

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: WILLIAM H. RYAN, JR. CHAIRMAN
James B. Ginty, Keith R. McCall,
Gary A. Sojka, Gregory C. Fajt,
Anthony C. Moscato, Annmarie Kaiser;
Members
Christopher Craig, representing
Robert McCord, State Treasurer
Robert Coyne, representing
Daniel Meuser, Secretary of Revenue
HEARING: Wednesday, December 12, 2012
10:02 a.m.
LOCATION: Strawberry Square Complex
Suite 261
Harrisburg, PA 17101
WITNESSES: Nebiyu Bellete, Rosemarie Cook

Reporter: Jennifer T. Alves

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A P P E A R A N C E S

OFFICE OF CHIEF COUNSEL

R. DOUGLAS SHERMAN, ESQUIRE

Chief Counsel

STEPHEN S. COOK, ESQUIRE

Deputy Chief Counsel

OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

MICHAEL ROLAND, ESQUIRE

Assistant Chief Enforcement Counsel

JAMES ARMSTRONG, ESQUIRE

Assistant Enforcement Counsel

CASSANDRA FENSTERMAKER, ESQUIRE

Assistant Enforcement Counsel

ALEXANDRA SACAVAGE, ESQUIRE

Assistant Enforcement Counsel

GLENN STUART, ESQUIRE

Assistant Enforcement Counsel

JEFFREY P. HOEFLICH, ESQUIRE

Assistant Enforcement Counsel

PA Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control Board

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EDWARD J. WEISS, ESQUIRE

11 South Olive Street

Suite 100

Media, PA 19063-3301

Counsel for Brian Wright

MICHAEL SKLAR, ESQUIRE

Levine, Staller, Sklar, Chan, Brown and Donnelly, PA

3030 Atlantic Avenue

Atlantic City, NJ 08401

Counsel for SugarHouse Casino

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CHAIRMAN:

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

With us today is Chris Craig representing State Treasurer Robert McCord and Bob Coyne representing the Secretary of the Department of Revenue, Dan Meuser. Thank you both for being here.

We have everybody on the Board present, so I will call today's meeting to order. First I'd like to ask everyone to stand for the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Thank you. I have an announcement. The Board held an Executive Session yesterday, December 11th, to discuss personnel matters and to conduct quasi-judicial deliberations relating to matters being heard and considered by the Board today.

The first item would be consideration of a motion to approve the transcript and minutes of the

1 Board's November 8th meeting. May I have a motion?

2 MR. FAJT:

3 Mr. Chairman, I move that the Board
4 approve the minutes and transcript of the November
5 8th, 2012 meeting.

6 MR. GINTY:

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. Next we have Chief
16 Counsel report. Mr. Sherman?

17 ATTORNEY SHERMAN:

18 Good morning, Chairman and members of the
19 Board. Today the Board had just one petition before
20 it for consideration, and that is of Gaming Laboratory
21 International. GLI petitioned to possess slot
22 machines for the purpose of operating a Permanent
23 Gaming Testing and Certification Laboratory in the
24 Commonwealth. The Board has, in advance of this
25 meeting, been provided with the petition and OEC's

1 response. Additionally, the matter was heard by the
2 Board at the last meeting on November 20th.

3 GLI is an international provider of
4 gaming device testing and certification services.
5 They provide services to gaming regulatory authorities
6 throughout the world. However, GLI is statutorily
7 precluded from providing those services here in
8 Pennsylvania because the Gaming Act requires the Board
9 to have its own independent testing facility.
10 Notwithstanding its inability to provide services to
11 the Board or Pennsylvania licensees in Pennsylvania,
12 GLI avers that it would be in its best interest to
13 locate a laboratory testing facility in the
14 Commonwealth due to various business advantages.

15 If the Board is inclined to grant the
16 relief requested, GLI and the Office of Enforcement
17 Counsel (OEC) have agreed to make the approval subject
18 to ten additions that have been provided to the Board
19 earlier. The ten conditions, without reading all of
20 them specifically because they go on for about two
21 pages, deal with the transportation of machines into
22 Pennsylvania and out. They deal with the possession
23 of the machines while in Pennsylvania, along with the
24 maintenance and security, the ability of the Bureau of
25 Investigations and Enforcement (BIE) and other bureaus

1 of the Board to have access to the facility for
2 inspection and to ensure the security of those
3 machines, as well as to ensure the compliance with the
4 state law, and perhaps most importantly, to the
5 payment of fees associated with monitoring the
6 possession of those machines.

7 If there are any questions, we'd be glad
8 to answer them. Otherwise, the matter is ripe for the
9 Board's disposition.

10 CHAIRMAN:

11 Any questions or comments from the Board?

12 MR. SOJKA:

13 Just a couple. One, obviously we are not
14 contemplating licensing this group. Licensing would
15 be essential, but we still have responsibility, I
16 think, because slot machines in the Commonwealth are
17 our concern. Is our ultimate way of, if you will,
18 exerting control in this situation, our capacity to
19 take away their right to have slot machines if we find
20 that they're doing something inimical to the welfare
21 of the gaming ---?

22 ATTORNEY SHERMAN:

23 With the power to give them permission to
24 have machines comes the power to take that away if the
25 organization would violate the expected norms.

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MR. SOJKA:

Thank you.

CHAIRMAN:

Any other questions from the Board?

Ex-officio members? May I have a motion?

MR. GINTY:

Chairman, I move that the Board issue an Order to approve GLI's petition to possess slot machines for purposes of operating a permanent gaming testing and certification laboratory in the Commonwealth with the conditions described by the Office of Chief Counsel (OCC).

CHAIRMAN:

Second?

MS. KAISER:

Second.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed?

NO RESPONSE

CHAIRMAN:

The motion carries.

ATTORNEY SHERMAN:

1 Next, presenting Withdrawals and Reports
2 and Recommendations is Deputy Chief Counsel, Steve
3 Cook.

4 ATTORNEY COOK:

5 Good morning.

6 CHAIRMAN:

7 Good morning, Steve.

8 ATTORNEY COOK:

9 The Board has received five unopposed
10 petitions to surrender the credentials of individuals
11 or businesses of persons or entities. Subject to the
12 petitions is as follows; William R. Baker, LSN, Inc.
13 doing business as Nordquist Sign Company, Kevin
14 Powers, Grier C. Rapclin, and Christopher J. Satchell.
15 The OEC has no objection to any of these petitions.
16 As such, for the Board to grant the request, it would
17 be doing so without prejudice.

