

1 COMMONWEALTH OF PENNSYLVANIA

2 GAMING CONTROL BOARD

3 * * * * *

4 PUBLIC MEETING

5 * * * * *

6 BEFORE: GREGORY C. FAJT, CHAIRMAN

7 Raymond S. Angeli, Jeffrey W. Coy, James

8 B. Ginty, Kenneth T. McCabe, Gary A.

9 Sojka, and Kenneth Trujillo;

10 David Barasch, Deputy Secretary of the

11 Department of Revenue, Representative;

12 Jorge M. Augusto, representing Russell

13 Redding, Secretary of Agriculture

14 MEETING: Monday, June 21, 2010

15 1:50 p.m.

16 LOCATION: PUC Keystone Building

17 Hearing Room 1

18 Harrisburg, PA 17120

19 WITNESSES: Kevin O'Toole; Antonio Incollingo; Beth

20 Manifesto; Sean Hannon; Paul Boni, Esquire; Ramona

21 Johnson; Andrea Price

22 Reporter: Sarah Wendorf

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A P P E A R A N C E S

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I N D E X

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P R O C E E D I N G S

CHAIRMAN:

If I could bring our meeting back to order. We'll now proceed with our regularly scheduled Board meeting. By way of announcements, the Board held an Executive Session earlier today and just prior to today's public meeting. The purpose of the Executive Session earlier today was to discuss personnel matters, pending litigation, and to conduct quasi-judicial deliberations relating to matters pending before the Board.

The purpose of the this afternoon's Executive Session was to deliberate the Holding Acquisition Petition that was the subject of today's public hearing. We also have two other matters that I have the unfortunate responsibility of announcing.

Specifically, we have resignations from two senior staffers, Richard Sandusky, who is our Director of Regulatory Review, and Nan Horner, who is our Director of Compulsive and Problem Gambling.

First, I'd like to ask Richard to come forward, please. I told Richard earlier today --- we had an Executive Session, and Richard always comes in and updates the Board on our regulations, and I told

1 him that I'd save the public embarrassment for the
2 public meeting.

3 But, Richard, on behalf of all the
4 Board, I just want to thank you, first of all, for
5 your years of dedicated service. Those of you who
6 know Richard know him to be extremely conscientious.
7 He's a very hard worker, and he has done a great,
8 great job in providing regulations and support and
9 education to the Board members throughout these last
10 couple of years. I have a citation here for Richard
11 from the Board. I'll just read a little bit to you.

12 Richard was hired on April 7th, 2006,
13 as the Director of Regulatory Review. He was tasked
14 with building a thorough and comprehensive Code of
15 Regulations for the Board to oversee the creation of
16 the agency and the regulation of the gaming industry
17 in Pennsylvania.

18 He has, over the course of four years,
19 overseen the promulgation of nearly 60 sets of
20 temporary regulations and guided 39 separate
21 rulemakings through the Independent Regulatory Review
22 Process.

23 No other agency in the Commonwealth,
24 Richard, has accomplished a task of this scope and
25 magnitude. And for that, you can take personal

1 pride. And, again, on behalf of the Board, thank you
2 very much for your years of service.

3 MR. SANDUSKY:

4 Thank you, Commissioner. I was
5 wondering, Mr. Chairman, whether this was a
6 regulation we had to vote on.

7 CHAIRMAN:

8 Richard, again, best of luck to you.
9 And unfortunately, Nan Horner was unable to attend
10 today's hearing, so we'll present her with her
11 resolution at the proper time. But I do want to,
12 again, publicly express and recognize Nan for all of
13 her efforts in the years that she's been with the
14 Board.

15 As anyone who attended these Board
16 meetings on a regular basis knows that we take the
17 issue of underage and compulsive gambling very, very
18 seriously, and because we take it so seriously, it
19 was always good to know that Nan was out there in the
20 trenches dealing with these issues on a day-to-day
21 basis. Her hard work and gaming expertise
22 particularly in the area of problem gambling will be
23 sorely missed, and Nan, we wish you the best. And as
24 I said, we'll present her with her citation at a
25 proper time.

1 Having made all of the announcements,
2 our next item of business is the Executive Director's
3 Report. Kevin.

4 MR. O'TOOLE:

5 Good afternoon, Chairman, members of
6 the Board. Just two items. First, I'd like to
7 advise the Board that our opening teams are very
8 excited about commencing the table games
9 implementation process, which will begin on Tuesday,
10 July the 6th. However, we will be out at all the
11 properties next week to conduct equipment and site
12 reviews for table game implementation.

13 I'd also like to take a few moments to
14 express my appreciation to the two individuals that
15 were honored at this time, Richard Sandusky and Nan
16 Horner. Both Richard and Nan will be leaving the
17 Gaming Control Board by the end of this month, and as
18 the Chairman indicated, Nan has directed the Office
19 of Compulsive and Problem Gambling since September
20 2006. She's elevated that office to the point where
21 it is nationally recognized as one of the most
22 progressive and respected compulsive and problem
23 gambling units within any casino regulatory agency.

24 And Richard's expertise in the crafting
25 of regulations is truly at the top of his profession.

1 His effect on the Gaming Control Board and the casino
2 industry in Pennsylvania through his work with the
3 regulatory review unit will be felt for many years to
4 come. So on behalf of all the staff, we too also
5 wish Richard and Nan much success in their future
6 endeavors. Thank you, Chairman.

7 CHAIRMAN:

8 Thank you, Kevin. Our Office of Chief
9 Counsel (OCC), Doug Sherman is next. I think you get
10 the honor of introducing Richard for the last time at
11 one of our public meetings.

12 ATTORNEY SHERMAN:

13 Chairman and members of the Board, our
14 first agenda matter does relate to regulations, one
15 temporary regulation, one a final omitted regulation.
16 And I think Richard's farewell is this, the first
17 final omitted regulation, so he gets to explain what
18 this means. Along with Richard is Assistant Counsel
19 Susan Yocum to present the temporary regulation. And
20 you'll be seeing a lot more of Susan at these
21 meetings as she will be set stepping into some pretty
22 big shoes here and trying to fulfill some of our
23 regulatory requirements.

24 CHAIRMAN:

25 Welcome, Susan.

1 ATTORNEY YOCUM:

2 Good afternoon, Commissioner. You have
3 today before you Temporary Regulation 125-126. This
4 regulation is an amendments package related to the
5 rules of the game, which incorporate several of the
6 comments the agency received during the Board's
7 30-day public comment period. This regulation also
8 added several optional wagers, which are offered in
9 several other gaming jurisdictions, but were not
10 initially incorporated into the rulemaking. These
11 bets are buy-and-lay bets in the game of craps and
12 mini craps and the progressive payout wager in the
13 game of three card poker. I'd be happy to answer any
14 questions you have. If there are none, I'd ask for a
15 motion to adopt Temporary Regulation 125-126.

16 CHAIRMAN:

17 Any question or comments from the
18 Board? If not, could I have a motion, please?

19 MR. SOJKA:

20 Yes, Mr. Chairman. I'll move that the
21 Board adopt Temporary Regulation Number 125-126, that
22 the Board establish a public comment period of 30
23 days for the Temporary Regulation and that the
24 Temporary Regulation be posted on the Board's
25 website.

1 MR. GINTY:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed? Motion passes.

8 MR. SANDUSKY:

9 The next item for the Board today is
10 Final Omitted Regulation 125-127. And before I go
11 into the details, I'll go a little off script here.
12 I would like to thank the Chairman and the members of
13 the Board for the kind remarks and the recognition
14 that you've given here today and to Kevin and to Doug
15 for their support and their comments. But I do want
16 it recorded for the record that I didn't do it all by
17 myself. There are a lot of people at this agency who
18 were essential to getting the regulatory program up
19 and running as well as it has. And I'm grateful for
20 the cooperation that I've received from all of those
21 folks.

