

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

* * * * *

IN RE: GREENWOOD GAMING AND ENTERTAINMENT D/B/A PARX
CASINO TO CONDUCT TABLE GAMES

* * * * *

PUBLIC INPUT HEARING

* * * * *

BEFORE: LINDA LLOYD, Presiding Officer
Commissioner Raymond S. Angeli
Commissioner Gary A. Sojka
Commissioner Kenneth Trujillo

HEARING: Wednesday, March 10, 2010
10:41 a.m.

LOCATION: Bensalem Township Municipal Building
Council Chambers
2400 Byberry Road
Bensalem, PA 19020

SPEAKERS: David Jonas, Kathleen Meci, Ronald W. Davis,
Joseph Wilson, Joseph DiGirolamo, Joseph
Pilieri, Corrine Sweeney, Michael P.
Ballezzi, Eleanor M. Kline

Reporter: Jessica L. Ashman

Any reproduction of this transcript is prohibited
without authorization by the certifying agency.

A P P E A R A N C E S

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

ALAN C. KOHLER, ESQUIRE
Eckert, Seamans, Cherin & Mellott, LLC
213 Market Street
Eighth Floor
Harrisburg, PA 17101-2132
COUNSEL FOR GREENWOOD GAMING AND ENTERTAINMENT,
INC.

THOMAS BONNER, ESQUIRE
3331 Street Road
Bensalem, PA 19020
GENERAL COUNSEL FOR GREENWOOD GAMING AND
ENTERTAINMENT, INC.

I N D E X

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

OPENING REMARKS

By Presiding Officer 5 - 9

TESTIMONY

By Mr. Kohler 9

By Mr. Jonas 9 - 14

By Ms. Meci 14 - 18

By Mr. Davis 18 - 21

By Mr. Wilson 21 - 23

By Mr. Jonas 23 - 26

QUESTIONS BY BOARD 26 - 42

TESTIMONY

By Mr. DiGirolamo 42 - 45

By Mr. Pilieri 45 - 46

By Ms. Sweeney 47 - 49

By Mr. Ballezzi 50 - 68

By Ms. Kline 68 - 70

CLOSING REMARKS

By Presiding Officer 70 - 71

E X H I B I T S

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

<u>NUMBER</u>	<u>DESCRIPTION</u>	<u>PAGE IDENTIFIED</u>
One	Notice of Public Hearing	8*
Two	Written Comments	8*

*exhibits not attached

P R O C E E D I N G S

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

PRESIDING OFFICER:

Good morning, everyone. I'm Linda Lloyd, and I'm the Presiding Officer assigned by the Board to conduct this public input hearing regarding the Petition filed by Greenwood Gaming and Entertainment, Inc., doing business as Parx, to conduct this table --- to conduct table games at its casino. Before we begin, if you could please turn off or to vibrate your cell phones, Blackberries, et cetera, so we don't disturb the speakers today.

As the Presiding Officer, I call to order this public input hearing regarding the Petition of Greenwood Gaming and Entertainment, Inc.'s approval for the issuance of a Certificate to Conduct Table Games, which was deemed complete and filed on February 16, 2010 at Docket Number 1287-2010. The date is Wednesday, March 10th, 2010, and the time is 10:30. The location is the Bensalem Township Municipal Building, Council Chambers, at 2400 Byberry Road, Bensalem, Pennsylvania, 19020.

This public input hearing is convened by the Pennsylvania Gaming Control Board pursuant to the authority found in Sections 1205(b) and 1314A(b) of

1 the Gaming Act. This public hearing was advertised on
2 the Board's Website, announced at a previous Board
3 meeting and was advertised in the local newspaper.

4 Board members present for the hearing
5 today to my right are Ray Angeli, Gary Sojka and Ken
6 Trujillo. The Board and its staff would like to thank
7 Bensalem Township for making the space available to
8 the Board for the hearing today. The staff's
9 cooperation has been essential in the organization and
10 holding of this public input hearing today. I'd also
11 like to thank you all for your patience in us getting
12 started with our court reporter issue. She still
13 hasn't arrived, but we're going to audiotape this
14 portion of the hearing.

15 The purpose of the hearing is to allow
16 Greenwood Gaming to present to the public its plan to
17 operate table games at its casino and to allow
18 individual members of the public, community groups and
19 elected officials and government representatives to
20 express their thoughts and share their concerns about
21 the proposed project with the Board. The hearing will
22 continue until the last scheduled speaker registered
23 has had the opportunity to speak.

24 The order of speakers today is as
25 follows. The Petitioner, Greenwood Gaming, will make

1 their presentation first. The Board will ask any
2 questions of the witnesses from Greenwood Gaming. And
3 after that piece is over, we will then hear from any
4 of the legislators, local government representatives,
5 community representatives and individual members of
6 the public who have registered to speak.

7 Greenwood Gaming will have approximately
8 20 minutes to make their presentation. Each
9 government official will have approximately ten
10 minutes to speak. Community group representatives may
11 have five minutes. And individual members of the
12 public will each have three minutes. Each speaker
13 should begin their remarks by stating his or her name,
14 municipality and state where he or she resides, and if
15 speaking on behalf of an entity, the name of that
16 entity. If you are speaking today and you have
17 written notes or testimony which you will read from
18 during the hearing, when you are finished, if you
19 would please give a copy to me or the court reporter
20 when he or she arrives, that would be useful for our
21 stenographer transcribing this hearing.

22 This is an official administrative
23 hearing. Please treat this as if you were attending a
24 court proceeding. All witnesses should speak loudly
25 and clearly and into the microphone so that our audio

1 can be picked up, as well as when the court reporter
2 is here, they can hear you speak.

3 Let's begin by having each of you that
4 has registered to speak today or will provide
5 testimony on behalf of Greenwood Gaming please rise
6 and raise your right hand to be sworn.

7 -----

8 WITNESSES SWORN EN MASSE

9 -----

10 PRESIDING OFFICER:

11 Before we begin with the testimony, I
12 have several hearing exhibits to enter into the
13 record. Hearing Exhibit Number One is the notice of
14 the public hearing sent to Greenwood Gaming. Hearing
15 Exhibit Number Two are the written comments received
16 by the Board by the deadline established addressing
17 the Petition. The first comments are from Senator
18 Robert Tomlinson in support of the application by Parx
19 Casino. And the second written comment is from
20 Richard Silverstein, also in support of the Petition
21 for Table Games. Do I have any objections from the
22 operator in moving these into the record?

23 (Hearing Exhibits One and Two marked for
24 identification.)

25 ATTORNEY KOHLER:

1 No.

2 PRESIDING OFFICER:

3 Then we will begin with the presentation
4 by Greenwood Gaming.

5 ATTORNEY KOHLER:

6 Good morning, Director Lloyd. Good
7 morning, Commissioners. My name is Alan Kohler. I'm
8 with Eckert Seamans on behalf of Greenwood Gaming and
9 Entertainment, Inc. To my left is Thomas Bonner, who
10 is Vice-President and General Counsel of Greenwood
11 Gaming and Entertainment, Inc.

12 As Director Lloyd indicated, we are here
13 this morning to present our plan for operating table
14 games in Parx Casino, which is literally right down
15 the road from here. I wanted to note that we feel
16 honored to have the presence of three Commissioners,
17 which is actually approaching a quorum, and certainly
18 appreciate your attendance and your interest in our
19 table games plan.

20 With that, we're going to give you a
21 PowerPoint presentation. And leading that
22 presentation is the Chief Operating Officer of
23 Greenwood Gaming and Entertainment, Inc., David Jonas.

24 MR. JONAS:

25 Thanks, Alan. Welcome, everybody. I

1 want to thank the Commissioners, the Board staff,
2 local officials. I know the Mayor is in attendance.
3 And Mr. Pilieri of Council is also here. I want to
4 thank everyone for coming and Linda Lloyd, the Hearing
5 Officer, for allowing us to speak and to tell our
6 story.

7 Today we're going to do a short
8 presentation. I will do an overview of Parx Casino,
9 which used to be Philadelphia Park Casino, and our
10 evolution over the last couple years since gaming's
11 inception here in Bensalem. To my left, Kathy Meci,
12 who is our Vice President of Table Games, will go into
13 a little bit more detail of the table game operation.
14 Ron Davis will talk about diversity and the economic
15 impact that the business has had on our community.
16 And Joe Wilson will talk about the benefits to racing
17 and our commitment to the racing --- to racing at
18 Philadelphia Park Racetrack.

19 Page three just briefly goes into the
20 growth in our business since December of 2006 when we
21 came to Bensalem. And in December of 2006, we had
22 approximately 2,000 slot machines. And today in
23 December of 2009 when we opened Parx, we opened with
24 just short of 3,300 machines. I think the relevance
25 of this slide is twofold. One, it shows our

1 commitment to the growth of the business. And we see
2 table games evolving similarly, where we'll start with
3 a smaller footprint and then --- and gradually build
4 that footprint as we have employees who are trained
5 and we feel that we could handle the increased
6 business. And Kathy will get into that timeline in a
7 few minutes. It also shows the growth --- the growth
8 of the business also shows the economic impact and the
9 revenue streams that have grown, including our
10 commitment to employing the local --- employment in
11 the local community. And Kathy will talk a little bit
12 about our plans going forward on that.

