

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: Gregory C. Fajt, Chairman
Raymond S. Angeli (via phone),
Jeffrey W. Coy, James B. Ginty,
Kenneth T. McCabe, Gary A. Sojka,
Kenneth Trujillo
David Barasch, Deputy Secretary of the
Department of Revenue, Representative;
Daniel Tufano, representing Russell
Redding, Secretary of Agriculture

HEARING: Thursday, September 16, 2010

LOCATION: North Office Building
Hearing Room 1
Harrisburg, PA 17120

Reporter: Cynthia Piro Simpson

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A P P E A R A N C E S

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CHAIRMAN:

If I could ask everybody to please take your seats, we'll get started. By way of announcements, the Board held an executive session on September 15th and again just prior to this meeting. The purpose of yesterday's executive session was to discuss personnel matters, including new hires being acted upon at today's meeting, and the status of the Board's search for a Director of Bureau of Investigation and Enforcement (BIE). The Board also discussed pending litigation with its Counsel, conducted quasi-judicial deliberation relating to matters coming before the Board today.

Today's executive session was for the purpose of conducting quasi-judicial deliberations regarding the two matters that we've heard earlier today. I also have today the unfortunate responsibility of saying goodbye to another senior staff person of the Board. As is our custom, Melinda, I'm going to ask that you come forward so that I can embarrass you.

MS. TUCKER:

Thank you, Greg and Board members.

1 CHAIRMAN:

2 As most of you know and maybe some of you
3 don't, but Melinda was one of our first hires for the
4 Gaming Control Board. And in recognition of her
5 service for the last six years, I have a citation here
6 from the Board --- I guess five years, right,
7 five-and-a-half?

8 MS. TUCKER:

9 Uh-huh (yes).

10 CHAIRMAN:

11 Melinda served on the Pennsylvania Gaming
12 Control Board as its first Director of Racetrack
13 Gaming. In that position Melinda provided valuable
14 counsel regarding the coordination of slot machine
15 gaming with thoroughbred and harness racing operations
16 at the six Category 1 casino facilities in the
17 Commonwealth. Melinda has also worked diligently to
18 build gaming acts intended to provide tangible and
19 significant benefits to the horseracing industry in
20 the Commonwealth. I'm resolved that the Gaming
21 Control Board proudly recognizes Melinda Tucker for
22 her loyalty and dedication to the service to the
23 Gaming Control Board. And Melinda, on a personal note
24 I want to thank you. You and I have known each other
25 from the early days, and you've always been extremely

1 professional and a pleasure to work with, so ---.

2 MS. TUCKER:

3 Thank you, Greg.

4 CHAIRMAN:

5 Best of luck. Thank you. Thank you,
6 Melinda. As I said, best of luck to you. Having made
7 all the announcements, our next item of business is
8 the approval of the minutes and transcript of the
9 Board's July 29th, 2010 meeting. May I have a motion,
10 please?

11 MR. SOJKA:

12 Yes, Mr. Chairman. I move that the Board
13 approve the minutes and transcript of the July 29th,
14 2010 meeting.

15 MR. TRUJILLO:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion passes. Next up is
22 Kevin O'Toole, our Executive Director, to give us his
23 report. Welcome, Kevin.

24 MR. O'TOOLE:

25 Good afternoon, Chairman, members of the

1 Board. Today I'll be very brief. I have one item
2 that I'd like to discuss. Next week will be the
3 opening of SugarHouse Casino in Philadelphia. That is
4 a very significant event in part because it marks not
5 only the tenth casino to open in Pennsylvania but the
6 first one that will be able to offer both table games
7 and slot machines at the time of opening. Our opening
8 team is working very hard with the SugarHouse
9 management team to ensure that all regulatory
10 standards and requirements will be met. Two test
11 periods are scheduled for next week. The first is
12 Monday, September the 20th, from 4:00 p.m. to 10:00
13 p.m. The second is Wednesday, on September 22nd, from
14 2:00 p.m. to 8:00 p.m.

15 As is our practice in past openings, I
16 would like to request that delegated authority be
17 granted to two Commissioners, Ken Trujillo and Jim
18 Ginty, to review the performance of SugarHouse during
19 those test periods and to grant authorization on
20 behalf of the full Board when SugarHouse meets all
21 required criteria to open. Thank you.

22 CHAIRMAN:

23 Thank you, Kevin. Are there any
24 questions from the Board? Can I have a motion on
25 delegation of authority?

1 MR. MCCABE:

2 Yes, Mr. Chair. I move that the Board
3 delegate authority to Board Members Ginty and Trujillo
4 to approve all preopening conditions to the Category 2
5 Slot Machine License and Table Games Operation
6 Certificate of HSP Gaming, LP, and to determine the
7 effective date and time which operations may commence
8 at the permanent licensed facility that shall be known
9 as SugarHouse, located at 1080 North Delaware Avenue,
10 Philadelphia, PA.

11 CHAIRMAN:

12 Can I have a second?

13 MR. TRUJILLO:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion passes. Thank you,
20 Kevin. Next up is Claire Yantis, our Director of
21 Human Resources. Welcome, Claire.

22 MS. YANTIS:

23 Good afternoon, Chairman, Board members.
24 The Office of Human Resources has ---.

25 CHAIRMAN:

1 Claire, would you make sure that mic's
2 on.

3 MS. YANTIS:

4 Better?

5 CHAIRMAN:

6 Thank you.

7 MS. YANTIS:

8 The Office of Human Resources has two
9 motions before you today relevant to hiring of PGCB
10 staff. First, we ask you to consider a motion to hire
11 four individuals. Daniel Campbell, Joshua Couzens,
12 Sharon Smallwood have been selected for Casino
13 Compliance Representative positions in the Bureau of
14 Casino Compliance. And Christine Semoff has been
15 selected for the position of Compliance Examiner in
16 the Bureau of Gaming Operations. Mr. Campbell, Mr.
17 Couzens, Ms. Smallwood and Ms. Semoff have completed
18 the PGCB interview process, background investigation
19 and drug screening and are being recommended for hire
20 by the respective Bureau Directors. As such, I ask
21 that you consider a motion to hire these individuals
22 as indicated.

23 CHAIRMAN:

24 Any questions or comments from the Board?

25 Seeing none, could I have a motion, please?

1 MR. SOJKA:

2 Yes, Mr. Chairman. I move that the Board
3 approve the applicants as proposed on those conditions
4 that they have completed the necessary background
5 investigation and the drug testing.

6 CHAIRMAN:

7 Second?

8 MR. COY:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed? Motion passes.

15 MS. YANTIS:

16 Next, pursuant to the Board Order of July
17 29th, 2010, the Personnel Committee was authorized to
18 hire individuals as they successfully completed their
19 background investigation in an effort to ensure
20 accurate staffing and training for the anticipated
21 opening of SugarHouse Casino. Since that Board
22 meeting, there were two individuals that have been
23 approved to commence employment under this motion.
24 Robert McHugh and Elizabeth Leffever have been
25 approved by the Personnel Committee to begin

1 employment as Casino Compliance Representatives. Both
2 individuals were recommended for hire by Director of
3 Casino Compliance, Jerry Stoll, and have completed the
4 necessary background, training and drug testing. We
5 would, therefore, ask that the Board ratify the hiring
6 of these individuals, as required by the July 29th,
7 2010 Order.