22 Back to the case at point. A Final
23 Omitted Rulemaking or as it's more technically known
24 as Final Form Rulemaking with Notice of Proposed
25 Rulemaking Omitted, it's final omitted, is authorized

1 under the Commonwealth Documents Law under Section
2 204, and it is a limited grant of authority that can
3 only be used in certain circumstances. In this case,
4 the part of the Documents Law that we are relying on
5 for the use of this final omitted rulemaking is that
6 the changes contained in this rulemaking reflect
7 changes in the statute. In other words, the changes
8 that are being brought forward before the Commission
9 today are not things that the Board has discretionary
10 power over. These reflect amendments to the statute
11 that were made as part of Act 1 of 2010.

12 What this will do is it will allow the
13 Board to bring our regulations, and I'll talk on the
14 details in a second, into conformity with the changes
15 that are reflected in the statute and, in fact, which
16 have already been implemented by the Bureau of
17 Licensing. Specifically, what this package does is
18 it brings up to date the definitions of the terms
19 Gaming Employee and Key Employee consistent with the
20 changes that were made in Act 1 of 2010, and it also
21 revises the prohibitions on licensing on the issuance
22 of occupational permits that were also modified with
23 the passage of Act 1 of 2010.

24 If there are any other questions on the
25 provisions or on the final omitted process, I'd be

1 happy to answer them, and if not, we would ask for a
2 motion for adoption of this rulemaking.

3 CHAIRMAN:

4 Any questions or comments from the
5 Board? Seeing none, could I have a motion, please?

6 MR. COY:

7 Mr. Chairman, I move the Board adopt
8 Temporary Final Omitted --- I guess the word
9 temporary is out --- Final Omitted Regulation Number
10 125-127 and that the regulation be posted on the
11 Board's website.

12 MR. ANGELI:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? Motion passes.

19 MR. SANDUSKY:

20 Thank you.

21 CHAIRMAN:

22 Thank you very much, Richard and Susan.
23 Doug?

24 ATTORNEY SHERMAN:

25 Mr. Chairman, today the Board has three

1 petitions before it for consideration. One of these
2 matters was heard by the Board earlier during the
3 public hearing. That specifically was the Holdings
4 Acquisition Company's Petition for Approval of a
5 Revised Gaming Floor Plan. The remaining two
6 petitions will be considered upon the documentary
7 record.

8 In all cases, the Board has been
9 provided with the petition or other pleading, the
10 responsive pleadings of the Office of Enforcement
11 Counsel (OEC) as well as any additional documents,
12 memoranda or evidentiary materials.

13 The first petition before the Board
14 today is that of Penn National. It's a request for
15 the Board to approve Penn National to possess slot
16 machines at its corporate headquarters in Wyomissing,
17 Pennsylvania. The company is seeking to indefinitely
18 possess ten machines for testing the interfaces,
19 functionality and outcomes associated with updates,
20 upgrades and enhancements of casino computer systems
21 and casino support equipment prior to their live
22 deployment at an operating casino property. Penn
23 National provides that the machines will be under the
24 control of Penn National's IT Department and will be
25 held in a secured area under surveillance at all

1 times.

2 The OEC has not objected to the relief
3 provided that Penn National meet certain conditions
4 which have been provided to the Board prior to the
5 meeting today, and those conditions largely involve
6 the security and oversight of those machines while on
7 the Penn National property. The OCC recommends that
8 the Board consider the motion and grant the Petition
9 for Penn National to possess the machines subject to
10 each of the submitted and recommended conditions.

11 CHAIRMAN:

12 Thank you. Any question or comments
13 from the Board? If not, could I have a motion,
14 please?

15 MR. ANGELI:

16 Mr. Chairman, I move the Board grant
17 the Petition of Mountainview Thoroughbred Racing
18 Association described by the OCC.

19 MR. COY:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? Motion passes.

1 ATTORNEY SHERMAN:

2 The next petition before the Board is
3 Holdings Acquisition's second amended Petition for
4 Approval of a Revised Gaming Floor Plan. This plan
5 calls for the reduction of slot machines from 3,000
6 to 2,954 machines or the 46 machines previously
7 testified to earlier today. The record is now closed
8 on the matter, and it's appropriate for the Board's
9 consideration. In addition, the Holdings have filed
10 Motion to Protect Certain Information as Confidential
11 contained within that petition. That will largely
12 guarantee security features associated with the
13 gaming floor plan. The OEC has no objection to the
14 Motion for Confidentiality, and both matters are,
15 therefore, appropriate for the Board's consideration.

16 CHAIRMAN:

17 Any questions or comments from the
18 Board? Can I have a motion, please?

19 MR. COY:

20 Mr. Chairman, I move the Board grant
21 the Petition of Holdings Acquisition Company, LP as
22 described by the OCC.

23 MR. GINTY:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? Motion passes.

5 ATTORNEY SHERMAN:

6 The final petition for the Board to
7 hear today is Harrah's Chester's Petition for
8 Approval to Modify its Gaming Floor Plan. Harrah's
9 is requesting to increase the gaming floor by 4,542
10 square feet in order to accommodate the addition of a
11 poker room. That increase will accommodate
12 construction of a poker room consistent with the
13 plans previously presented to the Board in
14 conjunction with the Harrah's Table Games Petition.
15 The OEC has no objection to the petition, subject to
16 certain conditions, which are outlined in their
17 Answer and provided to the Board in advance of this
18 meeting. The matter is now ready for the Board's
19 consideration.

20 CHAIRMAN:

21 Any question or comments from the
22 Board? Can I a motion, please?

23 MR. ANGELI:

24 Mr. Chairman, I move that the Board
25 grant the Petition of Chester Downs' as described by

1 the OEC.

2 MR. GINTY:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? Motion passes.

9 ATTORNEY SHERMAN:

10 That's the ends of the petitions. Next
11 presenting withdrawals and Reports and
12 Recommendations is Deputy Chief Counsel Steve Cook.

13 ATTORNEY COOK:

14 Good afternoon. The Board has received
15 two unopposed Petitions to withdraw the Vendor
16 Applications of two businesses, Stroehmann Bakeries,
17 P.A., LLC and Ampac Security Products. The OEC has
18 no objections to these withdrawals. As such, they'll
19 be presented to the Board for a motion to approve the
20 withdrawals. And if you do so, it may be done
21 without prejudice. I would note for the record that
22 both of the vendors seek withdrawals as they filed
23 Registered Gaming Service Provider Applications, but
24 the level of business they've done in the
25 Commonwealth does not reach the new threshold to

1 require them to file the application.

2 CHAIRMAN:

3 Thank you. Any questions from the
4 Board? May I have a motion?

5 MR. GINTY:

6 Mr. Chairman, I move that the Board
7 approve the withdrawal as recommended and as
8 described by the OCC.

9 MR. SOJKA:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? Motion passes.

16 ATTORNEY COOK:

17 Next before the Board for consideration
18 are six Reports and Recommendations received from the
19 Office of Hearings and Appeals (OHA) relative to five
20 Non-Gaming Employee Registrations and one Petition
21 for Removal from the Voluntary Self-Exclusion List.
22 These Reports and Recommendations along with the
23 evidentiary record have been provided to the Board in
24 advance of this meeting. Additionally, each of the
25 parties involved in these proceedings have been

1 notified that this matter was coming before the Board
2 today and that they had the opportunity to come
3 forward and briefly address the Board. I would ask
4 that if any of these people are present, that they
5 come forward when their name is announced.