18 CHAIRMAN:

19 May I have a motion?

20 MS. KAISER:

21 Mr. Chairman, I move that the Board issue
22 Orders to approve the Withdrawals and Surrenders as
23 described by the OCC.

24 MR. MCCALL:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 ALL SAY AYE

4 CHAIRMAN:

5 Opposed?

6 NO RESPONSE

7 CHAIRMAN:

8 The motion carries.

9 ATTORNEY COOK:

10 Next before the Board for consideration
11 are six Reports and Recommendations received from the
12 Office of Hearings and Appeal (OHA). These Reports
13 and Recommendations, along with the evidentiary record
14 for each of these matters have been provided to the
15 Board in advance of this meeting. Additionally, in
16 each case the individual subject of the Report and
17 Recommendation, or in one case, the business subject
18 to the Report and Recommendation has been advised that
19 the Board would be taking the matter up today and that
20 they can forward to briefly address the Board when the
21 matter is called. I believe a couple of these people
22 are in the audience today. And I'd ask them to come
23 forward when their matter is announced.

24 The first Report and Recommendation
25 pertains to a request for removal from the Voluntary

1 Self-Exclusion List. On February 27, 2012, an
2 individual with the initials JV entered the Meadows
3 Racetrack and Casino with two family members and
4 requested placement on the Lifetime Self-Exclusion
5 List. On May 11th, 2012, JV filed a request to be
6 removed from the Self-Exclusion List. The OEC filed
7 an Answer objecting to JV's request and a hearing was
8 held on July 11th, 2012. The OEC, along with the
9 Casino Compliance Representative who processed JV's
10 placement on the list were present at that hearing and
11 put on evidence. JV herself was not present.

12 Nevertheless, on July 31st, 2012, JV
13 asked to reopen the record. OHA granted her request
14 and another hearing was held on September 6th, 2012 in
15 which JV participated by telephone. At the July 11th
16 hearing the Casino Compliance Representative which
17 processed JV's placement on the list testified that
18 during the interview with JV she had been asked in the
19 presence of her family members and again alone without
20 her family members present whether placement on the
21 list was voluntary or if she was being coerced in any
22 way. On both occasions, JV indicated to the CCR that
23 she was not being coerced.

24 At the September 6th hearing ---. I
25 should back up and say the request JV made, the

1 written request for a hearing alleged that she, in
2 fact, had been coerced. As indicated, there was a
3 second hearing on September 6th. JV was allowed to
4 testify at that hearing, although in the testimony she
5 put on no evidence of coercion or duress in placement
6 on the list. As a result, a Report and Recommendation
7 was issued by the hearing officer, which recommends
8 that in the absence of any evidence in the record of
9 coercion or duress that JV remain on the
10 Self-Exclusion List.

11 I will note for the record also that JV
12 contacted me indicating that she would have liked to
13 been here today, but she is unable to drive and she
14 couldn't make it. I offered her to put something in
15 writing to me that I will present to the Board, which
16 she did. It's a very brief letter which I'll read
17 into the record. It's dated December 1st, 2012.

18 It says I'd like the Board to review my
19 case for getting back to the casino. I was under a
20 lot of pressure, being made from my --- being made to
21 move from my home to the high-rise, and also was
22 pressured into signing papers for me to not gamble. I
23 wasn't thinking straight when they asked me how long I
24 wanted to be barred from the Meadows, and my niece
25 said to put down lifetime while she was standing

1 there. Maybe I should have said one year, but she
2 thought best, lifetime. I learned my lesson and have
3 things under control, so please give me another
4 chance.

5 This matter is now ripe for the Board's
6 consideration.

7 CHAIRMAN:

8 Any questions or comments from the Board?

9 MR. GINTY:

10 Just one. Do we know the age of JV?

11 ATTORNEY COOK:

12 Eighty-three (83).

13 CHAIRMAN:

14 Any other questions from the Board?

15 MR. GINTY:

16 Was she represented by counsel in any of
17 these?

18 ATTORNEY COOK:

19 She was not, no.

20 CHAIRMAN:

21 Ex-Officio members? May I have a motion?

22 MR. GINTY:

23 Could I ask one more question?

24 CHAIRMAN:

25 Sure.

1 MR. GINTY:

2 Do we have, in your opinion, legally or
3 procedurally any latitude to strike some kind of
4 middle ground, like keeping her on a Self-Exclusion
5 List, making it other than lifetime? We don't have
6 the capacity to do that? We have to take her off the
7 lifetime list by agreeing to her petition, and then
8 maybe condition it with something else?

9 ATTORNEY COOK:

10 Under our regulations as presently
11 drafted, really evidence of coercion or duress is the
12 only way to go to get off the Lifetime Self-Exclusion
13 List.

14 CHAIRMAN:

15 Anyone else? May I have a motion?

16 MR. MCCALL:

17 Mr. Chairman, I move that the Board adopt
18 the Report and Recommendation of the OHA regarding the
19 petition filed by JV to remove from the Voluntary
20 Self-Exclusion List as described by the OCC.

21 CHAIRMAN:

22 Second?

23 MR. MOSCATO:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 JAMES GINTY ABSTAINS

3 ALL OTHER MEMBERS SAY AYE

4 CHAIRMAN:

5 Opposed?

6 MR. GINTY:

7 Mr. Chairman, I would reject the Report
8 and Recommendation of the OHA and remove JV from the
9 Self-Exclusion List for the reasons I've cited before.
10 I think our process lacks any sense of due process. I
11 have some other concerns that go back to whether JV
12 acted knowingly in this instance.

13 CHAIRMAN:

14 Mr. Ginty therefore votes no. The motion
15 passes. Next?

16 ATTORNEY COOK:

17 The next Report and Recommendation before
18 the Board pertains to Nebiyu Bellete. I believe Mr.
19 Bellete may be present today. If he is, I ask him to
20 come forward.

21 On March 21st, 2012, Mr. Bellete was
22 placed on the Board's Involuntary Exclusion List after
23 it was discovered on September 1st, 2011 he past
24 posted bets while gaming at the Sands Bethworks
25 Casino. Per the Board's regulations, an individual

1 placed on the Exclusion List can request early
2 consideration to be removed from the list, but in
3 order to be removed from the list they have to show
4 extraordinary facts and circumstances.

5 On May 30th, 2012, approximately two
6 months after being placed on the list by the Board,
7 Mr. Bellete filed a petition requesting early removal.
8 The OEC filed an Answer objecting to that request. A
9 hearing in this matter was held on August 14th, 2012
10 in which both parties appeared and offered testimony.
11 Mr. Bellete testified at that time that he was
12 requesting removal from the list, primarily because he
13 was unhappy that his picture and identifying
14 information were placed on the Board's website. He
15 also testified that he believed that had the dealer
16 discovered that he had added a late bet and not
17 accepted that bet and taken him out on it that he
18 would not have been labeled a cheat and charged
19 criminally with misconduct.

