

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
Gregory C. Fajt, James B. Ginty,
Keith R. McCall, Anthony C. Moscato,
Gary A. Sojka, Kenneth I. Trujillo; Members
Christopher Craig, Representing Robert
McCord, State Treasurer
Robert Coyne, Representing Daniel P.
Meuser, Secretary of Revenue
Matthew Meals, Representing George Greig,
Secretary of Agriculture

MEETING: Tuesday, December 20, 2011, 10:54 a.m.

LOCATION: Strawberry Square Complex
2nd Floor
Harrisburg, Pennsylvania 17101

Reporter: Cynthia Piro Simpson

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A P P E A R A N C E S

OFFICE OF CHIEF COUNSEL

R. DOUGLAS SHERMAN, ESQUIRE

Chief Counsel

STEPHEN S. COOK, ESQUIRE

Deputy Chief Counsel

SUSAN YOCUM, ESQUIRE

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I N D E X

1
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18
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20
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22
23
24
25

OPENING REMARKS

By Chairman

5

PRESENTATION

By Mr. Kile

6 - 9

QUESTIONS BY BOARD

9 - 16

PRESENTATION

By Ms. Yantis

16 - 17

PRESENTATION

By Mr. Rhen

17 - 19

PRESENTATION

By Attorney Yocum

19

QUESTIONS BY BOARD

19 - 21

PRESENTATION

By Attorney Sherman

21 - 24

QUESTIONS BY BOARD

24 - 25

PRESENTATION

By Attorney Sherman

25 - 27

PRESENTATION

By Attorney Cook

27 - 32

QUESTIONS BY BOARD

32 - 33

PRESENTATION

By Attorney Cook

33 - 35

1	I N D E X (continued)	
2		
3	STATEMENT	
4	By Mr. Joselson	36 - 39
5	PRESENTATION	
6	By Attorney Davenport	39 - 42
7	QUESTIONS BY BOARD	42 - 60
8	PRESENTATION	
9	By Attorney Cook	60 - 66
10	PRESENTATION	
11	By Ms. Hensel	66 - 85
12	PRESENTATION	
13	By Attorney Sacavage	86 - 88
14	PRESENTATION	
15	By Attorney Miller	89 - 91
16	QUESTIONS BY BOARD	92 - 94
17	STATEMENT	
18	By Mr. Chorba	95 - 97
19	QUESTIONS BY BOARD	97 - 107
20	PRESENTATION	
21	By Attorney Fenstermaker	107 - 112
22	PRESENTATION	
23	By Attorney Miller	112 - 116
24	CLOSING REMARKS	
25	By Chairman	117 - 118

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
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CHAIRMAN:

First of all, let me state that the Board held an executive session yesterday for the purpose of discussing personnel matters, pending litigation and to conduct quasi-judicial deliberations relating to matters being considered by the Board today.

We will now have consideration of a motion to approve the transcript and minutes of the Board's November 22nd, 2011 meeting. Do I have a motion?

MR. MCCALL:

Mr. Chairman, I move that the Board approve the minutes and transcript of November 22nd, 2011 meeting.

CHAIRMAN:

Second?

MR. MOSCATO:

Second.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed? The motion carries. Next we

1 will hear from Kevin O'Toole, Executive Director, to
2 provide his report. Kevin.

3 MR. O'TOOLE:

4 Good morning, Chairman Ryan and members
5 of the Board. The Category 1 casinos have always
6 presented some unique challenges in blending a
7 successful casino operation with a successful harness
8 or thoroughbred racetrack operation. This morning I
9 have asked our Director of Racetrack Gaming, Kevin
10 Kile, to join me and to present an update on some
11 recent achievements made by our racetracks in
12 Pennsylvania. Kevin.

13 MR. KILE:

14 Good morning, Chairman, members of the
15 Board. I'm here today to provide a brief update
16 regarding some recent achievements made by several
17 racetracks in Pennsylvania. As you all know, the Race
18 Horse Development and Gaming Act states that the
19 authorization of gaming is intended to assist the
20 horseracing industry, support programs to foster and
21 promote horse breeding, and improve the living and
22 working conditions of personnel who work and reside in
23 and around the stable and back side area of
24 racetracks.

25 Approximately 12 percent of revenue

1 generated from slot machine gaming is earmarked for
2 the horseracing industry in order to accomplish the
3 intent of the Act as it relates to racing. Two of
4 Pennsylvania's racetracks have recently been
5 recognized by the American Graded Stakes Committee as
6 having some of the best races in the country in terms
7 of the quality of the horses competing in those races,
8 clearly indicating the success and accomplishments of
9 our Category 1 Licensees in terms of their commitment
10 to improving their racing products since gaming
11 commenced.

12 According to the Graded Stakes Committee,
13 based out of Lexington, Kentucky, their goal is to
14 provide owners and breeders of thoroughbred horses a
15 guide to the quality of these horses by identifying
16 those races in the United States that have attracted
17 the highest quality competition. The Committee meets
18 annually to evaluate and affirm the quality of these
19 races and issues its collective opinion in the form of
20 ranked grades, grade one, grade two, and grade three,
21 with grade one being the highest.

22 Horses winning these graded races are
23 considered superior racing stock and the breeding
24 stock producing them as superior breeding stock. So,
25 in essence, the overall economic value for the owner,

1 trainer, and breeder increases when they win a graded
2 race. Broad acceptance of the graded stake system
3 also allows us potential use for promotional and
4 marketing purposes. Racetracks benefit from having
5 their races graded just as a graded win may increase a
6 racehorse's value. The Committee's aim is to identify
7 and assess those races which over a stated period have
8 attracted the highest quality horses. Quality defined
9 by the excellence of the participating horses.

10 The American Graded Stakes Committee
11 recently presented its listing of U.S. Graded Stakes
12 for 2012, the results of its annual grading session
13 conducted November 30th and December 1st in Lexington.
14 There were over 40,000 thoroughbred races in 2011 and
15 the cotillion stakes at Parx Casino and Racetrack has
16 achieved grade one status making this race one of
17 about 100 grade one races in the country during the
18 ranks of races such as the Kentucky Derby, Brigness,
19 and Belmont. It's the first race in the history of
20 Pennsylvania racing to achieve grade one status since
21 the grading process began in the early '70s. Parx
22 also have five other races that have achieved grade
23 two and grade three status.

24 Also this year, another Pennsylvania
25 track, Presque Isle Downs and Casino, had their master

1 stakes awarded grade two status which is significant
2 because it was achieved in a very short period of
3 time. The achievements made by these racetracks
4 indicate the continuous improvement of the racing
5 product in Pennsylvania and it clearly shows that all
6 of our Category 1 Licensees have the ability to
7 enhance their racing product with these
8 accomplishments being great examples. Thank you,
9 Chairman.

10 CHAIRMAN:

11 Any questions from the Board?

12 MR. SOJKA:

13 A few.

14 CHAIRMAN:

15 Excuse me, Gary?

16 MR. SOJKA:

17 Yeah, just a couple, Kevin. Thank you
18 for that nice and encouraging report by the way. Can
19 I make the assumption that these improvements in the
20 grading of these races are influenced to some degree
21 by the size of the purses?

22 MR. KILE:

23 Correct.

24 MR. SOJKA:

25 Could I make this statement, you disabuse

1 me if I'm wrong, that an increased purse is necessary
2 but not sufficient to gain that improved status, would
3 that be correct?

4 MR. KILE:

5 As far as the grading process, there are
6 certain criteria in order to be graded. One is it has
7 to be an unrestricted race. The only restrictions
8 that can be in place are the age of the horse and sex
9 of the horse. As far as the purse goes, if you want
10 to be eligible to be graded, there is a minimum of a
11 \$75,000 purse to be a grade three race. And I believe
12 to be grade one status you have to offer a minimum of
13 \$250,000.

14 MR. SOJKA:

15 So you need the money to start the
16 process, but if you had the money and you did not do
17 the other things that go in --- those might be what,
18 making sure that the track is in good condition? That
19 you can support the horses, that they're not likely to
20 be injured? That the staff involved, they're going to
21 be well cared for? All those things are also
22 necessary, right, in addition to the expanded purse?

23 MR. KILE:

24 Absolutely. Other things such as the
25 size of the field is taken into consideration.

1 Obviously you want more competitive races so the
2 higher the number of horses competing in the races,
3 for example, is taken into consideration as well, so
4 yes.

5 MR. SOJKA:

6 So this really then does demonstrate that
7 the Licensees are not just taking slot machine
8 revenue, tossing it on purses, and incidentally
9 getting a result? You're suggesting this also shows a
10 kind of commitment to improving the product and making
11 Pennsylvania a more attractive place for horseracing,
12 for both thoroughbred racing and harness racing?

13 MR. KILE:

14 Right, that's ---.

15 MR. SOJKA:

16 Because they're both going up. Okay.
17 But you also answered another important question, and
18 that is there can't be any restrictions on these races
19 other than sex and age. So, these cannot be
20 Pennsylvania bred races at all. All right. Do we
21 know if Pennsylvania bred horses are making up a
22 significant portion of the field in these graded
23 races?

24 MR. KILE:

25 In these particular races, there may be

1 some, not many. On the plus side though the
2 Commonwealth does have a restricted racing program for
3 the Pennsylvania bred horses that's being
4 strengthened, from my understanding it's being
5 strengthened in recent years. So, that's a positive
6 to get people involved into the sport to begin with
7 and to start vesting.

8 MR. SOJKA:

9 And again, I don't know, I might want to
10 even address this question to our ex-officio member,
11 but we're always interested in knowing if we can get
12 some numbers around two things, the amount of open
13 space or farmland being preserved or created because
14 of obviously its increased pressure, and two,
15 something about the number of jobs involved. Are we
16 getting any of that information yet?

17 MR. MEALS:

18 They're very difficult to put numbers to
19 because of the other characteristics that may affect
20 those numbers. It's something that we continue to
21 look at. I don't know if we can put a firm number to
22 that. We can make some best guess estimates moving
23 forward. But I'm not sure that we have any kind of
24 solid number to present at any time on that.

25 MR. SOJKA:

1 Okay. But you continue to look.

2 MR. MEALS:

3 We do.

4 MR. SOJKA:

5 And we continue to look; right? The
6 intuitive sense is that with these improvements that
7 are going on obviously and being recognized on the
8 tracks, that this should translate into more jobs,
9 more foals, more open space, more farmland, or at
10 least a push back against the removal of open space
11 from the total land inventory of Pennsylvania?

12 MR. MEALS:

13 And I think that's where a lot of the
14 focus comes on, on growing the Pennsylvania bred
15 horses because that program does protect the open
16 space. It brings the horses into this state, they're
17 housed here, they're marketed here, they're kept here,
18 they're boarded here. And that also provides jobs for
19 them, so I think that's why there is a focus put on PA
20 bred. But I think back to your other comment about,
21 you know, I think for graded stakes it's not just the
22 purses, you're correct. It is the facility taking a
23 commitment and the Licensee taking a commitment to its
24 racing package. And Parx and Presque Isle Down has
25 both done that, so ---.

1 MR. SOJKA:

2 Good. Thank you, Matthew. To me that's
3 a very positive thing. And the final issue again with
4 the increased number of foals being produced in
5 Pennsylvania, we were beginning to run into a crisis
6 situation having to do with rescue and having to do
7 with maintenance, is there any change as a result of,
8 for example, these improved graded situations to clear
9 emphasis on racing, are we solving that problem at all
10 or are we continuing to collect horses that are hard
11 to maintain once they retire?

12 MR. KILE:

13 Several of the horsemen's organizations
14 in the Commonwealth do have very, very successful
15 adoption programs. And they do report from time to
16 time on the overall success they're having. There is
17 demand for these horses but it's always a work in
18 progress and, you know, they're really making a strong
19 effort to do that, yes.

20 MR. SOJKA:

21 Okay. So at this point, we can't say
22 that the successes we're having on the track are
23 necessarily overwhelming the ability to deal with
24 these additional horses that are being bred in PA?

25 MR. KILE:

1 I don't think.

2 MR. SOJKA:

3 Okay. Thank you.

4 CHAIRMAN:

5 Jim?

6 MR. GINTY:

7 I'll just make the comment that, in the
8 past, I believe the Secretary has on, I think an
9 annual basis, rendered a report as to the success that
10 the Act has had on the horseracing industry and it was
11 really detailed as I recall. And, you know,
12 particularly given that the impetus of the Act was to
13 preserve, increase the horse industry, you know, I'd
14 really like to hear from the Secretary as we have in
15 the past. I think we ought to be able to get that,
16 you know. I mean, it was pretty detailed and very
17 encouraging, so ---.

18 MR. FAJT:

19 I think it was about a year ago and we
20 can share that with you, Matt, just that report, and
21 maybe get it updated. But you're right, Jim, that was
22 done about a year ago. Kevin, if you could just make
23 sure that Matt gets a copy of that report.

24 MR. O'TOOLE:

25 Certainly. Absolutely.

1 MR. MEALS:

2 That'd be great. Thank you.

3 CHAIRMAN:

4 Anyone else on the Board? Ex-officio
5 members? Thank you, Kevin. And Kevin, appreciate it.
6 And Matthew, thank you. Okay. Claire Yantis,
7 Director of Human Resources. Claire.