13 Slide four, this is not ---
14 unfortunately, as I'm looking at it, is not the
15 easiest slide to read, so I'll walk you through it.
16 But the green, which really is yellow on my sheet, is
17 the casino as it stands today at Parx. And we have
18 3,300 slots. In the middle, that orange oval is our
19 --- is where we plan on putting our first 57 table
20 games. And Kathy will go through the mix of those
21 games in a few minutes, but we will open with 57
22 tables. Our slot count will actually increase 75
23 slots so that we're also --- you know, when we
24 testified in front of the Gaming Board and the Senate,
25 we talked about slot business really benefiting as

1 well from tables. We see that happening, and we will
2 continue to add slots as we bring on tables.

3 If you look at the white area, all the
4 way to the right-hand side if you're looking at the
5 screen, we call that behind our north wall. Behind
6 the north wall will be our Phase II as we develop a
7 plan to increase not only our table count but our slot
8 count by year end. And we hope by year end, if all
9 goes well, we'll have 3,750 slots and about 80 table
10 games. So that would be Phase II of our build out.

11 Slide five just really depicts this in
12 more of a timeline time frame and goes through exactly
13 what I just said. This is more of a construction
14 timeline of how things are going to --- are planned to
15 phase in. And because of having to move slots around,
16 we need to put the tables in that orange oval, slots
17 will come in, slots will go out over the next few
18 months. But when we're done, for the first build out,
19 we plan on having 57 tables, 3,375 slots and then
20 eventually going to 80 tables and 3,750 slots.

21 Page six shows the economic impact: the
22 licensing fee of \$16,500,000, annual table games taxes
23 that we think we --- which is projected for us to pay,
24 incremental slot tax, which our business has been
25 extremely successful and continues to grow. Our win

1 per units when we moved into Park were \$350, and last
2 week, we did \$400 win per units at Parx. So our
3 business continues to grow and is very healthy.
4 Additional annual wages --- and Kathy will get into
5 more of our hiring and how we're thinking about that
6 in a few minutes, but it will be \$20 million more in
7 wages that we pay because of table games, and a
8 capital investment of \$20 million by July 1st, which
9 will considerably grow in Phase II as we move behind
10 the north wall and add other amenities as well as
11 tables and slots to handle the increased visitation.

12 Page seven is just a quick overview of
13 our executive team. When you look at the executive
14 team, well in excess of 100 years of experience. We
15 are getting a little older. We realized that
16 yesterday as we went through this slide. But it just
17 shows the competence level of our team and our ability
18 to not only successfully implement Phase I, but more
19 importantly, at least hopefully successfully continue
20 to grow with this community and continue to grow this
21 business into a mature business that will not only
22 have tables and slots but will have other amenities
23 that not only will support the local community but
24 will continue to add jobs. And I think that, in my
25 mind, is one of the most important aspects of the Act.

1 Kathy Meci. We were very lucky to be
2 able to bring Kathy on. Kathy has over 30 years of
3 table game experience in Las Vegas, Macau and now in
4 Bensalem. And I'd like to turn it over to Kathy, and
5 she's going to talk more in detail about the table
6 game operation.

7 MS. MECI:

8 Good morning. Thank you, David. Thank
9 you all for allowing us this opportunity to come in
10 and present to you. My portion of this is to explain
11 to you about our table games operation and what our
12 plans are once the Commission approves us --- or the
13 Board approves us to move forward with our table games
14 operation. Our plan is to have 80 tables. There will
15 be a mix of games, game types and game styles. The
16 game types that we'll offer initially are four of the
17 key games that you'll find in many casinos that offer
18 table games, and that is blackjack, baccarat, roulette
19 and craps. And we've also opted to go with a fifth
20 game, which is a very popular, what we call a
21 secondary game, and that is a three-card poker game.

22 You'll see up here that we have actually
23 three different types of games called out. We've got
24 our fully-automated machines, which is what's on our
25 gaming floor right now. The software in our machines

1 can be changed out to behave just like a table game.
2 And we call those fully-automated machines. Those do
3 not have a live dealer and they do not have live
4 wagering, so everything is automated.

5 Then we have our banking games. And
6 we'll start out here with our traditional table games
7 where you have a live dealer and live wagering. There
8 are new products on the floors around the country
9 right now, and they're being termed iGames. And what
10 those iGames entail is they allow us to offer a game
11 where we have a live dealer, but the wagering is
12 actually electronic. So they're still transferring
13 chips every time a hand's given out, but it's called
14 automated wagering. So that's where we're in with our
15 games.

16 We're going to have 39 blackjack games
17 inclusive of our iGames. We'll offer five different
18 roulette tables, four craps, four baccarat and five
19 three-card poker games, as well as our live dealers.

20 As we move --- Dave alluded to us growing
21 and our growth in the future. As we move forward, we
22 will add different type themes to our game units.
23 Right now we're keeping it at a minimum so that we can
24 get our training done, we can get our training done
25 well and we can offer a better service when we do go

1 live. As we grow, not only in the area but also when
2 we grow as individuals and learn our jobs better, we
3 will expand our products more and we'll offer some of
4 the more mature games.

5 The jobs that we are creating, we are
6 looking at now at 385 jobs, creating 385 full-time
7 jobs just for our first phase. These are the 57
8 tables that we're talking about. As we move forward,
9 we will significantly grow that number. The positions
10 that we're creating include me. We have a director
11 coming in. We have shift managers, floor managers,
12 table supervisors, dealers, casino hosts, count room
13 clerks, also 50 support personnel.

14 If we go onto the next page here, you'll
15 see that ten are being funded in and of itself and at
16 least add another 30 for our company. Other
17 departments will grow as a result of bringing table
18 games in as well, and of course, that means more jobs.

19 Our finance department will grow. Our food and
20 beverage department, security, our cage and our count
21 room, surveillance, revenue audit, marketing, beverage
22 servers, environmental services will all grow as a
23 result of our table games addition.

24 Our staffing and training, we have
25 brought in some key positions to help us move forward.

1 And we have hired a director and a few shift managers.
2 We've got a training manager coming in on board.
3 We've got a scheduling manager on board. And we're
4 fully prepared to start our recruiting, what we're
5 calling our mass recruiting, which is really focused
6 on our dealers and our supervisors. Our plan is to
7 hire about 70 supervisors, about 250 dealers.

8 Our dealers will all be brand new. So
9 we're going to teach people from scratch. We hope to
10 get about 10 to 20 percent experienced dealers to kind
11 of help us through our opening stages, but the
12 majority of our dealers we're going to train from
13 scratch. And we're going to do that training at our
14 racetrack. We've got some space over there that we're
15 converting to a training environment. We're setting
16 that up now. And we'll have our dealers come in, and
17 we'll train them in-house through the use of our own
18 staff.

19 Ultimately what we'd like to do is
20 partner with our community, partner with perhaps our
21 community colleges where we can work together to
22 establish dealing schools where the community can
23 provide us with the staff that we need. We hope to
24 begin training by the beginning of May. Actually, we
25 will begin training by the beginning of May in hopes

1 of being ready at our target date in July.

2 With that, I'm going to turn this over to
3 Ron Davis, who is our Director --- or sorry, Chief
4 Diversity Officer. Thank you very much.

5 MR. DAVIS:

6 Thank you, Kathy. Chair and
7 Commissioners and ladies and gentlemen, it is a
8 pleasure and privilege to report to you the success in
9 our diversity initiatives in employment, contracting,
10 diversity highlights. I will also talk about our
11 giving program as well as our responsible gaming
12 program briefly.

13 On page 13, you can see a Parx Casino
14 Workforce Summary. As of December 31, 2009, we had
15 593 employees in the gaming operation. 508 employees,
16 or 86 percent, are Pennsylvania residents.
17 Approximately 30 percent of our employees are
18 representatives of various minority groups. Forty
19 (40) percent of our employees are women.

20 Page 14, Parx Casino Workforce Highlights
21 in Existing Slots Operations. Since its inception,
22 we've had the creation of 125 full-time permanent
23 executive, managerial and professional positions.
24 Seventy (70) percent of all advancement opportunities
25 fill internally, which is approximately 35 individuals

1 in three years. Development of new casino
2 professionals including the list there, everything
3 from finance to marketing, all the other professions
4 that you see listed on the screen. We're very proud
5 of that fact.

6 Page 15, Parx Casino Diversity in
7 Employment. Our minority employment is 30 percent of
8 our total employee workforce, which compares favorably
9 to our host county, Bucks County, which is ten
10 percent. Female, approximately 40 percent of our
11 total employee workforce.

12 Diversity in Contracting, Parx Casino.
13 Thirty (30) percent of our total expenditures for our
14 new casino project were allocated to MBE and WBE or
15 minority- and women-owned businesses. We maintain an
16 active membership and relationship with Minority
17 Supplier Development Council, which is our chief
18 conduit to the minority community through business.

