

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: Gregory C. Fajt, Chairman
Raymond S. Angeli, Jeffrey W. Coy,
James B. Ginty, Kenneth T. McCabe,
Gary A. Sojka, Kenneth I. Trujillo; Members
David Barasch, Deputy Secretary of the
Department of Revenue, Representative;
Aviv Bliwas, representing Honorable Robert
M. McCord, State Treasurer; Russell
Redding, Secretary of Agriculture

HEARING: Thursday, December 16, 2010, 11:00 a.m.

LOCATION: Pennsylvania State Museum Auditorium
300 North Street
Harrisburg, PA 17120

WITNESSES: Todd Mostoller, Robert Soper

Reporter: Cynthia Piro Simpson

DRAFT VERSION UNTIL APPROVED BY THE BOARD

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CHAIRMAN:

That concludes the public hearing portion on today's agenda. What we're going to do is we're going to jump a little bit out of order. I understand that Secretary Redding is back in the room, and in the interest of keeping him on schedule, we are going to jump out of the public hearing phase of our meeting and go into the regular meeting phase to have Secretary Redding give us his presentation on the Horse Racing Industry in Pennsylvania. While our friends from the Department of AG are getting settled here, we will take a 15 minute break when they are finished for executive session and come back right after that.

SHORT BREAK TAKEN.

CHAIRMAN:

It's my pleasure at this time to introduce the Secretary of Agriculture for the Commonwealth of Pennsylvania, Russell Redding. Secretary Redding has been kind enough to agree to come here and provide us, as I mentioned earlier, with an update on Horse Racing in Pennsylvania. And I know you have some of your staff folks with you. If

1 anybody --- actually, why don't all of you, I think
2 you're all non-lawyers, if I'm not mistaken, could you
3 just stand and be sworn in by the stenographer,
4 please.

5 ALL SWORN.

6 CHAIRMAN:

7 Thank you. And before you speak, if you
8 could just state your name and spell your name for the
9 stenographer. And with that, Mr. Secretary.

10 SECRETARY REDDING:

11 Russell Redding.

12 CHAIRMAN:

13 Very good. Thank you for being here. I
14 know it's a busy day for you. We appreciate your
15 input today.

16 SECRETARY REDDING:

17 Mr. Chairman, thank you. It's a good
18 day. And we certainly appreciate the opportunity to
19 come back to the Gaming Control Board and share an
20 update on Act 71, and I believe you have access here
21 to a PowerPoint presentation, but I just want to say
22 thank you very much for the good work and the good
23 working relationship between the Racing Commission and
24 the Gaming Control Board. And it's very good to have
25 a great relationship, and there is no question that we

1 could not have made the progress that we've made as an
2 industry, as a department, as a commission without
3 you. So, thank you very much.

4 I know each of you have been out to the
5 tracks and looked at the backside and studied and
6 understand this piece well, so some of what we're
7 providing here today may be a little bit of a
8 duplication from what you've already seen or heard,
9 but I think it's important, you know, to take a moment
10 when you look back to where we were not too many years
11 ago and the state of the equine industry and the
12 racing industry in Pennsylvania and just pause. We
13 don't do that very often, but I think it's important
14 just to pause and look at what is here because it's
15 easy to miss that in the rush of the season, in the
16 rush of transitions, in the rush of, you know, trying
17 to deal with the next issue. But just to pause for a
18 moment and look at what we have here in Pennsylvania,
19 particularly when you look at it in the context of
20 what's going on nationally and what's going on in this
21 region from a racing standpoint. And I'll try to
22 highlight a few of those points. But let me note that
23 Mike Pechart, our Deputy Secretary, is here today as
24 well, and Dan Tufano, who is our Director of Racing,
25 Horse Racing, is here as well to help present and to

1 answer questions.

2 I think what is important, when you look
3 at the Act of 2004, and I've drawn everyone's
4 attention to this, when you look at the title of the
5 Act, I think it is instructive to what was intended.
6 And it says Pennsylvania Horse --- Racehorse
7 Development and Gaming Act. And it's an emphasis on
8 and. We look at those as co-equals. We believe that
9 that is a shared partnership between the horseracing
10 industry and the gaming industry, and that is the way
11 that we've tried to approach it as a department and as
12 a Commission. But also, to go further, when you look
13 at the legislative intent, what was intended by this
14 Act, and it points out that it's looking to enhance
15 the live racing of horseracing and breeding in
16 Pennsylvania and to positively support programs
17 intended to foster and promote horse breeding. And I
18 think, again, the results track with that legislative
19 intent.

20 Overall, when you look at sort of the
21 global view, and this is the pie chart that you're
22 familiar with, but when you look at this complete pie
23 chart, the area that I'm particularly interested in is
24 the 12 percent, which is the Pennsylvania Racehorse
25 Development Fund. But that pie to date represents

1 \$6.7 billion in total activity, \$6.7 billion. If you
2 take to date and then break out, of course, those
3 portions, you get to the 12 percent for racing.

4 Let's talk about the value for a moment.
5 And this goes back --- the 2001 reference is for
6 purposes of a Penn State study that was done in 2001
7 and was published in 2003, but it was their attempt at
8 that time to really try to get some quantitative
9 analysis on what is the real value, and they looked at
10 racing and equine. And when you add up what happened
11 in 2001, sort of pre-Act 71 and look at it post, you
12 had a combined value in 2001 of about \$1.2 billion.
13 Again, that's racing and general equine. Compare that
14 to today and you've got \$4.6 billion in value of the
15 equine industry in Pennsylvania. And that has
16 occurred both in terms of racing and for the general
17 equine industry. What I find interesting is it's not
18 simply a discussion about racing. It's about the
19 value of the equine industry.

20 So, the Act 71 has sort of acted as this
21 yeast, you know, to help pull a lot of other folks, a
22 lot of other money, a lot of other activity into this
23 industry but made possible by Act 71. Just a couple
24 of the benefits, and you can add many others to this,
25 but we intentionally used the word rejuvenated, the

1 Pennsylvania horserace industry. Anybody who was
2 around the industry pre-Act 71 understands that it was
3 struggling. It looks like what's playing out
4 nationally right now, so it was really --- it was
5 doing okay, but it really wasn't providing those
6 opportunities that we believe the industry could if
7 properly supported. We're certainly seeing that
8 today. It created jobs, both in the short and long
9 term. You have property tax reductions of \$2.3
10 billion. That's a big part of the conversation. That
11 was another one of the intentions of Act 71, but
12 economic development, of course, opportunities for the
13 racetracks in Pennsylvania as well.

14 Jobs are a big part of this discussion.
15 Again, using the same datelines of 2001, sort of
16 pre-71 and a post-71, and just in simple math, if you
17 add up the 2001, you get roughly 20,000 jobs. In 2008
18 you're at 64,000 jobs. So, you've picked up 44,000
19 jobs in the course of seven years. I think it's
20 phenomenal. And we know what the value of a job is
21 today, so it's great news. But that represents not
22 only the track activity, it's the equine industry.
23 So, those other primary and secondary benefits that we
24 speak of are represented in this job snapshot as well.

25 The purses, probably the best story, just

1 because you look at the purses, are the draw. You
2 know, it's what really pulls folks in to invest here,
3 to race here, to breed here, to provide veterinary
4 care here. It's the purse money. And there's not
5 another state that's doing what Pennsylvania is doing.
6 \$75 million in 2001. Fast forward a couple years. In
7 2009 you had nearly \$219 million going out in purse
8 money. That's an annual number. Year to date, as the
9 footnote mentions here, you're in the neighborhood of
10 \$700 million. And that's money that is directly
11 returned to horsemen. It's going back for the benefit
12 of racing in Pennsylvania. It has provided both
13 growth and predictability. And both of those are
14 important components of building an industry. They
15 want to know it's here. They want to know it's
16 sustainable. And certainly through the course of the
17 last couple years, I think we've demonstrated both the
18 growth and predictability. It's the incentive to come
19 here. We hear all the time about the purses in
20 Pennsylvania, and it really is the draw that pulls
21 folks in across the state and across the region as
22 well. And I think one that ties to jobs is really the
23 opportunity to have a sustainable living made out of
24 this equine industry. I think that's an important
25 part of our story.

1 Wagering on Pennsylvania races. Just to
2 note where we were in 2001 and where we are today, in
3 2009, \$685 million that's wagered on Pennsylvania
4 races. I think it's important that, you know, that
5 number signifies sort of the demand for Pennsylvania
6 races. And I'll ask Mike or Dan if they want to sort
7 of supplement anything on this particular slide, given
8 the --- you know, the exchange that occurs both within
9 and outside the state for the signal.

10 MR. TUFANO:

11 This is Daniel Tufano. What this slide
12 represents is the inverse relationship that we're
13 seeing in Pennsylvania, despite what we're all
14 familiar with is an overall decline in handle on
15 racing. Our handle on Pennsylvania's races, though,
16 is increasing in popularity, and it demonstrates one
17 of the positive effects of Act 71.

18 SECRETARY REDDING:

19 If we look at the Pennsylvania-breds ---
20 and this tells you the foals that are --- what's the
21 crop, right, and what was it in 2001. You're around
22 nearly 4,000 foals. 2008, that number has well
23 exceeded that, nearly 4,400. And I think the
24 take-away for me on this slide is what's happened to
25 Pennsylvania in comparison to the rest of America. We

1 have gone up by about ten percent. The national trend
2 is down by 12 percent. So, it tells you, you know,
3 the new crop, the new kids are coming. You've got a
4 great crop out here that continues to grow. It's a
5 great part of the story.

