

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: Gregory C. Fajt, CHAIRMAN
James B. Ginty, Raymond S. Angeli, Jeffrey
W. Coy, Kenneth T. McCabe, Gary A. Sojka,
Kenneth I. Trujillo, David Barasch
representing Honorable Stephen Stetler,
Secretary of Revenue, Jennifer Lanaghan
representing Honorable Robert M. McCord,
State Treasurer and Frank Jurbala
representing Honorable Russell
Redding, Secretary of Agriculture

HEARING: Wednesday, December 9, 2009, 10:00 a.m.

LOCATION: PUC Keystone Building
400 North Street
Harrisburg, PA 17106

WITNESSES: Judge M. Teresa Sarmina, Alan C. Kohler,
Esquire, Thomas Bonner, Esquire, Kevin
O'Toole, Claire Yantis, David Rhen, Scott
Frederick, Tim Allue, David Barasch,
Richard Sheetz

Reporter: Kenneth D. O'Hearn

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CHAIRMAN:

Good morning everybody. Good morning everybody. I ask that everybody please take their seats. We've got a pretty full agenda this morning. My name is Greg Fajt. I'm the Chairman of the Gaming Control Board and just as a normal housekeeping matter if everybody could turn off their cell phones, Blackberries, pagers. Those devices tend to interfere with our communication system.

Today we have with us David Barasch, ex officio designee, representing Revenue Secretary Steve Stetler, Jennifer Lanaghan representing State Treasurer Rob McCord and Frank Jurbala representing Secretary of Agriculture Russell Redding. And also in the audience is a good friend of mine, Secretary of the Commonwealth, Pedro Cortes. Pedro, nice to have you here today. We have our newest member of the Gaming Control Board with us today, Ken Trujillo. We are going to swear him in, in a minute, but first of all, I'd like to note that there is a quorum of the Board present. I'd like to call today's meeting to order. As the first order of business, I'd like to ask everybody to stand for the Pledge of Allegiance.

1 PLEDGE OF ALLEGIANCE RECITED

2 CHAIRMAN:

3 I'd like to welcome the Honorable Teresa
4 Sarmina, who is --- serves as Philadelphia Court of
5 Common Pleas Judge. Judge Sarmina will issue the Oath
6 of office to Ken Trujillo, the newest member of the
7 Gaming Control Board. Ken, I'd like to ask for you to
8 go down below and I believe your daughter and others
9 are going to join you there for the swearing in. This
10 is Ken's daughter, Mia. Good to have you here today,
11 too, Mia.

12 JUDGE SARMINA:

13 I.

14 MR. TRUJILLO:

15 I.

16 JUDGE SARMINA:

17 And state your name.

18 MR. TRUJILLO:

19 Kenneth I. Trujillo.

20 JUDGE SARMINA:

21 Do solemnly swear ---

22 MR. TRUJILLO:

23 Do solemnly swear ---

24 JUDGE SARMINA:

25 --- that I will support, obey and

1 defend ---

2 MR. TRUJILLO:

3 --- that I will support, obey and

4 defend ---

5 JUDGE SARMINA:

6 --- the Constitution of the United

7 States ---

8 MR. TRUJILLO:

9 --- the Constitution of the United

10 States ---

11 JUDGE SARMINA:

12 --- and of this Commonwealth.

13 MR. TRUJILLO:

14 --- and of this Commonwealth.

15 JUDGE SARMINA:

16 And that I will discharge the duties of

17 my office ---

18 MR. TRUJILLO:

19 --- and that I will discharge the duties

20 of my office ---

21 JUDGE SARMINA:

22 --- with fidelity.

23 MR. TRUJILLO:

24 --- with fidelity.

25 APPLAUSE

1 CHAIRMAN:

2 Thank you, Judge. Thank you, Mia. And I
3 know you wanted to say a word or two, so ---.

4 MR. TRUJILLO:

5 Mr. Chairman, thank you. And to my
6 fellow Board members thank you for working with us.
7 And Judge Sarmina is a great friend of our family and
8 of this Commonwealth.

9 Is that better? Also of course to my
10 daughter, Mia, and my wife, Lauren, and our friends
11 that are here. And Secretary Fajt, I thought it might
12 strike some as odd, or at least ironic, that I chose a
13 ten-year-old --- my ten-year-old daughter and my
14 father's Bible, my father was an Assemblies of God
15 minister, to swear me in into a commission that
16 oversees gaming. But as some of you know already I
17 like irony and for me, however, this was not about
18 irony. For me the choice of my daughter and the Bible
19 was simply a recognition of the responsibility that
20 we, as Gaming Control Board members, have and the
21 responsibility which I believe that the Commonwealth
22 has bestowed upon us. And that responsibility is a
23 recognition that we're not the ones that make the law.
24 We're not the ones that decide how and whether gaming
25 is going to be here in Pennsylvania, but we are

1 responsible for ensuring that gaming is done
2 responsibly and for the best benefit of the citizens
3 of this Commonwealth. And we're the ones that are
4 responsible for the impact that gaming has on our
5 children. We're the ones that are responsible for the
6 impact that gaming has on communities. And we're the
7 ones that are responsible for those who are not in a
8 position to make the decision whether their lives are
9 going to be affected by gaming or not.

10 And it is with that recognition of that
11 responsibility that I am honored to be serving with
12 you, Secretary Fajt, with the rest of this Board and
13 with an incredibly talented staff. And so I really
14 look forward to this opportunity. And I thank you
15 again for your welcoming that I've received from you.

16 CHAIRMAN:

17 Thank you very much, Ken. And let me
18 just say on a personal note, it's great to have you.
19 Some of you in the audience may know Ken. I've known
20 Ken not well, but maybe for, you know, five or six
21 years and he's one of those people that defy logic in
22 the sense that I've never met anyone who said a bad
23 word about him. And when you're in this business for
24 as long as he and I have been in this business, that's
25 a real rarity. So Ken, welcome and your reputation

1 precedes you, and you know, just in our, you know,
2 short meeting yesterday in Executive Session, I mean,
3 you obviously have already demonstrated that you will
4 be an engaged member and we welcome you.

5 MR. TRUJILLO:

6 Thank you.

7 CHAIRMAN:

8 Okay. We have two items before the Board
9 today by way of public hearing, which will take place
10 prior to our official public meeting. Both involve
11 Greenwood Gaming and Entertainment. The first matter
12 we will hear will be a continuation of a proceeding,
13 which commenced before the Board prior to our last
14 meeting on November 18th. That is the hearing on
15 Greenwood Gaming's Petition for Regulatory Approval
16 Prerequisite to Opening of a Permanent Facility. I
17 think everyone that was in attendance at the last
18 meeting will recall we spent a significant amount of
19 time discussing the gaming floor of the new facility,
20 and in particular the Board's displeasure with the
21 location of the Gaming Control Board offices. I
22 understand now that Greenwood Gaming will be updating
23 us on that issue. I would also ask that they discuss
24 the other relief requested in the petition,
25 specifically authorization to open with 3,300

1 machines, but with the ability to move to 4,000
2 machines, to open its facility three days later than
3 the December 15th date, the Board previously approved
4 and --- its request to have a fixed seating
5 requirement waived in certain areas of the gaming
6 floor.

7 We'll now begin. I see that the parties
8 have come forward already. Persons offering
9 testimony, including the personnel of the Office of
10 Enforcement Counsel, (OEC) please stand to be sworn
11 in.

12 -----

13 WITNESSES SWORN EN MASSE:

14 -----

15 CHAIRMAN:

16 Thank you. If it's okay with the Board
17 we'll hear from both representatives of Greenwood
18 Gaming and our OEC and reserve our questions until
19 after both parties have done their presentations.
20 Prior to your speaking, could you please identify
21 yourself for the stenographer and also spell your
22 name. And with that, Greenwood Gaming, you may
23 proceed.

24 ATTORNEY KOHLER

25 Good morning, Chairman Fajt. Good

1 morning, Commissioners. We welcome the new
2 Commissioner. My name is Alan Kohler. That's,
3 K-O-H-L-E-R, from Eckert Seamans, representing
4 Greenwood Gaming and Entertainment, Inc. I have with
5 me this morning Tom Bonner, it's, B-O-N-N-E-R, who is
6 General Counsel to Greenwood Gaming. As Chairman Fajt
7 indicated, this is a continuation of hearing from last
8 public meeting. Shortly after the last public
9 meeting, the Board issued an order, which essentially
10 directed Greenwood Gaming to work with Board staff to
11 come up with a resolution of the outstanding issue
12 related to access to the Gaming Board space and our
13 new casino, and also directed us to file a new floor
14 plan, which reflected that resolution by no later than
15 November 30th.

16 We're here to report this morning that we
17 followed those directives to the T. We worked closely
18 with Executive Director O'Toole and other members of
19 Board staff. We reached a resolution of the access
20 issue, at least as far as I know, and we did file a
21 revised floor plan on November 30th, which reflected
22 that. And we intend to present that to you this
23 morning. I don't know --- you asked that we also
24 address the other relief addressed in our petition. I
25 don't know if you want to take them in sequence, deal

1 with the floor plan first and then move on to the
2 others. Maybe that's the best way to do it.

3 CHAIRMAN:

4 That's fine.

5 ATTORNEY KOHLER:

6 At the request of Board staff, we --- and
7 this is something we didn't do at last --- at the last
8 public meeting. We tried to --- if I can get the ---
9 we did a PowerPoint so you can actually see this. And
10 I do have specific copies for the Board members, which
11 I unfortunately didn't get to you before the meeting.

12 CHAIRMAN:

13 I think we're okay. If you can just
14 use ---

15 ATTORNEY KOHLER:

16 Okay. That's fine.

17 CHAIRMAN:

18 --- the PowerPoint, that's fine.

19 ATTORNEY KOHLER:

20 Maybe Mr. Bonner can and lead us through
21 it.

22 ATTORNEY BONNER:

23 I'll be happy to. Good morning, Mr.
24 Chairman, Commissioners and welcome Commissioner
25 Trujillo. The plan that you see in front of you is

1 the proposed access corridor, which is under way and
2 is actually in place. The casino is at the left of
3 the plan. The existing corridor is at the right of
4 the plan. The upper right corner shows the
5 Pennsylvania State Police and the Gaming Control Board
6 offices. So the corridor that you see in the center
7 of the print allows people to pass from the gaming
8 floor, down that corridor and then over to the Gaming
9 Board offices. In the upper part of the drawing, if
10 persons were to make a right out of that new corridor,
11 they would then be moving towards the cage and count
12 room areas and towards the employee cafeteria, towards
13 the place where employees pick up their food. They
14 then come back to that EDR, which is the employee
15 dining room, to eat their meals. At the lower right
16 corner in the existing corridor, we indicate a set of
17 doors that will be installed. They're not there yet,
18 but they will be installed.

19 People can gain access through those
20 doors only with a card access key. Members of the
21 public, vendors who have not been granted access,
22 through our approved access submission, would not be
23 able to gain access through those doors. So basically
24 at the Gaming Board's request we've created a secure
25 corridor area that encompasses the count room and the

1 cage areas. There's a set of doors farther down the
2 hallway that requires a card swipe to enter into that
3 restricted area. So I think we effected what the
4 Gaming Board had asked us to effect with respect to
5 both improved access from the gaming floor to the
6 Gaming Board offices and also creating a secure area,
7 which only authorized employees can enter. As I had
8 mentioned, the corridor is built. The drywall is up,
9 the sprinklers have been installed, the ceiling is not
10 in yet. And the doorway that you see at the bottom
11 right of that print has not yet been installed, but it
12 will be installed, and we'll be ready for opening on
13 December 18th, we hope, subject to a successful test
14 on the 16th. And I'll be happy to answer any
15 questions that you or staff may have about it.

16 ATTORNEY KOHLER:

17 The only thing I wanted to emphasize out
18 of all that is, this will be completed by opening, so
19 the fact that the doors, which were an important part
20 of the resolution with Board staff are not installed
21 yet and will be installed, they will be installed
22 before ---

23 ATTORNEY BONNER:

24 That's correct.

25 ATTORNEY KOHLER:

1 --- we open for business.

2 ATTORNEY BONNER:

3 Correct.

4 CHAIRMAN:

5 Any questions on that specific issue,
6 Ken?

7 COMMISSIONER MCCABE:

8 Yes, I have one. How are you going to
9 identify that door to the public, or that corridor
10 that has access to the Pennsylvania State Police or
11 the RCCRs?

12 ATTORNEY BONNER:

13 Board staff had asked that we put
14 appropriate signage indicating that that's the way to
15 get to the State --- to the Gaming Board offices, so
16 we'll work with staff and come up with signage that's
17 acceptable to them. That is also going to be ---
18 that's an employee-only corridor or patrons who want
19 to get to the Gaming Board would be escorted down that
20 corridor. So we will put signage. I had some
21 discussions yesterday with your representatives on
22 staff. We haven't decided specifically what it will
23 be, but we acknowledge the request and we'll put
24 appropriate approved signage there.

25 COMMISSIONER MCCABE:

1 Will the entranceway to that corridor be
2 a controlled entranceway?

3 ATTORNEY BONNER:

4 Yes, sir. Yes, Commissioner. The
5 doorways that you see at the left just inside that new
6 area will require a card swipe to gain access to that.

7 COMMISSIONER MCCABE:

8 And then how will the public be able to
9 contact the PSP or the PGC?

10 ATTORNEY BONNER:

11 We're installing a hotline phone right in
12 that area that will be marked Pennsylvania Gaming
13 Control Board, pick up the phone. It rings
14 automatically to the Gaming Board offices.

15 COMMISSIONER MCCABE:

16 Okay. And then to get back to our space,
17 does somebody from one of the offices at PSP or the
18 PGCB have to come out and let them in, or how is that
19 going to ---?

20 ATTORNEY BONNER:

21 Either that, Commissioner, or one of our
22 security representatives could escort them through the
23 corridor, however, your representatives would prefer
24 that to happen.

25 COMMISSIONER MCCABE:

1 Thank you.

2 ATTORNEY SOJKA:

3 That was my question as well.

4 ATTORNEY KOHLER

5 Just so you can see it a little more in
6 context, here's --- you know, you can actually see the
7 gaming floor. This is a diagram of a plan with a
8 little --- with a little --- smaller scale. And
9 again, you can see, the corridor goes down beside
10 Chickie's & Pete's. You can see --- actually see the
11 Gaming Board office is marked on the slide and you can
12 see it a little more in context.

13 ATTORNEY BONNER:

14 This shows the entire corridor, including
15 the doorway at the other end and that secure corridor
16 in between, which runs through the cage area on the
17 left and the count room area on the right. It was
18 just to put that corridor in larger perspective for
19 you.

