of
24 Investigations and Enforcement of the Pennsylvania
25 Gaming and Control Board. I conduct background

1 investigations for suitability for licensure for
2 principals and key employees of Greenwood Gaming and
3 Entertainment.

4 ATTORNEY DALE MILLER:

5 Are you, in fact, the agent assigned to
6 the Greenwood Gaming and Entertainment, Incorporated
7 renewal investigation?

8 MS. KIBBIE:

9 Yes.

10 ATTORNEY DALE MILLER:

11 Approximately when did the Bureau of
12 Investigations and Enforcement begin the Greenwood
13 Gaming suitability investigation? How long did this
14 whole process take?

15 MS. KIBBIE:

16 I've been working on it about a year.

17 ATTORNEY DALE MILLER:

18 And as part of this year long renewal
19 investigation did you review applications submitted by
20 Greenwood Gaming, its affiliates, principals and key
21 employees?

22 MS. KIBBIE:

23 Yes, I did.

24 ATTORNEY DALE MILLER:

25 During that investigation and during your

1 review of these applications did Greenwood Gaming
2 provide the documents you requested and the
3 information that you requested during this
4 investigation?

5 MS. KIBBIE:

6 Yes, they were very responsive in
7 providing me the information I needed.

8 ATTORNEY DALE MILLER:

9 And in your opinion as the agent assigned
10 to the Greenwood Gaming renewal investigation, did
11 Greenwood Gaming fully cooperate with the Bureau of
12 Investigations and Enforcement during its renewal
13 investigation?

14 MS. KIBBIE:

15 Yes, they did.

16 ATTORNEY DALE MILLER:

17 Has the Bureau of Investigations and
18 Enforcement completed their renewal investigation with
19 Greenwood Gaming?

20 MS. KIBBIE:

21 Yes, it has.

22 ATTORNEY DALE MILLER:

23 And, again, as the agent in charge of
24 --- and responsible for Greenwood Gaming's renewal
25 investigation has the Bureau of Investigation and

1 Enforcement determined that there are any issues
2 related to Greenwood Gaming suitability or the
3 suitability of any affiliates, principals and key
4 employees that would impede or prevent renewal
5 licensure?

6 MS. KIBBIE:

7 No, there are no issues like that.

8 ATTORNEY DALE MILLER:

9 Are the Bureau of Investigation and
10 Enforcement's findings contained in what's commonly
11 known as a reportable investigation or an ROI?

12 MS. KIBBIE:

13 Yes, they are.

14 ATTORNEY DALE MILLER:

15 Is it the standard or procedure for the
16 Bureau of Investigations to submit that ROI to the
17 Office of Enforcement Council so it can file a
18 recommendation or objections to the issuance of
19 licenses?

20 MS. KIBBIE:

21 Yes.

22 ATTORNEY DALE MILLER:

23 And was that report and has that report
24 been so forwarded?

25 MS. KIBBIE:

1 Yes, it has.

2 ATTORNEY DALE MILLER:

3 Okay. Thank you very much. No further
4 questions.

5 PRESIDING OFFICER:

6 Any questions?

7 ATTORNEY KOHLER:

8 No questions. Thank you.

9 ATTORNEY DALE MILLER:

10 That's all the witnesses we have. At
11 this time we're going to introduce some 60-some
12 exhibits and I'll leave that up to Mr. Dustin Miller.

13 ATTORNEY DUSTIN MILLER:

14 Yeah, two things. First thing is a
15 stipulation that we've entered into between the Office
16 of Enforcement Council and Greenwood Gaming and
17 Entertainment. And basically it's a summary of the
18 enforcement actions taken against Greenwood Gaming and
19 Entertainment since the time of licensure. I'm
20 briefly going to go through them. There are a list of
21 66 exhibits and I'm going to try to avoid reading each
22 and every of those and try to summarize those through
23 the stipulation.