6 The racehorses at the PA tracks, again,
7 these aren't unique horses, per se, but they're a good
8 indicator of who's coming in, who's racing, who is
9 sort of signed up to race on a particular day. You've
10 got 94,107 unique starts in 2008 compared to 74,000
11 roughly. And of course, that's 21,000 more unique
12 starts in the year 2008 than you had just a few years
13 before that. Again, a great indicator of the draw, of
14 the purse, of the possibility here in Pennsylvania as
15 well.

16 Breeding programs are built on a great
17 foundation that existed prior to Act 71, but again,
18 the numbers sort of speak for themselves. You're at
19 about \$14 million in total breeding program activity
20 in 2001. In 2008, 2009, that number was \$37 million.
21 Again, these are dollars that are used to provide the
22 incentive for horsemen to breed here, to house here,
23 race here, and I think it's encouraged that investment
24 in Pennsylvania. These folks clearly want to
25 participate in this extra financial benefit of

1 Pennsylvania breeding. And I would just footnote that
2 that is certainly an opportunity for us going forward
3 that we think is a great opportunity to build from,
4 but there's more we can do. It's also enhanced the
5 quality of racing in Pennsylvania.

6 The investments --- and again, this is a
7 quick roundup. There are many other farms. This is
8 just one that we wanted to demonstrate. There
9 actually are folks who are buying farms who were not
10 in Pennsylvania before. They weren't a taxpayer in
11 Pennsylvania. They weren't a landowner in
12 Pennsylvania. They're now showing up to be a
13 landowner and an active participant in the equine
14 industry but an active participant in agriculture;
15 right? And this is part of the great story. We said
16 if you build it, they'll come. And this demonstrates
17 great farms here who are investing in new buildings,
18 in land. There are two in Northview, Pennsylvania.
19 It's because there's a Northview, Maryland. They came
20 across the border and established an operation here in
21 Pennsylvania. We have Penn Ridge Farm just in the
22 area, a great facility, a beautiful farm that would
23 not be in agriculture, would not be in the equine
24 industry today if it weren't for Act 71, many stories
25 like that to say --- that does not represent the farms

1 that have been here for generations. You can take
2 Hanover Shoe Farm as an example. Those folks have
3 been here generations, thousands of acres, great
4 opportunity, and they've been here. These are the
5 folks who came as a result of Act 71 or expanded their
6 operation as a result of that.

7 Looking at the --- just on the goals, I
8 use this to sort of round up a little bit. Obviously,
9 with all of the activity on jobs and investments, the
10 rejuvenation of an industry here in the state and its
11 importance --- an important segment of Pennsylvania
12 agriculture, it really has caused the Commission,
13 Racing Commission, to think strategically about the
14 industry. And I'd be the first to tell you, if you go
15 back sort of pre-Act 71, I'm not sure that we were
16 thinking about the broader view and the broader
17 concerns of the industry. We were worried about the
18 Commission. We were worried about the tracks. But
19 this has caused the Commission and the Department to
20 really look broader than that because we now have a
21 responsibility with the Category I operators. What is
22 their strategic plan for the future? Where do we fit
23 in the conversation, understanding that Act 71 had
24 co-equal goals? It was not racing and it was not
25 gaming.

1 So, we need to think strategically. The
2 Commission is in the process right now of developing a
3 strategic plan that will look at the competition, will
4 look at the growth, will look at the economic value.
5 It looks at jobs and it asks some of those difficult
6 questions and a plan to say, where do we fit as a
7 department and as a commission in the growth and the
8 stewardship of that particular segment of our
9 business? So, I think that's a really important part
10 of the conversation, but the goals remain improving
11 the quality of racing product.

12 We think branding Pennsylvania racing
13 like we brand Pennsylvania preferred --- really need
14 to put the Good Housekeeping seal of approval on these
15 horses and on this brand because it is unique. When
16 we say Pennsylvania is leading the nation, we are the
17 envy of that nation because they look very enviously
18 at what we've done here. So, let's try to brand that.
19 And I don't think we've done a successful job yet of
20 really putting that seal on. We need to protect the
21 integrity of racing. There's a lot of folks --- when
22 you have that much money and that much activity and
23 that --- the flow of horses and dollars, we want to
24 make sure that we're protecting the integrity of the
25 product that we have here. We certainly want to

1 support the management and breeding programs and, long
2 term, make sure that we've got sufficient support for
3 the Commission operations.

4 A final point, just to begin --- or end
5 where we began, and that was sort of looking at this
6 intent, if you look at the intent of Act 71, it
7 certainly was to enhance breeding. It's done that.
8 It's infused purses. It's done that. It's an
9 impressive gaming venue. You've been to these venues.
10 They're great spots. They're beautiful spots in
11 Pennsylvania and really an attractive environment as a
12 state for raising and rearing and racing these horses,
13 and certainly make sure that we continue to lead in
14 the jurisdictions.

15 Last night I just looked at sort of the
16 contiguous states. When you look at what's happened
17 in New York, decline. New Jersey, decline. Maryland,
18 decline. Pennsylvania, up. It's a great story. It's
19 a wonderful story. And you can look at that pie chart
20 and look at all of the economic activity in just the
21 12 percent and know what it's done to really provide
22 for a great future for racing in Pennsylvania. It's
23 been a great part of our heritage, but the challenge,
24 of course, is to make sure it's a vital part of our
25 future. And that's what Act 71 did for Pennsylvania

1 agriculture and the Pennsylvania gaming and the racing
2 industry. So, Mr. Chairman, with that, I'd be glad to
3 take a few questions or comments. Thank you.

4 CHAIRMAN:

5 Thank you, Mr. Secretary. Commissioner
6 Coy?

7 MR. COY:

8 Thank you, Mr. Chairman, very much. I
9 just want to take a moment, Mr. Secretary, to
10 congratulate you and your staff for the attention that
11 you have paid to this very important part. There's no
12 doubt that the legislation would not have passed
13 initially without having those words, racehorse
14 development, in its appropriate place in the title of
15 the Act. And I don't think there's any doubt that if
16 you were here testifying today about horseracing, had
17 that not been in the Act, that you'd be telling a much
18 different story. So, I commend you and the folks at
19 Ag and certainly your predecessor, Secretary Wolff,
20 for his attention to it, too. And thank you very much
21 for this impressive report but also for your
22 stewardship and those of your staff to this important
23 industry.

24 SECRETARY REDDING:

25 You're quite welcome. Thank you.

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CHAIRMAN:

Commissioner Sojka?

MR. SOJKA:

Yes. I'd also like to echo Commissioner Coy's congratulatory comments. I think they're well-earned, well-deserved and very important. I think it's also important to note that in an era when there seems to always be less money for farmland preservation in a direct way, we see this indirect connection through gaming leading to farmland preservation. This is a very positive and upbeat presentation, and I'm excited by it, and I certainly don't wish to rain on the parade, but there is one concern that I have, and I would be remiss if I didn't mention it, particularly since you indicate that you're doing long-range strategic planning. And of course, it's outside the control of those of us in Pennsylvania, but in the United States, of course, we now know that we have the No Slaughter Act for horses. And we see these very attractive data points showing the birth of more and more foals in Pennsylvania, and we also see on the negative side an increasing problem with --- I don't know how to say it euphemistically, the terminal disposition of equines. It's a heartbreaking issue. It's an expensive issue. And

1 it's one for which I don't think the nation has a
2 clear plan. As you brand Pennsylvania racing and you
3 look at this situation, I think if you could find some
4 way to impact that problem and improve it, to make
5 sure that horses are not abandoned or abused once
6 their racing life is over, you would really put the
7 icing on the cake.

8 SECRETARY REDDING:

9 That's an excellent point. You know,
10 it's an area that, because of some of the national
11 discussions and the limited opportunities anymore to
12 address the animal, we have --- we've invited these
13 animals here, right, and they are in our care. We are
14 the stewards of those companion animals. That is
15 exactly why this strategic planning discussion was
16 spawned, because we have this growing foal crop.
17 You've got a growing transient group of animals that
18 are here, but many of them, after their racing career
19 has ended, they're going to reside somewhere. And we
20 would like to have them reside in Pennsylvania, my
21 point earlier, because that's the economic activity.
22 That's when they eat and --- you know, veterinary care
23 and so forth. But that's exactly the point of the
24 strategic plan. I appreciate you pointing that out
25 because that is part of the Department of Agriculture.

1 The Commission may have had a limited role before, but
2 they sure do now because of the activity we've seen as
3 a result of Act 71. But thank you.

4 CHAIRMAN:

5 Just one final comment. I'd like to
6 thank you and Mike and Dan for your service as an
7 ex-officio member of this Board. Again, you guys
8 weren't here when I talked about this earlier, but it
9 really has been a partnership, and we value your
10 service as ex-officio --- as an ex-officio member and
11 also our sister relationship with the Racing
12 Commission. I know that several members of our staff
13 have gone out to, I believe it's Mike Jester's farm at
14 Penn Ridge here in Dauphin County, and just a
15 beautiful facility that would not be here without
16 racing and gaming in Pennsylvania. So, again, thank
17 you for a job well done.