20 CHAIRMAN:

21 One other comment that I think needs to
22 be made is that --- and I know our folks have
23 discussed this with you, that we see this as a
24 temporary solution. And if there is further expansion
25 of the gaming floor and I believe it will be in our

1 Order that we reserve the right to have those offices
2 relocated with direct access to the gaming floor.

3 ATTORNEY BONNER:

4 Mr. O'Toole had made that same point to
5 us during the discussion, Mr. Chairman.

6 CHAIRMAN:

7 Thank you. Any other questions on this
8 specific issue? Go ahead. Proceed with the rest,
9 Alan. Thank you.

10 ATTORNEY KOHLER

11 Okay. Now that we're beyond that issue,
12 let us take a step backwards, if you will, and I guess
13 report two weeks later on status of our new facility.
14 Our new facility is proceeding on schedule. I think
15 as the days go by there is less and less chance that
16 we will have an unforeseen problem, but that
17 possibility certainly still exists. But from
18 everything I hear, we are thrilled with --- in
19 particular with what this facility is going to bring
20 to the Commonwealth. It is a magnificent facility.
21 Of course we're biased about this, but certainly feel
22 we've set a new standard for the Commonwealth and
23 things are --- the green light is on for our test
24 night on the 16th and opening on the 18th.

25 Chairman Fajt asked that we address the

1 issue of the 15th versus the 18th and maybe I just can
2 give a brief background on that. The statute sets a
3 time limitation on how long you can have a temporary
4 facility open. It's an initial two years and then
5 another year with Board approval. We did get that
6 extension. That extension by statute runs at 12:01
7 a.m. on December 19th. When the Board addressed this
8 a year ago, they certainly recognized when the
9 statutory deadline ran, but I think --- and I'm not
10 sure of the intent, but I would suspect in an effort
11 to build in a little bit of wiggle room, they
12 established a deadline in the Order and also in our
13 Statement of Conditions for opening as December 15th.
14 As we moved closer and closer to opening, and you
15 know, as the Board members have been briefed on, the
16 schedule is very, very tight and every day is
17 valuable. And we, of course, work with Board staff to
18 come up with a schedule that they can live with as
19 well. And all those efforts led to initially an
20 opening date of the 17th. So we --- our plan was when
21 we filed our petition was to have test night on the
22 16th and opening on the 17th because that was the
23 plan. And again, that in coordination with Board
24 staff, in our petition we asked for relief so that we
25 could open on the 17th or the 18th rather than the

1 15th, which is the date in the Board's Order and the
2 Statement of Conditions.

3 As to the move from the 17th to the 18th,
4 we had originally hoped to open on the 17th. I think,
5 for business reasons, we wanted a --- you know, an
6 open day under our belt before we hit the weekend,
7 which is expected to be a very busy weekend. But as
8 we got closer, and again, working in coordination with
9 Board staff, it became apparent to us that that day
10 would be more valuable to, you know, sacrifice the
11 business experience on that day to do things like
12 final touches, tests --- might be able to test some
13 additional slot machines, so forth and so on. So we
14 have supplemented the record with an indication that
15 our current plan is to open on the 18th rather than
16 the 17th. With that said --- and maybe Mr. Bonner can
17 embellish, but with that said, the relief requested in
18 the petition is to move from the 15th to either the
19 17th or the 18th.

20 ATTORNEY BONNER:

21 Well stated. I'll be happy to answer any
22 questions that you may have.

23 CHAIRMAN:

24 Before we do that, does OEC have any
25 questions?

1 ATTORNEY MILLER:

2 Mr. Chairman, I just want to clarify
3 something for the record. One of the objections to
4 the Gaming --- location of the Gaming Board offices,
5 in addition to its lack of closeness to the gaming
6 floor, was that we had a concern that patrons may pass
7 by restricted areas. Can we go back to the second
8 slide?

9 ATTORNEY KOHLER

10 Sure.

11 ATTORNEY MILLER:

12 When --- if a patron was to traverse the
13 corridor leading down to the EDR, the Employer Dining
14 Room, there's a door to the right at the end of the
15 corridor; is that correct, or south, ---

16 ATTORNEY BONNER:

17 South.

18 ATTORNEY MILLER:

19 --- I would say?

20 ATTORNEY BONNER:

21 South of the EDR.

22 ATTORNEY MILLER:

23 Yeah.

24 ATTORNEY BONNER:

25 There will be a --- we will install a

1 door.

2 ATTORNEY MILLER:

3 There will be a door installed. And when
4 that door is installed, is it correct that no patron
5 will be able to access the restricted areas of the
6 facility unless they were to be escorted through that
7 door? Is that correct?

8 ATTORNEY BONNER:

9 That is correct.

10 ATTORNEY MILLER:

11 So if they walk down that corridor and
12 they're facing the Employee Dining Room, they are not
13 able to access or see any of the restricted areas; is
14 that correct?

15 ATTORNEY BONNER:

16 That is correct, yes.

17 ATTORNEY MILLER:

18 Okay. That's the only question I had,
19 sir.

20 CHAIRMAN:

21 Do any members of the Board have any
22 questions on this issue? This will conclude the
23 public meeting. Does the OEC --- do you guys have a
24 presentation before I conclude?

25 ATTORNEY MILLER:

1 We do not have a presentation on this
2 issue, Mr. Chairman. I can tell you that I was out to
3 the facility on Monday, walked the corridor and then
4 discussed it with the Chief Enforcement Counsel (CEC),
5 and I believe that we're satisfied that Philadelphia
6 Park is doing and will continue to make sure that the
7 offices, the Gaming Board offices, are accessible to
8 the public and that the public will not have access to
9 or even see any restricted areas.

10 CHAIRMAN:

11 Mr. Kohler, ---?

12 ATTORNEY MILLER:

13 We have no objection.

14 CHAIRMAN:

15 Okay. Mr. Kohler, could you discuss the
16 other two ---

17 ATTORNEY KOHLER:

18 Sure.

19 CHAIRMAN:

20 --- issues that I raised, the issue of
21 the fixed seating and the movement from --- or the
22 installation of the 3,300 machines with the maximum of
23 4,000?

24 ATTORNEY KOHLER:

25 Let me do the number of machines first.

1 Mr. Bonner's probably in a little better position to
2 speak to the fixed seating. When we initially got our
3 master plan approved, at the time, our plan was to
4 open with 4,000 machines. We did --- I'm not going to
5 get the time frame exactly right, but back in the
6 summer, I believe, or maybe late spring, we did an
7 Update Petition with the Board where at that time we
8 requested, due to a number of factors, that we open
9 with 3,300 machines. That was a number that from our
10 business perspective, you know, would serve the
11 public, serve all our patrons very well for opening.
12 And I believe, at the suggestion of Board staff,
13 requested that we be able to go up to 4,000 machines,
14 and with the expectation that the business would
15 justify that without coming back with a formal
16 petition under essentially delegated authority from
17 --- to your staff.

18 The Board approved --- let me take a step
19 back. The Board approved opening with 3,300 machines.
20 In our petition --- in our subsequent petition, which
21 is before you today, we asked for two forms of relief.
22 The first one, which I think is ministerial, is to go
23 above the 3,000 machine statutory cap. There is a
24 specific requirement that you give us authorization to
25 go above 3,000, so that's the first thing before you

1 today. The second thing is, again, at the suggestion
2 of Board staff, we ask for this delegated authority to
3 go from 3,300 to 4,000 without coming back with a
4 formal petition. And again, we would hope to do that
5 as soon as possible.

6 CHAIRMAN:

7 And again, Mr. Bonner, if you want to
8 address the issue with the fixed seating.

9 ATTORNEY BONNER:

10 Certainly, Mr. Chairman. We had proposed
11 38 tabletop machines in bar areas, 10 in the
12 entertainment bar and 28 in our sports bar. And this
13 is a condition that we have currently in our operating
14 facility at a sports and poker bar, tabletop poker,
15 where we don't have fixed seating. So we've
16 identified those 38 seats out of the 3,300 as seats
17 we'd like to have typical barstools in those two
18 facilities, and that's the substance of the request
19 before you for the non-fixed seating. It's a
20 relatively small number of the seats in the facility.

21 CHAIRMAN:

22 Thank you. Does Enforcement Counsel have
23 any questions on those two issues?

24 ATTORNEY MILLER:

25 We do not, sir.

1 CHAIRMAN:

2 Do you have any presentation in addition
3 to what you stated already?

4 ATTORNEY MILLER:

5 We do not.

6 CHAIRMAN:

7 Does the Board have any questions? This
8 will conclude this public hearing. At the conclusion
9 of the next public hearing, we will break for
10 deliberation.

11 SHORT BREAK TAKEN

12 CHAIRMAN:

13 We will now move into our second public
14 hearing on Greenwood Gaming's Petition for
15 Modification of a Shuttle Bus Requirement. By way of
16 background, previously Greenwood was approved to build
17 its permanent facility as a structure detached from
18 the racing grandstand. Because there was a concern at
19 the time that such a facility layout could negatively
20 impact a number of people visiting the racing
21 grandstand, the Board ordered and Greenwood agreed to
22 run a 20 person handicap accessible shuttle bus
23 between the permanent facility and the grandstand,
24 leaving each building at no greater than 20-minute
25 intervals at all times there was a live racing or

1 simulcast activities. Greenwood now seeks relief from
2 that requirement. If there are any persons offering
3 testimony in addition to Mr. Bonner and Mr. Kohler,
4 I'd like to ask them to step forward at this time to
5 be sworn in. Seeing none, gentlemen, why don't you
6 proceed with your presentation?

7 ATTORNEY KOHLER

8 Thank you, Chairman Fajt. And that was a
9 very good summary of the issue. What I would like to
10 do first is basically explain what we're trying to do.
11 And it's a very limited relief as compared to what's
12 currently been ordered by the Board, and this is also
13 in our Statement of Conditions. As Chairman Fajt
14 indicated, the Board has directed that we --- you
15 know, that we run a shuttle between the new facility
16 and the grandstand, which has a minimum of capacity of
17 20 passengers. And essentially as your standard
18 shuttle bus and that's how it's described in the
19 Board's Order and the Statement of Conditions. We
20 have experience with shuttle bus --- with shuttle
21 buses running between the facilities, have used them
22 from time to time for various purposes. And we've ---
23 basically it's not been a great experience because of
24 a number of issues, primarily emissions and noise.
25 They're big clumsy vehicles to pull up front of the

1 grandstand. They make a lot of noise, they get in
2 people's way and they're --- they pollute the air.

3 That experience led us to, you know,
4 originally socialize with the OEC and eventually to
5 file a petition asking that we have permission to
6 transition to an electric vehicle, what's typically
7 called in the transportation industry a tram often
8 used at airports, churches, et cetera. They have no
9 emissions for the most part. They're very quiet. The
10 other advantage that they have in our particular
11 situation is while a shuttle bus, you know, would have
12 to traverse the --- you know, the normal roadways
13 between the two facilities, a smaller vehicle can ---
14 will be able to get from one place to another much
15 more quickly. The typical tram has a maximum
16 passenger capacity of 14 plus the driver, so it's a
17 smaller vehicle. It gets around better and we think,
18 you know, equal in comfort and probably superior in
19 passenger --- in patron --- for patron convenience.

20 That's essentially where we're headed.
21 We're not asking for any other relief other than ---
22 at this point other than to transition to that type of
23 a vehicle. The one thing I need to do this morning is
24 explain that we had hoped to be further along with the
25 specific product of the tram that we --- to propose to

1 you this morning. As you're fully aware, we have a
2 million things on our plate right now. And you know,
3 we have actually proposed a product for the record,
4 but where we are right now --- and this is a change
5 from what we said in our most recent supplement, we
6 are going to open with a shuttle bus that's fully
7 compliant with the Order and the Statement of
8 Conditions. It's not in our best interest at this
9 point to rush around to get a tram purchased and
10 delivered and try to get it running by the 18th. You
11 know, too many things could go wrong and we've
12 essentially given up on that notion. So we will open
13 with a fully compliant shuttle bus between the two
14 facilities on the 20 minute interval schedule that the
15 Board has ordered.

16 What we'd like from the Board this
17 morning is since we have, I think, pretty
18 comprehensively presented on the record what we'd like
19 to do in the future, is have the Board delegate
20 authority to staff to either approve the product that
21 we've presented on the record or another product that
22 we find to be superior as things progress, so that we
23 can move fairly quickly to that alternative when we're
24 ready. And you know, we want to get the place open,
25 let things settle down for a while. We can lease the

1 shuttle bus that --- and provide services fully
2 compliant for as long as we need it, but you know, as
3 soon as we're ready and identify a product that we
4 think is most beneficial for patrons, move to that
5 without a lot of delay and hopefully subject to the
6 approval of Executive Director O'Toole and other
7 members of Board staff.

8 ATTORNEY BONNER:

9 I can't add anything to it, Mr. Chairman.
10 Mr. Kohler stated it accurately.

11 CHAIRMAN:

12 Thank you. Before we take questions from
13 the Board, OEC, do you have any questions for
14 Greenwood Gaming on this issue?

15 ATTORNEY MILLER:

16 Just a few brief ones. Mr. Kohler, you
17 said that you will now adhere to the condition imposed
18 with regard to the shuttle bus except for the fact
19 that it will be an electric type vehicle rather than a
20 normal bus; is that right?

21 ATTORNEY KOHLER:

22 Well, to be clear, at opening we will
23 adhere completely, but we are requesting that we be
24 permitted, under delegated authority, to transition to
25 a vehicle as it relates to the Statement of

1 Conditions, the only exception being passenger
2 capacity. There was no requirement in the Order or
3 Statement of Conditions that it be, you know, a gas
4 engine, so that --- our plan is to move from gas to
5 electric, but that's not --- we don't need specific
6 relief from the Board for that.

7 ATTORNEY MILLER:

8 But in your petition you initially
9 requested relief from the --- from having a fixed
10 schedule, leaving every 20 minutes. You're no longer
11 interested in pursuing that relief; are you?

12 ATTORNEY KOHLER:

13 Well, not right now. Let me explain that
14 issue, since Mr. Miller's raised it. What we propose
15 is that we do it on call or demand rather than a fixed
16 schedule on 20-minute intervals. We think that's a
17 better alternative for patrons, and you know, it
18 becomes, I think, particularly --- you know, more
19 practical with a smaller vehicle where you can get
20 back and forth quickly. So we initially proposed
21 that. We got some resistance from the OEC and we
22 backed off. I mean, if you want us to run it on
23 20-minute intervals, we will run it on 20-minute
24 intervals. We may ask you at some point to switch to
25 call or demand. We continue to believe that's a

1 better alternative, but today and for opening we're
2 going to run the thing on 20 minute intervals until we
3 have approval otherwise.

4 ATTORNEY MILLER:

5 And therefore, the only thing that you're
6 asking the Board to delegate the authority to approve
7 is the type of vehicle that will be used to transport.
8 That's your request today; is that true?

9 ATTORNEY KOHLER

10 That's correct.

11 CHAIRMAN:

12 Does the OEC have a presentation in
13 addition to the questions you just asked?

14 ATTORNEY MILLER:

15 We do not, sir. I think the record
16 speaks for itself. The filings from Philadelphia
17 Park, from Greenwood, show photographs and
18 descriptions of the vehicle that they are proposing
19 for this shuttle service, and I think they speak for
20 themselves.