20 Subsequently, a Report and Recommendation
21 was issued by the OHA, finding the petition as not
22 eligible for early consideration for removal from the
23 list because the extraordinary circumstances threshold
24 was not met. Thereafter, Mr. Bellete filed exceptions
25 to the hearing officer's Report and Recommendation,

1 stating that he thought the Board would give him a
2 better chance to explain his conduct. Obviously, Mr.
3 Bellete is here today. I guess he's like to address
4 the Board prior to consideration of this matter.

5 CHAIRMAN:

6 Sir, are you Mr. Bellete?

7 MR. BELLETE:

8 Yes, I am.

9 CHAIRMAN:

10 Okay. Could you please stand so we can
11 have you sworn? And if you will, state your name for
12 the record and spell your last name for the court
13 reporter.

14 MR. BELLETE:

15 My name is Nebiyu Bellete. Last name,
16 Bellete, B-E-L-L-E-T-E.

17 -----

18 NEBIYU BELLETE, HAVING BEEN FIRST DULY SWORN,
19 TESTIFIED AS FOLLOWS:

20 -----

21 CHAIRMAN:

22 All right. Mr. Bellete, you may sit
23 down. What do you have to tell the Board, sir?

24 A. Well, one thing I want to tell the Board, that the
25 dealer, that they labeled me like post betting. It's

1 an accident. It was not like something that was done
2 deliberately to hurt the State of Pennsylvania or the
3 casino or anybody. Somebody who gambles or someone
4 who goes to work, people make mistakes. I've been to
5 the casino over 150 hours. That six-second incident,
6 that play, and I'm profiled the rest of my life. I
7 want to be a better citizen. If the Board wants me
8 not to go to the casino again, I don't mind because I
9 don't live out of a casino. I live by working.

10 I don't see myself to be portrayed, you know, on
11 the Exclusion List the rest of my life. That would
12 make me the worst citizen I can be. I'll be honest
13 with you guys. For me to be a better citizen and to
14 respect the law and everybody ---. I'm a father with
15 two kids, and my kids are honor kids. And I run a
16 church. Okay. It might be a mistake. If that's a
17 mistake --- I don't really know. But to the fact that
18 that happened, one day maybe I made a mistake.

19 Sometimes we do joke with the dealers because it's a
20 gaming place. It's not a law school or it's not a
21 medical practice that we do that. We gamble, we joke.

22 From time to time people from the other side make
23 mistakes. They have a supervisor, they have a dealer,
24 they have a camera. They could have said oh, that bet
25 is not correct or don't give the money. I'm only

1 there and I went back again to gamble. In fact I lose
2 more money. And the next time I go there, before they
3 stop me playing. And they called me preferred
4 customer ---. They were treating me like a king, and
5 the next day they treated me like a dog.

6 And I'm asking the Board --- I'm a citizen, I'm a
7 very good citizen. I'm a good father. I run a
8 church. I don't like my name to be there. If I have
9 to do anything voluntarily, I will do. But having my
10 name there, I don't think is helping me. I don't
11 think it will help the state. I don't think we have
12 the law perfect here, either. And I can't be judged
13 by a six-second action the rest of my life. I do
14 appreciate you for this hearing.

15 CHAIRMAN:

16 Mr. Roland, on behalf of the OEC do you
17 have anything to tell the Board?

18 ATTORNEY ROLAND:

19 Thank you, Mr. Chairman. Michael Roland,
20 R-O-L-A-N-D. I'm with the OEC. I want to be
21 sympathetic to Mr. Bellete's position. I really do.
22 But I think something that concerns the OEC is even as
23 he sits here before you today, he still can't really
24 take responsibility for what's happened. I'm hearing
25 terms like accident, mistake, playing with the dealer,

1 joking around.

2 During the course of Mr. Bellete's
3 hearing he actually placed blame on really everybody
4 but himself. He blamed the dealer for not catching
5 him. It was the dealer's job to do that. He blamed
6 the casino for basically manufacturing footage, making
7 the footage that showed him using his pen, sliding the
8 bet from one position to another position. He blamed
9 the judge in the criminal system he appeared in front
10 of for essentially blackmailing him. Pay a fine, this
11 will go away. He blamed his attorney who helped him
12 enter the guilty plea on June 5th to these charges
13 because he didn't best represent his interests.

14 I'd like to say something positive on
15 behalf of Mr. Bellete, but I really can't do it. And
16 I think OEC has to stand by its position, and in light
17 of all of that, ask that you adopt the hearing
18 officer's Report and Recommendation. Thank you.

19 CHAIRMAN:

20 Thank you, Mr. Roland. Any questions,
21 comments from the Board? Ex-Officio members?

22 ATTORNEY COOK:

23 If I could make a clarifying remark? The
24 OCC reviewed the Report and Recommendation in this
25 matter. And while we agree with the recommendation of

1 the hearing officer that Mr. Bellete remain on the
2 Exclusion List, the hearing officer makes a finding
3 that Mr. Bellete was ineligible to request removal
4 from the list, and we don't think that's accurate.
5 So, while we do believe the outcome recommended is
6 advisable, we don't necessarily agree with the
7 entirety of the Report and Recommendation.

8 CHAIRMAN:

9 All right. Thank you very much. May I
10 have a motion?

11 MR. MCCALL:

12 One question, just to clarify. He was
13 charged with theft by deception?

14 ATTORNEY COOK:

15 Correct.

16 MR. MCCALL:

17 And did he plead guilty to that?

18 ATTORNEY COOK:

19 He did, yes.

20 ATTORNEY ROLAND:

21 That was actually on June 5th, 2012,
22 Commissioner.

23 CHAIRMAN:

24 Anything else from the Board? Ex-Officio
25 members? May I have a motion?

1 MR. MOSCATO:

2 Mr. Chairman, I move that the Board adopt
3 the Report and Recommendation of the OHA regarding the
4 early removal of Nebiyu Bellete from the PGCB
5 Involuntary Exclusion List in part and that Mr.
6 Bellete not be removed from the Board's Voluntary
7 Exclusion List. I further move that Mr. Bellete's
8 exception to the Report and Recommendation be denied.