8 MS. YANTIS:

9 Good morning, Chairman, Board members.

10 CHAIRMAN:

11 Good morning.

12 MS. YANTIS:

13 The Office of Human Resources has before
14 you today a motion to hire one individual. Allison
15 Singer has been selected for hire as a Casino
16 Compliance Representative at the Rivers and is being
17 recommended for hire by Director of the Bureau of
18 Casino Compliance, Jerry Stoll. Ms. Singer has
19 completed the PGCB interview process, background
20 investigation and drug screening, and is being
21 presented for Board approval at this time. Unless
22 there are any questions, I ask that the Board consider
23 a motion to hire Ms. Singer as indicated.

24 CHAIRMAN:

25 Thank you, Claire. Any questions or

1 comments from the Board? May I have a motion?

2 MR. MOSCATO:

3 Mr. Chairman, as the applicant has
4 successfully had a background screening, I move that
5 the Board approve the applicant as proposed by the
6 Human Resource Department.

7 CHAIRMAN:

8 Second?

9 MR. SOJKA:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? The motion carries. Thank you,
16 Claire. Okay. David Rhen, Budget Manager, with the
17 financial update.

18 MR. RHEN:

19 Good morning.

20 CHAIRMAN:

21 Good morning.

22 MR. RHEN:

23 I'm here today to present an update of
24 expenses through the end of November. Spending
25 through the fiscal year to date through November, a

1 total of \$13.4 million. This total consisted of
2 payroll expenses of \$11.2 million or 84 percent of
3 total expenses and operating expenses of \$2.2 million
4 or 16 percent of year-to-date expenses.

5 For the month of November alone,
6 expenditures totaled \$2.7 million. This included \$2.2
7 million for payroll and \$444,000 for operating
8 expenses. The Board's largest operating expenses for
9 November include \$158,000 for rentals and leases,
10 \$103,000 for services, \$88,000 for other operating
11 expenses, primarily investigative data base searches,
12 and \$36,000 for travel.

13 The Board's largest operating expenses
14 for the year include \$923,000, or 42 percent of
15 overall operating expenses for rentals and leases,
16 \$504,000, or 23 percent of operating expenses for
17 services, \$291,000, or 13 percent for other operating
18 expenses, and \$201,000, or 9 percent for voice and
19 data services. And that concludes my presentation.

20 CHAIRMAN:

21 Any questions from any members of the
22 Board? Any questions from ex-officio members? Thank
23 you, David.

24 MR. RHEN:

25 Thank you.

1 CHAIRMAN:

2 Okay. Office of Chief Counsel (OCC), Mr.
3 Sherman.

4 ATTORNEY SHERMAN:

5 Yes, good morning, Chairman and members
6 of the Board. Our first agenda item relates to a
7 temporary regulation which Assistant Chief Counsel
8 Susan Yocum is here to present.

9 ATTORNEY YOCUM:

10 Good morning, Chairman and members of the
11 Board.

12 CHAIRMAN:

13 Good morning.

14 ATTORNEY YOCUM:

15 I have one temporary rulemaking for your
16 consideration today. It is 125-161. It is technical
17 amendment regarding match play coupons, key control
18 requirements for table games drop boxes, dice
19 retention requirements for Sic Bo and it also adds the
20 lucky player bonus to the bad beat progressive wager
21 in blackjack. I'd be happy to answer any questions
22 you may have.

23 CHAIRMAN:

24 Any questions from the Board?

25 MR. SOJKA:

1 One quickie. Yeah, just one, the clock
2 is obviously really running out on the time for the
3 temporary rulemakings; right?

4 ATTORNEY YOCUM:

5 That's correct.

6 MR. SOJKA:

7 Could you just give us a real quick
8 update on when that ends and what we will do to
9 continue to do things after that?

10 ATTORNEY YOCUM:

11 Sure. The Board's authority to
12 promulgate temporary regulations expires on January
13 7th of this coming year. Over the next --- the first
14 quarter of 2012, we'll be continuing the process of
15 promulgating Final-Form rulemakings, transitioning,
16 which will basically preempt all of our temporary
17 regulations. That process should be done in the first
18 quarter of 2012.

19 MR. SOJKA:

20 And so this is really wrapping up, very
21 close to wrapping up what we're doing with the
22 temporary?

23 ATTORNEY YOCUM:

24 It is.

25 CHAIRMAN:

1 Anyone else on the Board? Any questions
2 or comments from ex-officio members? May I have a
3 motion?

4 MR. SOJKA:

5 Yes, Mr. Chairman, I'll move that the
6 Board adopt the Temporary Regulation # 125-161 as
7 described by the OCC and the regulation be posted on
8 the Board's website.

9 CHAIRMAN:

10 And a second?

11 MR. TRUJILLO:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 ATTORNEY YOCUM:

19 Thank you.

20 ATTORNEY SHERMAN:

21 Thank you, Susan. The Board has today
22 before it two Petition-related matters for
23 consideration. The first one which I will present is
24 a Joint Request by Valley Forge Convention Center and
25 Greenwood Gaming related to a request that the Board

1 reconsider its October 20 --- I'm sorry, October 31st,
2 2011 adjudication relating to Valley Forge's access
3 plan. The second matter will be the Sands Bethworks
4 Request to Modify its gaming floor which you heard of
5 a short time ago.

6 As to the first matter, it's the
7 consolidated request of Valley Forge Convention Center
8 Partners and Greenwood Gaming to have the Board
9 reconsider the October 31st, 2011 adjudication.
10 Having heard the arguments of counsel which occurred
11 two weeks ago before the Board at the public meeting,
12 reviewed the briefs submitted in support of the
13 various parties' positions, as well as deliberating in
14 executive session, it would now be appropriate for the
15 Board to vote to issue an amended Adjudication Order
16 in this matter.

17 Based upon those quasi-judicial
18 deliberations, I'll read for the record a summary of
19 the modifications to the original Adjudication Order
20 which will be outlined in more detail in the Amended
21 Adjudication Order which should follow within the next
22 several days.

23 The amendments include, first the only
24 person staying overnight in a hotel room or joining
25 the dining club or entertainment club will be checked

1 against the Board's Exclusion List. All such persons
2 will also have to present identification at time of
3 access card or membership card issuance.

4 Two, persons attending the event whose
5 cost of attendance is paid in whole or in part by a
6 third party will present identification before being
7 issued a casino access card as proposed by Valley
8 Forge but they will not have to have their identities
9 checked against the Board's Exclusion List.

10 Three, patrons of the amenities who pay
11 to use the amenities out of pocket will not be
12 required to present identification or to be checked
13 against the Board's Exclusion List. However, the
14 obligation to assure that access passes are issued
15 only to persons qualified as a patron of the amenities
16 will remain on Valley Forge.

17 Four, as proposed by Valley Forge,
18 patrons of the amenities will be allowed access to the
19 gaming floor for a 24 hour period which will begin
20 when the patron is done using the amenity.

21 Five, access cards and membership cards
22 shall only be issued to persons with knowledge that
23 the person receiving the card is entitled to it.

24 Six, access cards must be signed by the
25 person receiving the card in the presence of the

1 Valley Forge employee who issues that person the card.
2 Seven, in addition to random spot checks
3 comparing access cards and membership cards with
4 government issued identification at each casino
5 entrance, no less frequently than every 30 minutes,
6 Valley Forge shall be obligated to ask for
7 identification from all persons appearing under the
8 --- to be under the age of 30, both at time of card
9 issuance and again at the entrance to the gaming floor
10 to address the underage gaming issue.

11 In addition to checking the age of all
12 such patrons, Valley Forge shall also be obligated to
13 compare the identification with the access card or
14 membership card. With these modifications the matter
15 is ready for the Board's consideration of a motion.

16 CHAIRMAN:

17 Thank you, Doug. Are there any questions
18 or comments from members of the Board?

19 MR. TRUJILLO:

20 Mr. Chairman, just by way of
21 clarification, as I recall the Motions for
22 Reconsideration were not a Joint Motion, they were
23 individual motions but we are consolidating them.

24 ATTORNEY SHERMAN:

25 We are considering them jointly.

1 MR. TRUJILLO:

2 Considering them jointly. Okay.

3 ATTORNEY SHERMAN:

4 Yes, I'm sorry.

5 CHAIRMAN:

6 Anyone else on the Board? Any questions
7 or comments from ex-officio members? Okay. May I
8 have a motion?

9 MR. TRUJILLO:

10 Mr. Chairman, after consideration of the
11 requests for reconsideration filed in this matter as
12 well as the facts in evidence and the pleadings filed,
13 I move that the Board issue an Amended Adjudication
14 and Order in this matter as described by the OCC.

15 MR. FAJT:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 ATTORNEY SHERMAN:

23 The next matter before the Board is the
24 Sands Bethworks Request for Approval of
25 Reconfiguration of the Gaming Floor which the Board

1 heard just a short time ago. If the Board is inclined
2 to grant the relief, OEC has requested the approval be
3 subject to 14 conditions which were outlined in OEC's
4 Answer. And I think Sands had indicated that in fact
5 they had already complied with at least one of those
6 conditions.

7 Sands also originally requested that all
8 of the exhibits to the Petition be treated as
9 confidential. OEC has no objection to the request,
10 however the OCC believes that only Exhibit F, which is
11 the gaming floor design, actually warrants
12 confidentiality under the statute. After consulting
13 with Sands counsel, they have agreed to amend their
14 request and seek confidentiality for Exhibit F only.
15 With that clarification, the matter is closed and
16 ready for the Board's consideration.

17 CHAIRMAN:

18 Thank you, Doug. Any questions or
19 comments from the Board? Any questions or comments
20 from ex-officio members? May I have a motion?

21 MR. MOSCATO:

22 Mr. Chairman, I move that the Board grant
23 the Petition of Sands Bethworks Gaming as described by
24 the OCC.

25 CHAIRMAN:

1 Second?

2 MR. SOJKA:

3 Second.

4 CHAIRMAN:

5 Thank you. All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed. The motion carries.

9 ATTORNEY SHERMAN:

10 Next presenting withdrawals and Reports
11 and Recommendations is Deputy Chief Counsel Steve
12 Cook.

13 ATTORNEY COOK:

14 Good morning.

15 CHAIRMAN:

16 Good morning, Steve.

17 ATTORNEY COOK:

18 The Board has received two unopposed
19 Petitions to withdraw the applications of the
20 following individuals, Nicholas DeNaples and Gene
21 Felitarri. The Office of Enforcement Counsel (OEC),
22 has no objection to either of these withdrawals.
23 However, it is noted that Nicholas DeNaples'
24 withdrawal is with prejudice and Mr. Felitarri's
25 Petition would be withdrawn without prejudice. These

1 matters are ripe for the Board's consideration.

2 CHAIRMAN:

3 Any questions or comments from the Board?
4 From ex-officio members? May I have a motion?

5 MR. GINTY:

6 Mr. Chairman, I move that the Board issue
7 Orders to approve the withdrawals as described by the
8 OCC.

9 MR. MCCALL:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed? The motion carries.

16 ATTORNEY COOK:

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

1 person implicated has been notified that their matter
2 was coming before the Board today and that they have
3 the right to be here and briefly address the Board. I
4 would ask that if any of these people are present,
5 that when their matter is announced that they come
6 forward.

7 The first Report and Recommendation
8 pertains to Richard Bartman. Mr. Bartman received the
9 Gaming Employee Permit on May 18th, 2010 to work as a
10 table games dealer at the Meadows Racetrack and
11 Casino. Criminal complaints were filed against Mr.
12 Bartman on June 22nd, 23rd, and 24th, 2011 charging
13 him with felony misdemeanor drug offenses. An arrest
14 notification was subsequently sent to the Bureau of
15 Investigation and Enforcement and the Meadows
16 terminated Mr. Bartman on July 8th, 2011.

17 As a result of these charges, the OEC
18 commenced an enforcement action seeking revocation of
19 Mr. Barton's Gaming --- or Bartman's Gaming Permit.
20 Mr. Bartman filed an Answer and the hearing in this
21 matter was held on November 3rd, 2011 before the OHA
22 with the Report and Recommendation subsequently
23 issued.

24 The Report and Recommendation issued by
25 the Hearing Officer in this matter states that the

1 Gaming Act does not permit the Board to revoke an
2 individual's permit based on arrest for which a
3 conviction has not yet occurred. The Hearing Officer
4 goes on thereafter to recommend that this person's
5 license be suspended pending outcome of the criminal
6 charges. The OEC thinks that would --- or Chief
7 Counsel, I'm sorry, believes that would be an
8 appropriate remedy. We'd ask for a motion to adopt
9 the Report and Recommendation with that
10 recommendation.

11 CHAIRMAN:

12 Any questions or comments from the Board?
13 From ex-officio members? May I have a motion?

14 MR. MCCALL:

15 Mr. Chairman, I move that the Board issue
16 an Order to adopt the Report and Recommendation of the
17 OHA regarding the Gaming Employee Permit of Richard
18 Bartman as described by the OCC.

19 CHAIRMAN:

20 Second?

21 MR. MOSCATO:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1 CHAIRMAN:

2 Opposed? The motion carries.

3 ATTORNEY COOK:

4 The next Report and Recommendation
5 pertains to Cynthia Hannon. Ms. Hannon submitted an
6 application for a Gaming Employee Permit on June 1st,
7 2011 seeing work as a table games dealer at the Mount
8 Airy Resort and Casino. In her application, Ms.
9 Hannon disclosed a 2008 theft conviction in New
10 Jersey. Based upon that conviction, the OEC issued a
11 Notice of Recommendation of Denial. Ms. Hannon
12 thereafter requested a hearing which was held before
13 the OHA on August 23rd, 2011.

