COMMONWEALTH OF PENNSYLVANIA
GAMING CONTROL BOARD

IN RE: SANDS BETWORKS GAMING, LLC
PETITION REQUESTING APPROVAL OF THE RECONFIGURATION OF
THE GAMING FLOOR UNDER OP-13

PUBLIC HEARING

BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
James B. Ginty, Keith R. McCall,
Gary A. Sojka, Gregory C. Fajt,
Anthony C. Moscato, Annmarie Kaiser;
Members
Jennifer Langdon, representing
Robert McCord, State Treasurer
Robert Coyne, representing
Daniel Meuser, Secretary of Revenue
Jorge Augusto, representing George Greig,
Secretary of Agriculture

LOCATION: PA Gaming Control Board
Strawberry Square, Second Floor
Harrisburg, PA 17101

Reporter: Jennifer T. Alves
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HEARING: Tuesday, November 20, 2012
10:04 a.m.

WITNESSES: Robert DeSalvio
APPEARANCES

OFFICE OF ENFORCEMENT COUNSEL

NAN A. DAVENPORT, ESQUIRE

Deputy Chief Enforcement Counsel

PA Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for Pennsylvania Gaming Control Board

HOLLY LYNN EICHER, ESQUIRE

Sands Bethworks Gaming, LLC

77 Sands Boulevard

Bethlehem, PA 18015

Counsel for Sands Bethworks Gaming, LLC
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CHAIRMAN:

My name is Bill Ryan. I'm Chairman of the Pennsylvania Gaming Control Board. Before we begin I would ask everyone to turn off cell phones, PDAs and other electronic devices. Thank you very much. With us today is Jennifer Langdon representing Robert McCord, Robert Coyne representing the Secretary of Department of Revenue Dan Meuser, and Jorge Augusto representing the Secretary of Agriculture George Wright. Thanks to the three of you for being here. We have a quorum, everybody's here, so I'll call the meeting to order. First I would ask everyone to stand for the pledge of allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Thank you. Ladies and gentlemen, we have three items before the Board today for a public hearing and we will, of course, hold those public hearings before the public meeting. The first hearing pertains to Sands Bethworks Gaming, LLC's Petition Requesting Approval of a Reconfiguration of Its Gaming Floor. And I believe the parties are all present and ready to go. I would ask all persons to please
remember to identify yourselves for the court reporter. Spell your last name so that she knows what's going on. And anyone who is going to give testimony or give a statement who is not an attorney would have to be sworn and I guess we can do that now. Counselor?

ATTORNEY EICHER:
Good morning. Holly Eicher, E-I-C-H-E-R, on behalf of Sands Bethworks Gaming, LLC and with me today is Robert DeSalvio, President.

CHAIRMAN:
Sir, if you will stand.

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ROBERT DESALVIO, CALLED AND SWORN
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CHAIRMAN:
Holly, you may begin.

ATTORNEY EICHER:
Sure. Good morning. I'm actually going to turn the floor over to Bob. We are here for OP-13, which is a petition to expand our gaming floor with the offerings of table games. With that I'll turn it over to Bob.

MR. DESALVIO:
Good morning, Chairman. Good ---
CHAIRMAN:
Good morning.

MR. DESALVIO:
--- morning, Commissioners. Robert DeSalvio, D-E, capital S, A-L-V-I-O, President of Sands Casino Resort Bethlehem. Thanks for giving us the time this morning and I'd like to do just a brief summary of what the request is for OP-13. As most of you know, I believe for the last 11 months in a row the Sands has had the leading table game revenue figures for the Commonwealth and what we are finding right now is we're up against a capacity restraint issue. And many times we just don't have available tables for those that would like to play and it's not a good customer service situation, so we've been at this a number of times with table games. We add more and we're very thankful that the crowds come and fill them up and we have to add more. So, we're really in a position of capacity constraint. So, today the request is to add two Let tables --- two Let it Ride tables, one casino War game, one Texas Hold 'Em and two three card poker, six regular poker, one craps, 14 mini Baccarat, two Pai Gow poker for a total of 31 new table games units.

We are lucky enough that the casino floor
originally was built to accommodate the increased capacity and so we don't have to do major construction, but what we do have to do is move about 837 slots as a relocation for this. The great news is that there are --- we're not going to make any changes to the number of slot units on the casino floor. We currently have 3,024 and we're able to keep that same exact count, but we have to relocate and change pathways and aisleways in order to make the new table game pits. And speaking of the pathways we're not going to make any changes to the underage gaming pathway. We have that around the perimeter of the casino and so there's not --- at this there's no reason to make any changes to that pathway.

We're also going to add about approximately 2,000 square feet of casino space through the reconfiguration and, again, without doing any substantial construction to the main casino box. We will be in compliance with the Indoor Clean Air Act and the gaming floor will be slightly more non-smoking than smoking, but we're able to maintain the necessary ratio to keep us within the allowed limits.

The great news for our areas, this expansion will probably add about 107 new FTEs to the workforce. We've crossed over the 2,000 mark and that
is --- you know, I think back on the original presentation we made I think we said about 1,800. We're now over 2,000 and that does not include the food court, the other leased restaurant and all the stores in the event center. If you put them all in we're probably well over 2,400, 2,500.

CHAIRMAN:
Excuse me, sir. By FTE you mean full time employees?

MR. DESALVIO:
Oh, full time employees, yes.

CHAIRMAN:
Okay.

MR. DESALVIO:
And so as Holly mentioned, that's the request today to add 31 units, keep the slot count the same. It's a project that will take, you know, a good bit of time for our staff to do. And if approved by the Board we would begin immediately with the changes and with that I have no other comments.