21 CHAIRMAN:

22 With that, I'd like to open it up for
23 questions from the Board. Commissioner Sojka?

24 ATTORNEY SOJKA:

25 Yes, I've got a few. And all of my

1 questions go back to the issue of trying to make this
2 entire facility as clearly a Category 1 Facility as we
3 possibly can. If you recall, we struggled at one
4 point with the concept of the two buildings and we
5 began with a fixed, covered architectural connection
6 between the buildings. And you petitioned to take
7 that way and we agreed with it. But some of us, I
8 think, we're concerned that we didn't want this to
9 become two clearly separate entities. I should let
10 you know that I find some of your proposals relating
11 to a tram or an electric vehicle to be very appealing
12 on the grounds that you are still, I assume, planning
13 to keep Smarty Jones Way the landscaped path, if you
14 will, between the two facilities open; right, that's
15 still part of your plan?

16 ATTORNEY BONNER:

17 That's correct.

18 ATTORNEY SOJKA:

19 Is there any possibility --- are you
20 thinking about the fact and just haven't expressed it
21 that possibly these trams will run along Smarty Jones
22 Way?

23 ATTORNEY BONNER:

24 We've thought about that. The pathway is
25 ten-foot wide, decorative stamped concrete path with

1 landscaping and a couple of gazebos along the way.
2 We've thought about it. We don't know how much
3 pedestrian traffic there will be and whether it might
4 create a hazard to run the shuttle there. Our current
5 plan, Commissioner, is to run the shuttle along a side
6 road that abuts the building pretty closely that is
7 not that pedestrian walkway. And if we were to move
8 to a shuttle, I think one thing we'd like to
9 investigate is whether driving the tram on that
10 walkway like they do on the boardwalk down the shore
11 might be a better way to do it. So we've considered
12 it, but we haven't decided.

13 ATTORNEY SOJKA:

14 And that's fine. We can't ask you to do
15 more than that at this point, I don't think. The side
16 road that you're talking about using or that's
17 currently at the front of your thinking, is there
18 other vehicular traffic regularly on that road, or is
19 that something you control?

20 ATTORNEY BONNER:

21 The side road is actually a --- it's a
22 parking area that abuts the curb that is the closest
23 point of the parking area to the building for handicap
24 parking, but there's a travel cartway that the cars
25 need to use to get to those parking spaces. And the

1 shuttle bus, or the electric cart would be able to use
2 that cartway, so it's part of a parking lot loop
3 system.

4 ATTORNEY SOJKA:

5 But not a public street or anything ---?

6 ATTORNEY BONNER:

7 No, sir. No, it's part of --- it's
8 actually part of the parking lot facility.

9 ATTORNEY SOJKA:

10 Well, obviously you can see where some of
11 us are trying --- or at least where I'm trying to go,
12 and that is to try to keep your buildings as tightly
13 connected as a single facility as possible to keep it
14 clearly in my mind and I think in others a Category 1.
15 So I'm pleased that now we have the situation where
16 you've agreed to the conditions as stated, but I think
17 it's now also clear that if you come back to us and
18 ask to change the schedule or anything of that sort,
19 this whole issue can then come up again; is that
20 correct, that we would then talk about shuttle buses
21 and different routes and all of that, and that that
22 might be something we would consider in regard to your
23 request maybe to change to a user only ---?

24 ATTORNEY KOHLER

25 Sure. I mean, we're all for --- you

1 know, I imagine once --- whether it be a shuttle bus
2 or a tram as we gain experience and you gain
3 experience with it there's always room for
4 improvement. I think our objectives are identical, so
5 I don't know --- you know, certainly the service can
6 evolve.

7 ATTORNEY SOJKA:

8 Chair?

9 CHAIRMAN:

10 Yes, ---

11 ATTORNEY SOJKA:

12 I have ---

13 CHAIRMAN:

14 --- Commissioner?

15 ATTORNEY SOJKA:

16 --- a procedural question, which is, are
17 you withdrawing then your petition as it now stands,
18 your petition that a requirement that upon opening the
19 facility that you run a shuttle but between --- for
20 persons and also that you request the availability of
21 tram transportation between the two facilities be
22 limited to periods in which there is live racing in
23 the grandstand? So I'm just unclear whether you're
24 asking --- you're withdrawing your petition and then
25 suggesting an oral petition for us to then delegate

1 the authority?

2 ATTORNEY KOHLER

3 You can look at it either way, but the
4 way it sort of proceeded --- the way it evolved
5 procedurally is we originally filed the petition where
6 we asked for a few items of relief. We then filed a
7 supplement to the petition last week, I want to say,
8 which modified that and essentially just asked for
9 approval of the tram service. At that time, when we
10 filed the supplement we were hopeful that we could
11 actually have the tram running by the 18th. We had
12 identified a product, which we submitted to the Board,
13 and we had confirmed that we could get delivery by the
14 18th. Since the time we've filed that supplement and
15 over the last couple days, it's just become clear it's
16 too much. And I could have filed another supplement
17 late last evening. It seemed to me that probably the
18 best course under the circumstances was just to
19 present the modification to our request orally. I
20 don't think we care whether you consider it an oral
21 petition or a supplement to the original petition, but
22 just so you're clear on what relief we're requesting
23 now.

24 CHAIRMAN:

25 Other questions? I've got a couple quick

1 questions. We had some discussions in Executive
2 Session yesterday on the route of the shuttle. And as
3 I understand it, and those in the audience who aren't
4 familiar with the facility, the grandstand and racing
5 track is behind the proposed new casino. And it was
6 our understanding --- we weren't clear what the route
7 of the shuttle bus was going to be, whether it was
8 going to be from the back of the casino to the front
9 of the racetrack or whether there was going to be a
10 loop to go around to the front of the casino, then to
11 the back of the casino, then to the grandstand --- or
12 the racetrack. So could you address that a little
13 bit?

14 ATTORNEY BONNER:

15 Certainly, Chairman. Our present
16 thinking is that the loop would run from the portico
17 share of the grandstand, which is the existing casino,
18 directly to what we call the west entry of the casino,
19 which is where --- that's the point where the
20 pedestrian walkway connects to the casino.

21 CHAIRMAN:

22 What I refer is the back of the casino.
23 It's the west; right?

24 ATTORNEY BONNER:

25 Right.

1 CHAIRMAN:

2 Got it.

3 ATTORNEY BONNER:

4 So the point is to run the tram on the
5 shortest route to get patrons from the grandstand to
6 the new casino building on the shortest route in the
7 quickest time. Now, if there's a demand to go around
8 to the front, we certainly could consider adding that
9 service, but that's not in our present thinking.

10 CHAIRMAN:

11 Mr. Kohler, you had talked about opening,
12 obviously, with the gas-powered shuttle, and you know,
13 asking for some authority, delegation of authority, to
14 staff to approve an appropriate emission-free shuttle.
15 I wasn't clear on the timing of that. Can you give me
16 a sense --- are you talking about a month? Are you
17 talking about six months to switching out the gas
18 powered to the emission free?

19 ATTORNEY KOHLER

20 I think we were thinking in the area of a
21 couple months. I mean, I think to some extent it's
22 --- we're all playing it by ear. We need to get this
23 place open. There's going --- you know, you've opened
24 many casinos, so you're fully aware that there's
25 things needing ironed out after you open. And you go

1 through a period where you just need to address those
2 things, but at the same time, you know, for lack of a
3 better word, relax a little and let the business side
4 take its course. And you know, I don't know that we
5 can identify exactly how long that period is going to
6 be. We also are going to --- we proposed a product,
7 but we're also going to continue to look for
8 additional products. I mean, we're looking at
9 alternatives between open air with an enclosure, which
10 is one kind of tram, or enclosed. I mean, we like the
11 open-air tram. It'll be, you know, we think better
12 for seven months out of the year. And you know, while
13 we try to make a quick decision on that, we now, you
14 know, are going to take a step back, make sure we've
15 chosen the right product.

16 And of course, we're going to put that
17 before you. And I would speculate that it'll be in
18 the next couple months. Again, the only thing we're
19 really asking for at this point is that we are able to
20 put it before staff quickly rather than a petition as
21 an answer period and a potential hearing before the
22 whole Board.

23 CHAIRMAN:

24 My last question, are both of these
25 facilities handicap accessible?

1 ATTORNEY BONNER:

2 Yes.

3 ATTORNEY KOHLER:

4 They're all --- all the alternatives will
5 be handicap accessible. We know the Board wants that
6 and the ADA requires it.

7 CHAIRMAN:

8 Other questions from the Board? Thank
9 you, Mr. Bonner and Mr. Kohler. We're going to take a
10 break right now for quasijudicial deliberations on
11 these matters. I know we have some guests here from
12 the State Police, the Office of Attorney General
13 (OAG), Department of Revenue. Thank you for your
14 patience. My sense is that we'll be gone somewhere in
15 the neighborhood of 10 to 15 minutes, come back and
16 then we'll proceed with our regular public meeting.
17 And we expect that you will do your presentations
18 within five or ten minutes after we start that public
19 meeting.

20 SHORT BREAK TAKEN

21 CHAIRMAN:

22 We'll now commence with our regular
23 scheduled public meeting. The first order of business
24 is old business and announcements. By way of
25 announcements, the Board held an Executive Session on

1 December the 8th, and of course, just prior to this
2 meeting. Both Executive Sessions were held in
3 accordance with the Sunshine Act. The purpose of
4 yesterday's Executive Session was to discuss
5 personnel-related issues, pending litigation and to
6 conduct quasijudicial deliberations relating to
7 matters pending before the Board. The purpose of
8 today's Executive Session was to conduct quasijudicial
9 deliberations relative to the Greenwood Gaming
10 hearings held earlier today. Moving along to minutes
11 of transcripts. May I have a motion to approve the
12 minutes and transcript of the October 21, 2009
13 meeting?

14 MR. ANGELI:

15 Mr. Chairman, I move the Board approve
16 the minutes and transcript of the October 21, 2009
17 meeting.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? Motion passes. Moving on to
23 new business. I'd like to introduce our Executive
24 Director, Kevin O'Toole, to provide his report.

25 MR. O'TOOLE:

1 Good morning, Chairman Fajt, members of
2 the Board. I would like to report on the revenue
3 figures for the month of November 2009. The nine
4 operating casinos generated gross terminal revenue of
5 \$166 million during November. This represents a 26.7
6 percent increase in revenue as compared to November of
7 2008. This revenue generated over \$91 million in tax
8 receipts for the Commonwealth of Pennsylvania. It is
9 encouraging to see the market for casino entertainment
10 continuing to grow in Pennsylvania.

11 Also in November, former Chair of the
12 Pennsylvania Gaming Control Board, Mary DiGiacomo
13 Colins, received a special recognition award from the
14 Council on Compulsive Gambling of Pennsylvania. Mary
15 was instrumental, along with Commissioners Coy and
16 McCabe, in establishing very comprehensive responsible
17 gambling regulations. The Board's Office of
18 Compulsive and Problem Gambling does an outstanding
19 job in monitoring the casino's efforts to ensure a
20 strong commitment in responsible gambling programs and
21 initiatives. I would like to specifically recognize
22 Nann Horner, Liz Lanza, Elizabeth Birch and Daria
23 Manning for their dedicated work for the Board's
24 Office of Compulsive and Problem Gambling. That
25 concludes my remarks for today. Thank you.

1 CHAIRMAN:

2 Any questions from the Board? Thank you
3 very much. Next up we have Claire Yantis, our
4 Director of Human Resources to give her report.
5 Welcome, Claire.

6 MS. YANTIS:

7 Good morning, Chairman, members of the
8 Board. We have before you today a motion to consider
9 the hiring of James Armstrong as an Assistant
10 Enforcement Counsel in the OEC Eastern Region. Mr.
11 Armstrong has completed the PGCB interview process,
12 background investigation and drug screening and is
13 being recommended for hire by Chief Enforcement
14 Counsel, Cyrus Pitre. As such I ask that you consider
15 a motion to hire Mr. Armstrong as indicated.

16 CHAIRMAN:

17 Questions, comments from the Board? If
18 not, can I have a motion, please?

19 COMMISSIONER COY:

20 Mr. Chairman, I move the Board approve
21 the hiring of the agency staff as proposed on the
22 condition that the employee has completed the
23 necessary background investigation and drug screening
24 tests.

25 CHAIRMAN:

1 Second?

2 MR. GINTY:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? Motion passes. Thank you,
9 Claire. Next up is David Rhen to present the Gaming
10 Control Board budget. We also have a guest from the
11 three other agencies involved in the regulation of
12 gaming to present or answer any questions from the
13 Board regarding their individual budgets. Dave, why
14 don't you get us started on the Gaming Control Board
15 budget, please?

16 MR. RHEN:

17 Thank you. Section 1202(b)(29) of Title
18 4 charges the Board with a duty to prepare, through
19 the Governor, submit annually, to the General Assembly
20 and itemize budget including recommendations for the
21 State Police, the Department of Revenue and Attorney
22 General, as to the amount needed to fulfill their
23 obligations under the Act. Today I'll present the
24 Gaming Control Board's budget request and
25 representatives of our sister agencies will follow

1 with their budget presentations. If you approve these
2 budgets, the next step would be to forward them to the
3 Governor's Budget Office for consideration and
4 inclusion in the Governor's request to the legislator.

5 As you know, the most significant cost
6 driver of the budgetary requirements of the regulatory
7 agencies is the number of licensed casinos ---
8 licensed locations to be regulated. Nine licensed
9 venues are currently open. For budgeting purposes we
10 assuming the addition of three new locations in fiscal
11 year 2010/'11, including Sugarhouse in Philadelphia
12 and the two resort locations. In addition to the
13 opening of the new facilities, the other significant
14 cost driver is an increase of approximately 30 percent
15 in the cost of Employee Health Benefits. This
16 increase is largely the result of an agreement between
17 the Commonwealth and the various unions to reduce the
18 Commonwealth's employer contributions to the
19 Pennsylvania Employees Benefit Trust Fund for the
20 active Employees Health Care Benefits Program for a
21 15-month period beginning last fiscal year and ending
22 this fiscal year. This agreement was reached in order
23 to deal with the general fund shortfall last fiscal
24 year. The agreement calls for repayment to occur in
25 15 equal monthly payments beginning in September 2010,

1 thus causing a significant increase to our health
2 benefit factor during fiscal year 2011.