9 MR. SOJKA:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 ALL SAY AYE

14 CHAIRMAN:

15 Opposed?

16 NO RESPONSE

17 CHAIRMAN:

18 The motion carries. All right. Mr.
19 Bellete, you're excused.

20 ATTORNEY COOK:

21 The next matter before the Board today,
22 the Report and Recommendation pertaining to Reginald
23 Moore. The OEC commenced an action to place Mr. Moore
24 on the Board's Exclusion List alleging that on March
25 30th, 2012 Mr. Moore, being under the age of 21,

1 entered the Rivers Casino and gamed for a little bit
2 more than two hours. On that same date Mr. Moore was
3 alleged to have exposed himself to another patron
4 while in the men's room.

5 The patron reported the incident to the
6 Rivers Casino and the Pennsylvania State Police on
7 site. They apprehended Mr. Moore, and at that time it
8 was discovered that he was under 21 years of age.
9 Upon further investigation it was also discovered that
10 Mr. Moore had repeatedly entered the Rivers Casino
11 using an identification of a 24-year-old by the name
12 of Reginald Jackson. Mr. Moore was thereafter
13 excluded by the Rivers by their property and charged
14 criminally with his underage gaming. In addition to
15 Mr. Moore's contacts with the Rivers Casino, on June
16 10th, 2012 he was found gaming at the Meadows
17 Racetrack and Casino. He was still under 21 years of
18 age at that point in time as well.

19 Mr. Moore ultimately filed an Answer to
20 the OEC's enforcement action requesting that he be
21 placed on the Exclusion List. He did not admit to all
22 of the facts, although ultimately he did admit to
23 being underage and accessing the two gaming floors at
24 the Rivers and the Meadows.

25 A hearing in this matter was held on

1 September 4th, 2012. And although he received proper
2 notice, Mr. Moore did not attend the hearing.
3 Thereafter, the hearing officer issued a Report and
4 Recommendation recommending that Mr. Moore be placed
5 on the Exclusion List. The OCC concurs that
6 recommendation. And also, we note that there are some
7 confidential --- there is some confidential
8 information in the pleadings in this matter. Birth
9 date, driver's license information, that sort of
10 thing, that we believe should be redacted from the
11 public file.

12 So, with that being said, this matter is
13 ripe for the Board's consideration.

14 CHAIRMAN:

15 Is Reginald Moore in the hearing room?
16 Any questions or comments from the Board? Ex-Officio
17 members? May I have a motion?

18 MR. SOJKA:

19 Yes, Mr. Chairman. I move that the Board
20 adopt the Report and Recommendation of the OHA
21 regarding the placement of Reginald Moore on the PGCB
22 Involuntary Exclusion List as described by the OCC.
23 Additionally, I further move that all confidential
24 information related to Mr. Moore be redacted from the
25 public record.

1 MR. MOSCATO:

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 COOK:

12 The next Report and Recommendation from
13 the OHA pertains to Lafitte Capital Management, LP's
14 petition to be recognized as an institutional
15 investor.

16 On April 4th, 2012, Lafitte Capital
17 Management filed an Institutional Investor Notice of
18 Ownership Form with the Board's Bureau of Licensing
19 due to their ownership of more than five percent, but
20 less than ten percent of the issued and outstanding
21 shares of MTR Gaming Group. As the Board knows, MTR
22 is the publicly-traded parent company of Presque Isle
23 Downs.

24 The Bureau of Licensing initially denied
25 Lafitte's form because they were not registered with

1 the Securities and Exchange Commission as an
2 investment advisor, and therefore, in the Bureau's
3 eyes, not qualified to be considered an institutional
4 investor. Lafitte thereafter filed a petition
5 requesting that the Board recognize them as an
6 Institutional Investor, thereby awarding them
7 licensure averring that they have been registered with
8 the SEC as an Institutional Investor between May 2006
9 through October 2011.

10 However, due to changes in federal law
11 which occurred during 2010, specifically the
12 Dodd-Frank legislation, another threshold for
13 registration of certain investment advisors had
14 changed. And as a relatively small investment
15 advisor, they were no longer --- actually couldn't
16 register with the SEC anymore, but they were --- they
17 had to register with the securities commission in
18 their state of residence, which this case was Texas
19 --- or is Texas. Lafitte did in fact register with
20 the State of Texas.

21 They also state in their petition that
22 their investment in MTR is and will continue to be a
23 passive investment. And in fact, they filed a
24 Schedule 13G with the United States Securities and
25 Exchange Commission indicating that their investment

1 is passive and they have no interest in exercising
2 control.

3 The OEC filed an Answer averring that
4 this was a matter of first impression being the first
5 case with these facts since the enactment of
6 Dodd-Frank, and the OHA thereafter conducted a hearing
7 in this matter on September 5th, 2012. All the
8 parties appeared, represented by counsel. Certain
9 stipulations were put into the record and certain
10 testimony was also taken. And ultimately, the hearing
11 officer issued a Report and Recommendation
12 recommending that Lafitte be treated as an
13 institutional investor.

14 The OCC has thoroughly reviewed this
15 matter and concurs in the recommendation of the
16 hearing officer.

17 CHAIRMAN:

18 Questions or comments from the Board?

19 MR. SOJKA:

20 Since this is a matter of first
21 impression and it is complex, I hope you don't mind if
22 I take a moment?

23 CHAIRMAN:

24 Sure.

25 MR. SOJKA:

1 Had Dodd-Frank not passed were we in
2 essentially a more secure position with regard to
3 their averment that they won't exercise control?

4 ATTORNEY COOK:

5 Well, all Dodd-Frank did was it changed
6 the threshold of assets under management. It
7 increased it from funds of 25 million.

8 MR. SOJKA:

9 But it put them down a different path;
10 right? I mean they had to then go to their own state
11 of residence and file with a different control agency
12 that they had not been deemed to be too small to go
13 the other direction.

14 ATTORNEY COOK:

15 Prior to Dodd-Frank they would be
16 registered with the SEC, which they were, and now
17 they're registered with the Texas Securities
18 Commission. I would note that since being registered
19 with Texas for maybe 18 months or two years, they've
20 actually already had a four-day thorough audit of
21 their practices by the Texas authorities, which, as I
22 understand it, was far more intensive than really
23 anything they experienced with the SEC.

24 MR. SOJKA:

25 So, we might from that answer conclude

1 that this change in procedure or change in path that
2 an institutional investor might follow, at least in
3 the case of those that are housed in Texas, does not
4 make our situation any weaker, but in fact probably
5 gives us more comfort.

