

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: VALLEY FORGE CONVENTION CENTER PARTNERS'
PETITION FOR TABLE GAMES CERTIFICATE

* * * * *

PUBLIC HEARING

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

HEARING: Wednesday, February 8, 2012
10:05 a.m.

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

WITNESSES: Sal Scheri, Anthony Spagno, Alex Figueras,
Bill Mikus

Reporter: Joshua Lee Hess

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A P P E A R A N C E S (cont.)

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ALSO PRESENT:

MELISSA NASS, Valley Forge Executive Office

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CHAIRMAN:

Good morning, ladies and gentlemen. I'm Bill Ryan, Chairman of the Pennsylvania Gaming Control Board. Before we begin, I would as always ask everyone to please turn off your cell phones, PDAs, other electronic devices. And joining us today is Christopher Craig, representing the State Treasurer, Robert McCord; Robert Coyne, representing the Secretary of the Department of Revenue, Dan Meuser; and Matt Meals, Deputy Secretary of Agriculture, representing the Secretary of Agriculture, George Greig. Thank the three of you for being here. Forum members being present, I will call today's meeting to order. First of all, as always, I would like everyone to please stand for the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

CHAIRMAN:

Thank you. Prior to holding the three scheduled hearings, the Board will take up three petitions seeking reconsideration or intervention in a variety of matters. Each of these petitions was filed by Eastern Pennsylvania Citizens Against Gambling and James Schneller. The Office of Chief Counsel (OCC)

1 will briefly summarize each of these petitions. And
2 after hearing the summary, I would ask for a motion
3 regarding each matter. Although I know that notice
4 was sent to Mr. Schneller, I understand that he could
5 not be present today. So, I will turn it over to
6 Steve Cook and the OCC. Mr. Cook?

7 ATTORNEY COOK:

8 Good morning, Mr. Chairman, members of
9 the Board. As far as presenting to you each of the
10 petitions, I would note for the record that the
11 petitions themselves and any response thereto and
12 supplements have been available for the Board's review
13 in advance of this meeting. Additionally noticed by
14 the Chairman, Mr. Schneller was advised that he could
15 be here today to briefly address the Board. He has
16 chosen not to do that. I would note for the record
17 that Michael Fabius, representing Valley Forge,
18 however is present and prepared to address these
19 matters. However I don't believe there is a need for
20 that, unless the Board has any questions. Mr. Fabius?

21 ATTORNEY FABIUS:

22 The first of the three petitions filed by
23 James Schneller and the Eastern Pennsylvania Citizens
24 Against Gambling is docketed at Hearings and Appeals,
25 Docket Number 25382012. The petition requested, among

1 other things, that the Board overturn an Order of the
2 Director of the Office of Hearings and Appeals (OHA),
3 denying intervention of the Valley Forge Casino Access
4 Plan Petition. That the Board overturn the Director
5 of OHA denying intervention in the Valley Forge Table
6 Games Petition. That the Board overturn the Director
7 of Hearings and Appeals denying intervention in the
8 license renewal proceedings of SugarHouse HSP Gaming.
9 The OCC would recommend to the Board that this
10 petition be denied due to a variety of reasons,
11 including Mr. Schneller's lack of standing in these
12 proceedings, the untimely nature of the proceedings,
13 and also the fact that the actual petition itself was
14 procedurally defective in that it raises a variety of
15 orders and a variety of different matters being one
16 petition at one docket number. I'd ask for a motion
17 from the Board to deny this application for petitions.

18 CHAIRMAN:

19 Any questions or comments from the Board?
20 Ex-officio members of the Board? Then may I have a
21 motion?

22 MR. FAJT:

23 Mr. Chairman, I move that the Board deny
24 Eastern PA Citizens Against Gambling's Petition, as
25 described by the OCC.

1 MR. GINTY:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL RESPOND AYE

6 CHAIRMAN:

7 Opposed? The motion carries.

8 ATTORNEY FABIOUS:

9 The decision for three petitions filed by
10 Mr. Schneller and Eastern PA Citizens Against Gambling
11 is docketed at Hearings and Appeals Docket Number
12 25392012. This petition requests, in addition of the
13 relief request in the petition I just discussed, also
14 that the Board overturn an Order of the Director of
15 the OHA denying request for reconsideration of the
16 SugarHouse HSP Gaming License Renewal and
17 reconsideration of the Board's Order and Adjudication
18 approving the Valley Forge Access Plan. Again, the
19 OCC would recommend that this petition be denied for
20 the reasons discussed relative to the first petition.

21 CHAIRMAN:

22 Questions or comments from the Board?

23 Ex-officio members? A motion, please?

24 MR. GINTY:

25 Mr. Chairman, I move that the Board deny

1 Eastern Pennsylvania Citizens Against Gambling's
2 Petition as described by the OCC.

3 MR. MCCALL:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL RESPOND AYE

8 CHAIRMAN:

9 Opposed? The motion carries.

10 ATTORNEY FABIOUS:

11 The final of the three petitions filed by
12 Mr. Schneller and Eastern Pennsylvania Citizens
13 Against Gambling is docketed at Hearings and Appeals
14 Docket Number 25372012. This petition seeks
15 intervention in the Valley Forge request, seeking
16 approval of the Gaming Floor Plan which would be the
17 subject of the hearing called later today. The OCC
18 would recommend that the Board deny this petition due
19 to the Petitioner's failure to establish direct needs
20 and substantial interest in a matter which is unique
21 to them. In other words, we do not provide this
22 petition as it stands in this matter. This is as for
23 the Board's consideration as well.

24 CHAIRMAN:

25 Any questions, comments from the Board?

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

2 MR. MCCALL:

3 Mr. Chairman, I move that the Board deny
4 Eastern Pennsylvania Citizens Against Gambling's
5 Petition as described by the OCC.

6 CHAIRMAN:

7 Second?

8 MR. MOSCATO:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL RESPOND AYE

13 CHAIRMAN:

14 Opposed? Motion carries. That concludes
15 all items relating with Eastern Pennsylvania Citizens
16 Against Gambling. Thank you, Mr. Cook. Moving on to
17 our first scheduled hearing which pertains to Valley
18 Forge Convention Center Partners' Petition for Table
19 Games Certificate. Can I have all the persons who are
20 non-attorneys, but who will be presenting evidence,
21 please stand to be sworn.

22 -----

23 WITNESSES SWORN EN MASSE

24 -----

25 CHAIRMAN:

1 Before we begin, I would ask that all
2 persons participating please identify yourselves
3 before speaking. Also would you spell your name for
4 the benefit of the court reporter. We would
5 appreciate that. Valley Forge.

6 ATTORNEY HAYES:

7 Good morning, Mr. Chairman, members of
8 the Board. For the record, my name is Kevin Hayes,
9 K-E-V-I-N, H-A-Y-E-S, of the Law Firm of Dougherty
10 Hayes. And I appear before you today on behalf of
11 Valley Forge Convention Center Partners, doing
12 business as Valley Forge Casino Resort. Specifically
13 we are here to present information and field any
14 questions relative to Valley Forge's Petition for
15 Approval of a Table Game with Operational Certificate,
16 as well as the Petition for Approval of Valley Forge's
17 Gaming Floor Plan.