6 The first Report and Recommendation
7 pertains to Anthony Incollingo. Mr. Incollingo
8 submitted a Non-Gaming Employee Registration
9 Application to work as a valet parker at the Parx
10 Casino. On August 19th, 2008, the OEC issued a
11 Notice of Recommendation of Denial based upon Mr.
12 Incollingo's failure to disclose a 2007 arrest for a
13 violation of the Drug Act, which was a felony
14 offense.

15 Mr. Incollingo requested a hearing,
16 which was scheduled for October 21st, 2008. At that
17 time, the OEC and Mr. Incollingo made a joint motion
18 to continue the matter until the criminal charges
19 resolved itself through the criminal court system.
20 The Hearing Officer then granted the continuance and
21 the hearing was later scheduled for April 15th, 2010.
22 Both the OEC and Mr. Incollingo attended and offered
23 testimony and evidence at that hearing.

24 Specifically, the OEC offered evidence
25 indicating that this gentleman did not disclose an

1 arrest on his application, as well as the fact that
2 he was subsequently convicted of a felony offense and
3 sentenced, I believe, to five years probation. Mr.
4 Incollingo testified that he did not disclose his
5 arrest on his application because the charges were
6 pending and he felt no obligation to do so.

7 At the conclusion of the hearing, a
8 Report and Recommendation was issued, in which the
9 Hearing Officer recommended that the application be
10 denied due to his nondisclosure. And that is the
11 matter that is present before the Board. I see Mr.
12 Incollingo as well as the OEC are present if they
13 would like to address that.

14 CHAIRMAN:

15 Thank you. Mr. Incollingo, please ---
16 if you have any comments to make before the Board,
17 please do so. Could you stand to be sworn in first
18 of all?

19 -----
20 ANTHONY INCOLLINGO, HAVING FIRST BEEN DULY SWORN,
21 TESTIFIED AS FOLLOWS:

22 -----
23 CHAIRMAN:

24 Before we get started, if you could
25 give the stenographer the correct spelling of your

1 name, too, please.

2 MR. INCOLLINGO:

3 Antonio, A-N-T-O-N-I-O, Incollingo,
4 I-N-C-O-L-L-I-N-G-O.

5 CHAIRMAN:

6 Thank you. Go ahead.

7 MR. INCOLLINGO:

8 Well, basically I just didn't know that
9 I --- when I was filling out that application, I just
10 didn't know when they want me --- when they wanted me
11 to say if I was convicted or not. At the time, I
12 wasn't convicted, so I put no. And I didn't know
13 that --- you know, at the time, I didn't know that it
14 was going to matter. So that's why I put no, and
15 then a couple weeks later they called me and told me.
16 And so I went through everything and went through the
17 hearing, and then I told the judge everything. And
18 basically I just want to thank everyone for the
19 opportunity just giving me a chance. I just want to
20 get a job is basically what that is.

21 CHAIRMAN:

22 Enforcement Counsel?

23 ATTORNEY MILLER:

24 Yes. Dustin Miller on behalf of the
25 OEC, M-I-L-L-E-R. The OEC maintains our objection to

1 Mr. Incollingo's Non-Gaming Registration Application.
2 As Assistant Counsel Cook stated, Mr. Incollingo pled
3 guilty only in March of this year and he's looking at
4 a five-year term of probation. It's pretty early
5 into his term of probation for us to agree with his
6 application and approve it. We think that with the
7 probation hanging over his head that gives him an
8 incentive to modify his character and his actions,
9 and that if he didn't have that over his head, it
10 would be easier for us to approve his application.
11 But at this point, he's still looking at long-term
12 probation, so we don't feel at this time that his
13 application should be approved.

14 CHAIRMAN:

15 Questions from the Board?

16 MR. GINTY:

17 I have a couple questions.

18 CHAIRMAN:

19 Commissioner Ginty?

20 MR. GINTY:

21 Do you have any idea how long your
22 probation is going to be?

23 MR. INCOLLINGO:

24 Well, they told me five years, but they
25 said if I'm good and I do well, two and half years

1 and that's it.

2 MR. GINTY:

3 And you're working with a probation
4 officer?

5 MR. INCOLLINGO:

6 Yes, in Philadelphia.

7 MR. GINTY:

8 Enforcement Counsel makes a very good
9 point. I mean, you've only been on probation a few
10 months, but let me ask a couple of other questions of
11 the OEC. If this application is denied, although
12 there's a five year don't come back rule, this
13 individual could petition the Board for a relapse in
14 that at some point?

15 ATTORNEY MILLER:

16 That's correct, Commissioner. Under 58
17 Pa Code Section 423(a)(7), the applicant after denial
18 can petition for reconsideration after a two-year
19 period to have that five-year ban lifted, that he
20 could reapply. That would --- when he would file
21 that petition, that would be filed in the OHA and a
22 hearing would be scheduled where he could present
23 evidence of rehabilitation and see at that point
24 whether he would be suitable to hold a Non-Gaming
25 Registration.

1 MR. GINTY:

2 And certainly if you have the support
3 of a probation officer or other persons, that would
4 help his case.

5 ATTORNEY MILLER:

6 Certainly that would affect our
7 position as to whether we would oppose that petition
8 at that point or not.

9 MR. GINTY:

10 Thank you. I have nothing further.

11 CHAIRMAN:

12 I have a couple questions. Mr.
13 Incollingo, how old were you at the time of the
14 offense?

15 MR. INCOLLINGO:

16 I was 19 years old.

17 CHAIRMAN:

18 How old are you now?

19 MR. INCOLLINGO:

20 Twenty-three (23).

21 CHAIRMAN:

22 What are you doing now?

23 MR. INCOLLINGO:

24 I work with my father. He's owns at
25 shop.

1 CHAIRMAN:

2 And what type of drugs were involved?

3 MR. INCOLLINGO:

4 Marijuana.

5 CHAIRMAN:

6 How much?

7 MR. INCOLLINGO:

8 It was a couple grams. You know, I was
9 in a frat, and I had some marijuana on me. And I
10 handed it to a girl and got in trouble for it. It
11 was a stupid mistake. I'm really sorry for what I
12 did. One stupid mistake can screw your life up, you
13 know, and I'm going through it now. So I'm just
14 looking for an opportunity to work, you know, just
15 need an opportunity to work, and a valet job is, you
16 know, something where I could get a little bit of
17 money.

18 CHAIRMAN:

19 Let me ask you a couple additional
20 questions. Again, I'm no criminal defense attorney
21 or criminal prosecutor, but a couple of grams on a
22 first offense, why was it a felony charge? And if
23 any of our guys can answer the same question, I mean,
24 that's all ---.

25 MR. INCOLLINGO:

1 It's because I gave it to her, sold it
2 to her.

3 CHAIRMAN:

4 And how much did you sell it to her
5 for? What was the price?

6 It was like \$20, \$30, \$25.

7 MR. MCCABE:

8 Could you have him speak up, please?

9 CHAIRMAN:

10 Commissioner McCabe?

11 MR. MCCABE:

12 Just can you have him speak up, please?

13 I can't hear his answers.

14 CHAIRMAN:

15 Okay.

16 MR. INCOLLINGO:

17 It was about \$25.

18 CHAIRMAN:

19 Ken, did your hear that?

20 MR. MCCABE:

21 Yes, I did. Thanks.

22 CHAIRMAN:

23 Okay. Any other questions?

24 MR. MCCABE:

25 Yes, I do. Did we get any input from

1 his probation officer?

