

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

HEARING: Wednesday, September 12, 2012  
10:04 a.m.

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

WITNESSES: None

Reporter: Kayla Bolze

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CHAIRMAN:

Good morning, everyone. I'm Bill Ryan, Chairman of the Pennsylvania Gaming Control Board. Before we begin, I would like to ask everyone to please turn off your cell phones, PDAs and other electronic devices. Thank you very much.

Joining us today is Christopher Craig representing State Treasurer, Robert McCord; and Robert Coyne representing the Secretary for the Department of Revenue, Daniel Meuser. Thank you both for joining us. A quorum of members being present, I will call today's meeting to order. And as always, the first order of business will be the Pledge of Allegiance. I would ask everyone to stand.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Thank you very much. We will now begin our regularly scheduled meeting. First of all, ladies and gentlemen, before we get into the substantive matters in our meeting this morning, the Board would like to take a few moments to recognize and even pay homage to one of our colleagues here on the Board.

MR. GINTY:

1 Homage? May I recuse myself?

2 CHAIRMAN:

3 And I use that word homage, because I  
4 thought Ken would really appreciate it. I also  
5 thought he would really agree with it. Ken Trujillo  
6 was appointed to the Board in 2009 by former Governor  
7 Ed Rendell. Unfortunately, Ken's term is drawing to a  
8 close, and this will probably be his last public  
9 meeting. Although I've only had the opportunity to  
10 work with Ken for about a year, that has been long  
11 enough for me to appreciate how valuable his  
12 contribution to the Board's work has been.

13 The rest of us on the Board, and more  
14 importantly, the people of Pennsylvania have been the  
15 beneficiaries of his business acumen, his knowledge of  
16 the law, his respect for the law and his good  
17 judgment. And probably just as important as all of  
18 the above, Ken's a good guy. He's been a pleasure to  
19 work with. And believe me, ladies and gentlemen, he  
20 will be missed. So, Ken, on behalf of the people of  
21 the Commonwealth of Pennsylvania, let me say thank you  
22 for all of your efforts, all of your hard work and all  
23 the success that you have brought to this Board.

24 MR. TRUJILLO:

25 Thank you, Bill, and thank you for those

1 kind words. As some of you know, I've had the  
2 pleasure of serving on this Board with probably ---  
3 well, certainly a unique lens, and one that I don't  
4 think will be repeated, having been an applicant for a  
5 license and sat on that side with some people and  
6 looking up here. It was an applicant --- unsuccessful  
7 application. And so, that result can lead to having a  
8 somewhat jaundiced and perhaps cynical view of what  
9 goes on, on this side of the table. And I'll admit to  
10 a certain amount of skepticism about what happened on  
11 this side of the table having not been successful on  
12 that side of the table.

13                   And I said when I first joined the Board  
14 that in appointing me Governor Rendell certainly  
15 showed a sense of humor in having me join this side of  
16 the table. And so, joining a Board that turned down  
17 what I viewed as the absolute best application was one  
18 that I joined with some trepidation. However, the  
19 last three years have really been pretty  
20 extraordinary. And I very, very quickly learned just  
21 how dedicated each of my current and prior Board  
22 members were to --- dedicated to achieving the right  
23 results.

24                   And this is a fairly remarkable Board if  
25 you look at the composition, past and present. We

1 have a Commissioner from perhaps the most rural of all  
2 counties in the world. The Attorney General; the  
3 speaker; the college president, gentleman farmer; the  
4 consummate professional, lawyer, legislator, cabinet  
5 member, Governor's advisor; and, of course, the man  
6 from Mars. I say that because, as any of you have  
7 observed us know that even though Jim Ginty and I were  
8 appointed by the same governor, live in the same  
9 neighborhood in Philadelphia, in fact, belong to the  
10 same country club, we seldom agree on anything. Jim  
11 and I did not know each other before being on this  
12 Board, but Jim, as a former president of AT&T  
13 Pennsylvania and head of the Pennsylvania Chamber of  
14 Commerce, and I really did have ---. We do have very  
15 different views of a lot of different things. And  
16 guess what? Out of all of those very distinct  
17 backgrounds, this Board gets along extraordinarily  
18 well, and works together well, and does something that  
19 I think belies what you would expect. People would  
20 expect pigeonholes from such accomplished folks, but  
21 the one defining characteristic is one which Mark  
22 Twain once described when he said do the right thing.  
23 It will gratify some people and astonish the rest.  
24 And I believe that to be the case of this group, of  
25 this Board and also of our Ex-officio members. And,

1 you know, while there have been bumps along the way, I  
2 believe that the Ex-officio members as well have added  
3 a very important role and perspective that is helpful  
4 to the Board entirely.

5           And so I often judge ---. As a lawyer, I  
6 often judge people by thinking how would I feel if  
7 that person was sitting as a judge or as a juror in  
8 judgment of me? And I can honestly say to a person on  
9 this Board I'd feel very fortunate to be able to be  
10 judged by you if I was on the other side of this table  
11 again.

12           So, Kevin, Doug, Doug, Steve, Cyrus,  
13 Susan, Will, Dan, Pam Lewis, Kim Griffin, who are not  
14 here I don't think, and the rest of the staff, the  
15 Board and the Commonwealth is extraordinarily  
16 fortunate to have such a great, great group of  
17 professionals. I mentioned to Annmarie, who is going  
18 to be sitting here soon, just how fortunate she is to  
19 be able to work with such a great Board and a great  
20 staff.

21           And so, as Maryland and Ohio attempt to  
22 capture the market that's been created here, remember  
23 one other thing that Mark Twain said. If the world  
24 comes to an end, I want to be in Cincinnati.  
25 Everything there comes ten years later. Thank you all

1 for the great pleasure serving with you.

2 CHAIRMAN:

3 Now, Ken, as you know I'm sure, we can't  
4 let you escape without a resolution. But before we do  
5 that, I would open to the floor to the members of the  
6 Board, Ex-officio members for any comments any of you  
7 gentlemen may have?

8 MR. FAJT:

9 Thank you, Mr. Chairman. I'll just keep  
10 my comments brief but, you know, when Ken came onto  
11 the Board, he always looked out for the people who  
12 were the most vulnerable in our society. And he took  
13 the mantra of the law of protecting the interests of  
14 the citizens of the Commonwealth to a new level.  
15 Whether it was underage gamblers, problem gamblers, he  
16 was always at the forefront of making sure that we, as  
17 a Board, understood those issues and made sure that  
18 the public was protected. And that's no surprise  
19 given his background as a Philadelphia City solicitor  
20 and the Assistant U.S. Attorney for numerous years and  
21 many other public service roles that he performed.

22 But Ken is also a businessman, and he  
23 understood the delicate balance between regulation and  
24 oversight and overregulation and no oversight. And I  
25 think that he also made sure that we, as a Board, kept

1 that balance in perspective as we oversee and regulate  
2 this new industry in Pennsylvania.

3           So, Ken, just from my personal  
4 standpoint, you know, you and I didn't know each other  
5 well before you got on the Board and before I came on  
6 the Board, but we really know each other well now.  
7 We've become great friends, and I am going to miss  
8 you. You were the perfect Board member because of  
9 your past background and your knowledge of the law.  
10 And also you are looking out for people who might be  
11 not as fortunate as others in this world and vis-à-vis  
12 the gaming industry.

13           So, thank you for your public service. I  
14 hope you continue in public service, and we will miss  
15 you. And I will miss you, sitting next to you all  
16 these years and as a great friend, so thank you,  
17 buddy.

18           MR. SOJKA:

19           Again, I think it's very clear that  
20 Commissioner Trujillo is not only a student of the law  
21 and certainly a fine practitioner of the law, it's  
22 clear that he's one of those who teaches the law. And  
23 as one of the ongoing minority on this Board that is a  
24 person without formal legal training, I, for one, am  
25 particularly grateful for his generosity in

1 instructing and teaching about the law to one who  
2 often needs help in that area. That's going to be  
3 missed, but I guarantee you, sir, I will carry those  
4 lessons with me. I am also greatly appreciative of  
5 someone who would insert Wittgenstein periodically  
6 into the discussions of this Board.

7                   Ken, you're a man of good taste, of style  
8 both in your oral presentation, your appearance, your  
9 desire to, I think, lift public service to an  
10 attractive level for particularly young people who  
11 might consider that as a role. I will always  
12 appreciate that. And like Mr. Fajt said, the  
13 comradery that's developed here I hope will last at  
14 least as long as I live. Okay. Thank you.

15                   MR. MCCALL:

16                   Let me certainly echo what previous Board  
17 members have said about Ken. You know, in my 30 years  
18 of public service, I have dealt with a plethora of  
19 different individuals. And I don't want to use the  
20 term different for Ken, but, you know, he is an  
21 invaluable asset to this Board. I think anyone that  
22 sits and listens and watches this Board in action know  
23 what kind of mind Ken has, not only in his knowledge  
24 of the law, but his business acumen, his knowledge of  
25 finance. He's just a well-rounded addition to this

1 Board. I am certainly saddened that he is leaving,  
2 because I do believe that he does, in fact, bring a  
3 lot to the table when we deliberate in our Boardroom  
4 and make decisions regarding the casinos of this  
5 Commonwealth. But, Ken, I just want to congratulate  
6 you on your public service and, more importantly than  
7 congratulate you, thank you for your public service,  
8 because you have really truly been an invaluable asset  
9 to all of us.

10 MR. GINTY:

11 Do I have the opportunity to set the  
12 record straight?

13 MR. FAJT:

14 Jim, I thought we had a rule on the Board  
15 that we couldn't insult each other, at least publicly.  
16 And I think Commissioner Trujillo went over the top  
17 with that comment about you.

18 MR. GINTY:

19 He broke that the first day he was here.  
20 Let's set the record straight. Commissioner, you  
21 might not remember it, but I actually seconded your  
22 nomination to the Philadelphia Cricket Club. Yes. I  
23 won't prolong this. I actually do agree with all the  
24 comments my colleagues made. I will miss you here.  
25 Unfortunately, unlike the others, I'm still going to

1 have to put up with you in the neighborhood, and at  
2 the club. But you have brought a lot to the Board,  
3 Ken, and I've learned from you. I even signed the  
4 proclamation which will probably be thrown in my face  
5 here sometime, but thank you for being a good  
6 colleague on the Board, and I look forward to, you  
7 know, being with you in the days, and months, and  
8 years ahead.

9 MR. MOSCATO:

10 I guess that leaves me from the most  
11 rural county in the world, which is probably very true  
12 actually ---.

13 MR. TRUJILLO:

14 But it's very pretty.

15 MR. MOSCATO:

16 Thank you very much. It's the garden  
17 spot of Pennsylvania. If you've never been there,  
18 come up, visit, spend money.