3 The Gaming Board's fiscal year 2010/'11
4 budget request is \$38,558,000. Included in this
5 request is a contingency for the regulation of table
6 games should legislation approve gaming expansion pass
7 the legislator. Ninety-two (92) percent of the
8 budgeting increase requested in 2010/'11 can be
9 contributed to the potential introduction of table
10 games, health benefit costs increases for current
11 staff and the addition of 21 Casino Compliance
12 Representatives necessary to staff the three new
13 casinos expected to open next fiscal year. As
14 components of the overall budget, personnel costs are
15 budgeted at \$31.7 million or 82 percent of the Board's
16 request. The operating costs are budgeted at \$6.9
17 million or 18 percent of the overall request. As
18 components of the operating budget, real estate and
19 office equipment leases consist of 28 percent and are
20 the largest category of operating expenses. The
21 second largest category is 25 percent for
22 investigative costs. This includes database searches,
23 fingerprint fees and travel costs related to
24 background investigations. Services including vendor
25 assistance with slots and development, interagency

1 billings, such as comptroller services, payroll, data
2 processing and legal services accounts for 21 percent
3 of operating expenditures. In total we are requesting
4 a 2.5 percent increase to operating expenditures.
5 This is due entirely to the anticipated costs of
6 investigating additional applicants brought on by the
7 potential for table games and the opening of three new
8 casinos. All other operating expenditures will
9 decline by four percent versus the current year budget
10 due to ongoing cost-cutting efforts. That concludes
11 my remarks on the PGCB budget.

12 CHAIRMAN:

13 Any questions from any of the members on
14 our budget? Dave, I have one. If you could just for
15 the record --- I don't know if you have the overall
16 sheet, the all-agency sheet. Do you have that handy?

17 MR. RHEN:

18 Yes.

19 CHAIRMAN:

20 If you could just review that at a very
21 high level, total budget and then the different
22 components of each of the agencies and then just,
23 again, address the total percentage change down at the
24 very bottom.

25 MR. RHEN:

1 Okay. The total all-agency budget,
2 including cost, PSP, DOR and Attorney General, is
3 approximately \$69 million. In the current year it's
4 approximately \$59 million, so the overall increase is
5 17.4 percent. Amongst all agencies 76 percent goes
6 for personnel and then an additional 24 percent for
7 operating expenses.

8 CHAIRMAN:

9 And could you just review the individual
10 components of that \$69 million?

11 MR. RHEN:

12 Sure. As I had said in my presentation,
13 PGCB is \$39 million, Department of Revenue is going to
14 have a request of \$10 million. Attorney General, \$1
15 million and State Police \$19 and a half million.

16 CHAIRMAN:

17 Any questions? If not, can I have a
18 motion to approve the Gaming Control Board budget?

19 MR. GINTY:

20 Mr. Chairman, I move that the Board
21 approve the 2010/2011 Gaming Control Board budget as
22 described by the budget ---.

23 CHAIRMAN:

24 Sorry. I lost --- was there a motion and
25 a second?

1 COMMISSIONER COY:

2 Not yet.

3 CHAIRMAN:

4 Okay. May I have a second?

5 COMMISSIONER COY:

6 Now there is.

7 CHAIRMAN:

8 Okay. All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? Motion passes. And again, just
12 for the record, that is only the Gaming Control Board
13 budget that we just approved?

14 MR. RHEN:

15 That's correct.

16 CHAIRMAN:

17 Okay. Dave, do you want to introduce our
18 other guests?

19 MR. RHEN:

20 At this point the State Police is going
21 to present their budget. We have Captain Tim Allue,
22 Director of the Gaming Enforcement Office and Scott
23 Frederick, their Fiscal Director.

24 CHAIRMAN:

25 Welcome, gentlemen, and please proceed

1 when you're ready.

2 MR. FREDERICK:

3 Good morning, Chairman Fajt and members
4 of the Board. My name's Scott Frederick. I'm Fiscal
5 Director for the Pennsylvania State Police. To my
6 right is Captain Tim Allue, Director of the Gaming
7 Enforcement Office. I'm here today to present to you
8 the Pennsylvania State Police Gaming Enforcement
9 Office's fiscal year 2010/'11 budget. The Gaming
10 Enforcement Office's personnel costs are budgeted at
11 \$18,256,000 and are operating a fixed asset cost
12 budgeted at \$1,279,000 for a total budget of
13 \$19,535,000.

14 In accordance with the September 23rd,
15 2009 memo from Kevin O'Toole this budget supports the
16 operation of a headquarters unit and 12 casino sites.
17 Currently each casino site is adequately staffed to
18 ensure the safety of patrons and security of casino
19 operations. These staffing levels have previously
20 been agreed upon by the Governor's office, members of
21 the General Assembly and the Gaming Control Board.
22 However, it should be noted that additional coverage
23 is also provided to the casinos by the local State
24 Police barracks at times when Gaming Enforcement
25 personnel are not on the site. This coverage is

1 provided on an as-needed basis and is not reimbursed
2 or included in our budget requests. I thank you for
3 your time and consideration of our request and we're
4 available to answer any questions.

5 CHAIRMAN:

6 Questions from the Board? Commissioner
7 McCabe?

8 COMMISSIONER MCCABE:

9 First, Captain Allue, welcome. And I
10 just want to commend you and your people for the
11 outstanding working relationship that has developed
12 between your Troopers at the casinos and our PGCB and
13 CCRs. I've traveled to all the casinos and we have an
14 outstanding working relationship. I have a question.

15 With the proposed legislation pending
16 about table games, I know we're considering hiring
17 more people, CCRs, for the casinos. I see in your
18 budget you're maintaining your level at 11 Troopers.
19 Do you anticipate coming in for a Supplemental Request
20 to up the Trooper level if table games are, in fact,
21 passed and the casinos introduce table games?

22 MR. ALLUE:

23 Yes, Commissioner. My name is Captain
24 Tim Allue, A-L-L-U-E, and I'm the Director of Gaming
25 for the State Police. At this point, sir, after

1 evaluating our present staffing, our present workload
2 at the casinos, in addition talking to other states
3 with table game venues, it's been determined at this
4 point in consideration of the totality of the fiscal
5 concerns that we will attempt to maintain the same
6 complement. Now, we will continually evaluate and if
7 table games would prove to be too difficult to deal
8 with, with present complement, then we would ask for
9 some supplemental. We do anticipate --- the
10 indications I'm getting from some of the other states
11 is that we may not necessarily experience significant
12 increase in the number of crimes, however, the
13 investigations themselves will be considerably more
14 complex and --- being much more time-consuming. So at
15 this point --- out of fiscal prudence and in
16 consideration of other factors including our own
17 department wide complement, at this point we're going
18 to attempt to maintain complement as is. Thank you.

19 CHAIRMAN:

20 I have one question. How far in advance
21 do you hire your staff in advance of opening a
22 facility? What's the kind of lead time on that?

23 MR. ALLUE:

24 Typically we bring the Sergeant
25 Supervisor in four or five months. And the reason for

1 that is to interview. We have to post positions for
2 the staff. And in addition, as the Board knows, there
3 is considerable work involved in casino operations and
4 hiring for the casinos prior to opening and namely the
5 hiring of employees for the casino. And we oftentimes
6 will have anywhere from 500 or even 600 or 700 to a
7 thousand employees that we would have to fingerprint,
8 do the processing, work with your BIE to get them the
9 appropriate information they need for the background
10 investigations. So, we bring the Sergeant in usually
11 about five months in advance, a Corporal another
12 supervisor in usually about three months in advance
13 and a couple of Troopers, maybe two or three Troopers,
14 even --- about three months in advance as well to do
15 the fingerprinting. Fingerprinting four years ago was
16 very difficult, but we are in a position this year
17 where we already have the live scan devices for the
18 next two casinos, so those are already in our
19 possession. We can have those installed. We have a
20 very good system whereby we have those devices
21 installed in the Human Resource Centers for the
22 casinos prior to opening. We can process the
23 employees and we have a virtually seamless process
24 right now for doing the --- getting that valuable
25 information to the Board.

1 CHAIRMAN:

2 Thank you. Any questions?

3 COMMISSIONER COY:

4 Just one, Mr. Chairman.

5 CHAIRMAN:

6 Yes.

7 COMMISSIONER COY:

8 I wasn't going to ask any questions, just
9 actually make a remark. Captain Allue specifically,
10 thank you for your willingness to work together with
11 our folks. It's apparent that you go out of your way
12 to do that and I think the present relationships that
13 have been established and developed are going to
14 reflect this. So, I thank you very much. And I would
15 echo the same, because I think we have a true
16 partnership between our two agencies. And the CCRs at
17 the sites and our Troopers at the sites were very much
18 in partnership. We have a pretty significant case out
19 at The Meadows and I would commend two of your
20 employees, if I may by name, Mr. Jerry Stall
21 (phonetic) and Joshua Hofrichter. They were just very
22 instrumental in our investigation and we could not
23 have a better relationship with the CCRs and on-site
24 employees as well as your headquarter staff. Very
25 positive partnership.

1 ATTORNEY SOJKA:

2 If I could ask just one really very quick
3 question just for clarification. There's a fairly
4 large increase in what's labeled radio equipment. Is
5 that tied in to some degree with the fact that you're
6 trying to hold staff or is this some other ---?

7 MR. ALLUE:

8 The radio expenses are part of the
9 Commonwealth-wide radio network and it's been a
10 standard we've sort of established since the very
11 first casino and we're working in unison with the
12 Office of Administration, and a Commonwealth radio is
13 involved in that process. It's the 800 megahertz
14 statewide radio system.

15 ATTORNEY SOJKA:

16 And ---?

17 MR. ALLUE:

18 And it requires a cell tower in
19 functionality within the casino because casino
20 construction is such that law enforcement as a whole
21 --- as a matter of fact, emergency services for a
22 whole are moving very much towards an 800 megahertz
23 radio system and to have the bubble facility of that
24 size with millions of visitors a year, if it is out of
25 radio communication with all of the emergency service

1 providers, would really be a public safety hazard.

2 ATTORNEY SOJKA:

3 So that's really --- that number's really
4 driven by the fact that we have new facilities coming
5 on?

6 MR. ALLUE:

7 Correct, sir.

8 ATTORNEY SOJKA:

9 Thank you.

10 CHAIRMAN:

11 With that, may I have a motion for
12 approval of the budget?

13 COMMISSIONER MCCABE:

14 Yes, Mr. Chair. I move that the Board
15 approve the 2010/'11 Gaming Regulatory Budget as
16 presented by the Pennsylvania State Police.

17 CHAIRMAN:

18 Second?

19 ATTORNEY SOJKA:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? Motion passes. Thank you very

1 much, gentlemen. Next up we have the Department of
2 Revenue. I know Dave Barasch is here and Stacie
3 Amsler. Welcome.

4 MR. BARASCH:

5 Good morning, Chairman Fajt and Board
6 Members. I'm going to turn this over to Stacie, who's
7 our fiscal --- Director of our Fiscal Office to
8 describe our budget for you.

9 MS. AMSLER:

10 Good morning, Chairman Fajt, members of
11 the Board. My name is Stacie Amsler. I'm the Fiscal
12 Officer for the Department of Revenue and I'd like to
13 thank you for allowing me to present the Department's
14 budget request for fiscal year '10/'11 for your
15 approval. As you know, under Act 71 the Department is
16 tasked with the procurement and operation of the
17 central control computer system as well as the
18 collection and distribution of the taxes and
19 assessments imposed by the Act. Additionally, we
20 perform audits of the venues and provide the Board
21 with clearance checks. In order to complete these
22 tasks, we are requesting total funding for '10/'11 of
23 just over \$10 million. Our funding is distributed as
24 follows, \$1,826,000 to fund our salaries and benefits
25 of 25 people and \$8,191,000 for operating costs. Our

1 operating costs include the costs of the Central
2 Control System, which totals \$6.3 million for
3 operation and there's an additional \$1.4 million for
4 any change orders to change that system. We've also
5 included \$300,000 for audit costs for the Comptroller
6 and Auditor General. Travel, bank fees and other
7 supplies make up the additional \$161,000. I'd like to
8 thank you for the opportunity to allow me to present
9 our department's budget and would be happy to answer
10 any questions.

11 CHAIRMAN:

12 Questions for Stacie? I have two. In
13 your operating budget, the central control computer
14 system is listed at \$6.3 million, which has been, as I
15 understand it, pretty standard since the inception of
16 the central computer system. The change order line
17 item is the one I wanted to ask about, Stacie. \$1.4
18 million, again, it just seemed a little bit high.
19 Could you talk a little bit about what that is and why
20 the number's \$1.4 million?

21 MS. AMSLER:

22 About a year ago, maybe two years ago we
23 discussed server-based gaming, so this is a provision
24 in there in case we would make any major changes to
25 the system.

1 CHAIRMAN:

2 I'm sorry. I ---.

3 MS. AMSLER:

4 Server based gaming was brought up maybe
5 two years ago, so we have a contingent in here to
6 cover that if we would have to change the CCS to allow
7 for that type of change.

8 CHAIRMAN:

9 And my second question is, the 1401
10 account, the drawdowns this year, are they on target
11 to cover the expenses of the PSP, DOR and Attorney
12 General?

13 MS. AMSLER:

14 Yes, they are.

15 CHAIRMAN:

16 Okay. Any other questions? If not,
17 could I have a motion to approve the Department of
18 Revenue budget?

19 COMMISSIONER TRUJILLO:

20 Yes, Mr. Chairman. I move that the Board
21 approve the 2010/'11 Gaming Regulatory Budget as just
22 presented by the Department of Revenue.

23 MR. ANGELI:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? Motion passed. Thank you very
5 much.

6 MR. BARASCH:

7 Thank you.

8 CHAIRMAN:

9 Next up and last on the budget is the
10 budget of the Attorney General. And Dave, if you
11 could introduce our guests from the Attorney General's
12 office?

13 MR. RHEN:

14 Yes. From the Attorney General's office
15 we have Richard Sheetz, the Executive Deputy Attorney
16 General for the Criminal Division, Assistant Erik
17 Olsen, Chief Deputy Attorney General and Sheri
18 Phillips, Director of Management Services.

19 MR. SHEETZ:

20 Good morning, Mr. Chairman and other
21 members of the Board. Thank you for inviting us here
22 today and with me --- to my right is Sherri Phillips
23 who's Director of our Management Services. And to my
24 left is Erik Olsen who is Chief Deputy Attorney
25 General and he supervises the activities of our Gaming

1 Unit. We're here this morning to request for fiscal
2 year 2010/'11 a budget of \$1,073,000. And of that the
3 personnel component would be \$804,000. The operating
4 part would be \$269,000. We currently have a
5 complement of four Special Agents in this unit with
6 one Clerk Typist and a Deputy Attorney General
7 position.

8 As I think you're aware, last year we
9 requested \$1,075,000 and it was recently approved by
10 the legislature. We got \$914,000. With this request
11 this year we think we could add an additional Special
12 Agent, which would kind of balance out our complement
13 in the state. We have two Agents in the east and one
14 in the west and a Supervisory Agent over all of those.
15 As I stated in the past, we believe that it's the goal
16 of our rather limited unit to engage in the more
17 complex cases and to ensure that there's no
18 infiltration of organized crime or any other similar
19 entities into the gaming industry in Pennsylvania.
20 And we believe that we can accomplish that with this
21 budget. If you have any questions, we'd be glad to
22 answer them. Erik can surely help with those, too.
23 Thank you.