8 CHAIRMAN:

9 Any questions or comments from the Board?
10 Can I have a motion, please?

11 MR. COY:

12 Mr. Chairman, I move the Board ratify the
13 previous hiring of the applicants as described by the
14 Director of Human Resources.

15 CHAIRMAN:

16 Second?

17 MR. SOJKA:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? Motion passes. Thank you,
24 Claire. Next up is our Budget Manager, Dave Rhen, and
25 Stacey Knavel. Welcome to both of you.

1 MR. RHEN:

2 Good afternoon. My report today will
3 cover a spending report by the Gaming Control Board
4 through August. Spending during the first few months
5 of the fiscal year totals \$3.8 million. This total
6 does not include significant expenses incurred during
7 July and August for our day-to-day searches and
8 management fees that are currently being processed.
9 Spending report during August alone totaled \$2.2
10 million. Payroll expenses for the year totaled \$3.2
11 million or 82 percent of total expenses. Today we
12 have booked 3.2 years, 26 payrolls. Our most recent
13 payroll was approximately \$1 million. Operating
14 expenses reported during August totaled \$293,000,
15 bringing the year-to-date total to \$666,000. The
16 Board's largest operating expenditures of the year
17 include \$244,000 for rentals and leases, \$88,000 for
18 telecommunications, \$60,000 for travel and \$30,000 for
19 specialized gaming services. That concludes my
20 remarks.

21 CHAIRMAN:

22 Thank you, Dave. Stacey?

23 MS. KNAVEL:

24 Good afternoon, Mr. Chairman and members
25 of the Board. I have three applications from the

1 Local Law Enforcement Grants totaling \$315,760 to
2 present to you today. They are the Swatara Township
3 Police Department in Dauphin County for \$42,400, the
4 Pennsylvania State Police for \$249,990, and the
5 Borough of Freeland Police Department, Luzerne County,
6 for \$23,370. These applications have been reviewed by
7 the appropriate staff and have been determined to be
8 compliant with the grant program and are recommended
9 for approval today.

10 CHAIRMAN:

11 Thank you. Any questions, comments from
12 the Board? Seeing none, could I have a motion,
13 please?

14 MR. MCCABE:

15 Yes, Mr. Chairman. I move that the Board
16 approve the issuance of Local Law Enforcement Grants
17 as presented by the Stacey Knavel, Budget Manager.

18 CHAIRMAN:

19 Second?

20 MR. TRUJILLO:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Opposed? Motion passes. Thank you both.
2 Next up is our Chief Counsel, Doug Sherman. And I see
3 Susan Yocum is also with him.

4 ATTORNEY SHERMAN:

5 Good afternoon, Chairman and members of
6 the Board. As an initial I would like to provide an
7 update on some information I just recently received.
8 Commonwealth Court today issued a Decision in the
9 Keystone Redevelopment Partners versus PGCB appeal.
10 This was a significant Decision, a 50-page opinion,
11 which was published in a precedential manner by the
12 Court, upholding all of the Board's decisions to deny
13 Keystone Redevelopment Partners' standing and
14 intervention in all of the related Foxwood's matters,
15 which had been brought to the Board this past fall.
16 Obviously, I cannot read the entire Decision pdf on my
17 Blackberry, but it will be available for you when you
18 get back to the office.

19 CHAIRMAN:

20 Thank you.

21 ATTORNEY SHERMAN:

22 Moving on, our first agenda item is
23 related to a temporary regulation, which Assistant
24 Chief Counsel Susan Yocum will present.

25 ATTORNEY YOCUM:

1 Good afternoon, Chairman Fajt,
 2 Commissioners. You have today before you one
 3 regulation package for your consideration. It is
 4 Temporary Regulation 125-132, which amends Chapters
 5 549 and 561 to add two additional side wagers. The
 6 first is the Match the Dealer Wager in the game of
 7 Blackjack, and the other is the Fortune Bonus Wager
 8 for the game of Pai Gow Poker. Both of these wagers
 9 were formally requested by certificate holders in all
 10 wagers that are currently offered in other gaming
 11 jurisdictions. Additionally, the Match the Dealer
 12 Wager is currently offered in Pennsylvania in the game
 13 of Spanish 21. I'd be happy to answer any questions
 14 you may have. If not, I'd ask for a motion to adopt
 15 125-132.

16 CHAIRMAN:
 17 Any questions or comments from the Board?
 18 Commissioner Sojka?

19 MR. SOJKA:
 20 Just one quick question and that is, the
 21 literature that we require the licensees to provide
 22 explaining games and whatnot, will there be a
 23 provision that the explanations that decide that will
 24 be in that literature?

25 ATTORNEY YOCUM:

1 That's correct. The Certificate holders
2 that choose to offer these side wagers will have to
3 update their gaming guide.

4 CHAIRMAN:

5 Thank you. Any other questions or
6 comments? Can I have a motion, please?

7 MR. TRUJILLO:

8 Mr. Chairman, I move that the Board adopt
9 Temporary Regulation Number 125-32, that the Board
10 establish a public comment period of 30 days for this
11 temporary regulation and that this regulation be
12 posted on the Board's website.

13 CHAIRMAN:

14 Second?

15 MR. SOJKA:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? Motion passes.

22 ATTORNEY YOCUM:

23 Thank you.

24 CHAIRMAN:

25 Thank you, Susan.

1 ATTORNEY SHERMAN:

2 Today the Board has two petitions before
3 it for consideration. One of these matters was heard
4 by the Board earlier during public hearings and that
5 specifically is HSP's Gaming petition --- Gaming's
6 Petition for Approval of Their Gaming Floor Plan. The
7 second petition today involves MSC Industrial Direct's
8 request to be removed from the Prohibited Gaming
9 Service Provider List. Both of those matters are
10 again considered based upon the records submitted as
11 well as the hearing evidence for HSP earlier today.
12 By way of a point of clarification. The second
13 hearing that was held today, that being that of
14 Greenwood Gaming, will be presented by the Bureau of
15 Licensing later on in this proceeding. As both of the
16 HSP and the MSC Industrial's petitions, the Board has
17 received petitions, Enforcement Counsel's response to
18 pleadings, and any other briefs, memorandas or other
19 evidentiary material into the record.