19 We also on the next page have
20 relationships that we've built over the past few years
21 with chambers and business councils. Through
22 Pennsylvania's educational improvement tax credits,
23 the ITC program, we contribute annually a maximum of
24 \$250,000 to the benefit of local schools. We award
25 scholarships, and this is our fourth year of awarding

1 scholarships to the Bucks County Technical High
2 School, Bensalem High School and Conwell-Egan Catholic
3 High School. We also meet with private citizens that
4 represent Bensalem on the Bensalem Gaming Advisory
5 Board. Two or three of them are here today to talk
6 about the issues or the community focus and
7 information concerning our current operations and
8 future plans.

9 Parx Casino's Community Involvement.
10 This is where we really stand out as a business.
11 Since 2006, we have made donations and established
12 sponsorships totaling almost \$8 million to over 200
13 individuals and organizations. These donations were
14 made to international, national and local groups that
15 support many varied causes, and you see the list of
16 them there. Just recently, we know the relief in
17 Haiti and Chile, over \$100,000 given. We're proud of
18 all those donations. But we also promote local
19 things, Bensalem Concert Series and Bensalem Pride
20 Day. We reach out, for instance, to the Bensalem EMS.
21 We've given over \$174,000 to ambulances over the last
22 two years. And of course, our EITC programs, an
23 outstanding part of our giving to the community.

24 I will briefly mention our Compulsive
25 Problem Gambling Highlights. We work with

1 representatives from the Council on Compulsive
2 Gambling of Pennsylvania to establish comprehensive
3 involvement in compulsive gambling training. We've
4 incorporated compulsive gambling training in employee
5 orientation to ensure all team members are trained and
6 aware. And we make contributions yearly to the
7 Council on Compulsive Gambling of Pennsylvania.

8 And now I'll turn it over to Joe Wilson,
9 the Chief Operating Officer of our racing division.

10 MR. WILSON:

11 Thanks, Ron. Director, Commissioners,
12 ladies and gentlemen, it's also my pleasure to be able
13 to come before you this morning. Philadelphia Park
14 Racetrack is one of the few year-round live racetracks
15 in the country. We run 200-plus days per year, and
16 racing has been conducted here in Philadelphia Park,
17 formerly Keystone Racetrack, for over 35 years. For
18 the last 20 years, it has been owned and operated by
19 the current ownership, which is Greenwood Raceway. We
20 mostly run Saturday, Sunday, Monday, Tuesday at 12:25,
21 but we also simulcast daily from 11:00 a.m. to 2:00
22 a.m.

23 Some of the things we've been able to do
24 is --- if you've been to the track, you can see the
25 47-foot diagonal TV in the infield, which we put in

1 for our customers. Slots have raised race purses from
2 \$120,000 per day to \$350,000 per day. This is the
3 highest annual purses paid for any single racetrack in
4 the United States.

5 As I indicated, we've more than doubled
6 racing purses in one year. Total purse distribution
7 was \$70 million through the 214 racing days in 2009.
8 This money comes from pari-mutuel, from slots revenue
9 at Parx as well as contribution from the standalone
10 casinos. We also encouraged increased wagering in
11 simulcast export market. For anybody that does not
12 know what that means, when we send our signal up for
13 other racetracks and OTBs and whatnot to bet on, our
14 annual handle actually increased significantly with
15 the adding of the slots.

16 Contributions to the PA Breeding, the
17 Breeding Fund was \$18 million in 2009, and
18 Philadelphia Park has been able to keep up with the
19 --- up to 40 percent in PA-bred bonuses. In addition
20 to the breeders program, we also have --- the
21 Pennsylvania Derby became Pennsylvania's first million
22 dollar race.

23 Another thing that came with the slot
24 revenue is the ability to --- as part of a ten-year
25 purse agreement with our horsemen, we've committed

1 over \$25 million for stable area renovations, which is
2 \$15 million more than the gaming law requires. In
3 fact, as we started renovating barns, we saw where,
4 you know, an original budget that was laid out there
5 increased significantly as we made several changes and
6 improvements to the design of that barn, so that
7 number will go pretty well north of \$25 million.

8 As I said, all 36 barns and 12 dorms will
9 be renovated. We're also going to build one additional
10 barn. Front side improvements, the grandstand
11 renovation project is underway where we're clearing
12 out the first floor. We're going to return that back
13 to racing and we're going to make some other,
14 obviously, modifications, you know, to the amenities
15 on the racetrack.

16 And with that, I'd like to turn it back
17 to Dave.

18 MR. JONAS:

19 So as we conclude --- thanks, Joe. We
20 really look at this as a promise delivered. The name
21 of our company is Greenwood Gaming and Entertainment,
22 but we're really a racing company. You know, the
23 forefathers who came over and bought this business
24 were in the racing business. Today, we still race
25 over 200 times a year. And what really encourages us

1 about the purses is with our new casino and our
2 revenues up somewhere in the 15 to 20-percent range,
3 we see purses staying pretty stable, in fact,
4 continuing to grow, which gives us a lot of steam and
5 momentum as we go into 2010 and beyond and go into
6 table games.

7 If you look at page 26 --- and I'm not
8 going to go through all of these. It's really a
9 summary of what we talked about. But we have
10 accomplished a lot in a very, very short period of
11 time. We've accomplished a lot in this community and
12 continue to work with the community. And you know the
13 Mayor and Council are here today. And the partnership
14 between us and the local community has really made a
15 lot of things happen that we haven't even really
16 talked about. In a minute, I'll talk about the tax
17 revenues that have gone to the state and the revenues
18 that have gone to the horseracing industry and Bucks
19 County. And it's very, very significant dollars.

20 We've been the employer of choice. We
21 have almost 700 full-time employees now. We'll double
22 that with the first phase of table games. By the end
23 of this year, with 80 live tables and 3,750 slots,
24 we're going to have about 1,500 employees. And 86
25 percent of those are from the local community. And we

1 plan on keeping that percentage.

2 We talked about compulsive gambling
3 programs and training. We're very, very committed to
4 underage gambling and compulsive gambling. And, you
5 know, I knock wood when I say we haven't had one
6 underage gambling incident in our casino in over a
7 year, not one. And it's one of the toughest things
8 for us to do, is to keep underage people out of the
9 casino. We haven't had one in over a year, and we
10 pride ourselves on that.

11 And from the compulsive gambling
12 standpoint, nobody wants to see a compulsive gambler.
13 And we spend money and time and training of our
14 employees not only to help compulsive gamblers once
15 they raise their hand, but more importantly, for us to
16 identify compulsive gamblers as they're gambling on
17 our property. And we have a lot of ways to do that,
18 and we train our employees on how to do that, and then
19 we get compulsive gamblers hopefully the help that
20 they need.

21 On slide 27, and we'll conclude our
22 presentation with this, is just a depiction of the
23 over half a billion dollars that we have paid in state
24 gaming taxes, county and township gaming taxes,
25 Economic Development and Tourism Fund and lastly, and

1 probably most importantly, because the whole reason
2 we're here is because of the racing industry and the
3 whole reason the legislation was passed was to support
4 racing, the amount of money that's been paid to the PA
5 Horse Racing Development Fund.

6 So with that, I again thank everybody for
7 letting us tell our story. We're very, very excited
8 about table games and can't wait to continue to grow
9 with the state and community. Thank you.

10 PRESIDING OFFICER:

11 I'll now turn it over to the
12 Commissioners for any questions they may have.

13 MR. ANGELI:

14 I'll just start with one. On your
15 training program for the dealers that you're running,
16 have you already identified all the people that you'd
17 like to train?

18 MS. KECI:

19 We have not. We're getting ready to
20 start our recruitment for our dealers and of course,
21 supervisors.

22 MR. ANGELI:

23 Do you anticipate, like, how many people
24 you have to train to be able to fill what you need? I
25 mean ---.

1 MS. KECI:

2 Well -- sorry. The approach that we're
3 taking, we will probably bring in extra people. We
4 need about 250 dealers to run the operation. We'll
5 probably look to bring in and put about 300 through
6 the training. Those jobs --- assuming all of them
7 make it through training and stick with us and decide
8 that this is what they want to do, will be great
9 training grounds for them in preparation for our
10 expansion in December. So everyone will stay
11 employed, even if everybody sticks with the program.

12 MR. ANGELI:

13 Okay. And annually, you talked about you
14 turning that over maybe, a community college or
15 another entity to do the annual training for this, or
16 how is that going to work?

17 MS. KECI:

18 Our annual training, in my experience,
19 has been in-house, and that is typically comprised of
20 Title 31, money laundering training, compulsive
21 gambling training. Any annual requirements are
22 typically done in-house. However, with our expansion
23 lasting probably from May until end of 2011, there
24 will be opportunities for us to continue to bring in
25 dealers, new dealers. And we hope to reach out to

1 some community colleges perhaps or community
2 organizations that can help us with our training
3 efforts.

4 MR. ANGELI:

5 And you mentioned that most of these
6 people will be newly-trained people. Are you at all
7 concerned that this is a new business in town, new
8 people coming to play and the word's out that, hey,
9 they have a whole bunch of new dealers there and we
10 can get one over on them?