CHAIRMAN:
Does the Office of Enforcement Counsel (OEC) have any comments, questions?

ATTORNEY DAVENPORT:
Yes, I just have one question. Good
morning, Chairman Ryan, Commissioners.

CHAIRMAN:

Good morning.

ATTORNEY DAVENPORT:

Nan Davenport, Deputy Chief Enforcement Counsel for the OEC. Does Sands intend to add additional security or see the need for additional security with the expansion of the gaming floor space?

MR. DESALVIO:

Yes. As part of the 107 or so contingent it'll break down about probably five in security. We're not creating any new entrances, so --- but we'll probably have additional drops to the tables and escorts and things of that nature, so yes, on security. Probably about five more in the cage, about three more in marketing. We need some additional surveillance officers, so I think it's going to be another three in surveillance and then the rest is all made up of dealers and supervisors in the gaming area. But, yes, we will go up in security as well.

ATTORNEY DAVENPORT:

Thank you. And in our conditions we made provisions for the changes in the drops and internal controls. I have no further questions at this time.

CHAIRMAN:
Okay. As I understand it, the OEC as long as those conditions are met has no objection to the petition; is that correct?

ATTORNEY DAVENPORT:
That is correct. We have reviewed it and we reviewed the revised floor plan and we have no objections.

CHAIRMAN:
Any questions or comments from the Board?

MR. SOJKA:
One

CHAIRMAN:
Gary?

MR. SOJKA:
Every time the word FTE comes up I always ask you the same question and that is, how many of those new FTEs are actually going to be jobs that are full time enough to qualify for your benefits package?

MR. DESALVIO:
I would say out of group probably 95 to 98 percent. Right now we've been --- especially in the table games area we've been so busy that everybody's working pretty much full time all the way through. We have some occasional folks that just, for whatever reason, don't want a full-time schedule and
we're glad to have them. If they want to just maybe come in on weekends when we're really busy, that's great, but I think now we're probably --- overall our whole workforce is about 90/10, probably 90 percent full time, maybe 10 percent part time.

MR. SOJKA:

Good. That's good news. Thank you.

CHAIRMAN:

Greg?

MR. FAJT:

Thank you, Mr. Chairman. Mr. DeSalvio, just looking at the graphic there if you could orient me, where is the main entrance and which side of that diagram is the parking garage on?

MR. DESALVIO:

And, Commissioner, would you prefer that I just do it at --- go up to the diagram?

MR. FAJT:

That would be great. Yeah. Thank you.

MR. DESALVIO:

This is what you know as the main entrance to the casino where the porte-cochere is.

MR. FAJT:

Right. And the parking garage.

MR. DESALVIO:
And this is where our water feature is at the main entrance. And if I could just do a brief walk around and describe the changes?

MR. FAJT:

Sure.

MR. DESALVIO:

In the area of the table games this area near that coral bar in the center is where we're adding one new complete pit and that's made up of a couple Roulettes and a mixture of other games. We made that one non-smoking because that coincides with the rest of the non-smoking table games. So, that was a new change. We added six more poker tables because we had a fairly wide aisle here (indicating). Those also are in the non-smoking area and our floor sets up fairly nicely because it's --- one whole side is pretty much non-smoking and the other side is for the most part smoking, which makes it easier for the customers. And then in the main area here we added four new Baccarat tables here. We relocated the Sic Bo tables because they were causing a problem in the main aisle. They get so crowded, so we relocated them. We expanded what's known as pit seven here. We added more Baccarat in this area and then we added some more pits out in front of the pisa area. And
then in order to do that we just reorientated the slots that were around it and, as I mentioned earlier, we had enough space on the floor. We had very generous aisleways. We were able to move it around and still keep all the units, but that's the main changes. So, it's the table game pit here, the new poker games here, the additional Baccarat here, games here and then out in front of the pisa area.

MR. FAJT:
And the parking garage then is down below there? Yeah.

MR. DESALVIO:
Yeah. The two entrances are off of this entrance and then this is the main area where the motor coaches come in.

MR. FAJT:
Okay. If you could just stay there, ---

MR. DESALVIO:
Sure.

MR. FAJT:
--- Bob, for a second. I want to congratulate you on the layout between the smoking and non-smoking and, you know, Commissioner Moscato and others that I have --- you know, we've been out to these casinos and we were at a couple just last week.
And the number one complaint that we get from patrons is smoking. The number one complaint. I talked to a lot of people who don't gamble but go to dinners, go to Christmas parties or holiday events at the casinos and the number one issue that they raise is always about the smoking. As soon as I walk in there I smell it and, you know, part of that is on us and I take responsibility and some blame for that. But when you have a casino like yours that is almost, you know, 50 percent --- the line is almost perfect, one half smoking, one half non-smoking. You know, I commend you for that, so thank you and that's the only point I wanted to make was the issue with the smoking and non-smoking.

A. Thank you.

CHAIRMAN:

Anyone else? Ex officio members? All right. Thank you, ladies and gentlemen.

MR. DESALVIO:

Thank you.

ATTORNEY EICHER:

Thank you.

CHAIRMAN:

This matter's now closed. The Board will vote on this project with the Office of Chief
Counsel's report during the regular session of today's meeting.

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HEARING CONCLUDED AT 10:16 A.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Ryan was reported by me on 11/20/2012 and that I Jennifer T. Alves read this transcript and that I attest that this transcript is a true and accurate record of the
proceeding.

Signed:

Jennifer A. 
Court Reporter