18 We will first make our presentation
19 regarding the Table Games Petition. And we'll then
20 describe in detail our proposed gaming floor plan.
21 Four members of Valley Forge's management team will be
22 offering testimony here today. Those speakers are Mr.
23 Sal Scheri, who is seated to my right, who is the
24 president and CEO of the facility; Mr. Anthony Spagno,
25 vice president of table games; Mr. Alex Figueras, vice

1 president of finance; and Mr. Bill Mikus, vice
2 president of human resources. Assisting us here today
3 is Melissa Nass (phonetic) from Valley Forge's
4 executive office. Our goal here today is to
5 demonstrate to the Board that Valley Forge has
6 satisfied all of the statutory conditions to receiving
7 the table games operational certificate. We will
8 address the topics in the order listed on the agenda.
9 And we will be pleased to answer any questions at the
10 conclusion of our presentation.

11 CHARIMAN:

12 Before we move forward, I think the
13 PowerPoint isn't appearing on the screen.

14 ATTORNEY HAYES:

15 Our first witness is Mr. Sal Scheri, who
16 will provide an overview of Valley Forge Casino
17 Resort's revised site plan and plan for implementing
18 table game operations. I know that the Board is
19 familiar with Mr. Scheri, based on his previous
20 appearances before you. So, I'll refrain from
21 describing his biographical information once again. I
22 will now turn it over to Mr. Scheri.

23 MR. SCHERI:

24 Good morning, Mr. Chairman and members of
25 the Board. It is a pleasure to appear before you

1 today. As stated, I am Sal Scheri, president and CEO
2 of Valley Forge Casino Resort. S-A-L, S-C-H-E-R-I. I
3 would like to briefly describe Valley Forge's plan for
4 implementing table game operations at our licensed
5 gaming facility. I'm going to begin today by
6 providing a general overview of our revised site plan,
7 which was designed to accommodate the operation of 600
8 slot machines and 50 table games.

9 As I described at a recent public input
10 hearing, Valley Forge has assembled new construction
11 and design teams with Tanwood as our construction
12 management company, Cope Linder as our architectural
13 firm, and Floss Barber as our interior designer. Our
14 management team and these professionals have
15 collaborated to refine the site plan designated as
16 OP2, which was approved by the Board at your April
17 26th, 2010 public meeting. The rebranded Valley Forge
18 Casino Resort will feature the following non-gaming
19 amenities; a food court with three food outlets and
20 seating for 120 people; two retail outlets; a
21 rebranded Valley Forge Casino Resort hotel tower, with
22 a renovated lobby and VIP check in; two new restaurant
23 concepts; a 200 seat seafood, steak house and an 80
24 seat Italian restaurant.

25 In addition, we will be rebranding and

1 renovating the existing two restaurants in the
2 Radisson lobby. Specifically the existing Chumley's
3 will become a piano bar. And Café Soleil will become
4 a New York style deli. A renovated fitness center,
5 which features spa services. And lastly, the current
6 nightclub is being renovated and rebranded.

7 The revised site plan includes the
8 relocation of the porte-cochere valet entrance, from
9 the front of the existing convention center, to a
10 location near the main entrance, to the rebranded
11 Valley Forge Casino hotel tower. These design changes
12 were made by our management team to allow for the
13 effective implementation of Valley Forge's access
14 control plan. By relocating the porte-cochere valet
15 entrance, we were able to eliminate the walkway which
16 surrounded the gaming floor in OP2. The new design
17 has one main entrance, as opposed to the two main
18 entrances, including in the previous site plans.

19 These design changes will greatly assist
20 Valley Forge in limiting and monitoring access to its
21 gaming floor. As I noted at the public input hearing,
22 members of the Gaming Board's operations and
23 compliance staff have visited Valley Forge's property
24 on numerous occasions over the past several months and
25 have provided their input regarding the redesign of

1 our licensed facility. We are very grateful for their
2 keen advice which their staff has offered us
3 throughout the design and restructured process.

4 The construction of the gaming facility
5 continues to proceed on schedule, which is attributed
6 to the tremendous work of the over 300 construction
7 workers who are onsite. We are currently positioned
8 to open our doors of our gaming facility in the early
9 spring, in the April time frame.

10 At this time I can report that the
11 interior of the facility is 70 percent complete, with
12 carpet and slot basins being installed on the gaming
13 floor. Slot machines have been delivered to the
14 property and their placement on the gaming floor will
15 begin next week. Exterior site work is 95 percent
16 complete. The security and surveillance systems are
17 being installed as we speak. And lastly, the
18 renovations of the non-gaming areas, including our new
19 restaurants and food court, is well underway.

20 I am proud to be a part of Valley Forge's
21 management team, and truly believe that we have
22 assembled a team which is second to none in terms of
23 casino experience. The members of our management
24 team, along with their years of gaming experience, are
25 listed on the slide before you. This team has the

1 experience to create and maintain a successful table
2 games operation. We have devised an operational plan
3 which we believe will provide our patrons with the
4 best possible gaming experience. In addition, we have
5 developed a marketing plan, which we hope will
6 establish a dedicated and loyal customer base, that
7 will continue to patronize our resort casino for years
8 to come. We are excited to expand the gaming
9 offerings at Valley Forge, and look forward to
10 successfully satisfying all of the expectations placed
11 upon us by this Board and the general public, through
12 the operation of table games at Valley Forge.

13 At this time I would like to introduce
14 Mr. Anthony Spagno, who is Valley Forge Casino
15 Resort's vice president of table games. Mr. Spagno is
16 a 30 year veteran of the gaming industry, and most
17 recently served as casino manager at Trump Plaza in
18 Atlantic City, where he was instrumental in the
19 redesign and reconfiguration of their casino floor.
20 Anthony previously worked at Caesars Hotel and Casino
21 in Atlantic City where he held several positions
22 including shift manager, pit manager and supervisor,
23 as well as manager of the high limit Baccarat room.
24 I'll now turn it over to Anthony Spagno.

25 MR. SPAGNO:

1 Thank you, Sal. Chairman Ryan and
2 members of the Board, I thank you for the opportunity
3 to testify before you today. As Sal said, my name is
4 Anthony Spagno, A-N-T-H-O-N-Y, S-P-A-G-N-O. I would
5 like to take this opportunity to provide a general
6 overview of our proposed table games operations, as
7 well as our dealer training program. Our proposed
8 gaming pool will --- consists of a total of 600 slot
9 machines and 50 table games. We are confident that
10 our customer demand will dictate the maximum amount of
11 gaming positions. Initially Valley Forge intends on
12 offering only banking table games, as part of its
13 operation. And we'll contemporize the table games
14 which are listed on the current slide before you.