2 ATTORNEY MILLER:

3 No, he had just pled guilty in March,
4 and the hearing was scheduled shortly after that.
5 There was no input from the probation officer. I
6 believe at the time of the hearing, he met with his
7 probation officer one time.

8 MR. MCCABE:

9 And did I understand that he supposedly
10 has cleaned up his act, that he's no longer on drugs?

11 MR. INCOLLINGO:

12 That's correct.

13 MR. MCCABE:

14 Do we have any proof of that? Did he
15 go to any type of rehab or is there any type of
16 program that he went through that he can show that he
17 actually has kicked the drugs?

18 MR. INCOLLINGO:

19 Well, I have to take a urine test once
20 a month, so --- and I've passed it four times, and I
21 think my next one would be five times. So it's been
22 almost five months, and I've been clean every time.
23 I mean, if you want my probation officers's number, I
24 can do whatever it takes to get you a recommendation.
25 I know it's kind of late for that now, but I can do

1 whatever it takes to ---.

2 CHAIRMAN:

3 Again, I think we're going to reach out
4 to your probation officer, maybe hold this open, but
5 just so you understand, you made the comment about
6 being a valet. I mean, you will have access to
7 people's possessions. You're going to be in their
8 car. You have a criminal record. And that --- all
9 of those issues cause us concern, and so that's why
10 we need to, you know, look at criminal records, and
11 why we do look at criminal records and why we
12 typically deny people with criminal records.

13 MR. INCOLLINGO:

14 I understand.

15 CHAIRMAN:

16 So even though it is a job --- you
17 know, you may not think is high level, there are
18 implications ---.

19 MR. INCOLLINGO:

20 No, I'm not saying it's not high level.
21 I just want a job.

22 CHAIRMAN:

23 I understand. If I could pass this
24 over for our next meeting and ask Enforcement Counsel
25 to reach out to his probation officer and provide us

1 with a report for the next meeting.

2 MR. GINTY:

3 Mr. Chairman, I have just one other
4 thought. Were you represented?

5 MR. INCOLLINGO:

6 No, I wasn't.

7 MR. GINTY:

8 You were not represented?

9 MR. INCOLLINGO:

10 No, I came by myself.

11 MR. GINTY:

12 No, no. In Berks County.

13 MR. INCOLLINGO:

14 Oh, yeah, I was represented.

15 MR. COY:

16 Well, I better ask. Can we have the
17 OEC look into the circumstances of the ---?

18 ATTORNEY PITRE:

19 That won't be a problem. I mean, in
20 the past when an individual is on probation and has
21 not yet proved that rehabilitation, we've allowed
22 them to go through that probation period before
23 making judgment. I personally don't feel that Mr.
24 Incollingo has been on probation long enough for us
25 to make a determination with regard to

1 rehabilitation, but we'd be happy to reach out to the
2 probation office, and I'll give that information
3 report back to the Board.

4 MR. GINTY:

5 And the circumstances of ---

6 ATTORNEY PITRE:

7 Of the arrest.

8 MR. GINTY:

9 --- of the offense? I mean, you know,
10 half an ounce is \$25, felony conviction is pretty
11 heavy.

12 ATTORNEY MANIFESTO:

13 If I may, I did a lot of criminal ---.

14 CHAIRMAN:

15 Could you come up and ---?

16 ATTORNEY MANIFESTO:

17 I'm sorry.

18 CHAIRMAN:

19 No, that's okay. Introduce yourself
20 and take a seat, Beth.

21 ATTORNEY MANIFESTO:

22 Beth Manifesto. I work with the OEC,
23 and my background was as a defense attorney as well
24 as a prosecutor. And the reason that that would
25 automatically be graded as a felony in Pennsylvania

1 is it doesn't rely on the weight when it's such a
2 small amount. If he had only possessed that on his
3 person, it would be an upgraded misdemeanor, if it
4 was under 30 grams, but because he made a delivery,
5 the weight is not essential or it's not important to
6 the Commonwealth as far as the grading. So it's
7 simply the delivery itself that they're looking at if
8 that helps.

9 CHAIRMAN:

10 Thank you.

11 MR. COY:

12 Mr. Chairman, I just have one more
13 question. When you said that you answered the
14 question on the application no as to whether you had
15 been arrested or convicted, and you said because you
16 hadn't been convicted at that point you answered it
17 that way; is that correct?

18 MR. INCOLLINGO:

19 Yes.

20 MR. COY:

21 I'm sorry. Go ahead.

22 MR. INCOLLINGO:

23 That's was it.

24 MR. COY:

25 I mean, do you have something to say?

1 MR. INCOLLINGO:

2 I was just --- you know, I read it as
3 having been convicted at the time. You know, I could
4 have been innocent at the time, so I put no.

5 MR. COY:

6 Did you rely on your own knowledge to
7 answer that question or did you ask a lawyer or
8 someone that was there about that?

9 MR. INCOLLINGO:

10 No, I mean, I asked --- I wanted to ask
11 the lady there at that time. I can't really
12 remember. I mean, she might have told me do whatever
13 you think.

14 MR. COY:

15 She, meaning somebody that works at the
16 casino?

17 MR. INCOLLINGO:

18 Yeah, when I was filling out the
19 application, she said be honest, and I put no because
20 I wasn't convicted, and at that time I didn't think
21 it would have mattered, but obviously it does.

22 ATTORNEY MILLER:

23 If I may, Commissioner Coy, the
24 application --- the Non-Gaming Registration
25 Application and the Gaming Employee Application are

1 very clear about what you have to disclose, give very
2 detailed instructions, and the question's have you
3 been arrested or charged with offense in the
4 Commonwealth or any other jurisdiction, so it's very
5 clear that it's not just convictions. It's arrests
6 or criminal charges.

7 MR. COY:

8 I understand. I think with the amount
9 of these types of circumstances that we've had, we
10 probably need to make it even clearer on the
11 application, whether that is in bold or whatever. I
12 really believe that it has to be clearer to people.
13 I'm not saying that isn't, but the bottom line is I
14 think a number of us feel we need to head in that
15 direction, having nothing to do with this case,
16 whatever, just as a general policy.

17 ATTORNEY PITRE:

18 And I know Licensing has revised the
19 application. I don't know if it was in the revisions
20 in effect, but it is in bold. And we've tried to
21 make it as clear as possible, Commissioner Coy.

22 MR. INCOLLINGO:

23 Now, I have a question. If I would
24 have gotten arrested for a misdemeanor, would I have
25 had to have write no down or yes.

1 ATTORNEY PITRE:

2 Yes.

3 MR. INCOLLINGO:

4 Okay.

5 MR. SOJKA:

6 Could I ask ---?

7 CHAIRMAN:

8 Commissioner Sojka?

9 MR. SOJKA:

10 I guess everybody feels compelled now
11 to ask a question, but this whole thing is beginning
12 to trouble me a little bit. You can see that many of
13 us are looking back and forth. And as presented,
14 you're talking about a couple ounces and a casual ---
15 a couple grams and a casual sale and a few dollars.
16 How did this happen to come to the attention of the
17 authorities? Did they just jump out of the bushes
18 when you were doing this?

19 MR. INCOLLINGO:

20 Well, I was --- you know, I was in a
21 frat. I was at a party. The girl that came up to
22 me, she was an undercover cop. I handed her the
23 weed, and I then I didn't --- after I was done with
24 school, graduated and everything, I get a phone call
25 saying that I have a warrant out for my arrest for

1 delivering, you know, three and half grams of
2 marijuana to this girl. I don't know her name.