11 MS. KECI:

12 Absolutely. However, we do have plans in
13 place to cover that. As I said, 100 percent of our
14 dealers will not be brand new. Some of them will be
15 more experienced. But the rest of our staff --- we
16 will hire only people who have held like positions in
17 the industry elsewhere. And we're finding out,
18 surprisingly, that there were many people right here
19 in this community that worked in the industry and for
20 whatever reason are not in the industry and they're
21 back in this community. So of course, they're going
22 to be people that we're going to interview and
23 consider for positions within the organization.

24 MR. ANGELI:

25 Interesting. I'm going to change gears a

1 little bit. On the horseracing side of it, your
2 marketing for that, do you do joint marketing with the
3 horseracing industry that says not only do you have a
4 casino here, but there's also horseracing here that
5 gets conducted.

6 MR. WILSON:

7 Yeah. If you look at the ad, we do a lot
8 of print advertising. We'll do --- especially when
9 you're getting to big days and you have them coming
10 up, Kentucky Derby, Preakness, Belmont, PA Derby,
11 we'll do joint ads in the local papers basically
12 advertising this is what we're doing for racing. This
13 is what we're doing on the casino side. It's a big
14 event.

15 We experimented last year on three
16 Fridays where we ran twilight races. And what we did
17 was we combined with the casino --- we had the radio
18 stations. We had live music out there. We advertised
19 it in the paper all week. We had it on the radio
20 stations. We brought a lot of families, a lot of
21 people out to enjoy the picnic grove, to enjoy the
22 races. So we decided, after that being successful
23 last year, we're actually going to run ten of those
24 this year. We're going to start Memorial Day weekend,
25 and we're going to run it every Friday through the

1 summer, and we're going to do this joint marketing
2 effort with the live music, you know, the kiddie
3 rides, the moon bounces, that kind of stuff. And
4 again, it has proven to be very successful.

5 MR. ANGELI:

6 And it seems to me that there's an
7 opportunity, as you begin to promote table games, as a
8 new entity here at the casino, it would be an
9 interesting time also to promote the horseracing side
10 of this at the same time.

11 MR. WILSON:

12 Certainly. Certainly. My view is I've
13 always looked at that table games or a poker player is
14 more inclined to horseracing. It's the same type of
15 activity as far as analyzing and those kind of things.
16 So yeah, we're looking forward to that.

17 MR. DAVIS:

18 Joe, just to add onto that, we opened a
19 simulcast facility in our casino, which is one of the
20 most --- in a very short period of time, it's become
21 one of the most successful off-track simulcast
22 facilities in our system. And the long-term plans now
23 call for a much larger simulcast facility in the new
24 casino that may marry with poker or something else
25 that we do, but that's on our docket, to create a much

1 larger simulcast facility. And we're seeing some very
2 positive results as far as revenue growth.

3 MR. ANGELI:

4 And when you talk about the improvements
5 that you made, I don't know if it was \$15 million that
6 you had committed to improvements, how have you --- I
7 know you've committed so much, but what percentage of
8 that commitment have you had?

9 MR. WILSON:

10 Are you referring to the backstretch
11 improvements ---

12 MR. ANGELI:

13 Yes.

14 MR. WILSON:

15 --- on the \$25 million? We've completed
16 seven dormitories and we've completed four barns.
17 We've spent about \$2.5 million in '09, \$3.5 million in
18 '08. So we've made those expenditures already. And
19 we have a lot more to spend. Again, we're going to,
20 you know, completely renovate every barn, every
21 dormitory in addition to building one new barn.

22 MR. ANGELI:

23 Thank you. That's all I have.

24 MR. SOJKA:

25 Just a few things. I was interested in

1 the electronic games that are coming in. The fully
2 automated ones and the iGames, do those ultimately
3 have the capacity to be wired directly to the central
4 computing system so that revenues can be calculated
5 and sent directly to the Department of Revenue?

6 MR. JONAS:

7 Well, the electronic table games that we
8 have today are wired into the central system.

9 MR. SOJKA:

10 But they're slot machines?

11 MR. JONAS:

12 They're slot machines, yes. I don't
13 know. And maybe someone on the staff can help us with
14 this. I don't know if they plan on wiring the fully
15 automated tables in, but we know that they've been
16 wired in as slot machines, so I would imagine there's
17 capabilities there.

18 The iGames right now play almost exactly
19 like a table game. There's a dealer. The only thing
20 --- now, there is some automation to it as far as the
21 betting, the chips, exactly. But as far as win/loss
22 calculations, I still think there's some manual things
23 that have to happen as far as ---. Are they all
24 automated as far as the win/loss on the table?

25 MS. KECI:

1 The wagering is automated. As I
2 understand it, we're still getting specs on this, we
3 are not able to input the opening amount in the chip
4 float and then the closing the closing amount in the
5 chip float and all the drop that goes into the drop
6 box, the currency. So it's right now that we know as
7 that it's wagering.

8 ATTORNEY KOHLER:

9 Right. From a technical perspective, the
10 fully automated machines would likely be capable of
11 being integrated. The electronic gaming table, it may
12 be, maybe not. But just from a legal perspective, the
13 Act, although it certainly doesn't say that it can't
14 be integrated to a central control computer, doesn't
15 require it like it does the slots. All these are
16 technically capable.

17 MR. SOJKA:

18 Right. And I'm aware of that. But I'm
19 looking to a future which might make it a little bit
20 easier for everyone and make things just a little
21 cleaner, because there is another component to the
22 electric things that I wanted to ask as well. In your
23 card-related table games, you will be using card
24 readers that will be aware of the cards that come out
25 of the shoe?

1 MS. KECI:

2 On the iGames, yes.

3 MR. SOJKA:

4 Only on the iGames, not on the live-dealt
5 games?

6 MS. KECI:

7 Yes. We anticipate using them on
8 baccarat. The current technology doesn't allow for it
9 on the use of other games because the player needs to
10 make decisions on the other games, and there's no way
11 for the electronic or intelligent shoe to really know
12 whether a player is going to split his eights, hit his
13 eights, stand on his eights. So that piece of
14 technology hasn't been developed to a point where it's
15 satisfactory to the operators. But yes, in baccarat,
16 definitely.

17 MR. SOJKA:

18 Okay. And would that, then, also provide
19 a memory of the game in case someone wished to go back
20 and challenge a decision or something of that sort?
21 Could our Casino Compliance representatives access,
22 for example, the actual cards dealt in a hand, say, a
23 day before?

24 MS. KECI:

25 Well, right now, the current technology

1 that's out there on the intelligent shoe, the memory
2 of that shoe is for the cards --- the eight decks of
3 cards --- and I'll speak to baccarat because that's
4 where it works right now. The eight decks of cards
5 that were previously dealt, that is retained locally
6 in the shoe. If we want to grab this information and
7 to do what you're proposing, we would need to grab it
8 and put it into our internal computer system. Are we
9 capable of doing that? Yes.

10 MR. SOJKA:

11 Okay. Those are all future interests.
12 Finally, the educational activity that takes place in
13 the current racing facility, will that in any way
14 interfere with the live racing that's going on?

15 MR. WILSON:

16 I can answer that. No, it will not.
17 This is going to take place --- we're looking at it on
18 the third floor. And if you've been to that, on the
19 third floor, you know, there's a steakhouse there.
20 And on the other side, there was a --- what was called
21 The Circle Bar. What we're going to do is --- and we
22 hadn't really planned on this, but we're going to do
23 it. We're going to take the steakhouse, that area
24 over there, and we're going to preserve that, and
25 we're going to use that for our racing operation. We

1 never had any plans for --- that the area on the third
2 floor where they're going to conduct these classes.

3 MR. SOJKA:

4 Now, as a final question, horseracing has
5 often been a kind of family-oriented thing in many
6 venues, and you mentioned kiddy rides and things. But
7 we get to this complex issue of age 21 on the gaming
8 floor, and we're aware of your intense efforts to
9 control people under 21 on the gaming floor. Have you
10 resolved a way to get people under 21 in where they
11 can watch horseracing, be with their families and so
12 on?

13 MR. WILSON:

14 Certainly that was always an issue for
15 the first three years. But now that the slots have
16 moved to their own building and the building is pretty
17 much 21 and over, the racetrack is back to racing.
18 And certainly, you know, the future is having families
19 come out, and we're going to be able to promote that
20 even more now that the slots are not in the
21 grandstand.

22 MR. SOJKA:

23 And when you do have live racing, do you
24 have live television coverage of the racing like you
25 would have for simulcast also in the casino in places

1 other than the simulcast room? Is it kind of cross
2 marketing like in a bar or ---?

3 MR. WILSON:

4 We have the ability to do that at our Jax
5 Bar, which is in the middle of the casino. We have
6 not yet done that, but we plan to do that for the
7 Kentucky Derby, the Preakness, and the Belmont and
8 also for the PA Derby so that bigger races will be ---
9 and the Breeders' Cup, obviously.

10 MR. SOJKA:

11 So your own PA Derby would be ---?

12 MR. WILSON:

13 Absolutely.

14 MR. SOJKA:

15 Thank you.

16 MR. TRUJILLO:

17 I just have a few questions as well.
18 One, what is your projected impact with respect to the
19 state revenue? How will the table games impact the
20 state revenue?