20 The first petition for your consideration
21 is HSP's Petition for Approval of a Gaming Floor Plan
22 as well as request that the exhibits in their petition
23 be maintained as confidential. The Office of
24 Enforcement Counsel (OEC) has not objected to the
25 granting of that release, subject to 16 conditions set

1 forth in the response. Generally, those conditions
2 require that all regulatory safeguards be in place
3 prior to commencement of gaming operations. The
4 Office of Chief Counsel (OCC) has reviewed the
5 proposed conditions and is in agreement with the OEC
6 that this petition is appropriate to approve subject
7 to each of those 16 conditions. We further agree that
8 Exhibits A, B and C of the HSP's Petition, which
9 provide detailed site and floor plans, should be
10 maintained as confidential. And this matter is now
11 ready for the Board's consideration.

12 CHAIRMAN:

13 Thank you. Any questions or comments
14 from the Board? Any comments from Enforcement
15 Counsel?

16 ATTORNEY PITRE:

17 No.

18 CHAIRMAN:

19 Okay.

20 MR. SOJKA:

21 Yes, Mr. Chairman. I'll move that the
22 Board grant the petition of HSP Gaming, LP, as just
23 described by the OCC.

24 CHAIRMAN:

25 Second?

1 MR. TRUJILLO:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed? Motion passes.

8 ATTORNEY SHERMAN:

9 The second petition before the Board
10 today is MSC Industrial Direct Company's Petition to
11 be removed from the Prohibited Gaming Service Provider
12 List. On March 13th, 2007, MSC, a publicly-traded
13 company, filed a Gaming Service Provider Registration
14 Form. During the processing of the application,
15 however, they failed to provide certain information
16 and the application was eventually deemed incomplete
17 for failure to comply with all of the Bureau of
18 Licensing's document and information submission
19 requirements. As a result, on February 3rd, 2009,
20 they were placed on the Prohibited Gaming Service
21 Provider List. I believe at that time it was the
22 Prohibited Vendor List.

23 Since MSC's placement on the list, the
24 Board has amended its regulations and removed the
25 requirement that publicly traded corporations, such as

1 MSC, make full application for registration or
2 certification. As a result, MSC is no longer required
3 to provide the information previously requested as
4 long as they file a Publicly Traded Corporation
5 Authorization Form with the Board.

6 MSC has made the required filings as a
7 publicly traded company as of June 24th of this year.
8 Accordingly, they've moved to be removed from the
9 Prohibited List. The OEC is not objecting to that
10 request provided that MSC pay a civil penalty in the
11 amount of \$1,500 and pay any outstanding investigation
12 costs. It is my understanding, as represented in the
13 documentation, that MSC is in agreement with these
14 conditions. And therefore, we fully recommend that
15 the Board consider a motion to grant the relief.

16 CHAIRMAN:

17 Thank you.

18 ATTORNEY PITRE:

19 One point of clarification. MSC has
20 satisfied both conditions. I've just confirmed that
21 with Stacey Knavel. We did receive the required funds
22 to be removed from the Prohibited Vendors List, and
23 their balance is zero.

24 CHAIRMAN:

25 Thank you. Counsel for MSC, if you want

1 to state your name for the stenographer and make a
2 brief statement, that would be fine.

3 ATTORNEY GREEN:

4 Good afternoon. Matthew Green with the
5 Obermayer firm for MSC. We're just here to answer any
6 questions that the Board might have in connection with
7 our petition.

8 CHAIRMAN:

9 Okay. Any questions or comments from the
10 Board? Can I have a motion, please?

11 MR. COY:

12 Mr. Chairman, I move the Board grant MSC
13 Industrial Direct Company's Petition to be removed
14 from the Prohibited Gaming Service Provider List, as
15 described by the OCC.

16 MR. GINTY:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? Motion passes. Thank you.

23 Next presenting Withdrawals, Reports and

24 Recommendations is Deputy Chief Counsel Steve Cook.

25 CHAIRMAN:

1 Welcome, Steve.

2 ATTORNEY COOK:

3 Good afternoon. The Board received three
4 unopposed petitions to withdraw applications of six
5 individuals or businesses. The persons or entities
6 subject to these petitions as follows; Richard Jay
7 Schneider, Frederick B. Rentschler, Innovation
8 Management Services, LLC, Ernest E. D'Ambrosio, Jr.,
9 Stephen J. Szapor and Steven M. Rittvo. The OEC has
10 no objections to these withdrawals. As such, I'd ask
11 for a motion that they be granted without prejudice.

12 CHAIRMAN:

13 Any questions or comments from the Board?
14 Can I have a motion, please?

15 MR. GINTY:

16 Chairman, I move that the Board issue an
17 Order to approve the withdrawal as described by the
18 OCC.

19 CHAIRMAN:

20 Second?

21 MR. MCCABE:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1 CHAIRMAN:

2 Opposed? Motion passes.

3 ATTORNEY COOK:

4 Next before the Board for consideration
5 are five Reports and Recommendations received from the
6 Office of Hearings and Appeals (OHA) relative to one
7 Gaming Service Provider Certification, two Gaming
8 Employee Permits and two Non-Gaming Employee
9 Registrations. These Reports and Recommendations,
10 along with the complete evidentiary record, have been
11 provided to the Board in advance of today's meeting.

12 Additionally, in each case, the person or
13 entity subject to the petition has been notified that
14 their matter is on the agenda today and that they have
15 the right to come forward and briefly address the
16 Board. If any of these people are present, I would
17 ask that they come forward when their name is
18 announced.

19 The first Report and Recommendation
20 before the Board pertains to Elgee Savar, Inc. I note
21 for the record that this matter was previously called
22 before the Board on March 16th, 2010, at which time
23 the Board heard the arguments of counsel and,
24 thereafter, decided to continue the matter so that a
25 closer examination of the record in the proceedings

1 before the OHA could occur. Having done that, the
2 matter is now ripe for the Board's consideration.

3 By way of background, in July 2007, Elgee
4 Savar, Inc. filed a Gaming Service Provider
5 Certification Application. The company currently has
6 a contract with Harrah's Chester Casino and Racetrack
7 for placement of four cigarette machines in its
8 casino. The BIE conducted a background investigation
9 of Elgee and its principals and in February of 2009
10 the OEC issued a Notice of Recommendation of Denial.

11 OEC asserts that Elgee's application
12 should be denied due to general suitability concerns
13 based primarily on a former association between Elgee
14 Savar and another company. Specifically, during the
15 1989 to 2000 time period, the other company was found
16 to have had a history of distributing video gaming
17 devices which were used for illegal gambling. OEC
18 asserts that Elgee's principals knew or should have
19 known that they were associated with people who used a
20 video game business to circumvent the law.

21 OEC also believes that Elgee's
22 application should be denied because it failed to
23 cooperate with BIE during the course of its
24 investigation, specifically refusing to provide
25 documents that were requested.

1 As I noted, a hearing was held before the
2 OHA in September 2009, and thereafter, based upon the
3 evidentiary record and the briefs, the Hearing
4 Officer, on December 7th, 2009, issued a Report and
5 Recommendation in which he concluded that Elgee should
6 not be denied or should be granted the Gaming Service
7 Provider Certification as there was no direct evidence
8 that Elgee's principal knew of the bad conduct of his
9 business associate, and in fact, had assisted the
10 taxing and criminal justice authorities in prosecuting
11 that person.