18 SECRETARY REDDING:

19 Thank you, Mr. Chairman and Commission.
20 Thank you.

21 CHAIRMAN:

22 We're now going to recess into Executive
23 Session for 15 minutes to consider the matters we had
24 on the hearings earlier today, and we'll be right
25 back.

1 SHORT BREAK TAKEN.

2 CHAIRMAN:

3 By way of announcements, the Board held
4 an Executive Session on November 24th. We held one
5 yesterday and obviously just prior to this meeting.
6 The purpose of the November 24th and yesterday's
7 Executive Session was to discuss personnel matters, to
8 discuss pending litigation with its Counsel as well as
9 to conduct quasi-judicial deliberations relating to
10 matters coming before the Board today. Today's
11 Executive Session was for the purpose of conducting
12 quasi-judicial deliberations regarding the matters
13 held earlier.

14 Having made all the announcements, our
15 next item of business is approval of the minutes and
16 transcripts. May I have a motion, please?

17 MR. ANGELI:

18 Mr. Chairman, I move the Board approve
19 the minutes and the transcripts of the October 6th,
20 October 27th and November 18th, 2010 meetings.

21 MR. COY:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 AYES RESPOND

1 CHAIRMAN:

2 Opposed? Motion passes. Moving on to
3 new business, our Executive Director, Kevin O'Toole,
4 will now provide his report. Welcome, Kevin.

5 MR. O'TOOLE:

6 Good morning, Chairman, members of the
7 Board. I just have a few brief comments. I'd like to
8 highlight at this time the significant success of
9 table games from a tax perspective since their
10 implementation in mid July 2010. In four and a half
11 months, mid July to the end of November, the
12 Commonwealth of Pennsylvania has benefited from almost
13 \$30 million from this new source of tax revenue.
14 \$3.4 million of that tax revenue has gone to the local
15 share assessment, and \$26.6 million has gone to the
16 State's General Fund.

17 We have seen two very interesting and
18 encouraging trends in these initial four and a half
19 months. The first trend is that each month, table
20 game revenue has increased its percentage share of
21 total revenue, that is, slots and table games
22 combined. In August, the first full month of table
23 games, revenue from those table games consisted of a
24 15 percent share of total revenues. For November, the
25 most recent completed month, that share of total

1 revenues for table games has increased to 17.6
2 percent.

3 The second trend is even more
4 encouraging. That trend shows that since table games
5 were implemented, slot revenues have continued to
6 increase when comparing 2010 figures with 2009
7 figures. From July through November of this year,
8 slot revenue has increased at a 10.1 percent clip.
9 Even when comparing just nine operating casinos from
10 2009 with those same nine casinos in 2010, slot
11 revenue has increased by seven percent. We have every
12 reason to believe that the revenue figures from
13 Pennsylvania's casinos will continue to surprise
14 observers of the casino industry throughout the
15 nation. Thank you, Chairman Fajt.

16 CHAIRMAN:

17 Thank you, Kevin. Any questions from the
18 Board? Thank you. Great news. We'll now hear from
19 our Budget Manager, Dave Rhen, who will be giving the
20 Agency's financial report. Welcome, Dave.

21 MR. RHEN:

22 Good morning. My report today will cover
23 expenditures through November. Spending during this
24 period totaled \$13.2 million. Spending reported
25 during November alone totaled \$2.7 million. For the

1 year, payroll expenses totaled \$10.6 million, or 80
2 percent of total expenses. Payroll for November was
3 \$2.1 million. Operating expenses reported during
4 November totaled \$629,000, bringing the year-to-date
5 operating expense total to \$2.6 million, or 20 percent
6 of total expenses to date.

7 The Board's largest operating expenditure
8 for the year is \$933,000, or 36 percent of operating
9 expenditures for real estate and equipment rentals and
10 leases. The next largest is \$554,000, or 21 percent
11 of operating expenditures for investigative database
12 searches and other operating expenses. This category
13 includes the cost of over 3,100 background checks run
14 through ChoicePoint to date.

15 The third largest expenditure category
16 for the year, at \$536,000, or 21 percent of operating
17 expenses, is for professional services and
18 Commonwealth interagency billings, including \$45,000
19 to the State Police for 1,148 fingerprints, \$126,000
20 to the Office of Administration for annual SAP
21 business software and support, and \$70,000 to the
22 Office of Budget for annual comptroller services.
23 The fourth largest category for the year, at \$270,000,
24 or 10.3 percent of operating expenses, is for data and
25 telecommunications usage, maintenance and

1 connectivity.

2 Finally, travel, at \$185,000, constitutes
3 7.1 percent of the Agency's operating expenses. Major
4 cost drivers in this category include background
5 investigations, the rollout of table games at nine
6 existing casinos, the opening of SugarHouse Casino and
7 five days of public input hearings in the localities
8 of the Category 3 Applicants. That concludes my
9 remarks.

10 CHAIRMAN:

11 Thank you, Dave. Any questions from the
12 Board? Commissioner Trujillo?

13 MR. TRUJILLO:

14 David, just with respect to the operating
15 expenses year-to-date, I think you said they were
16 approximately 20 percent. How do they compare to your
17 original projections?

18 MR. RHEN:

19 We're on target. And the 80/20 split is
20 something that we have seen pretty regularly in each
21 fiscal year.

22 MR. TRUJILLO:

23 And I think the other somewhat unusual
24 expenditure was for the rollout of table games. And
25 how did those projections play out?

1 MR. RHEN:

2 They were actually a little bit less than
3 we'd anticipated. We were on site a little bit less
4 than what we are for normal openings, and we had to
5 use those figures from the past as our gauge for
6 guessing what it would be this year for the rollout of
7 table games.

8 MR. TRUJILLO:

9 That's all I have, Mr. Chairman.

10 CHAIRMAN:

11 Thank you. Any other questions? Again,
12 thank you very much, Dave.

13 MR. RHEN:

14 Thank you.

15 CHAIRMAN:

16 Next up is our Chief Counsel, Doug
17 Sherman.

18 ATTORNEY SHERMAN:

19 Good afternoon, Chairman and members of
20 the Board. Our first agenda item pertains to the
21 Board's consideration of the Pennsylvania Horsemen's
22 Benevolent and Protective Association's Trainers'
23 Retirement Plan. Under Section 1406 of the Act,
24 approximately four percent of the distribution in slot
25 machine revenue is placed into the Pennsylvania

1 Racehorse Development Fund to be used to fund health
2 and pension benefits for horsemen's organizations,
3 members, their families and employees. Subsection F
4 of the Act requires that all health and pension
5 benefit contracts be reviewed and approved by the
6 Board. Pennsylvania Horsemen's Benevolent and
7 Protective Association has submitted a Trainers'
8 Retirement Plan to the Board for consideration.
9 Representatives of that association are present today
10 to address the Board. I would ask that they come
11 forward and identify themselves. After the
12 presentation, I will then ask the Board for a motion
13 to approve the agreement.

14 ATTORNEY WASCH:

15 Nancy Wasch, W-A-S-C-H, with Archer &
16 Greiner, G-E-R-I-N-E-R (sic).

17 MR. MOSTOLLER:

18 Todd Mostoller, T-O-D-D,
19 M-O-S-T-O-L-L-E-R, and I'm the Executive Director of
20 the Pennsylvania Horsemen's Benevolent and Protective
21 Association.

22 CHAIRMAN:

23 Mr. Mostoller, could I have you stand,
24 please, to be sworn in?

25 MR. MOSTOLLER:

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Sure.

TODD MOSTOLLER, HAVING FIRST BEEN DULY SWORN,
TESTIFIED AS FOLLOWS:

CHAIRMAN:

Thank you very much. And please feel
free to begin.

ATTORNEY WASCH:

Okay. Thanks.

DIRECT EXAMINATION

BY ATTORNEY WASCH:

Q. Todd, did you want to make a comment on the ---?

A. Yeah. To address Commissioner Sojka's concerns
regarding racehorses and their careers --- after their
racing careers are over, in late October, at the
Hollywood Casino at Penn National Racecourse, we
started a program and a partnership with New
Vocations. And we charge a \$10 dues assessment to all
owners that participate in racing, to start. And our
hope is that we will be able to place upwards of 200
horses a year at an annual cost of \$150,000. So we
are addressing the concern. As horsemen, obviously,
we understand our responsibility to find these horses
homes, and I can guarantee you that we are doing

1 everything we can to make sure that we accomplish that
2 at Penn National. I know Philadelphia Park, my
3 brethren horsemen, also have a similar program.

4 MR. SOJKA:

5 Todd, I thank you for those comments.
6 And that's precisely the kind of thing we hope will
7 continue. I know there will need to be even more, but
8 that's wonderful. Thank you.

9 ATTORNEY WASCH:

10 I'll just give a quick background on how
11 we went about establishing a proposed plan and I'll
12 give a description of the features and then take any
13 questions.

14 The association's Board and myself, as
15 their Counsel, and their accountants had several
16 vigorous discussions about the tax structure for the
17 plan and the features of the plan and have arrived at
18 this proposal.