21 MR. WILSON:

22 Well, we see two things happening. One,
23 and I think I quoted a number on the table games, we
24 think in year one, over \$14 million will be paid in
25 taxes just on the table game piece to the State.

1 We also see a significant increase in
2 slots. And we know right now we don't have enough
3 slot machines in the building. We've had an
4 incredibly successful opening, but we see a lift that
5 will come with table games that I've experienced in
6 other jurisdictions, in Atlantic City and other
7 jurisdictions when I was with the Harrah's
8 organization, that will also increase the State
9 revenue for slots fairly significantly.

10 And right now, the net increase of slots,
11 with our first --- well, I said it was 75. It's
12 actually a net increase of 200 slots, because the
13 electronic tables or slots, now they're being
14 classified as tables. So, you know, there's some ins
15 and outs that go into that. But we're going to add
16 200 stand-up slot machines with this expansion, and
17 then we see ourselves adding another 200 or 300
18 machines by year end. So I think in both of those ---
19 in both respects we're going to see a lift in revenue.

20 MR. TRUJILLO:

21 And a couple other --- one comment I
22 wanted to make, which is, one, I appreciate the
23 presentation of both the --- I think your commitment
24 is for the prevention, not --- you're not committed to
25 underage gambling and to problem gambling, but to the

1 prevention, so I appreciate that presentation also. I
2 appreciate Mr. Davis' presentation on the minority
3 participation and MBE/WBE. And in fact, I first met
4 Mr. Davis at an event, so I'm happy to see that not
5 only are you members of these organizations but
6 actively participating in them. I think that's a
7 real credit to you.

8 I would like you to drill down a little
9 bit on --- if you have them with you, great, but if
10 not, if you could submit the numbers. I'd be
11 interested --- you talked about the percentage of
12 employees that are minority and women. What I'd be
13 interested in knowing is what percentage of them are
14 in your executive managerial and professional
15 positions as well because my assumption is that a
16 great majority of the minority --- of all your
17 employees are going to be on the floor. So I'd be
18 very interested in knowing your executive, managerial
19 and professional numbers and MBE/WBE numbers. And
20 then the second number that I'd be interested in
21 knowing is similarly drilling down on your MBE and WBE
22 contracting, how much of the 30 percent is WBE as
23 opposed to MBE.

24 MR. JONAS:

25 We'd be happy to give that information to

1 you.

2 MR. TRUJILLO:

3 Thank you. The last question with
4 respect to the impact of your --- the fact that you
5 will have or currently now have the largest average
6 purse, what's that going to look like? What's that
7 going to mean for what racing at Parx looks like
8 nationally, from a kind of national horizon?

9 MR. WILSON:

10 Again, as I indicated, we're year round,
11 which is a good thing for us. We put our product in
12 front of people around the world, basically, you know,
13 on a daily basis, 365 days a year. The purses --- you
14 know, a couple things happen when the purses grow.
15 The quality of the racing improves. The quality of
16 the people involved, their lifestyle can improve. In
17 other words, there's, you know, people making a living
18 now doing this that probably prior to the slots money,
19 had a really tough time and couldn't do that.

20 So as you grow your purses, you grow your
21 program, you attract more national attention. And
22 like I said, that export market, which is the people
23 around the world that are betting on your races, can
24 grow. And it has grown and is actually sustaining
25 itself in an industry that nationwide is pretty much

1 on the decline.

2 MR. TRUJILLO:

3 And the reason for my interest and this
4 will be --- this is really not so much on table games,
5 but it's clear to me that both your success at the
6 slots --- there's an awful lot of feed over effect
7 between --- or crossover effect between your success
8 in the slots, which you'll have success in table
9 games, that increases your slots. It's increasing
10 your revenue on races. And so we also do have some of
11 our fellow Commissioners here, not just from the
12 Gaming Control Board but with respect to horse racing.

13 So long term --- and I'd would be
14 interested in kind of seeing how that develops from a
15 --- and I'm thinking of this almost from a marketing
16 standpoint because it seems to me that you're in a
17 position at least to become a marketing leader
18 certainly not just in Philadelphia but a national,
19 perhaps international, market leader over time. And
20 so at some point, I'd like to get a much better view
21 of what that vision is as things go forward two,
22 three, four, five years. Thank you.

23 By the way, I apologize. I have to step
24 out because of our delay. My ten-year-old daughter is
25 doing a show that I cannot miss. So it has nothing to

1 do with anybody else's comments. Thank you.

2 PRESIDING OFFICER:

3 Does Greenwood Gaming have anything to
4 add to their portion of the presentation?

5 ATTORNEY KOHLER:

6 I think we rest with that.

7 PRESIDING OFFICER:

8 Okay. We'll take a five-minute break.
9 We need to break down the screen and move the podium
10 for the public speakers. So if we could all return
11 here at about 20 after 11:00, we'll begin again ---
12 sorry, 25 after 11:00.

13 SHORT BREAK TAKEN

14 PRESIDING OFFICER:

15 We'll now begin with the public comment
16 portion of the hearing. As I call your name, please
17 come forward to the podium and the microphone over
18 here to the side. As a reminder, each speaker should
19 begin their remarks by stating his or her name, the
20 municipality where he or she resides, and if speaking
21 on behalf of government or entity, the name of that
22 government or entity. Our first speaker is Mayor
23 DiGirolamo.

24 MAYOR DIGIROLAMO:

25 Good morning. I just said to the

1 Commissioners, welcome to Bensalem, and everyone from
2 Bensalem Parx. Got a smile out of that, didn't I?
3 We've been waiting a long time to get that name
4 change, and we're mostly there. I thank them for
5 that.

6 The one thing I really --- I heard
7 testimony earlier from Joe Wilson talking about the
8 thoroughbred racing, which was very, very important to
9 me from the very beginning. There was a lot of
10 testimony today given about the thoroughbred track,
11 which has been a part of us for many, many, many years
12 here in Bensalem. And certainly when the casino ---
13 the opportunity came for the casino to be here, I was
14 certainly a proponent of that because to me, they were
15 going to save thoroughbred racing here in --- not just
16 here in Bensalem but throughout the state. So it's
17 very, very important to me that that industry keeps
18 going. And what they've done on that end --- and
19 they've kept their bargain, that I know of, and the
20 money that they're putting into thoroughbred racing,
21 they're committed to the township here. And what
22 they've done in the last --- three years, is it now,
23 going on four in October --- has been a great
24 partnership for us here in Bensalem. That's not to
25 say that we haven't had to sit down and talk about

1 things and get things done. They've always come to
2 the table and assisted us in getting the things that
3 we felt our community needed, and we thank them for
4 that. But as I said before, the partnership has been
5 absolutely wonderful for us, and certainly the
6 revenue. And something that I've looked for very hard
7 is when these --- the table games, come to get out
8 fair share of revenue. And we are going to share in
9 that, a one percent share for us here in Bensalem.

10 All those things in our community here
11 were very, very important to us. But to go back to
12 the very beginning, and I mean this sincerely, the
13 racing industry is very important to me, personally.
14 And I know what they're doing over there with the
15 thoroughbreds, they've kept their commitment, as far
16 as I know and will continue to do that. That's a big
17 part of us here in Bensalem. And I think you're going
18 to see more and more people come back to the
19 racetrack. That's something that I remember going way
20 back. I'm a lifelong resident here in Bensalem. I go
21 all the way back. That is so important because that
22 does give you an opportunity at times to go out and
23 enjoy your day. And the second part I want to see is
24 the table games. That's coming in hopefully by June
25 or May. I'm not sure if I heard it correctly.

1 MR. WILSON:

2 Hopefully July.

3 MAYOR DIGIROLAMO:

4 Oh, July. But all these things will come
5 together. The revenue for the State of Pennsylvania.
6 We're delighted, it's been a great partnership. So
7 that's my testimony. And let's keep the thoroughbreds
8 going here in the State of Pennsylvania. Thank you,
9 Commissioners, and welcome again.

10 PRESIDING OFFICER:

11 Our next speak is Council President
12 Pilieri.

13 MR. PILIERI:

14 Good morning. As the Mayor said, welcome
15 here to Bensalem. We appreciate you coming to our
16 community. I am the Council President of Bensalem
17 Township, Joe Pilieri.

18 We've had good relationships with Parx
19 Casino, and the things that they do for our community
20 and surrounding communities, jobs. In an economy
21 where jobs are difficult, we have a job creator to
22 help our community and surrounding communities.
23 They've worked with us whenever we had questions or
24 problems, they would take the phone calls or call back
25 quickly and we've been able to take care of the

1 problems.

2 When you have a business in your
3 community that's willing to work with the community,
4 help the community and do things that are best for the
5 community, you like having that employer in your
6 community. And we've been blessed with that in
7 helping people keep their jobs. As far as their
8 giving back to the community, again, it's something
9 that you don't have a lot of companies that are able
10 to give back to the communities and things that need
11 to be done. And they've helped us on that end also.

