

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC HEARING

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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
(via telephone)

HEARING: Tuesday, May 25, 2010, 3:20 p.m.

LOCATION: Commonwealth Keystone Building
400 North Street, Hearing Room 1
Harrisburg, PA 17120

WITNESSES: George Toth, James Tuthill,

Reporter: Jennifer T. Alves

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I N D E X

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CHAIRMAN:

We'll now call the matter of Mt. Airy Number One, LLC, Petition for Approval of Expansion and Reconfiguration of their Gaming Floor. Could the representatives of Mt. Airy please come forward?

Thank you. We'll get started here. Again, I would ask anyone who is speaking on behalf of Mt. Airy, LLC or OEC who are not attorneys to please stand and be sworn in by the stenographer.

WITNESSES SWORN EN MASSE

CHAIRMAN:

Thank you. And again, anybody who's speaking for the first time, please state your name and spell it for the stenographer. And with that, Mt. Airy, you may begin.

ATTORNEY SHIFFER:

Good afternoon, Commissioners. Don Shiffer, S-H-I-F-F-E-R, counsel for Mt. Airy Casino. To my immediate left is Mt. Airy's CEO, George Toth. And to his immediate left is our Vice President of casino operations, James Tuthill.

1 On April the 7th, this Board approved Mt.
2 Airy's Table Games Petition. And in its May 3rd
3 Order, granted Mt. Airy approval of its Table Games
4 Operational Certificate. In its Table Games Petition,
5 Mt. Airy submitted slide one for the Board's review,
6 depicting 2,451 slot machines as well as 68 table
7 games. And that breakdown is as follows.

8 On April the 12th, Mt. Airy filed a
9 petition with the Board seeking approval of amendments
10 to its gaming floor plan to reflect additional square
11 footage of its gaming floor, reconfiguration of its
12 gaming floor and reduction in the total number of slot
13 machines in placement of table games on its existing
14 gaming floor.

15 In asking for relief to reduce the number
16 of slot machines, slides three and four reflect those.
17 Slides --- appendix B of the original --- excuse me.
18 Appendix B reflects 2,451 slot machines and there was
19 an original request for a reduction. And that would
20 be the rendering of that.

21 The breakdown of table games in the
22 original petition remained at 68 and had the following
23 complement. On April the 23rd, Mt. Airy filed a
24 petition with the --- an amendment to this petition
25 with the Board, withdrawing its request to reduce the

1 total number of slot machines on its gaming floor.
2 And due to changes that were precipitated by
3 management, relocated all of its table games to the
4 main gaming floor and moved the location of its Asian
5 games on its floor. That would be depicted in
6 appendix C of its amended petition, labeled OP-5C.

7 In addition to the reconfiguration,
8 because of the logistics involved with the changes,
9 Mt. Airy was able to fit an additional four table
10 games on its gaming floor in addition to the 68 that
11 was approved. This is reflected in this slide. As
12 you can see, the changes are as follows.

13 The poker area was moved. This is a
14 rendering of the third floor at Mt. Airy. This is its
15 bus entrance. This is its hotel entrance. There were
16 originally poker games placed here. They were moved
17 all down into what was formerly the Asian gaming area.
18 And the Asian gaming area was moved to an area north
19 of the center bar on the floor.

20 The current breakdown of slot machines
21 that we are proposing before the Board this afternoon
22 is 72. Again, this is four games more than we were
23 granted allotment for originally. But we believe that
24 the revenue that these games would generate and given
25 the fact that they would meet all surveillance and

1 operational conditions, internal control conditions,
2 that we ask for the increase.

3 To sum it up, the increase in the square
4 footage of Mt. Airy's gaming floor would go from an
5 originally --- it is OP-4, which it's currently
6 operating under 57,261 square feet to 69,247 square
7 feet with 2,451 slot machines and 72 table games.
8 This, our management believes and our operations
9 experts believe, would maximize the coverage and
10 configuration for the types of games that we would
11 like to go with.

12 CHAIRMAN:

13 Thank you. OEC, questions?

14 ATTORNEY DAVENPORT:

15 Yes, thank you, Chairman. Nan Davenport,
16 Deputy Chief Enforcement Counsel for the OEC. I just
17 want to point out pursuant to Section 1317(a)(2) of
18 the amended Act, the Table Games Operation Certificate
19 shall include an itemized list by type of table games
20 and the number of gaming tables approved by the Board
21 and permitted in the licensed facility.

22 And Don, I just want to clarify.
23 Although you state that you're increasing the number
24 that the Board already authorized under the Table
25 Games Operation Certificate Petition by four you're

1 also increasing, and in some cases decreasing, the
2 numbers for the different break out. Could you just
3 please go over that quickly as well?

4 ATTORNEY SHIFFER:

5 Certainly, Nan. I'm going to let that
6 question be fielded by Jim Tuthill.

7 MR. TUTHILL:

8 Good afternoon, Chairman and
9 Commissioners. My name is James Tuthill, J-A-M-E-S, T
10 as in Thomas, U, T as in Thomas, H-I-L-L. First of
11 all, with regard to the movement to poker on the first
12 floor and having all games on the first floor, it's
13 our feeling that it's much more conducive to have
14 games within line of sight for shift managers, pit
15 managers, to be able to manage. That was the
16 rationale behind bringing the games from the third
17 floor all to the main floor.

18 With regard to different marketing
19 strategies as we move forward --- I'm sorry. Yes, I'm
20 sorry. The question was with regard to the changes.
21 We reduced the number of poker games by bringing them
22 to the first floor to 11 games and increased the
23 number of mini baccarat games.