14 Both Ms. Hannon and the OEC attended and
15 provided evidence at the hearing. Ms. Hannon argued
16 that the New Jersey Court where a conviction was
17 entered, also it issued an Order for Civil
18 Reservation, which is a New Jersey statutory mechanism
19 that provides that her conviction cannot be used in
20 any subsequent civil or administrative proceedings.

21 In his Report and Recommendation however,
22 the Hearing Officer cites control in Pennsylvania case
23 law indicating that a New Jersey Order of Civil
24 Reservation does not need to be recognized in the
25 Commonwealth of Pennsylvania because Pennsylvania does

1 not have a similar statutory mechanism. As a result,
2 the Hearing Officer's recommendation is that the
3 application be denied based upon the conviction and
4 that's the Report and Recommendation before the Board
5 for consideration.

6 CHAIRMAN:

7 Is Cynthia Hannon in the hearing room?
8 Are there any questions or comments from the Board?

9 MR. GINTY:

10 Steve, I don't --- did you say \$2,000 or
11 \$20,000?

12 ATTORNEY COOK:

13 The theft was \$20,000.

14 MR. GINTY:

15 Yeah.

16 ATTORNEY COOK:

17 Yeah.

18 CHAIRMAN:

19 Any other questions or comments from the
20 Board?

21 MR. SOJKA:

22 I just want to make sure then. That
23 would rise to the level of a felony if it occurred in
24 Pennsylvania?

25 ATTORNEY COOK:

1 New Jersey doesn't have misdemeanors and
2 felonies but if this offense occurred in Pennsylvania
3 she would have been charged with a felony, or
4 convicted of a felony.

5 CHAIRMAN:

6 Ex-officio members have any questions or
7 comments? May I have a motion?

8 MR. MOSCATO:

9 Yes, Mr. Chairman, I move that the Board
10 issue an Order to adopt the Report and Recommendations
11 of the OHA regarding the Gaming Employee Permit of
12 Cynthia Hannon as described by the OCC.

13 CHAIRMAN:

14 Second?

15 MR. SOJKA:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 All opposed? The motion carries.

22 ATTORNEY COOK:

23 The next matter before the Board pertains
24 to Joseph Joselson, and I believe this gentleman's
25 here. I'd ask him to come forward.

1 CHAIRMAN:

2 Mr. Joselson.

3 ATTORNEY COOK:

4 I'll give the Board brief background.

5 The Report and Recommendation --- there's a Report and
6 Recommendation before the Board today pertaining to
7 Mr. Joselson. He submitted a Gaming Permit
8 Application on May 19th, 2010 seeking work as a table
9 games pit manager or a G2 employee at the Mount Airy
10 Casino. He passed the initial background check and
11 was issued a temporary credential and began working at
12 Mount Airy.

13 On December 29th, 2010, Mr. Joselson and
14 a patron who was playing pai gow tiles engaged in a
15 conversation which eventually led to the patron
16 requesting that Mr. Joselson set one of his hands.
17 Mr. Joselson set one of the patron's hands for the
18 next six rounds of play. Video evidence appeared to
19 show that he also accepted a gratuity from the patron
20 and placed the money as a wager. These were all
21 factual findings in the Hearing Officer's Report and
22 Recommendation. Both of these acts, or all of these
23 acts are prohibited by the Board's regulations.

24 As a result of Mr. Joselson's actions,
25 Mount Airy suspended him pending an investigation.

1 And upon the completion of that investigation he was
2 terminated. Subsequent thereto, as a G2 employee,
3 Mount Airy petitioned for withdrawal of his
4 application. The OEC responded to the request to
5 withdraw the application indicating that it must be
6 with prejudice based upon the underlying conduct.

7 The hearing was held in this matter and
8 thereafter a Report and Recommendation was issued by
9 the Hearing Officer recommending that Mr. Joselson's
10 permit, or application, be denied with prejudice.
11 That's the Report and Recommendation that's presently
12 before the Board. As indicated, Mr. Joselson is
13 present.

14 CHAIRMAN:

15 Mr. Joselson, first of all, I think you
16 should be sworn ---

17 MR. JOSELSON:

18 Okay.

19 CHAIRMAN:

20 --- by the court reporter.

21 -----

22 JOSEPH JOSELSON, HAVING FIRST BEEN DULY SWORN,
23 TESTIFIED AS FOLLOWS:

24 -----

25 CHAIRMAN:

1 Okay. You may be seated, sir.

2 MR. JOELSON:

3 Thank you.

4 CHAIRMAN:

5 You understand why you're here today?

6 MR. JOELSON:

7 Yes, sir.

8 CHAIRMAN:

9 And I take it that you have a statement
10 to make to the Board?

11 MR. JOELSON:

12 Yes, I do, sir.

13 CHAIRMAN:

14 All right. Go ahead.

15 MR. JOELSON:

16 Good morning, Board members and Mr.
17 Chairman. I know no new evidence is going to be
18 taken. I have read that. I'm asking that the Board
19 reconsider my casino license. I have five short
20 paragraphs that I would like to read and I'm very
21 nervous. I'm not a public speaker, so please bear
22 with me.

23 CHAIRMAN:

24 Take your time, relax.

25 MR. JOELSON:

1 The first thing is I'm questioning the
2 proper procedure in which the filing of my videotape
3 was followed by the head of the PCGB Walter, whose
4 last name escapes me right now, at Mount Airy. He
5 said at my last hearing back in November that he had
6 locked up this videotape in his drawer for quite a
7 long time. My lawyer asked him how long is quite a
8 long time and he said at least two or three months.
9 I'm questioning if this is really proper procedure.

10 Also, I'm not sure if you people of the
11 Board will get a chance to watch the video but it
12 looks more like a pieced together video than an actual
13 taped live video at a casino. It stops every 45
14 seconds for 15 minutes, starts up again, continues
15 this way throughout the entire video and looks more
16 like a tampered video when you're watching the actual
17 video.

18 At the beginning of the video, you
19 actually see me explain to the people behind me on how
20 to play pai gow tiles, which is relatively an Asian
21 game. During each hand I am setting the hand for the
22 player and explaining the game to the people behind me
23 which you can't see in this one angle video. In
24 Atlantic City we call this great customer service.
25 The more people we get to learn the casino games, the

1 more revenue the state and the casinos get.

2 As for the one shot of me flicking a
3 chip, not placing a chip, flicking a chip into the
4 betting circle, I have no interest in the hand or the
5 gratuity as the Board calls it or whatever it's
6 called. I can't win the hand, I can't lose the hand.
7 I do not have access to cashing in a \$25 chip so how
8 is this actually considered gambling? And I have no
9 recollection of every touching a chip in my 18 years
10 in the casino industry.

11 As for the video itself, why wasn't this
12 video shown as evidence when I had my hearing with the
13 New Jersey Department of Labor and Workforce
14 Development when the Vice President of Casino
15 Operations, Jim Tuthill, and the new head of HR, the
16 lady's name I do not know, were both present at that
17 hearing earlier this year in March which I won due to
18 lack of evidence. Mount Airy had 11 months to piece
19 together this video which it actually looks like they
20 did if you get a chance to watch the video.

21 I'm assuming most of this video was put
22 together as retaliation of me asking for a shift
23 change, as the new shift manager and I didn't get
24 along at all. We worked together before and it was a
25 conflict of interest. All I'm asking for is that

1 whomever makes the next decision realizes that I've
2 been in the casino industry for 18 years of which 17
3 was at Caesar's in Atlantic City. I worked my way all
4 the way up from a dealer to a floor person to a pit
5 manager, so I know all the proper procedures and have
6 every game certification in the entire industry.
7 Refusing me to get relicensed in the State of
8 Pennsylvania will be a loss to the casino industry of
9 someone who is very valuable everywhere else
10 throughout the world, not just in the United States.
11 I'm asking that you reconsider the last decision.
12 Thank you very much.

13 CHAIRMAN:

14 I would ask the representative from the
15 OEC, Ms. Davenport, if she has any response or
16 questions?

17 ATTORNEY DAVENPORT:

18 Yes, I do. Good morning, Chairman and
19 Commissioners. Nan Davenport, D-A-V-E-N-P-O-R-T,
20 Deputy Chief Enforcement Counsel for the OEC. I will
21 address each one of the issues that Mr. Joselson set
22 forth. I'd like to go through something first with
23 respect to the factual pattern.

24 On that date, on December 29th, 2010, Mr.
25 Joselson was employed as a pit manager. According to

1 the pai gow regulations, it contains the restriction
2 that only the player shall set his own hand and no
3 other person except the dealer may touch the tiles of
4 that player. As such, as a pit boss, the surveillance
5 footage clearly shows Mr. Joselson setting tiles.
6 He's not arguing about touching the tiles, he actually
7 set the tiles for the patron.

8 With respect to filing exceptions, Mr.
9 Joselson had the opportunity to be heard during the
10 hearing and to offer all relevant facts during that
11 period of time. He has not stated with any
12 particularity the matter objected to or provided
13 supporting his legal argument. I believe his argument
14 was just that his attorney didn't let him speak.

15 MR. JOSELSON:

16 Correct.

17 ATTORNEY DAVENPORT:

18 But he had an opportunity to speak. It
19 wasn't OEC's decision for him not to testify during
20 his hearing on the matter. With respect to some of
21 the issues he brought forth questioning the proper
22 procedure with respect to Walt Sokolowski, who's the
23 Casino Compliance Supervisor at Mount Airy, we
24 established a chain of custody during the hearing.
25 Mr. Sokolowski testified that he obtained the

1 surveillance footage from Mount Airy. It was locked
2 in his cabinet until such time that he attended the
3 hearing to testify on behalf of OEC.

4 With respect to the surveillance, I do
5 admit that it stops and starts. It's a technical
6 problem that we've had with many of Mount Airy's
7 surveillance footage videotapes. It certainly was not
8 tampered with. And if anything, it might go to the
9 fact showing that in setting approximately seven hands
10 of tile, it's perhaps possible that even more hands
11 were set by Mr. Joselson but was not captured on the
12 surveillance footage. It certainly was not pieced
13 together.

14 He states that he --- he admits he was
15 setting the hands for the customer and it points to
16 New Jersey, that would be considered customer service,
17 well in Pennsylvania it's considered a violation of
18 the regs as well as Mount Airy's internal control.
19 With respect to flicking the chip into the area, it
20 doesn't matter if you slide it or flick it. It
21 appears that Mr. Joselson did use a token that was
22 provided to him by a customer and placed a bet. It
23 doesn't matter whether or not he would receive the
24 proceeds from that bet if indeed he had a winning
25 hand.

1 With respect to the surveillance, the
2 Mount Airy surveillance video footage not being used
3 in New Jersey, that is not something we are here today
4 to discuss. It was certainly used and viewed by
5 everyone during the hearing on this matter. I can't
6 testify with respect to what happened in New Jersey or
7 why it was not used.

8 Based on BIE's investigation, the OEC
9 maintains that by violating the Board's regulations
10 with respect to pai gow procedures as well as Mount
11 Airy's internal controls, Mr. Joselson does not
12 possess the requisite good character, honesty, and
13 integrity required of a Gaming Employee. Therefore
14 OEC recommends that the Board deny the exceptions and
15 enter Order withdrawing the Gaming Employee
16 Application of Joseph Joselson with prejudice.

17 CHAIRMAN:

18 Any members of the Board have any
19 questions or comments? Ken?

20 MR. TRUJILLO:

21 Mr. Joselson, were you aware that as a
22 pit boss you were not under Pennsylvania law, under
23 Pennsylvania regulations, authorized to set the tiles?

24 MR. JOSELSON:

25 No, I was not.

1 MR. TRUJILLO:

2 Did you undergo training at Mount Airy?

3 MR. JOSELSON:

4 Very briefly, and even less in pai gow
5 tiles as the game was not there when we opened the
6 casino back in June of 2010. It's something I've been
7 doing for 18 years already.

8 MR. TRUJILLO:

9 Okay. Thank you. That's all I have.

10 MR. SOJKA:

11 I'm sorry, I was in a bit of a
12 conference. Mr. Joselson, did you mention that you
13 were aware that as a pit boss you were not supposed to
14 set the tiles?

15 MR. JOSELSON:

16 No, I was not aware.

17 MR. SOJKA:

18 Why were you not aware?

19 MR. JOSELSON:

20 It's something everybody does in Atlantic
21 City to promote the game. As long as you clear your
22 hands to the camera, you can show a player how to play
23 a game. You can explain the game.

24 MR. SOJKA:

25 Okay. But ---.

1 MR. JOSELSON:

2 Any game.

3 MR. SOJKA:

4 But this isn't Atlantic City.

5 MR. JOSELSON:

6 Oh, I understand that.

7 MR. SOJKA:

8 Right. Okay.

9 MR. JOSELSON:

10 My first stop was Pennsylvania after 18
11 years at Caesar's.

12 MR. SOJKA:

13 Okay. So, but you're aware that there
14 would be different regulations that you probably have
15 to be aware of?

16 MR. JOSELSON:

17 Yeah.

18 MR. SOJKA:

19 Okay. The issue of the bet.

20 MR. JOSELSON:

21 Yes, sir.

22 MR. SOJKA:

23 The flipping of the thing, let's go all
24 the way back. What was that chip? How did it get
25 into the discussion? Did somebody give it to you?