12 So we're moving forward. Our
13 relationship in working together has worked out very
14 well. It's brought more jobs to the people of our
15 community. And from the standpoint of the township
16 officials, we really like to see those things happen.
17 I just want to say thank you. And thank you for
18 inviting us today, and we're looking forward to
19 working with Parx and the Commission in the future.
20 Thank you.

21 PRESIDING OFFICER:

22 Our next speaker is Carl Pearson
23 (phonetic). I am told he may stepped out, and it
24 looks that way, but if he does reappear, we'll hear
25 from him later. That brings us to the Chairman of the

1 PA Racing Commission, Corrine Sweeney.

2 MS. SWEENEY:

3 Good morning, Commissioners. My name is
4 Corrine Sweeney, and I reside in East Marlborough
5 Township, and I'm the Chair of the Pennsylvania Horse
6 Racing Commission. Also in attendance with me today
7 are my fellow Commissioners, Ray Hamm and Jed Hannum.

8 We, along with Secretary of Agriculture,
9 Russell Redding, are very pleased with the recent
10 table game legislation. We're particularly pleased
11 with what is referred to as Section 1211. Section
12 1211 provides for annual reports from the Category One
13 license holder such as Parx Casino located at
14 Philadelphia Park. Section 1211 gives the Category
15 One facilities the opportunity to indicate what
16 measures will be taken to enhance live racing and
17 breeding in Pennsylvania.

18 We expect the Category Ones to put their
19 best foot forward to demonstrate in concrete ways
20 their commitment to live racing and breeding in
21 Pennsylvania. We expect the the Category One license
22 holders to provide to us what steps they plan to
23 employ to increase the attendance at their respective
24 racetracks in the ensuing year.

25 The breeding and racing of horses in

1 Pennsylvania are the keystone as to why Act 71, the
2 Pennsylvania Race Horse Development and Gaming Act,
3 was passed by the General Assembly and signed into law
4 by Governor Ed Rendell. With the enactment of Section
5 1211, there will be closer scrutiny of what the
6 Category Ones are doing to promote and enhance live
7 racing and breeding in Pennsylvania. There should and
8 will be a closer connection between live racing, slots
9 and table games. One should be recognized as part and
10 parcel with the other.

11 Expectations will be for the Category One
12 license holders to be creative and innovative.
13 Specifically, we expect the Category One license
14 holders to promote live racing in a robust and
15 sustained manner. Specifically, we fully expect a
16 grandstand facilities at Philadelphia Park to be
17 suitable for an enhanced live racing product
18 originally contemplated by Act 71. Specifically, we
19 fully expect the Category One license holders to
20 maintain a safe and professional backside for the
21 wellbeing of the horses and the staff. Specifically,
22 we fully expect the Category One license holders to
23 support the offering of a significant number of races
24 of Pennsylvania-bred horses, recommending one such
25 race on every racing card. Cooperation from the

1 Pennsylvania Gaming Control Board and the State Horse
2 Racing Commission will be the hallmark going forward.

3 The Category One license holders have a
4 duty by law to enhance live racing and breeding in the
5 Commonwealth of Pennsylvania. There should be a
6 closer link between the Category One license holders
7 and featured live racing with something as fundamental
8 as signage. When you enter Parx Casino, you should
9 immediately be aware that live racing is being
10 conducted at Philadelphia Park.

11 As a result of Section 1211, we expect
12 the respective commissions will have an active role at
13 both the Category One facilities and their respective
14 racetracks to monitor the progress regarding
15 enhancement of live racing at all 6 of Pennsylvania
16 tracks: the three thoroughbred tracks, Philadelphia
17 Park, Penn National and Presque Isle Downs and the
18 three harness tracks, the Meadows, Pocono Downs and
19 Harrah's Chester Casino and Racetrack.

20 We shall look forward to a bright future
21 for live racing and horse breeding in Pennsylvania and
22 the promotion and enhancement of agriculture in our
23 Commonwealth. Commissioner Hamm, Commissioner Hannum
24 and I thank you for your strongest consideration of
25 these remarks. Thank you.

1 PRESIDING OFFICER:

2 Thank you. Our next speaker is Michael
3 Ballezzi with the Pennsylvania Thoroughbred Horsemen's
4 Association.

5 MR. BALLEZZI:

6 Good morning. My name is Michael
7 Ballezzi, B-A-L-L-E-Z-Z-I. I am the Executive
8 Director. I am also the Counsel for Pennsylvania
9 Thoroughbred Horsemen's Association, commonly referred
10 to as the PTHA.

11 The PTHA represents over 4,000 horsemen
12 and women who race and train at Philadelphia Park
13 Racetrack. That's a significant number of
14 Pennsylvanians. What we do at Philadelphia Park
15 Racetrack is we put on a show on a daily basis. We
16 bring the racing, the live racing to the public. We
17 do that seven days a week, 365 days a year.

18 There's no question that PTHA has
19 supported Greenwood Gaming. We supported them every
20 step of the way. When they wanted to have a separate
21 casino from the racetrack, we agreed. It was
22 necessary for the horsemen to agree to that. We
23 agreed to that. When they wanted to place a temporary
24 casino in the grandstand, gutting nearly 90 percent of
25 the grandstand, we agreed because we believed it was

1 in the best interest of racing at that time. We also
2 agreed with them to have the grandstand returned to
3 racing within six months of the day they opened their
4 permanent casino.

5 We also applaud them on the excellent,
6 excellent casino they've just built, a beautiful
7 state-of-the-art building, so it will enhance racing
8 in Pennsylvania, we believe. There's no question they
9 have come through in certain areas for the casinos,
10 for themselves and for the State. But the devil is in
11 the details.

12 I'd like to take a few minutes and just
13 get into some of the areas that are of the utmost
14 importance to the horsemen, areas, in our opinion,
15 that have reached critical mass, and they are the
16 areas pertaining to the backside. I'm going to hand
17 out to you now a brief synopsis of the area, which I'm
18 going to speak about.

19 The first area is Act 71. There's no
20 question that when we negotiated with Greenwood and
21 the legislators, and the horsemen had a major part in
22 that, we all agreed that a live racing agreement at
23 each respective racetrack was of paramount importance.
24 Right at the top of page one are references made in
25 Act 71, the very first page, where live racing is of

1 utmost importance. You can read that at your
2 convenience.

3 Page two, again, live racing. The live
4 racing agreement had to be in place in order for an
5 operator to receive a gaming license. And that
6 authority, based on Act 71, goes to the live racing
7 agreements we had with Philadelphia Park. If you look
8 at page three, one of the principal pieces of our live
9 racing agreement is paragraph 19 on page 18 where it
10 states clearly, health, maintenance and safety. The
11 Association, that's the racetrack, agree to maintain
12 the backstretch area and all related buildings, barns,
13 dormitories, food service facilities and other
14 structure in conforming with the Race Horse Industry
15 Reform Act and all applicable building, fire, health
16 and environmental codes.

17 Additionally, a procedure for the central
18 and logging of health, safety and maintenance requests
19 shall be reached between the Association and the PTHA,
20 and a reasonable review and implementation program of
21 such requests shall be agreed between the parties.

22 What we have, if you turn the page, is,
23 in fact, a barn maintenance schedule. If you note in
24 the upper right-hand corner, these barn checklists
25 must come in, must come in with horses. The horsemen

1 make a complaint. We are the central collection
2 agency, my office. You'll notice there are areas of
3 all aspects of barn maintenance and maintaining the
4 backside. We made a copy of this and faxed it to the
5 key personnel for the operator. Those key park
6 persons are Sal Sinatra, who is the Racing Secretary,
7 all the way down to Joe Wilson, who is the COO. Every
8 competent, reliable source receives a copy. There is
9 no excuse that they are not aware of these conditions.

10 There is a box that --- just hold the box
11 up. There are over 700 of these forms in the year ---
12 I have copies for you all you to take home and look at
13 every one of them. Over 700 requests forms for
14 maintenance were filed in 2009 alone that have gone
15 unrepaired. If you'll turn the page, and you'll skip
16 the next two pages, there's a letter addressed
17 November 26th, 2007 on my stationary to Mr. Wilson.
18 Dear Mr. Wilson --- strike that. I'm sorry.

19 November 30th, 2009. This is a very
20 important letter. On that date, I addressed a letter
21 to Mr. Wilson, and I'm paraphrasing, requesting ---
22 and attached there, you'll see the following pages,
23 four or five pages of repair orders of conditions on
24 the backside that have gone unaddressed. Every
25 possible health and safety condition that could lead,

1 in our case, in some cases, to criminal charges
2 against Greenwood for having to have boards propped in
3 place because they can't stay on the hinges without
4 being locked. If there had been a fire, to humans ---
5 human doors are locked. Horses living in conditions
6 where the roofs are literally falling in. We were
7 very concerned the last snowstorm that the roofs would
8 not hold on --- would not maintain themselves, placing
9 individuals and horses in danger.

10 So what I did is I had my staff, if you
11 go back a few, yesterday --- these photos were from
12 yesterday --- go through the backside, and we have
13 over 700 photographs. And I obtained a representation
14 of about probably 80 percent of the barn area. But if
15 you look at the conditions on the backside, these
16 conditions exist as we speak. At lunchtime, if you
17 want to take a break, I'd be glad to take you to the
18 backside directly to the barn where these photos were
19 taken.