19 The plan will be a non-qualified,
20 essentially, retirement program, meaning it's not a
21 qualified retirement plan like you would find in a
22 profit sharing or 401(k) plan. That structure really
23 didn't suit the relationship between the state and the
24 Board and the people that were trying to benefit under
25 this plan, which are the trainers. The participants

1 will be members of the Pennsylvania HBPA who meet the
2 qualification requirements, and those are 30 eligible
3 starts during the year, 50 percent of those starts at
4 Penn National or Presque Isle. And the reason for the
5 start threshold is because that's considered people
6 who are really involved in the industry and not just a
7 hobby.

8 The contribution --- the total
9 contribution, of course, will be based on the four
10 percent coming out of the PRDF and the overall budget.
11 That will be allocated. First there will be ---
12 because the program has been starting to accumulate
13 funds towards this goal, there will be what we call a
14 payback contribution for 1976 through 2007. And each
15 eligible trainer who meets the start requirements will
16 get \$1,100 for each year during that time that they
17 met the requirements of eligibility for the plan.

18 Then the annual allocation on an ongoing
19 basis, again, will be determined by the budget, and
20 there will be two tiers of allocating the
21 contributions. There will be what we call an annual
22 contribution rate, and trainers --- eligible trainers
23 with at least 100 starts will get 100 percent of that
24 rate. Eligible trainers who have fewer than 100
25 starts will get 75 percent of that rate. The

1 contributions will vest over a ten-year period and
2 they'll actually be zero up until the ten-year point.
3 The years do not have to be consecutive. But there is
4 a rule for people who take more than a three-year
5 break, that they would start over again for vesting.
6 The funds will be invested by an investment manager
7 selected by the Board of the association. And they
8 actually have selected an investment manager for that
9 purpose.

10 Distributions will be made only upon
11 reaching retirement age under the plan, which is age
12 60, or upon death. Upon death, the benefit would be
13 distributed in a lump sum. Upon retirement, the
14 benefit would be distributed in ten annual
15 installments. And the plan sets forth a formula for
16 how those installments are determined, but essentially
17 just a decreasing fraction over the ten-year
18 period --- or an increasing fraction, decreasing
19 denominator. The plan provides for a death
20 beneficiary that may be named by each participant. In
21 the event a participant does not name a death
22 beneficiary, the plan has as default death benefit
23 provision so that the amounts accrued for a trainer
24 would go to the benefit of the trainer's beneficiary,
25 either designated or a spouse or an estate. And the

1 plan does provide that it may be amended from time to
2 time. That's about it in a nutshell.

3 CHAIRMAN:

4 Thank you. Questions from the Board?
5 Commissioner Trujillo?

6 MR. TRUJILLO:

7 A couple questions. So if somebody was
8 an eligible trainer for nine years, then they do not
9 vest?

10 ATTORNEY WASCH:

11 That's correct.

12 MR. TRUJILLO:

13 And is the \$1,100 a look-back? The
14 \$1,100 you're talking about, is that looking back for
15 all years of eligibility?

16 ATTORNEY WASCH:

17 Yes, it is.

18 MR. TRUJILLO:

19 Thank you. That's all I have.

20 CHAIRMAN:

21 Commissioner Coy?

22 MR. COY:

23 Thank you, Mr. Chairman. Does the plan
24 administrator, or rather, the investment manager, I
25 guess I mean to say, do they have --- does that firm

1 have experience in this regard with --- especially
2 regarding horsemen?

3 ATTORNEY WASCH:

4 That's a very good question. There are
5 actually two different advisors. There is what we
6 call a third-party administrator. And separately from
7 that, there's an investment manager. There really ---
8 this whole type of plan is a new concept because it
9 came out of the Act.

10 MR. COY:

11 That's really why I asked the question
12 because I thought you're plowing new ground here, so
13 to speak.

14 ATTORNEY WASCH:

15 Yes. So the investment manager has a lot
16 of investment management experience. We're looking at
17 the actual investment structure of it and setting an
18 investment objective. It's very similar to other
19 sorts of retirement plans, so you can draw an analogy
20 to that to say that they had experience with something
21 that's very much related, but not in the horseracing
22 industry.

23 The administrator, likewise, has a great
24 deal of experience, is a well-known and respected
25 firm, has a lot of experience with retirement plans,

1 but again, not necessarily in the horseracing
2 industry.

3 MR. COY:

4 Does the death benefit decrease over the
5 years, depending on how much has been paid out so far?

6 ATTORNEY WASCH:

7 Again, a good question. It is the
8 remaining benefit. So if a portion of the benefit has
9 been paid, it would be the remaining benefit. So yes,
10 I think the answer is yes, any payments made would be
11 deducted before a death benefit was paid. You don't
12 get --- there's no double payment.

13 MR. COY:

14 And in theory, that should be zero after
15 ten years then?

16 ATTORNEY WASCH:

17 Absolutely. Right. The full benefit
18 will have been paid out at that time.

19 MR. COY:

20 Thank you.

21 CHAIRMAN:

22 I have one quick follow-up question. Did
23 I hear you say that the look-back period went back to
24 1976?

25 ATTORNEY WASCH:

1 I did say that. Is that ---?

2 A. Yeah, that's ---.

3 ATTORNEY WASCH:

4 Beginning of your racing.

5 A. That's correct.

6 CHAIRMAN:

7 So a 30-year, in essence, look-back
8 period. So somebody who qualified every year could
9 get an initial contribution of somewhere in the
10 neighborhood of \$33,000?

11 A. And we do have a couple of individuals that meet
12 that. And the reason we went back to 1976 is that's
13 the first official year that Equibase, which keeps
14 track of horseracing statistics, that they were secure
15 in their statistics so that they would meet the
16 eligibility requirements. And Penn National has been
17 open since 1972 or '73, so ---.

18 CHAIRMAN:

19 Thank you. Thank you very much. Any
20 other questions for the Board? Could I have a motion,
21 please?

22 MR. COY:

23 Yes, Mr. Chairman. I move, based on the
24 representations made and evidence presented today by
25 representatives of the Pennsylvania Horsemen's

1 Benevolent and Protective Association, that the Board
2 approve the Trainers' Retirement Plan as presented,
3 with the understanding that the Board has relied upon
4 those representations and with the further
5 understanding that any changes or modifications to
6 this plan must come before the Board for further
7 approval.

8 MR. GINTY:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 Opposed? Motion passes. Thank you very
15 much.

16 ATTORNEY WASCH:

17 Thank you.

18 ATTORNEY SHERMAN:

19 Our next two segments relate to temporary
20 regulations --- a temporary regulation and a proposed
21 regulation, which Assistant Counsel Susan Yocum will
22 present.

23 CHAIRMAN:

24 Welcome, Susan.

25 ATTORNEY YOCUM:

1 Chairman Fajt, Commissioners, I have two
2 amendment packages for your consideration today. The
3 first on the agenda is 125-139. This is a temporary
4 rulemaking which makes revisions to the rules of the
5 game in Pai-Gow, craps and mini craps, ultimate Texas
6 hold 'em and blackjack. It additionally gives the
7 Executive Director the authority to approve requests
8 from certificate holders offering electronic table
9 games in a manner that's inconsistent with the Board's
10 regulations without having to go through the formal
11 petition process. I'd be happy to answer any
12 questions you have.

13 CHAIRMAN:

14 Great. Any questions from the Board?
15 Can I have a motion, please?

16 MR. GINTY:

17 Mr. Chairman, I move that the Board adopt
18 Temporary Regulation Number 125-139, that the Board
19 establish a public comment period of 30 days for the
20 temporary regulation and that this regulation be
21 posted on the Board's website.

22 MR. MCCABE:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 AYES RESPOND

2 CHAIRMAN:

3 Opposed? The motion passes.

4 ATTORNEY YOCUM:

5 The next agenda item is 125-138. This is
6 a proposed rulemaking that transitions three of our
7 chapters on temporary table games into a proposed
8 format. It is the chapter on electronic table games,
9 gaming-related gaming service providers and
10 conditional table game device licensees.

11 CHAIRMAN:

12 Any questions from the Board? Could I
13 have a motion?

14 MR. SOJKA:

15 Yes, Mr. Chairman. I move that the Board
16 adopt Proposed Regulation Number 125-138, that the
17 Board establish a public comment period of 30 days for
18 this proposed regulation and that it be posted on the
19 Board's website.

20 CHAIRMAN:

21 Second?

22 MR. TRUJILLO:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 AYES RESPOND

2 CHAIRMAN:

3 Opposed? Motion passes.

4 ATTORNEY YOCUM:

5 Thank you.

6 CHAIRMAN:

7 Thank you, Susan.

8 ATTORNEY SHERMAN:

9 Today the Board has six motions or
10 petitions before it for consideration. The Office of
11 Enforcement Counsel's (OEC) motion for summary
12 judgment related to the Philadelphia Entertainment and
13 Development Partners' revocation proceeding was argued
14 before the Board on October 27th, 2010, and the record
15 in that proceeding was supplemented earlier today.
16 Mount Airy's Petition for Approval of a Gaming Floor
17 Plan Modification and Greenwood Gaming's Petition for
18 Approval of the Expansion of its Gaming Floor were
19 also heard by the Board earlier today during public
20 hearing. In addition, there are three other petitions
21 to be considered today on a documentary basis, one
22 relating to Greenwood Gaming, one related to Mount
23 Airy, and a third for a prohibited vendor. In each of
24 the matters, the Board has been provided with all
25 pleadings, all other relevant documentation, answers,

1 briefs and all filings of relevance. I'll briefly
2 summarize each of the motions or petitions before the
3 Board for consideration.