24 With regards to enforcement actions, the
25 Office of Enforcement Council has filed five

1 enforcement action complaints against Greenwood Gaming
2 and Entertainment Philadelphia Park since its initial
3 licensure. With regards to those documents they are
4 --- we intend to introduce them as OEC Exhibits 1
5 through 18, and that includes the complaints as well
6 as Philadelphia Park's response to those complaints.
7 One of those complaints was filed because of an IT
8 department violation, two complaints for underage
9 people on the gaming floor, one for security staffing
10 violation and one for underage gaming.

11 (OEC's Exhibits 1 through 18 marked for
12 identification.)

13 ATTORNEY DUSTIN MILLER:

14 All of the enforcement action complaints
15 filed by the Office of Enforcement Council against
16 Philadelphia Park have been resolved through entering
17 into a consent agreement. Those consent agreements
18 are also going to be submitted by the Office of
19 Enforcement Council as OEC Exhibits 19 through 23 and
20 all of those consent agreements relate to the
21 enforcement action complaints that I previously
22 described.

23 (OEC's Exhibits 19 through 23 marked for
24 identification.)

25 ATTORNEY DUSTIN MILLER:

1 Philadelphia Park has fully complied with
2 its obligations under these consent agreements by
3 paying \$67,000 in civil penalties among various other
4 remedies including employee training and donations.
5 And I would remind you that that is since the time of
6 its initial licensure. The OEC conducted two
7 compliance conferences at Philadelphia Park's
8 facilities since the time of initial licensure. Those
9 complaints, conference memorandums are contained in
10 OEC Exhibit 24 and 25. One of those related to a
11 jackpot procedure violation and the other one related
12 to preventing intoxicated patrons from gaming, the
13 treatment of intoxicated patrons and an underage
14 patron on the gaming floor and buying alcohol. In
15 each instance Philadelphia Park took corrective
16 measures to remedy the concerns of the Bureau of
17 Investigations and Enforcement with respect to each
18 compliance conference.

19 (OEC's Exhibits 24 and 25 marked for
20 identification.)

21 ATTORNEY DUSTIN MILLER:

22 The Office of Enforcement Council has
23 sent Philadelphia Park 13 warning letters since the
24 time of licensure for various violations of the Act
25 and the regulations promulgated thereunder. Those

1 warning letters are contained in OEC Exhibits 26, 27,
2 28, 29, 33, 34, 37, 39, 40, 43, 47, 48 and 51.

3 (OEC's Exhibits 26, 27, 28, 29, 33, 34,
4 37, 39, 40, 43, 47, 48 and 51 marked for
5 identification.)

6 ATTORNEY DUSTIN MILLER:

7 In each instance Philadelphia Park has
8 appropriately responded to every warning letter issued
9 by the Office of Enforcement Council and Philadelphia
10 Park's response are including in our Exhibits as
11 numbers 30, 31, 32, 35, 36, 38, 41, 44, 45, 46, 49, 50
12 and 52.

13 (OEC's Exhibits 30, 31, 32, 35, 36, 38,
14 41, 44, 45, 46, 49, 50 and 52 marked for
15 identification.)

16 ATTORNEY DUSTIN MILLER:

17 With regard to other exhibits we did
18 receive a letter --- the Office of Enforcement Council
19 received a letter on February 15th, 2008 from the New
20 Jersey Attorney General's office relating to
21 advertisement, Philadelphia Park's advertisements in
22 New Jersey. And that is OEC Exhibit 42.

23 (OEC's Exhibit 42 marked for
24 identification.)

25 ATTORNEY DUSTIN MILLER:

1 The Office of Enforcement Council has
2 also filed six enforcement action complaints to revoke
3 either gaming employee occupation permits or
4 non-gaming employee registration for individuals who
5 violated either the Act or the regulations on the
6 premises of Philadelphia Park. In each instance the
7 individual's permit or registration was revoked by the
8 Board and that's contained in OEC's Exhibits 53
9 through 57 and also Exhibit 63 and 64.

10 (OEC's Exhibits 53 through 57 marked for
11 identification.)

12 (OEC's Exhibits 63 and 64 marked for
13 identification.)