3 MR. SOJKA:

4 Was it just bad luck that she picked
5 you at all of all the people at the frat party or did
6 she think maybe you were a dealer?

7 MR. INCOLLINGO:

8 No. I mean, she was just asking
9 around. I had --- you know, I was in college. I had
10 pot on me, and I handed it to her. It was a dumb
11 mistake and, you know, now I'm dealing with
12 consequences.

13 MR. COY:

14 I don't believe it was in the report
15 that it was an undercover policeman, was it?

16 ATTORNEY MILLER:

17 I don't believe that was brought out at
18 the hearing. We simply looked at the disposition of
19 the charge --- the disposition of the case and what
20 was the sentence or the penalty was. We went by a
21 felony conviction in March. That's pretty recent,
22 and our precedents have been that we've denied people
23 for that kind of conviction or guilty plea.

24 MR. INCOLLINGO:

25 If this helps anything, I mean, it

1 happened in 2000 --- I mean, it happened at least
2 four years ago. I've been staying out of trouble
3 since then. I'm on probation now. You know, my
4 probation officer, Lesley, we have a good
5 relationship. I don't want to screw anything up
6 because if I do, then it's even worse for me. So I
7 mean, I just want to work and go on with my life if
8 that helps any.

9 CHAIRMAN:

10 Thank you very much. And we'll get
11 back to you on that. Thank you for being here today.
12 Next.

13 ATTORNEY COOK:

14 The next matter before the Board is the
15 Report and Recommendation relative to Nash Keppley.
16 Mr. Keppley submitted an application for a Non-Gaming
17 Registration on March 16, 2010 seeking work as table
18 busser at Hollywood Casino. Similar to the matter we
19 just heard, the OEC subsequently issued a Notice of
20 Recommendation of Denial based upon Mr. Keppley's
21 failure to disclose a November 2009 arrest for
22 receiving stolen property and a February 2010 arrest
23 for receiving stolen property, retail theft and
24 criminal conspiracy. Further investigation by the
25 BIE finding those arrests indicated that Mr. Keppley

1 was, in fact, awaiting trial for both of these
2 offenses, and he was also arraigned on May 3rd, 2010
3 in Lebanon County on two additional felony and one
4 misdemeanor charge.

5 Mr. Keppley requested a hearing and a
6 hearing notice was sent to his address of record and
7 not returned. However, he failed to attend the May
8 6th, 2010 hearing, and it was held in his
9 absence.

10 Due to Mr. Keppley's non-disclosures,
11 the nature of the crimes for which he's charged and
12 his failure to attend the hearing, the Report and
13 Recommendation issued by the Hearing Officer
14 recommends that his application be denied and that
15 Report and Recommendation is ready for the Board.

16 CHAIRMAN:

17 Is Mr. Keppley in the audience? Any
18 questions or comments from the Board? Can I have a
19 motion, please?

20 MR. ANGELI:

21 Mr. Chairman, I move that the Board
22 issue an Order to adopt the Report and Recommendation
23 of the OHA regarding the Non-Gaming Employee
24 Registration of Nash Ian Keppley as the described by
25 the OCC.

1 MR. COY:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed? Motion passes.

8 ATTORNEY COOK:

9 Next for the Board's consideration is
10 the Report and Recommendation for Clark Allen Kern.
11 Mr. Kern was issued a Non-Gaming Employee
12 Registration on April 23rd, 2009 and was employed as
13 a cleaner in the public areas department at Sands
14 Bethworks.

15 On March 24th, 2010, the Bureau of
16 Casino Compliance was notified by Sands Security that
17 Mr. Kern was accused of harassing a female patron on
18 the gaming floor, following her to the women's
19 restroom, inappropriately touching her and exposing
20 himself. As a result of these accusations, the
21 Pennsylvania State Police were notified and they
22 charged Mr. Kern with several criminal offenses.

23 As a result of his conduct and these
24 charges, the OEC filed a Request for Emergency Order
25 of Suspension which was signed by the Executive

1 Director on March 31st, 2010.

2 At the Board's April 7th, 2010 Board
3 meeting, an Order was issued remanding this matter to
4 the OHA for a full evidentiary hearing, which
5 occurred on April 20th, 2010. Mr. Kern received
6 notice of this hearing; however, he failed to appear
7 and, therefore, it was held in his absence.

8 A Report and Recommendation was
9 subsequently issued recommending that the Emergency
10 Suspension remain in place based upon Mr. Kern's
11 conduct and the criminal charges. That Report and
12 Recommendation is presently before the Board.

13 CHAIRMAN:

14 Thank you. Is Mr. Kern present? Any
15 questions from the Board? Can I have a motion,
16 please?

17 MR. COY:

18 Mr. Chairman, I move the Board issue an
19 Order adopting the Report and Recommendation of the
20 OHA regarding the Non-Gaming Employee Registration of
21 Clark Kern as described by the OCC.

22 CHAIRMAN:

23 Second?

24 MR. GINTY:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion passes.

6 ATTORNEY COOK:

7 The next Report and Recommendation
8 involves Nickolas Passineau who was issued a
9 Non-Gaming Employee Registration on January 4th, 2010
10 and was employed as an EVS Attendant at the Parx
11 Casino.

12 On March 18th, 2010, Mr. Passineau was
13 arrested and charged with several drug related
14 offenses including felony offenses involving
15 possession of marijuana. As a result of this
16 individual being charged with these offenses, the OEC
17 filed for an Emergency Suspension, which the
18 Executive Director signed on April 14th, 2010.

19 At the Board's next meeting on May 3rd,
20 2010, they again referred to matter to the OHA for a
21 full evidentiary hearing. The hearing was scheduled
22 for May 12th, 2010, at which time, although Mr.
23 Passineau did not attend the hearing, it was
24 discovered that the felony charges which led to the
25 Emergency Suspension had been dropped by the

1 Philadelphia Police or were not in the process of
2 being pursued by the District Attorney's Office. As
3 a result of the basis for the Emergency Suspension
4 being dismissed, the Report and Recommendation of the
5 Hearing Officer was that the Emergency Suspension
6 also be dissolved. The OEC and OCC concur on that
7 resolution of this matter. I would note for the
8 record that Mr. Passineau is no longer employed in
9 the gaming industry, and even with the dissolution of
10 this Emergency Suspension, the OEC is free to
11 commence another enforcement proceeding, just not an
12 emergency enforcement suspension.

13 CHAIRMAN:

14 Is Mr. Passineua here? Any questions
15 or comments from the Board?

16 MR. SOJKA:

17 Could I just ask quickly, does the OEC
18 intend to continue to pursue this then?

19 ATTORNEY PITRE:

20 We're reviewing the case. I don't want
21 to comment on the specifics of it at this time, but
22 we are in the process of reviewing this.

23 MR. SOJKA:

24 Thank you.

25 CHAIRMAN:

1 Any other questions? Can I have a
2 motion, please?

3 MR. GINTY:

4 Mr. Chairman, I move that the Board
5 issue an Order to adopt the Report and Recommendation
6 of the OHA regarding the Non-Gaming Employee
7 Registration of Nickolas Passineua as described by
8 the OCC.

9 MR. SOJKA:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? Motion classes.

16 ATTORNEY COOK:

17 Steve Scancellia is the next matter
18 before the Board today. Mr. Scancellia is employed as
19 a valet at Philadelphia Parx Casino. On July 14th,
20 2009, the Philadelphia Parx Security Department began
21 an internal investigation after receiving several
22 patron complaints regarding missing property from
23 vehicles which Mr. Scancellia had parked for them.