4 The first motion, if the Board is
5 inclined to entertain it, would be that concerning the
6 OEC's motion for summary judgment. During earlier
7 proceedings, that, I believe, was tabled upon by a
8 motion. And I think there's a procedural mechanism in
9 order if the Board is inclined to entertain it.

10 MR. ANGELI:

11 If I may ---.

12 CHAIRMAN:

13 One minute. I believe at our last
14 meeting, a motion to grant the OEC's Motion for
15 Summary Judgment was made by Commissioner Sojka and
16 was seconded before being tabled. Commissioner Sojka,
17 would you now like to have that motion considered?

18 MR. SOJKA:

19 Yes, Mr. Chairman. I'd like to have the
20 motion called from the table.

21 CHAIRMAN:

22 Okay. The motion is now once again
23 before the Board. I'd ask the Board's Secretary to
24 call a roll call vote. But just so we're clear, a
25 vote --- one second, Commissioner. A vote in the

1 affirmative will be a vote to grant the OEC's Motion
2 for Summary Judgment with the effect of revoking
3 Philadelphia Entertainment and Development Partners'
4 Category 2 Slot Machine License. Comments?

5 MR. ANGELI:

6 Commissioner, that's what I wanted to
7 clarify.

8 CHAIRMAN:

9 Okay. Yes, an affirmative vote ---.
10 Cutting through all the legal mumbo-jumbo, an
11 affirmative vote is a vote to revoke the license.
12 Commissioner Sojka, did I ---?

13 MR. SOJKA:

14 I have called it. It's now ready.

15 CHAIRMAN:

16 Thank you.

17 MR. COY:

18 Mr. Chairman?

19 CHAIRMAN:

20 Yes. Do you want to make a comment or
21 I'm going to have Mickey do the roll call vote.

22 MR. MCCABE:

23 I was going to make the motion.

24 CHAIRMAN:

25 It's already on the table.

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MR. MCCABE:

Then we'll do it that way.

CHAIRMAN:

Mickey, could you call the roll?

SECRETARY:

Commissioner Coy?

MR. COY:

Yes.

SECRETARY:

Commissioner McCabe?

MR. MCCABE:

Yes.

SECRETARY:

Commissioner Angeli?

MR. ANGELI:

Yes.

SECRETARY:

Commissioner Sojka?

MR. SOJKA:

Yes.

SECRETARY:

Commissioner Ginty?

MR. GINTY:

I want to be clear here that I certainly
share the frustrations of my colleagues on the

1 inability of Foxwoods to get this project done. But
2 granting the motion puts in jeopardy 1,800 family-
3 sustaining jobs in Philadelphia and puts also at risk
4 much-needed revenue to the City of Philadelphia and to
5 the School District of Philadelphia. At best, the
6 granting of this motion today will delay those jobs
7 and the revenue for up to five years. More worrisome
8 to me is, in my view, the very real possibility that,
9 given the frustration in the State Legislature with
10 the inability to bring about the Philadelphia
11 set-aside of the casino, that Philadelphia will lose
12 the license, and those jobs and revenues will go
13 somewhere else.

14 There is no question that we are nowhere
15 where we should be, and it's a frustration to all of
16 us, but I think the parties have demonstrated that
17 there is some progress. Particularly because the jobs
18 that are at risk and the revenue that are at risk to
19 Philadelphia, I would grant the parties more time, and
20 Mr. Chairman, I will vote no on the motion.

21 SECRETARY:

22 Commissioner Trujillo?

23 MR. TRUJILLO:

24 Aye.

25 SECRETARY:

1 Chairman Fajt?

2 CHAIRMAN:

3 Aye. Could you give the ---?

4 SECRETARY:

5 The final tally is six ayes and one nay.

6 CHAIRMAN:

7 Thank you. The Board having now voted on
8 the matter, we will draft and issue an adjudication
9 and order regarding this matter outlining the Board's
10 rationale in reaching this decision. Next?

11 ATTORNEY SHERMAN:

12 The next petition before the Board is
13 Mount Airy's Petition for Approval of a Modification
14 to its Gaming Floor Plan. As filed, the pleading in
15 this matter sought a reduction of 300 slot machines as
16 well as relocation of 19 table games. The petition
17 also requested that certain information contained
18 therein be maintained as confidential. This matter
19 was heard earlier today before the Board, and during
20 the hearing, Mount Airy agreed to modify its request
21 to only seek reduction of 150 machines rather than the
22 original requested 300 machines. Based upon the
23 presentation and reduced request, it is recommended
24 that should the Board wish to approve the modified
25 petition, that Mount Airy submit a revised OP6 Floor

1 Plan reflecting the proposed reduction in machines to
2 the Executive Director for review and approval prior
3 to removing any machines from the floor. It is noted
4 for the record that the Office of Chief Counsel (OCC)
5 concurs in the Mount Airy request for confidentiality,
6 and therefore, we request that --- in addition to the
7 modified relief granted, we would suggest that it be
8 appropriate to also maintain the confidential
9 information designated as confidential.

10 CHAIRMAN:

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

13 MR. TRUJILLO:

14 Mr. Chairman, I move that the Board grant
15 Mount Airy's petition as described by the OCC.

16 MR. ANGELI:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 Opposed? Motion passes. Next?

23 ATTORNEY SHERMAN:

24 The next matter before the Board also
25 pertains to Mount Airy. This is in a documentary

1 hearing and it concerns a requested reduction of 26
2 slot machines. Those machines were in areas in close
3 proximity to stairs, escalators and elevators which
4 serve as an ingress and egress point on the gaming
5 floor. Mount Airy indicates and believes the position
6 of these slot machines poses an undue risk of being
7 accessed by underage patrons or self-excluded persons.
8 The OEC has not objected to the granting of the
9 relief, subject to nine conditions set forth in the
10 response. Again, Mount Airy has requested that
11 certain information designated as confidential be
12 maintained that way for security reasons. We would
13 agree with that. Both matters, the confidentiality
14 and the reduction of 26 machines, are ready for the
15 Board's consideration.

16 CHAIRMAN:

17 Thank you. Questions from the Board?
18 Could I have a motion?

19 MR. TRUJILLO:

20 Mr. Chairman, I move that the Board grant
21 Mount Airy's Petition for Approval of the Revised
22 Gaming Floor Plan as described by the OCC.

23 MR. COY:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 Opposed? Motion passes.

5 ATTORNEY SHERMAN:

6 The next matter is Dubin Paper Company's
7 Petition to be Removed from the Prohibited Gaming
8 Service Provider List. On February 1st, 2008, Dubin
9 Paper Company filed a Vendor Registration Form.
10 During processing of the application, they failed to
11 provide certain information. Dubin has since averred
12 that it terminated its business relationship with the
13 Mountainview Thoroughbred Racing Association, which
14 had caused it initially to seek certification.
15 Because of that termination of that relationship, it
16 did not complete the application process, and
17 resultingly, were placed on the Prohibited Gaming
18 Service Provider List.

19 Dubin avers that since being notified of
20 their placement on the list, they have not negotiated
21 or entered into any new agreements with slot machine
22 licensees. However, they do hope to, in the future,
23 be able to conduct business with casinos, and
24 therefore, seek removal from the Prohibited Gaming
25 Service Provider List.

1 OEC has not objected to the request,
2 provided that Dubin Paper pay a civil penalty in the
3 amount of \$1,500 as well as any outstanding costs
4 associated with the background investigation.
5 Further, if the Bureau of Licensing were to grant
6 interim authorization to conduct business with any
7 licensee in the Commonwealth, it's suggested that they
8 be informed that it be conditioned upon their complete
9 cooperation ongoing in the application process. And
10 failure to cooperate would result in an immediate
11 rescission of the interim authorization.

12 CHAIRMAN:

13 Thank you. Questions from the Board?
14 Could I have a motion?

15 MR. GINTY:

16 Mr. Chairman, I move that the Board grant
17 the petition of Dubin Paper Company to be removed from
18 the Prohibited Gaming Service Provider List as
19 described by the OCC.

20 CHAIRMAN:

21 Second?

22 MR. MCCABE:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 AYES RESPOND

2 CHAIRMAN:

3 Opposed? The motion passes.

4 ATTORNEY SHERMAN:

5 The next petition before the Board is
6 Greenwood Gaming and Entertainment's Petition for
7 Waiver of the regulatory requirement that its security
8 department create and issue access cards. Greenwood
9 is requesting Board approval of a waiver from the
10 Board's regulation that mandates that the Director of
11 Security will be responsible for the design,
12 implementation and enforcement of the system for the
13 issuance of access badges in collaboration with the
14 human resource department. Greenwood is requesting
15 that the Board approve that three separate
16 departments, and that is the human resource
17 department, information technology and the finance
18 department together control the design and
19 implementation of their access cards.

20 The OEC has confirmed that Greenwood has
21 taken steps necessary to alleviate any security issues
22 and that OEC indicates that these changes have greatly
23 improved Greenwood's access controls and has improved
24 the overall security of their facilities. The OCC
25 recommends that the Board grant the petition subject

1 to certain licensing, storage and operational
2 conditions which OEC has already requested that
3 Greenwood comply with. The OCC further agrees it
4 would be appropriate to maintain Greenwood's petition
5 in this matter as confidential in that it contains
6 sensitive casino security-related information. The
7 matter is appropriate for the Board's consideration.