15 Valley Forge is part of the Montgomery
16 County Community College's Center for Work Course
17 Development, to establish a table games, dealer
18 training program. The curriculum was developed by my
19 department in collaboration with experienced table
20 games personnel hired by Montgomery County Community
21 College. This curriculum has been submitted and
22 approved by the Board's executive director. Training
23 of the first class of students began on November 7th,
24 2011, at a state-of-the-art mock casino facility
25 within the Valley Forge Resort complex which has been

1 inspected and approved by the Board's Bureau of Casino
2 Compliance. The first class is scheduled to complete
3 their training program and receive their final
4 certification during the week of February 20th, 2012.
5 This training program has been a win/win for both
6 Valley Forge and Montgomery County Community College.
7 Valley Forge Casino Resort will not be able to fill
8 all of its hiring needs for qualified table game
9 dealers through its partnership with the college
10 alone. As such, Valley Forge has undertaken an
11 aggressive recruitment program, which our vice
12 president of human resources, Bill Mikus, will
13 describe later on.

14 Before concluding, I will say that I've
15 been extremely impressed with the experienced pool of
16 prospective table game dealers and supervisors, which
17 we have interviewed and auditioned. At the time of
18 opening, I anticipate that the vast majority of our
19 table game dealers and supervisors would have had
20 prior table games experience. I appreciate this
21 opportunity to appear before the Board, and would be
22 happy to field any questions at the end of this
23 presentation. Thank you.

24 MR. SCHERI:

25 Thank you, Anthony. I would now like to

1 introduce our vice president of finance, Alex
2 Figueras, to discuss the projected economic impact of
3 our table game operations and the financing of this
4 project.

5 MR. FIGUERAS:

6 Good morning, Mr. Chairman, and members
7 of the Board. As Sal indicated, I am Alex Figueras,
8 Valley Forge's vice president of finance. That's
9 A-L-E-X, F-I-G-U-E-R-A-S. We appreciate that the
10 financial suitability of an applicant is an important
11 factor which the Board considers in determining
12 whether to approve a table games operational
13 certificate. To that end, we have provided the Gaming
14 Control Board with loan agreements, our sources and
15 uses statement, our most recent independent audited
16 financial statement, and funding, detailing the
17 payment of the table games licensing fee. I believe
18 that those submissions demonstrate that Valley Forge
19 has secured adequate funds to support the expansion
20 and remodeling of its existing facility, and to
21 accommodate the full complement of 600 slot machines
22 and 50 table games.

23 We are confident that revenue generated
24 through the operations of 50 table games and 600 slot
25 machines will result in significant tax revenues for

1 the Commonwealth of Pennsylvania, which will benefit
2 its residents for reduction in property taxes.
3 Moreover, the local political subdivisions will be
4 provided with significant economic stimulus through
5 the local share of gaming tax revenues, as well as the
6 ancillary benefits, which will come through expanded
7 gaming options, offered by Valley Forge, once awarded
8 a table games operational certificate.

9 Valley Forge Casino Resort anticipates
10 that its first 12 months of operating 50 table games,
11 a total of \$11.7 million in gaming tax revenue will be
12 generated, with \$10.2 million going to the state and
13 \$1.5 million going to the local assessment. During
14 that same 12 month period, Valley Forge anticipates
15 its operation of 600 slot machines will generate \$48.8
16 million in gaming tax revenues, with \$45.2 million to
17 be received by the Commonwealth, and \$3.5 million to
18 the local assessment. Under the Gaming Act, 50
19 percent of the local share is distributed to Upper
20 Merion Township. And 50 percent is deposited into a
21 restricted receipts account, with the Commonwealth
22 Financing Authority, to be used exclusively for grants
23 for projects in Montgomery County. Since Valley Forge
24 has not yet begun any gaming operations at its
25 facilities, these figures are preliminary projections

1 based on our internal market analysis. However, we
2 feel confident that these figures will be met.

3 In addition to gaming tax revenues, the
4 Commonwealth, Montgomery County and Upper Merion
5 Township will experience a significant economic impact
6 from this project. Specifically Valley Forge is
7 making an investment in this project, which totals
8 \$132.5 million, excluding licensing fees. This
9 investment is funding the construction of the casino,
10 as well as the extensive renovations to the non-gaming
11 amenities at the resort complex. Table games related
12 jobs will result in annual wages totaling
13 approximately \$7.5 million. Additionally, Valley
14 Forge anticipates a total annual wages at the resort
15 complex of \$30 million, again, excluding tips.

16 Valley Forge has pledged to make a
17 \$415,000 contribution to Upper Merion Township for
18 traffic improvements. And will be supportive of the
19 township's efforts to improve Route 422 and the
20 roadways in the surrounding area. In addition, if
21 given authorization by this Board to commence gaming
22 operations, Valley Forge will make an annual
23 contribution in excess of \$75,000, for the benefit of
24 Upper Merion Township. Please note that contingent
25 upon receiving Board authorization to increase our

1 gaming capacity, our pledge to Upper Merion Township
2 will increase from \$415,000 to \$625,000 for traffic
3 improvements. And our annual contribution to Upper
4 Merion Township will increase from \$75,000 to
5 \$142,500.

6 We are confident that Valley Forge Casino
7 Resort will be an overwhelming operational success.
8 We believe that it's in the best interest of this
9 Commonwealth for the Board to approve this petition
10 and authorize the operation of 50 table games and 100
11 additional slot machines at Valley Forge Casino
12 Resort. Specifically the approval of this petition
13 will result in an increase in living-wage jobs and
14 wage taxes, an enhancement in economic opportunities
15 for local residents and business owners, and a
16 significant increase in taxable revenues for the
17 Commonwealth, as well as Montgomery County and Upper
18 Merion Township. Thank you. And I'll be happy to
19 field any questions at the conclusion of this
20 presentation.

21 MR. SCHERI:

22 Thank you, Alex. Finally, I would like
23 to introduce our vice president of human resources,
24 Bill Mikus, who has been heading up our recruiting,
25 hiring and training programs for potential table game

1 employees. In addition, Bill has been responsible for
2 developing our company's diversity programs, as well
3 as other important HR policies and practices. Prior
4 to joining Valley Forge, Mr. Mikus served as the vice
5 president of human resources for Caesars Entertainment
6 in Atlantic City, New Jersey. In this position, Mr.
7 Mikus was intimately involved in the creation,
8 maintenance and oversight of all hiring, diversity and
9 recruiting objectives and incentive programs at
10 Caesars and Harrah's Atlantic City properties.

11 MR. MIKUS:

12 Good morning, Mr. Chairman and members of
13 the Board. Again, my name is Bill Mikus, spelled
14 B-I-L-L, M-I-K-U-S. And I'm the vice president, as
15 Sal said, of human resources at Valley Forge. At
16 Valley Forge Casino Resort, we believe that a key
17 component to the successful management of our facility
18 is to ensure that we hire, train and retain qualified
19 employees who not only satisfy the key elements of the
20 job, but have a sense of dedication and pride in the
21 work that they perform. Valley Forge recognizes that
22 the key to providing guests an exceptional service is
23 to promote a culture of respect and appreciation
24 through the fostering of a diverse workforce.