24 ATTORNEY DAVENPORT:

25 So appendix E, which was filed with your

1 second amended petition --- I believe that was filed
2 on April 29th, 2010. As well as the very last power
3 point, table games breakdown. It has a 72 number on
4 the bottom of it. If you could go to that screen.
5 Okay. That is exactly the table games configuration
6 that you're requesting today; is that correct?

7 MR. TUTHILL:

8 That is correct.

9 ATTORNEY DAVENPORT:

10 So any table games operation certificate
11 would have to reflect those numbers; correct?

12 MR. TUTHILL:

13 That is correct. That's correct.

14 ATTORNEY DAVENPORT:

15 Thank you. No further questions.

16 CHAIRMAN:

17 Okay. Does OEC have any presentation on
18 this matter?

19 ATTORNEY DAVENPORT:

20 Just a quick statement. Because the
21 petition and then the subsequent amended petitions
22 changed so quickly, within two and a half weeks, we
23 just want to make sure that any type of relief that
24 they requested was reflected before the Board in order
25 not to delay the implementation of table games at Mt.

1 Airy. In our answer, we set forth ten conditions,
2 and so we recommend the Board impose those conditions.

3 CHAIRMAN:

4 Thank you. Does Mt. Airy have any
5 questions for the OEC?

6 ATTORNEY SHIFFER:

7 Not at this time.

8 CHAIRMAN:

9 Questions from the Board? Commissioner
10 Ginty?

11 MR. GINTY:

12 Have you reviewed the conditions?

13 ATTORNEY SHIFFER:

14 Yes, I have, Commissioner.

15 MR. GINTY:

16 Do you agree with them?

17 ATTORNEY SHIFFER:

18 Yes, I do.

19 CHAIRMAN:

20 Commissioner Sojka?

21 MR. SOJKA:

22 I just need the numbers clarified again.

23 I know about the 72 table games. But you're now
24 saying 2,451 slot machines. Do I understand that to
25 be a reduction of about nine slot machines, or am I

1 lost?

2 ATTORNEY SHIFFER:

3 No, Commissioner. Initially what Mt.
4 Airy was granted --- the number of slot machines that
5 it was able to have in use pursuant to its table games
6 certificate and what it is currently operating under,
7 which is Operation Plan Four, it's authorized to have
8 2,451 machines ---

9 MR. SOJKA:

10 Okay.

11 ATTORNEY SHIFFER:

12 --- utilized. We had originally
13 requested a reduction and then we rescinded that
14 request.

15 MR. SOJKA:

16 So you are at the number that you were
17 supposed to be at in the statute in terms of the
18 number of slot machines that were in operation before
19 table games came in?

20 ATTORNEY SHIFFER:

21 Yes, to our belief, yes.

22 MR. SOJKA:

23 Okay.

24 CHAIRMAN:

25 Not to be dumb on this, but the question

1 is really the 2,451 slot machines, is that the same
2 number or more than the number of slot machines you
3 had on October 1st of 2009? Because that's the
4 critical date pursuant to the statute.

5 ATTORNEY SHIFFER:

6 I would have to --- I would defer that
7 specific number to the number that Mt. Airy had up ---
8 pursuant to delegate their authority by the Board.
9 The Executive Director was able to reduce the number
10 of slot machines, up to two percent of the gaming
11 floor. And I believe that Mt. Airy's request for that
12 reduction was fielded after October 1st of '09. But
13 pursuant to the request and the way it was authorized,
14 in the Table Games Certificate, in the May 3rd Order,
15 2,451 slot machines is what we were authorized to
16 operate with.

17 ATTORNEY DAVENPORT:

18 Mr. Chairman, I'd like to point out that
19 according to the Board's May 3rd, 2010 Order,
20 paragraph seven states within five days after Board
21 approval of the petition, Mt. Airy should provide BTO
22 with a tentative schedule for implementing table games
23 operation. At the completion of table games expansion
24 project, Mt. Airy shall have a minimum of 2,451 slot
25 machines available for play on its gaming floor.

1 CHAIRMAN:

2 Thank you. And the third floor, as I
3 understood it, you're moving your table games that
4 were originally planned there down to the first floor
5 for the reasons that you stated. What is going in on
6 the third floor?

7 MR. TOTH:

8 George Toth, G-E-O-R-G-E, T-O-T-H. Good
9 afternoon, Commissioners and Chairman. The third
10 floor will be all slots.

11 CHAIRMAN:

12 All slots. Thank you. Commissioner
13 Trujillo, any questions from your end?

14 MR. TRUJILLO:

15 No, thank you.

16 CHAIRMAN:

17 Thank you. Any other questions? Okay.
18 Thank you.

19 ATTORNEY SHIFFER:

20 Thank you very much.

21 ATTORNEY DAVENPORT:

22 Thank you.

23 CHAIRMAN:

24 Sure thing. This concludes our public
25 hearings. We'll now recess into executive session to

1 further consider these matters. And we'll return in
2 15 minutes.

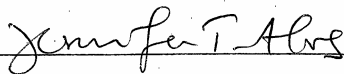
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HEARING CONCLUDED AT 3:30 P.M.

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CERTIFICATE

9 I hereby certify that the foregoing
10 proceedings, hearing held before the Pennsylvania
11 Gaming Control Board, was reported by me on 05/25/2010
12 and that I Jennifer T. Alves read this transcript and
13 that I attest that this transcript is a true and
14 accurate record of the proceeding.


Court Reporter

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