1 MR. JOSELSON:

2 The player that was in --- are you
3 familiar with blackjack?

4 MR. SOJKA:

5 Sure, I know blackjack.

6 MR. JOSELSON:

7 Let's just go ---.

8 MR. SOJKA:

9 I'm not going to say I know pai gow.

10 MR. JOSELSON:

11 All I care about is the seating number,
12 seat 1, seat 2, 3, 4, 5, 6, same thing on a pai gow
13 table only backwards, totally irrelevant. The player
14 that was in seat three was playing two hands, seats
15 two and seat three, he was setting seat three and I
16 was setting seat two explaining to the people in the
17 background which you can clearly see on the video at
18 the beginning. Okay. He decided after X amount of
19 hands that he didn't want to play seats two and three,
20 he wanted to play seats one and two. So from where
21 Ms. Davenport is to all the ways over here, it's quite
22 a distance to move your money. So what he did was he
23 threw a chip across the layout. All I did was assist
24 it into the betting circle. The chip itself has no
25 value to me. I can't cash the chip in. I can't

1 accept it as a gratuity, doesn't matter to me if he
2 wins or loses, I'm still explaining the hand to the
3 people behind me and, and I don't even have a
4 recollection of touching the chip. But according to
5 the video, I hit it into the betting circle.

6 MR. SOJKA:

7 Well, then let me try to simplify the
8 whole thing. It seems to me that this --- first of
9 all, you are not employed by Mount Airy; right?

10 MR. JOELSON:

11 No, sir.

12 MR. SOJKA:

13 And you are not employed in Pennsylvania?

14 MR. JOELSON:

15 No, sir.

16 MR. SOJKA:

17 Okay. But the result --- the reason you
18 left Mount Airy basically, or why they terminated you,
19 is based on two issues. One, that you improperly set
20 a hand for a player. You admit to doing that and your
21 reason for doing it is you were unaware of the
22 difference between New Jersey and Pennsylvania.
23 There's that old thing about, you know, ignorance of
24 the law and all that stuff, but ---.

25 MR. JOELSON:

1 Absolutely.

2 MR. SOJKA:

3 We're also worried about character here
4 so I'm going to not push that. The other one is the
5 chip, whether or not that was or wasn't a bet. And
6 unlike the other thing where you admit, but it was
7 based on ignorance of the situation, here you're
8 saying you absolutely did not do what you're charged
9 with. You did not make a bet, period?

10 MR. JOSELSON:

11 I have no recollection of ever touching a
12 chip in any casino I've been in, employed by.

13 MR. SOJKA:

14 Well, you did touch this one, you flipped
15 it on to the ---.

16 MR. JOSELSON:

17 According to a video I did.

18 MR. SOJKA:

19 Well, that's ---.

20 MR. JOSELSON:

21 I have questions about the video as I
22 stated in my statement.

23 MR. SOJKA:

24 How could --- even if they doctored the
25 video, how could they put your hand on the chip and

1 cause it to ---?

2 MR. JOSELSON:

3 It was just a quick hand motion.

4 MR. SOJKA:

5 Okay.

6 MR. JOSELSON:

7 From a one angle video.

8 MR. SOJKA:

9 Okay. Can I ask Ms. Davenport, have you
10 looked at that film? You've actually seen it?

11 ATTORNEY DAVENPORT:

12 Probably about 20 times at least.

13 MR. SOJKA:

14 About 20 times. Was your impression that
15 that was a bet or do you feel like Mr. Joselson, that
16 he just brushed the chip away?

17 ATTORNEY DAVENPORT:

18 He actually, according to my review of
19 the surveillance footage, he not only set the tiles he
20 also --- the patron to his right did push the chip to
21 him. At that point Mr. Joselson picked it up and
22 flipped it into the circle. So, my view of it is that
23 he did gamble. Whether or not --- or that he did set
24 the wager, whether or not he would have received
25 proceeds of that --- but, he had only --- he not only

1 set the hands, but he also ---.

2 MR. SOJKA:

3 Well, there clearly isn't any
4 disagreement about the facts in terms of setting the
5 tiles. He did do that. It's not permitted. The
6 reason given is, I didn't know better. This other
7 thing's going to be very hard to deal with, isn't it,
8 given the ---

9 MR. JOELSON:

10 The record.

11 MR. SOJKA:

12 --- the record, yeah. So, the issue, you
13 still are not --- you would not be unhappy with a
14 withdrawal; is that correct?

15 MR. JOELSON:

16 Can you explain what a withdrawal is?

17 MR. SOJKA:

18 Well, it means that your license is not
19 going to be in effect in Pennsylvania but it could go
20 two ways. It can simply be a withdrawal or it can be
21 a withdrawal with prejudice. That's the
22 recommendation of Enforcement Counsel, that your
23 license will go away with prejudice.

24 MR. JOELSON:

25 Can you tell me the difference, please?

1 MR. SOJKA:

2 Well, yeah, obviously there are some
3 issues in Pennsylvania regulation that are unfamiliar
4 to you, which I think is somewhat to your disadvantage
5 here. It's partly why you're here in the first place
6 and I think it's relevant to what's in front of us
7 here. The affixing of prejudice to this action means
8 that you are not permitted to reapply for that license
9 for five years, five years.

10 MR. JOELSON:

11 That's what the Petition said at the
12 beginning.

13 MR. SOJKA:

14 Right. It's understood that if the
15 license went away without prejudice you could
16 essentially reapply for employment somewhere else and
17 for that license, but you still have to be revetted,
18 all this business would come up again.

19 MR. JOELSON:

20 Right.

21 MR. SOJKA:

22 But does the removal of the license with
23 prejudice, in your opinion, interfere with your
24 opportunity to gain employment in another
25 jurisdiction?

1 MR. JOSELSON:

2 Absolutely not. But just ---.

3 BRIEF INTERRUPTION

4 MR. JOSELSON:

5 Hello? Okay.

6 MR. SOJKA:

7 You're there.

8 MR. JOSELSON:

9 Just to add, I was already offered
10 employment at the Sands of Bethlehem back in May and
11 this trial was pending and I was denied ---

12 MR. SOJKA:

13 Okay.

14 MR. JOSELSON:

15 --- my casino license.

16 MR. SOJKA:

17 So this --- but you would still, if the
18 license is withdrawn, you would still have to reapply
19 for a license to take that job?

20 MR. JOSELSON:

21 Correct. But not wait the five years.

22 MR. SOJKA:

23 Not wait five years.

24 MR. JOSELSON:

25 Absolutely, I don't have a problem with

1 that. I mean, I don't know what the proper process is
2 after I file for another G2 license and I also have a
3 question about that. If I lose my --- if I lost my G2
4 license, which let's say I did or I do, does that
5 prevent me from filing for a G1 license or is that a
6 totally different license?

7 ATTORNEY COOK:

8 It would be ---.

9 MR. SOJKA:

10 We need to clarify ---.

11 ATTORNEY COOK:

12 If his license is --- or his application
13 is denied with prejudice, he would be precluded from
14 making any application for five years in the
15 Commonwealth for any position. I would also, I think
16 the record probably needs to show that if his
17 application is denied with prejudice, it could very
18 well have a ripple effect in other jurisdictions
19 through our reviewing him for suitability if they'd
20 come back to Pennsylvania and investigate what
21 happened here.

22 MR. SOJKA:

23 Okay. If there are no more questions
24 here for Mr. Joselson, I'd like to float something.

25 CHAIRMAN:

1 One question, Gary.

2 MR. SOJKA:

3 Good.

4 CHAIRMAN:

5 The incident, apparently the one we're
6 discussing here apparently occurred in December 29th,
7 2010; is that correct?

8 MR. JOSELSON:

9 Almost a year ago, yes, sir.

10 CHAIRMAN:

11 And how long had you been working at
12 Mount Airy?

13 MR. JOSELSON:

14 Since it opened. I was a day one
15 employee.

16 CHAIRMAN:

17 Okay.

18 MR. JOSELSON:

19 I went to school in May.

20 CHAIRMAN:

21 And that --- and it was opened about
22 when?

23 MR. JOSELSON:

24 We started schooling in May and opened
25 June 8th, I believe.

1 CHAIRMAN:

2 What year?

3 MR. JOSELSON:

4 I'm sorry, 2010, last year.

5 CHAIRMAN:

6 Okay. And it's your statement you didn't
7 know that you couldn't ---.

8 MR. JOSELSON:

9 I wasn't issued any procedures or manuals
10 from Mount Airy that I signed for stating that.

11 CHAIRMAN:

12 All right.

13 MR. JOSELSON:

14 I would have read them, obviously, if I
15 had signed for it.

16 MR. TRUJILLO:

17 May I have a follow up?

18 CHAIRMAN:

19 Go ahead.

20 MR. TRUJILLO:

21 And I guess, Ms. Davenport, this goes to
22 you. Is there any evidence of record that Mount Airy
23 does or does not train on this issue of the pit boss
24 and his or her role on setting the tiles?

25 ATTORNEY DAVENPORT:

1 We had testimony that, yes, he was
2 trained. Not only that, but I think the pit boss has
3 a duty, somebody especially with 18 years experience
4 in the gaming industry, has a duty if they come into a
5 new gaming jurisdiction to become familiar with the
6 regs. There was no question --- of course, he didn't
7 testify during the hearing, so there was no
8 opportunity to cross examine him. But we certainly
9 did put on testimony that Mount Airy properly trained
10 him and I believe there was even some comments made
11 about him setting tiles at the time. So, I don't want
12 to get into that because we didn't go and have those
13 people testify at that point.

14 MR. TRUJILLO:

15 And all I care about is what was on the
16 record.

17 ATTORNEY DAVENPORT:

18 Right.

19 MR. TRUJILLO:

20 And so as I understood it there was
21 testimony that there was some training on this issue?

22 ATTORNEY DAVENPORT:

23 Correct.

24 MR. TRUJILLO:

25 Okay. Thank you. That's all I have, Mr.

1 Chairman.

2 CHAIRMAN:

3 Gary?

4 MR. MCCALL:

5 Keith.

6 CHAIRMAN:

7 I'm sorry.

8 MR. MCCALL:

9 Ms. Davenport, just further clarification
10 for me, so there is no video evidence to the outcome
11 of this alleged --- so, can you --- when you reviewed
12 the tape, did the dealer who was dealing the game ---
13 what did the dealer do with that bet? Was it paid?
14 Was it not paid? Was it take --- was it collected?

15 ATTORNEY DAVENPORT:

16 I believe it was collected but it was not
17 paid. But, to be honest, it's been some time since I
18 reviewed the entire clip because it was over a
19 substantial period of time. But my recollection is
20 that it was not collected --- or I'm sorry, that it
21 was not ---.

22 MR. MCCALL:

23 It was the dealer who handled that
24 alleged bet not Mr. Joselson?

25 ATTORNEY DAVENPORT:

1 Correct.

2 MR. MCCALL:

3 Okay. Thank you.

4 CHAIRMAN:

5 Anyone else on the Board? Gary?

6 MR. SOJKA:

7 All right. I'm going to make an effort
8 to frame a motion and if I can get a second, I may not
9 be able to get a second, but if I get a second that
10 still permits discussion; is that correct?

11 CHAIRMAN:

12 It should, yes.

13 ATTORNEY DAVENPORT:

14 Mr. Chairman, before the Commissioner
15 makes a motion, could I just make a request that
16 depending on how the Board votes, of course, that Mr.
17 Joselson not be given a temporary license until such
18 time that BIE would complete his background
19 investigation. If the Board decides to rule, withdraw
20 without prejudice?

21 CHAIRMAN:

22 Yes.

23 MR. SOJKA:

24 Okay?

25 CHAIRMAN:

1 All right.

2 MR. SOJKA:

3 Given that --- and I'm going to share
4 with you my reasoning which is always dangerous of
5 course. But there's a reason for why I'm going to do
6 what I'm going to do. I think there's no question
7 that Mr. Joselson's license needs to be taken because
8 there's no question that he did something that he
9 should have known better than doing. That rests
10 entirely with him and in that regard I'm completely in
11 agreement with Enforcement Counsel.

12 However, the issue of prejudice I think
13 does require some concern here about issues of
14 character or suitability, and I think that rests on
15 the issue of the bet. And I certainly understand why
16 Enforcement Counsel would be where it is, but I don't
17 know that we have sufficient --- I don't at least have
18 sufficient confidence in that situation to support the
19 issue of a withdrawal with prejudice.

20 So, given all that, let me see if I could
21 get a second for this motion? Mr. Chairman, I would
22 move that the Board issue an Order to modify the
23 Report and Recommendation of the OHA regarding the
24 Gaming Employee Permit of Joseph Joselson to the
25 effect that the license be removed without prejudice,

1 application be removed without prejudice.

2 CHAIRMAN:

3 Does every member of the Board understand
4 the motion?

5 MR. TRUJILLO:

6 Point of clarification, if --- I take
7 that as a motion to accept the report of the Hearing
8 Officer and its recommendation to the extent that it
9 would instead of being with prejudice it'd be
10 withdrawn without prejudice?

11 MR. SOJKA:

12 That's right. It's the minor
13 modification, the removal of the prejudice.

14 MR. TRUJILLO:

15 So I think as a procedural matter we are
16 accepting the report but modifying the recommendation.

17 ATTORNEY SHERMAN:

18 I think you are accepting the
19 recommendation with the modification. The report may
20 be another matter, I think, as was discussed between
21 counsel and the Board yesterday.

22 MR. TRUJILLO:

23 Okay.

24 ATTORNEY SHERMAN:

25 But I would be --- to accept the

1 recommendation with the modification that the
2 withdrawal of the application be without prejudice.