24 On July 17th, 2009, three days after
25 the investigation, Mr. Scancellia resigned from his

1 position. The OEC subsequently filed an enforcement
2 action against Mr. Scancella alleging he was involved
3 in the thefts in question. Mr. Scancella filed an
4 Answer admitting to these fact, but asked that the
5 Board consider the circumstances of the incidents,
6 specifically that at the time, he was struggling with
7 substance abuse issues and he was essentially taking
8 money and drugs from people's cars to feed his habit.

9 Mr. Scancella further provided
10 testimony that he had been through drug treatment
11 including inpatient treatment and was attempting to
12 correct his life and put his life back together.
13 Notwithstanding that testimony, the Hearing Officer
14 issued a Report and Recommendation recommending that
15 his Non-Gaming Registration be denied based on the
16 recency of his charges --- or the recency of his
17 conduct and nature of his conduct. And this matter
18 and that Report and Recommendation is before the
19 Board for consideration.

20 CHAIRMAN:

21 Any questions or comments from the
22 Board? Could I have a motion, please?

23 MR. SOJKA:

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

1 Recommendation of the OHA regarding the Non-Gaming
2 Employee Registration of Steven Scancellia as
3 described by the OCC.

4 MR. ANGELI:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? Motion passes.

11 ATTORNEY COOK:

12 The final Report and Recommendation
13 before the Board today is a request to be removed
14 from the Voluntarily Self-Exclusion List. On
15 February 19th, 2009, a woman with the initials C.A.C.
16 entered The Meadows Casino and Racetrack and filed a
17 Request for a Voluntary Self-Exclusion from Gaming
18 Activities form, thereby placing herself on the
19 Self-Exclusion List for a five-year period. On that
20 date, the Casino Compliance Representative met with
21 C.A.C. for a period of 30 to 45 minutes during which
22 time C.A.C. told the Casino Compliance Representative
23 that she wished to sign-up for the Self-Exclusion
24 List because she had a gambling problem and needed
25 the assistance of that program.

1 The Casino Compliance Representative
2 also gave C.A.C. a copy of the Board Request for
3 Voluntary Self-Exclusion Process Checklist and the
4 Request for Voluntarily Self-Exclusion and read each
5 line on each form to C.A.C., including the portion
6 which indicated that C.A.C. may not request a removal
7 from the Self-Exclusion List until the time for her
8 exclusion period expires, which as I noted was five
9 years.

10 C.A.C. indicated at that time that she
11 did not need a language interpreter and she
12 understood what she was doing. Notwithstanding these
13 facts, one year later on February 10, 2010, C.A.C.
14 filed a request to be removed from the Self-Exclusion
15 List. The OEC objected, and because of that
16 objection on March 17th, 2010, the Office of --- I'm
17 sorry, a hearing was held before the OHA. As a
18 result of that hearing, in which C.A.C. did not
19 attend, a Report and Recommendation was issued
20 recommending that C.A.C. because it was still within
21 the five-year period and because she had not compiled
22 with the Board's regulations relative to remove from
23 the list that she be denied that removal. That
24 Report and Recommendation is currently before the
25 Board.

1 CHAIRMAN:

2 Thank you. Any questions or comments
3 from the Board? Can I have a motion, please?

4 MR. ANGELI:

5 Mr. Chairman, I move that the Board
6 adopt the Report and Recommendation of the OHA
7 regarding the petition of C.A.C. described by the
8 OCC.

9 MR. COY:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? Motion passes.

16 ATTORNEY SHERMAN:

17 That concludes the matters from the
18 OCC.

19 CHAIRMAN:

20 Thanks, Steve. Now I'll ask that Sean
21 Hannon, our Manager of the Bureau of Licensing,
22 Enterprise Unit, to come forward and present the
23 Bureau of Licensing with their report.

24 MR. HANNON:

25 Good afternoon, Chairman. Good

1 afternoon, members of the Board. The first matter
2 for your consideration today is the issue of Table
3 Games Manufacturer Licenses to Aristocrat
4 Technologies, Incorporated, Bally Gaming,
5 Incorporated and Konami Gaming, Incorporated. All
6 three are currently licensed as slot machine
7 manufacturers. In addition to slot machines, the
8 companies also manufacture table game management
9 systems. These systems allow for automatic table
10 game transitions including opening and closing a
11 table, requesting fills and credits and creating and
12 maintaining player records. In order to sell these
13 systems in Pennsylvania, the companies are required
14 to obtain Table Games Manufacturer Licenses.

15 Under the Gaming Act, the Board may use
16 an abbreviated process to consider the application of
17 an already licensed Slot Machine Manufacturer
18 provided the manufacturer was issued a license within
19 36 months of submitting its Table Games Application
20 and provided that there have been no material changes
21 and circumstances relating to the license.

22 As indicated in the reports provided to
23 you prior to this meeting, Aristocrat Technologies,
24 Bally Gaming and Konami Gaming satisfy these
25 conditions. The OEC, the Bureau of Investigations

1 and Enforcement (BIE), Gaming Laboratory Operations
2 and the Bureau of Licensing have indicated they do
3 not object to Table Games Manufacturer Licenses for
4 these companies. I have provided you with draft
5 Orders and ask that the Board considering the
6 approval of Table Games Manufacturer Licenses for
7 Bally Gaming, Inc. and Konami Gaming, Inc. separately
8 beginning with Aristocrat.

9 CHAIRMAN:

10 Thank you. Any questions from
11 Enforcement Counsel?

12 ATTORNEY PITRE:

13 No, we concur with that report.

14 CHAIRMAN:

15 Thank you. Questions from the Board?
16 Can I have a motion, please?

17 MR. ANGELI:

18 Mr. Chairman, I move that the Board
19 approve the Table Games Manufacturer License for
20 Aristocrat Technologies as described by the Bureau of
21 Licensing.

22 MR. COY:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed? Motion passes.

4 MR. HANNON:

5 The second Order would be for Bally
6 Gaming.

7 MR. COY:

8 So moved.

9 MR. GINTY:

10 Second.

11 CHAIRMAN:

12 Any questions from Enforcement Counsel?

13 ATTORNEY PITRE:

14 No.

15 CHAIRMAN:

16 Thank you. All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? Motion passes.

20 MR. HANNON:

21 And Konami Gaming.

22 MR. GINTY:

23 So moved.

24 CHAIRMAN:

25 Hold on one second. Any questions from

1 Enforcement Counsel?

2 ATTORNEY PITRE:

3 No, we concur.

4 MR. GINTY:

5 So moved.

6 MR. SOJKA:

7 Second.

8 CHAIRMAN:

9 Thank you. All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Motion passes.

13 MR. HANNON:

14 Next is the issuance of Key Employee
15 Licenses. Prior to this meeting, the Bureau of
16 Licensing provided you with an Order for 12 Key
17 Employee Licenses for Chester Downs and Marina, LLC,
18 Downs Racing, LP, Presque Isle Downs, Incorporated,
19 Washington Trotting Association, Incorporated, Mount
20 Airy #1, LLC and MicroFirst Associates, Incorporated.
21 I ask that the Board consider the Order approving
22 these licenses.

23 ATTORNEY PITRE:

24 No objection.

25 CHAIRMAN:

1 Thank you. Any questions from the
2 Board? Can I move a motion, please?

3 MR. SOJKA:

4 Yes. Mr. Chairman, I move that the
5 Board approve the issuance of Key Employee Licenses
6 as described by the Bureau of Licensing.