19 MR. TRUJILLO:

20 And leave before he shoots you.

21 MR. MOSCATO:

22 Probably one of the most heavily armed  
23 counties in Pennsylvania too.

24 Ken, I really am going to miss you. I  
25 appreciate everything that you've taught a novice as I

1 came on to the Board. I've come to know you and  
2 respect you and enjoyed your comments, how you  
3 corrected all of us on the pronunciation of names. I  
4 don't know who's going to take that role over, but I  
5 do appreciate everything you've done for me and  
6 everything you've done in public service. It's  
7 certainly a career that isn't smiled on nowadays, for  
8 whatever reason, but it's very important. And I know  
9 we all hold public service near and dear to our heart.  
10 So, thank you very much. I'm going to miss you. I  
11 hope our paths cross again someday soon.

12 CHAIRMAN:

13 Okay. And following up on that, the one  
14 good thing about this is that anyone who knows Ken  
15 knows he's a real high-profile guy. And all of us  
16 here on the Board I'm sure are going to see you at  
17 least as frequently as we see you now. That I have no  
18 doubt about.

19 And now for the resolution, which I will  
20 read and then ask my colleagues to approve. This is a  
21 resolution of the Pennsylvania Gaming Control Board  
22 whereas Kenneth I. Trujillo was appointed by Governor  
23 Edward G. Rendell in November 2009 as a member of the  
24 Pennsylvania Gaming Control Board. And whereas  
25 Commissioner Trujillo was sworn in at the Board's

1 meeting on December 9th, 2009. And whereas following  
2 the unprecedented expansion of legalized gaming in  
3 Pennsylvania with the passage of Act 1 of 2010,  
4 Commissioner Trujillo participated in and assisted in  
5 overseeing the implementation of table games at slot  
6 machine facilities across the state as they began  
7 offering table games including blackjack, poker,  
8 roulette and craps to patrons. And whereas  
9 Commissioner Trujillo has provided valuable input in  
10 the Category 3 licensing process through the grant of  
11 a Category 3 Resort License to Nemacolin Woodlands  
12 Resort in Fayette County and through the opening of  
13 the Valley Forge Casino Resort. And whereas, as a  
14 member of the Pennsylvania Gaming Control Board, who  
15 participated in the implementation of table games as  
16 legalized gaming in Pennsylvania and the review and  
17 granting of a Category 3 Slot License --- Slot Machine  
18 License.

19 Commissioner Trujillo has been  
20 instrumental in overseeing the expansion of an  
21 industry that has created thousands of jobs and has  
22 brought tax relief to millions of Pennsylvanians. And  
23 whereas Commissioner Trujillo has brought to the Board  
24 a keen intellect, a diverse and rich cultural  
25 heritage, broad-based knowledge of law and business

1 and an overriding commitment to fulfill the intent of  
2 all provisions of the Gaming Act and promote equal  
3 opportunity for all Pennsylvanians to participate in  
4 the gaming industry.

5           Be it resolved that the Pennsylvania  
6 Gaming Control Board proudly recognizes Commissioner  
7 Trujillo's exemplary record of service and leadership  
8 and wishes him the very best in all of his future  
9 endeavors upon motion, which I move for at this point.

10 Do I hear a motion?

11           MR. MCCALL:

12           So moved.

13           MR. MOSCATO:

14           Second.

15           CHAIRMAN:

16           All in favor?

17 ALL SAY AYE

18           CHAIRMAN:

19           Opposed?

20 NO RESPONSE

21           CHAIRMAN:

22           Motion carries.

23           MR. TRUJILLO:

24           I'll abstain.

25           CHAIRMAN:

1                   Except for Ken, the motion carries, and,  
2 Ken, congratulations to you.

3                   MR. TRUJILLO:

4                   Thank you.

5                   CHAIRMAN:

6                   Okay. I guess I should introduce and  
7 acknowledge Annmarie Kaiser. Annmarie, could you just  
8 stand and be recognized? Annmarie has been chosen by  
9 Governor Corbett to be the newest member of the Board,  
10 and we look forward certainly in the very near future  
11 to her joining the Board and working with her.

12                   So, now we can move on to the business at  
13 hand. First of all, ladies and gentlemen, the Board  
14 held an Executive Session yesterday, September 11th.  
15 The purpose of yesterday's Executive Session was to  
16 discuss personnel-related matters and to conduct  
17 quasi-judicial deliberations relating to matters being  
18 heard and considered by the Board today. In addition,  
19 the Board had a conference call on September 4th to  
20 discuss the Brigade matter. Our next order of  
21 business will be the minutes and the transcript. I  
22 need a motion to approve the transcript and minutes of  
23 the Board's August 1st, 2012 meeting.

24                   MR. FAJT:

25                   Mr. Chairman, I move that the Board

1 approve the minutes and transcript of the August 1,  
2 2012 meeting.

3 MR. GINTY:

4 Second.

5 CHAIRMAN:

6 Any comments from the Board? Do I have a  
7 motion? All in favor? Excuse me.

8 ALL SAY AYE

9 CHAIRMAN:

10 All right. Opposed?

11 NO RESPONSE

12 CHAIRMAN:

13 The motion carries. Next business, Kevin  
14 O'Toole, Executive Director. Kevin will provide his  
15 report.

16 MR. O'TOOLE:

17 Good morning, Chairman Ryan and members  
18 of the Board.

19 CHAIRMAN:

20 Good morning.

21 MR. O'TOOLE:

22 I'm really pleased to have the issue of  
23 diversity as my executive report --- director's report  
24 today, because this is an issue that the Board as a  
25 whole has always taken very seriously. But over the

1 last three years, Commissioner Trujillo has really, in  
2 a stern, persuasive way, always held the casino  
3 Licensees to their commitment in this area even more  
4 so than everybody. And we certainly appreciate that.

5           And at this time of the year, we, as a  
6 Board, we do issue several reports, one of which is  
7 the Gaming Diversity Report. And it's prepared by our  
8 Office of Diversity in accordance with the  
9 requirements of Section 1212 of the Gaming Act. So,  
10 at this time, I would like to have our Chief Diversity  
11 Officer, Mozelle Daniels, give a brief overview of  
12 this year's Gaming Diversity Report.

13           MS. DANIELS:

14           Thank you. Good morning, Chairman Ryan  
15 and members of the Board.

16           CHAIRMAN:

17           Good morning, Mozelle.

18           MS. DANIELS:

19           I am pleased to present to the Board the  
20 fifth annual Gaming Diversity Report pursuant to  
21 Section 1212 of the Pennsylvania Race Horse  
22 Development and Gaming Act. The Gaming Board is  
23 charged with promoting and ensuring diversity in all  
24 aspects of legalized gaming. The Board developed  
25 rules and regulations to accomplish its goals. The

1 diversity regulations established the policies and  
2 procedures for promoting and ensuring that the casinos  
3 foster, promote --- I'm sorry, participation and  
4 diversity in all aspects of their operations in the  
5 Commonwealth.

6           This report provides an update regarding  
7 the agency's efforts to monitor the activities of the  
8 casinos and to ensure the Commonwealth's goals of  
9 enhanced representation of diverse groups in the  
10 gaming industry and the creation of quality living  
11 jobs for the residents of the state of Pennsylvania.  
12 Under the Gaming Act, the casinos are required to  
13 maintain local preferences in their hiring practices.

14           Evidence of the casinos' commitment to  
15 promoting diversity in their hiring of local residents  
16 as well as meeting the goals set forth in the statute  
17 relating to Table Games Employees is clear and  
18 convincing. As of June 30, 2012, the casinos employed  
19 a total of 16,406 individuals. Residents of  
20 Pennsylvania comprise 89 percent of the casinos'  
21 workforce. Approximately 43 percent of the employees  
22 are female, and 29 percent of those employees at the  
23 casinos are racial minorities. The casinos'  
24 executive/management/professional staff consists of a  
25 total of 2,995 individuals, of which 64 percent are

1 male, 36 percent are female and 23 percent are racial  
2 minorities.

3           Additionally, 80 percent of Table Games  
4 Employees are Pennsylvania residents. And this is  
5 impressive given the fact that the casinos, based on  
6 the statute, are given up to three years following the  
7 commencement of table games in the state to ensure  
8 that the goal of 85 percent of all Table Games  
9 Employees at the casinos are PA residents.

10           Diversity Committees established by the  
11 casinos, consisting of executive level staff, continue  
12 to follow best practices while engaging in employment  
13 recruitment, training, retention and related  
14 activities. The respective committees have developed  
15 recruitment plans, employee referral programs,  
16 advertising plans and local media outlets working  
17 together to ensure that there is a commitment to the  
18 community. They've sponsored and hosted career  
19 workshops in local communities to increase awareness.  
20 They developed Internet presences. They've also built  
21 strong working relationships with local colleges and  
22 universities, workforce development and training  
23 organizations and local chambers of commerce. The  
24 casinos have created employee-friendly cultures and  
25 policies as well as enriched communication methods to

1 ensure the retention of talented employees.

2           In the area of procurement, expenditures  
3 by our casinos during the last fiscal year exceeded  
4 330 million dollars for goods and services for  
5 minority women and local business enterprises. The  
6 expenditures for each of our facilities may be found  
7 in the back or within each page, I should say, of the  
8 report.

9           I'd like to just mention briefly that  
10 community outreach, sponsorships and donations to  
11 charitable causes continue to be a priority for our  
12 casinos. Employees routinely volunteer thousands of  
13 hours to various organizations, fundraisers,  
14 neighborhood revitalization efforts and educational  
15 pursuits throughout the Commonwealth. The casinos  
16 have distributed approximately 36 million dollars  
17 towards various charities and community outreach  
18 activities since 2006.

19           This agency is pleased to observe that  
20 each year brings us closer and closer to true  
21 comprehensive assessment --- a true comprehensive  
22 assessment of diversity in the Pennsylvania gaming  
23 industry. Furthermore, the agency is committed to  
24 continuing the momentum gained in promoting diversity  
25 and ensuring compliance over the past six years. The

1 Gaming Diversity Report is on the agency's website,  
2 and that would be [www.GamingControlBoard.pa.gov](http://www.GamingControlBoard.pa.gov). If  
3 you have any questions, I'll be more than happy to  
4 answer them.

5 CHAIRMAN:

6 Any questions, comments from the Board?

7 MR. SOJKA:

8 I have one, Mozelle. First of all, thank  
9 you for --- again for a very fine report. The data  
10 are certainly good enough, if you will, but we always  
11 want them to be better.