3 MR. TRUJILLO:

4 As stated, I will second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? The motion carries.

10 MR. JOELSON:

11 Thank you.

12 CHAIRMAN:

13 Thank you, sir.

14 MR. JOELSON:

15 Have a nice holiday. Thank you.

16 ATTORNEY COOK:

17 The next matter before the Board pertains
18 to APG International's Report and Recommendation. APG
19 submitted an Application for Certification requesting
20 approval to install glass in the racetrack section of
21 Chester Downs and Marina. The Board gave interim
22 approval to APG for this project and work was
23 completed in due course.

24 During the course of its background
25 investigation, a dispute arose between APG and BIE as

1 to whether APG submitted all required applications.
2 Additionally, APG did not submit certain tax returns
3 for an affiliated company. However, the record
4 reflects that APG did provide BIE with documentation
5 showing that the affiliated company's outstanding tax
6 obligations to the Commonwealth were rectified.

7 As a result of this dispute, APG filed a
8 Petition to Withdraw its application. OEC responded
9 with an Answer arguing that the withdrawal should be
10 with prejudice based on APG's alleged non-compliance.
11 The OHA conducted hearings in this matter on May 26th,
12 2011 and July 14th, 2011. Both APG and OEC attended
13 and provided testimony. The parties were also given
14 the opportunity to file briefs which were filed in a
15 timely manner.

16 Thereafter, a Report and Recommendation
17 was issued recommending that APG be allowed to
18 withdraw its application without prejudice upon
19 payment of all outstanding fees, investigative fees,
20 owed to the PGCB. The OEC filed exceptions to the
21 Report and Recommendations arguing that the Hearing
22 Officer erred in his findings to which APG filed a
23 response. This matter is now closed and ready for the
24 Board's consideration. If the Board is inclined to
25 adopt the Report and Recommendation allowing APG to

1 withdraw its application without prejudice, it is
2 recommended by the OCC that the withdrawal be
3 contingent upon payment of \$2,960.54 in investigative
4 costs owed to the Board through March 2011.

5 CHAIRMAN:

6 Any questions or comments from the Board?
7 From the ex-officio members of the Board? May I have
8 a motion?

9 MR. TRUJILLO:

10 Mr. Chairman, I move that the Board issue
11 an Order to adopt the Report and Recommendation of the
12 OHA regarding APG International, Inc. as described the
13 OCC.

14 MR. FAJT:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 ATTORNEY COOK:

22 The final Report and Recommendation for
23 the Board today stems from the request to be removed
24 from the Voluntary Self-Exclusion List. On May 28th,
25 2011 an individual with the initials B-A-L, entered

1 Sands Bethworks Casino, gamed, and then approached the
2 Bureau of Casino Compliance Office requesting to be
3 placed on the Voluntary Self-Exclusion List.

4 On that date a Casino Compliance
5 Representative met with B.A.L. and conducted a
6 mandatory interview with her and completed all of the
7 required procedures. At that time, B.A.L. selected to
8 be placed on the Voluntary Self-Exclusion List for a
9 five year period.

10 B.A.L. is now requesting to be removed
11 from the list. She has indicated that she felt forced
12 by her father and son to be put on the list and
13 alleged that she was coerced and didn't do it of her
14 own volition. The OEC filed an Answer objecting to
15 the request and a hearing was held on October 18th,
16 2011. Both B.A.L. and the OEC appeared and offered
17 evidence into the record.

18 The Report and Recommendation
19 subsequently issued by the Hearing Officer essentially
20 finds that there was not sufficient evidence of
21 coercion and the recommendation is that B.A.L. should
22 not be allowed to be removed from the Self-Exclusion
23 List prior to the five year term expiring. And that
24 is the recommendation before the Board.

25 CHAIRMAN:

1 Is the individual with the initials
2 B.A.L., who's on the Self-Exclusion List, in the
3 hearing room? Any questions or comments from the
4 Board? May I have a motion?

5 MR. FAJT:

6 Mr. Chairman, I move that the Board issue
7 an Order to adopt the Report and Recommendation of the
8 OHA regarding B.A.L.'s Petition for removal from the
9 Voluntary Self-Exclusion List as described by the OCC.

10 MR. MCCALL:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 JAMES GINTY ABSTAINS, ALL OTHER MEMBERS SAY AYE

15 CHAIRMAN:

16 Opposed? The motion carries.

17 MR. GINTY:

18 I do, I do oppose.

19 CHAIRMAN:

20 Oh, excuse me.

21 MR. GINTY:

22 All right. I oppose and I would grant,
23 grant her Petition.

24 CHAIRMAN:

25 Thank you, Mr. Ginty. The motion

1 carries.

2 ATTORNEY COOK:

3 Next for the Board's consideration is an
4 Emergency Suspension relative to an individual by the
5 name of William Moore who was issued a Gaming Employee
6 Permit on June 2nd, 2010 and was a table games dealer
7 at Parx Casino.

8 On November 24th, 2011, the Bureau of
9 Casino Compliance became aware that Mr. Moore had been
10 arrested and charged with two felony counts and one
11 misdemeanor charge relating to possession of illegal
12 drugs. As a result of these charges, the OEC filed a
13 request for Emergency Order of Suspension of Mr.
14 Moore's Gaming Employee Permit and the Order was
15 signed by the Executive Director on December 13th,
16 2011.

17 The Board regulations require that the
18 Temporary Emergency Order be presented to the Board
19 for a full evidentiary hearing or the Board may refer
20 the matter to the OHA to conduct that hearing. It
21 would be the recommendation of the OCC that the matter
22 be referred to Hearings and Appeals to conduct a
23 hearing, that in the interim the Emergency Order
24 remain in place.

25 CHAIRMAN:

1 Is William Moore present in the hearing
2 room? Any questions or comments from the Board? May
3 I have a motion?

4 MR. MCCALL:

5 Mr. Chairman, I move that the Board issue
6 an Order to extend the Emergency Suspension of William
7 Moore's Gaming Employee Permit and that the matter be
8 referred to the OHA for a hearing to determine the
9 validity of the Emergency Suspension Order.

10 CHAIRMAN:

11 Second?

12 MR. TRUJILLO:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 ATTORNEY SHERMAN:

20 That concludes the matters of the OCC.

21 CHAIRMAN:

22 Thank you both. Susan Hensel, Director
23 of Licensing.

24 MS. HENSEL:

25 Thank you, Chairman Ryan and members of

1 the Board. Before the Board today will be four
2 manufacturer and two junket licenses as well as
3 motions regarding the licensure, permitting, and
4 registration of 318 employees and consideration of 18
5 gaming service providers.

6 The first matters for your consideration
7 are the renewal of two manufacturer licenses. For
8 each applicant, the BIE has completed its
9 investigation and the Bureau of Licensing has provided
10 you with a renewal background investigation and
11 suitability report. The applicants are Konami Gaming,
12 Inc., for a Slot Machine and Table Games Manufacturer
13 License, and Aristocrat Technologies, Inc., for a
14 Table Games Manufacturer License.

15 With respect to their Table Games
16 Manufacturer Licenses, both Konami and Aristocrat have
17 asked that the Board grant them a reduced licensing
18 fee. The fee for renewal of a Manufacturer License is
19 \$30,000 a year or \$90,000 for a three year renewal.
20 Under the Gaming Act the Board may modify the fee for
21 a Table Game Manufacturer if it determines that the
22 fee will unreasonably limit table games devices or
23 associated equipment in the Commonwealth.

24 Consistent with this provision of the
25 Act, the Bureau of Licensing has adopted a reduced

1 licensing fee policy which has previously been
2 presented to the Board. Both Konami and Aristocrat
3 have requested reduced fees of \$10,000 for three year
4 license renewals which is consistent with the Bureau
5 of Licensing's policy. And the Bureau of Licensing
6 does recommend that the Board allow the reduced fees.

7 I have provided you with draft Orders and
8 ask that the Board consider the approval of the
9 licenses described as well as the reduced table games
10 licensing fees and I ask that you consider the
11 licenses separately beginning with Konami.

12 CHAIRMAN:

13 Thank you, Susan. Any comments from
14 Enforcement Counsel?

15 ATTORNEY PITRE:

16 Enforcement Counsel has no objections to
17 the request.

18 CHAIRMAN:

19 Any questions or comments from the Board?
20 May I have a motion?

21 MR. GINTY:

22 Mr. Chairman, I move that the Board
23 approve Konami's Gaming, Inc.'s license renewals as
24 described by the Bureau of Licensing.

25 MR. MCCALL:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 MS. HENSEL:

8 And next would be consideration of
9 Aristocrat.

10 CHAIRMAN:

11 Any comments from Enforcement Counsel?

12 ATTORNEY PITRE:

13 Enforcement Counsel has no objection.

14 CHAIRMAN:

15 From the Board? Ex-Officio members of
16 the Board? May I have a motion?

17 MR. MCCALL:

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

22 CHAIRMAN:

23 Second?

24 MR. MOSCATO:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed? The motion carries.

6 MS. HENSEL:

7 The next matters for your consideration
8 are the approval of Table Games Manufacturer Licenses
9 for TCS John Huxley America, Inc., and TSC John Huxley
10 Europe, Inc. Both companies are currently the holders
11 of conditional Table Games Manufacturer Licenses. TCS
12 John Huxley America, Inc. manufactures and sells
13 multiple table games products including table games
14 displays, table games felts, and chip sorting
15 machines.

16 TCS John Huxley Europe, Inc. manufactures
17 roulette and big six wheels. The BIE has now
18 completed its full investigation of these companies
19 and the Bureau of Licensing has provided you with the
20 background investigation and suitability reports for
21 these conditional Licensees.

22 I have provided you with draft Orders and
23 ask that the Board consider the approval of each
24 license beginning with TCS John Huxley America, Inc.

25 CHAIRMAN:

1 Any comments from Enforcement Counsel?

2 ATTORNEY PITRE:

3 Enforcement Counsel has no objection.

4 CHAIRMAN:

5 Any questions or comments from the Board?

6 Ex-officio members of the Board? May I have a motion?

7 MR. MOSCATO:

8 Yes, Mr. Chairman, I move that the Board
9 approve TCS John Huxley America, Inc.'s Table Games
10 Manufacturer License as described by the Bureau of
11 Licensing.

12 CHAIRMAN:

13 Second?

14 MR. SOJKA:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 MS. HENSEL:

22 And next would be TCS John Huxley Europe,
23 Inc.

24 CHAIRMAN:

25 Any comments from Enforcement Counsel?

1 ATTORNEY PITRE:

2 Enforcement Counsel has no objection.

3 CHAIRMAN:

4 From the Board? Ex-officio members of
5 the Board? May I have a motion?

6 MR. SOJKA:

7 Yes Mr. Chairman, I'll move that the
8 Board approve that TCS John Huxley Europe, Inc.'s
9 Table Games Manufacturer License as described to the
10 Bureau of Licensing.

11 CHAIRMAN:

12 Second?

13 MR. TRUJILLO:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion carries.

20 MS. HENSEL:

21 Please note that the next agenda item for
22 Gieseckie & Devrient has been removed from today's
23 agenda.

24 CHAIRMAN:

25 Thank you.

1 MS. HENSEL:

2 In addition to manufacturers, we also
3 have today two junket applicants for licensure. The
4 applicants are Red Mansion, LLC and Soteria Watkins.
5 The BIE has completed its investigations of the
6 companies and the Bureau of Licensing has provided you
7 with suitability reports for these applicants.

8 I have provided you with draft Orders
9 approving the Gaming Junket Enterprise Licenses for
10 both companies and ask that you consider the companies
11 separately beginning with Red Mansion, LLC.

12 CHAIRMAN:

13 Any comments from Enforcement Counsel?

14 ATTORNEY PITRE:

15 Enforcement Counsel has no objection.

16 CHAIRMAN:

17 Any questions or comments from the Board?
18 Ex-officio members of the Board? May I have a motion?

19 MR. FAJT:

20 Mr. Chairman, I move that the Board
21 approve the Gaming Junket Enterprise License for Red
22 Mansion, LLC as described by the Bureau of Licensing.

23 MR. GINTY:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? The motion carries.

5 MS. HENSEL:

6 Next for your consideration is Soteria
7 Watkins.

8 CHAIRMAN:

9 Any comments from Enforcement Counsel?

10 ATTORNEY PITRE:

11 Enforcement Counsel has no objection.

12 CHAIRMAN:

13 Any questions or comments from the Board
14 or Ex-officio members? May I have a motion?

15 MR. GINTY:

16 Mr. Chairman, I move that the Board
17 approve the Gaming Junket Enterprise License for
18 Soteria Watkins as described by the Bureau of
19 Licensing.

20 MR. MCCALL:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Opposed? The motion carries.

2 MS. HENSEL:

3 We also have for your consideration the
4 approval of Principal and Key Employee Licenses.
5 Prior to this meeting the Bureau of Licensing provided
6 you with a Proposed Order for two Principal and three
7 Key Employees Licenses for category two and
8 manufacturer Licensees. I ask that the Board consider
9 the Orders approving these licenses.

10 CHAIRMAN:

11 Any comments from Enforcement Counsel?

12 ATTORNEY PITRE:

13 Enforcement Counsel has no objection.

14 CHAIRMAN:

15 Any questions or comments from the Board?
16 Ex-officio members of the Board? May I have a motion?

17 MR. MCCALL:

18 Mr. Chairman, I move that the Board
19 approve the issuance of Principal and Key Employee
20 Licenses as described by the Bureau of Licensing.