12 On the issue of Elgee's failure to
13 cooperate with BIE, the Hearing Officer found that
14 Elgee adequately explained the documents in question
15 and no longer existed, which was also the position
16 taken by Elgee's counsel in their last appearance
17 before the Board. The full record, including the last
18 proceedings, that were heard before the Board is now
19 before the Board once again for consideration of a
20 motion. Once again, the Report and Recommendation, if
21 granted, would allow Elgee to operate as a Gaming
22 Service Provider. If the Report and Recommendation is
23 rejected, it would be denied Gaming Service Provider
24 Certification.

25 CHAIRMAN:

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

3 MR. MCCABE:

4 Yes, Mr. Chair. I move that the Board
5 issue an Order to adopt the Report and Recommendation
6 of the OHA regarding the Gaming Service Provider
7 Certification of Elgee Savar, Inc., as described by
8 the OCC.

9 CHAIRMAN:

10 Second?

11 MR. SOJKA:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? Motion passes.

18 ATTORNEY COOK:

19 Next before the Board for consideration
20 is a Report and Recommendation related to Donald
21 Inglis. Mr. Inglis submitted a Gaming Employee
22 Application to work as a table games dealer at
23 Harrah's Chester Casino and Racetrack. I note for the
24 record Mr. Inglis is present.

25 By way of background, on June 9th, 2010,

1 the OEC issued a Notice of Recommendation of Denial
2 based upon the fact that Mr. Inglis had several
3 outstanding civil judgments against him, as well as
4 significant negative information on his credit
5 history.

6 Mr. Inglis, who accurately identified his
7 credit history on his application, requested a hearing
8 which was held on July 22nd, 2010. Both the OEC and
9 Mr. Inglis attended the hearing and offered testimony
10 and documentary evidence. Mr. Inglis testified at
11 that time that his financial difficulties had resulted
12 from periods of unemployment due to an injury that he
13 sustained as well as his wife being laid off from her
14 employment.

15 Evidence presented at the hearing further
16 indicated that, earlier this year, Mr. Inglis entered
17 and completed the Bally's Dealer Training Program in
18 Atlantic City. Thereafter, this past May, he began
19 part-time employment at Bally's in Atlantic City and
20 was licensed by the New Jersey Casino Control
21 Commission as a table games dealer on May 17th, 2010.
22 Mr. Inglis seeks a Gaming Employee Permit from the
23 Board so that he can obtain a full-time position as a
24 dealer at Harrah's Chester Downs.

25 At the conclusion of the Hearing, the

1 Hearing Officer issued a Report and Recommendation
2 recommending to the Board that Mr. Inglis' application
3 be approved, given his being fully forthright about
4 his situation, as well as the stated reasons for his
5 financial problems. This Report and Recommendation is
6 presently before the Board. And as noted, Mr. Inglis
7 is also present.

8 CHAIRMAN:

9 Do any Board members have questions or
10 comments?

11 MR. SOJKA:

12 Just one quick question for Mr. Inglis.

13 CHAIRMAN:

14 Before we do that, you're going to
15 testify, Mr. Inglis. Could you please stand and be
16 sworn by the stenographer?

17 -----
18 DONALD INGLIS, HAVING FIRST BEEN DULY SWORN, TESTIFIED
19 AS FOLLOWS:

20 -----
21 CHAIRMAN:

22 And that's I-N-G-L-I-S. Mr. Sojka?

23 MR. SOJKA:

24 Mr. Inglis, just quickly, you've --- all
25 of your credit issues seem to start at a particular

1 date. Can I ask if you had any history of credit
2 difficulties prior to that date?

3 MR. INGLIS:

4 None. None at all.

5 MR. SOJKA:

6 Thank you.

7 CHAIRMAN:

8 Any other questions or comments from the
9 Board? Could I have a motion, please?

10 MR. SOJKA:

11 Yes, Mr. Chairman. I move that the Board
12 issue an Order to adopt the Report and Recommendation
13 of the OHA regarding the Gaming Employee Permit of
14 Donald Inglis, as described by the OCC.

15 CHAIRMAN:

16 Second?

17 MR. TRUJILLO:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? Motion passes. Thank you.

24 MR. INGLIS:

25 Thank you very much.

1 ATTORNEY COOK:

2 James Gill is the next Report and
3 Recommendation before the Board for consideration.
4 Mr. Gill submitted an application for a Gaming
5 Employee Permit in April 2010, seeking work as a table
6 games dealer at Harrah's Chester Casino and Racetrack.

7 On May 26th, 2010, the OEC issued a
8 Notice of Recommendation of Denial based upon Mr. Gill
9 being convicted of a felony, aggravated indecent
10 assault, after a 2001 arrest. Mr. Gill requested and
11 attended a hearing, which was held on July 15th, 2010,
12 where he admitted to the felony, explained that he had
13 taken steps to get his life back together and had
14 taken classes at Harrah's to run a craps table. He
15 indicated that Harrah's knew about his felony and
16 still wanted to hire him pending the outcome of these
17 proceedings before the Board.

18 Subsequently, the OHA issued a Report and
19 Recommendation in this matter in which it's
20 recommended the denial of this gentleman's Gaming
21 Application in that the Gaming Act precludes a Gaming
22 Permit to anybody convicted of a felony within 15
23 years. This matter is now ripe for the Board's
24 consideration.

25 CHAIRMAN:

1 Any questions or comments from the Board.
2 Could I have a motion, please?

3 MR. TRUJILLO:

4 Mr. Chairman, I move that the Board issue
5 an Order to adopt the Report and Recommendations from
6 the OHA regarding the Gaming Employee Permit of James
7 Gill, as described by the OCC.

8 MR. COY:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed? Motion passes.

15 ATTORNEY COOK:

16 The next matter before the Board relates
17 to Jamiell Johnson. Mr. Johnson submitted a Non-
18 Gaming Employee Application in March 2010 to work as
19 an operations attendant at the Parx Casino and
20 Racetrack.

21 The OEC issued a Notice of Recommendation
22 of Denial based on Mr. Johnson's failure to disclose
23 his entire criminal history. While, in his
24 application, Mr. Johnson did disclose a 1997 arrest
25 and conviction for possession of a controlled

1 substance, subsequent investigation determined that
2 Mr. Johnson was arrested on several other occasions
3 between 1997 and 2008, with at least one of these
4 arrests resulting in a guilty plea.

5 Mr. Johnson requested a hearing which was
6 held on July 8, 2010. Both the OEC and Mr. Johnson
7 attended the hearing and offered testimony and
8 documentary evidence. Mr. Johnson explained that,
9 although the application required complete disclosure
10 of all prior arrests, he did not disclose his entire
11 criminal history because he didn't believe he had been
12 convicted of any offenses other than the one he
13 disclosed. As noted, this does not appear to be an
14 accurate statement, as Mr. Johnson had pleaded guilty
15 on at least one other occasion.