12 MS. DANIELS:

13 Yes, we do.

14 MR. SOJKA:

15 The report itself is nicely presented and  
16 whatnot. But this is a great moment I think when  
17 we're at this spot to ask if there were no  
18 restrictions on time or resources, are there other  
19 things we ought to have on our dashboard? For  
20 example, we can look at recruitment. We can look at  
21 retention. We can look at contributions. Are there  
22 other things that we might be tracking to help us get  
23 to a better place? One of the ones I'm thinking of is  
24 we can figure out advancement indirectly, in other  
25 words we can see that people are in management

1 positions and whatnot. Would it be helpful to track  
2 people within the system and actually present it  
3 graphically or in some sort of tabular form just to  
4 give us some comfort that these are good opportunities  
5 for people to enter in the industry and move up in it?

6 MS. DANIELS:

7 Yes, we can do that. And actually I have  
8 the information. The data is present. What I found  
9 was in the very beginning I was told that my reports  
10 were text heavy, and that they provided so much  
11 information that they tended to overwhelm individuals.  
12 So, trust me, if I had a copy with me, I'd show you my  
13 first two reports wherein the only people who were  
14 really willing to read them were the people at  
15 casinos. So, I try to narrow the information down to  
16 what's required in the statute. But, in fact, I do  
17 have information from each and every facility  
18 regarding who is promoted, how they are promoted, what  
19 types of training they go through prior to being  
20 promoted. I also have information regarding  
21 terminations to determine whether there are, in fact,  
22 any disparities when it comes to hiring or firing for  
23 each facility. I have information regarding the  
24 retention efforts in detail. I get all of this  
25 information on a quarterly basis, so if there was a

1 need ---. If somebody called me and said specifically  
2 I'd like to meet with you, sit down and talk with you,  
3 I have the information.

4 MR. SOJKA:

5 To bring this then to a close, having all  
6 those data, ---

7 MS. DANIELS:

8 Uh-huh (yes).

9 MR. SOJKA:

10 --- can you make a general statement  
11 about the opportunity that people, who bring diversity  
12 to our industry, have to advance in it? Are we in  
13 good shape, not so good shape? Should we be better?  
14 How do we stand there?

15 MS. DANIELS:

16 I think we stand in excellent shape, and  
17 I'll tell you why. I think that one of the reasons  
18 we've been successful in Pennsylvania and the gaming  
19 industry in general is because of the issue of  
20 diversity and the fact that this Board is committed to  
21 diversity. I've gone around the state. I've talked  
22 to lots of different organizations. I've gone to  
23 other states, and I've talked to folks, and they've  
24 asked what's the secret here in Pennsylvania? And I  
25 said our secret is that diversity works. We have

1 diversity in our casinos. We have diversity in our  
2 agency. We have diversity everywhere you look. So, I  
3 believe, yes, we're doing a fine job as it relates to  
4 diversity.

5           Can we do better? We can always do  
6 better in anything that we set out to do. And that's  
7 what I'm doing right now, working towards improving on  
8 what we're working on now. And I believe that in the  
9 months to come, in the years to come, in the decades  
10 to come, you'll see what I'm talking about. Just  
11 looking at this particular report, you can see the  
12 progression from year to year. So, I think we're  
13 doing an outstanding job, and I think our casinos  
14 should be commended for working with the Board to  
15 achieve the goals.

16           CHAIRMAN:

17           Greg.

18           MR. FAJT:

19           Thank you, Mr. Chairman. Mozelle, thank  
20 you also for the report. And, you know, when I look  
21 at the numbers, 30 percent minority, 23 percent  
22 management minority, obviously we pay attention to  
23 that management number also. I would just like to,  
24 you know, mention to you and challenge you that as we  
25 kind of hit this plateau of the six-year level --- you

1 know, we're not quote, unquote a new industry anymore  
2 --- that we continue to put a focus on minority  
3 hiring, minority promotion and minority participation.  
4 And I think because of your efforts, because of the  
5 efforts of the Board and, most notably, the efforts of  
6 the casinos, you know, we've all kind of bought into  
7 that. And that is why you see numbers like this. If  
8 you don't start with these numbers, it's really hard  
9 to catch up.

10                   And now that we have what I would  
11 consider to be, you know, pretty impressive numbers  
12 for minority participation not only in hiring, but  
13 also in, you know, the work in the casino, the  
14 contracts and so forth, I challenge you to continue to  
15 make that a focus and bring that to the attention of  
16 the Board. We deal with a lot of other issues, and  
17 sometimes, you know, that issue falls by the wayside.  
18 And that's your job to contact any one of the Board  
19 members personally if you start to see a slippage in  
20 that minority participation. So, we've done a great  
21 job collectively, but I don't want to, you know, pull  
22 back from that or slide away from it as we, you know,  
23 move into the next phase of casino development in  
24 Pennsylvania.

25                   MS. DANIELS:

1 I understand, and I will continue to  
2 encourage and promote diversity in all of our  
3 facilities. I'd just like to add that when the  
4 Meadows transitioned, 200 employees that were there  
5 prior to moving into --- from the tent to the  
6 facility, they promoted them all. Many of the  
7 employees that were in these casinos when they first  
8 opened had no gaming experience. So, these are folks  
9 who had to be trained from the floor up. And within  
10 two years, they were able to promote 200 people.  
11 That's really impressive.

12 The same is true for Mohegan. When they  
13 transitioned from their temporary facility to their  
14 permanent, they were able to promote 280 people to  
15 management level positions and on to supervisory  
16 positions. The same is true with table games. I have  
17 the numbers for them; I don't have them handy right  
18 here. But each time there is some transition or  
19 something that occurs regarding movement in our  
20 casinos, whether it's transitioning to a different  
21 phase or transitioning into a different level or the  
22 institution of table games, we see that there are  
23 promotions from within.

24 So, I am pleased to say at this point a  
25 huge number of people who never knew anything about

1 gaming came to get involved in it and become  
2 supervisors because of the things that have been going  
3 on. And we do track that information.

4 CHAIRMAN:

5 Anyone else? Thank you, Mozelle.

6 MS. DANIELS:

7 Thank you.

8 CHAIRMAN:

9 Kevin, thank you. Next will be Claire  
10 Yantis, Human Resource Director. Claire.

11 MS. YANTIS:

12 Good morning, Chairman Ryan, members of  
13 the Board.

14 CHAIRMAN:

15 Good morning.

16 MS. YANTIS:

17 The Office of Human Resources has one  
18 motion for your consideration today seeking to amend  
19 the Executive Director's employment agreement.  
20 Executive Director Kevin O'Toole, has been with the  
21 organization for just over three years. In those  
22 three years, Executive Director O'Toole has guided the  
23 PGCB through the successful and unprecedented  
24 expansion of legalized gaming, which has led to the  
25 creation of thousands of jobs and billions of dollars

1 of revenue for the Commonwealth of Pennsylvania.

2           Additionally, as you are all aware,  
3 Executive Director O'Toole has been recently named the  
4 recipient of the International Masters of Gaming Law's  
5 Gaming Regulator of the Year for the Americas. In  
6 recognition of Executive Director O'Toole's  
7 contribution to the Commonwealth of Pennsylvania and  
8 in recognition of his nationally recognized leadership  
9 in the regulation of gaming, it is proposed that  
10 Executive Director O'Toole's employment agreement be  
11 amended to increase his annualized base salary by one  
12 percent, making his new annualized base salary  
13 \$183,629. Unless you have any questions, I ask that  
14 you consider a motion amending Executive Director  
15 O'Toole's employment agreement as indicated.

16           CHAIRMAN:

17           Any questions, 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 amend  
21 the Executive Director's contract as proposed by the  
22 Director of Human Resources.

23           MR. SOJKA:

24           Second.

25           CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed?

5 NO RESPONSE

6 CHAIRMAN:

7 Motion carries. Thank you, Claire. Next  
8 we have Doug Sherman, our Chief Counsel. And I think  
9 Susan Yocum is with him.

10 ATTORNEY SHERMAN:

11 Yes. Good morning, Chairman and members  
12 of the Board. Our first agenda item relates to a  
13 Final-form Regulation which Assistant Chief Counsel  
14 Susan Yocum is here to present.

15 ATTORNEY YOCUM:

16 Good morning, Chairman, Commissioners.

17 CHAIRMAN:

18 Good morning, Susan.

19 ATTORNEY YOCUM:

20 Before you today is Final-form Rulemaking  
21 125-156. This is a comprehensive amendment package  
22 primarily revising the chapters relating to the  
23 General Rules of Agency Practice and Procedure. Of  
24 note, this Rulemaking will update the procedure for  
25 the issuance of Temporary Emergency Orders. Temporary

1 Emergency Orders, once issued, will now be immediately  
2 referred to the Office of Hearings and Appeals (OHA),  
3 eliminating the step of first bringing the matter  
4 before the Board for subsequent referral to the OHA.  
5 This revision should reduce the time between the  
6 issuance of an Emergency Suspension and the resolution  
7 of the matter, which is important, because employees  
8 are not otherwise authorized to work while suspended.

9           This Rulemaking will also allow for the  
10 issuance of emergency Orders to temporarily place a  
11 person on the Exclusion List. This provision will act  
12 as a stopgap for those persons who have been, say, for  
13 instance, caught cheating in a facility and are  
14 otherwise awaiting a Board action on an underlying  
15 Petition for Exclusion. If exigent circumstances  
16 exist and the person is otherwise --- otherwise falls  
17 into the criteria for exclusion, the Office of  
18 Enforcement Counsel (OEC) can file a request for a  
19 Temporary Emergency Order, placing that person on the  
20 Exclusion List until the Board acts on the underlying  
21 Petition for Exclusion.

22           Also in this Rulemaking, our regulations  
23 governing the testing and installation of service  
24 reported slot systems. We had our first installation  
25 within the past month, I believe at the Meadows. The

1 remaining revisions in this Rulemaking were made for  
2 clarity to reflect current practice and to delete  
3 unnecessary provisions. I'm more than happy to answer  
4 any questions you may have.

5 CHAIRMAN:

6 Questions, comments from the Board,  
7 Ex-officio members?

8 MR. CRAIG:

9 Thank you, Mr. Chairman. Just to be  
10 clear, these proposed regs still contain provisions  
11 related to the handling and designation of  
12 confidential information?

13 ATTORNEY YOCUM:

14 That is correct. If somebody files a  
15 request for confidential information, it's handled in  
16 accordance with the Right-to-Know Law.

17 MR. CRAIG:

18 Does the proposal still remove paragraph  
19 D on page 15 that would otherwise permit a member of  
20 the public to dispute a designation of  
21 confidentiality?

22 ATTORNEY YOCUM:

23 Yes. Actually we did end up deleting  
24 that in the final form. The reason being is the Board  
25 can act sua sponte to deem a document confidential.

1 If a party has an issue with the fact that something  
2 has been deemed confidential, the proper procedure is  
3 either to file with the Commonwealth Court or in  
4 accordance with the Right-to-Know Law. So, to include  
5 that specific provision adds confusion as to how to  
6 handle requests for Right-to-Know Law.