14 ATTORNEY DUSTIN MILLER:

15 Besides those exhibits we also are
16 admitting the uniform crime reporting statistics that
17 Lieutenant Evans testified to with regards to 2007,
18 2008, 2009 and that's OEC Exhibit 58, 59 and 60.

19 (OEC's Exhibits 58 through 60 marked for
20 identification.)

21 ATTORNEY DUSTIN MILLER:

22 And also this stipulation entered into
23 between the Office of Enforcement Council and
24 Greenwood Entertainment will be marked as OEC Exhibit
25 Number 66 and that will --- we'll offer that into the

1 record. The only other exhibit is the suitability
2 report, which Dale Miller will describe it more in
3 depth.

4 (OEC's Exhibit 66 marked for
5 identification.)

6 ATTORNEY DALE MILLER:

7 Yes. Exhibit Number 65, OEC Exhibit
8 Number 65 is a suitability report and I want to
9 mention that included in the suitability report is
10 Exhibit One of that report, a letter of good standing
11 from the Pennsylvania Horseracing Commission. Exhibit
12 Two is an attestation that there is, in fact, in
13 effect a live racing agreement between Philadelphia
14 Park and the Horseman's Association. Exhibit Three to
15 that report is the compliance assessment review that
16 we discussed earlier. Exhibit Four is the consent
17 agreement that we talked about. Exhibit Five is an
18 organizational chart. Exhibit Six is a diversity plan
19 and Exhibit Seven is the compulsive and problem
20 gambling amended. We'll ask that that suitability
21 report be introduced as part of the record. And with
22 that we would ask that all 66 Exhibits of the Office
23 of Enforcement Council be introduced into the record
24 pending any comments or objections by Philadelphia
25 Park.

1 (OEC's Exhibit 65 marked for
2 identification.)

3 ATTORNEY KOHLER:

4 We have no objections to admission. I
5 just wanted to address confidentiality for a moment
6 because none of the exhibits are marked. As I go
7 through the materials they're starting with an August
8 4th, 2008 memo from Mr. Miller to Greenwood and ---.

9 ATTORNEY DALE MILLER:

10 We will certainly agree that all of ---
11 of all the exhibits introduced if any should remain
12 confidential or any existing agreement legal
13 regulatory reasons and must remain confidential we
14 would certainly agree that they should be
15 confidential.

16 ATTORNEY KOHLER:

17 Can we be a little more specific? I
18 think we've talked about this in the past that
19 informal memos, informal correspondence, all of which
20 is exchanged privately and not in the public record,
21 that those documents will remain --- that will be
22 treated as confidential. They're included both in the
23 exhibits you --- that you mentioned and separated
24 earlier. And also, not much, but a couple of the
25 attachments to the suitability report and including

1 --- there's a ---. I know this has been recognized in
2 the past, but as a private company our corporate
3 organization is proprietary and there are a couple of
4 organizational charts in those materials that deserve
5 confidential treatment. So if you --- with that
6 description I would agree with Mr. Miller's proposal.

7 ATTORNEY DALE MILLER:

8 That's fine.

9 PRESIDING OFFICER:

10 Okay. The exhibits are accepted.

11 ATTORNEY DALE MILLER:

12 With that we rest.

13 ATTORNEY KOHLER:

14 Nothing.

15 PRESIDING OFFICER:

16 At this time we will begin with our
17 public comment portion of this hearing. At this time
18 I have two individuals registered to speak, Mr.
19 Michael Ballezzin and Salvatore DeBunda from the
20 Pennsylvania Thoroughbred Horseman's Association. If
21 they would like to come forward and we'll hear from
22 them.

23 OFF RECORD DISCUSSION

24 -----

25 SALVATORE M. DEBUNDA, HAVING FIRST BEEN DULY SWORN,

1 TESTIFIED AS FOLLOWS:

2 -----

3 ATTORNEY DEBUNDA:

4 Good afternoon everyone. My name is
5 Salvatore, S-A-L-V-A-T-O-R-E, DeBunda D-E capital
6 B-U-N-D-A. I'm the first vice president and general
7 counsel of the Pennsylvania Thoroughbred Horseman's
8 Association. First of all, before I start I want to
9 make it clear that it is correct that we have a live
10 racing agreement that runs for many more years and
11 we're not here to oppose the renewal of the license
12 for Philadelphia Park. In fact, we endorse the
13 approval of that. What I'm here to do though is to
14 really talk about two things. Kind of where we see
15 things are going in the next few years so that the
16 Gaming Control Board understands the thoroughbred
17 industry and what's going to happen here in the next
18 few years and also to raise a couple of questions that
19 I would like either answered here or somewhere in this
20 process if I may have that opportunity.