25 It is anticipated that we need to retain

1 a total of approximately 400 employees to satisfy the
2 table games operations at our facility. More
3 specifically, the positions which Valley Forge must
4 fill, in order to carry out its table games
5 operations, are listed on the slide. The table games
6 employment commitment compliment will be comprised of
7 certified and trained individuals, along with recent
8 graduates of Montgomery Community College table games
9 training program. By our current estimates, the vast
10 majority of our table games dealers and supervisors
11 will have had prior table games experience. The full-
12 time positions that will be offered at Valley Forge
13 will provide family-sustaining wages and benefits.
14 Valley Forge anticipates that at least 100 of the new
15 table games employment positions will be salaried
16 supervisors, earning an average of \$52,000 annually,
17 in addition to other employer-provided benefits.

18 Furthermore, it is anticipated that there
19 will be growth in the number of departments needed to
20 service the table games operations which include food
21 and beverage, marketing, security and surveillance,
22 finance, account room and cage operations. At the
23 public hearing, Commissioner Fajt asked the question
24 regarding the average salary for all of our employees,
25 including table games. That figure is \$28,203,

1 excluding benefits and tips. When the table games
2 dealers are excluded from the calculation, the
3 averages salary is actually raised to \$33,810.
4 Obviously the significant component to the incomes of
5 table games dealers and employees of the hospitality
6 industry, in general, is derived from gratuities. To
7 supplement its table games workforce, we have
8 recruited certified and trained table games employees
9 from other gaming jurisdictions, and in local
10 jurisdictions as well. To date we have accepted over
11 8,000 applicants. With over 1,500 applicants for
12 table games employment only. To date we have
13 interviewed 350 individuals for supervisor and above
14 positions. And have interviewed and auditioned about
15 780 potential dealers. Offers have been extended to
16 supervisors and above. And the table games dealer
17 offers continue to go out this week.

18 With the blend of recent graduates from
19 our dealers' school and the experienced dealers from
20 our local market, we will create a motivated and
21 synchronized workforce to ensure compliance and create
22 an enjoyable gaming experience for our patrons.

23 In consultation with the Pennsylvania
24 Gaming Control Board's diversity office, we developed
25 a plan to address our goals of promoting diversity in

1 all hiring and employment actions. In October we
2 created an internal HR diversity council, which meets
3 weekly to focus on specific diversity actions and
4 activities. These initiatives include the creation of
5 a company-wide motto and employee promises, centered
6 around our values of respect and pride. This
7 commitment continues to be communicated to all
8 employees. In addition, our diversity council has
9 updated all code of conduct and diversity policies and
10 practices which include our overall diversity EEO,
11 fair treatment, anti-harassment and ethical business
12 practices. All managers have been trained in and
13 acknowledge their commitment to these practices at
14 recent management team meetings. Ongoing, all newly-
15 hired managers and employees receive code of conduct
16 and diversity policy review training at orientation.

17 As a part of Valley Forge's recruitment
18 outreach, we have conducted numerous internal casino
19 career day sessions, and internally post available
20 career opportunities, giving all employees an equal
21 opportunity to apply for various new positions. In
22 addition, we participated in a monster.com mega career
23 fair in September and once again January 18th. This
24 event reached across a wide spectrum of multi-cultural
25 and diversified applicants. Valley Forge of course

1 continues to post all internal websites, including
2 casinocareers.com, careerlink.com and monster.com,
3 which also has a broad spectrum of multi-cultural
4 associations. We believe that our participation in
5 these outreach efforts have contributed to and will
6 continue to contribute to our very diverse pool of
7 applicants, which we have to date.

8 In order to even further expand our pool
9 of potential new employees, Valley Forge has sought
10 and will seek memberships in the organizations listed
11 on this slide. Memberships of these organizations and
12 continued outreach to other viable resources will help
13 disseminate employment opportunities, available at
14 Valley Forge, to a larger pool of applicants.

15 The past operations at Valley Forge
16 demonstrate its commitment to the promotion of a
17 diverse workforce, which will certainly be perpetuated
18 in its table games operations. Evidence of past
19 hiring practices exhibited by us can be seen on this
20 slide. It summarizes the current compliment of our
21 workforce. Of the 376 employees currently at Valley
22 Forge Casino Resort, the total minority employees
23 represent 50 percent. A minority supervisor and
24 above, nearly 29 percent. PA residents, 90 percent.
25 Male employees 58 percent and female employees 42

1 percent.

2 In addition to the promotion of the
3 diverse workforce, we're also anticipating the
4 majority of our table games employee will be
5 Pennsylvania residents. As you'll notice from
6 reviewing this slide, we anticipate based on the
7 present pool of candidates and recruitment efforts, by
8 the end of the first year of operation, we're looking
9 at 67 percent of our table games employees being
10 Pennsylvania residents, 73 percent by the end of the
11 second year and 85 percent for the third full year of
12 table games operations.

13 Finally, we are in the process of
14 completing our compulsive and problem gambling
15 program. Our compulsive and problem gambling
16 prevention objectives will be addressed through
17 training programs, which employees will complete prior
18 to the commencement of gaming operations. This
19 training program will be conducted in consultation
20 with the Council of Compulsive Gambling of
21 Pennsylvania and consist of an entire review of the
22 compulsive problem gambling policies and procedures.
23 We at Valley Forge will continue to work with the
24 PGCB's office of compulsive problem gambling, to
25 ensure compliance with all requirements of the Gaming

1 Board's regulations. With that, I'd like to thank you
2 for your time and I'd like to return the presentation
3 to Kevin Hayes. Thank you.

4 ATTORNEY HAYES:

5 Thank you, Bill. Just as a point of
6 clarification, as part of this petition, Valley Forge
7 is also seeking the Board's approval of this revised
8 site plan. For the record, I assume that Valley Forge
9 has established, by clear and convincing evidence,
10 that it meets all of the statutory requirements for
11 approval of a table games operational certificate.

12 First, its Category 3 Slot Machine
13 License is in good standing with the Board. Secondly,
14 Valley Forge has demonstrated that the conduct of
15 table games at its licensed facility will have a
16 positive impact on the residents of this Commonwealth,
17 Montgomery County and Upper Merion Township. Next,
18 Valley Forge possesses adequate funding to finance
19 this proposed expansion of gaming and the \$7.5 million
20 authorization fee.

21 Further, Valley Forge has demonstrated
22 that through its ownership, as well as its management
23 team, that it possesses sufficient business ability
24 and experience to create and maintain a successful
25 table games operation. Lastly, Valley Forge has

1 submitted security and surveillance plans, which
2 satisfy the mutual objectives of this Board and this
3 operator, of protecting all persons at the licensed
4 facility and the assets of the operator and in the
5 Commonwealth.

6 That concludes the Petitioner's
7 presentation. Before fielding any questions from the
8 OEC or the Board, I respectfully request that the
9 PowerPoint presentation be submitted as an exhibit to
10 this presentation --- or be submitted as part of the
11 record.