7 MR. CRAIG:

8 So, under these regs now, the only way  
9 that a member of the public can challenge a --- or a  
10 party to a litigation can challenge a designation of a  
11 document that is deemed by the Board to be  
12 confidential is either to appeal it directly to the  
13 Commonwealth Court now or to take an appeal through  
14 the Right-to-Know Law, assuming this resulted even  
15 from a Right-to-Know Request?

16 ATTORNEY SHERMAN:

17 And if I can, I think the nuance here is  
18 that the individual that we're talking about has never  
19 requested that information from the Board before.  
20 Rather, it's a designation by the Board sua sponte or  
21 in conjunction with the request of a Licensee. This  
22 is talking about somebody else, another member of the  
23 public that may want the information. They would have  
24 to request it from the Board in the normal course,  
25 because they have never made the request before. And

1 that would trigger the right-to-know process of a  
2 response from the individual and then the right to  
3 know procedures.

4           We have a problem that's been created by  
5 a Court Decision with respect to treating every  
6 request for information as a Right-to-Know Request and  
7 the attendant obligations under that law. We're  
8 trying to make sure that we don't have a bifurcated  
9 process, which is going to only lend to further  
10 confusion and channel everything within one process.

11           MR. CRAIG:

12           I guess where I'm stumbling is that the  
13 language in D says that any party or member of the  
14 public. So, if we have a case that could be coming up  
15 in which multiple applicants for a single gaming  
16 license, one of the parties wants to see maybe a  
17 marketing study or financial projections, of which  
18 applicant A deems it to be confidential, or the Board  
19 on its own sua sponte deems it to be confidential?  
20 Are we saying that at that particular time in the  
21 middle of an administrative proceeding that the only  
22 right for that party then is not to petition the Board  
23 for either, A, reconsideration or to challenge that?  
24 Would they then have to take a direct appeal to  
25 Commonwealth Court?

1                   ATTORNEY SHERMAN:

2                   Well, if they're a party to the  
3 proceeding, they've already had the opportunity to  
4 present their argument to the Board and had the  
5 opportunity to be heard as to why the document should  
6 or should not be produced.

7                   MR. CRAIG:

8                   Not if it's sua sponte?

9                   ATTORNEY SHERMAN:

10                  Not if it's sua sponte. Correct. Again,  
11 this is a creature of, in large part, the ramification  
12 of the Court Decision on the Right to Know. Because  
13 if the Board handles it in a different way, they ---  
14 again, according to that decision --- have waived  
15 certain other rights under the Right-to-Know Law. And  
16 that's the incongru situation we've been placed in by  
17 the Commonwealth Court's Decision.

18                  MR. CRAIG:

19                  And I guess where I'm getting tripped up  
20 on is that discovery, for example, isn't done pursuant  
21 to the Right-to-Know Law. It'd be pursuant to our ---  
22 the Board's administrative regs for, let's say,  
23 multiple parties seeking the same ---.

24                  ATTORNEY SHERMAN:

25                  By parties to the proceedings.

1                   MR. CRAIG:

2                   Correct. And I guess I'm, you know ---.  
3 I just raise a concern. Maybe it's appropriate to  
4 address it in a --- and to consider it as to whether  
5 or not there should be a future amendment to --- a  
6 regulatory amendment. But I'm concerned that a party  
7 in a litigation would not have the ability to  
8 challenge unless they take an appeal to Commonwealth  
9 Court. Because if I were an applicant, I could just  
10 say I think this is confidential, and the Board will  
11 honor that unless, you know, evidence is presented  
12 otherwise or if the Board decides on its own. Both of  
13 those cases don't necessarily involve the other party  
14 presenting evidence saying I don't ---.

15                   ATTORNEY SHERMAN:

16                   I would dispute somewhat the  
17 characterization as a party can designate something as  
18 confidential, and it becomes so. In every instance in  
19 which a party tends to designate something as  
20 confidential, the OEC will review and will give an  
21 opinion as to whether or not they concur. If they  
22 don't concur, then it comes to the Board in a  
23 contested manner as to whether or not the designation  
24 shall be given under the confidentiality provision  
25 1206 or not.

1                   MR. CRAIG:

2                   If Enforcement Counsel were to concur,  
3 then is it --- it's then confidential?

4                   ATTORNEY SHERMAN:

5                   It comes to the Board. The Board's still  
6 got to make a determination of then confidentiality.  
7 And then on the record proceedings, as we often see,  
8 motions to protect certain information as  
9 confidential.

10                  CHAIRMAN:

11                  Okay.

12                  MR. TRUJILLO:

13                  And if I may?

14                  CHAIRMAN:

15                  Go ahead.

16                  MR. TRUJILLO:

17                  And in some cases I know that we have ---  
18 even though OEC and the party have agreed that it's  
19 confidential, in several instances, we have, as a  
20 Board, determined not to treat such information as  
21 confidential.

22                  ATTORNEY SHERMAN:

23                  That's correct. Very often we've looked  
24 at the information. You know, OCC has made  
25 recommendations to the Board, and the Board has

1 determined that certain information is not  
2 confidential that otherwise parties would like to  
3 protect.

4 MR. TRUJILLO:

5 And just one concern I have, and it's not  
6 directly here, but I would just ---. The standard in  
7 Federal Court, for example, to --- for a court to deem  
8 information confidential, there's a Third Circuit case  
9 called Pansy that has very specific requirements  
10 before a court will designate or deem information to  
11 be confidential. So, there's a presumption in favor  
12 of disclosure, not a presumption in favor of  
13 maintaining confidentiality even though a party or  
14 parties may both agree.

15 So, I just say that just as kind of going  
16 forward, I think this is an important discussion,  
17 because that presumption or what's done at the outset,  
18 and I think part of what Mr. Craig points out becomes  
19 important, because that first Decision, if it  
20 ultimately ends up being that the relief has to go up  
21 on appeal unless it's by virtue of a petition for  
22 reconsideration by the Board, I'm just concerned  
23 against any presumption in favor of confidentiality by  
24 the Board.

25 ATTORNEY SHERMAN:

1           And you'll recall in our regulations  
2 dealing with the handling of confidential information,  
3 the burden is always on the party asserting the  
4 confidentiality. I'm not sure that the Board has  
5 previously sua sponte designated something as  
6 confidential. So, I'm not sure that this situation  
7 which Mr. Craig has raised, has --- I don't think  
8 it's ever come up before, and I'm not sure of the  
9 context in which the Board would sua sponte make that  
10 determination except maybe in the context if the Board  
11 were to write an Adjudication or other Order which  
12 contained confidential information. Maybe in that  
13 case the Board may, in the first instance, publish it  
14 with certain redacted facts. Again, the burden is  
15 always on the proponent of the confidentiality  
16 assertion to bring that to the Board and to establish  
17 on the record why the information that it seeks to  
18 produce is confidential.

19           MR. TRUJILLO:

20           Thank you, Mr. Chairman. That's all.

21           CHAIRMAN:

22           Anyone else? Okay. May I have a motion?

23           MR. GINTY:

24           Mr. Chairman, I move that the Board adopt  
25 Final-form Regulation 125-156, and that this

1 regulation be posted on the Board's website.

2 MR. MCCALL:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed?

9 NO RESPONSE

10 CHAIRMAN:

11 Motion carries.

12 ATTORNEY YOCUM:

13 Thank you.

14 CHAIRMAN:

15 Thank you, Susan.

16 ATTORNEY SHERMAN:

17 Today, the Board has two petitions before  
18 it for consideration. As to each of the petitions,  
19 the Board has, in advance of the meeting, been  
20 provided with petitions, any responsive pleadings, any  
21 memorandums or other supporting evidentiary materials  
22 filed of record.

23 The first matter is the petition of  
24 Brigade Capital Management. It's their Petition to  
25 Continue Institutional Investor Status and Not Require

1 Principal Filing as it seeks to expand its holdings of  
2 MTR Gaming from a current 9.7 percent interest up to a  
3 total of possibly 15 percent of the publicly shaded  
4 --- traded shares of Presque Isle Downs' parent  
5 company, MTR. As presently drafted, Board's  
6 regulations only allow passive institutional investors  
7 to hold up to ten percent of a company's publicly  
8 traded stock without being licensed as a Principal.

9           The matter was presented to the Board  
10 back at our August 22nd, 2012 meeting. At that time,  
11 the Board tabled the matter and asked the OEC to  
12 prepare a memo describing the due diligence it  
13 conducts in reviewing these matters along with  
14 providing any recommendations it may have with respect  
15 to the Board's operations in the area of institutional  
16 investors going forward. That has been received by  
17 the Board and by Opposing Counsel. And the matter is  
18 now ready for the Board's consideration.

19           I would note that Counsel for Brigade as  
20 well as the OEC are present should the Board have any  
21 questions for them or obviously for Chief Counsel's  
22 Office. We're also prepared to answer any questions.

23           CHAIRMAN:

24           Questions, comments from the Board? Jim?

25           MR. GINTY:

1 Yes, I have a series of questions, and I  
2 don't know whether Steve or Cyrus wants to respond to  
3 these. I've indicated some concern. You know, this  
4 is the first time, at least to my knowledge, that we  
5 have investors who are organized offshore. And to me  
6 that generated some concerns. I very much appreciate  
7 the work that both OEC did and OCC did and in a large  
8 respect calming those interests, but I would like to  
9 just get on the record at least how I visualize this  
10 thing. My understanding is that MTR is a publicly  
11 traded company; is that correct?

12 ATTORNEY COOK:

13 That's correct.

14 MR. GINTY:

15 Listed on the NASDAQ exchange.

16 ATTORNEY COOK:

17 That is correct.

18 CHAIRMAN:

19 Brigade Capital Management is a U.S.  
20 based organization I believe.

21 ATTORNEY COOK:

22 It's a Delaware-based company.

23 MR. GINTY:

24 Delaware-based company. It is seeking to  
25 increase its ownership in MTR from I think 9.6 up to

1 15 percent. Let me back up. I'm just trying to be  
2 logical here. When a company buys over five-percent  
3 interest in a publicly traded company it files with  
4 the SEC a form 13 ---.

5 ATTORNEY COOK:

6 If they choose to be a passive investor  
7 not involved in the management of the company, they  
8 file a 13-G with the SEC.

9 MR. GINTY:

10 And Brigade has done that?

11 ATTORNEY COOK:

12 They have.

13 MR. GINTY:

14 So, indicating to the SEC that they have  
15 no intent to control the management of MTR, and will  
16 be purely a passive investor?

17 ATTORNEY COOK:

18 That's correct.

19 MR. GINTY:

20 Do you have, in asking for approval here  
21 to go from the 9.6 say up to 15 percent --- do you  
22 have any idea what the amount of additional investment  
23 would be?