21 But first of all, let me start off by
22 saying that the budget takes a hit on the horsemen in
23 Pennsylvania. The budget will take \$50 million out of
24 our purses for the next four years, \$200 million. We
25 do not get a part of the table games as part of the

1 bill, so we will not be getting any supplement from
2 there. We'll be getting all of our revenue from slots
3 at Philadelphia Park. And there's been estimates
4 about whether or not it'll be increased by table games
5 or decreased by table games, but the numbers I'm
6 quoting to you assume that levels stay exactly where
7 they are today. That \$50 million is --- throughout
8 the Commonwealth is based on those numbers. We're
9 about 22 percent of that at Philadelphia Park, so the
10 hit at Philadelphia Park to our present horsemen will
11 be excess of \$10 million over this year and the next
12 three years assuming it ends after four years.

13 The proceeds that we get from slots are
14 broken down. Eighty (80) percent of it goes to
15 purses, 16 percent of it goes to breeders and 4
16 percent of it goes to pension and health benefits for
17 the people who work at the track, many of which live
18 in this particular township. In connection with
19 providing health benefits and pension benefits we have
20 contracted with people already to provide those
21 benefits. We have contracts with Independence Blue
22 Cross to provide those benefits to our employees.
23 They partially pay for it, the rest of it is paid for
24 by the slot revenues. With the drop in the proceeds
25 that we will get over the next four years to be part

1 of this budget that \$10 million is going to have to be
2 spread out over the purses and health and pension
3 benefits here at Philadelphia Park. That cut is about
4 a 17 percent cut if you looked at the House
5 Legislation. If you look at the Bill that's been
6 approved by the Senate and sponsored by Senator
7 Tomlinson it hits about 38 percent because of the
8 change in the contribution as the industry gets more
9 mature. But I'm just going to use the 17 as the
10 illustration. That's what the House Bill says. In
11 order to make that work we come up with a plan and
12 we've made it public and we're going to have to work
13 with Philadelphia Park to do that, but I at least want
14 the people on the Gaming Control Board and the people
15 here in Bensalem to know what that means.

16 We're probably going to have to cut our
17 benefits to our pension and healthcare to about 17
18 percent to stay in line with that. Unfortunately we
19 have a written contract with Blue Cross and they're
20 not going to give us a reduction, so we're going to
21 probably have to wait 'til the end of that contract
22 and make the change then and then bite the bullet in
23 the meantime. A way to bite that bullet for us is
24 going to involve some things we really don't want to
25 do. One is going to be cut the number of racing days

1 that we now have. Now, again, we have to do this in
2 cooperation with Philadelphia Park, but we feel that
3 given about \$200,000, little bit more than \$200,000 a
4 day out to save \$2 million we would cut ten days at
5 least. That would save us \$2 million, but we will now
6 have ten less days. And it's been shown in a study
7 that racing days increase slot play, so you'll
8 actually have a reduction in slots on those days based
9 on the history that's occurred. The other thing we're
10 going to ask for and this is reluctantly. The
11 Pennsylvania Derby's a great event. We really support
12 it, but unfortunately most of that money doesn't go to
13 local horsemen, it goes to people who ship them for
14 outside the state because we don't have those kind of
15 horses here for the most part. So we're going to ask
16 for a reduction of the Pennsylvania Derby to \$250,000
17 from a million at least during this period. It's not
18 something we'd like to do, but it's another way of
19 saving some of that money. There's also a \$750,000
20 race to fix the cotillion. A lot of that money goes
21 to outside interests, we're going to ask that that
22 race be eliminated over the next --- those are the two
23 major races, by the way, that we have in Philadelphia
24 Park. But reluctantly that's the only way, in our
25 opinion, to save another million and a half. That

1 will leave us still \$5 or \$6 million short for these
2 next four years and we're going to have to just reduce
3 purses. We're going to --- what the horses are now
4 getting are going to have to be reduced even after
5 those cuts on a daily basis by managing the condition,
6 things like that.