8 CHAIRMAN:

9 Thank you. Questions from the Board?
10 Could I have a motion, please?

11 MR. COY:

12 Yes. Mr. Chair, I move that the Board
13 grant the petition of Greenwood Gaming and
14 Entertainment, Inc. for waiver of the requirements
15 that the security department create access cards as
16 described by the OCC.

17 CHAIRMAN:

18 Second?

19 MR. SOJKA:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 AYES RESPOND

24 CHAIRMAN:

25 Opposed? The motion passes.

1 ATTORNEY SHERMAN:

2 And the final petition before the Board
3 is Greenwood's Petition for Approval of the Expansion
4 of the Gaming Floor. This is the matter that was
5 heard earlier today by the Board in relation to OP-16.
6 In the petition, Greenwood has requested the
7 activation of 37 non-banking poker tables on the third
8 floor of its grandstand facility, conversion of 23
9 multiplayer slot machines to fully automated
10 electronic table games, the relocation of numerous
11 other machines, and the creation of a high-limit table
12 game area and installation of 50 banking tables on the
13 first floor of the grandstand. Again, as with many of
14 these petitions, Greenwood has also requested certain
15 portions of the petitions be maintained as
16 confidential as demonstrating security matters.

17 If the Board were inclined to grant the
18 relief requested or any part thereof, OEC has
19 requested a number of conditions be placed on that
20 approval. They're outlined in the answer, and we
21 would agree that they'd be appropriate for inclusion.

22 CHAIRMAN:

23 Thank you. Questions from the Board?
24 Motion, please?

25 MR. COY:

1 Yes, Mr. Chairman. Noting that Parx
2 presented three different scenarios of requested
3 relief, I move that the Board grant Greenwood Gaming
4 and Entertainment, Incorporated's request for gaming
5 floor expansion, subject to the conditions requested
6 by the OEC to the degree that it requests, number one,
7 the placement and operation of 50 banking table games
8 on the first floor of the grandstand facility, and
9 number two, the activation of 21 additional poker
10 tables for a total of 45 in its grandstand facility,
11 and number three, the movement of 23 Shuffle Master
12 machines during January of 2011, and number four, the
13 movement of 93 machines within the Parx Casino. I
14 further move that Greenwood's request to maintain as
15 confidential certain of the documents filed in this
16 matter be granted, and that the balance of the relief
17 requested be denied at this time without prejudice.

18 MR. ANGELI:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 AYES RESPOND

23 CHAIRMAN:

24 Opposed? The motion passes.

25 ATTORNEY SHERMAN:

1 Next, presenting withdrawals and reports
2 and recommendations is Deputy Chief Counsel Steve
3 Cook.

4 ATTORNEY COOK:

5 Good afternoon. The Board has received
6 data on proposed petitions to withdraw the
7 applications of individuals, businesses or trusts.
8 The entities and individuals subject to these
9 petitions are as follows: CBS Outdoor, Inc., Craig
10 Scott Billings, Anthony Ciorciari, Paulus Karskens,
11 Ann Penfield, Genetout Number Six Trust, Custodian
12 Settlement Number Six Trust and Ian Feret (phonetic).
13 The OEC has no objections to these withdrawals. As
14 such, the OCC submits these withdrawals to the Board
15 to be granted without prejudice.

16 CHAIRMAN:

17 Thank you, Steve. Questions? Could I
18 have a motion?

19 MR. SOJKA:

20 So moved.

21 CHAIRMAN:

22 Second?

23 MR. TRUJILLO:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 Opposed? The motion passes.

5 ATTORNEY COOK:

6 Next before the Board for consideration
7 are four reports and recommendations received from the
8 Office of Hearings and Appeals (OHA) relative to one
9 Gaming Employee Permit, two Non-Gaming Employee
10 Registrations, and one Petition to be removed from the
11 Self-Exclusion List. These Reports and
12 Recommendations, along with the evidentiary record,
13 have been submitted to the Board prior to today.
14 Additionally, in each case, the people involved have
15 been notified that the Board is considering this
16 Report and Recommendation today and that they have the
17 opportunity to come forward and briefly address the
18 Board. If any of these people are present today, I'd
19 ask them to come forward when their names are
20 announced.

21 The first Report and Recommendation
22 before the Board pertains to Beatris Valentino. On
23 June 24th, 2010, Ms. Valentino submitted a Gaming
24 Employee Occupation Permit to work as a table games
25 dealer at the Parx Casino. The OEC issued a Notice of

1 Recommendation of Denial on August 12th, 2010 based on
2 Ms. Valentino's failure to fully disclose
3 circumstances surrounding the revocation of her Gaming
4 and Non-Gaming Licenses in the State of New Jersey, as
5 well as other nondisclosures. Ms. Valentino requested
6 but did not attend a hearing, which was held on
7 October 12th, 2010. Subsequent thereto, a Report and
8 Recommendation was issued recommending that Ms.
9 Valentino's application be denied. This Report and
10 Recommendation is presently before the Board.

11 CHAIRMAN:

12 Thank you. Is Ms. Valentino in the
13 audience? Questions or comments from the Board?
14 Could I have a motion, please?

15 MR. TRUJILLO:

16 Mr. Chairman, I move that the Board issue
17 an Order to Adopt the Report and Recommendation of the
18 OHA regarding the Gaming Employee Permit of Beatris
19 Valentino as described by the OCC.

20 MR. COY:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 AYES RESPOND

25 CHAIRMAN:

1 Opposed? The motion passes.

2 ATTORNEY COOK:

3 Next for the Board's consideration is a
4 Report and Recommendation relating to Christina Coney.
5 Ms. Coney submitted a Non-Gaming Employee Application
6 to also work at the Parx Casino. The OEC issued a
7 Notice of Recommendation of Denial based upon Ms.
8 Coney's failure to disclose a criminal history and the
9 nature and recency of her charges. Specifically, Ms.
10 Coney was arrested and convicted in 2006 and 2008 on
11 charges of retail theft. Ms. Coney requested a
12 hearing on the recommended denial, which was held on
13 October 19th, 2010. However, despite being served
14 with notice of the hearing, Ms. Coney failed to
15 attend. At the conclusion of the hearing, the Hearing
16 Officer issued a Report and Recommendation
17 recommending that Ms. Coney's application be denied,
18 and that Report and Recommendation is presently before
19 the Board.

20 CHAIRMAN:

21 Is Ms. Coney present? Any questions from
22 the Board? Could I have a motion, please?

23 MR. ANGELI:

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

1 OHA regarding the Non-Gaming Employee Registration of
2 Christina Coney as described by the OEC.

3 MR. COY:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 AYES RESPOND

8 CHAIRMAN:

9 Opposed? The motion passes.

10 ATTORNEY COOK:

11 The next Report and Recommendation before
12 the Board pertains to Jeffrey Downtin. Mr. Downtin
13 submitted an application for a Non-Gaming Employee
14 Registration on August 16th, 2010, seeking work as an
15 engineer at SugarHouse Casino. During BIE's
16 background investigation, it was found that Mr. Downtin
17 failed to disclose a number of arrests and
18 convictions, including his most recent arrest in March
19 2006 for indecent and simple assault. As a result of
20 Mr. Downtin's nondisclosures, the OEC issued a Notice
21 of Recommendation of Denial. Mr. Downtin requested a
22 hearing, which was held in his absence, despite his
23 receiving proper notice, on October 26th, 2010.
24 Subsequent thereto, a Report and Recommendation was
25 issued by the OHA recommending that this application

1 be denied. And this Report and Recommendation is
2 presently before the Board.

3 CHAIRMAN:

4 Is Mr. Downtin in the audience? Okay.
5 Questions from the Board? May I have a motion,
6 please?

7 MR. COY:

8 Yes, you may. Mr. Chairman, I move the
9 Board issue an order to adopt the Report and
10 Recommendation of the OHA regarding the Non-Gaming
11 Employee Registration of Jeffrey Downtin as described
12 by the OCC.

13 MR. GINTY:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN:

19 Opposed? The motion passes.

20 ATTORNEY COOK:

21 The final Report and Recommendation
22 before the Board today pertains to a request to be
23 removed from the Voluntary Self-Exclusion List. On
24 January 28th, 2010, a person with the initials S.A.B.
25 entered the Rivers Casino and field a request for

1 voluntary self-exclusion from gaming activities,
2 thereby placing herself on the Self-Exclusion List for
3 a five-year period. On that date, a casino compliance
4 representative met with S.A.B. and conducted a
5 mandatory interview with her and completed all the
6 required procedures. During the interview, S.A.B.
7 indicated that she believed she had a gaming problem
8 and needed --- or gambling problem and needed
9 assistance from the Board's Self-Exclusion Program.
10 The casino compliance representative informed S.A.B.
11 that the request for removal from the Self-Exclusion
12 list could only occur upon the expiration of the term,
13 which in this case was five years.

14 S.A.B. is now requesting to be removed
15 from the Self-Exclusion List less than one year after
16 being placed on it. A hearing on this matter was held
17 on October 28th, 2010, and although S.A.B. received
18 notice of the hearing, she failed to attend. As a
19 result, a Report and Recommendation was issued, under
20 which the Hearing officer found that the petition
21 should be denied. This Report and Recommendation is
22 presently before the Board for consideration.