24 ATTORNEY PITRE:

25 I'm sorry. Based on the close of market

1 yesterday with 27,690,000 outstanding shares in MTR  
2 that's available, we believe that they can purchase up  
3 to 5.3 percent of those shares, which would equal  
4 approximately 1,467,570 shares. At \$3.73 a share,  
5 that would be an investment of about \$5,474,036.10.  
6 Yeah.

7 MR. GINTY:

8 Roughly five to six million dollars ---

9 ATTORNEY PITRE:

10 Right.

11 MR. GINTY:

12 --- in additional investment in MTR?

13 ATTORNEY PITRE:

14 Correct.

15 MR. GINTY:

16 MTR in turn owns three or four casinos  
17 other than Presque Isle?

18 ATTORNEY PITRE:

19 That's correct.

20 MR. GINTY:

21 So, that even gets more diluted with  
22 respect to the interest, if you would, in Presque  
23 Isle; is that correct?

24 ATTORNEY PITRE:

25 That's correct.

1                   MR. GINTY:

2                   Now I also understand the, as I  
3 mentioned, the funders in this Brigade fund is  
4 organized in the Cayman Islands, which to be frank  
5 gave me some concerns. Now, I understand, Cyrus, that  
6 Brigade made available to you the fund investors and  
7 that you had an opportunity to review them?

8                   ATTORNEY PITRE:

9                   That's correct.

10                  MR. GINTY:

11                  And you now have no objection to our  
12 granting this petition?

13                  ATTORNEY PITRE:

14                  No, we have no objection.

15                  MR. GINTY:

16                  I have no further questions.

17                  CHAIRMAN:

18                  Anyone else? May I have a motion?

19                  MR. MCCALL:

20                  Mr. Chairman, I move that the Board issue  
21 an Order to approve the petition of Brigade Capital  
22 Management and Brigade Leveraged Capital Structures  
23 Fund as described by the OCC. I would further move  
24 that the Board staff begin a review of the Board's  
25 regulations in this area, taking into consideration

1 the memorandum the OEC submitted into the record in  
2 these proceedings on September 5th, 2012.

3 MR. MOSCATO:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed?

10 NO RESPONSE

11 CHAIRMAN:

12 The motion carries.

13 ATTORNEY SHERMAN:

14 The next petition before the Board is  
15 that of Hillyard, Incorporated's Petition for Removal  
16 from the Prohibited Vendor List. Hillyard,  
17 Incorporated, is a cleaning material supply company.  
18 They initially filed a Registered Vendor Application  
19 in June of 2007. The Board's Bureau of Licensing  
20 subsequently notified Hillyard that they had several  
21 deficiencies in their application. Despite the  
22 notification, Hillyard did not cure the deficiencies,  
23 and the Board placed Hillyard on the Prohibited Vendor  
24 List in December of 2008. Prior to being placed on  
25 that list, Hillyard had sales of approximately \$5,200

1 totaled to two casinos. At this time, the OEC has no  
2 objection to Hillyard's removal from the Prohibited  
3 Gaming Service Provider List provided that they pay a  
4 civil penalty of \$1,500 and \$20 in outstanding  
5 investigative fees, which were left over from the  
6 first go around of investigations.

7 CHAIRMAN:

8 Questions or comments from the Board?

9 MR. SOJKA:

10 I've got one small one. The deficiencies  
11 that led Hillyard to being placed on that list were  
12 all of the same source; is that correct? They were  
13 all certain members of the ownership group refused or  
14 declined to submit the necessary information?

15 ATTORNEY SHERMAN:

16 Correct. From what we can tell in the  
17 documentation, it's a very small company, private; and  
18 the owners ---.

19 MR. SOJKA:

20 And some of the owners refused to give  
21 their personal information or be investigated?

22 ATTORNEY SHERMAN:

23 Correct.

24 MR. SOJKA:

25 Is it the case now ---? And there were

1 no other kinds of deficiencies? There was no telling  
2 us to take a leap or anything of that sort. They just  
3 wouldn't release their personal information. We now,  
4 for that kind of license, do not require persons like  
5 that to release; right? So, we now have a different  
6 business climate with regard to that kind of vendor?

7 ATTORNEY SHERMAN:

8 That's correct. Now, because of the size  
9 of the anticipated sales, they would only have to file  
10 a notification that they were doing business with  
11 casinos. They wouldn't have to go through a  
12 registration or certification process.

13 MR. SOJKA:

14 Thank you.

15 CHAIRMAN:

16 Any other questions, comments? May I  
17 have a motion?

18 MR. MOSCATO:

19 Mr. Chairman, I move that the Board issue  
20 an order to approve Hillyard, Inc.'s petition as  
21 described by the OCC.

22 MR. SOJKA:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed?

4 NO RESPONSE

5 CHAIRMAN:

6 The motion carries.

7 ATTORNEY SHERMAN:

8 Next presenting Withdrawals and Reports  
9 and Recommendations is Deputy Chief Counsel Steve  
10 Cook.

11 ATTORNEY COOK:

12 Good morning. The Board has received  
13 three unopposed Petitions to Withdraw the Applications  
14 or Surrender the Credentials of two individuals and  
15 one business. The persons and entities subject to  
16 these petitions are as follows --- and I will provide  
17 the names to the court reporter for her benefit  
18 afterwards: Crystal Ball Contracting, Inc., Jonathan  
19 Halkyard and Michael G. Stanis. The OEC has no  
20 objection to these Withdrawals or Surrenders. As a  
21 result, if the Board were to grant a motion allowing  
22 the same, it would be doing so without prejudice to  
23 the parties.

24 CHAIRMAN:

25 Questions, comments from the Board, Ex-

1 officio members? May I have a motion?

2 MR. SOJKA:

3 Yes, Mr. Chairman. I'll move that the  
4 Board issue Orders to approve the Withdrawals and  
5 Surrenders as described by the OCC.

6 MR. TRUJILLO:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed?

13 NO RESPONSE

14 CHAIRMAN:

15 The motion carries.

16 ATTORNEY COOK:

17 Next before the Board for consideration  
18 are three Reports and Recommendations received from  
19 the OHA relative to two Non-Gaming Registrations and  
20 one Gaming Employee Permit. These Reports and  
21 Recommendations, along with the evidentiary record in  
22 each of these matters, was provided to the Board in  
23 advance of this meeting. Additionally, each person  
24 implicated was put on notice that the matter be  
25 brought before the Board today and that they have the

1 right to come forward and briefly address the Board.  
2 If any of these persons are present in the room today  
3 and would like to address the Board, I'd ask them to  
4 come forward when their matter is called.

5           The first Report and Recommendation  
6 before the Board pertains to Michael DePaul. Mr.  
7 DePaul submitted a Non-Gaming Employee Application on  
8 May 11th, 2012 seeking work as a restaurant barback at  
9 Harrah's Philadelphia Casino. On his application, Mr.  
10 DePaul disclosed several arrests beginning in the late  
11 1990s and continuing through 2011. The vast majority  
12 of Mr. DePaul's arrests were for drug-related charges.  
13 And additionally, in 2010, which was his most recent  
14 arrest, he was charged and convicted not only with a  
15 drug crime, but also with felony criminal use of a  
16 communication facility, particularly a computer. Mr.  
17 DePaul was sentenced to five years of probation for  
18 that most recent offense and remains on probation.

19           As a result of his criminal history, the  
20 OEC issued a Notice of Recommendation of Denial of his  
21 application. A hearing was requested by Mr. DePaul,  
22 and that hearing was held on July 18th, 2012. Both  
23 OEC and Mr. DePaul appeared at the hearing. Both  
24 offered evidence. Mr. DePaul admitted to his criminal  
25 history and essentially put into the record a series

1 of letters of recommendation of family members,  
2 employers, counselors and those sorts of things  
3 essentially outlining that he's attempting to deal  
4 with his drug abuse issues and make his life right.

5           Upon completion of the hearing, the OHA  
6 issued a Report and Recommendation stating that while  
7 they believe Mr. DePaul's attempts at rehabilitating  
8 himself were sincere, that not enough time had passed  
9 since his most recent criminal conviction and as a  
10 result, his application should be denied. That is the  
11 Report and Recommendation that's before the Board.

12           CHAIRMAN:

13           Questions, comments from the Board,  
14 Ex-officio members? May I have a motion?

15           MR. TRUJILLO:

16           Mr. Chairman, I move that the Board adopt  
17 the Report and Recommendation of the OHA regarding  
18 Michael DePaul's Non-Gaming Employee Registration as  
19 described by the OCC.

20           MR. FAJT:

21           Second.

22           CHAIRMAN:

23           All in favor?

24 ALL SAY AYE

25           CHAIRMAN:

1                   Opposed?

2 NO RESPONSE

3                   CHAIRMAN:

4                   The motion carries.

5                   ATTORNEY COOK:

6                   William Gilyard is the next Report and  
7 Recommendation for the Board today. Mr. Gilyard  
8 submitted a Non-Gaming Employee Application on April  
9 13th, 2012 seeking work as a --- in a janitorial  
10 position at the Valley Forge Casino. On his  
11 application, Mr. Gilyard disclosed two arrests and  
12 convictions. However, a subsequent background  
13 investigation conducted by Bureau of Investigations  
14 and Enforcement (BIE) discovered that he failed to  
15 report a more extensive criminal history, which  
16 consisted of approximately ten convictions spanning  
17 from 1989 through 2010. In fact, Mr. Gilyard is  
18 presently on probation and will remain on probation  
19 until June 9th of 2013.

20                   Based upon the nature, frequency and  
21 recency of his criminal record as well as his failure  
22 to disclose same, the OEC issued a Notice of  
23 Recommendation of Denial of the application. Mr.  
24 Gilyard subsequently requested a hearing, which was  
25 held on July 17th, 2012, although he failed to attend

1 despite receiving notice. Ultimately, the Report and  
2 Recommendation in this matter recommends that Mr.  
3 Gilyard's application be denied based upon the nature  
4 and the recency of his criminal history. And that is  
5 the recommendation before the Board.

6 CHAIRMAN:

7 Questions, comments from the Board, Ex-  
8 officio members? May I have a motion?

9 MR. FAJT:

10 Mr. Chairman, I move that the Board adopt  
11 the Report and Recommendation of the OHA regarding  
12 William Gilyard's  
13 Non-Gaming Employee Registration as described by the  
14 OCC.

15 CHAIRMAN:

16 Second?

17 MR. GINTY:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed?

24 NO RESPONSE

25 CHAIRMAN:

1           The motion carries.

2           ATTORNEY COOK:

3           The final Report and Recommendation  
4 before the Board today pertains to Brent Leiby, who  
5 sought employment as a Player's Club attendant at the  
6 Valley Forge Casino Resort. Mr. Leiby filed a Gaming  
7 Employee Application with the Board on April 10th,  
8 2012. On his application, he disclosed that he had a  
9 2011 arrest and conviction for two counts of theft by  
10 unlawful taking in which he received two years of  
11 probation. Again, he remains on probation.