24 CHAIRMAN:

25 McCabe?

1 COMMISSIONER MCCABE:

2 Yes, I have one about your
3 investigations. Do you coordinate your investigations
4 with the State Troopers?

5 MR. SHEETZ:

6 Yes, we do. We have a good relationship
7 with the Troopers and also the Compliance Agents in
8 the casinos and we get information from them.

9 CHAIRMAN:

10 Thank you. Questions? With that, can I
11 have a motion to approve the Attorney General's
12 budget?

13 COMMISSIONER TRUJILLO:

14 Chairman, I move that the Board approve
15 the 2010/2011 Gaming Regulatory Budget by the Attorney
16 General's Office.

17 CHAIRMAN:

18 Second?

19 MR. ANGELI:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? Motion passed. Thank you very

1 much. Thank you, Dave and thank you for our other
2 guests. Next up we have our Chief Counsel, Doug
3 Sherman.

4 ATTORNEY SHERMAN:

5 Good morning, Chairman Fajt and members
6 of the Board. Our first two matters on the agenda
7 relate to proposed regulations and Final-form
8 Regulations. Director of Regulatory Review, Richard
9 Sandusky, will present both of these items.

10 MR. SANDUSKY:

11 Good morning. The first regulation for
12 consideration by the Board is proposed regulation
13 number 125-108. This rulemaking is a fairly
14 comprehensive rewrite of Chapter 433A related to
15 Principle Licensing. This has been worked on by the
16 Bureau of Licensing over a number of months and it's
17 designed to accomplish two major goals. The first is
18 to reorganize and clarify the chapter so that it'll be
19 easier for entities out there who are involved in the
20 gaming industry to determine whether or not they will
21 be required to obtain a Principal License. The second
22 major goal that BOL had in this revision was to codify
23 existing policy decisions that had been made by the
24 Bureau of Licensing pertaining to who should be
25 licensed as a principal. If there are any questions

1 on the proposed rulemaking I'd be happy to try and
2 respond to them, and if not, we'd ask for a motion for
3 adoption of the proposed rulemaking.

4 CHAIRMAN:

5 Comments? If not, could I have a motion,
6 please?

7 MR. ANGELI:

8 Mr. Chairman, I move the Board adopt the
9 proposed regulation number 125-108. And the Board
10 establish a public period in this case about the
11 proposed regulation.

12 COMMISSIONER COY:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? Motion passes. Next.

19 MR. SANDUSKY:

20 The second rulemaking for consideration
21 by the Board today is Final-form Rulemaking 125-103.
22 This rulemaking contains a number of amendments that
23 were designed to clarify various reporting
24 requirements, add some additional flexibility on the
25 part of Licensees and conform the regulations of the

1 Board to industry practices. Noteworthy in the
2 package, we've broadened the scope of the type of
3 disputes that patrons, you know, can come to the Board
4 and hopefully the CCRs will be able to help them
5 resolve. And it contains a number of more minor
6 provisions such as updating the signage for ATM
7 machines. This rulemaking was adopted by the Board on
8 July 15th of this year and published in the
9 Pennsylvania Bulletin in August with a 30 day comment
10 period. Three sets of comments were received, one
11 from International Gaming Technology, which had no
12 objections to the rulemaking. One set of comments
13 from Downs Racing, raising some questions and offering
14 some suggestions for revision, and comments by the
15 Independent Regulatory Review Commission.

16 In response to the comments the Board
17 staff has made a couple of changes. The most
18 noteworthy, the one clarifying the requirement for the
19 self-exclusion photo computer gallery to make it
20 easier for both their surveillance department and for
21 our CCRs to access and be able to search through that
22 electronic file. The Board also made some changes in
23 light of some informal comments it had received
24 concerning requirements for the mantraps. These are
25 the entrances between the gaming floor and the

1 cashier's cage and count room. Because of changes in
2 technology, you know, our regulations were initially
3 written in terms of doors with keys and locks, now
4 most are switching to electronic systems, the revision
5 --- additional revisions that we have made will
6 enable, in fact, Philadelphia Park at their new casino
7 to implement a more advanced technology, you know, on
8 their doors. If there are any questions on this final
9 form rulemaking, I'd be happy to respond to them. And
10 if not, we'd ask for a motion for adoption of the
11 final form rulemaking.

12 COMMISSIONER COY:

13 Mr. Chairman, I move the Board adopt the
14 proposed regulation 125-103.

15 MR. GINTY:

16 Second.

17 CHAIRMAN:

18 All in favor.

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? Motion passes. Thank you,
22 Richard.

23 MR. SANDUSKY:

24 Thank you.

25 ATTORNEY SHERMAN:

1 Chairman, the Board has five petitions
2 pending before it for consideration today. Three of
3 those petitions are scheduled based upon the
4 documentary record. In each of those cases the Board
5 has been provided with the petition, the response of
6 pleadings of enforcement Counsel, any additional
7 pleadings or briefs, as well as all support and
8 evidentiary materials. All parties to those
9 proceedings have also been notified that the Board is
10 considering their matter today and that they have the
11 right to be present to address any questions, which
12 the Board may have. In addition we have the two
13 petitions, which were subject to the earlier hearings
14 involving Greenwood Gaming.

15 Proceeding to the first, it's that of
16 Downs Racing and it's a request to amend the gaming
17 floor plan. Downs has requested that a dedicated faux
18 wood pathway to connect the lobby area of phase one of
19 the gaming floor to its recently renovated banquet
20 facility. The pathway would be 171 feet long and
21 about 6 feet wide. They are also requesting to remove
22 the new pathway and the phase one entry area from the
23 gaming floor, the surface area of about 2,300 and some
24 odd square feet. Downs is requesting to reclassify
25 the area as non-gaming space in order to permit

1 underage persons to legally traverse that area to
2 access a banquet in the event facility, which is in
3 that structure. Downs agrees to notify the Bureau of
4 Casino Compliance within 48 hours of any event, which
5 may be attended by individuals under the age of 21 as
6 well as to post signs during any event occurring in
7 the banquet or event facility. Again, that's in order
8 to assure that those minors remain on that faux wood
9 pathway and do not leave into the carpeted area where
10 slot machines are operated.

11 In addition, any security which --- or
12 additional security will also be provided as needed
13 for large events which could include the presence of
14 minors. And finally Downs has agreed to not host
15 events of the type which would encourage participation
16 or attendance by a large number of minors or persons
17 under the age of 21. The OEC has not objected to the
18 petition, but does recommend that certain conditions
19 be met and those six conditions have been set forth in
20 the Board's materials and would be incorporated in the
21 Board's Order if approved. The OCC recommends that
22 with the inclusion of those six conditions that it
23 would be appropriate for the Board to consider and
24 approve that petition.

25 CHAIRMAN:

1 Any questions from Enforcement Counsel?
2 I note Counsel for Downs Racing is also here. Any
3 questions from members of the Board on this issue? If
4 not, I'll entertain a motion, please.

5 MR. GINTY:

6 Mr. Chairman, I move that the Board grant
7 the petition of Downs Racing subject to the conditions
8 as described by the OCC.

9 CHAIRMAN:

10 Second?

11 COMMISSIONER MCCABE:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? Motion passes.

18 ATTORNEY SHERMAN:

19 The next petition before the Board is
20 Taylor International's Petition for Removal from the
21 Prohibited Vendor List. Taylor International is a
22 Nevada corporation, which provides construction
23 materials and services. They filed their sponsor
24 Vendor Registration form with the Board in September
25 of 2008. Upon review of the application the Bureau of

1 Licensing advised Taylor that it needed to provide
2 additional responses to four more questions.
3 According to the Bureau of Licensing, Taylor did not
4 timely respond and as a result they were placed on the
5 prohibited vendor list. After notifying --- receiving
6 notification from the Board that they were on that
7 list, Taylor corrected the omissions and at this time
8 all outstanding information has been received. The
9 OEC's filings have not objected to the petition to be
10 removed from the prohibited vendor list, however, the
11 OEC has recommended that the Board condition a removal
12 on the payment of a \$1,500 civil penalty. And that
13 would, in fact, be consistent with other such
14 removals. Since Taylor has complied with all requests
15 from the Bureau of Licensing and there's no current
16 objection by the OEC, we would suggest it would be
17 appropriate for the Board to consider that petition at
18 this time.

19 CHAIRMAN:

20 Questions or comments from Enforcement
21 Counsel?

22 ATTORNEY PITRE:

23 We'll note that Counsel for Taylor has
24 delivered the check to me and I will hand it over to
25 our Budget Office once the meeting is over.

1 CHAIRMAN:

2 I'll note for the record that we have
3 Counsel for Taylor present.

4 ATTORNEY JONES:

5 Good morning, Chairman, Board members.
6 Marie Jones from Fox Rothschild here on behalf of
7 Taylor International. I'd be happy to address any
8 questions you may have.

9 CHAIRMAN:

10 Questions from the Board? Seeing none,
11 could I have a motion to approve this petition?

12 COMMISSIONER MCCABE:

13 Yes, Mr. Chairman, I move that the Board
14 grant the Petition of Taylor International Corporation
15 for Removal from the Prohibited Vendors List as
16 described by the OCC.

17 CHAIRMAN:

18 Second?

19 ATTORNEY SOJKA:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? Motion passes. Thank you.

1 ATTORNEY SHERMAN:

2 The third and final petition being
3 considered on a documentary basis is that of Sands
4 Bethworks. Sands Bethworks has filed a Petition for
5 Waiver of Licensing Condition Number 59. Initially
6 Sands had the maximum complement of 3,000 slot
7 machines at the time of its May 22nd, 2009 opening.
8 Since that time they have increased the number of
9 their machines by 250 with Board approval to 3,250.
10 Statement of condition 59 as originally written
11 provides that Sands submit an application to the Board
12 to install and operate 2,000 additional slot machines,
13 making a total of 5,000 machines within six months
14 following the date of completion of its slot --- or
15 date of commencement of its slot operations. Sands
16 has alleged in the petition presently before the Board
17 the current business demands do not warrant the
18 operation of the additional 1,750 machines at this
19 time and therefore I think more as a matter of
20 housekeeping have requested that the Board amend that
21 statement of condition so that, in fact, they're not
22 in noncompliance. The OEC has reviewed the matter and
23 filed an Answer, which does not object to the relief
24 requested. The matter based upon the record is
25 appropriate for the Board's consideration at this

1 time.

2 CHAIRMAN:

3 Any additional comments from Enforcement,
4 Counsel?

5 ATTORNEY JONES:

6 No.

7 CHAIRMAN:

8 I note that we do have representatives
9 from Sands present. Any questions or comments from
10 the Board? If not, could I have a motion, please?

11 ATTORNEY SOJKA:

12 Yes, Mr. Chairman. I move that the Board
13 grant the petition of Sands Bethworks Gaming, LLC for
14 waiver of licensing condition number 59 as described
15 by Chief Counsel.

16 CHAIRMAN:

17 Second?

18 COMMISSIONER TRUJILLO:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed? Motion passed. Thank you.

25 MR. SANDUSKY:

1 Thank you very much Board members.

2 CHAIRMAN:

3 Thank you.

4 ATTORNEY BONNER:

5 Now, turning to the two matters which the
6 Board had heard earlier today during public hearing,
7 Greenwood Gaming, the first is the Petition for
8 Regulatory Approval of Pre-requisite to Opening of the
9 Permanent Facility. Those were the four items that
10 had been addressed during the first hearing earlier.
11 The OCC has prepared a proposed Order, which Deputy
12 Chief Counsel, Steve Cook, will read into the record
13 for the Board's consideration and motion.

14 ATTORNEY COOK:

15 Morning, Chairman, members of the Board.
16 The Order should --- or will read as follows. And now
17 this ninth day of December 2009 in response to
18 Greenwood Gaming and Entertainment, Inc. doing
19 business as Philadelphia Park Casino and Racetracks,
20 October 14th, 2009 Petition for Regulatory
21 Pre-requisite to Opening of Permanent Facility and the
22 supplements filed thereto, the Board hereby orders and
23 directs as follows. One, Greenwood may continue with
24 its phase transition from its temporary facility to
25 its new permanent facility according to the schedule

1 as agreed to with the Bureau of Gaming Operations and
2 Department of Revenue. Two, Greenwood may commence
3 slot operations on or before December 18th, 2009 with
4 3,300 slot machines and a gaming floor of 128,855
5 square feet as depicted in floor plan op one update
6 three filed with the Board's clerk as supplement five
7 on November 30th, 2009 pending a successful completion
8 of a test period and provided it satisfied the
9 following conditions. That Greenwood has submitted to
10 the Bureau of Gaming Operations all amendments to its
11 internal controls necessary to commence operations at
12 its new facility. That Greenwood, pursuant to 58 Pa
13 Code 4638.5, has provided the Bureau of Gaming
14 Laboratory Operations and Bureau of Gaming Operations
15 with a slot machine master list containing cross
16 reference to the designated number assigned to each
17 machine on the gaming floor. That Greenwood provides
18 the Board with written confirmation from the
19 Department of Revenue that all slot machines are
20 connected to and properly communicating with the
21 central computer control system. That Greenwood
22 obtain written confirmation from the Director of the
23 Bureau of Casino Compliance approving the surveillance
24 system at the new facility. And that the system has
25 been inspected and that there is adequate and

1 effective surveillance coverage of activities on the
2 gaming floor.

3 That Greenwood obtains written
4 confirmation that the Director of the Office of
5 Compulsive and Problem Gaming has approved Greenwood's
6 Compulsive and Problem Gambling Plan. That Greenwood
7 provides the Board, pursuant to Section 1303D of the
8 Gaming Act, with written confirmation that it has a
9 written live racing agreement with the Horsemen's
10 Organization. That Greenwood provides the Board with
11 written confirmation at its permanent facility
12 prepared in all respects to receive the public and
13 meets the occupancy, fire, panic and all other
14 applicable building code requirements of both state
15 and local agencies. And that Greenwood has received
16 authorization to commence slot operations from the
17 Board or any and all members thereof delegated
18 authority to act on behalf of the Board.

19 The third condition is that
20 notwithstanding the Board's regulations that Greenwood
21 may incrementally increase up to 4,000 machines with
22 the approval of the Board's Executive Director after
23 the opening of its permanent facility. Four, the
24 Board hereby grants Greenwood's request for waiver of
25 fixed seating requirement as described in supplement

1 four to its October 14th, 2009 petition, but the Board
2 hereby orders and directs that prior to the removal of
3 any fixed seating and the installation of any
4 non-fixed seating, Greenwood shall submit to the
5 Bureau of Gaming Operations for review and approval,
6 schematic drawings which depict the appearance,
7 dimensions and locations of the non-fixed seating and
8 the distances from adjacent fixtures, walls and other
9 objects. That Greenwood submit to the Gaming --- the
10 Bureau of Gaming Operations for its review and
11 approval, internal controls, which reflect the waiver
12 of fixed seating requirement, the procedure to ensure
13 monitoring of the relevant aisleways to prevent any
14 obstruction, the minimum aisle width to be maintained
15 and to note on its slot master list and floor plan
16 which machines are exempt from fixed seating
17 requirement.