7 So that's --- I just want you to know.
8 That's what's coming here. It's all part of us,
9 everyone tightening their belt to the budget and we're
10 hoping that the Senate Bill supported by Tomlinson
11 doesn't occur because that would just double the
12 effect of what I just talked about. It would be more
13 like \$20 million that would be impacted and not \$10
14 million. So I just wanted you to understand what's
15 coming here.

16 The second thing is I do have a couple
17 questions I would like to have addressed either today
18 or as part of the proceedings involving the
19 Philadelphia Park race portion. One is that everyone
20 thinks that table games are coming. Everyone should
21 understand that under the Table Games Bills the tax
22 paid by the operators will either be 12 percent of the
23 Senate Bill or thirty, I guess, eight percent --- as
24 high as 38 percent under the House Bill if you take
25 the local share. I'm sorry. It'd be 12 and one and

1 one in the Senate Bill and it would be 34 and two and
2 two if I'm --- one and a half and one and a half. I'm
3 sorry. It'd be 37 percent. That hasn't been resolved
4 yet. They currently pay 54 percent in tax on the
5 slot, so there would be a less tax, but that's to make
6 up for the fact it's more labor intensive and that's
7 what the legislature has decided to do. But we get
8 none of that and the concern that we have is that if
9 you put two different profit centers in the same
10 facility one of which pays a tax of, let's say, 12
11 percent or as high as 34 and another pays a tax of 54,
12 and I don't blame them for this, the incentive would
13 be to market and push the product that pays you at 88
14 percent return or a 66 percent return rather than the
15 one that only gives you a 46 percent return. So we're
16 concerned about the impact on slots. So it leads to
17 the question of how many slot machines are they
18 willing to commit to keep in the facility during this
19 four year period that we're going to have this hit on
20 us of part of the purse that's going to the state.

21 The original --- they have slightly under
22 3,000 now I think as Mr. Kohler indicated. They can
23 go as high as 5,000 with permission and with
24 justification. Initially when they were building a
25 new facility there was talk of 4,000, then there was

1 talk of 3,500, now there's talk of 3,300. We would
2 like some indication --- because we have to budget and
3 understand in making the changes I spoke about earlier
4 what we think our revenues are going to be. We would
5 like to know what the plans are for the next four
6 years assuming table games come in to --- for the
7 number of slot machines that will be at Philadelphia
8 Park.

9 The second thing is --- has to do with
10 the fact that as I think has been mentioned, they have
11 an obligation to restore the grandstand starting in
12 December when their facility opens. And I think Mr.
13 Kohler's admitted that and that is correct. That's
14 supposed to be done within six months. It's now
15 October. December's not far away. We would like to
16 ask the question, has plans been developed for that
17 restoration? Can we get them submitted to us so we
18 can give our input? Have they been put out for bid so
19 that the construction can start soon thereafter? What
20 is the amount of money that's going to be spent in
21 that? We'd like to see a budget for that. We have
22 gotten, as far as I know, none of that information.
23 It's coming upon us fairly soon. It's supposed to be
24 done within six months within the opening of the new
25 facility. We would like to ask that that information

1 be provided to the horsemen and to the Gaming Control
2 Board as soon as possible.