23 CHAIRMAN:

24 Any questions or comments from the Board?
25 Could I have a motion, please?

1 MR. GINTY:

2 Mr. Chairman, I move that the Board issue
3 an Order to Adopt the Report and Recommendation of the
4 OHA regarding the petition of S.A.B. as described by
5 the OCC.

6 MR. MCCABE:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 Opposed? The motion passes. Thank you,
13 Steve.

14 ATTORNEY COOK:

15 And that concludes all the matters of the
16 OCC.

17 CHAIRMAN:

18 Great. Next up we have our Director of
19 Licensing, Susan Hensel. Welcome, Susan.

20 MS. HENSEL:

21 Thank you, Chairman Fajt and members of
22 the Board. The first matter for your consideration is
23 the approval of principal licenses. Prior to this
24 meeting, the Bureau of Licensing provided you with a
25 Proposed Order for three Principals from Mount Airy

1 Number One, LLC. I ask that the Board consider the
2 order approving these licenses.

3 ATTORNEY PITRE:

4 No objection.

5 CHAIRMAN:

6 Any comments from Enforcement Counsel's
7 side? Questions from the Board? Could I have a
8 motion, please?

9 MR. MCCABE:

10 So moved.

11 MR. SOJKA:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 AYES RESPOND

16 CHAIRMAN:

17 Opposed? The motion passes.

18 MS. HENSEL:

19 We also have for your consideration the
20 issuance of Temporary Principal and Key Employee
21 Licenses. Prior to this meeting, the Bureau of
22 Licensing provided you with an order regarding the
23 issuance of Temporary Licenses for one Principal and
24 seven key employees. I ask that the Board consider
25 the order approving these licenses.

1 ATTORNEY PITRE:

2 No objection.

3 CHAIRMAN:

4 Thank you. Questions from the Board?

5 Could I have a motion, please?

6 MR. SOJKA:

7 So moved.

8 MR. TRUJILLO:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 Opposed? The motion passes.

15 MS. HENSEL:

16 Next are Gaming Permits and Non-Gaming
17 Registrations. Prior to this meeting, the Bureau of
18 Licensing provided you with a list of 676 individuals
19 who the Bureau of Licensing has granted Occupation
20 Permits to, and 208 individuals who the Bureau has
21 granted registrations to. I ask that the Board adopt
22 a motion approving the order.

23 ATTORNEY PITRE:

24 No objection.

25 CHAIRMAN:

1 Thank you. Questions from the Board?
2 Could I have a motion?

3 MR. TRUJILLO:

4 So moved.

5 MR. ANGELI:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 AYES RESPOND

10 CHAIRMAN:

11 Opposed? The motion passes.

12 MS. HENSEL:

13 In addition, we have recommendations of
14 denial for eight gaming and three non-gaming
15 employees. Prior to this meeting, the Bureau of
16 Licensing provided you with orders addressing these
17 applicants who the OEC has recommended for denial. We
18 also have proposed orders denying the Gaming Service
19 Provider Certification Applications of Victory
20 Woodworks, Inc. and U.S. Shrink Wrap, Inc. Each of
21 the Applicants failed to request a hearing despite
22 being advised by the OEC that their applications would
23 be denied. I ask that the Board consider the orders
24 denying the Gaming, Non-Gaming and Gaming Service
25 Provider Applications.

1 ATTORNEY PITRE:

2 OEC requests denial in each instance.

3 CHAIRMAN:

4 Thank you. Questions from the Board?
5 Motion, please?

6 MR. ANGELI:

7 So moved.

8 MR. COY:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 Opposed? The motion passes.

15 MS. HENSEL:

16 Next we have Withdrawal Requests for Key
17 Employees and Gaming and Non-Gaming Employees. In
18 each case, the license, permit or registration is no
19 longer required due to such circumstances as the
20 employee failing to report to work. For today's
21 meeting, I have provided the Board with a list of 82
22 key employees, 71 gaming and 10 non-gaming withdrawals
23 for approval. I ask that the Board consider the
24 orders approving this list of withdrawals.

25 ATTORNEY PITRE:

1 No objection.

2 CHAIRMAN:

3 Thank you. Questions from the Board?
4 Motion?

5 MR. GINTY:

6 So moved.

7 CHAIRMAN:

8 Second? All in favor?

9 AYES RESPOND

10 CHAIRMAN:

11 Opposed? The motion passes.

12 MS. HENSEL:

13 Next we have an order to certify the
14 following gaming service providers: Brucelli
15 Advertising Company, Inc., LSFC, Inc., Madison
16 Construction Company, and Sun Rustic, LLC. I ask that
17 the Board consider the orders approving these gaming
18 service providers for certification.

19 ATTORNEY PITRE:

20 No objection.

21 MR. GINTY:

22 So moved.

23 MR. MCCABE:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 Opposed? The motion passes.

5 MS. HENSEL:

6 Next, the Bureau of Licensing provided
7 you with orders, the approval of which would result in
8 the following two gaming service providers being added
9 to the Prohibited Gaming Service Provider List.
10 Actually, there are three. Densification, Inc.,
11 Sandler Seating and Vision Solutions, Inc. These
12 gaming service providers have done business with a
13 slot machine operator, licensee or applicant, but have
14 failed to submit or complete the applications. I ask
15 that the Board consider the orders adding these gaming
16 service providers to the Prohibited Gaming Service
17 Provider List.

18 ATTORNEY PITRE:

19 OEC supports that request.

20 CHAIRMAN:

21 May I have a motion, please?

22 MR. MCCABE:

23 So moved.

24 CHAIRMAN:

25 Second?

1 MR. SOJKA:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 AYES RESPOND

6 CHAIRMAN:

7 Opposed? The motion passes.

8 MS. HENSEL:

9 Finally, the following three Gaming
10 Service Provider Applications are being requested to
11 be declared abandoned: CompuDyne International,
12 Limited, JVS Specialties and the Van Group, Inc.
13 These gaming service providers filed applications even
14 though they received compensation below the threshold
15 requiring them to file applications. However, they
16 failed to submit required documentation after being
17 given notice of the deficiencies and an opportunity to
18 correct them. I ask that the Board consider the
19 orders declaring these applications abandoned.

20 ATTORNEY PITRE:

21 We have no objection.

22 CHAIRMAN:

23 Seeing no comments from the Board, could
24 I have a motion?

25 MR. SOJKA:

1 So moved.

2 MR. TRUJILLO:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 AYES RESPOND

7 CHAIRMAN:

8 Opposed? The motion passes.

9 MS. HENSEL:

10 Thank you.

11 CHAIRMAN:

12 Thank you very much, Susan. Next up,
13 we --- I guess staying at the dais, our Chief
14 Enforcement Counsel, Cyrus Pitre.

15 ATTORNEY PITRE:

16 We have one Consent Agreement for the
17 Board's consideration today. I'd ask that the parties
18 from Mohegan Sun please come to the table. Katie
19 Higgins will present the matter for OEC.

20 CHAIRMAN:

21 Welcome, Katie. I'm sorry. Do we want
22 to swear these witnesses in? If you're non-lawyers,
23 could you please stand?

24 -----

25 WITNESSES SWORN EN MASSE

1 -----

2 CHAIRMAN:

3 Thank you. Welcome. And Katie, you may
4 begin.

5 ATTORNEY HIGGINS:

6 This Consent Agreement involves three
7 incidents of underage gaming. The first violation
8 involves a 19-year-old who was present on the gaming
9 floor at Mohegan Sun for approximately two hours and
10 gamed at several different slot machines for
11 approximately one hour and 30 minutes. The second
12 incident involves a 20-year-old who was present on the
13 gaming floor and played several different slot
14 machines for a total period of approximately one hour
15 and 50 minutes. And the third incident involves a
16 20-year-old who was present on the gaming floor for
17 approximately one hour and 20 minutes and played
18 several different slot machines for approximately one
19 hour before being approached by security.

20 As part of this Consent Agreement,
21 Mohegan Sun has agreed to provide reinforcement of all
22 its policies regarding underaged gaming to its
23 employees, which will minimize the opportunity for
24 similar incidents to occur in the future. In
25 addition, the parties have agreed that within five

1 days of the Board's order, Mohegan Sun shall pay a
2 civil penalty in the amount of \$47,000. The OEC asks
3 that the Board approve this Consent Agreement as
4 presented today.

5 CHAIRMAN:

6 Thank you. Any comments from Mohegan
7 Sun? And if you do make a comment, could you just
8 please state and spell your name for the stenographer?

9 MR. SOPER:

10 Sure, Chairman. Bobby, B-O-B-B-Y, Soper,
11 S-O-P-E-R, president of Mohegan Sun. I appreciate the
12 opportunity. We do take this serious and we're
13 hitting this issue head on. We, as mentioned, are
14 reinforcing training with security officers. In these
15 cases, we addressed the situation with those who were
16 neglectful, you know, in these specific incidents, and
17 I'll leave it at that.

18 CHAIRMAN:

19 What was the discipline to the
20 individuals who were responsible for letting the
21 underage gamers on the floor?

22 MR. SOPER:

23 In the three different situations, one,
24 unfortunately, was dismissal, and the others were
25 final warnings.

1 CHAIRMAN:

2 Thank you. Commissioner Sojka?

3 MR. SOJKA:

4 I just want to make sure that it's
5 perfectly understood, since this is not the first time
6 we've seen multiple violations brought together, the
7 thing I want to make clear is that though the
8 number --- or the size of the fine looks pretty much
9 like the last one, it's for many fewer violations.
10 Hence, the fine per violation is significantly higher
11 this time than previous times. And I think you can
12 guess that if we see this again, they're going to be
13 very much higher. So I'm glad to hear you're taking
14 it on because it will become very expensive for you if
15 you don't get it done.