16 The Hearing Officer's Report and
17 Recommendation from those proceedings recommended that
18 the Board deny Mr. Johnson's application, and now this
19 matter is --- or that Report and Recommendation
20 presently before the Board.

21 CHAIRMAN:

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

24 MR. SOJKA:

25 Yes, Mr. Chairman. I move that the Board

1 issue an Order to adopt the Report and Recommendation
2 of the OHA regarding the Non-Gaming Gaming Employee
3 Registration of Jamiell Johnson, as described by the
4 OCC.

5 MR. TRUJILLO:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? Motion passes.

12 ATTORNEY COOK:

13 The final Report and Recommendation
14 before the Board today pertains to Edward Jones. Mr.
15 Jones, who I believe is present, submitted his
16 Non-Gaming Employee Application in June 2010 seeking
17 work as a sous chef at Harrah's Chester Casino and
18 Racetrack. Mr. Jones indicated on his application
19 that he had been arrested on multiple occasions for
20 drug and theft related offenses, with his most recent
21 arrest being in 2001. His criminal history report
22 confirmed that information.

23 The OEC issued a Notice of Recommendation
24 of Denial based on the nature of Mr. Jones' criminal
25 history. Subsequently, Mr. Jones requested a hearing

1 and both he and the OEC presented testimony and
2 evidence before a Hearing Officer on July 29th, 2010.

3 In defense of his application, Mr. Jones
4 put forth evidence that, despite his criminal history,
5 he has completed his parole and has not had
6 involvement with the law enforcement since --- or with
7 law enforcement since his last arrest in 2001. Mr.
8 Jones further provided evidence that, at present, he
9 has a stable family life, has significant experience
10 in the food industry, and is actively involved with
11 his church community. He also provided several
12 letters of recommendation.

13 As a result of that evidence, the Hearing
14 Officer issued a Report and Recommendation that is
15 presently before the Board which recommends that Mr.
16 Jones' Non-Gaming Employee Application be approved.
17 The OEC filed exceptions to the Report and
18 Recommendation, arguing Mr. Jones failed to prove, by
19 clear and convincing evidence, his suitability. That
20 matter is now before the Board. Once again, a vote to
21 approve the Report and Recommendation would be to
22 grant his Non-Gaming Application and to deny the
23 Board's recommendation, deny his application. As I
24 indicated, Mr. Jones is present.

25 CHAIRMAN:

1 Mr. Jones, can you please stand and the
2 individual with you to be sworn in if you're going to
3 also make ---.

4 ATTORNEY WILLIAMS:

5 I'm his attorney.

6 CHAIRMAN:

7 Okay. You can stay seated. Mr. Jones,
8 if you could be sworn in.

9 -----
10 EDWARD JONES, HAVING FIRST BEEN DULY SWORN, TESTIFIED
11 AS FOLLOWS:

12 -----

13 CHAIRMAN:

14 Thank you. Mr. Jones, can you address
15 the Board as to why you believe you should get a
16 Non-Gaming License.

17 MR. JONES:

18 Good afternoon, Mr. Chairman. Again, as
19 I stated, since 2001, I haven't had any involvement
20 with the police, not even as far as a parking ticket,
21 speeding ticket, nothing. I'm active in my community.
22 Currently I'm employed. I'm obtaining a position as
23 the executive chef right now at Red Fox Steakhouse as
24 well, which is in New Castle, Delaware. I'm still
25 gainfully employed. I'm asking that you consider

1 granting me the license so I can continue with my
2 career.

3 CHAIRMAN:

4 Thank you. Commissioner McCabe?

5 MR. MCCABE:

6 Yes. I have a couple questions. Mr.
7 Jones, looking over your whole file that we have, I
8 notice that you progressed in your use of drugs from
9 marijuana to heroine. You were arrested for heroine
10 back in 2001. Is that what you ended up being
11 sentenced to jail for, possession of heroine?

12 MR. JONES:

13 Yes, sir.

14 MR. MCCABE:

15 Did you have a drug problem?

16 MR. JONES:

17 I did.

18 MR. MCCABE:

19 Did you go through any type of treatment
20 to rid you of that problem?

21 MR. JONES:

22 I did, sir.

23 MR. MCCABE:

24 What kind of a program was that?

25 MR. JONES:

1 It was an intense inpatient program. It
2 was an outpatient program, attending regular NAA
3 meetings. I even had open speaking with drug
4 advocates.

5 MR. MCCABE:

6 As part of your release from prison, were
7 you required to submit for drug --- were you called in
8 to do drug testing at all?

9 MR. JONES:

10 Yes, sir.

11 MR. MCCABE:

12 Were you ever found to be dirty?

13 MR. JONES:

14 No.

15 MR. MCCABE:

16 So you were clean the whole time?

17 MR. JONES:

18 Correct, sir.

19 CHAIRMAN:

20 Commissioner Sojka?

21 MR. SOJKA:

22 I have just a couple of quick career
23 questions. At the moment you're employed as an
24 executive chef in Delaware?

25 MR. JONES:

1 Not executive now. I was executive chef
2 at the Salem City Café in South Jersey.

3 MR. SOJKA:

4 And when was that?

5 MR. JONES:

6 That was from 2008 to 2009.

7 MR. SOJKA:

8 Okay. And now you're at the steakhouse
9 and you want to move into the casino situation as a
10 sous chef. Do you view that as an upward move in your
11 career from your present employment?

12 MR. JONES:

13 I do, sir.

14 MR. SOJKA:

15 That's because it's a larger facility
16 or ---?

17 MR. JONES:

18 It's more demanding, it's more
19 challenging. That's what I'm looking for.

20 MR. SOJKA:

21 Okay. And you have a long-term career
22 objective as being an executive chief in a system like
23 that?

24 MR. JONES:

25 Yes, sir.

1 MR. SOJKA:

2 Thank you.

3 CHAIRMAN:

4 Other questions? Commissioner Ginty?

5 MR. GINTY:

6 I understand you were in the military
7 service?

8 MR. JONES:

9 Yes, sir.

10 MR. GINTY:

11 And honorably discharged after how many
12 years?

13 MR. JONES:

14 Four years, sir.

15 MR. GINTY:

16 Air Force?

17 MR. JONES:

18 Yes.

19 MR. GINTY:

20 Other questions or comments?

21 Commissioner McCabe?

22 MR. MCCABE:

23 Are you now married?

24 MR. JONES:

25 I am, sir. That's my wife and my

1 mother-in-law sitting behind me.

2 MR. MCCABE:

3 They're in the audience?

4 MR. JONES:

5 Yes, sir.

6 MR. MCCABE:

7 And do you have a stable home environment
8 now?

9 MR. JONES:

10 Yes, sir.

11 MR. MCCABE:

12 I noticed that your drug problem may have
13 been precipitated by the death of your parents.

14 MR. JONES:

15 Yes, sir.

16 MR. MCCABE:

17 And it appears that with their support,
18 you've made a turnaround?

19 MR. JONES:

20 I have turned around, sir.

21 MR. MCCABE:

22 And you are licensed in New Jersey?

23 MR. JONES:

24 Yes, sir.

25 CHAIRMAN:

1 Commissioner Ginty?

2 MR. GINTY:

3 One last --- just one last comment. I
4 just want to compliment you and your attorney. These
5 are difficult cases for us. And in order to show to
6 somebody that they have been rehabilitated, you have
7 to put on --- the burden's on you, as you know, to put
8 on a case. And I want to congratulate you for your
9 presentation before the Administrative Law Judge.