7 MR. ANGELI:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? Motion passes.

14 MR. HANNON:

15 We also have for your consideration the
16 issuance of Temporary Key Employee Licenses. Prior
17 to this meeting, the Bureau of Licensing provided you
18 with an Order regarding the issuance of Temporary
19 Licenses for 11 Key Employee Licenses. I ask that
20 the Board consider the Order approving these
21 licenses.

22 ATTORNEY PITRE:

23 No objection.

24 CHAIRMAN:

25 Thank you. Any questions from the

1 Board? Can I have a motion, please?

2 MR. ANGELI:

3 So moved.

4 MR. COY:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? Motion passes.

11 MR. HANNON:

12 Next are Gaming Permits and Non-Gaming
13 Registrations. Prior to this meeting, the Bureau of
14 Licensing provided you with a list of 888 individuals
15 for permits, including 805 who the Bureau has granted
16 granted occupation permits to and 83 gaming level two
17 temporary permits. In addition, there are 117
18 individuals who the Bureau has granted registrations
19 to under the authority delegated to the Bureau of
20 Licensing. I ask that the Board that adopt a motion
21 approving this Order.

22 ATTORNEY PITRE:

23 No objection.

24 CHAIRMAN:

25 Thank you. Questions from the Board?

1 Can I have a motion, please?

2 MR. COY:

3 So moved.

4 MR. GINTY:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? Motion passes.

11 MR. HANNON:

12 Today we also have recommendations of
13 denial for three non-gaming employees. Prior to this
14 meeting, the Bureau of Licensing provided you with
15 Orders addressing these applications who the BIE has
16 recommended for denial. In each case, the applicant
17 failed to request a hearing within the specified time
18 period. I ask that the Board consider the Orders
19 denying the non-gaming applicants.

20 ATTORNEY PITRE:

21 We request denial on each one of these.

22 CHAIRMAN:

23 I'm sorry?

24 ATTORNEY PITRE:

25 We would request a denial on each one

1 of these.

2 CHAIRMAN:

3 Any questions from the Board? Can I
4 have a motion?

5 MR. GINTY:

6 So moved.

7 MR. SOJKA:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? The motion passes.

14 MR. HANNON:

15 We also have withdrawal requests for
16 key employees. In each case, the Key Employee
17 License is no longer required. For today's meeting,
18 I have provided the Board with a list of three
19 withdrawals for approval. I ask that the Board
20 consider the Order approving the list of withdrawals.

21 ATTORNEY PITRE:

22 No objection.

23 CHAIRMAN:

24 Thank you. Any questions from the
25 Board? Can I have a motion, please?

1 MR. SOJKA:

2 So moved.

3 MR. ANGELI:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? Motion passes.

10 MR. HANNON:

11 In addition, we have two Orders
12 regarding Gaming Service Providers. The first is to
13 certify the following four Gaming Service Providers,
14 Cromedy Doyle Advantage, Incorporated, Primo No. 1 in
15 Produce, Incorporated, T. Frank McCall's,
16 Incorporated, WPCS International, Incorporated -
17 Lakewood Operations. I ask that the Board consider
18 the Order approving the Gaming Service Providers for
19 certification.

20 ATTORNEY PITRE:

21 No objection.

22 CHAIRMAN:

23 I have one question, Sean, and I
24 mentioned earlier, could you tell us briefly what
25 each one of those service providers does and, you

1 know, where they're incorporated to do business?

2 MR. HANNON:

3 Sure. Cromedy Doyle Advantage is
4 heating and air conditioning, commercial duct
5 application and installation company. Advantage has
6 entered into an agreement since November 2008 with a
7 company called A.T. Chadwick who is a subcontractor
8 at Parx Casino to furnish and install the HVAC for
9 the casino. The amount of the contract was \$374,000.

10 Primo No. 1 in Produce provides fresh
11 produce and other sundried items to the Sands
12 Bethworks Casino on a purchase-order basis. By the
13 conclusion of the BIE's investigation, they have been
14 compensated \$154,703.22 by the Sands Bethworks
15 Casino.

16 T. Frank McCall's, Incorporated, they
17 provide janitorial supplies along with industrial and
18 personal service paper and has an ongoing
19 relationship with Chester Downs and Sands Bethworks,
20 selling the assorted janitorial and paper supplies.
21 McCall has been compensated \$616,763.43 by Harrah's
22 Chester and \$191,647.46 by the Sands Bethworks
23 Casino.

24 And finally, Quality Communications &
25 Alarm Company, Incorporated, they provide wireless

1 communication equipment and services to the
2 commercial wireless carrier industry in the public
3 safety sector. The company offers two-way radio
4 services, mobile data hardware and software solutions
5 and public safety progression. Quality has been
6 compensated \$61,588.27 by Mohegan Sun, \$285,198 by
7 Mount Airy and \$115,288 by Sands Bethworks.

8 CHAIRMAN:

9 Thank you, Sean. Any other questions
10 from the Board? Can I have a motion, please?

11 MR. ANGELI:

12 Mr. Chairman, I move that the Board
13 issue the Orders to approve the application for
14 Gaming Service Provider Certification as described by
15 the Bureau of Licensing.

16 MR. COY:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? Motion passes.

23 MR. HANNON:

24 Next we have an Order regarding the
25 Gaming Service Provider Registration. The Bureau of

1 Licensing provided you with an Order for ACG Apparel,
2 Incorporated. I ask that the Board adopt a motion
3 approving the Order registering this Gaming Service
4 Provider.

5 ATTORNEY PITRE:

6 No objection.

7 CHAIRMAN:

8 Any questions from the Board? Can I
9 have a motion, please?

10 MR. COY:

11 So moved.

12 MR. GINTY:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? Motion passes.

19 MR. HANNON:

20 This concludes the Bureau of
21 Licensing's presentation.

22 CHAIRMAN:

23 Thank you very much, Sean. Cyrus,
24 you're up next.

25 ATTORNEY PITRE:

1 Rachel Neil is going to join me in case
2 the Board has any questions. With regard to the
3 Rivers restructuring, in order for Rivers to commence
4 with its table game operations, the Board we'll have
5 to hear a report from us with a recommendation and
6 then issue a letter to Rivers.

7 So with that, my report states as
8 follows. On June 1st, 2010 Rivers Casino closed on
9 the restructuring of its debt and paid \$16.5 million
10 nonrefundable authorization fee required by 136(1)(a)
11 of the Act. Prior to June 8, 2010, Rivers submitted
12 to BIE executed documents and other documents
13 associated with the restructuring of its debt. On
14 June 14, 2010, BIE's forensic investigations unit
15 issued its analysis regarding the restructuring.
16 That final analysis has been submitted to Rivers and
17 to the Board for its consideration.

18 Because of the confidential nature of
19 these structuring documents and the final analysis, I
20 cannot go into great detail. However, I can say that
21 as a result of the debt restructuring, Rivers is in
22 better shape financially than it was prior to the
23 restructuring. Presently \$3.5 million remains, the
24 \$10 million revolving credit facility has been
25 canceled. The second lien term loan was assumed by

1 the two Detroit pension funds and converted to an
2 unsecured note. Equity contributions from the Walton
3 Street (phonetic) and the Detroit pension funds
4 totaling \$180 million along with cash reserves and
5 cash on hand was utilized to pay the table games
6 license fee, outstanding debt, table game
7 expenditures and restructuring fees. The balance of
8 this amount was placed into reserve accounts that are
9 utilized for operations.