18 Greenwood shall also provide the Bureau
19 of Gaming Operations with copies of a Certificate from
20 the local building code or fire safety officials or a
21 Certification from an architect registered in this
22 Commonwealth that the use of the non-fixed seating
23 complies with all applicable building and fire safety
24 code requirements. And Greenwood must maintain an
25 aisle width of 48 inches measured from seat back to

1 seat back when unfixed slot seating is vacant and
2 touching the slot face at knee height. Finally,
3 Greenwood must install fixed seating in certain areas
4 of its Board approved gaming floor if directed to do
5 so by the Bureau of Gaming Operations.

6 Notwithstanding any relief granted in
7 this Order, the Board shall continue to assess the
8 viability of the location of the PGCB offices as
9 depicted in floor plan opt one, update three, and
10 reserves the right to require said offices to be
11 relocated in the future. So long as PGCB offices
12 remain at the location depicted in floor plan opt one,
13 update three, Greenwood shall place signage and a
14 telephone or other means of contacting PGCB staff on
15 the gaming floor side of the secured doorway providing
16 the most immediate access to the gaming floor from the
17 PGCB offices. That concludes the Order.

18 CHAIRMAN:

19 Any additional comments from Enforcement
20 Counsel?

21 ATTORNEY PITRE:

22 No.

23 CHAIRMAN:

24 Any questions, comments from the Board?

25 If not, could I have a motion, please?

1 MR. ANGELI:

2 Mr. Chairman, I move the Board grant the
3 petition as described by the OCC.

4 COMMISSIONER COY:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed?

11 COMMISSIONER TRUJILLO:

12 Mr. Chairman, I abstained, since this is
13 an open matter prior to my appointment and
14 qualification.

15 CHAIRMAN:

16 So noted. The motion passes.

17 ATTORNEY SHERMAN:

18 The final Greenwood petition was the
19 Petition for Modification of the Shuttle Bus
20 Requirement. As presented earlier today, the petition
21 is currently requesting the Board to delegate
22 authority to the Executive Director or other staff to
23 approve an alternative vehicle from the 20 person
24 shuttle bus originally contemplated. As the testimony
25 indicated, Greenwood has not yet specifically

1 identified the vehicle sought to be eventually put
2 into service, but it indicated that it would be
3 reviewing and selecting the vehicle over the next few
4 months. The record on the matter is currently closed
5 and the matter is ripe for the Board's consideration
6 if it so chooses.

7 CHAIRMAN:

8 Any questions or comments from
9 Enforcement Counsel?

10 ATTORNEY PITRE:

11 No comments.

12 CHAIRMAN:

13 May I have a motion? Any questions from
14 the Board, first of all? If not, could I have a
15 motion, please?

16 COMMISSIONER TRUJILLO:

17 Maybe, because I'm the new guy, but let
18 me see if I get this right. I think what we need then
19 is a motion to deny the Petition for the Delegation of
20 Authority as discussed in the public hearing.

21 CHAIRMAN:

22 Counsel?

23 ATTORNEY SHERMAN:

24 I --- the Board could deny that, but I
25 think the Board could easily, if you were not inclined

1 to consider it at this point, would be a motion to
2 table decision until a later date. I think certainly
3 given the testimony of Greenwood Gaming that it had
4 not yet identified the vehicle to be placed into
5 service and the fact that the Board has meetings
6 scheduled, I believe, every two weeks through the
7 first few months of the year that there would be time
8 for I think Greenwood to establish some experience
9 with the shuttle bus that they're currently going to
10 be using and then to make a presentation to the Board
11 once it has actually identified the piece of
12 equipment. So, I think rather than denying the
13 motion, maybe tabling it until a later date would be
14 maybe a more appropriate way to handle it.

15 COMMISSIONER TRUJILLO:

16 Mr. Chairman, I move that the Board table
17 the Petition of Greenwood Gaming and Entertainment for
18 Modification of the Shuttle Bus Requirement as
19 described by Chief Counsel.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed? Motion passes.

25 ATTORNEY SHERMAN:

1 One final matter involving Greenwood
2 Gaming is the delegation of authority. As the
3 testimony has indicated, Greenwood Gaming is in the
4 process of transferring its gaming operations to the
5 permanent facility. It is contemplated that transfer
6 will be completed by December 18th to enable it to
7 open on that date. In the course of the transfer of
8 operations, it's contemplated that matters may arise
9 including, but not limited to, the approval of minor
10 floor plan changes that may require Board approval
11 consistent with past Board practice and precedent, the
12 OCC believes it would be appropriate to --- for the
13 full Board to nominate a smaller group of members,
14 typically three in number, with a delegated authority
15 to act on the Board's behalf in the event any matters
16 would arise between now and the 18th to authorize
17 Greenwood to timely implement any changes and to open.

18 CHAIRMAN:

19 Any questions from the Board on that?
20 Before we do a motion, I assume --- would you read the
21 names of the delegated members. Thank you.

22 COMMISSIONER COY:

23 Mr. Chairman, I move that the Board issue
24 a resolution delegating authority to the Commissioners
25 to review all pre-approved conditions for the facility

1 with slot machines they will operate and determine the
2 effective date and time at which slot machine
3 practices may commerce.

4 CHAIRMAN:

5 Second?

6 COMMISSIONER MCCABE:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? Motion passes. Thank you,
13 Doug.

14 ATTORNEY SHERMAN:

15 Yes. Now, presenting withdrawals,
16 reports and recommendations and Emergency Orders for
17 the Board's consideration will be Deputy Chief Counsel
18 Steve Cook.

19 MR. COOK:

20 The Board has received three unopposed
21 petitions to withdraw applications, which include one
22 Principal Waiver Form and two Principal Applications.
23 The individuals or entities subject to these petitions
24 are as follows, Perpetual limited, William Wayne
25 Warner and Juan C. Tolosa. The OEC has no objections

1 to these withdrawals. As such the withdrawals would
2 be made without prejudice.

3 CHAIRMAN:

4 Any questions or comments from the Board?
5 If not, could I have a motion, please?

6 MR. GINTY:

7 Mr. Chairman, I move that the Board issue
8 orders to approve the withdrawals or surrenders as
9 described by the OCC.

10 CHAIRMAN:

11 Second?

12 COMMISSIONER MCCABE:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? Motion passes.

19 MR. COOK:

20 Next before the Board for consideration
21 are four Reports and Recommendations received from the
22 Office of Hearings and Appeals relative to one Gaming
23 Employee Permit and three Non-Gaming Employee
24 Registrations. These Reports and Recommendations,
25 along with the evidentiary record related to same have

1 been provided to the Board in advance of this meeting.
2 Additionally in each case the person involved has been
3 notified that the Board is considering their Report
4 and Recommendation today and that they have the right
5 to be present and briefly address the Board. If any
6 such persons are present, I'd ask them to come forward
7 when their name is announced.

8 The first Report and Recommendation
9 before the Board today pertains to Derek Bevans. On
10 April 11th, 2009 Mr. Bevans submitted a renewal
11 application for a Gaming Employee Permit to work as a
12 Slot's Technician at Harrah's Chester Casino and
13 Racetrack. Mr. Bevans indicated in his renewal
14 application that he had no outstanding tax
15 liabilities. However, during our investigation, BIE
16 learned from the Department of Revenue that Mr. Bevans
17 had failed to file his State Income Tax Return. Both
18 BIE and the Department of Revenue provided Mr. Bevans
19 with an opportunity to resolve this deficiency.
20 However, Mr. Bevans did not remedy his deficiency and
21 therefore the Board's OEC issued a Notice of
22 Recommendation of Denial. Mr. Bevans requested a
23 hearing and attended the hearing, which was held on
24 August 27th, 2009. At that hearing Mr. Bevans did not
25 deplot --- did not deny that he failed to file an

1 Income Tax Return, nor that he failed to comply with
2 the directives of BIE. He argued, however, that he is
3 not required to file a Tax Return because he is not an
4 employee under Pennsylvania's Tax Code.

5 The Hearing Officer concluded that due to
6 Mr. Bevans' failure to promptly provide the requested
7 information and cooperate with the Board's
8 investigations that his renewal application should be
9 denied. The OCC concurs with the Hearing Officer and
10 recommends that the Board adopt a Report and
11 Recommendation. I do believe, however, that Mr.
12 Bevans is present and may want to address the Board.

13 CHAIRMAN:

14 Please say your name and could you stand
15 and --- do we need to swear him in?

16 UNIDENTIFIED SPEAKER:

17 Yes.

18 CHAIRMAN:

19 Yes. Administer the oath.

20 -----

21 DEREK BEVANS, HAVING FIRST BEEN DULY SWORN, TESTIFIED
22 AS FOLLOWS:

23 -----

24 CHAIRMAN:

25 And could you, for the record, state your

1 name, spell your name and then briefly address the
2 Board?

3 MR. BEVANS:

4 My name is Derek Bevens, D-E-R-E-K,
5 B-E-V-A-N-S. Mr. Chairman and members of the Board,
6 thank you for allowing me to speak this afternoon. I
7 was under the impression, through the reading of the
8 Tax Code that I wasn't obligated, as a non-taxpayer to
9 file a PA 40 under the rules of the Pennsylvania guide
10 --- Pennsylvania income tax guidelines. I read that
11 in Chapter 407. It stated that the employee was
12 referenced to the US Tax Code 26, which said that
13 employees were --- members of municipal organizations
14 or corporations and the PA gross income was garnered
15 from that. My income is derived from a private
16 organization, so I didn't --- I filed paperwork also
17 that said I was a U.S. citizen under the, I'm sorry
18 --- the Employer Income Tax Guide, which says filing
19 that paperwork --- I was exempt from removing income
20 taxes from my pay.

21 CHAIRMAN:

22 OEC, do you have any questions for Mr.
23 Bevens?

24 ATTORNEY PITRE:

25 We believe that the record's complete in

1 this matter. Our objection to his application still
2 stands. It's our position that Mr. Bevans has pulled
3 certain sections out of the Tax Code that are
4 completely out of context and certainly we feel that
5 he is required to file Pennsylvania tax returns.

6 UNIDENTIFIED SPEAKER:

7 And I do have one question for Mr.
8 Bevans. Mr. Bevans, when you were contacted and
9 requested to file the taxes why didn't you just file
10 the taxes, file your Income Tax Return? Is it still
11 your position today that you're not required to file
12 that?

13 MR. BEVANS:

14 I wasn't contacted by DOR that I was
15 delinquent in taxes.

16 ATTORNEY PITRE:

17 When you were contacted by our office
18 that this was a problem, did you, in any way, seek to
19 remedy that with DOR?

20 MR. BEVANS:

21 Yes. I spoke with Jennifer Kedenhall
22 (phonetic) at DOR and was told that because I received
23 a W-2 that made me responsible for income taxes.

24 ATTORNEY PITRE:

25 And did you attempt to remedy the problem

1 you had with DOR?

2 MR. BEVANS:

3 She wouldn't go any further then. Since
4 I received a W-2, I was required, that was her final
5 answer.

6 ATTORNEY PITRE:

7 Did you file anything after that? Did
8 you file any Income Tax Return after that?

9 MR. BEVANS:

10 No, I didn't.

11 ATTORNEY PITRE:

12 I have no further questions.

13 CHAIRMAN:

14 I have a couple of questions. Mr.
15 Bevans. When's the last time you filed a Federal
16 Income Tax Return?

17 MR. BEVANS:

18 '94.

19 CHAIRMAN:

20 When's the last time you filed a
21 Pennsylvania Income Tax Return?

22 MR. BEVANS:

23 2006.

24 CHAIRMAN:

25 And let me get this straight. You are

1 currently working where?

2 MR. BEVANS:

3 Harrah's Chester.

4 CHAIRMAN:

5 And you started there when?

6 MR. BEVANS:

7 November 2006.

8 CHAIRMAN:

9 And you received then a W-2 in 2006, you
10 received a W-2 for 2007. I assume you received a W-2
11 from Harrah's Chester in 2008; is that correct?

12 MR. BEVANS:

13 2007 and 2008.

14 CHAIRMAN:

15 And you did not file a Federal or a
16 Pennsylvania Income Tax Return for either one of those
17 years?

18 MR. BEVANS:

19 Correct.

20 CHAIRMAN:

21 All right. Thank you. Can I ask Chief
22 Counsel, what is the Order before us today on Mr.
23 Bevans?

24 ATTORNEY BONNER:

25 The motion --- there's a Report

1 Recommendation before the Board. The Board is to
2 consider a motion to adopt or not adopt the Report and
3 Recommendation. The Report and Recommendation
4 basically concludes that due to Mr. Bevans tax
5 delinquency that his application be denied, so a vote
6 to adopt the Report and Recommendation would deny his
7 renewal application.

8 CHAIRMAN:

9 Let me ask Mr. --- Commissioner Trujillo?

10 COMMISSIONER TRUJILLO:

11 Mr. Bevans, is it your intention not to
12 file further Pennsylvania Tax Returns?

13 MR. BEVANS:

14 As I believe I'm not required to, it is
15 my intention.

16 CHAIRMAN:

17 Thank you. Any other questions from the
18 Board? If not, I'll entertain a motion.

19 COMMISSIONER MCCABE:

20 Mr. Chair, I move that the Board issue an
21 Order to adopt the Report and Recommendation of the
22 OHA regarding the Gaming Employee Permit of Derek
23 Bevans.

24 ATTORNEY SOJKA:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion passes. Thank you, Mr.
6 Bevans.

7 MR. BEVANS:

8 Thank you.

9 ATTORNEY COOK:

10 The next Report and Recommendation before
11 the Board is that of Anthony Johnson. Mr. Johnson
12 submitted an application to work as a server at the
13 steakhouse at the River's Casino. In his application,
14 Mr. Johnson disclosed two arrests, however, BIE's
15 investigation revealed five additional arrests and an
16 active bench warrant for traffic offenses in
17 California. The OEC issued a Notice of Recommendation
18 of Denial to Mr. Johnson based on his failure to
19 enclose the entirety of his criminal history. Mr.
20 Johnson requested a hearing and was issued a notice
21 scheduling the matter and then actually subsequently
22 requested a continuance. Ultimately that continuance
23 was granted and the hearing was set to commence on
24 October 14th, 2009. However, Mr. Johnson failed to
25 appear, and as a result the hearing was held in his

1 absence. Subsequently the OHA issued a Report and
2 Recommendation recommending Mr. Johnson's application
3 be denied for the non-disclosures on his application.
4 The OCC now recommends that the Board consider a
5 motion to adopt the Report and Recommendation denying
6 Mr. Johnson's application to be a Non-Gaming Employee.