10 ATTORNEY WILLIAMS:

11 Thank you, sir.

12 CHAIRMAN:

13 Thank you. Other questions or comments?
14 Can I have a motion, please?

15 MR. MCCABE:

16 Yes, Mr. Chairman, I'll make the motion.
17 I move that the Board issue an Order to adopt the
18 Report and Recommendation of the OHA regarding
19 Non-Gaming Employee Registration of Edward Jones, as
20 described by the OCC. That gives him a license?

21 ATTORNEY COOK:

22 That's correct.

23 MR. MCCABE:

24 So I move to adopt it.

25 CHAIRMAN:

1 Thank you. Can I have a second?

2 MR. SOJKA:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? Motion passes. Thank you.

9 ATTORNEY SHERMAN:

10 That concludes the report of the OCC.

11 CHAIRMAN:

12 Thank you, Steve. Thank you, Doug. I
13 will now have Susan Hensel come forward to present
14 Bureau of License items.

15 MS. HENSEL:

16 Thank you, Chairman Fajt and members of
17 the Board. The first item for your consideration is
18 the renewal of Greenwood Gaming and Entertainment,
19 Inc.'s Category 1 License. The license renewal
20 regarding this entity has been held, and the license
21 renewal is now ready for your consideration. No
22 issues regarding Greenwood Gaming & Entertainment,
23 Inc. have been identified by either the BIE or
24 Licensing that would preclude Greenwood of a Category
25 1 License. I have provided you with a draft Order of

1 this entity and ask that the Board consider the Order
2 of renewing the Category 1 License to Greenwood Gaming
3 and Entertainment, Inc.

4 CHAIRMAN:

5 Thank you, Susan. Any questions or
6 comments from Enforcement Counsel, Mr. Miller?

7 ATTORNEY MILLER:

8 The OEC has no objection to the license
9 renewal of Greenwood Gaming.

10 CHAIRMAN:

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

13 MR. TRUJILLO:

14 Mr. Chairman, I move that the Board grant
15 the license renewal of Greenwood Gaming &
16 Entertainment, Inc., as described by the Bureau of
17 Licensing.

18 CHAIRMAN:

19 Second?

20 MR. COY:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Opposed? Motion passes.

2 MS. HENSEL:

3 The next matter for your consideration is
4 the issuance of an initial Table Games Manufacturer
5 License to Elektroncek d.d. Elektroncek is a
6 Slovenian company that manufactures and distributes
7 multi-station electronic gaming devices, including a
8 multi-station roulette wheel that it plans to sell in
9 Pennsylvania. The BIE has completed its
10 investigation, and the Bureau of Licensing has
11 provided you with a background investigation and
12 suitability report. No issues were identified by
13 either the BIE or licensing that would preclude
14 licensure. I have provided you with a draft Order
15 approving the Manufacturer License for Elektroncek and
16 ask that the Board consider the Order.

17 CHAIRMAN:

18 Any questions from Enforcement Counsel?

19 ATTORNEY PITRE:

20 No, we have no objection.

21 CHAIRMAN:

22 Thank you. Questions from the Board?

23 MR. GINTY:

24 I have one question. My colleague, Mr.
25 Sojka, tells me that that is pronounced Slovenia

1 (corrects pronunciation).

2 MS. HENSEL:

3 I stand corrected.

4 MR. GINTY:

5 I don't want to draw this out, but I am
6 concerned when we're licensing a foreign --- a company
7 that's headquartered in another country and that we
8 are sure that we are giving them the same type of
9 investigation review that we do here. And I had a
10 brief discussion with Paul Mauro. Just for the
11 record, if we could have Paul just give an overview on
12 that recommendation that you took in this case.

13 MR. MAURO:

14 Yes, Commissioner Ginty. Paul Mauro,
15 M-A-U-R-O, Deputy Director of Board Investigation and
16 Enforcement. Elektroncek was fully investigated by
17 the BIE. Part of that investigation is traveling to
18 Slovenia. I'm not sure Slovenia (different
19 pronunciation), but we sent two investigators over to
20 Slovenia, and part of what they did when they went
21 over there was they checked with the Federal Police in
22 Slovenia during the normal course of an investigation.
23 They also checked with the fellow Gaming Regulators
24 in Slovenia and also checked with the U.S. Embassy,
25 with various U.S. officials stationed at the Embassy.

1 And the reports of that investigation were reported by
2 the investigator and afforded to the Board through the
3 background investigation report.

4 Additionally, Elektroncek is now licensed
5 in, I believe, 24 other gaming jurisdictions in the
6 United States. So when we were conducting our
7 investigation of Elektroncek so were other gaming
8 regulators based in the United States. We have a very
9 open relationship with those other gaming regulators
10 and we share information back and forth with them as
11 well. So I'm fully confident that the background
12 investigation that was done on Elektroncek is thorough
13 and complete. And the lead agent on that case, Agent
14 Michael, is here if you have any further questions.

15 MR. GINTY:

16 I don't. I just think it's helpful for
17 the public to understand the extent that we go to
18 investigate these companies, even the ones that are
19 overseas. So thank you for the thoroughness of the
20 investigation.

21 MR. MAURO:

22 You're welcome.

23 CHAIRMAN:

24 Thank you, Paul. Jim, thank you for the
25 question. Any other questions from the Board? Any

1 other comments from Enforcement Counsel?

2 ATTORNEY PITRE:

3 No.

4 CHAIRMAN:

5 Could I have a motion, please?

6 MR. COY:

7 Yes. Mr. Chairman, I move the Board
8 approve the Table Games Manufacturer License of
9 Elektroncek d.d. as described by the Bureau of
10 Licensing.

11 MR. GINTY:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? Motion passes.

18 MS. HENSEL:

19 Next are the renewals of Slot Machine
20 Manufacturer Licenses for Konami Gaming, Inc. and
21 Shuffle Master, Inc. The BIE has completed its
22 investigation, and the Bureau of Licensing has
23 provided you with the renewal background investigation
24 and suitability reports for these Licensees. No
25 issues were identified by either the BIE or Licensing

1 that would preclude licenses. And I have provided you
2 with a draft Order, asking that the Board consider the
3 renewal of these companies separately, beginning with
4 Konami Gaming, Inc.