6 ATTORNEY COOK:

7 Arguably, yes.

8 MR. SOJKA:

9 Yeah. Now, but we do have a problem,
10 might we, if for example someone else fell into this
11 same range and their residence facility was in another
12 state that maybe has a more lax situation. So, we
13 need to be --- I take from this --- alert to each and
14 every case, treat each one individually. And even
15 though this is a matter of first impression, I don't
16 think it sets a precedent that automatically allows us
17 to go down this path without ---

18 ATTORNEY COOK:

19 No, ---

20 MR. SOJKA:

21 --- checking.

22 ATTORNEY COOK:

23 --- I think in each case a general review
24 of the state authority's securities commission would
25 be undertaken by OEC, I'm quite sure. Additionally, I

1 think these facts are somewhat unique. Most people
2 --- most funds, institutional funds that invest in
3 gaming are much, more large. Lafitte is a really,
4 really small operation.

5 MR. SOJKA:

6 Okay. That's all. Thank you.

7 CHAIRMAN:

8 Any other questions? Ex-Officio members?
9 May I have a motion?

10 MR. FAJT:

11 Mr. Chairman, I move that the Board adopt
12 the Report and Recommendation of the OHA regarding
13 Lafitte Capital Management, LP's petition to be
14 recognized as an institutional investor as described
15 by the OCC.

16 MR. GINTY:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed?

23 NO RESPONSE

24 CHAIRMAN:

25 The motion carries.

1 ATTORNEY COOK:

2 The next matter before the Board today is
3 a Report and Recommendation pertaining to Leonard
4 Smack.

5 Mr. Smack submitted a Gaming Employee
6 Permit Application on July 6th, 2012 to work as a
7 security guard at the SugarHouse Casino. On his
8 application Mr. Smack disclosed that in 2006 he was
9 arrested and ultimately convicted of carrying an
10 unlicensed firearm, which was a felony. Based upon
11 Mr. Smack's 2000 (sic) felony conviction, the OEC
12 recommended his application for Denial because, as the
13 Board knows, in the Gaming Act there is a prohibition
14 against gaming employees from being licensed if
15 there's a felony in the last 15 years.

16 Mr. Smack requested a hearing,
17 nevertheless, which was held on September 18, 2012
18 before the OHA. Both the OEC and Mr. Smack appeared
19 at that hearing, and he was again told by the hearing
20 officer that, really, the Board's hands were tied in
21 this matter and it was a statutory prohibition.

22 Ultimately thereafter, a Report and
23 Recommendation was issued recommending denial of the
24 application for the reasons I've stated. And that is
25 the Report and Recommendation before the Board for

1 consideration.

2 CHAIRMAN:

3 Is Leonard Smack in the hearing room?

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

6 MR. GINTY:

7 Mr. Chairman, I move that the Board adopt
8 the Report and Recommendation the OHA regarding
9 Leonard Smack's Gaming Employee Permit Application as
10 described by the OCC. No discretion.

11 CHAIRMAN:

12 Second?

13 MS. KAISER:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed?

20 NO RESPONSE

21 CHAIRMAN:

22 The motion carries.

23 ATTORNEY COOK:

24 The last Report and Recommendation before
25 the Board today pertains to Bright Wright. I believe

1 Mr. Wright and his counsel are present.

2 By way of background, Mr. Wright
3 submitted a Non-Gaming Employee Application seeking
4 work as an EVS supervisor at the Harrah's Philadelphia
5 Casino. It was discovered during BIE's background
6 investigation that Mr. Wright had an extensive arrest
7 history from 1996 through 2004. Based on that arrest
8 history, the OEC recommended Mr. Wright for a Denial.

9 After receiving his Notice of
10 Recommendation of Denial, Mr. Wright requested a
11 hearing, which was held on October 4th, 2012 before
12 the OHA. Both OEC and Mr. Wright and his counsel
13 appeared at that hearing and offered testimony and
14 exhibits. At the hearing Mr. Wright testified that
15 he's been employed by Harrah's for the past three and
16 a half years in various back-of-house positions that
17 do not require regulation by the Board, and he also
18 entered into the record a series of letters of
19 recommendation from Harrah's staff relative to that.

20 He also testified, essentially, that he's
21 had no contact with law enforcement since he was
22 released from parole, which I believe was about 2008;
23 that he's working for a Bachelor's degree, which I
24 believe he may be close to obtaining; hopes to go into
25 a Master's program after that; and also put into

1 evidence that he helped start a group for at-risk
2 inner city youth and young adults, essentially trying
3 to convey the point to them that a life of crime was
4 really no way to lead their lives, or to proceed with
5 their lives.

6 With all that put into the record, all
7 that mitigating evidence, the OHA issued a Report and
8 Recommendation recommending that Mr. Wright's
9 Application for a Non-Gaming Registration be approved.
10 And that is the Report and Recommendation before the
11 Board. As indicated, Mr. Wright and his counsel are
12 present.

13 CHAIRMAN:

14 Good morning, Mr. Weiss.

15 ATTORNEY WEISS:

16 Good morning, Mr. Chairman. It's a
17 pleasure seeing you.

18 CHAIRMAN:

19 You also, so. Why don't you state your
20 name for the record?

21 ATTORNEY WEISS:

22 Edward J. Weiss, attorney for Mr. Wright.

23 CHAIRMAN:

24 And Mr. Weiss, is your --- I assume it is
25 Mr. Wright.

1 ATTORNEY WEISS:

2 This is Mr. Wright. And he's going to
3 invoke the Judge Higgins' rule, quit while you're
4 ahead.

5 CHAIRMAN:

6 Do you have anything you want to say, Mr.
7 Weiss?

8 ATTORNEY WEISS:

9 Just that it's a pleasure seeing you.

10 CHAIRMAN:

11 All right. With that, any questions or
12 comments from the Board? Ex-Officio members? May I
13 have a motion?

14 MS. KAISER:

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

19 MR. MCCALL:

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 WEISS:

5 Thank you.

6 CHAIRMAN:

7 Thank you, gentlemen. Good luck to you.

8 Take care. Good to see you, Mr. Weiss. Good to see
9 you.

10 ATTORNEY COOK:

11 And with that, that concludes all matters
12 of the OCC.

13 CHAIRMAN:

14 Thank you both. Next will be Susan
15 Hensel, Director of the Bureau of Licensing. Susan?

16 MS. HENSEL:

17 Thank you, Chairman Ryan and members of
18 the Board. Before the Board today is a motion
19 regarding one Manufacturer License, one Manufacturer
20 Designee License, and 466 Principal, Key, Gaming, and
21 Non-Gaming Employees and Gaming Service Provider
22 Qualifiers. In addition, there will be the
23 consideration of 18 Gaming Service Provider
24 Applicants.