20 This is the most deplorable backside in
21 America. This is not an abandoned backside. This is
22 not an abandoned racetrack. If you'll look at the
23 photographs, you would think that this backside is
24 abandoned, but yet people live here. Horses have to
25 be housed here. The conditions are deplorable.

1 In any event, on my letter of November
2 20th to Mr. Wilson, I attached all this information to
3 him as well as to the other individuals responsible
4 for the conditions. I received no response. There
5 was no repair work. Nothing was accomplished. The
6 conditions exist as they are today.

7 Now, in all honesty, as of yesterday, I
8 did notice that were some carpenters in the backside
9 attempting to do some last-minute repair. How do they
10 expect them to do four years of neglect in one day
11 before it came before you is interesting. But my
12 question is, with the state of their revenue, and
13 they've expressed today how well they're doing, \$200
14 per win per day, showing gross revenues, record
15 numbers, best in Pennsylvania, why are they leaving
16 our backside in this deplorable condition?

17 Mr. Wilson, in his example, stated they
18 were going to spend \$25 million over the next ten
19 years to build a new barn. Well, they have an
20 obligation, and I'm referring to page five,
21 backstretch improvement. we had a second addendum
22 signed to our live racing agreement. It states
23 categorically that they have an obligation to build 36
24 barns over the next nine years. That is four barns
25 per year. At the present time, they've only built two

1 barns per year. In 2008, they had to build four barns
2 and they built two. In 2009, they had an obligation
3 by contract in front of you to build four barns, and
4 they built two. In the interim, while they're building
5 only half the required number of barns, they've done
6 nothing for maintenance. Zero. Zero. We've had
7 faucets leak for months, months, creating ice hazards
8 during the winter.

9 My letter was very clear to Mr. Wilson
10 and to the rest of the staff, not only Mr. Wilson, but
11 the other interested parties, that the conditions were
12 dangerous. This is a November letter coming in to
13 winter, where we have faucets leaking. I mean
14 gushing, 24/7. Hot water heater running 24/7,
15 creating conditions --- holes in the backside where
16 people who had to remove the manure refused to come in
17 and use their equipment because the holes are so deep
18 they're losing their traction. There has not been
19 paving done for years.

20 And all this started with the beginning
21 and opening of the temporary casino about three years
22 ago. We used to have annual maintenance reviews where
23 the racetrack would have all the barns, what we call a
24 blowout. They would remove all the horses. They
25 would then go to the barn and remove cobwebs, repair

1 broken boards, repair windows and doors. That was
2 done once a year. So every barn received one
3 maintenance allocation per year. That no longer
4 exists. They have not done a blowout in three years
5 at all. Why is that, I ask you. Why? We have record
6 profits. Why are they doing it? This is their
7 property. Would any of you leave your faucet running
8 24/7 in your house or your garage door half open?
9 There's a picture in there where --- I just showed you
10 one, which is an illustration of a dozen doors being
11 wired into place because the doors are off the hinges
12 and it's wintertime and if they don't wire it in
13 place, they'll have an opening. Now, wired in place
14 means if there's fire, no one can get out of that
15 door. It's obviously a fire code, and in our opinion,
16 criminal.

17 Now, I made this presentation before our
18 racing commission. Now I'm make it before our Gaming
19 Board. And I'm asking the question, why are they
20 doing this? I wish they had an answer. And why is no
21 one else supporting us in getting this resolved? They
22 were supposed to have rebuilt three dormitories per
23 year. Mr. Wilson indicated they've done seven of
24 them. They've done seven. Really? You know, the
25 devil's in the details. Those seven still don't have

1 doors or windows replaced. There are two trailer
2 loads of windows and doors that have been sitting in
3 the parking lot for a year and a half that no one has
4 touched those windows or doors. And these are where
5 humans live.

6 The complaints in the back, and I
7 certainly saved them for last because they're the
8 least important, but if you go to the back, you'll see
9 a list of requests for human habitat, where human
10 beings live, where there is no heat, no hot water,
11 toilets don't work, showers don't work. And these are
12 the folks who are putting on races.

13 PRESIDING OFFICER:

14 If I could interrupt, if you could please
15 wrap up here your comments. You've had twice the
16 amount of time you're allotted.

17 MR. BALLEZZI:

18 I was on the last page.

19 PRESIDING OFFICER:

20 Okay.

21 MR. BALLEZZI:

22 I have twice the amount of issues that we
23 have to talk about.

24 PRESIDING OFFICER:

25 Thank you.

1 MR. BALLEZZI:

2 Perhaps I should just split myself in
3 two. The point is, yeah, we have record purses.
4 There's no question about that. Of course, what they
5 don't tell you is unfortunately, the \$300,000 a day,
6 which is now reduced by 34 percent because of the
7 complicity of tax that fell on our shoulders, the
8 racetrack didn't pay one penny of the deficit of \$250
9 million. The horsemen paid every penny of that. And
10 for the next three years, we're going to pay 17
11 percent out of our budget. So it's really not
12 \$350,000 a day. It's really \$240,000 a day.

13 But what I'm asking is the question why.
14 This is their facility, this is a black eye to the
15 industry. This is the largest racetrack in the east
16 coast, and we race more than any other racetrack in
17 the east coast and pay out more purses, and we will
18 never develop first-class racing. Horsemen will not
19 come and race at Philadelphia Park. They will not
20 come because of the conditions. They are deplorable.

21 Take a moment, please, I beg you, on
22 behalf of the 4,000 men and women who have no say
23 other than my voice. Look at those pictures and
24 explain to me under what circumstances that should be
25 permitted. I would like an answer to that. Under

1 what circumstances should those photographs be
2 permitted today in a \$100 billion industry?

3 Thank you for your time. I'll answer any
4 questions. But I'd like to have Philadelphia Park
5 respond to respond. Is there a response?

6 MR. SOJKA:

7 I have one quick question. And if you
8 remember about a year ago, about a year and a half
9 ago, you and I did --- along with others, did a
10 backstretch tour, looked at some of the dormitories,
11 looked at the bathrooms and things.

12 MR. BALLEZZI:

13 It's worse today, so ---.

14 MR. SOJKA:

15 Is it? Well, I'm having trouble ---.

16 MR. BALLEZZI:

17 Come with me today.

18 MR. SOJKA:

19 I'm going to go over. I'm having
20 problems putting these things together because I was
21 shocked, as you might imagine. But I'm also seeing
22 that it looks like at least financially, the
23 commitment and maybe beyond commitment of what was ---
24 you know, what we were talking about. And yet it
25 seems like my pictures show that what was causing our

1 hair to stand on end is still the same.

2 MR. BALLEZZI:

3 Just allow me one brief response to that.
4 Here's where we are. This is the dilemma we're in.
5 The reason why they're spending \$25 million and not
6 the minimal \$6.25 million to \$10 million that the
7 statue requires is because they wanted my agreement to
8 build these separate casinos. They needed our
9 agreement. Sat down with Mr. Green and he promised me
10 to do all the barns and build the barns in a rapid
11 fashion in exchange for our agreement. And I came
12 before you, sir, you remember, and said we support a
13 separate casino.

14 The moment that was signed by me, things
15 changed. They only built two barns per year, not
16 four. And under the live racing agreement, it still
17 says they must maintain the backside. So the numbers
18 you saw today are a red herring. That \$25 million is
19 over ten years. It's only \$2.5 million a year, which
20 is peanuts. And no maintenance budget. Minimal
21 maintenance. Oh, they'll do emergency things if there
22 are four or five requests. If you look carefully at
23 the list of items, you'll see third, fourth requests
24 for many of them. Essential hazard prohibitions,
25 things that create dangers to horses and humans,

1 second and third requests are necessary. And then
2 they're still not complete. So there's a disparity
3 between what they're saying contractually and what
4 they're actually doing. They're not doing what they're
5 saying they're supposed to do.

6 MR. SOJKA:

7 I don't want to blunder into this
8 difficult area between two Commissions, but am I
9 hearing you say that you would be happier and the
10 horsemen would be happier if some of that money that
11 has been committed beyond what was by law required, if
12 it was diverted to maintenance of already existing
13 facilities rather than pushing it out ---?

14 MR. BALLEZZI:

15 Absolutely not. I'm not saying that at
16 all. They made a separate agreement by contract to
17 build 25 new barns. It has nothing to do with the
18 maintenance under our live racing agreement.
19 Maintenance is maintenance. When the door's falling
20 off the hinges, you fix it. It doesn't mean we don't
21 still build a new barn. No. That's what they're
22 trying to do here. I believe that is their effort to
23 try to say, okay, we're spending \$25 million and
24 that's our budget, period. So the rest of the barn
25 area falls down. It's going to take them ten years to

1 build all new barns. There are 36 barns on the
2 grounds. They've only done four. That's 32 barns.
3 What are we supposed to do, neglect those 32 for the
4 next nine years?