12           As a result of his criminal conduct and  
13 convictions, the OEC issued a Notice of Recommendation  
14 of Denial of Mr. Leiby's application. He subsequently  
15 requested a hearing, which was held on July 17th,  
16 2012. Both Mr. Leiby and the OEC appeared at the  
17 hearing and presented evidence. Mr. Leiby essentially  
18 presented to the Board that while he was guilty of the  
19 thefts, which involved stealing money from a ---. He  
20 was previously an employee of a school district, and  
21 he had taken approximately \$1,000 from concession  
22 stand proceeds as well as from a teacher's desk.

23           He indicated that he was facing difficult  
24 times, that essentially that that conduct was an  
25 anomaly and that the position he had applied for at

1 Valley Forge was --- did not put him in a position  
2 where he'd be handling money; and, therefore, he  
3 presented little risk.

4                   Notwithstanding that testimony, the OHA  
5 issued a Report and Recommendation recommending that  
6 his application be denied. Mr. application (sic)  
7 filed exceptions to that Report and Recommendation,  
8 essentially raising the same arguments. The Report  
9 and Recommendation as well as Mr. Leiby's exceptions  
10 are in front of the Board at this point. Again, the  
11 recommendation to the Board is that the application be  
12 denied.

13                   CHAIRMAN:

14                   Questions, comments from the Board, Ex-  
15 officio members? May I have a motion?

16                   MR. GINTY:

17                   Mr. Chairman, I move that the Board adopt  
18 the Report and Recommendation of the OHA regarding  
19 Brent Lieby's Gaming Employee Registration as  
20 described by the OCC.

21                   MR. MCCALL:

22                   Second.

23                   CHAIRMAN:

24                   All in favor?

25 ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed?

3 NO RESPONSE

4                   CHAIRMAN:

5                   The motion carries.

6                   ATTORNEY COOK:

7                   The next matter before the Board pertains  
8 to the Emergency Suspension of John Herr. Mr. Herr  
9 was issued a Gaming Employee Registration on April  
10 4th, 2012 and was employed as a table games dealer at  
11 the Hollywood Casino.

12                   On August 30th, 2012, the Pennsylvania  
13 State Police notified the BIE that Mr. Herr was  
14 arrested and charged with seven felonies and two  
15 misdemeanors. The arrests and charges filed against  
16 Mr. Herr stem from an organized operation as alleged  
17 to have been selling synthetic cannabinoids and bath  
18 salts. As a result of these charges, the OEC filed a  
19 request for an Emergency Order of Suspension of Mr.  
20 Herr's Gaming Employee Permit. The Order was signed  
21 by the Executive Director on September 4th, 2012.

22                   Thereafter, on September 6th, 2012, Mr.  
23 Herr requested an informal hearing on the issuance of  
24 the Emergency Order of Suspension, as is provided for  
25 in the Board's regulations. The next day, last

1 Friday, the Director of the OHA conducted the informal  
2 hearing and, based upon the evidence presented at that  
3 hearing, ordered that the Emergency Suspension remain  
4 in place.

5 Board regulations now require that  
6 Temporary Emergency --- or a full evidentiary hearing  
7 be held on a Temporary Emergency Order. The question  
8 before the Board is whether the Board should conduct  
9 that hearing or the OHA should conduct that hearing.  
10 The OCC would recommend that the matter be referred to  
11 the OHA.

12 CHAIRMAN:

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

15 MR. FAJT:

16 Mr. Chairman, I move that the Board issue  
17 an order to adopt the Emergency Suspension of John  
18 Herr's Gaming Employee permit and that the matter be  
19 referred to the OHA for a hearing to determine the  
20 validity of the Emergency Suspension Order.

21 MR. TRUJILLO:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed?

3 NO RESPONSE

4                   CHAIRMAN:

5                   The motion carries.

6                   ATTORNEY COOK:

7                   Next for the Board's consideration is the  
8 Emergency Suspension of Emmanuel Pleasant, who was  
9 issued a Non-Gaming Employee Registration on June  
10 14th, 2010 and was employed as a sous chef at Chester  
11 Downs and Marina.

12                   On August 3rd, 2012, the Bureau of Casino  
13 Compliance became aware that on August 2nd, Mr.  
14 Pleasant had been arrested and charged with one felony  
15 count of possession of a firearm by a felon. He was  
16 also charged with several misdemeanor offenses  
17 including one count of possession of an instrument of  
18 crime, one count of terroristic threats, one count of  
19 simple assault and one count of recklessly endangering  
20 another person. As a result of these charges, the OEC  
21 filed a request for Emergency Order of Suspension of  
22 Mr. Pleasant's Non-Gaming Registration. This Order  
23 was subsequently executed by the Executive Director,  
24 as provided for in the Board's regulations.

25                   As stated earlier, the Board regulations

1 now require that a Temporary Emergency Order be  
2 presented to the Board for a full evidentiary hearing  
3 or the matter be assigned to the OHA to conduct that  
4 hearing. Again, it's the OCC's recommendation that  
5 the matter be referred to the OHA. And that in the  
6 interim that the Emergency Order remain in place.

7 CHAIRMAN:

8 Questions, comments from the Board,  
9 Ex-officio members? May I have a motion?

10 MR. MCCALL:

11 Mr. Chairman, I move that the Board issue  
12 an order to adopt the Emergency Suspension of Emmanuel  
13 Pleasant's Non-Gaming Employee Registration and that  
14 the matter be referred to the OHA for a hearing to  
15 determine the validity of the Emergency Suspension  
16 Order.

17 CHAIRMAN:

18 Second?

19 MR. MOSCATO:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed?

1 NO RESPONSE

2 CHAIRMAN:

3 The motion carries.

4 ATTORNEY SHERMAN:

5 That concludes the matters of the OCC.

6 CHAIRMAN:

7 Thank you, gentlemen. Next we have Susan  
8 Hensel, our Director of Licensing.

9 MS. HENSEL:

10 Thank you, Chairman Ryan and members of  
11 the Board.

12 CHAIRMAN:

13 Good morning, Susan.

14 MS. HENSEL:

15 Good morning. Before the Board today  
16 will be motions regarding 490 Principal, Key Gaming  
17 and Non-Gaming Employees and Gaming Service Provider  
18 qualifiers. In addition, there will be the  
19 consideration of ten Gaming Service Provider  
20 applicants.

21 The first matter for your consideration  
22 is the approval of Principal and Key Employee Licenses  
23 and Gaming Service Provider Qualifications. Prior to  
24 this meeting, the Bureau of Licensing provided you  
25 with a proposed Order for one Principal and two Key

1 Employee Licenses for Category 1, Category 2 and  
2 Category 3 Licensees and two Gaming Service Provider  
3 qualifiers for U.S. Foods, Inc. I ask that the Board  
4 consider the Order approving these licenses and  
5 qualifications.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 Enforcement Counsel has no objection.

10 CHAIRMAN:

11 Questions or comments from the Board,  
12 Ex-officio members? May I have a motion?

13 MR. MOSCATO:

14 Mr. Chairman, I move that the Board  
15 approve the issuance of Principal and Key Employee  
16 Licenses and Gaming Service Provider qualifications,  
17 as described by the Bureau of Licensing.

18 MR. SOJKA:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed?

25 NO RESPONSE

1                   CHAIRMAN:

2                   The motion carries.

3                   MS. HENSEL:

4                   Also for your consideration are Temporary  
5 Principal and Key Employee Licenses. Prior to this  
6 meeting, the Bureau of Licensing provided you with an  
7 order regarding the issuance of temporary licenses for  
8 1 Principal and 14 Key Employees. I ask that the  
9 Board consider the Order approving these licenses.

10                  CHAIRMAN:

11                  Comments from Enforcement Counsel?

12                  ATTORNEY PITRE:

13                  Enforcement Counsel has no objection.

14                  CHAIRMAN:

15                  Questions or comments from the Board,  
16 Ex-officio members? May I have a motion?

17                  MR. SOJKA:

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

22                  MR. TRUJILLO:

23                  Second.

24                  CHAIRMAN:

25                  All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed?

4 NO RESPONSE

5 CHAIRMAN:

6 The motion carries.

7 MS. HENSEL:

8 Next are Gaming Permits and Non-Gaming  
9 Registrations. Prior to this meeting, the Bureau of  
10 Licensing provided you with a list of 342 individuals  
11 to whom the Bureau has granted Temporary or Full  
12 Occupation Permits and 119 individuals to whom the  
13 Bureau has granted Registrations under the authority  
14 delegated to the Bureau of Licensing. I ask that the  
15 Board consider a motion approving the order.

16 CHAIRMAN:

17 Comments from Enforcement Counsel?

18 ATTORNEY PITRE:

19 Enforcement Counsel has no objection.

20 CHAIRMAN:

21 Questions or comments from the Board,  
22 Ex-officio members? May I have a motion?

23 MR. TRUJILLO:

24 Mr. Chairman, I move that the Board  
25 approve the issuance of Gaming Employee Permits and

1 Non-Gaming Employee Registrations, as described by the  
2 Bureau of Licensing.

3 MR. FAJT:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed?

10 NO RESPONSE

11 CHAIRMAN:

12 The motion carries.

13 MS. HENSEL:

14 In addition, we have a Recommendation of  
15 Denial for a Non-Gaming Employee Application. Prior  
16 to this meeting, the Bureau of Licensing provided you  
17 with an Order regarding Non-Gaming Employee Jean  
18 Grant, who the BIE and the OEC have recommended for  
19 denial. The applicant failed to request a hearing  
20 within the specified time period. I ask that the  
21 Board consider the Order denying this Non-Gaming  
22 Employee Application.

23 CHAIRMAN:

24 Any comments from Enforcement Counsel?

25 ATTORNEY PITRE:

1 Enforcement Counsel would request that  
2 the application be denied.

3 CHAIRMAN:

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

6 MR. FAJT:

7 Mr. Chairman, I move that the Board  
8 approve the Order denying Jean Grant's Non-Gaming  
9 Employee Application, as described by the Bureau of  
10 Licensing.

11 MR. GINTY:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed?

18 NO RESPONSE

19 CHAIRMAN:

20 The motion carries.

21 MS. HENSEL:

22 We also have for your consideration  
23 Withdrawal requests for Gaming and Non-Gaming  
24 Employees. In each case, the Permit or Registration  
25 is no longer required due to such circumstances as the

1 employee failing to report to work. For today's  
2 meeting, I have provided the Board with a list of six  
3 Gaming and two Non-Gaming Employee withdrawals for  
4 approval. I ask that the Board consider the Order  
5 approving this list of Withdrawals.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 Enforcement Counsel has no objection.