5 MR. GINTY:

6 So moved.

7 ATTORNEY PITRE:

8 No objection.

9 CHAIRMAN:

10 Thank you. Any questions from the Board?
11 Could I have a motion, please?

12 MR. GINTY:

13 So moved.

14 MR. MCCABE:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? Motion passes.

21 MS. HENSEL:

22 And next will be Shuffle Master, Inc.

23 ATTORNEY PITRE:

24 No objection.

25 CHAIRMAN:

1 Comments from the Board? Can I have a
2 motion?

3 MR. MCCABE:

4 So moved.

5 MR. SOJKA:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? Motion passes.

12 MS. HENSEL:

13 The next matter for your consideration is
14 the renewal of a Supplier License for TDN Money
15 Systems. The BIE has concluded its investigation, and
16 the Bureau of Licensing has provided you with the
17 renewal background investigation and suitability
18 report for this Licensee. No issues were identified
19 by either the BIE or Licensing that would preclude the
20 renewal of TDN Money Systems' License. I have
21 provided you with a draft Order and ask that the Board
22 consider that renewal of this license.

23 ATTORNEY PITRE:

24 No objection.

25 CHAIRMAN:

1 Thank you. Any comments from the Board?
2 Can I have a motion?

3 MR. SOJKA:

4 So moved.

5 MR. TRUJILLO:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? Motion passes.

12 MS. HENSEL:

13 In addition, we have for your
14 consideration the approval of Principal and Key
15 Employee Licenses. Prior to this meeting, the Bureau
16 of Licensing provided you with a proposed Order for
17 six Principal Affiliates and two Key Employees for
18 Greenwood Gaming and Entertainment, Inc. and
19 Washington Trotting Association. I ask that the Board
20 consider the Order approving the licenses.

21 ATTORNEY PITRE:

22 No objection.

23 CHAIRMAN:

24 Comments from the Board? Can I have a
25 motion?

1 MR. TRUJILLO:

2 So moved.

3 MR. COY:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? Motion passes.

10 MS. HENSEL:

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

17 ATTORNEY PITRE:

18 No objection.

19 CHAIRMAN:

20 Any comments from the Board? Can I have
21 a motion?

22 MR. COY:

23 So moved.

24 MR. GINTY:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? Motion passes.

6 MS. HENSEL:

7 Next are Gaming Permits and Non-Gaming
8 Registration. Prior to this meeting, the Bureau of
9 Licensing provided you with a list of 822 individuals,
10 including 597 initial and 224 G-2 temporary permits,
11 as well as one G-2 full permit that the Bureau has
12 granted an occupation permit to and 262 individuals
13 who the Bureau has granted registration to under the
14 authority delegated to the Bureau of Licensing. I ask
15 that the Board adopt a motion approving these Orders.

16 ATTORNEY PITRE:

17 No objection.

18 CHAIRMAN:

19 Comments from the Board? Can I have a
20 motion, please?

21 MR. GINTY:

22 So moved.

23 MR. MCCABE:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? Motion passes.

5 MS. HENSEL:

6 We also have withdrawal requests for Key
7 Employee, Gaming and Non-Gaming Employees. In each
8 case, the license, permit or registration is no longer
9 required due to circumstances such as the employee
10 failing to report to work or a job loss intended.
11 Before today's meeting I had provided the Board with a
12 list of 37 Key Employees, 37 Gaming and 7 Non-Gaming
13 Employee withdrawals for approval. I ask that the
14 Board consider the Order approving this list of
15 withdrawals.

16 ATTORNEY PITRE:

17 No objection.

18 CHAIRMAN:

19 Comments from the Board? Can I have a
20 motion?

21 MR. MCCABE:

22 So moved.

23 MR. SOJKA:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? Motion passes.

5 MS. HENSEL:

6 In addition, we have Orders regarding
7 gaming service providers. The first is to certify the
8 following gaming service providers; Media Five,
9 Limited, and Transaction Holdings, LLC. I ask that
10 the Board consider the Order approving these gaming
11 service providers for certification.

12 ATTORNEY PITRE:

13 No objection.

14 CHAIRMAN:

15 Comments from the Board? Can I have a
16 motion, please?

17 MR. TRUJILLO:

18 So moved.

19 MR. COY:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? Motion passes.

1 MS. HENSEL:

2 We also have an Order regarding Gaming
3 Service Provider Registrations. The Bureau of
4 Licensing provided you with an Order and attached list
5 of eight Registered Gaming Service Providers. I ask
6 that the Board consider a motion approving the Order
7 registering these gaming service providers.

8 ATTORNEY PITRE:

9 No objection.

10 CHAIRMAN:

11 Comments from the Board? May I have a
12 motion?

13 MR. COY:

14 So moved.

15 MR. GINTY:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? Motion passes.

22 MS. HENSEL:

23 Finally, I'm asking that Gaming Service
24 Provider Applicant Michaels LaVernada have its
25 application declared abandoned. This company filed an

1 application with the Board even though it received
2 compensation requiring it to file an application.
3 However, the company failed to complete its
4 application. The Board has the authority to declare
5 an application abandoned if the applicant fails to
6 provide the information necessary to cure application
7 deficiencies. I ask that the Board consider the Order
8 declaring this application abandoned.

9 ATTORNEY PITRE:

10 We support that motion.

11 CHAIRMAN:

12 Thank you. Any questions from the Board?
13 Can I have a motion? Can I have a motion?

14 MR. GINTY:

15 So moved.

16 MR. MCCABE:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? Motion passes.

23 MS. HENSEL:

24 That concludes the Bureau of Licensing's
25 presentation.

1 CHAIRMAN:

2 Thank you, Susan.

3 CHAIRMAN:

4 Cyrus Pitre, our Enforcement Counsel, is
5 next. I see Dustin Miller is with him.

6 ATTORNEY MILLER:

7 Good afternoon. At this time we have one
8 Consent Agreement prepared for the Board's approval.
9 The Consent Agreement is between the Office of
10 Enforcement Counsel and Atlantic City Coin and Slot
11 Services Company, Inc. I believe counsel for Atlantic
12 City Coin and Slot is here today.

13 Atlantic City Coin and Slot Service
14 Company, Inc. is a holder of a Slot Machine
15 Manufacturer License which was last renewed on
16 February 17th, 2010. Pursuant to Section 1207 of the
17 Gaming Act, the licensed entity shall provide its
18 Audited Financial Statements to the Board not later
19 than 90 days from the end of the Licensee's fiscal
20 year. The requirement is also echoed in Atlantic City
21 Coin and Slot Service Company's signed Statement of
22 Conditions. In the instant matter, Atlantic City Coin
23 and Slot was required to submit its Audited Financial
24 Statements to the Board by April 1st, 2010 at the
25 latest. However, Atlantic City Coin and Slot did not

1 submit its Audited Financial Statements until June
2 8th, 2010. Thus, its Audited Financial Statements
3 were 68 days late, and Atlantic City Coin and Slot was
4 in violation of the Act by submitting its Audited
5 Financial Statements late.