3 Just two other questions. We also would
4 like to know given the fact that there will be
5 possibly table games, what the budget will be to
6 market horseracing over the next four years given
7 what's coming here with the reduction in purses. We'd
8 like to know about that. And the last thing we'd like
9 to know is you mention the restoration of the barns
10 --- and that, by the way, is a correct statement.
11 They're doing much more than they were required to do
12 under the gaming --- under the Act, Slots Bill. We're
13 just confused a little bit and therefore the question
14 goes because I thought it was under a seven year plan,
15 Mr. Wilson, to build that. Was it a seven year plan
16 to do that? I think we heard ten years today, but I
17 just would like clarification of what the schedule is
18 either today or some point in the future, what the
19 schedule is to complete that reconstruction of the
20 barns because I'm just a little confused by the fact
21 we thought it was a seven year plan that would go to
22 the end of the current contract. And I think we saw
23 today a ten year plan. I was confused about that, so
24 we'd like some clarification of the timetable, how
25 many barns per year, et cetera, and how that would be

1 done.

2 Again, that's just --- we'd like to have
3 those questions addressed either today or through some
4 correspondence or before the final determination. I
5 want to say it again, we're here to support the
6 renewal of the license of Philadelphia Park and I
7 thank you for your time. I do have remarks here that
8 I would like --- I have not read from them directly,
9 but I'd like to make them part of the record if that's
10 possible.

11 PRESIDING OFFICER:

12 Sure. Thank you.

13 ATTORNEY DEBUNDA:

14 I'll give you four copies. I'll give you
15 guys five copies and I have others here if anybody
16 else wants one. I'll leave them on the table. Thank
17 you very much for your time. I did want to
18 acknowledge that Mike Ballezzin, the Executive
19 Director of the Pennsylvania Thoroughbred Horsemen is
20 here with us today. Thank you.

21 PRESIDING OFFICER:

22 Those were the only public speakers I had
23 registered. If I'm incorrect and there is someone
24 here who believes he or she is registered to speak
25 would you raise your hand or speak up? Seeing none we

1 will continue opportunity for Greenwood Gaming to
2 present any brief closing statements they may have.

3 ATTORNEY KOHLER:

4 Very briefly. I'm just going to
5 reiterate what we said in our opening and now that you
6 --- I think you've seen the presentation and heard
7 from various witnesses, that our record is one of
8 promise delivered. Everything that we told the Gaming
9 Board we would do back in 2005 has been fulfilled and
10 in most cases fulfilled --- beyond fulfilled. That
11 includes our business and our generation of revenue
12 and our contribution of tax dollars to the
13 Commonwealth, that includes our increases in jobs and
14 additional workforce, that includes our commitment to
15 our racing product. And I don't think you've heard
16 from anyone today that there's any reason of any kind
17 to consider denial of renewal, and therefore I would
18 submit that the record justifies the Board granting
19 our application.

20 PRESIDING OFFICER:

21 Any closing from the ---?

22 ATTORNEY DALE MILLER:

23 We have no formal closing, but we would
24 like to thank everybody for courtesy and cooperation
25 in the presentation of this hearing. We would ask of

1 the Presiding Officer that the record be kept open
2 until the matter is scheduled before the Board. We'd
3 like to have the record kept open for the presentation
4 of any further testimony or other submissions either
5 by the Office of Enforcement Council or I assume
6 Philadelphia Park and Greenwood Gaming will join us in
7 that request.

8 ATTORNEY KOHLER:

9 Yes.

10 PRESIDING OFFICER:

11 Okay. The record will remain open until
12 the Board so chooses to close the record.

13 ATTORNEY KOHLER:

14 Thank you very much.

15 PRESIDING OFFICER:

16 Housekeeping matters. Any briefs or
17 written memorandum from either party is due to be
18 filed with the Board's clerk on or before the close of
19 business October 21st, which is next Wednesday. The
20 next step is in this process I will prepare a report
21 for the Board. That will be sent to the Board along
22 with the transcripts and exhibits from today's hearing
23 and the Board will then schedule at its pleasure the
24 matter to be heard at a future public Board meeting.
25 I want to thank you all for coming today, for your

1 cooperation. And I again want to thank Bensalem
2 Township for their hospitality and the hearing is now
3 concluded and adjourned. Thank you.

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HEARING CONCLUDED

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CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before Presiding Officer Lloyd was reported by me on 10/14/2009 and that I Kenneth Dominic O'Hearn read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.



Court Reporter