10 CHAIRMAN:

11 Any questions or comments from the Board,  
12 Ex-officio members? May I have a motion?

13 MR. GINTY:

14 Mr. Chairman, I move that the Board  
15 approve the Withdrawals as described by the Bureau of  
16 Licensing.

17 MR. MCCALL:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed?

24 NO RESPONSE

25 CHAIRMAN:

1 The motion carries.

2 MS. HENSEL:

3 In addition, we have an Order to Certify  
4 the following Gaming Service Providers; 76 Carriage  
5 Company, Inc.; Central Metals, Inc.; and Kevin Travel,  
6 Inc. I ask that the Board consider the Order  
7 approving these Gaming Service Providers for  
8 certification.

9 CHAIRMAN:

10 Any comments from Enforcement Counsel?

11 ATTORNEY PITRE:

12 Enforcement Counsel has no objection.

13 CHAIRMAN:

14 Questions, comments from the Board,  
15 Ex-officio members? May I have a motion?

16 MR. MCCALL:

17 Mr. Chairman, I move that the Board issue  
18 an order to approve the applications for Gaming  
19 Service Provider Certification, as described by the  
20 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?

5 NO RESPONSE

6 CHAIRMAN:

7 The motion carries.

8 MS. HENSEL:

9 Finally, we have an Order regarding  
10 Gaming Service Provider Registrations. The Bureau of  
11 Licensing provided you with an Order and an attached  
12 list of seven registered Gaming Service Provider  
13 Applicants. I ask that the Board consider a motion  
14 approving the order registering these Gaming Service  
15 Providers.

16 CHAIRMAN:

17 Any comments from Enforcement Counsel?

18 ATTORNEY PITRE:

19 Enforcement Counsel has no objection.

20 CHAIRMAN:

21 Questions, comments from the Board,

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

23 MR. MOSCATO:

24 Mr. Chairman, I move that the Board issue  
25 an order to approve the applications for Gaming

1 Service Provider Registration as described by the  
2 Bureau of Licensing.

3 MR. SOJKA:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed?

10 NO RESPONSE

11 CHAIRMAN:

12 The motion carries.

13 MS. HENSEL:

14 That concludes the matters of the Bureau  
15 of Licensing.

16 CHAIRMAN:

17 Thank you, Susan. Next is Cyrus Pitre,  
18 our Chief Enforcement Counsel.

19 ATTORNEY PITRE:

20 Good morning, Chairman, members of the  
21 Board. We have one Consent Agreement, one Revocation  
22 and four Exclusion Motions for the Board's  
23 consideration today. The first matter is a Consent  
24 Agreement between the OEC and Ms. Emily Grebb. If Ms.  
25 Grebb is present, I ask that she come forward. Glen

1 Stuart will present this matter to the Board on behalf  
2 of the OEC.

3 ATTORNEY STUART:

4 Thank you, Cyrus.

5 CHAIRMAN:

6 Excuse me. Is Emily Grebb in the hearing  
7 room?

8 ATTORNEY STUART:

9 I talked to Ms. Grebb yesterday, and she  
10 said she would not be able to make it down today.

11 CHAIRMAN:

12 Thank you.

13 ATTORNEY STUART:

14 She has made contact with our office,  
15 though. On September 24th, 2007, the Board issued  
16 Emily Grebb a Non-Gaming Registration in order to work  
17 as a cocktail server at Mount Airy Casino Resort. Ms.  
18 Grebb has worked as a cocktail server at Mount Airy  
19 since that time.

20 On June 23rd, 2012, Ms. Grebb wagered at  
21 a roulette table at Mount Airy. Pursuant to Section  
22 435a.1(1) of the Board's regulations, a Non-Gaming  
23 Registrant is not --- may not wager at a licensed  
24 facility in which the Registrant is employed. On June  
25 24th, 2012, Mount Airy suspended Ms. Grebb's

1 employment for 16 days. On August 20th, 2012, the OEC  
2 and Ms. Grebb entered into a Consent Agreement  
3 recommending that the Board suspend Ms. Grebb's  
4 Non-Gaming Registration for a period of two weeks due  
5 to her violation of Section 435a.1(1). This Consent  
6 Agreement is now ripe for the Board's consideration.

7 CHAIRMAN:

8 Any questions or comments from the Board,  
9 Ex-officio members? May I have a motion?

10 MR. SOJKA:

11 Yes, Mr. Chairman. I move that the Board  
12 issue an order to approve the Consent Agreement  
13 between the OEC and Emily Grebb, as described by the  
14 OEC.

15 MR. TRUJILLO:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed?

22 NO RESPONSE

23 CHAIRMAN:

24 The motion carries. Okay. I guess we  
25 have now Suspensions and Revocations.

1                   ATTORNEY PITRE:

2                   That's correct. We have one Revocation  
3 for the Board's consideration today. It's of Mr. Neil  
4 Fobbs' Non-Gaming Employee Registration. Mr. Fobbs is  
5 present. I ask that he come forward. Dustin Miller  
6 will present the matter on behalf of the OEC.

7                   CHAIRMAN:

8                   Is Neil Fobbs in the hearing room? Go  
9 ahead, gentlemen.

10                  ATTORNEY MILLER:

11                  Good morning, Chairman Ryan and members  
12 of the Board. Dustin Miller, Assistant Enforcement  
13 Counsel. Mr. Fobbs is employed as an EVS attendant at  
14 Parx Casino and registered as a Non-Gaming Employee.  
15 The OEC filed an Enforcement Complaint to revoke Mr.  
16 Fobbs' Non-Gaming Employee Registration for failing to  
17 maintain his suitability on June 20th, 2012.

18                  Mr. Fobbs was terminated from Parx Casino  
19 on February 14th, 2012 after Parx Casino's  
20 surveillance department observed Mr. Fobbs stealing a  
21 patron's cellular phone while cleaning in the Foodies  
22 food court area of Parx Casino. The cellular phone  
23 was an Apple iPhone 4S, which the patron had  
24 inadvertently left on a table at Foodies. When the  
25 patron returned to the casino to retrieve her phone a

1 short time later, she could not find it. At that  
2 time, a surveillance review revealed that Mr. Fobbs  
3 had taken the unattended cellular phone. Mr. Fobbs  
4 admitted to the theft, and the phone was returned to  
5 the patron. No criminal charges were filed against  
6 Mr. Fobbs.

7           The Enforcement Complaint was properly  
8 served upon Mr. Fobbs to the address listed on his  
9 application by both certified and first class mail.  
10 Mr. Fobbs did not respond to the filing in any way.  
11 Due to Mr. Fobbs' failure to respond, the averments in  
12 the Enforcement Complaint are deemed to be admitted as  
13 fact, and his right to a hearing has been waived.

14           On August 9th, 2012, the OEC filed a  
15 Request to Enter Judgment Upon Default. The matter is  
16 now before the Board to consider the revocation of Mr.  
17 Fobbs' Non-Gaming Employee Registration.

18           CHAIRMAN:

19           Any questions or comments from the Board,  
20 Ex-officio members? May I have a motion?

21           MR. TRUJILLO:

22           Mr. Chairman, I move that the Board issue  
23 an order to approve the Revocation of Neil Fobbs'  
24 Non-Gaming Employee Registration, as described by the  
25 OEC.

1                   MR. FAJT:

2                   Second.

3                   CHAIRMAN:

4                   All in favor?

5 ALL SAY AYE

6                   CHAIRMAN:

7                   Opposed?

8 NO RESPONSE

9                   CHAIRMAN:

10                  The motion carries.

11                  ATTORNEY MILLER:

12                  The next matter today is a request for  
13 placement on the Board's Excluded Person List today  
14 involving Sherice D. Woolfolk-Yarborough. The OEC  
15 filed a petition to place Ms. Woolfolk-Yarborough on  
16 the Exclusion List for various acts at Pennsylvania  
17 casinos in 2010 and 2011 that disrupted gaming  
18 operations and posed a threat to the safety of patrons  
19 or employees at these facilities, which culminated in  
20 Ms. Woolfolk-Yarborough's arrest at Parx Casino for  
21 defiant trespass on November 28th, 2011.

22                  Pennsylvania State Police referred Ms.  
23 Woolfolk-Yarborough to the Bureau of Casino Compliance  
24 as a potential candidate for the Exclusion List  
25 because she had incidents at Parx Casino, Parx East,

1 SugarHouse Casino and Harrah's Philadelphia Casino.

2                   In the November 28th, 2011 incident, Ms.  
3 Woolfolk-Yarborough came to Parx Casino in Parx East  
4 and began panhandling or asking patrons for money  
5 despite permanently being evicted from Parx on  
6 September 2nd, 2010 for similar behavior. Several  
7 patrons reported that Ms. Woolfolk-Yarborough was  
8 making them feel uncomfortable and intimidated. Parx  
9 Casino security personnel attempted to enforce the  
10 permanent eviction, which ended in a confrontation  
11 between Ms. Woolfolk-Yarborough and security  
12 personnel. On-site Pennsylvania State Police  
13 personnel were called, and Ms. Woolfolk-Yarborough  
14 became combative with them as well. Ms.  
15 Woolfolk-Yarborough was charged with defiant trespass  
16 after her identify was ascertained by the Pennsylvania  
17 State Police. The matter was scheduled for a  
18 preliminary hearing on January 4th, 2012. Ms.  
19 Woolfolk-Yarborough did not appear, and an arrest  
20 warrant was issued. To date, a warrant remains  
21 outstanding.

22                   Ms. Woolfolk-Yarborough has exhibited  
23 similar conduct at SugarHouse Casino and Harrah's  
24 Chester Casino including aggressive panhandling,  
25 falsely accusing dealers of cheating her out of money,

1 borrowing money from patrons and refusing to repay  
2 them and placing illegal wagers. The petition was  
3 filed on June 12th, 2012. The petition was properly  
4 served upon Ms. Woolfolk-Yarborough to the address  
5 listed on the criminal complaint filed against her and  
6 the address listed on her Parx Player's Card account  
7 by both certified and first class mail. Ms.  
8 Woolfolk-Yarborough did not respond to the filing in  
9 any way. Due to Ms. Woolfolk-Yarborough's failure to  
10 respond, the averments in the petition are deemed to  
11 be admitted as fact, and her right to a hearing has  
12 been waived.

13                   On August 9th, 2012, the OEC filed a  
14 Request to Enter Judgment Upon Default. The matter is  
15 now before the Board to consider the placement of  
16 Sherice D. Woolfolk-Yarborough on the Board's Excluded  
17 Persons List.

18                   CHAIRMAN:

19                   Is Sherice Woolfolk-Yarborough in the  
20 hearing room? Any questions or comments from the  
21 Board, Ex-officio members? May I have a motion?