5 MR. SOJKA:

6 Well, again, you've got to remember you
7 have to treat people like me like a four-year-old. So
8 what basically you're saying is the commitment beyond
9 what is required by law is entirely separate from what
10 is required by law, and that is it's based on,
11 according to you, an agreement that you arranged and
12 the horsemen arranged with Parx Casino to accelerate
13 construction, and you're saying, well, maybe that
14 isn't exactly the way we want things going, but you're
15 also then harkening back to basic maintenance, which
16 you're saying was not part of that agreement that you
17 had?

18 MR. BALLEZZI:

19 Right.

20 MR. SOJKA:

21 And they're not living up to it?

22 MR. BALLEZZI:

23 We consider the live racing agreement as
24 a sacred cow. Act 71 acknowledges that. Under the
25 live racing agreement, which is a negotiated agreement

1 between Greenwood and myself, my association, on all
2 aspects of racing at Philadelphia Park, it's a
3 contract. It's a contract, which is liable on both
4 sides. And in that contract, it says they must
5 maintain all of the buildings to code. That's number
6 one, irrespective of new barns. Then on top of that,
7 we have the addendum to the live racing agreement that
8 says, okay, PTHA, for you letting us build a separate
9 casino, we're going to go beyond what Act 71 provides.
10 And that's another separate agreement. They're both
11 here. They're both in front of you.

12 It's clear that they have obligations
13 under the live racing agreement, A, to maintain the
14 buildings up to code, which they have not done, as
15 evidenced right in front of you, and number two, a
16 separate agreement by addendum signed wherein they
17 will build all new barns in exchange for our approval
18 that they can build a casino separate from the
19 grandstand.

20 MR. WILSON:

21 If I may, Commissioner? Commissioner?
22 May I?

23 MR. SOJKA:

24 I shouldn't be doing the questioning
25 here. I'm just asking.

1 MR. WILSON:

2 And I'm not willing to start an argument.
3 You know, fundamentally, I disagree with Mr.
4 Ballezzi's comments that we do no maintenance.

5 MR. BALLEZZI:

6 Well, with all due respect that's a
7 question ---.

8 MR. WILSON:

9 Can I speak or ---?

10 MR. BALLEZZI:

11 I thought it was questioning.

12 PRESIDING OFFICER:

13 We're going to allow his comment. Your
14 time was up, and the Commissioner asked you some
15 questions. And you've answered those. We'll allow
16 Greenwood Gaming now to respond.

17 MR. BALLEZZI:

18 May I respond?

19 PRESIDING OFFICER:

20 When he's finished.

21 MR. WILSON:

22 The maintenance is done on that backside
23 on a daily basis without a doubt. I've had the last
24 three months of work orders pushed to where we
25 completed 440 work orders in three months. And I have

1 them, and I'd be happy to provide them to the Board if
2 you would like.

3 In addition to that, just the maintenance
4 budget is probably \$3 million a year just for
5 personnel that work in the maintenance department.
6 And that maintenance department covers the whole 450
7 acres at Philadelphia Park. There's a reason we have
8 entered into an agreement. There's a reason we made a
9 commitment to renovate these barns. And these barns
10 are 36 years old and really require a lot of
11 maintenance. We spent the whole winter fixing broken
12 pipes. Our first priority, fixing broken fire
13 sprinkler pipes. God forbid there's a fire and those
14 sprinklers don't work. You know, six feet of snow is
15 not an easy thing to deal with. You know, I've spoken
16 before this Board. I've spoken before this Board
17 about 18 months ago. So to hear that nothing's been
18 done in four years --- this is, you know, certainly a
19 very big statement, if you will.

20 These barns ---- Mr. Ballezzi refers to
21 we only built two per year rather than four per year.
22 Mr. Ballezzi contributed to the design, any changes we
23 made to this barn. We made a lot. This barn was
24 budgeted at \$550,000 to renovate a barn. \$550,000.
25 By the time we got done, the barn cost more than

1 \$800,000. I know we keep throwing that \$25 million
2 number out there. It's not \$25 million. It's over
3 \$30 million is what it's going to wind up being.

4 The last barn, when we built the fourth
5 barn we got together and we said, we believe we have
6 the prototype barn. Let's build 32 more of these.
7 The Pennsylvania DEP then stepped in and said you
8 can't wash horses outside anymore. You can't wash
9 them outside. They've got to be washed inside. Back
10 to the drawing board, design a barn, put wash stalls
11 in the barn, connect to the domestic sewer that's on
12 the property. This stuff doesn't happen overnight.
13 It doesn't happen overnight. Yes, we have a
14 commitment to racing. I'm personally reviewing these
15 work orders, Mr. Ballezzi's complaints, and we will
16 resolve the maintenance issues that exist on the
17 backside.

18 MR. BALLEZZI:

19 Just one minute to respond.

20 PRESIDING OFFICER:

21 Thirty (30) seconds.

22 MR. BALLEZZI:

23 Okay. Thirty (30) seconds. Number one,
24 it snowed two weeks ago. These complaints go back two
25 years ago. So snow didn't stop him there. Number

1 two, their maintenance budget is now four carpenters
2 for the entire thing. Mr. Wilson stated 400 acres.
3 I've been told by the shop stewards who came to my
4 office and said three years ago, they had 13
5 carpenters. Now they're down to four, and those four
6 carpenters are taking care of the casino maintenance,
7 because we certainly never see them on the backside.
8 And if they did 400 work orders, I would like to see
9 them, number one, and they are getting ripped off,
10 because there's nothing being done to these barns.
11 Nothing. They did do the piping for the emergency
12 sprinkler system. They had no choice. I mean, that's
13 a major fire concern.

14 PRESIDING OFFICER:

15 And your 30 seconds are up.

16 MR. BALLEZZI:

17 Doing that one major repair is certainly
18 not doing the other safety issues that need done.

19 Thank you again. And again, I would like to have an
20 answer from Greenwood on why they are as they are.

21 Thank you.

22 PRESIDING OFFICER:

23 Our next speaker is Eleanor Kline.

24 MS. KLINE:

25 Hello. My name is Ellie Kline. I'm from

1 Bensalem, Pennsylvania. I have a few comments. I
2 have written to the Board. I have written to my State
3 Senator. I've written to everybody I know of about
4 the smoking situation at the new casino. There is no
5 way you can tell that you can smoke anywhere until you
6 come to a little box that has smoking or non-smoking
7 signs. The smoke is horrendous. On Sunday, one of
8 the columnists from the Philadelphia Inquirer wrote
9 and called it the box of smoke, the Parx Casino. And
10 she's correct.

11 Secondly, I did contact the indoor --- I
12 did look over the Indoor Environmental Act. I read
13 where the casinos really are under the purview of the
14 Casino Control Commission. They are the ones that can
15 control this. I've spoken to the Department of Health,
16 and they told me that. The smoking is one issue that
17 no matter who I contact, no one seems to want to
18 address that.

19 Number two, I find that the basic
20 niceties are not there. There's no water fountains.
21 There's no telephones, pay telephones. Granted, most
22 people do have a cell phone, but some people don't.
23 Also, what really hit me this weekend, I was at
24 somewhere else and I --- realized what I don't see at
25 the casino is management. Now, you'll say, of course

1 there has to be management in such a large place, but
2 I don't see the presence of management. Many times
3 lines get very long when you're trying to get
4 something, and I don't see like what you see in
5 supermarkets and things like that, someone out there
6 moving the lines. They're just some of the things that
7 I really have an issue with. And I guess what I'm
8 trying to say, if they can't handle those little
9 things, how are they going to handle table games?
10 Thank you.

11 PRESIDING OFFICER:

12 Our next speaker, Jay Schneller
13 (phonetic). Mr. Schneller? No. Carl Pearson
14 returned? Okay. Those are the individuals I had had
15 on my list here to speak today. If somebody is here
16 today who believes they registered to speak, would you
17 raise your hand? No? Okay.

18 Housekeeping. The record we created here
19 today, including all of the transcript of the hearing,
20 the exhibits that were entered, including all the
21 written and oral comments, will be forwarded to the
22 entire Board for its consideration. The Gaming Act
23 requires the Board act on Greenwood Gaming's Petition
24 within 60 days of its filing, so the Board will be
25 picking up and considering Greenwood's Petition at a

1 public Board meeting in the near future. I want to
2 thank you all for coming today and again for your
3 patience in our delay to get started, your
4 cooperation. And this public input hearing is now
5 concluded and adjourned. Thank you.

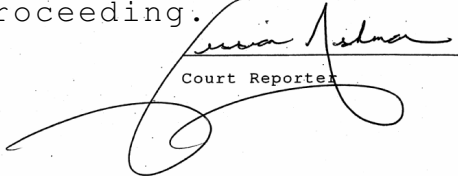
6
7 * * * * *

8 HEARING CONCLUDED AT 12:04 P.M.

9 * * * * *

10
11 CERTIFICATE

12 I hereby certify that the foregoing
13 proceedings, hearing held before Presiding Officer
14 Lloyd, was reported by me on 03/10/2010 and that I
15 Jessica L. Ashman read this transcript and that I
16 attest that this transcript is a true and accurate
17 record of the proceeding.

18 
19 _____
20 Court Reporter