12 CHAIRMAN:

13 It will be.

14 ATTORNEY HAYES:

15 Thank you.

16 CHAIRMAN:

17 Does the OEC have any questions of any of
18 the witnesses?

19 ATTORNEY MILLER:

20 Good morning, Mr. Chairman. I am Dale W.
21 Miller, M-I-L-L-E-R, Deputy Chief Enforcement Counsel
22 for the Eastern Region. Mr. Chairman, we have no
23 witnesses. We have a few questions. And then after
24 all the questions, including Board questions, we'd
25 like to make a brief statement, summarizing our

1 findings and our position in this matter, if I may?

2 CHAIRMAN:

3 Go ahead.

4 ATTORNEY MILLER:

5 Thank you. And I'll ask questions
6 generically and then Mr. Hayes can do his best to
7 determine who should answer the questions. You stated
8 in your presentation that you anticipate at the end of
9 a year to have 67 percent employees from Pennsylvania;
10 is that right?

11 MR. MIKUS:

12 Yes. That's correct.

13 ATTORNEY MILLER:

14 Now in the petition you stated that you
15 anticipate that of the non-salary table games
16 employees, 58 percent would be from Pennsylvania. Is
17 that included in the 67 percent? Does it change?
18 Have you found it easier to hire Pennsylvania
19 residents? Is it going to be 58 percent, 67? Can you
20 break that down?

21 MR. MIKUS:

22 Thank you, Mr. Chairman. Yes, it is
23 correct, and we are clearly anticipating much more
24 than we had initially, with the influx of obviously
25 other Pennsylvania residents and especially with the

1 dealer base.

2 CHAIRMAN:

3 Can he identify himself just for the
4 record?

5 ATTORNEY HAYES:

6 Could you identify yourself, sir?

7 MR. MIKUS:

8 Bill Mikus.

9 ATTORNEY MILLER:

10 Now the petition indicated that the 58
11 percent of Pennsylvania residents, who will be
12 employees, were from the non-salaried employee base.
13 What percentage of salaried employees do you have or
14 do you anticipate will be Pennsylvania residents or do
15 you know yet?

16 MR. MIKUS:

17 At this time no, we do not know.
18 However, I anticipate that we will have a pretty
19 significant amount of Pennsylvania residents. I don't
20 have an exact number for you, sorry.

21 ATTORNEY MILLER:

22 And is it correct that you still intend
23 to make your 85 percent goal within three years of
24 having all employees as Pennsylvania residents?

25 MR. MIKUS:

1 Yes.

2 ATTORNEY MILLER:

3 Now, I understand that you have an
4 agreement with Upper Merion Township and Montgomery
5 County. In fact, a new agreement has been received.
6 Could you explain that agreement, please? And if it's
7 a new agreement, could we have a copy of it when it's
8 assigned?

9 ATTORNEY HAYES:

10 Certainly. Mr. Miller ---.

11 CHAIRMAN:

12 Counsel, just for the record, state your
13 last name.

14 ATTORNEY HAYES:

15 Kevin Hayes. In October of 2008, Valley
16 Forge Convention Center Partners had entered a
17 memorandum of understanding with Upper Merion Township
18 and certain commitments were made by Valley Forge,
19 including a one-time contribution of \$415,000 to go
20 towards traffic improvements. In addition, they
21 committed to make an annual contribution of \$75,000 to
22 Upper Merion Township. Because of the --- at that
23 time we were only authorized to operate 50 slot
24 machines with the potential to operate 100 different
25 slot --- additional slot machines and 50 table games.

1 We went back to Upper Marion Township and indicated,
2 because the impact may be greater, that we would
3 increase our contribution for traffic improvements
4 from \$415,000 to \$625,000. In addition, we would
5 increase our annual contribution from \$75,000 to
6 \$142,000. That commitment has been signed by Valley
7 Forge. And this occurred in January --- I think it
8 was January 12th, actually. It has not yet been
9 approved by the Board of Supervisors in Upper Merion
10 Township, or has not been executed. But we have
11 pledged to make that contribution. And we'll be happy
12 to provide you with an executed copy of the agreement
13 once we are in receipt of the same.

14 ATTORNEY MILLER:

15 And the figures that we saw this morning
16 on the slide were the new figures from this recent
17 agreement; is that right?

18 ATTORNEY HAYES:

19 That's correct.

20 ATTORNEY MILLER:

21 Okay. Now finally, how do you intend to
22 pay the table games fee? By check? All at once? I
23 don't believe that that was stated in the petition,
24 so ---.

25 ATTORNEY HAYES:

1 I will refer that question to our vice
2 president of finance, Alex Figueras.

3 MR. FIGUERAS:

4 Alex Figueras. That is part of our
5 overall financing package that's included in there for
6 including the table game fee.

7 ATTORNEY MILLER:

8 So, it will be paid all at once?

9 MR. FIGUERAS:

10 Yes.

11 ATTORNEY MILLER:

12 Okay. Great. That's all the questions I
13 have. And I would defer to the Board for any further
14 questions.

15 CHAIRMAN:

16 Does the Board have any questions of
17 Valley Forge? Mr. Fajt?

18 MR. FAJT:

19 Thank you, Mr. Chairman. A quick
20 question for Mr. Mikus. On your presentation, you hit
21 --- talked a little bit about the new employees
22 receiving compulsive gambling training. How long is
23 that training session? Is it an hour or is it a day?
24 Is it ten days?

25 MR. MIKUS:

1 Yeah, we --- as a part of our orientation
2 program for all new employees, we'll have it looks to
3 be about three, four hours, or about a half a day
4 program at this point. But it is a part of our
5 opportunity to also look at the other training that's
6 needed, including sexual harassment awareness
7 training, including all of our policy reviews.

8 MR. FAJT:

9 So, all of that training is a three or
10 four hour session, or just compulsive gambling is
11 three or four hours?

12 MR. MIKUS:

13 Just compulsive gambling.

14 MR. FAJT:

15 Okay. And I know this is a little bit
16 looking down the road, but how long do you anticipate
17 the annual retraining session to be?

18 MR. MIKUS:

19 We are currently looking at I believe a
20 three hour program.

21 MR. FAJT:

22 And that's for all employees, from Sal on
23 down?

24 MR. MIKUS:

25 Yes. Correct. A refresher program

1 yearly for all of our employees.

2 MR. FAJT:

3 And the reason I bring that up is
4 obvious. I mean, we place a lot of credibility and
5 onus on the operators of the casinos in Pennsylvania
6 to combat compulsive gambling. We already are unique
7 in Pennsylvania in that we have neighborhood casinos,
8 even though they are not destination casinos. If
9 somebody wants to go there every day or once a week or
10 once a month, it's an easy drive for them. And it is
11 something that we pay particular attention to. And
12 I'd just like to remind you that that is important to
13 the Board. Thank you very much.