7 CHAIRMAN:

8 Is Mr. Johnson present? Any questions or
9 comments from the Board?

10 ATTORNEY SOJKA:

11 Just one quick one. So the main issue
12 is, in fact, non-disclosure?

13 ATTORNEY COOK:

14 That's correct.

15 CHAIRMAN:

16 May I have a motion, please?

17 ATTORNEY SOJKA:

18 Yes. Mr. Chairman, I move that the Board
19 issue an order to adopt the Report and Recommendation
20 of the OHA regarding the Non-Gaming Employee
21 Registration of Anthony Johnson.

22 CHAIRMAN:

23 Second?

24 COMMISSIONER TRUJILLO:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion passes.

6 ATTORNEY COOK:

7 Navarro Robichaw is the next Report and
8 Recommendation before the Board. Mr. Robichaw
9 submitted an application for a Non-Gaming Employer
10 Registration to work as an EVS Maintenance Attendant
11 at Harrah's Chester Casino and Racetrack. Mr.
12 Robichaw disclosed the entirety of his criminal
13 history on his application and the Pennsylvania State
14 Police's database confirmed his disclosures. Based
15 upon Mr. Robichaw's criminal history, the OEC issued a
16 Notice of Recommendation of Denial. Upon receiving
17 the Notice, Mr. Robichaw requested a hearing and an
18 administrative hearing was held before the Offices of
19 --- or the OHA on October 15th, 2009. At his hearing
20 Mr. Robichaw presented character evidence in support
21 of his application, which basically went to the idea
22 that he was in the process of rehabilitating himself.
23 Notwithstanding that fact, the Hearing Officer found
24 in his Report and Recommendation that Mr. Robichaw
25 failed to prove by clear and convincing evidence that

1 he's suitable for registration. This matter is now
2 before the Board for consideration.

3 CHAIRMAN:

4 Questions or comments from the Board? If
5 not, could I have a motion, please?

6 COMMISSIONER TRUJILLO:

7 Mr. Chairman, I move that the Board issue
8 an Order to adopt the Report and Recommendation of the
9 OHA regarding the Non-Gaming Employee Registration of
10 Navarro Robichaw.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? Motion passes. Next?

16 ATTORNEY COOK:

17 The final Report and Recommendation
18 before the Board today is Ruben --- that of Ruben
19 Rodriguez-Maisonet. Mr. Rodriguez-Maisonet was issued
20 a Non-Gaming Employee Registration and was employed as
21 a cook at the Hollywood Casino. Subsequent to
22 obtaining that employment, BIE was notified by the
23 Pennsylvania State Police that on September 25th, 2009
24 Mr. Rodriguez-Maisonet was arrested and charged with
25 one count of criminal homicide and two counts of

1 aggravated assault, all of which are felonies. On
2 September 28th, 2009 the OEC issued an Emergency
3 Suspension Request and subsequently on that date the
4 Board's Executive Director signed an Order granting a
5 temporary suspension. The Board thereafter referred
6 this matter to the OHA to conduct a hearing on the
7 validity of the Emergency Suspension and to submit a
8 Report and Recommendation regarding the same. That
9 --- it's that Report and Recommendation that's
10 presently before the Board.

11 I would also add that Mr.
12 Rodriguez-Maisonet was served with a Hearing Notice,
13 but he didn't attend the October 16th, 2009 hearing.
14 The Report and Recommendation issued by the OHA
15 recommends that the Board issue an Order continuing
16 the suspension of Mr. Rodriguez-Maisonet's
17 registration until such time as the Board determines
18 that the Order should be dissolved or modified. This
19 matter's now ripe for the Board's consideration.

20 CHAIRMAN:

21 Any questions from the Board? If not,
22 could I have a motion, please?

23 MR. ANGELI:

24 Mr. Chairman, I move that the Board issue
25 an Order to adopt the Report and Recommendation of the

1 OHA the registration of Mr. Rodriguez-Maisonet.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? Motion passes.

7 ATTORNEY COOK:

8 Last matter under the OCC's report
9 involves a Gaming Employee reinstatement of Joseph
10 Kane. On November 20th, 2009 the OEC requested that
11 the Board's Executive Director issue an Emergency
12 Order of Reinstatement of the Gaming Employee
13 Occupation Permit of Joseph Kane, a Guest Safety
14 Officer at Harrah's Chester Casino and Racetrack. Mr.
15 Kane was originally granted a Gaming Employee
16 Occupation Permit on February 7th, 2008. By way of
17 background, on October 8th, 2009 the OEC issued a
18 letter preliminarily denying Mr. Kane's renewal
19 application for his Gaming Employee Occupation Permit
20 due to Mr. Kane's non-compliance status with the
21 Pennsylvania Department of Revenue. On or about
22 November 2nd, 2009 Mr. Kane contacted the OEC and
23 indicated that he would resolve his tax issues and
24 that he was having, I think, health issues that led to
25 that problem.

1 The OEC agreed to allow Mr. Kane time to
2 resolve his tax issue. Unfortunately, at the Board's
3 November 18th, 2009 meeting his name was mistakenly
4 placed on a list of denials. Recognizing their error
5 and that Mr. Kane came into compliance with the
6 Department of Revenue on November 19th, 2009, the OEC
7 filed a request for an Emergency Order of
8 Reinstatement, which the Board's Executive Director
9 signed on November 20th, 2009. All parties now agree
10 that Mr. Kane is entitled --- that his tax problems
11 have been resolved and he's eligible to have his
12 renewal application approved. Therefore we'd ask the
13 Board to consider a motion approving his renewal
14 application.

15 CHAIRMAN:

16 Questions or comments from the Board? If
17 not, could I have a motion, please?

18 COMMISSIONER COY:

19 Mr. Chairman, I move that the Board issue
20 an Order to approve the reinstatement of Joseph Kane's
21 Gaming Employee Permit described by the OCC.

22 CHAIRMAN:

23 Second?

24 COMMISSIONER MCCABE:

25 Second.

1 CHAIRMAN:

2 All in favor.

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion passes.

6 ATTORNEY COOK:

7 And that concludes the matters of the
8 OCC.

9 CHAIRMAN:

10 Thank you, Doug. Thank you, Steve.

11 Moving right along, next up is our Director of
12 Licensing, Susan Hensel. Welcome, Susan.

13 MS. HENSEL:

14 Thank you, Chairman Fajt and members of
15 the Board. The first matter for your consideration
16 are Key Employee Licenses. Prior to this meeting the
17 Bureau of Licensing provided you with a proposed Order
18 for three Key Employee Licenses. I ask that the Board
19 consider the Order granting these licenses.

20 CHAIRMAN:

21 Any questions or comments from
22 Enforcement Counsel?

23 ATTORNEY PITRE:

24 None. Thank you.

25 CHAIRMAN:

1 Questions from the Board? If not, can I
2 have a motion, please?

3 COMMISSIONER MCCABE:

4 Chairman, I move that the Board issue an
5 Order to approve the issuance of Key Employee Licenses
6 as described by the Bureau of Licensing.

7 CHAIRMAN:

8 Second?

9 ATTORNEY SOJKA:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? Motion passes.

16 MS. HENSEL:

17 We also have for your consideration the
18 issuance of Temporary Principal and Key Employee
19 Licenses. Prior to this meeting, the Bureau of
20 Licensing provided you with an Order regarding the
21 issuance of temporary licenses for 3 Principals and 20
22 Key Employees. I ask that the Board consider the
23 Order approving these licenses.

24 CHAIRMAN:

25 Questions or comments from Enforcement

1 Counsel?

2 ATTORNEY PITRE:

3 No objection.

4 CHAIRMAN:

5 All right. Questions from the Board? If
6 not, a motion, please.

7 ATTORNEY SOJKA:

8 Mr. Chair, I move that the Board issue an
9 Order to approve the issuance of Temporary Key
10 Employee Licenses as described by the Bureau of
11 Licensing.

12 CHAIRMAN:

13 Second?

14 COMMISSIONER TRUJILLO:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? Motion passes.

21 MS. HENSEL:

22 Next are Gaming and Non-Gaming Permits
23 and Registrations. Prior to this meeting the Bureau
24 of Licensing provided you with a list of 158
25 individuals, including 40 initial and 118 renewals,

1 who the Bureau has granted Occupation Permits to and
2 89 individuals who the Bureau has granted
3 registrations to under the authority delegated to the
4 Bureau of Licensing. I ask that the Board adopt a
5 motion approving the Order.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 No objection.

10 CHAIRMAN:

11 Any questions from the Board? If not, a
12 motion, please.

13 ATTORNEY SOJKA:

14 So moved.

15 CHAIRMAN:

16 Second?

17 COMMISSIONER TRUJILLO:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? Motion passes.

24 MS. HENSEL:

25 In addition, we have recommendations of

1 denial for one Gaming and one Non-Gaming Employee.
2 Prior to this meeting the Bureau of Licensing provided
3 you with Orders addressing these applicants who the
4 Bureau of Investigations and Enforcements has
5 recommended for denial. In each case the Applicant
6 failed to request a hearing within the specified time
7 period. I ask that the Board consider the Orders
8 denying the Gaming and Non-Gaming Applicants.

9 CHAIRMAN:

10 Any questions from Office of Enforcement
11 Counsel?

12 ATTORNEY PITRE:

13 We would request that the Board deny
14 these applications.

15 CHAIRMAN:

16 Questions from the Board? If not, a
17 motion.

18 COMMISSIONER TRUJILLO:

19 Chairman, I move that the Board issue an
20 Order to deny the --- to approve the denial of the
21 Gaming Permits and Non-Gaming Registrations as
22 described by the Bureau of Licensing.

23 MR. ANGELI:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? Motion passes.

5 MS. HENSEL:

6 We also have withdrawal requests for
7 Gaming and Non-Gaming Employees. In each case the
8 occupation permit or registration is no longer
9 required due to such circumstances as the employee
10 failing to report to work or accepting a different
11 job. For today's meeting I have provided the Board
12 with a list of nine withdrawals for approval. I ask
13 that the Board consider the Order approving this list
14 of withdrawals.

15 CHAIRMAN:

16 Enforcement Counsel?

17 ATTORNEY PITRE:

18 No objection.

19 CHAIRMAN:

20 Any questions from the Board? Can I have
21 a motion, please?

22 MR. ANGELI:

23 So moved.

24 CHAIRMAN:

25 Second?

1 COMMISSIONER COY:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed? Motion passes.

8 MS. HENSEL:

9 In addition we have two Orders regarding
10 vendors. The first is to certify the following five
11 vendors, City Sign Service, Inc., H Group Consultants,
12 LLC, JPC Group, Inc., Maritz Holdings, Inc. and
13 Pioneer Contracting, Inc. I ask that the Board
14 consider the Order approving these vendors for
15 certification.

16 CHAIRMAN:

17 Questions from Enforcement Counsel?

18 ATTORNEY PITRE:

19 No objection.

20 CHAIRMAN:

21 Any questions from the Board?

22 MR. GINTY:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed? Motion passes.

4 MS. HENSEL:

5 Finally we have proposed Orders regarding
6 the abandonment of five Vendor Applications. Records
7 indicate that these vendors received compensation
8 below the threshold requiring them to file Vendor
9 Applications. The vendors have failed to cure
10 deficiencies in the applications that they chose to
11 file after being given notice of the deficiencies and
12 given an opportunity to correct them. Under our
13 regulations the Board has the authority to declare an
14 application abandoned if the applicant fails to
15 provide the information necessary to cure application
16 deficiencies. The five Vendor Applicants are Design
17 and Print, LLC, DeGall (phonetic) Brothers, LP Fenton
18 Art Glass Company, InvoTech Systems, Inc. and JTECH
19 Communications. I ask that the Board consider the
20 Order to declaring these Vendor Applications
21 abandoned.

22 CHAIRMAN:

23 Cyrus, any comments?

24 ATTORNEY PITRE:

25 We support the request for abandonment.

1 CHAIRMAN:

2 Any comments from the Board? Could I
3 have a motion, please?

4 MR. GINTY:

5 So moved.

6 CHAIRMAN:

7 Second?

8 COMMISSIONER MCCABE:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed? Motion passes.

15 MS. HENSEL:

16 That concludes the Bureau of Licensing's
17 presentation.

18 CHAIRMAN:

19 Thank you, Susan. Next up Cyrus, our
20 Chief Enforcement Officer, Cyrus Pitre.

21 ATTORNEY PITRE:

22 The first matter before you is a Consent
23 Agreement between the OEC and Ainsworth Game
24 Technology Limited. We have Ms. Lynne Kaufman,
25 Counsel for Ainsworth, Dustin Miller will present

1 OEC's side of the matter.

2 ATTORNEY MILLER:

3 Good afternoon, Chairman Fajt, members of
4 the Board. At this time the OEC has five Consent
5 Agreements prepared for the Board's approval. The
6 first Consent Agreement is between the OEC and
7 Ainsworth Game Technology Limited. Ainsworth was
8 granted a Manufacturer License on August 27th, 2008.
9 Manufacturer Licenses must be renewed yearly.
10 Pursuant to Title 58 Pennsylvania Code Section 1317.1A
11 a holder of a slot machine Manufacturer License must
12 file a Renewal Application to the Board six months
13 before expiration of the current license. In the
14 instant matter Ainsworth was required to submit its
15 renewal application by February 27th, 2009 at the
16 latest, however, Ainsworth did not submit its renewal
17 application until May 5th, 2009. Thus since renewal
18 application was 66 days late Ainsworth was in
19 violation of the Act by filing its renewal application
20 late. On November 6th, 2009 the parties entered into
21 a Consent Agreement to settle the matter. The terms
22 of the agreement include a provision that Ainsworth
23 shall institute policies and provide guidance and
24 reinforcement to its employees to prevent future late
25 filings and also Ainsworth shall pay a total fine of

1 \$13,200 for the late filing of its renewal
2 application, which represents a \$200 per day penalty
3 for each day that the application is late. As Chief
4 Counsel Pitre stated, Lynne Kaufman is here today on
5 behalf of Ainsworth to answer any questions you might
6 have and also she indicated she'd like to provide a
7 statement regarding this matter. Otherwise, it would
8 be appropriate for the Board to entertain a motion to
9 approve this Consent Agreement.

10 CHAIRMAN:

11 Counsel, welcome.

12 MS. KAUFMAN:

13 Yes. I agree with everything the OEC
14 said. I would just like to add that Ainsworth has
15 adopted licensing renewal procedures, which are quite
16 detailed and they're not only --- they don't only
17 cover Pennsylvania. They use this as an opportunity
18 to tighten up on all their license renewals and to
19 institute procedures and double check so something
20 like this will not happen again.

21 CHAIRMAN:

22 Thank you.

23 MS. KAUFMAN:

24 Thank you.

25 CHAIRMAN:

1 And Counsel, could you please provide
2 your --- spelling of your name for our stenographer?

3 MS. KAUFMAN:

4 Sure. Lynne is, L-Y-N-N-E. Last name
5 Kaufman, K-A-U-F, like Frank, M-A-N.

6 CHAIRMAN:

7 Thank you. Any questions from the Board?
8 If not, can I have a motion, please?

9 COMMISSIONER MCCABE:

10 Mr. Chairman, I move that the Board issue
11 an Order to approve the Consent Agreement between the
12 OEC and Ainsworth Gaming Technology, LTD.