22                   MR. GINTY:

23                   Mr. Chairman, I move that the Board issue  
24 an order to approve the addition of Sherice  
25 Woolfolk-Yarborough to the Board's Involuntary

1 Exclusion List, as described by the OEC.

2 MR. MCCALL:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed?

9 NO RESPONSE

10 CHAIRMAN:

11 The motion carries.

12 ATTORNEY MILLER:

13 Thank you.

14 CHAIRMAN:

15 Thank you, Dustin.

16 ATTORNEY ROLAND:

17 Good morning, Mr. Chairman, members of  
18 the Board. Michael Roland, R-O-L-A-N-D, with the OEC.  
19 The last three matters on the Board's agenda today  
20 I'll be presenting to you. All three are Requests for  
21 Default Judgment. All three are for involuntary  
22 placement on the Exclusion List. The first two of the  
23 three are related in that the individuals are  
24 co-defendants, and they'll share the same fact  
25 pattern.

1                   So, first we'll start with Mr. Sondro  
2 Alonso. The OEC filed a petition on March 23rd, 2012  
3 to place Mr. Alonso on the Exclusion List for card  
4 switching with another patron while playing poker,  
5 specifically Texas Hold'em at Sands on February the  
6 3rd, 2012. The petition was properly served upon Mr.  
7 Alonso to the address listed on his criminal  
8 complaint, and it was served by both certified and  
9 first class mail. Mr. Alonso did not respond to the  
10 filing in any way. Due to Mr. Alonso's failure to  
11 respond, the averments in the petition are deemed to  
12 be admitted as fact and his right to a hearing has  
13 been waived.

14                   On August the 9th, 2012, the OEC filed a  
15 Request to Enter Judgment Upon Default. The matter is  
16 now before the Board to consider the placement of  
17 Sondro Alonso on the Board's Excluded Persons List.  
18 For the Board's information, the charges against Mr.  
19 Alonso are four counts of prohibited acts under our  
20 statute, four counts of criminal intent for theft by  
21 deception and one count of conspiracy of theft by  
22 deception.

23                   As far as the disposition of the case as  
24 of Monday, which was September the 10th, believe it or  
25 not, this matter is still listed as waiting for trial.

1 I, to the best of my ability, tried to find if there  
2 was a warrant that was issued and maybe this gentleman  
3 couldn't be found, but he does reside in Florida. And  
4 there is activity on the docket sheet, so he's in  
5 communication with somebody. So, I don't know if his  
6 geographic location is the explanation for the delay  
7 or not, but it's still apparently at this point going  
8 to trial.

9                   Specifically what happened, the suspects  
10 around one o'clock were observed switching cards.  
11 They did this a total of four times, and I mean  
12 literally switching cards between each other to make  
13 winning hands. They were successful three times.  
14 Unfortunately, that caused us to take a closer look at  
15 them. And we found out that two days earlier on  
16 Wednesday, February 1st, they had done the same thing,  
17 and were actually successful 24 times. We're in the  
18 process of trying to find out exactly what numbers  
19 we're talking about regarding the 24 times. I can  
20 tell you regarding the second incident, the main  
21 incident that's in front of you, those funds have been  
22 recovered. I will keep the Board updated as  
23 information comes through.

24                   CHAIRMAN:

25                   Is Sondro Alonso in the hearing room?

1 Any questions, comments from the Board, Ex-officio  
2 members? May I have a motion?

3 MR. MCCALL:

4 Mr. Chairman, I move that the Board issue  
5 an order to approve the addition of Sondro Alonso to  
6 the Pennsylvania Gaming Control Board Involuntary  
7 Exclusion List, as described by the OEC.

8 CHAIRMAN:

9 Second?

10 MR. MOSCATO:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 ALL SAY AYE

15 CHAIRMAN:

16 Opposed?

17 NO RESPONSE

18 CHAIRMAN:

19 The motion carries.

20 ATTORNEY ROLAND:

21 The next matter is regarding Jose  
22 Rodriguez. Mr. Rodriguez is Mr. Alonso's  
23 co-defendant. The OEC filed a petition on March 23rd,  
24 2012 to place Mr. Rodriguez on the Exclusion List for  
25 card switching with another patron while playing Texas

1 Hold'em poker at Sands on February the 3rd, 2012. Mr.  
2 Rodriguez was also in possession of several credit  
3 cards, which were not in his name. The petition was  
4 properly served upon Mr. Rodriguez to the address  
5 listed on his criminal complaint, and they were served  
6 both via certified and first class mail. Mr.  
7 Rodriguez did not respond to the filing in any way.  
8 Due to Mr. Rodriguez's failure to respond, the  
9 averments in the petition are deemed to be admitted as  
10 fact and his right to a hearing has been waived.

11                   On August the 9th, 2012, the OEC filed a  
12 Request to Enter Judgment Upon Default. This matter  
13 is now before the Board to consider the placement of  
14 Jose Rodriguez on the Board's Excluded Persons List.

15                   The charges against Mr. Rodriguez are  
16 similar, although he does have a few additional ones  
17 because of the credit cards he had in his possession.  
18 He has four counts of prohibited acts under our  
19 statute, four counts of criminal attempt for theft by  
20 deception, one count of conspiracy for theft by  
21 deception. And then because of the credit cards, all  
22 on his own, he was able to get four counts of forgery,  
23 four counts of tampering with records and four counts  
24 of access device fraud.

25                   Again, as of Monday, September the 10th,

1 his case is still awaiting trial and still appears to  
2 be active in the docket sheet. He also is a resident  
3 of Florida. The fact pattern is identical but for the  
4 credit cards that were found on his person once they  
5 were approached.

6 CHAIRMAN:

7 Is Jose Rodriguez in the hearing room?  
8 Any comments, questions from the Board?

9 MR. SOJKA:

10 Just one very minor thing, and that is  
11 this is for being on our Exclusion List. So, even  
12 though obviously I'm not going to have any problem  
13 with this given the last vote, the credit cards are  
14 nothing we should be concerned about; is that not  
15 correct? He's being put on an Exclusion List. He's  
16 not asked for a license. We don't necessarily look at  
17 criminal backgrounds unless it's mob activity for a  
18 patron of a casino; is that not correct?

19 ATTORNEY PITRE:

20 Only from the standpoint that if --.  
21 Obviously they were credit cards that were ---  
22 belonged to other individuals. And the utilization of  
23 those cards in our licensed facility could pose ---.

24 MR. SOJKA:

25 He was using them there?

1                   ATTORNEY ROLAND:

2                   That is exactly what happened. He had  
3 other patrons' cards, and these were actually Visa  
4 card, MasterCard, American Express. And the access  
5 device fraud charges come from him attempting him to  
6 utilize them at the ATMs on the gaming floor.

7                   MR. SOJKA:

8                   He used them at the casino on the gaming  
9 floor.

10                  ATTORNEY ROLAND:

11                  Correct.

12                  MR. SOJKA:

13                  Thank you. That's very helpful.

14                  CHAIRMAN:

15                  Anyone else, Ex-officio members? May I  
16 have a motion?

17                  MR. MOSCATO:

18                  Mr. Chairman, I move that the Board issue  
19 an order to approve the addition of Jose Rodriguez to  
20 the PGCB Involuntary Exclusion List, as described by  
21 the OEC.

22                  MR. SOJKA:

23                  Second.

24                  CHAIRMAN:

25                  All in favor?

1                   MR.S:

2                   Aye.

3                   CHAIRMAN:

4                   Opposed? The motion carries.

5                   ATTORNEY ROLAND:

6                   And the last matter on your agenda is the  
7 incident involving Darren Williams. The OEC filed a  
8 petition on March the 22nd, 2012 to place Mr. Williams  
9 on the Exclusion List for bet capping while playing  
10 Texas Hold'em at Sands on February the 10th, 2012.  
11 The petition was properly served upon Mr. Williams to  
12 the address listed on the criminal complaint filed  
13 against him by both certified mail and first class  
14 mail. Mr. Williams did not respond to the filing in  
15 any way. And due to Mr. Williams' failure to respond,  
16 the averments in the petition are deemed to be  
17 admitted as fact. His right to a hearing has been  
18 waived.

19                   On August the 9th, 2012, the OEC filed a  
20 request to enter default judgment. The matter is now  
21 before the Board to consider the placement of Darren  
22 Williams on the Board's Excluded Persons List. The  
23 charges against Mr. Williams are, again, four counts  
24 of prohibited acts under our statute, four counts of  
25 theft by deception.

1           The disposition of his case, for some  
2 reason, is also delayed as of Monday, September the  
3 10th. This one has not even gone to a preliminary  
4 hearing, and I'm certain as to why. He successfully  
5 capped his bet two times out of five attempts. In  
6 those two times, he was able to unlawfully gain \$300  
7 that was not his. When he was approached, we were  
8 able to secure \$185 of that, which he still had on his  
9 person. So, pending the disposition of his case, we'll  
10 be seeking to get the remainder of that.

11           CHAIRMAN:

12           Is Darren Williams in the hearing room?  
13 Any questions, comments, Ex-officio members? May I  
14 have a motion?

15           MR. SOJKA:

16           Yes. Mr. Chairman, I'll move that the  
17 Board issue an order to approve the addition of Darren  
18 Williams to the PGCB Involuntary Exclusion List, as  
19 described by the OEC.

20           MR. TRUJILLO:

21           Second.

22           CHAIRMAN:

23           All in favor?

24 ALL SAY AYE

25           CHAIRMAN:

1 Opposed?

2 NO RESPONSE

3 CHAIRMAN:

4 The motion carries.

5 ATTORNEY PITRE:

6 That will conclude our business with the  
7 Board.

8 CHAIRMAN:

9 Thank you, gentlemen. Ladies and  
10 gentlemen, we next have our public comment period. As  
11 I understand it, we did not have anyone who registered  
12 to speak today. Is there anyone in the audience  
13 wishing to make public comment to the Board? Seeing  
14 no reaction, I believe that will conclude today's  
15 meeting.

16 Our next scheduled public's meeting will  
17 be held here on October 10th at 10:00 a.m. Any final  
18 comments from the Board, Ex-officio members? May I  
19 have a Motion to Adjourn?

20 MR. TRUJILLO:

21 Move to adjournment.

22 MR. FAJT:

23 Second.

24 CHAIRMAN:

25 The meeting is adjourned. Thank you all.

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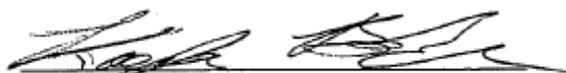
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MEETING CONCLUDED AT 11:33 A.M.

\* \* \*

CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Ryan, was reported by me on 09/12/2012 and that I Kayla Bolze read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

  
Court Reporter