14 MR. MIKUS:

15 Yes. That's why we're committed to that.

16 CHAIRMAN:

17 Tony?

18 MR. MOSCATO:

19 Two quick questions. One for Mr. Mikus.
20 I know this isn't your presentation. All the
21 different varied outreach organizations you've gone
22 through, the chambers and whatnot, I didn't see
23 CareerLink on there. Is it there? Mr. Hayes is
24 shaking his head yes.

25 MR. MIKUS:

1 Yes. It is included.

2 MR. MOSCATO:

3 Thank you very much for that. And then
4 one quick question for Mr. Hayes. With regard to this
5 new agreement with the township, it was a completely
6 voluntary agreement and you guys brought it up to the
7 township, or was it like the township was coming to
8 you guys?

9 ATTORNEY HAYES:

10 To be honest, Commissioner Moscato, I
11 don't know what the genesis of it was. But in the
12 October 2008 memorandum of understanding there was a
13 provision that in the event that the number of gaming
14 positions increased, that this would correspond to an
15 increase in contribution. So, I know that I was part
16 of the --- so we knew that there was going to be a
17 reevaluation for that. I don't know what the genesis
18 of it was. I can just say that I can attest --- I
19 know Sal can is that we've got an excellent working
20 relationship with Upper Merion Township, which is a
21 --- very sophisticated and we have a lot of
22 development in that township and have worked with us
23 very well.

24 MR. MOSCATO:

25 Thank you.

1 MR. TRUJILLO:

2 I take it you mean it wasn't legal duress
3 anyway? I guess I'd like to ask a little bit about I
4 think back to Mr. --- if Mr. Miller can come back up
5 --- Mikus, on your hiring, you, I guess by analogy or
6 comparison to how you have hired in the past, talk
7 about minority in here, I'm sorry. So, I was curious
8 though as to how many people have you actually hired
9 now for the casino?

10 MR. MIKUS:

11 We are at approximately 160 plus that
12 we've hired, of course, specifically for casino
13 operations.

14 MR. TRUJILLO:

15 And so assuming --- and I guess I'm just
16 kind of curious about your staging, it seems like
17 you're going to have a pretty significant ramp up
18 between now and April or May.

19 MR. MIKUS:

20 Right.

21 MR. TRUJILLO:

22 And do you have commitments out to people
23 at this point who are waiting to ---?

24 MR. MIKUS:

25 Yeah, we have conditional offers out to,

1 at this point, roughly 200 of those and an additional
2 this week. As I said in my presentation, we'll be
3 going out as well.

4 MR. TRUJILLO:

5 And can you give it me a sense of how
6 your diversity numbers are stacking up, with respect
7 to your conditional offers and the like?

8 MR. MIKUS:

9 We are currently in a process of
10 evaluating them. Obviously it's self identification.
11 So, when the offers go out, we just ask back what, you
12 know, ethnicity and other distinguishing
13 characteristics from a demographic perspective. But
14 from a first glance, it appears that we are well on
15 our way to making sure that we are as diverse as we
16 say we could be.

17 MR. TRUJILLO:

18 Thank you.

19 CHAIRMAN:

20 Gary.

21 MR. SOJKA:

22 Yeah. Mr. Mikus, being while you're
23 there, this will satisfy priority but you're there.
24 So, we don't have to play musical chairs. You
25 mentioned --- this is a follow up onto Commissioner's

1 Fajt's question about identification of underage
2 people possibly, as well as compulsive gamblers. You
3 do training. But you're also in this relationship,
4 which I'm going to pursue further with Mr. Spagno.
5 But you're in this relationship with Montgomery County
6 Community College. You've looked at their curriculum.
7 Did they also provide any training in that area or is
8 it strictly the technical management of the games that
9 they provide?

10 MR. SPAGNO:

11 Anthony Spagno. As far as the formal
12 training from Montgomery County Community College, 90
13 percent technical. And there is a customer-service
14 base component within that training module. But as
15 far as the --- we've touched briefly --- we added to
16 the curriculum, an introduction to gaming, which was
17 not required by the Board, but we added that
18 component. And in that part of the training they
19 touched on compulsive gambling and underage gambling
20 also.

21 MR. SOJKA:

22 That's a good lead in. And because I
23 take it you have been working in concert with the
24 leadership at Montgomery County Community College to
25 build this curriculum; is that right?

1 MR. SPAGNO:

2 Yes, sir.

3 MR. SOJKA:

4 And they've provided for your
5 organization, a business coming into their area,
6 appropriate training that's meaningful to you that
7 will prepare, in this case, pretty much a Pennsylvania
8 workforce to take advantage of a new Pennsylvania
9 industry?

10 MR. SPAGNO:

11 Yes, sir.

12 MR. SOJKA:

13 It's always I think very important for
14 Pennsylvanians with a kind of emerging two-year
15 college program to be sure that we're getting this
16 kind of relationship. Are the students going into
17 that program, paying a full tuition to Montgomery
18 County Community College?

19 MR. SPAGNO:

20 Yes, sir, they are.

21 SOJKA:

22 Do you provide any kind of scholarship or
23 incentive help to those people, or is that their
24 responsibility?

25 MR. SPAGNO:

1 That was their responsibility.

2 MR. SOJKA:

3 Good. Do you know or would you have any
4 sense that after they complete what I suppose is a
5 certification? It's a certificate that they get?

6 MR. SPAGNO:

7 Yes, sir. What we require at Valley
8 Forge was a Board certificate completion. The intro
9 to table games was the first certification. The CPR
10 was the second. Blackjack training was the standard.
11 That was third. And then an elective course in one of
12 the other table games, we require for employment.

13 MR. SOJKA:

14 And of course I'm assuming then that the
15 students that enter those programs may very well be
16 looking towards you as their employer. And I'm sure
17 that's part of --- that's your main interest. But
18 these certifications are fully exportable; right?

19 MR. SPAGNO:

20 Right. They can go wherever they want.
21 Yes, sir.

22 MR. SOJKA:

23 Another operator in this Commonwealth or
24 somewhere else?

25 MR. SPAGNO:

1 Unfortunately for us, some of them have
2 already obtained employment at other casinos
3 throughout the Commonwealth with the certification.

4 MR. SOJKA:

5 That's fine. Everybody --- you can
6 compete to get them back. That's fine. While we're
7 here, and we don't do the musical chairs, but it may
8 be that this is more for Mr. Mikus. It just blew by
9 me when you were talking about the minority council.
10 And a couple of things popped in there very quickly
11 that I've not heard I think in our other operators.
12 And that is something about a motto and then something
13 about a pledge. Who's pledging what and how binding
14 is that?

15 MR. SPAGNO:

16 I'm going to turn it over to Mr. Mikus.
17 Thank you.

18 MR. MIKUS:

19 Thank you. I'm back. Yes. In addition
20 to our mission, we created for employees a motto as
21 well as a promise. And they revolve --- I won't get
22 into detail what they are, because they're pretty
23 robust. But they revolve around respect and value of
24 an individual and of the property, of our business
25 partners and of our whole company. So, they really

1 reflect and each new hire when they go through
2 orientation will actually experience what we stand
3 for. And part of that is that respect and value, what
4 we stand for.