25 The first matter for your consideration

1 is the approval of a Table Game Manufacturer License
2 for DEQ Systems Corporation. DEQ is a Canadian
3 corporation headquartered in Quebec. It manufactures
4 table game bonusing products, such as display systems
5 for games including poker, blackjack, and Pai Gow.
6 DEQ is currently the holder of a Conditional Table
7 Game Manufacturer License.

8 The BIE has now completed its full
9 investigation of this company, and the Bureau of
10 Licensing has provided you with the background
11 investigation and suitability report for the
12 conditional license holder. I have provided you with
13 a draft order and ask that the Board consider approval
14 of a Table Game Manufacturer License for DEQ Systems
15 Corporation.

16 CHAIRMAN:

17 Any comments from Enforcement Counsel?

18 ATTORNEY PITRE:

19 Enforcement Counsel has no objection.

20 CHAIRMAN:

21 Any questions or comments from the Board?

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

23 MR. MCCALL:

24 Mr. Chairman, I move that the Board

25 approve DEQ Systems Corporation's Table Game

1 Manufacturer License as described by the Bureau of
2 Licensing.

3 CHAIRMAN:

4 Second?

5 MR. MOSCATO:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed?

12 NO RESPONSE

13 CHAIRMAN:

14 The motion carries.

15 MS. HENSEL:

16 The next matter for your consideration is
17 the approval of a Table Game Manufacturer Designee
18 License for Interblock USA, LC. Interblock USA, LC is
19 headquartered in Las Vegas, Nevada and is a subsidiary
20 of Elektroncek DD, a licensed Table Game Manufacturer.
21 Elektroncek manufactures and distributes multi-station
22 electronic gaming devices, including a multi-station
23 roulette wheel. Interblock intends to sell these
24 devices in Pennsylvania on behalf of Elektroncek.
25 Interblock will also provide maintenance on this

1 equipment.

2 The BIE has completed its investigation
3 of Interblock and the Bureau of Licensing has provided
4 you with a background investigation and suitability
5 report. I am providing you with a draft order and ask
6 that the Board consider the approval of a Manufacturer
7 Designee License for Interblock USA, LC.

8 CHAIRMAN:

9 Any comments from Enforcement Counsel?

10 ATTORNEY PITRE:

11 Enforcement Counsel has no objection.

12 CHAIRMAN:

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

15 MR. MOSCATO:

16 Mr. Chairman, I move that the Board
17 approve Interblock USA, LC's Table Game Manufacturer
18 Designee License as described by the Bureau of
19 Licensing.

20 MR. SOJKA:

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 MS. HENSEL:

6 Next for your consideration is the
7 approval of Gaming Service Provider Qualifications.
8 Prior to this meeting the Bureau of Licensing provided
9 you with a proposed Order for two Gaming Service
10 Provider Qualifiers for George M. Raymond Company and
11 McGregor Industries, Inc. I ask that the Board
12 consider the Order approving these Qualifiers.

13 CHAIRMAN:

14 Any comments from Enforcement Counsel?

15 ATTORNEY PITRE:

16 Enforcement Counsel has no objection.

17 CHAIRMAN:

18 Any questions or comments from the Board?

19 Ex-Officio members? May I have a motion?

20 MR. SOJKA:

21 Yes, Mr. Chairman. I move that the Board
22 approve the issuance of Gaming Service Provider
23 Qualifications as described by the Bureau of
24 Licensing.

25 MR. FAJT:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed?

7 NO RESPONSE

8 CHAIRMAN:

9 The motion carries.

10 MS. HENSEL:

11 Also for your consideration are Temporary
12 Principal and Key Employee Licenses. Prior to this
13 meeting the Bureau of Licensing provider you with an
14 Order regarding the issuance of Temporary Licenses for
15 2 Principals and 17 Key Employees. I ask that the
16 Board consider the Order approving these licenses.

17 CHAIRMAN:

18 Any questions or comments from
19 Enforcement Counsel?

20 ATTORNEY PITRE:

21 Enforcement Counsel has no objection.

22 CHAIRMAN:

23 Questions or comments from the Board?
24 Ex-Officio members? May I have a motion?

25 MR. FAJT:

1 Mr. Chairman, I move that the Board
2 approve the issuance of Temporary Principal and Key
3 Employee Credentials as described by the Bureau of
4 Licensing.

5 MR. GINTY:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed?

12 NO RESPONSE

13 CHAIRMAN:

14 The motion carries.

15 MS. HENSEL:

16 Next are Gaming Permits and Non-Gaming
17 Registrations. Prior to this meeting the Bureau of
18 Licensing provided you with a list of 288 individuals
19 to whom the Bureau has granted Temporary or Full
20 Occupation Permits and 121 individuals to whom the
21 Bureau has granted registrations under the authority
22 delegated to the Bureau of Licensing. I ask that the
23 Board consider a motion approving the Order.

24 CHAIRMAN:

25 Any comments from Enforcement Counsel?

1 ATTORNEY PITRE:

2 Enforcement Counsel has no objection.

3 CHAIRMAN:

4 Any questions or comments from the Board?

5 Ex-Officio members? May I have a motion?

6 MR. GINTY:

7 Mr. Chairman, I move that the Board
8 approve the issuance of Gaming Employee Permits and
9 Non-Gaming Employee Registrations as described by the
10 Bureau of Licensing.

11 CHAIRMAN:

12 Second?

13 MS. KAISER:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed?

20 NO RESPONSE

21 CHAIRMAN:

22 The motion carries.

23 MS. HENSEL:

24 In addition, we have Recommendations of

25 Denial for two Gaming Employee Applications. The

1 Bureau of Licensing has provided you with Orders
2 oppressing these applications who the OEC has
3 recommended for denial. In each case the applicant
4 failed to request a hearing within the specified time
5 period. I ask that the Board consider the Orders
6 denying the Gaming Employee Applications.

7 CHAIRMAN:

8 Any comments from Enforcement Counsel?

9 ATTORNEY PITRE:

10 Enforcement Counsel would request denial
11 in each instance.

12 CHAIRMAN:

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

15 MS. KAISER:

16 Mr. Chairman, I move that the Board
17 approve the denial of Gaming Employee Applications as
18 described by the Bureau of Licensing.

19 MR. MCCALL:

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 MS. HENSEL:

5 We also have for your consideration
6 Withdrawal requests for Key Employee, Gaming, and
7 Non-Gaming Employees. In each case, the license,
8 permit, or registration is no longer required by the
9 applicant. For today's meeting I provided the Board
10 with a list of 3 Key Employee, 23 Gaming, and 8
11 Non-Gaming Employee Withdrawals for approval. I ask
12 that the Board consider the Orders approving this list
13 of Withdrawals.