13 ATTORNEY SOJKA:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? Motion passes. Thank you,
20 Counsel.

21 ATTORNEY PITRE:

22 The next matter on the agenda is a
23 Consent Agreement between the OEC and vendor
24 Brabender-Cox. Michael Roland will present the
25 Consent Agreement for the Board's consideration.

1 ATTORNEY ROLAND:

2 Good afternoon, Mr. Chairman, members of
3 the Board. Michael Roland with the OEC. As Mr. Pitre
4 has pointed out, Andrew Giorgione is here representing
5 Brabender-Cox. In this Consent Agreement --- first of
6 all, on December 18th, 2006 Brabender-Cox filed for a
7 Vendor Certification with the Board. Then on February
8 13th, 2009, our BIE contacted Brabender-Cox to set up
9 investigative interviews of the members listed on the
10 application. At that point in time Brabender-Cox
11 advised our investigator, Mr. Robert Wallace, that
12 Brabender-Cox was considering withdrawing its
13 application and that it no longer had an interest in
14 conducting business with Pennsylvania Gaming Control
15 Board or doing business in the Commonwealth of
16 Pennsylvania.

17 On July 7th, 2009 the OEC sent a ten day
18 warning letter to Brabender-Cox advising that failure
19 to conduct or complete the interview process would
20 involve a recommendation of denial of their
21 application, which was before the Board. August 10th,
22 2009 Brabender-Cox filed a Petition to Withdraw with
23 the OHA, which was followed then by a September 9th,
24 2009 OEC objection to that petition, stating that
25 because Brabender-Cox had an ongoing relationship with

1 Presque Isle Downs, Inc. and was compensated over \$1.2
2 million but no longer wanted to be subject to the
3 requirements of the application process it should be
4 denied. The OHA had scheduled a hearing for this
5 matter on November 10th, 2009, but then discussion
6 began regarding the possible Consent Agreement and
7 that hearing was postponed.

8 Regarding the terms of the Consent
9 Agreement presented before you today Brabender-Cox has
10 essentially agreed to three terms. First of all, it
11 would agree to not conduct business in the
12 Commonwealth of Pennsylvania for the next three years.
13 That involves their affiliates, subsidiaries
14 intermediaries, holding companies, basically anybody
15 that might be involved with the Brabender-Cox company
16 itself. It has agreed to satisfy all costs, including
17 investigative costs. And we have checked prior to
18 this meeting, and in fact, that has already been done.
19 There is no outstanding balance, which Brabender-Cox
20 has with our Fiscal Management Office. And lastly,
21 should Brabender-Cox choose to do business or wish to
22 do business in the Commonwealth of Pennsylvania again,
23 it would subject itself to the full investigative
24 process, turn over all documents requested and would
25 forego receiving any intermediary operating authority.

1 It would not conduct business until the entire process
2 has been completed. In return, the OEC has agreed to
3 withdraw its recommendation or its objection to the
4 petition, allowing Brabender-Cox essentially to remove
5 itself without prejudice. OEC asks that you consider
6 this petition before you today. We ask that you adopt
7 it, and again, Mr. Giorgione and myself are available
8 for any questions you might have.

9 CHAIRMAN:

10 I think that the Board does have some
11 concerns about some information we received on this
12 issue. It was changing literally up until the Board
13 meeting and I believe that we will table this motion
14 and at this time I'll entertain a motion to do so.

15 ATTORNEY SOJKA:

16 Mr. Chairman, I move that we table this
17 action.

18 COMMISSIONER TRUJILLO:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 All opposed? Motion passes to table
25 this. Thank you.

1 ATTORNEY ROLAND:

2 Thank you.

3 ATTORNEY PITRE:

4 Next before you is the Consent Agreement
5 for Mainline Information Systems, Incorporated. I'd
6 like to note that Mainline is a Florida-based company.
7 They do not have a representative before the Board
8 today. They filed their application for Vendor
9 Registration on February 11th, 2009. On or about May
10 13th, 2009 Mainline received an Indemnification
11 Agreement for review and approval. On August 24th,
12 2009 Mainline advised the Board that execution of the
13 indemnification document would expose Mainline to
14 damages outside of Mainline's business practices and
15 risk management thresholds. In addition Mainline's
16 Executive Officers decided that the business potential
17 associated with the Vendor Application did not warrant
18 the cost and exposure associated with completing the
19 registration process and executing the indemnification
20 agreement. On July 13th, 2009 Mainline filed a
21 Petition to Withdraw its Vendor Registration and then
22 on August 12th, 2009, through an amended Answer and
23 new matter, the OEC requested the Board grant the
24 petition and do so without prejudice. Next date that
25 was set was October 6th, 2009, where the OHA schedule

1 the hearing. Again, that hearing was deferred in
2 consideration of this proposed Consent Agreement.

3 Regarding the terms of the Mainline
4 Consent Agreement, essentially, again, they're reduced
5 to three terms as in the last matter. Mainline has
6 agreed not to conduct business with the Commonwealth
7 of Pennsylvania for the next three-year period.
8 Again, this involves its affiliates, subsidiaries,
9 intermediaries or anyone else that might be associated
10 with Mainline Information Systems. Mainline has
11 agreed to satisfy all investigative fees and costs
12 that may be due. In fact, we again checked before
13 this Board meeting today. That has been satisfied as
14 of Monday, December the 7th. They now have a zero
15 balance.

16 And lastly should Mainline desire to
17 conduct business again in the Commonwealth of
18 Pennsylvania, they agree that they would go through
19 the entire application process. And they also would
20 waive any intermediary operating authority until the
21 final investigative process has been completed. In
22 return, OEC agrees to withdraw its objection to
23 Mainline's Petition to Withdraw. This matter is
24 before you now, and I believe, ripe for your
25 consideration.

1 UNIDENTIFIED SPEAKER:

2 Mr. Pitre's brought to my attention ---.

3 ATTORNEY PITRE:

4 You'd probably be curious to know how
5 much business Mainline has done. Mainline has
6 received two disbursements. Well, they've received
7 four disbursements from two different slot licensees.
8 Their total business is approximately \$111,000. The
9 bulk of those disbursements, \$93,000, was turned over
10 to Mainline before they had ever received the
11 Indemnification Agreement. If you recall, their whole
12 concern in this situation was we've received
13 Indemnification Agreement significantly after we
14 completed the application process. So in their
15 defense, they did already have approximately 85 to 90
16 percent of their income before they were ever
17 presented with the Indemnification Agreement. They
18 have no future contracts that exist with the
19 Commonwealth and they have advised they're not seeking
20 to do any additional business at this time.

21 CHAIRMAN:

22 Any questions or comments from the Board?

23 COMMISSIONER TRUJILLO:

24 Yes. Mr. Chairman, one point of
25 clarification. I assume that the proposed agreement

1 when you say that they agreed not to do business in
2 the Commonwealth of Pennsylvania, you're not meaning
3 it in that broad a sense, but rather as it relates to
4 regulated business by this Board; correct?

5 ATTORNEY PITRE:

6 That's absolutely correct. Obviously, if
7 they choose to conduct business with another
8 Commonwealth agency or another Commonwealth business,
9 they're free to do so, but anything that would be
10 under the jurisdiction of this Board they realize they
11 can't do business there.

12 COMMISSIONER TRUJILLO:

13 And I assume that holds the same for the
14 earlier proposed Consent Agreement that you had
15 discussed ---?

16 ATTORNEY PITRE:

17 That's correct. I apologize.

18 COMMISSIONER TRUJILLO:

19 Thank you.

20 CHAIRMAN:

21 May I have a motion, please?

22 COMMISSIONER TRUJILLO:

23 Mr. Chairman, I move that the Board issue
24 an Order to approve the Consent Agreement between the
25 OEC and Mainline Information Systems.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion passes.

6 ATTORNEY PITRE:

7 The next Consent Agreement will be
8 presented by Ms. Melissa Powers of the OEC and Counsel
9 Marie Jones, Counsel for WPA.

10 MS. POWERS:

11 Chairman Fajt, members of the Board, the
12 final two matters before you today are two Consent
13 Agreements between the OEC and Washington Trotting
14 Association doing business as The Meadows Racetrack
15 and Casino. The first Consent Agreement before you
16 involves an incident that occurred on August 11th,
17 2009 wherein an 18-year-old patron entered The Meadows
18 gaming floor and placed wagers at a slot machine for
19 approximately 45 minutes. According to Section 12078
20 of the Gaming Act, each licensed gaming entity shall
21 prohibit persons under 21 years of age from operating
22 or using slot machines. Section 513a.(2)(b) of the
23 Board's regulations provides that an individual under
24 21 years of age, whether personally or through an
25 agent may not operate, use, play or place a wager on a

1 slot machine in a licensed facility.

2 Following a series of discussions between
3 The Meadows, the Bureau of Casino Compliance and OEC
4 regarding the incident on August 11th The Meadows
5 conducted training for its security staff that
6 reinforced its policy on identification of underage
7 individuals. The Meadows also established a recurring
8 refresher training course regarding identification of
9 underage individuals. In addition The Meadows
10 purchased an additional identification scanner and
11 laptop computer to assist security personnel with the
12 identification of underage patrons at the entrance
13 podium. Further, The Meadows suspended the two
14 security officers involved in this particular incident
15 and have made appropriate indications in both of their
16 employment files. As set forth in the Consent
17 Agreement, the parties have agreed that within five
18 days of the Board's Order The Meadows shall pay a
19 civil penalty in the amount of \$5,000.

20 CHAIRMAN:

21 Any questions or comments from the Board?
22 If not, can I have a motion, please?

23 MR. ANGELI:

24 Mr. Chairman, I move the Board shall
25 issue an order to approve the Consent Agreement

1 between the OEC and Washington Trotting Association
2 for underage individuals being on the Gaming floor.

3 COMMISSIONER COY:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? Motion passes.

10 MS. POWERS:

11 The second Consent Agreement before you
12 involves an incident that occurred at The Meadows on
13 August 26th, 2009, wherein a self-excluded patron
14 accessed the gaming floor, played slot machines and
15 was issued a Players Club card. Pursuant to Section
16 503a.4(a) of the Board's regulations a slot machine
17 Licensee shall train its employees and establish
18 procedures that are designed to identify and
19 immediately remove a self-excluded patron, refuse
20 wagers from and deny gaming privileges to a
21 self-excluded patron and deny check-cashing privileges
22 and Player Club membership to a self-excluded patron.
23 Section 5038.3 of The Meadows accounting and internal
24 controls provides that The Meadows will not complete
25 any gaming transactions with an identified

1 self-excluded patron while that patron is listed on
2 the self-exclusion list. Furthermore, page eight of
3 The Meadows' compulsive and problem gambling plan
4 states that the Marketing Department is responsible
5 for ensuring that no individuals on the self-excluded
6 list receive player cards or Player Club privileges.

7 Following a series of discussions, again,
8 between The Meadows, the Bureau of Casino Compliance
9 and OEC regarding the August 26th incident, The
10 Meadows terminated the employee who issued the Players
11 Club card to the self-excluded patron. The parties
12 have agreed that within five days of the Board's Order
13 The Meadows shall pay civil penalty in the amount of
14 \$5,000 and also The Meadows shall immediately
15 institute policies and provide training, guidance and
16 reinforcement to their employees, which will minimize
17 the opportunity for similar incidents to occur in the
18 future.

19 CHAIRMAN:

20 And for the record, I do note the
21 presence of Washington Trotting Association Counsel.
22 Any questions or comments from the Board? If
23 not, ---.

24 COMMISSIONER TRUJILLO:

25 Mr. Chairman, ---

1 CHAIRMAN:

2 Yes.

3 COMMISSIONER TRUJILLO:

4 --- I have a comment, not a question.

5 And as I said earlier when I --- certainly after I was
6 sworn in, I think that this Board has an extraordinary
7 responsibility to ensure that underage gambling does
8 not take place. And that responsibility is obviously
9 a key component of a Licensee's responsibilities. And
10 so I just want to --- I am fine with the --- fine as
11 it stands, because I think --- as I understand, it's
12 consistent with what's been done in the past, but I
13 want to be very clear that going into the future,
14 whether it's self reported, whether the individual can
15 --- who actually failed to spot, whether it's an
16 underage gambler or somebody who is on a
17 self-exclusion list, in my view you need to look at
18 the person who missed that person, but then you need
19 to look a step up and a step up above that. And I'm
20 going to take these things extraordinarily seriously
21 and I just want to make sure that that is clear.

22 CHAIRMAN:

23 Thank you. Can I have a motion, please?

24 COMMISSIONER COY:

25 Mr. Chairman, I move the Board issue an

1 Order approving the Consent Agreement between the OEC
2 and Washington Trotting Association relative to seeing
3 underage individuals on the gaming floor.

4 CHAIRMAN:

5 Second?

6 MR. GINTY:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? Motion passes. Thank you, OEC.

13 ATTORNEY PITRE:

14 Thank you.

15 CHAIRMAN:

16 Thank you, Counselor. Accordingly we
17 open up the day and the microphones for public
18 comment. We ask that speakers register in advance of
19 the meeting with our Communication's Office. As I
20 understand it we do not have any registered speakers
21 today, however, is there anyone in the audience
22 wishing to make a public comment? Okay. I believe
23 that concludes our public meeting.

24 Looking ahead, the Board will hold its
25 next public meeting on Friday, January 8, 2010 at

1 10:00 a.m. The meeting will be held in the North
2 Office Building, Hearing Room 1 located between
3 Commonwealth and North Street here in Harrisburg. And
4 before we entertain a motion to adjourn, I know that
5 Commissioner McCabe wants to make a comment.

6 COMMISSIONER MCCABE:

7 Yes. Thank you, Mr. Chair. I would like
8 to take this time to publicly recognize and thank one
9 of our Directors who's retiring this month. Director
10 Tom Sturgeon is going to be retiring this month after,
11 I believe, probably 45 years of service to the state
12 as a Chief of Police, Commissioner, Attorney General's
13 Office and then with us. He started with us in the
14 beginning as the number two man in BIE and then took
15 over the Director of Compliance and has set up an
16 outstanding organization. And Tom, I know --- I'd
17 like to thank you for your service and wish you well.

18 MR. STURGEON:

19 Thank you very much.

20 CHAIRMAN:

21 Any other comments? Thank you, Tom, on
22 behalf of the Board and the organization for your
23 years of service. We deeply appreciate it. With that
24 I will entertain a motion to adjourn.

25 COMMISSIONER MCCABE:

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So moved.

CHAIRMAN:

Second?

COMMISSIONER COY:

Second.

CHAIRMAN:

Meeting adjourned. Thank you.

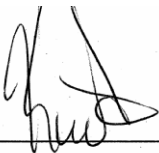
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MEETING CONCLUDED AT 12:36 P.M.

* * * * *

CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Fajt was reported by me on 12/09/2009 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