5 MR. SOJKA:

6 So, the promise is made by you, they
7 don't even need to make a promise?

8 MR. MIKUS:

9 Right.

10 MR. SOJKA:

11 They don't need to raise their right hand
12 and swear?

13 MR. MIKUS:

14 That's correct. Yes.

15 MR. SOJKA:

16 Okay. That had me slightly concerned.
17 The motto is something that was developed as part of
18 your corporate culture?

19 MR. MIKUS:

20 Yes, correct.

21 MR. SOJKA:

22 And this promise that you're making, do
23 you suspect that it's legally binding? And it might
24 at some future time lead to some difficulties for you,
25 if you --- for example, if some of your employees feel

1 that you failed to meet it?

2 MR. MIKUS:

3 Well actually it could fail to meet it
4 but it is our responsibility to make sure that we do
5 everything in our power to make sure it doesn't
6 happen.

7 MR. SCHERI:

8 Sal Scheri. One of the most important
9 things for us is to create a workforce that is diverse
10 and also provides a very high level of customer
11 service to our guests. We know that as being a full
12 resort that we are quite different than a lot of other
13 southeastern Pennsylvania casinos. So, we feel that
14 it is very, very important to us, as a management team
15 and right down the line to all employees, to value and
16 respect those employees. And what we want to do is
17 make sure that the existing employees and new
18 employees understand that we are committed to them.

19 I think it's --- I've had the opportunity
20 to work in a lot of places. And they don't always
21 send that message. So, I think just Bill's --- I'd
22 love to take credit for it, but it's really the team,
23 they're a fantastic team. When I talk about a great
24 team, I truly mean that. I believe that. And when
25 Bill came to me and said we want to create this

1 program to make sure we send a message to the
2 employees of how important they are to us and to the
3 operation, I was fully behind it 100 percent. And
4 that is really what we're trying to do here, is let
5 them know how important it is to us and to them and
6 for our guests.

7 MR. SOJKA:

8 Well I think that's --- and again, please
9 don't misunderstand this line of questioning. I was
10 very intrigued by this, very pleased by it. But when
11 one gets down to the nuts and bolts, one begins to
12 wonder exactly how this is going to play out. Because
13 there's also a suggestion here that the employees will
14 be buying into what is a corporate concept of how
15 employees are to be treated and how customers are to
16 be treated. And it shows diversity and acceptance.
17 And so I'm all for all of that. Do you consider their
18 attitude in some regards to some of these things to be
19 a requirement to their employment that they have to
20 buy into the corporate ---?

21 MR. SCHERI:

22 I don't think. I don't think it's a
23 matter of buying in. I think it's a prerequisite to
24 what we stand for as an organization. So, when --- as
25 I mentioned, is when employees are first entered into

1 our building, they will see and feel what it is like
2 to work for a first class organization. And with that
3 being said, our back of the house areas will include
4 our motto, or our promises to our employees. Our
5 promises to our employees are really our commitment,
6 as Sal was saying, to understand that we are only as
7 good as they are. Our commitment to service and
8 understanding service. And the values and standards
9 and what that means. That's important to us and for
10 the organization.

11 MR. SOJKA:

12 Well I think that's all wonderful. And
13 I'm very pleased you're taking the effort to do that.
14 I wish you lots of luck with it. But again, there's
15 issues of employees, how far you can ask them to do
16 certain kinds of things that is not part of their job
17 description. And they have to do it for their own
18 personal beliefs and things. But I think we're okay.
19 But thank you for that.

20 MR. MCCALL:

21 Quick question. I'm not sure who asked
22 it. I think just this goes to I guess economic impact
23 somewhat. The investments that are being made to
24 Upper Merion Township for traffic improvements,
25 \$625,000; I'm just wondering is the state involved in

1 that and what are you doing as far as --- personally I
2 think it can tend to be somewhat confusing, driving
3 into the facility. So, what additional --- is there
4 additional money that was required by the state as
5 well, not just the local government? I see that it's
6 \$625,000 for Upper Merion. But is the state involved
7 in that, as far as traffic patterns around the
8 facility? And what is your plan to direct people as
9 far as signage to get them to the facility?

10 ATTORNEY HAYES:

11 I'll handle the first part of the
12 question which is the agreement is exclusively between
13 us and counsel over here. There was an initial
14 traffic study that was in place as part of our initial
15 application back in 2007. And there was not any
16 material or data finding as far as the impact of the
17 casino local traffic patterns. That aside, there is
18 an ongoing 422 issue. And there is going to be at
19 some point a study committee. At least we pledge to
20 participate in that committee. With regard to
21 signage, Sal could probably speak to it better than
22 me, we recently had our signage package approved by
23 the township and he can speak to that.

24 MR. SCHERI:

25 Sure. You're right. It is a complex

1 complex, if you will. What we've done is we've really
2 taken the time to analyze the traffic flow, to
3 understand where patrons will be coming from, how they
4 would be exiting and approaching the property, and
5 creating the signage package that will direct them
6 into the facility quickly and safely to the parking
7 areas. We've also separated out where employees
8 should go because the employee parking areas are
9 completely --- separate. So, we keep the employee
10 access in different areas, which again will keep the
11 flow of patrons as easy and safe as possible. So, we
12 worked with site planners, with a traffic analysis
13 company, and also with the local authorities to do
14 this as effectively and safely as we can. And there
15 we do understand that there will be further studies
16 done to improve roadways and exits approaching us.

17 MR. MCCALL:

18 And has the state approached you as far
19 as the impacts and the improvements of 422?

20 ATTORNEY HAYES:

21 Commissioner McCall, as far as I know,
22 no. Not aside from what was initially --- as far as
23 what I know. The problem that was identified back in
24 2008, there was an overall problem on 422. There's
25 going to be a study committee on it. And I don't know

1 if that's been launched. We pledged as part of our
2 initial agreement that we'd participate in that.

3 MR. MCCALL:

4 Thank you.

5 CHAIRMAN:

6 Any questions from the ex-officio
7 members?

8 MR. CRAIG:

9 Just a couple real quickly. I have a
10 couple of questions about the economic impact on the
11 slide. It's indicated that it's projected that over
12 the first 12 months of table games the slots will
13 generate over \$60 million in gambling tax revenues.
14 What is that number --- what is your projected gross
15 total, meaning revenue that that number is based upon?

16 ATTORNEY HAYES:

17 I'm going to let our vice president of
18 finance, Alex Figueras, field that question.

19 MR. FIGUERAS:

20 Alex Figueras. The overall taxable
21 gaming revenue is assumed to be approximately \$160
22 million. Obviously that includes table tax laws.

23 MR. CRAIG:

24 Right. And then further on down the
25 slide you indicate \$45 million. And it's projected

1 that the slots will produce \$45 million for
2 Commonwealth share. In your assumption of what the
3 Commonwealth share is, is that the aggregate of the
4 percentage of a property tax relief, economic
5 development and rate source development fund?