21 CHAIRMAN:

22 Second?

23 MR. MOSCATO:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? The motion carries.

5 MS. HENSEL:

6 Next, our Temporary Key Employee
7 Licenses. Prior to this meeting the Bureau of
8 Licensing provided you with an Order regarding the
9 issuance of temporary licenses for 11 Key Employees.
10 I ask that the Board consider the Order approving
11 these licenses.

12 CHAIRMAN:

13 Any comments from Enforcement Counsel?

14 ATTORNEY PITRE:

15 Enforcement Counsel has no objection.

16 CHAIRMAN:

17 Any questions or comments from the Board?

18 Ex-officio members? May I have a motion?

19 MR. MOSCATO:

20 Mr. Chairman, I move that the Board
21 approve the issuance of Temporary Key Employee
22 Credentials as described by the Bureau of Licensing.

23 CHAIRMAN:

24 Second?

25 MR. SOJKA:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 MS. HENSEL:

8 We also have Gaming Permits and Non-
9 Gaming Registrations. Prior to this meeting, the
10 Bureau of Licensing provided you with a list of 258
11 individuals who the Bureau has granted Temporary or
12 Full Occupation Permits to and 44 individuals who the
13 Bureau has granted registrations to under the
14 authority delegated to the Bureau of Licensing. I ask
15 that the Board adopt a motion approving the Order.

16 CHAIRMAN:

17 Any questions or comments from
18 Enforcement Counsel?

19 ATTORNEY PITRE:

20 Enforcement Counsel has no objection.

21 CHAIRMAN:

22 Any questions or comments from the Board?
23 Ex-Officio members of the Board? May I have a motion?

24 MR. SOJKA:

25 Yes, Mr. Chairman, I'll move that the

1 Board approve the issuance of Gaming Employee Permits
2 and Non-Gaming Employee Registrations as described by
3 the Bureau of Licensing.

4 CHAIRMAN:

5 Second?

6 MR. TRUJILLO:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? The motion carries.

13 MS. HENSEL:

14 Also for your consideration are
15 Withdrawal Requests for Gaming and Non-Gaming
16 Employees. In each case the permit or registration is
17 no longer required due to such circumstances as the
18 employee failing to report to work.

19 For today's meeting I have provided the
20 Board with a list of 36 Gaming and six Non-Gaming
21 Withdrawals for approval. I ask that the Board
22 consider the Orders approving the list of Withdrawals.

23 CHAIRMAN:

24 Any comments from Enforcement Counsel?

25 ATTORNEY PITRE:

1 Enforcement Counsel has no objection.

2 CHAIRMAN:

3 Any questions or comments from the Board?

4 Ex-officio members of the Board? May I have a motion?

5 MR. TRUJILLO:

6 Mr. Chairman, I move that the Board
7 approve the Withdrawals as described by the Bureau of
8 Licensing.

9 CHAIRMAN:

10 Second?

11 MR. FAJT:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 MS. HENSEL:

19 In addition, we have an Order to Certify
20 the following Gaming Service Providers; Bertino and
21 Associates, Inc., KLWR, Inc., Philip F. Bogatin, Inc.,
22 Print Art, Inc., and Sealect Wholesale Seafood. I ask
23 that the Board consider the Order approving these
24 Gaming Service Providers for Certification.

25 CHAIRMAN:

1 Any comments from Enforcement Counsel?

2 ATTORANEY PITRE:

3 Enforcement Counsel has no objection.

4 CHAIRMAN:

5 Any questions or comments from the Board?

6 Ex-officio members of the Board? May I have a motion?

7 MR. FAJT:

8 Mr. Chairman, I move that the Board issue
9 an Order to approve the Applications for Gaming
10 Service Provider Certifications as described by the
11 Bureau of Licensing.

12 MR. GINTY:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 MS. HENSEL:

20 Next we have an Order regarding Gaming
21 Service Provider Registrations. The Bureau of
22 Licensing provided you with an Order and an attached
23 list of 13 registered Gaming Service Providers. I ask
24 that the Board adopt a motion approving the Order
25 registering these Gaming Service Providers.

1 CHAIRMAN:

2 Any comments from Enforcement Counsel?

3 ATTORNEY PITRE:

4 Enforcement Counsel has no objection.

5 CHAIRMAN:

6 Any questions or comments from the Board?

7 Ex-officio members of the Board? May I have a motion?

8 MR. MOSCATO:

9 Mr. Chairman, I move that the Board issue
10 an Order to approve the applications for Gaming
11 Service Provider Registrations as described by the
12 Bureau of Licensing.

13 MR. MCCALL:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion carries.

20 MS. HENSEL:

21 In addition, we have recommendations of
22 denial for a Gaming Service Provider applicant. Prior
23 to this meeting, the Bureau of Licensing provided you
24 with an Order addressing this applicant who the BIE
25 has recommended for denial. In this case, the

1 applicant failed to request a hearing within the
2 specified time period. I ask that the Board consider
3 the Order denying Lasvit, Inc.'s Gaming Service
4 Provider application.

5 CHAIRMAN:

6 Any comments from Enforcement Counsel?

7 ATTORNEY PITRE:

8 Enforcement Counsel requests denial in
9 this instance.

10 CHAIRMAN:

11 Any questions or comments from the Board?

12 Ex-Officio members of the Board? May I have a motion?

13 MR. MCCALL:

14 Mr. Chairman, I move that the Board issue
15 an Order to approve the denial of a Gaming Service
16 Provider application as described by the Bureau of
17 Licensing.

18 CHAIRMAN:

19 Second?

20 MR. MOSCATO:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Opposed? The motion carries.

2 MS. HENSEL:

3 The Bureau of Licensing also provided you
4 with Orders regarding Gaming Service Providers that
5 are recommended for the Prohibited Gaming Service
6 Provider List. These companies conducted business
7 with slot machine Licensees but failed to complete the
8 application process. Once added to the Prohibited
9 Gaming Service Provider List, no slot machine Licensee
10 can do business with the companies. I ask that the
11 Board consider the Orders adding the following service
12 Gaming Service Providers to the Prohibited Gaming
13 Service Provider List; Kaeser and Blair, Inc., Robert
14 Ganter Contractors, Inc., Tri-State Sealants, Inc.

15 CHAIRMAN:

16 Any comments from Enforcement Counsel?

17 ATTORNEY PITRE:

18 Enforcement Counsel supports that motion.

19 CHAIRMAN:

20 Any questions or comments from the Board?

21 Ex-officio members of the Board? May I have a motion?

22 MR. MOSCATO:

23 Mr. Chairman, I move that the Board issue
24 Orders to approve the addition of Gaming Service
25 Providers to the Prohibited Gaming Service Provider

1 List as described by the Bureau of Licensing.

2 CHAIRMAN:

3 Second?

4 MR. SOJKA:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? The motion carries.

11 MS. HENSEL:

12 Finally, there are Gaming Service
13 Provider applications that are being recommended to
14 abandonment. These companies filed applications with
15 the Board but the applicants failed to complete them.
16 A company whose application is declared abandoned is
17 free to reapply at any time. I ask that the Board
18 consider the Orders declaring the following
19 applications abandoned; Classic Truck Associates, MGF,
20 Inc., d/b/a Mariani's Gourmet Foods, RK Millwork
21 Installations, LLC and SkyCon Corporation, Inc.

22 CHAIRMAN:

23 Any comments from Enforcement Counsel?

24 ATTORNEY PITRE:

25 Enforcement Counsel supports that motion.

1 CHAIRMAN:

2 Question or comments from the Board?

3 Ex-officio members of the Board? May I have a motion?

4 MR. SOJKA:

5 Yes, Mr. Chairman, I'll move that the
6 Board issue an Order to approve the abandonment of a
7 Gaming Service Provider application as described by
8 the Bureau of Licensing.

9 CHAIRMAN:

10 Second?

11 MR. TRUJILLO:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 MS. HENSEL:

19 That concludes the Bureau of Licensing's
20 presentation.

21 CHAIRMAN:

22 Thank you, Susan. Mr. Pitre.

23 ATTORNEY PITRE:

24 Today we have seven matters for the
25 Board's consideration. The first matter is a Consent

1 Agreement between Presque Isle Downs and the OEC.
2 Alexandra Sacavage will represent the OEC and I see
3 Mr. Rodriguez Cairo is here on behalf of Presque Isle.

4 MR. CAIRO:

5 Good morning, Mr. Chairman, members of
6 the Board.

7 CHAIRMAN:

8 Good morning.

9 ATTORNEY SACAVAGE:

10 Good morning, Chairman Ryan, members of
11 the Board. Alexandra Sacavage, S-A-C-A-V-A-G-E, the
12 OEC. We have today for the Board's consideration a
13 Consent Agreement between the Office of Enforcement
14 Counsel and Presque Isle Downs and Casino.

15 The agreement involves Presque Isle
16 Downs' failure to upgrade revoked software.
17 Specifically, on May 6th, 2011, the gaming laboratory
18 operations of the Pennsylvania Gaming Control Board
19 informed all Pennsylvania's licensed Slot Director's
20 via e-mail that certain Konami software would be
21 revoked and replaced with new software on Thursday,
22 July 21st, 2011.

23 That morning of Thursday, July 21st,
24 2011, gaming lab operations discovered that Presque
25 Isle failed to upgrade that software and they

1 authorized the remote disabling of the two affected
2 games. We learned approximately \$251 of play and
3 \$161.58 of payout occurred during the brief overnight
4 period prior to disabling.

5 Presque Isle subsequently upgraded the
6 software on July 25th, 2011. Presque Isle has revised
7 their procedure to prevent this situation from
8 occurring again. All new revocations are posted
9 prominently in their office and discussed at weekly
10 meetings. The new system has produced positive
11 results with no further incident to date.

12 The parties have agreed that Presque Isle
13 shall pay a civil penalty in the amount of \$5,000 for
14 this incident. If approved, it'll be the first fine
15 for Presque Isle pertaining to unauthorized software.
16 The OEC asks that the Board approve this Consent
17 Agreement today and we'd be happy to answer any
18 questions you have.

19 CHAIRMAN:

20 Thank you very much, Sasha. Any comments
21 from Presque Isle?

22 MR. CAIRO:

23 Mr. Chairman, as usual, it's a pleasure
24 working with the OEC and the Bureau of Investigations
25 on this matter. Clearly this was a situation where an

1 e-mail was misplaced and the communication did not go
2 through.

3 CHAIRMAN:

4 Thank you, sir. Any questions or
5 comments from the Board? Ex-officio members? May I
6 have a motion?

7 MR. TRUJILLO:

8 Mr. Chairman, I move that the Board issue
9 an Order to Approve the Consent Agreement between the
10 OEC and Presque Isle Downs as described by the OEC.

11 MR. FAJT:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 MR. CAIRO:

19 Thank you, sir.

20 CHAIRMAN:

21 Thank you, sir.

22 ATTORNEY PITRE:

23 The next --- I'm sorry.

24 CHAIRMAN:

25 Go ahead, sir.

1 ATTORNEY PITRE:

2 Okay. The next matter for Board's
3 consideration is a Motion to consider a Consent
4 Agreement between the OEC and Atlantic City Coin and
5 Slot. I believe Mr. McCormick is here on behalf of
6 Atlantic City Coin and Slot and, and the other members
7 that may be here. I ask that they approach. Dustin
8 Miller will handle the matter for OEC.

9 ATTORNEY MILLER:

10 Good afternoon, Chairman Ryan.

11 CHAIRMAN:

12 Hello, how are you?

13 ATTORNEY MILLER:

14 Good. Members of the Board, I'm Dustin
15 Miller on behalf of the OEC. At this time the OEC has
16 a Consent Agreement for the Board's approval. The
17 Consent Agreement is between the Office of Enforcement
18 Counsel and Atlantic City Coin and Slot Service
19 Company, Inc.

20 Atlantic City Coin and Slot Service
21 Company, Inc. is the holder of a slot machine
22 Manufacturer License which was last renewed on
23 February 17th, 2010. Pursuant to Title IV, PACS
24 Section 1207(4), a licensed entity shall provide its
25 audited financial statements to the Board not later

1 than 90 days from the end of the Licensee's fiscal
2 year. The requirement is also echoed in Atlantic City
3 Coin and Slot Service Company's signed Statement of
4 Conditions.

5 In the instant matter, Atlantic City Coin
6 and Slot Service Company was required to submit its
7 audited financial statements to the Board by April
8 1st, 2011 at the latest. However, Atlantic City Coin
9 and Slot Service Company did not submit its audited
10 financial statements until September 15th, 2011. Thus
11 its audited financial statements were 168 days late
12 and Atlantic City Coin and Slot Service Company was in
13 violation of the Act by submitting their audited
14 financials late.

15 Additionally, the OEC had sent Atlantic
16 City Coin and Slot Service Company a warning letter
17 for this same violation in 2009 and entered into a
18 Consent Agreement with Atlantic City Coin and Slot
19 Service Company for this same violation in 2010. On
20 December 5th, 2011, the parties entered into a Consent
21 Agreement to settle the matter.

22 The terms of the Agreement include a
23 provision that Atlantic City Coin and Slot Service
24 Company shall institute policies and provide training
25 to employees to prevent future late filings and also

1 Atlantic City's Coin and Slot Service Company shall
2 pay a total fine of \$33,600 for the late filing of
3 their audited financial documents which represents a
4 \$200 per day penalty for each day that the audited
5 financial statements were late.

6 Counsel for Atlantic City Coin and Slot
7 Service Company is in attendance today to answer any
8 questions you may have. Otherwise it would be
9 appropriate for the Board to entertain a motion to
10 approve this Consent Agreement.