16 MR. SOPER:

17 Thank you, Commissioner. We're well
18 aware of the significance of the fines. Thank you.

19 CHAIRMAN:

20 Other questions from the Board? Could I
21 have a motion? Katie, I'm sorry, anything else from
22 you or Cyrus?

23 ATTORNEY HIGGINS:

24 No.

25 CHAIRMAN:

1 Okay. Thank you. Could I have a motion,
2 please? Commissioner Trujillo, I believe it's yours.

3 MR. TRUJILLO:

4 Thank you. Mr. Chairman, I move that the
5 Board issue an order to approve the Consent Agreement
6 between the OEC and Downs Racing, LP as described by
7 the OEC.

8 MR. ANGELI:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND.

13 CHAIRMAN:

14 Opposed? Motion passes.

15 ATTORNEY HIGGINS:

16 Thank you.

17 CHAIRMAN:

18 Thank you.

19 ATTORNEY PITRE:

20 The next matter we have for the Board's
21 consideration is a motion to consider the suspension
22 or revocation of Faisal Ibrahim's Non-Gaming Employee
23 Registration. Melissa Powers will present the matter
24 for the Board's consideration.

25 ATTORNEY POWERS:

1 Thank you, Chairman Fajt, members of the
2 Board. On May 26th, 2010, the OEC filed a Complaint
3 for Suspension against Mr. Ibrahim for failure to
4 maintain suitability. Mr. Ibrahim did not respond to
5 the Complaint within 30 days. Therefore, his right to
6 a hearing has been waived and the facts alleged in the
7 complaint are deemed admitted. On August 4th, 2010,
8 OEC filed a request for default judgment. At this
9 time, OEC would ask that the Board suspend the
10 Non-Gaming Employee Registration of Faisal Ibrahim for
11 a period of one month.

12 CHAIRMAN:

13 Thank you. Is Mr. Ibrahim here? Any
14 questions from the Board? Could I have a motion,
15 please?

16 MR. ANGELI:

17 Mr. Chairman, I move that the Board issue
18 a Rule to Show Cause upon Faisal Ibrahim so that he
19 might appear before the Board on January 6th, 2011 and
20 show why a sanction more serious than that proposed by
21 OEC should not be placed upon him.

22 MR. COY:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 AYES RESPOND

2 CHAIRMAN:

3 Opposed? The motion passes. Thank you.

4 ATTORNEY POWERS:

5 Thank you.

6 ATTORNEY PITRE:

7 Thank you, Chairman. The next matter for
8 the Board's consideration is a petition to place on
9 the Exclusion List Frank Dellisanti. That matter will
10 be handled by Nan Davenport.

11 CHAIRMAN:

12 Welcome, Nan.

13 ATTORNEY DAVENPORT:

14 Thank you. Before you for the Board's
15 consideration is the OEC's petition to place Frank G.
16 Dellisanti on the Board's Exclusion List pursuant to
17 Section 1514 of the Act. According to the police
18 criminal complaint, on July 17th, 2010, Mr. Dellisanti
19 allegedly passed a total of 19 suspicious \$100 chips
20 at several gaming tables at Mount Airy. The
21 Pennsylvania State Police Gaming Enforcement Unit at
22 Mount Airy determined that the chips were white one-
23 dollar chips --- Mount Airy chips that were painted
24 black to give the appearance of a \$100 Mount Airy
25 chip. The OEC has personally served Mr. Dellisanti

1 with the Exclusion Petition on October 19th, 2010, and
2 he has not filed a response to the petition or
3 requested a hearing in this matter, so therefore, the
4 facts are deemed admitted. I would request the
5 Board's approval of the default judgment against Mr.
6 Dellisanti and place him on the Exclusion List.

7 CHAIRMAN:

8 Thank you. Questions from the Board?
9 Could I have a motion?

10 MR. SOJKA:

11 So moved.

12 MR. GINTY:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 Opposed? The motion passes.

19 ATTORNEY DAVENPORT:

20 Thank you.

21 ATTORNEY PITRE:

22 The next two matters are to place two
23 different individuals on the Board's Exclusion List.
24 Those matters will be handled by Dustin Miller.

25 CHAIRMAN:

1 Welcome, Dustin.

2 ATTORNEY MILLER:

3 Good afternoon. The next request for
4 placement on the Board's Excluded Persons List today
5 involves Paul Vargas. The OEC filed a petition to
6 place Mr. Vargas on the Exclusion List for leaving his
7 children in his vehicle in the parking lot of the Parx
8 Casino while he went into the casino and played slot
9 machines. The petition was filed on October 18th,
10 2010. The petition was properly served upon Mr.
11 Vargas to the address listed on the criminal complaint
12 filed against him by both certified and first-class
13 mail. Mr. Vargas did not respond to the filing in any
14 way. Due to Mr. Vargas' failure to respond, the
15 averments in the petition are deemed to be admitted as
16 fact and his right to a hearing has been waived. On
17 November 22nd, 2010, the OEC filed a request to enter
18 judgment upon default against Mr. Vargas. The matter
19 is now before the Board to consider the placement of
20 Mr. Vargas on the Board's Excluded Persons List.

21 CHAIRMAN:

22 Any questions? Could I have a motion?

23 MR. GINTY:

24 So moved.

25 MR. MCCABE:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 AYES RESPOND

5 CHAIRMAN:

6 Opposed? The motion passes.

7 ATTORNEY MILLER:

8 The final request for placement on the
9 Board's Excluded Persons List today involves Donald
10 Waige. The OEC filed a petition to place Mr. Waige on
11 the Exclusion List for leaving his child in his
12 vehicle in the parking lot of Parx Casino while he
13 went into the casino and played slot machines. The
14 petition was filed on October 1st, 2010. The petition
15 was properly served upon Mr. Waige at the address
16 listed on the criminal complaint filed against him by
17 both certified and first-class mail. Mr. Waige did
18 not respond to the filing in any way. Due to Mr.
19 Waige's failure to respond, the averments in the
20 petition are deemed to be admitted as fact and his
21 right to a hearing has been waived. On November 8th,
22 2010, the OEC filed a request to enter judgment upon
23 default. The matter is now before the Board to
24 consider the placement of Mr. Waige on the Board's
25 Excluded Persons List.

1 CHAIRMAN:

2 Any questions?

3 MR. GINTY:

4 Just one. When you're put on the
5 Exclusion List, you're excluded from all casinos?

6 ATTORNEY PITRE:

7 That's correct.

8 CHAIRMAN:

9 Seeing no other questions, could I have a
10 motion?

11 MR. MCCABE:

12 So moved.

13 MR. SOJKA:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN:

19 Opposed? The motion passes.

20 ATTORNEY PITRE:

21 That concludes our business. Thank you.

22 CHAIRMAN:

23 Thank you, Cyrus. Thank you, Dustin.

24 This is a meeting which was advertised as one in which
25 we open up for public comment. Do we have anyone who

1 is registered to speak who would like to come forward?

2 Yes, sir?

3 ATTORNEY COOK:

4 Mr. Chairman, I would just like to note
5 for the record that anyone speaking should not speak
6 to any issues that are pending before the Board. It
7 would be inappropriate to do that, so I just wanted to
8 caution you in that regard.

9 CHAIRMAN:

10 So to be more specific, I see your shirt.
11 I think I recognize you. If you want to talk about
12 the Category 3 License issue, that would be improper.
13 Otherwise, have at it.

14 MR. MILLER:

15 Thank you much. Keith Miller, K-E-I-T-H,
16 M-I-L-L-E-R. Chairman Fajt, Commissioners and staff
17 of the PGCB, I simply wanted to thank you at your last
18 meeting for all your hard work and patience through
19 the year and to wish you a merry Christmas, happy
20 holidays, and I'll see you next year. Thank you much,
21 guys.

22 CHAIRMAN:

23 Thank you very much, Mr. Miller. That
24 concludes today's meeting. Our next scheduled public
25 meeting will be held Thursday, January 6th, 2011 here

1 in the State Museum Auditorium. The meeting will
2 begin at ten o'clock. And to follow up on Mr.
3 Miller's comment, I also, on behalf of the Board,
4 would like to wish everybody a happy holiday season.
5 Merry Christmas, Happy New Year and whatever other
6 holiday you celebrate. Thank you. The meeting is
7 adjourned.

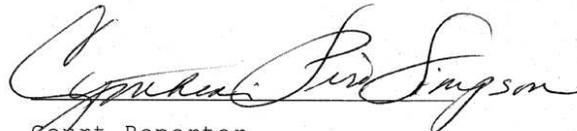
8 * * * * *

9 MEETING CONCLUDED AT 12:35 P.M.

10 * * * * *

11
12
13 CERTIFICATE

14 I hereby certify that the foregoing
15 proceedings, public meeting held before Chairman Fajt,
16 was reported by me on 12/16/2010 and that I Cynthia
17 Piro Simpson read this transcript and that I attest
18 that this transcript is a true and accurate record of
19 the proceeding.

20 
21 Court Reporter
22
23
24
25