6 MR. FIGUERAS:

7 It would be all of the direct taxes that
8 are taken out of gaming revenues.

9 MR. CRAIG:

10 With the exception of local share.

11 MR. FIGUERAS:

12 With the exception of local share, yes.

13 MR. CRAIG:

14 And I guess my last question really goes
15 to --- there was a discussion at the beginning of this
16 about your marketing plan. And it is really aimed to
17 developing a core loyal customer base of individuals,
18 et cetera. As part of that strategy, do you
19 anticipate the use or the sale of gift cards and gift
20 certificates? Let me give you the context for it,
21 because I'm not --- it's actually a very parochial
22 question from my own perspective.

23 The treasurer, one of his statutory
24 duties is the collection and overhead custodial care
25 of unclaimed property. And in other cases, this is

1 not pertinent to your company, we've had difficulty
2 with companies, particularly hotels and resorts, that
3 give out as a regular basis, they will sell gift
4 certificates for a weekend, or a gift card, or even
5 gift cards for restaurants, et cetera. And after a
6 certain period of dormancy of those, they become
7 property of the Commonwealth. And it requires time
8 and effort to get companies to report that. And so
9 assuming that that is an integral part, be it your
10 restaurants, or other amenities, et cetera, the one
11 thing I would ask is if at the appropriate time you
12 could maybe provide some sort of information to our
13 department, indicating how you intend to comply with
14 the state property law, et cetera.

15 MR. FIGUERAS:

16 Right. Absolutely.

17 MR. CRAIG:

18 I mean it's a narrow interest, but it's
19 something that we want to make sure.

20 MR. FIGUERAS:

21 It's something we would normally do.

22 MR. CRAIG:

23 Thank you. I appreciate that. That's
24 all, Mr. Chairman.

25 CHAIRMAN:

1 Anyone else? Thank you, Mr. Craig. Does
2 the OEC have any presentation?

3 ATTORNEY MILLER:

4 Dale Miller, Deputy Chief Enforcement
5 Counsel, once again. Mr. Chairman, we have no
6 presentation, but we'd like to make a statement based
7 upon our findings of the Valley Forge table games
8 recommendation. As Valley Forge has stated, the
9 Gaming Act requires that a Licensee who wishes to add
10 table games has to file a petition with the Board for
11 a table games operations certificate. Valley Forge
12 has done so.

13 Once a petition is filed, the Gaming Act
14 requires that the Board must approve a request for a
15 table games operation certificate if the Petitioner
16 establishes certain items by clearing and convincing
17 evidence. The OEC, in conjunction with the other
18 bureaus and the staff of the Gaming Board, has
19 reviewed Valley Forge's petition, attended the public
20 hearing and attended this hearing, and reviewed all
21 those things to determine if Valley Forge was in
22 compliance with the requirements of the Act. I will
23 briefly review our findings.

24 First, Valley Forge must make a
25 presentation at a public hearing. They have done so.

1 And based on our reading of the transcript and
2 attendance at the hearing, there were no major
3 objections by the public to the conduct of table
4 games. Valley Forge's Slot Machine License must be in
5 good standing. On April 8th, 2009, the Board approved
6 Valley Forge for a Category 3 Slot Machine License.
7 And on November 22nd, 2011, the Category 3 Slot
8 Machine License was officially issued to Valley Forge.
9 And it remains in good standing as of today.

10 The conduct of table games at Valley
11 Forge must have a positive impact on the Commonwealth,
12 its municipalities and residents through increased
13 revenues and employment opportunities. As you know,
14 Valley Forge estimates that it will generate millions.
15 And those specific amounts were in their presentation.
16 Millions of dollars in table games revenue, in state
17 and local taxes. If its request for 50 table games is
18 approved by the Board, those projections have been
19 reviewed by the Financial Investigations Unit of the
20 Bureau of Investigations and Enforcement (BIE) and
21 have been found to be reasonable.

22 In addition, Valley Forge anticipates it
23 will hire approximately 400 table games employees, 100
24 of which will be salaried at the supervisory level.
25 And as we know, 58 percent of the non-salaried staff,

1 at a minimum now, will be from Pennsylvania residents.
2 And Valley Forge continues to expect to reach its goal
3 of 85 percent of its employees from Pennsylvania,
4 within three years, as suggested by the Act. Valley
5 Forge has submitted a hiring plan and a diversity
6 plan, which has been reviewed by the Board's Director
7 of Diversity and has been found by the Director of
8 Diversity to be in compliance with the Gaming Act.

9 Valley Forge must establish also by clear
10 and convincing evidence that it possess adequate
11 funding. As the Board has secured adequate funding to
12 fund the expansion or modification of its licensed
13 facility. And that it has the ability to pay the
14 table games fee. They have, as part of their petition
15 and presentation, presented us with their funding
16 proposals. Those proposals have been reviewed by the
17 financial investigations unit and have been found to
18 be reasonable and there is no objection to them.

19 Also Valley Forge must show that it has
20 sufficient business ability and experience to create
21 and maintain a successful table games operation.
22 Valley Forge, of course, has not been in operation at
23 all yet and has not opened its doors to the public.
24 But they have shown the Board, through the petition
25 and the presentation, that they have hired and intend

1 to hire persons who have great experience, in many
2 cases over 30 years experience in the casino industry,
3 and specifically in table games. And the OEC believes
4 that Valley Forge has employees with sufficient
5 experience to conduct a successful table games
6 operation.

7 Finally, Valley Forge must establish, by
8 again clear and convincing evidence, that its proposed
9 internal and external security and surveillance
10 measures are adequate. Valley Forge, as they stated,
11 has been working with our staff, specifically our
12 Bureau of Casino and Compliance personnel, on an
13 ongoing basis with their gaming floor and with their
14 facility. Our people will continue to work with them.
15 And based upon the gaming floor plan, which you will
16 hear in the next presentation, and the representations
17 of our staff, we are confident that their security and
18 surveillance requirements will be up to par and be
19 sufficient for these games.

20 In summation, the staff and the OE has
21 reviewed the Table Games Petition, attended the public
22 input hearings, reviewed the requirements of the
23 Gaming Act and the submissions and proposals of Valley
24 Forge and believes that Valley Forge has met all the
25 requirements of the Act for a table games operation

1 certificate and has no objection of the awarding of
2 the same by the committee. Thank you very much.

3 CHAIRMAN:

4 Mr. Hayes, you probably don't have any
5 need to respond to that I would assume?

6 ATTORNEY HAYES:

7 I know when not to chime in.

8 CHAIRMAN:

9 Thank you all. This matter is now
10 closed. We will consider it during our executive
11 session later this morning.

12 * * * * *

13 HEARING CONCLUDED

14 * * * * *

15
16 CERTIFICATE

17 I hereby certify that the foregoing
18 proceedings, hearing held before Chairman Ryan, was
19 reported by me on 02/08/2012 and that I Joshua Lee
20 Hess read this transcript and that I attest that this
21 transcript is a true and accurate record of the
22 proceeding.

23 
24 _____
25 Court Reporter