14 CHAIRMAN:

15 Any comments from Enforcement Counsel?

16 ATTORNEY PITRE:

17 Enforcement Counsel has no objection.

18 CHAIRMAN:

19 Any questions or comments from the Board?

20 Ex-Officio members? May I have a motion?

21 MR. MCCALL:

22 Mr. Chairman, I move that the Board
23 approve the Withdrawals as described by the Bureau of
24 Licensing.

25 CHAIRMAN:

1 Second?

2 MR. MOSCATO:

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 MS. HENSEL:

13 In addition, we have an Order to certify
14 the following Gaming Serving Providers. Four
15 Daughters, LLC, S&F Travel, Inc., and The Norwood
16 Company. I ask that the Board consider the Order
17 approving these Gaming Service Providers for
18 Certification.

19 CHAIRMAN:

20 Any comments from Enforcement Counsel?

21 ATTORNEY PITRE:

22 Enforcement Counsel has no objection.

23 CHAIRMAN:

24 Any questions or comments from the Board?

25 MR. SOJKA:

1 I have one set of questions --- one
2 question relating to the transportation entity here.
3 In recent history we had some real problems with other
4 transportation organizations, having to do with safety
5 checks and things of that sort. At this level and at
6 this time can we say that those matters have been
7 looked into or do we have to wait until after they go
8 into operation for concerns of that ---?

9 MS. HENSEL:

10 We have adjusted our applications for
11 both Registered and Certified Gaming Service Providers
12 who are engaged in bus transportation, and we require
13 them to provide us with certain information regarding
14 their authorization to conduct those kinds of
15 services. And the BIE does check into whether or not
16 the company is able to operate prior to us bringing
17 them to the Board for approval.

18 MR. SOJKA:

19 And you say that's a modification. Can
20 we assume at this point that we have --- before the
21 fact, exercise more oversight of the entity being
22 looked at today than those that got into difficulty
23 with us earlier?

24 MS. HENSEL:

25 Yes. We will not authorize a company to

1 operate until those checks have been performed.

2 MR. SOJKA:

3 Thank you.

4 ATTORNEY PITRE:

5 We met with the federal authorities and
6 we've been working hand in hand with them to ensure
7 that the companies that come in meet their
8 requirements, as well as ours.

9 CHAIRMAN:

10 Any other questions from the Board?
11 Ex-Officio members? May I have a motion?

12 MR. MOSCATO:

13 Mr. Chairman, I move that the Board issue
14 an Order to approve the Applications for Gaming
15 Service Provider Certifications as described by the
16 Bureau of Licensing.

17 MR. SOJKA:

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 Next we have an Order regarding Gaming
4 Service Provider Registrations. The Bureau of
5 Licensing provided you with an Order and an attached
6 list of 11 Registered Gaming Service Providers. I ask
7 that the Board consider the Order registering these
8 Gaming Service Providers.

9 CHAIRMAN:

10 Any comments from Enforcement Counsel?

11 ATTORNEY PITRE:

12 Enforcement Counsel has no objection.

13 CHAIRMAN:

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

16 MR. SOJKA:

17 Mr. Chairman, I move that the Board issue
18 an Order to approve the Applications for Gaming
19 Service Provider Registrations as described by the
20 Bureau of Licensing.

21 MR. FAJT:

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 MS. HENSEL:

7 Also for your consideration we have a
8 Recommendation of Denial for Gaming Service Provider
9 Applicant Transcor, Inc. Prior to this meeting the
10 Bureau of Licensing provider you with an Order
11 addressing this application, who the OEC has
12 recommended for denial. The applicant failed to
13 request a hearing within the specific time period. I
14 ask that that Board consider the Order denying
15 Transcor, Inc.'s Gaming Service Provider Application.

16 CHAIRMAN:

17 Any comments from Enforcement Counsel?

18 ATTORNEY PITRE:

19 Enforcement Counsel requests denial in
20 this instance.

21 CHAIRMAN:

22 Any questions or comments from the Board?

23 Ex-Officio members? May I have a motion?

24 MR. FAJT:

25 Mr. Chairman, I move that the Board issue

1 an Order to deny Transcor Inc.'s Gaming Service
2 Provider Application as described by the Bureau of
3 Licensing.

4 CHAIRMAN:

5 Second?

6 MR. GINTY:

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 MS. HENSEL:

17 In addition, the Bureau of Licensing
18 provided you with Orders regarding Gaming Service
19 Providers that are recommended for the Prohibited
20 Gaming Service Provider List. TD Patrinos Painting
21 and Contracting Company and Virgo III Limited
22 conducted business as Slot Machine Licensees, but
23 failed to complete the application process. Once
24 added to the Prohibited Gaming Service Provider List,
25 no Slot Machine Licensee can do business with these

1 companies. I ask that the Board consider the Orders
2 adding TD Patrinos Painting and Contracting Company
3 and Virgo III Limited to the Prohibited Gaming Service
4 Provider List.

5 CHAIRMAN:

6 Any comments from Enforcement Counsel?

7 ATTORNEY PITRE:

8 Enforcement Counsel has no objection.

9 CHAIRMAN:

10 Any questions or comments from the Board?

11 Ex-Officio members? May I have a motion?

12 MR. GINTY:

13 Mr. Chairman, I move that the Board issue
14 an Order to approve the addition of Gaming Service
15 Providers to the Prohibited Gaming Service Provider
16 List as described by the Bureau of Licensing.

17 CHAIRMAN:

18 Second?

19 MS. KAISER:

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 MS. HENSEL:

5 Finally, the Gaming Service Provider
6 Application for East Coast Construction, Inc. is being
7 recommended for abandonment. This company filed an
8 application with the Board, but failed to complete the
9 application process. A company whose application is
10 abandoned is free to reapply at any time. I ask that
11 the Board consider the Order declaring East Coast
12 Construction, Inc.'s application abandoned.

13 CHAIRMAN:

14 Any questions or comments from the Board?

15 MR. SOJKA:

16 How long have they been sitting there
17 without responding to our requests to complete this?
18 This is a long time?

19 CHAIRMAN:

20 By the way, Cyrus, I assume you don't
21 have any objection?

22 ATTORNEY PITRE:

23 Obviously.

24 MS. HENSEL:

25 They filed their application in July, and

1 they have not been in communication with us.