11 CHAIRMAN:

12 Any comments from representative from
13 Atlantic City Coin and Slot?

14 ATTORNEY NESTOR:

15 Mr. Chairman, members of the Board, good
16 afternoon. Chris Nestor with K & L Gates here on
17 behalf of AC Coin.

18 CHAIRMAN:

19 Why don't you spell your last name for
20 the ---?

21 ATTORNEY NESTOR:

22 Sure. N-E-S-T-O-R.

23 CHAIRMAN:

24 Thank you, sir.

25 ATTORNEY NESTOR:

1 With me today are Mr. Tom McCormick, the
2 Executive Vice President and General Counsel of AC
3 Coin and Mr. Robert Chorba, the Controller of AC Coin
4 to answer any questions you may have. Obviously we
5 accept the Consent Agreement and findings and, as well
6 as the penalty.

7 CHAIRMAN:

8 Any questions or comments from the Board?

9 MR. FAJT:

10 I have one question. Dustin, when this
11 violation took place the first time, what did AC Coin
12 agree to do then to rectify the problem? This is the
13 second violation of the same issue.

14 ATTORNEY MILLER:

15 It's actually the third year in a row.
16 Anytime that we've contacted them about this problem
17 they've always said that it's a problem with their
18 auditors, the company preparing the audited financial
19 statements. I believe last year that the company
20 switched auditors.

21 ATTORNEY MCCORMICK:

22 Yes, that's correct, yes.

23 ATTORNEY MILLER:

24 And they also had problems this year, so
25 it's always been a problem with the company that

1 they're working with to prepare the audited financial
2 statements.

3 MR. FAJT:

4 I'd like to then hear from you. I mean,
5 is it an ongoing problem with the timeliness of the
6 audit or is it ---?

7 ATTORNEY MCCORMICK:

8 Timeliness is the main issue, yes. We're
9 a private company so we don't always get the allocated
10 resources from the outside audit firm as a public
11 company would. So, sometimes partners have switched
12 in the middle of --- or the folks working on our audit
13 have switched in the middle of the audit itself. So,
14 there's been some delays related to that. There's
15 been some just with our bank itself and the audit,
16 because of our bank line of credit, being due in June,
17 and the audited financials being due in March, one's
18 waiting for the other to act as far as extending a
19 line or finalizing the audit, so we've been caught in
20 this timing issue.

21 CHAIRMAN:

22 Could you state your name, sir?

23 ATTORNEY MCCORMICK:

24 Thomas McCormick.

25 CHAIRMAN:

1 And spell your last name?

2 ATTORNEY MCCORMICK:

3 M-C-C-O-R-M-I-C-K.

4 CHAIRMAN:

5 And what is your position, sir?

6 ATTORNEY MCCORMICK:

7 General Counsel.

8 CHAIRMAN:

9 Thank you. Counsel, if I can just ask
10 this, I would take it that you're confident that we
11 won't be back here again next year?

12 ATTORNEY NESTOR:

13 I'll let the Controller speak to that.

14 CHAIRMAN:

15 What's your name, sir?

16 MR. CHORBA:

17 I should be sworn in because I'm not an
18 attorney.

19 CHAIRMAN:

20 Okay, that's a good idea. What's your
21 name? Why don't you state your name for the record
22 and spell your last name?

23 MR. CHORBA:

24 My name is Robert Chorba, spelled
25 C-H-O-R-B-A. I am the company's Controller for the

1 last three years and a Certified Public Accountant in
2 the Commonwealth of Pennsylvania since 1979.

3 CHAIRMAN:

4 All right. Could we swear the witness?

5 -----
6 ROBERT CHORBA, HAVING FIRST BEEN DULY SWORN, TESTIFIED
7 AS FOLLOWS:

8 -----

9 CHAIRMAN:

10 Go ahead, sir.

11 MR. CHORBA:

12 Thank you, Chairman Ryan, Commissioners,
13 and ex-officio members. The company, Atlantic City
14 Coin and Slot Service Company has been, as a Licensee,
15 not in compliance for the last three years. The
16 reason for that as stated by Tom, it is because of the
17 untimeliness of us filing the certified financial
18 statements by 90 days after our year end, which is
19 December 31st, so the filing deadline would be March
20 31st.

21 As a CPA in Pennsylvania and anyone here
22 who files tax returns and financial statements, they
23 are to be prepared accurately. We are not held and
24 being fined for inaccurate financial statements.
25 Quite frankly it is for the timelines thereof. For

1 our CPAs to file certified financial statements, they
2 require our lender, our chief lender, and themselves,
3 as both independents, to complete and certify their
4 opinion. They cannot do it within the 90 day time
5 frame.

6 As such, rules being rules, we are here
7 to comply with the findings of the Board. However,
8 those of us who file tax returns, whether corporations
9 or individuals, are given both within the Federal
10 government, time to amend --- excuse me, to extend
11 filing of those tax returns. And even if they are
12 incorrect, to amend them. We are not giving incorrect
13 financial statements. Rather, we have a 90 day, by
14 legislature in Pennsylvania Gaming, to get accurate
15 financial statements. I am the preparer of them.

16 Quite frankly for the last three years, I
17 have been the Controller preparing them, so perhaps I
18 am the reason why Atlantic City Coin is filing them
19 late. If so, I apologize to the Commonwealth and to
20 the Board. However, we will be here again next year,
21 gentlemen, because that 90-day rule which is in the
22 legislature, our auditors and our banks, for lending
23 reasons, for accounting reasons, for generally
24 accepted accounting principles and thereof, they may
25 not --- it's not within certainty, we are in the

1 process of engaging with our CPA firms to require them
2 to give us the financial statements. For them to make
3 up their mind as independent auditors to give us their
4 certified opinion of our financial statements so that
5 we can comply with --- of the 36 States that we are
6 in, the Commonwealth is the only one that we fall prey
7 to.

8 So, can I tell you that we will not be
9 here? No, gentlemen, I cannot. We will be here next
10 year.

11 CHAIRMAN:

12 I think the Board understands. Mr.
13 Ginty.

14 MR. GINTY:

15 Cyrus, we don't have any leeway here to
16 grant extensions on --- for good cause shown?

17 ATTORNEY PITRE:

18 Well, the Act previously had 60 days
19 after the filing deadline to get these in. That was
20 pretty much unheard of and we had problems in the
21 industry early on. We've always been behind on this.
22 So, then with the recent amendments to the Act, that
23 was increased to 90 days. It's a legislative statute.
24 I totally agree that there will be problems especially
25 with the smaller companies or the independent

1 companies because the auditing firms will just pay
2 attention to the publicly traded and the bigger
3 companies first. You do have some leeway with the
4 fine, or leeway with the Consent Agreement.

5 Initially when we started this, we
6 started it with warning letters. Obviously we didn't
7 let the fines and that --- those were approved by the
8 Board but you do have some leeway in that regard. If
9 you think that the fine is too high or that the
10 penalty is too high, we'd be more than willing to go
11 back and look at that or reduce it or to change it to
12 something else, but we don't have any leeway with
13 regard to requiring them to submitting those
14 documents. It also holds us up. It holds up our
15 financial investigative unit in issuing their reports.
16 Their renewal is pending, we couldn't get the renewal
17 done until we received those documents and we couldn't
18 get the background investigation reports completed
19 until we have all the documents that we need to do a
20 proper analysis of the company to submit our
21 recommendation to the Board. So it's a problem all
22 the way around.

23 CHAIRMAN:

24 Greg.

25 ATTORNEY PITRE:

1 Now we, we haven't had --- I think we may
2 have one more manufacturer that we're going to fine
3 for this. Everybody else has pretty much gotten their
4 information to us in time, in that 90-day period. We
5 haven't had the significant problem that we had early
6 on when it was a 60-day period.

7 MR. FAJT:

8 Sir.

9 CHAIRMAN:

10 Yes.

11 MR. FAJT:

12 Thank you, Mr. Chairman. Cyrus, other
13 than this inability, kind of the chicken and the egg
14 between the bank and the CPAs and who's going to, you
15 know, file their certifications first, have there been
16 any issues of non-compliance or non-cooperation with
17 AC Coin in getting these financials to us that you're
18 aware of?

19 ATTORNEY PITRE:

20 Not that we're aware of. In fact, Mr.
21 McCormick himself has been very engaging with us in
22 dealing with this matter. And any time we've asked
23 for it he's been honest and said, look, I can't
24 promise you that it'll be done, we're working on it.
25 So he hasn't tried to sugarcoat anything.

1 MR. FAJT:

2 Okay, thank you.

3 MR. GINTY:

4 Now what if there was a process where
5 they could file a Petition with us? I mean, is there
6 any --- is there any solution to that --- and I'm
7 talking about good cause. I mean, I'm not, you know,
8 looking at, you know, just excuses, but for good cause
9 that ---.

10 CHAIRMAN:

11 Would satisfy the Act?

12 MR. GINTY:

13 It would satisfy you and satisfy the Act.

14 ATTORNEY PITRE:

15 The problem is that we have a statutory
16 requirement and that's --- I really don't think you
17 have leeway at that. I mean, I leave that to Chief
18 Counsel, but my impression's that you wouldn't have
19 any leeway in going against what the statute requires
20 them to do.

21 CHAIRMAN:

22 The one thing we can do Cyrus is lower
23 the fine perhaps.

24 ATTORNEY PITRE:

25 Yes.

1 CHAIRMAN:

2 So the Board can refer this back.

3 ATTORNEY PITRE:

4 The Board can refer it back; the Board
5 can even make a recommendation as to what it would
6 like to see. If the Board would like to see --- as
7 long as the companies are cooperating, if the Board
8 would say, okay, and as long as they're cooperating we
9 don't expect to see fines, compliance conferences,
10 warning letters are good enough for this Board, then
11 that's something we'd be happy to do.

12 MR. GINTY:

13 If I understand, I mean, we've almost ---
14 if I'm correct, this \$200 a day has been something
15 we've dropped in a number of late filings.

16 ATTORNEY PITRE:

17 Well, this is where --- last year was
18 \$100 a day.

19 MR. GINTY:

20 Right. Okay.

21 ATTORNEY PITRE:

22 And they were 60 days late. Now it's
23 \$200 a day and it's more time. What I'm afraid of is
24 that if we don't slap them --- slap some of the
25 companies on the wrist, then other companies will be

1 in a position where they will say, well, if we're only
2 going to get a warning letter for this, or we're not
3 going to get fined for this, then we'll be late with
4 ours and then that will cause us to become behind in
5 our work, the Bureau of Licensing to become behind in
6 their work, and investigations and the friends of
7 accountants who review this stuff. And then we're
8 really going to be in a catch 22 situation, so I would
9 --- while I understand the Board is inclined to maybe
10 lower the fine which I have no problem with, I want
11 you to know there are ramifications, you know, if we
12 don't stick by our guns with this.

13 CHAIRMAN:

14 Cyrus, just to make sure I'm certain
15 about this, are you comfortable with the bona fides of
16 Atlantic City Coin, that they have --- they are making
17 every effort they can to do what the law requires?

18 ATTORNEY PITRE:

19 Yes, some things are out of their control
20 as they said, they have to work with their lenders, so
21 you have a bank, a lender basically saying well, we
22 need to give the sign off on this before you can go
23 forward. So, there are a lot of other parties at play
24 in this and we have engaged the bank and they have
25 verified this, so ---.

1 CHAIRMAN:

2 Any other questions or comments from the
3 Board?

4 MR. TRUJILLO:

5 Mr. Chairman, I guess the thing that
6 doesn't true up completely with me is --- and I
7 understand the issue with public companies and I
8 understand it does seem like a very short period of
9 time after your fiscal year ends to be turning around
10 audited financials. I mean, that's what the --- I
11 mean, to me 90 days after a closeout of a fiscal year,
12 I mean, does not make a lot of sense. The other side
13 of that though is, are there --- are we having this, I
14 don't remember any other company having this many
15 issues this many years in a row or are there other
16 companies that have this kind of issue?

17 ATTORNEY PITRE:

18 There is one other company and because
19 that Consent Agreement is coming before --- will come
20 before the Board in the future, I don't want to bring
21 it up right now.

22 MR. TRUJILLO:

23 Sure.

24 ATTORNEY PITRE:

25 But there is one other company since,

1 since the deadline change from 60 days to 90 days.
2 When it was 60 days we had a number of companies, now
3 we're down to basically two.

4 CHAIRMAN:

5 Mr. Fajt, do you have a motion?

6 MR. FAJT:

7 I do, Mr. Chairman, thank you. Given the
8 discussion that we've had here, I would like to move
9 that the Board refer the matter back to OEC for
10 further reconsideration of the fine amount.

11 ATTORNEY PITRE:

12 Would the Board like to make a
13 recommendation?

14 CHAIRMAN:

15 I don't think so. We'll trust in counsel
16 going forward taking into consideration the discussion
17 of the obvious concern the Board has here with the
18 problem that exists.

19 ATTORNEY PITRE:

20 Okay.

21 MR. GINTY:

22 I would just add, I mean, I would
23 distinguish between good faith and ---

24 CHAIRMAN:

25 Right.

1 MR. GINTY:

2 --- you know, people. And we've had them
3 before that just let these things sit so, you know, if
4 you come back to us with a lower fine based on your
5 determination that, you know, it was a good faith
6 effort to comply, that might solve your problem with
7 this being a precedent.

8 MR. TRUJILLO:

9 But we're not suggesting what you do.

10 CHAIRMAN:

11 Before we do anything else, can I get a
12 second?

13 MR. TRUJILLO:

14 Well, I'm sorry, what was --- for point
15 of clarification, I think the motion though was to
16 deny the proposed Consent Agreement.