10 Additionally, as a result of the debt
11 restructuring, there are some licensing
12 ramifications. On June 16th, the Bureau of Licensing
13 submitted its licensing analysis to OEC. On June 18,
14 OEC and the Bureau of Licensing met with legal
15 representatives of the Rivers Casino and two Detroit
16 pension funds to discuss the licensing of three
17 potential principal entities and one individual
18 principal. As of the June 18th meeting, it was
19 agreed that the applications would be filed by one of
20 the three principal entities and one individual
21 principal. Rivers and the Detroit pension funds have
22 requested more time to make certain amendments to
23 certain agreements and to provide additional
24 information regarding the two remaining principal
25 entities in order for the Bureau of Licensing to make

1 a final staff determination regarding the licensure
2 of those entities.

3 Once the final staff determination has
4 been made, the legal representatives of Rivers and
5 Detroit pension funds will be notified. Should there
6 be a disagreement on this matter between staff and
7 the two potential principal entities, the principal
8 entities will have the right to petition the Board
9 for relief, and these matters will be handled within
10 the normal course of Board business.

11 Presently a change in control has not
12 been triggered by the restructuring. However, there
13 are terms under the restructuring that may cause a
14 change of control to occur in the future. The
15 restructuring documents make the occurrence of such
16 an event subject to approval by the Board with proper
17 licensing and takes into account the payment of a
18 change in control fee. As a result, the OEC
19 recommends that the Board issue its written
20 confirmation for Rivers that the restructuring is
21 satisfactory.

22 CHAIRMAN:

23 Thank you. Questions from the Board?

24 MR. GINTY:

25 I have just an understanding of some of

1 the fees associated here. And you alluded to one of
2 them, restructuring fees. What is the nature of the
3 restructuring fee and should that be of any concern
4 to us?

5 ATTORNEY PITRE:

6 The restructuring fee when you look
7 into what the money was being utilized for, the
8 restructuring fee was basically paying various
9 professionals and miscellaneous fees that were
10 associated with restructuring of the debt. So where
11 they may have had to pay financial advisors or
12 different firms for their services, that's what the
13 restructuring fee is based on.

14 MR. GINTY:

15 And then there were other fees?

16 ATTORNEY PITRE:

17 The other fees had to do with paying
18 down the debt to various lenders. One was the pay
19 down of accrued credit enhancement fee to pay down on
20 that and to pay down on the --- one of the amendment
21 fees to one of the lenders.

22 MR. GINTY:

23 And these would be usual fees
24 associated with these type of restructures?

25 ATTORNEY PITRE:

1 They're ordinarily dealing with
2 restructuring, yes.

3 MR. GINTY:

4 All right. I have no further
5 questions.

6 MR. SOJKA:

7 Just a real quick question on change
8 and control. I mean, I think I understand, but I
9 want to make sure. What this restructuring basically
10 does is it gives us a more detailed, right, analysis
11 of how we would go about the change in control, but
12 if that were to come about, it would still come
13 before us as a in change in control? This doesn't
14 allow that to happen automatically?

15 ATTORNEY PITRE:

16 Yeah, the restructuring spells out that
17 if some of the --- if there was something to trigger
18 the new entity or the entities that are presently
19 invested within Rivers, if they should happen to say
20 they want to voice or to control anything or to take
21 part in a distribution of some sort, then that would
22 trigger a change of control, and they would have to
23 file the application and petition the Board for
24 approval before any of that could take place.

25 MR. SOJKA:

1 Right. Thank you.

2 CHAIRMAN:

3 Mr. Trujillo?

4 MR. TRUJILLO:

5 Mr. Chairman, this is not a question,
6 but more in the form of a disclosure, I think, in
7 excess of caution. I just want to also confirm that
8 you can hear me.

9 CHAIRMAN:

10 Yes, we can hear you.

11 MR. TRUJILLO:

12 I previously represented the City of
13 Philadelphia Board of Pensions in litigation
14 involving a company in which the Detroit Police and
15 Fire Fund was also a co-plaintiff. And at that
16 point, I was appointed as co-lead counsel on behalf
17 of the class of investors, and that litigation has
18 concluded. It settled quite favorably for the class
19 about a year and half ago. I did not have any kind
20 of independent relationship with Detroit Police and
21 Fire. They were separately represented by separate
22 counsel. The litigation was In Re: KLA-Tencor
23 litigation involving stock options, backpay. I do
24 not know of any conflict. I do not have any concerns
25 about my ability to participate in this issue, but I

1 simply for the purpose of clarity and in excess of
2 caution wanted to raise that prior representation.

3 CHAIRMAN:

4 Thank you, Mr. Trujillo. Mr. Coy?

5 MR. COY:

6 I didn't know whether Cyrus wanted to
7 go on the record on those ---.

8 CHAIRMAN:

9 Do you have any objections?

10 ATTORNEY PITRE:

11 I have no objection.

12 MR. COY:

13 Mr. Chairman, just two questions. I
14 want to make sure I understand. So the two pension
15 files, I want to make sure I understood you correctly
16 how you characterized the current obligation. The
17 restructuring of the debt, the most current
18 obligations on part of the holdings to these two
19 pension funds, would you describe the debt now as
20 unsecured?

21 ATTORNEY PITRE:

22 That's the way the papers read.
23 They've been issued unsecured notes, and they've
24 taken a second ---.

25 MR. COY:

1 I thought I heard that.

2 ATTORNEY PITRE:

3 They paid out the second term lien loan
4 and taken a second position.

5 MR. COY:

6 Behind who?

7 ATTORNEY PITRE:

8 Behind the first lien holder, which is
9 Guggenheim and a whole bunch of --- several banks.

10 MR. COY:

11 Do you have any idea what the rate is?

12 ATTORNEY PITRE:

13 For the pension fund?

14 MR. COY:

15 Correct, on the unsecured second
16 position.

17 CHAIRMAN:

18 Cyrus, while Rich is looking at that,
19 as I understand it, there still is a secured position
20 for the 300 and some million; right?

21 ATTORNEY PITRE:

22 Yes, there is because it's --- I'll
23 come up and show you.

24 CHAIRMAN:

25 Sure. That's confidentiality.

1 MR. COY:

2 Thank you.

3 CHAIRMAN:

4 Any other questions or comments from
5 the Board on this matter? If not, can I have a
6 motion, please?

7 MR. COY:

8 Mr. Chairman, I move that consistent
9 with the Board's May 25, 2010 Order regarding
10 Holdings Acquisition Company's table games petition,
11 the Board issue an order finding the debt
12 restructuring of Holdings Acquisition Company, LP as
13 described by the OEC and BIE Financial Investigations
14 Unit satisfactory.

15 MR. GINTY:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? Motion passes.

22 ATTORNEY PITRE:

23 Thank you.

24 CHAIRMAN:

25 Thank you, Rich. Thank you, Cyrus.

1 This concludes our normal business.

2 PUBLIC COMMENTS SESSION CONDUCTED.

3 CHAIRMAN:

4 Thank you. Any comments from the
5 Board? If not, I entertain a motion for adjournment.

6 MR. GINTY:

7 So moved.

8 MR. SOJKA:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 The motion is accepted, and the meeting
15 is adjourned. Thank you.

16

17 * * * * *

18 MEETING CONCLUDED AT 3:06 P.M.

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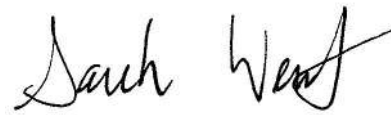
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CERTIFICATE

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3 I hereby certify that the foregoing proceedings,
4 meeting held before Chairman Fajt, was reported by
5 me on 06/21/2010 and I Sarah Wendorf read this
6 transcript and that I attest that this transcript is
7 a true and accurate record of the proceeding.

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