6 Additionally, the OEC had sent Atlantic
7 City Coin and Slot a warning letter for the same
8 violation in 2009. On August 9th, 2010, the parties
9 entered into a Consent Agreement to settle this
10 matter. The terms of the Agreement included a
11 provision that Atlantic City Coin and Slot Service
12 Company, Inc. shall institute policies and provide
13 training to employees for future late filing and also
14 Atlantic City Coin and Slot Service Company, Inc.
15 shall pay a total fine of \$6,800 for the late filing
16 of the renewal application, which represents a \$100
17 per day penalty. I'm sorry, audited financials.
18 Counsel for Atlantic City Coin and Slot is here today
19 to answer any questions you may have. Otherwise, it
20 would be appropriate for the Board to entertain a
21 motion to approve this Consent Agreement.

22 CHAIRMAN:

23 Counsel, could you please state your name
24 and spell it for the stenographer?

25 ATTORNEY NESTOR:

1 Certainly, Chairman. Christopher Nestor,
2 N-E-S-T-O-R, outside counsel for AC Coin and Slot.

3 CHAIRMAN:

4 Thank you. Are there any questions or
5 comments from the Board? Can I have a motion, please?

6 MR. MCCABE:

7 Yes, Mr. Chairman. I move that the Board
8 issue an Order to approve the Consent Agreement
9 between the OEC and Atlantic City Coin and Slot
10 Service Company as described by the OEC.

11 CHAIRMAN:

12 Do we have a second?

13 ATTORNEY SOJKA:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? Motion passes. This isn't
20 going to impact my vote, so I'm okay to ask it
21 afterwards, but I was a little concerned that, you
22 know, this issue happened last year and again happened
23 this year. I mean, what assurance can you give the
24 Board that it won't happen again next year?

25 ATTORNEY NESTOR:

1 Mr. Chairman, AC Coin and Slot has since
2 switched its auditors. We were having some difficulty
3 with our prior auditor. In 2009 we hired EEOC to take
4 over the auditing of this company. We're a private
5 company, not publicly traded, so thus we're not in the
6 same caliber for SEC to file. We're hoping that with
7 these changes that we've made and working with EEO
8 we'll be able to do that in the future.

9 CHAIRMAN:

10 And I assume your year end is 12/31?

11 ATTORNEY NESTOR:

12 Yes.

13 CHAIRMAN:

14 Is the calendar year end for the ---?

15 ATTORNEY NESTOR:

16 Yes.

17 CHAIRMAN:

18 Thank you.

19 ATTORNEY NESTOR:

20 Thank you, members of the Board.

21 ATTORNEY PITRE:

22 The next matter for the Board's
23 consideration will be handled by Mark Buterbaugh.

24 CHAIRMAN:

25 Good afternoon, Mark.

1 ATTORNEY BUTERBAUGH:

2 Good afternoon. There's a matter related
3 to a suspension of a casino before the Board today.
4 The records pertinent to this matter have been
5 provided to the Board in advance of the meeting. Upon
6 notification of the complaint filed to suspend the
7 Gaming Occupational Permit of the individual named in
8 the complaint, the individual has not responded to the
9 matter set forth in the complaint. In addition, the
10 applicant has been notified that the Board is
11 considering her suspension today and that she had the
12 right to be present to address the Board. If the
13 individual is present today, she should come forward
14 when her name is announced. Lesley Pendleton.

15 CHAIRMAN:

16 Is Ms. Pendleton here? Proceed.

17 ATTORNEY BUTERBAUGH:

18 The request for a six-month suspension
19 today involves Lesley Pendleton. Ms. Pendleton has
20 been employed as a cage cashier with Washington
21 Trotting Association, otherwise known as the Meadows
22 Casino, and is a permanent Gaming Employee. Ms.
23 Pendleton is currently not employed by any casino, but
24 her current credential expires in 2012. The OEC filed
25 an Enforcement Complaint to suspend Ms. Pendleton's

1 Gaming Occupational Permit for failing to abide by her
2 need to inform the Board of an incident, for failure
3 to abide by Board regulations, and her failure to
4 abide by our Statement of Conditions.

5 The incident involved the Applicant
6 engaging in gaming activities at slot machines in the
7 Meadows and Rivers Casino. Video surveillance
8 confirmed the Applicant was engaged in wagering
9 activities which was a violation of the Board
10 Regulations and our Statement of Conditions. The
11 complaint was filed on June 25th, 2010. The
12 Enforcement Complaint was properly served upon Ms.
13 Pendleton to the address listed on her application and
14 was served by first class mail. Ms. Pendleton failed
15 to respond to filing in any manner. Due to Ms.
16 Pendleton's failure to respond, the averments in the
17 Enforcement Complaint are deemed to be admitted as
18 fact and her right to a hearing has been waived.

19 On July 1st, 2010, the OEC filed a
20 request to enter default judgment. The matter is now
21 before the Board to consider for a six-month
22 suspension of Ms. Pendleton's Gaming Occupational
23 Permit.

24 CHAIRMAN:

25 Thank you. Any questions or comments

1 from the Board? Commissioner Ginty?

2 MR. GINTY:

3 I have a question. Have we done
4 suspensions before?

5 ATTORNEY PITRE:

6 Off the top of my head, I can think of
7 only one other incident.

8 MR. GINTY:

9 To me it's --- you know, usually we're
10 confronted with all or nothing type of decision, so I
11 would, you know, urge you to consider a suspension
12 where you think they're appropriate.

13 ATTORNEY PITRE:

14 In this incident we felt it was
15 appropriate to suspend her rather than revoke her and
16 have a five years considering ---.

17 MR. GINTY:

18 I think it's a good middle ground when
19 it's appropriate.

20 CHAIRMAN:

21 Seeing no questions, can I have a motion,
22 please?

23 MR. TRUJILLO:

24 So moved.

25 MR. COY:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? Motion passes. Thank you,
7 Cyrus. Thank you, Mark. That concludes our normal
8 business. However, quarterly we open up the
9 microphone for public comment. We ask that the
10 speakers register in advance of the meeting with our
11 Communications Office. As I understand it, we do not
12 have any registered speakers for today. However, if
13 there's anyone in the audience wishing to make public
14 comment, they should come forward now. This is your
15 chance to tell us what you really think.

16 In closing, our next scheduled public
17 meeting will be held on Wednesday, October 6th in the
18 PUC Keystone Building, Hearing Room One. The meeting
19 will begin at 10:00 a.m. Any further comments from
20 the Board? Could I have a motion to adjourn?

21 ATTORNEY COY:

22 So moved.

23 CHAIRMAN:

24 Second?

25 MR. GINTY:

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Second.

CHAIRMAN:

The meeting is adjourned. Thank you.

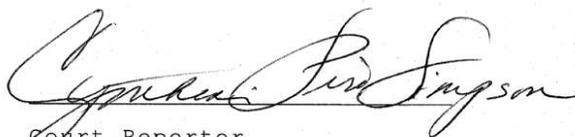
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MEETING CONCLUDED AT 1:30 P.M.

* * * * *

CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Fajt, was reported by me on 09/16/2010 and that I Cynthia Piro Simpson read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.


Cynthia Piro Simpson
Court Reporter