17 MR. FAJT:

18 That's right. Let me clarify that.

19 MR. TRUJILLO:

20 Okay.

21 MR. FAJT:

22 Mr. Chairman, I move that the Board issue
23 an Order to deny the Consent Agreement between the OEC
24 and Atlantic City Coin and Slot Services, Inc. as
25 described by the OEC and further to refer that matter

1 back to the OEC for further consideration of the fine
2 amount.

3 CHAIRMAN:

4 Okay. Everybody on the Board understand
5 the motion? Is there a second?

6 MR. GINTY:

7 I'll second.

8 CHAIRMAN:

9 Mr. Ginty seconds. Sir?

10 MR. CHORBA:

11 With all due respect, may I explain the
12 size of AC Coin? Does everyone understand who we are?

13 CHAIRMAN:

14 I think we do.

15 MR. CHORBA:

16 Okay. All right. Because I'm --- okay,
17 absent that, regardless of what the fine is we are
18 prepared to honor whatever it is. However, as we look
19 forward, does the Board have a remedy for us for next
20 year?

21 MR. TRUJILLO:

22 Call your legislators.

23 MR. CHORBA:

24 I'm an accountant, not an attorney.

25 CHAIRMAN:

1 It doesn't help you at all here and it
2 doesn't hurt you at all here. We're all in the same
3 boat together here.

4 MR. CHORBA:

5 Thank you, Mr. Chairman.

6 CHAIRMAN:

7 All right. All in favor of the motion.

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? Motion carries. Thanks
11 gentlemen.

12 MR. CHORBA:

13 Thank you very much.

14 ATTORNEY PITRE:

15 The next matter we have for Board
16 consideration a Consent Agreement between the OEC and
17 Chester Downs Management Company, LLC. I see Ms.
18 Hughes and Mr. Downey are present. Cassandra
19 Fenstermaker will present the matter on behalf of OEC.

20 ATTORNEY FENSTERMAKER:

21 Good afternoon, Chairman Ryan, members of
22 the Board. I am Cassandra Fenstermaker,
23 F-E-N-S-T-E-R-M-A-K-E-R, on behalf of the OEC. We
24 have today, for the Board's consideration, a Consent
25 Agreement between the OEC and Chester Downs and

1 Marina, LLC, doing business as Harrah's Chester Casino
2 and Racetrack involving a self-exclusion violation.

3 On September 28th, 2010, J.N. requested
4 voluntary exclusion from gaming activities in the
5 Commonwealth of Pennsylvania for a lifetime. On
6 September 30th, 2010, Harrah's Chester was notified by
7 the PGCB's Director of Compulsive and Problem Gambling
8 that J.N. requested to be placed on the Voluntary
9 Exclusion List.

10 On April 29th, 2011, an individual
11 contacted the Board's Bureau of Casino Compliance
12 alleging that J.N. was permitted to cash a personal
13 check in the amount of \$100 at Harrah's Chester's main
14 cage on March 23rd, 2011. The Bureau of Casino
15 Compliance conducted a review, determined that J.N.
16 had in fact cashed a check and contacted Harrah's
17 Chester's surveillance, security, and cage departments
18 to notify them of the incident.

19 As a result of this incident the cage
20 cashier was issued a written warning and provided with
21 additional training on Harrah's Chester's check
22 cashing procedures. On May 27th, 2011, the same
23 excluded patron, J.N., approached Harrah's Chester's
24 main cage and attempted to cash a check. The cashier
25 recognized J.N. as a self-excluded patron and

1 contacted surveillance and security. Security
2 escorted J.N. to her vehicle and Harrah's Chester
3 contacted the Bureau of Casino Compliance but failed
4 to contact the Pennsylvania State Police.

5 As a result of this incident, both the
6 security supervisor and the surveillance supervisor
7 were verbally coached on their responsibilities to
8 verify that all necessary phone calls are made to both
9 the PGCB and to the Pennsylvania State Police.
10 Parties have agreed that within five days of the
11 Board's Order, Harrah's Chester shall pay a civil
12 penalty in the amount of \$10,000. This fine is
13 consistent with fines levied against other licensed
14 facilities in the past and if approved will be the
15 first fine for Harrah's Chester regarding a self-
16 exclusion violation.

17 The OEC asks that the Board approve the
18 Consent Agreement as presented today. And the OEC
19 and/or the representatives from Harrah's Chester would
20 be happy to answer any questions that you may have.

21 CHAIRMAN:

22 Thank you. Any comments from Harrah's?

23 ATTORNEY DOWNEY:

24 Thank you, Mr. Chairman. For the record,
25 Bill Downey, D-O-W-N-E-Y, for Harrah's Chester, with

1 me at counsel table is Lynn Hughes, Vice President and
2 Chief Counsel, Regional Operations Regulatory and
3 Compliance from Harrah's Chester.

4 We are comfortable with the facts as were
5 cited by BIE. I would just offer that consistent with
6 the Board's practice we would also entertain a reduced
7 fine but ---.

8 CHAIRMAN:

9 Good try, it is Christmas. Thank you,
10 sir. Any questions or comments from the Board? From
11 other members? May I have a motion?

12 MR. MOSCATO:

13 Mr. Chairman, I move that the Board issue
14 an Order to approve the Consent Agreement between the
15 OEC and Harrah's Chester Downs Management Company, LLC
16 as described by the OEC.

17 CHAIRMAN:

18 Second?

19 MR. SOJKA:

20 Second.

21 CHAIRMAN:

22 All in favor.

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries.

1 ATTORNEY DOWNEY:

2 Thank you.

3 CHAIRMAN:

4 Thank you.

5 ATTORNEY FENSTERMAKER:

6 Next for the Board's consideration I have
7 a Revocation for Norma Jean Gray. On July 5th, 2011,
8 the OEC filed a Complaint Revocation against Norma
9 Jean Gray, a cage cashier at Harrah's Chester. Ms.
10 Gray was caught on surveillance attempting to steal
11 approximately \$2,800 in cage cashier tips and admitted
12 to stealing an additional \$600 in cage cashier tips.

13 The Enforcement Complaint was served on
14 Ms. Gray by first class and certified mail. Ms. Gray
15 did not respond to the Complaint within 30 days.
16 Therefore, pursuant to Board regulations, all facts
17 alleged in the Complaint are deemed admitted.

18 The OEC filed a request for default
19 judgment on November 23rd, 2011 and at this time the
20 OEC asks that Ms. Gray's Gaming Permit be revoked.

21 CHAIRMAN:

22 Is Norma Jean Gray in the hearing room?
23 Any questions or comments from the Board? Ex-officio
24 members of the Board? May I have a motion?

25 MR. SOJKA:

1 Yes, Mr. Chairman, I'll move that the
2 Board issue an Order to approve the revocation of
3 Norma Jean Gray's Gaming Employee Permit as described
4 by the OEC.

5 CHAIRMAN:

6 Second?

7 MR. TRUJILLO:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? The motion carries.

14 ATTORNEY FENSTERMAKER:

15 Thank you.

16 CHAIRMAN:

17 Thank you.

18 ATTORNEY MILLER:

19 Good afternoon again. The next request
20 for revocation involves Allen Gartei. Mr. Gartei had
21 been employed as a steward at Harrah's Chester Casino
22 and registered as a Non-Gaming Employee. The OEC
23 filed an Enforcement Complaint to revoke Mr. Gartei's
24 Non-Gaming Employee Registration for failing to
25 maintain a suitability to hold a Non-Gaming Employee

1 Registration on February 1st, 2011.

2 The Enforcement Complaint was properly
3 served upon Mr. Gartei to the address listed on the
4 criminal documents filed against Mr. Gartei by both
5 certified and first class mail. Mr. Gartei did not
6 respond to the filing in any way. Due to Mr. Gartei's
7 failure to respond, the averments in the Enforcement
8 Complaint are deemed to be admitted as fact and his
9 right to a hearing has been waived.

10 On December 8th, 2011, the OEC filed a
11 request to enter judgment upon default. The matter is
12 now before the Board to consider the revocation of Mr.
13 Gartei's Non-Gaming Employee Registration.

14 CHAIRMAN:

15 Is Allen Gartei in the hearing room? Any
16 questions or comments from the Board? Ex-officio
17 members of the Board? Do I have motion?

18 MR. TRUJILLO:

19 Mr. Chairman, I move that the Board issue
20 an Order to approve the revocation of Allen Gartei's
21 non-employee --- Non-Gaming Employee Registration as
22 described by the OEC.

23 MR. FAJT:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? The motion carries.

5 ATTORNEY MILLER:

6 The next request for revocation today
7 involves Tada Marazas. Mr. Marazas had been employed
8 as a casino games dealer at Parx Casino and permitted
9 as a Gaming Employee.

10 The OEC filed an Enforcement Complaint
11 that revoked Mr. Marazas' Gaming Employee Permit for
12 failing to maintain a suitability to hold a Gaming
13 Employee Permit on October 11th, 2011. The
14 Enforcement Complaint was properly served upon Mr.
15 Marazas to the address listed on his application by
16 both certified and first class mail. Mr. Marazas did
17 not respond to the filing in any way.

18 Due to Mr. Marazas' failure to respond,
19 the averments in the Enforcement Complaint are deemed
20 to be amended as fact and his right to a hearing has
21 been waived. On December 8th, 2011, the OEC filed a
22 request to enter judgment upon default.

23 The matter is now before the Board to
24 consider the revocation of Mr. Marazas' Gaming
25 Employee Permit.

1 CHAIRMAN:

2 Is Tada Marazas in the hearing room? Any
3 questions or comments from the Board? Ex-officio
4 members? May I have a motion?

5 MR. FAJT:

6 Mr. Chairman, I move that the Board issue
7 an Order to approve the revocation of Tada Marazas'
8 Gaming Employee Permit as described by the OEC.

9 MR. GINTY:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 That motion carries.

16 ATTORNEY MILLER:

17 The last matter today is a request for
18 placement on the Board's Excluded Persons List today
19 involving James R. Ashton. The OEC filed a Petition
20 to place Mr. Ashton on the Exclusion List because of
21 his underage gaming at Parx Casino and robbery of a
22 patron of Parx Casino on April 13th and 14th of 2011.

23 The Petition was filed on August 26th,
24 2011. The Petition was properly served upon Mr.
25 Ashton to the address listed on the Criminal Complaint

1 filed against him by both certified and first class
2 mail. Mr. Ashton did not respond to the filing in any
3 way. Due to Mr. Ashton's failure to respond, the
4 averments to the Petition are deemed to be admitted as
5 fact and his right to a hearing has been waived.

6 On December 7th, 2011, the OEC filed a
7 request to enter judgment upon default. The matter is
8 now before the Board to consider the placement of
9 James R. Ashton on the Board's Excluded Persons List.

10 CHAIRMAN:

11 Is James Ashton in the hearing room? Any
12 questions or comments from the Board? Ex-officio
13 members? May I have a motion?

14 MR. GINTY:

15 Mr. Chairman, I move that the Board issue
16 an Order to approve the addition of James Ashton to
17 the PGCB's Exclusion List as described by the OEC.

18 MR. MCCALL:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed? The motion carries.

25 ATTORNEY MILLER:

1 Thank you.

2 CHAIRMAN:

3 Thank you, Dustin. Thank you, Cyrus. I
4 believe that concludes all of OEC's matters. Today is
5 our quarterly public comment meeting. As I understand
6 it, we do not have anyone registered to speak today.
7 Is there anyone in the audience wishing to make public
8 comment?

9 Seeing no response, I will go on to tell
10 everyone that our next scheduled public meeting will
11 be held here in this room on Wednesday, January 18th,
12 2012 at 10:00 a.m. Any final comments from any
13 members of the Board?

14 MR. FAJT:

15 One final comment, Mr. Chairman. I'd
16 like to thank our staff and others involved, you, for
17 your leadership in getting this room set up and the
18 new offices. Our guys did a great job. I know
19 there's a lot of technical work involved in the
20 communications office and Kathy and others, and
21 Mickey, who worked on a lot of the minor details of
22 this room. So, thank you all, you did a great job.

23 CHAIRMAN:

24 And I know I speak for the rest of the
25 Board when I join Mr. Fajt in those comments because

1 this is good to be here, we don't have to wander
2 around the City of Harrisburg anymore. We can
3 actually just come downstairs and have a meeting that
4 is always going to be here. We don't have to worry
5 about being kicked out. So, all of this is definitely
6 appreciated. I also want to wish, on behalf of the
7 Board, everyone a Merry Christmas, Happy Hanukkah, and
8 a Happy New Year. And with that, do I have a motion
9 to adjourn the meeting?

10 MR. MCCALL:

11 Move we adjourn.

12 CHAIRMAN:

13 Second?

14 MR. MOSCATO:

15 Second.

16 CHAIRMAN:

17 The meeting is adjourned, thank you all.

18 * * * * *

19 MEETING CONCLUDED AT 12:45 P.M.

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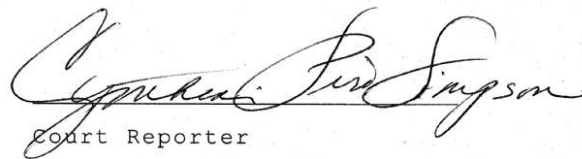
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CERTIFICATE

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I hereby certify that the foregoing proceedings, meeting held before Chairman Ryan, was reported by me on 12/20/2011 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