2 MR. SOJKA:

3 July of this year?

4 MS. HENSEL:

5 Yes, July of this year.

6 MR. SOJKA:

7 But if they suddenly resurface, they
8 could ---.

9 MS. HENSEL:

10 They're free to reapply at any time.

11 MR. SOJKA:

12 Okay.

13 CHAIRMAN:

14 Any other questions from the Board?

15 Ex-Officio members? May I have a motion?

16 MS. KAISER:

17 Mr. Chairman, I move that the Board issue
18 an Order to approve the abandonment of East Cost
19 Construction, Inc.'s Gaming Service Provider
20 Application as described by the Bureau of Licensing.

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 MS. HENSEL:

7 That concludes the matters of the Bureau
8 of Licensing.

9 CHAIRMAN:

10 Thank you very much, Susan. Cyrus?

11 ATTORNEY PITRE:

12 Okay. We have ten matters for the
13 Board's consideration today, consisting of two Consent
14 Agreements, one Revocation, six Involuntary
15 Exclusions.

16 The first matter to be considered by the
17 Board is a Consent Agreement between the Office of
18 Enforcement Counsel and HSP Gaming, LP doing business
19 as SugarHouse Casino. Michael Sklar is here on behalf
20 of SugarHouse Casino. Mr. Jim Armstrong will present
21 OEC's presentation of this matter. The first matter
22 is the Involuntary Exclusion Violation Consent
23 Agreement. I turn it over to Mr. Armstrong.

24 ATTORNEY ARMSTRONG:

25 Good morning, Chairman.

1 CHAIRMAN:

2 Good morning.

3 ATTORNEY ARMSTRONG:

4 The next matter on the agenda for the
5 Board's consideration is a Consent Agreement reached
6 between the OEC and SugarHouse Casino in regard to a
7 subject on the Board's Involuntary Exclusion List
8 being permitted to gamble at SugarHouse Casino.

9 On May 11th of 2012, a SugarHouse patron
10 playing blackjack requested a Table Games Supervisor
11 begin rating him. The patron presented a Pennsylvania
12 driver's license for identification. The Table Games
13 Supervisor entered the subject's name into
14 SugarHouse's casino management system. The subject's
15 name generated a mandatory read response from the
16 system and indicated that the subject was placed on
17 the Board's Involuntary Exclusion List on March 23rd
18 of 2011.

19 The supervisor brought the information to
20 the attention of the Pit Manager. He was concerned
21 that the person listed in the system was not the
22 patron. The primary concern was that dates of birth
23 were different. There was also concern that there was
24 no photograph in the system. The Pit Manager
25 contacted the security and surveillance departments,

1 who advised that they had no record of the subject in
2 the SugarHouse record system for either department.
3 Relying on this information, the subject was issued a
4 Rush Rewards card.

5 None of the SugarHouse employees involved
6 in this matter ever checked the Board's Involuntary
7 Exclusion List. The patron was on the Board's
8 Involuntary Exclusion List and had been placed there
9 on March 23rd, 2011. The record of the subject being
10 on the Board's Involuntary List was available, had the
11 list been checked. SugarHouse records revealed that
12 the subject bought in for \$500 and accumulated \$700 in
13 winnings before leaving SugarHouse Casino with \$1,200.

14 On May 23rd, 2012, the subject returned
15 to SugarHouse. In the second incident the subject was
16 quickly identified by SugarHouse personnel as a person
17 on the Board's Involuntary Exclusion List. The
18 security officers arrived within minutes and removed
19 the subject from the blackjack game. He had played
20 blackjack for 11 minutes and lost all of the \$130 he'd
21 brought in with him. The subject was charged by the
22 Pennsylvania State Police with defiant trespass and
23 escorted from the property.

24 Commissioners, the OEC and SugarHouse
25 Casino respectfully request the Board approve the

1 proposed Consent Agreement and Stipulation Settlement
2 which require SugarHouse to institute policies and
3 training to prevent a similar violation of the Board's
4 Involuntary Exclusion List and SugarHouse pay a civil
5 penalty of \$5,000 and \$2,500 in costs for the costs
6 incurred by BIE and OEC in regard to this matter.
7 Thank you. I'd be glad to answer any questions you
8 may have.

9 CHAIRMAN:

10 Thank you, Mr. Armstrong. Mr. Sklar, why
11 don't you put your name on the record for the court
12 reporter?

13 ATTORNEY SKLAR:

14 Sure. Good morning, Mr. Chairman,
15 Commissioners. Michael Sklar, S-K-L-A-R, on behalf of
16 SugarHouse Casino. This is clearly a failure by
17 surveillance and security at SugarHouse to follow the
18 procedure that's in place. They should have checked
19 the Self-Excluding --- I'm sorry, the Involuntary
20 Exclusion List and they would have picked up that this
21 individual was on there. Subsequently, all security
22 personnel have been advised what the policy is, and
23 hopefully this won't happen again in the future.

24 CHAIRMAN:

25 Any comment to that, Mr. Armstrong?

1 ATTORNEY ARMSTRONG:

2 I have nothing.

3 CHAIRMAN:

4 Comments or questions from the Board?

5 MR. SOJKA:

6 I think everybody is on the same page
7 here, because basically this is an example where our
8 Self-Exclusion List really is protecting the casino.
9 I mean the casino is the potential victim in these
10 situations. And so clearly, the casino's incented to
11 do exactly what you've agreed to do. This is 180
12 degrees different from what we run into with underage
13 drinkers and gamers.

14 CHAIRMAN:

15 Anyone else on the Board? Ex-Officio
16 members? May I have a motion?

17 MR. MCCALL:

18 Mr. Chairman, I move that the Board issue
19 an Order to approve the Consent Agreement between the
20 OEC and HSP Gaming, LP as described by the OEC.

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 ATTORNEY ARMSTRONG:

9 And Chairman, the next matter on the
10 agenda for the Board's consideration is the Consent
11 Agreement reached between the OEC and SugarHouse
12 Casino in regard to two subjects on the Board's
13 Self-Exclusion List being permitted to gamble at
14 SugarHouse Casino.

15 The first incident, in July the Board's
16 Casino Compliance Bureau reported to the OEC that a
17 person on the Board's Self-Exclusion List was observed
18 gambling at SugarHouse Casino. It was found that the
19 self-excluded person placed himself on the Board's
20 Self-Exclusion List at SugarHouse on January 4th of
21 this year. The investigation revealed that the patron
22 was at SugarHouse for four days, from June 29th to
23 July 3rd. Surveillance evidence showed that the
24 self-excluded person played craps during the four-day
25 period. He alternated between tables, but was

1 observed in the floor during the entire time of play.
2 The patron was removed from a craps game. SugarHouse
3 personnel confiscated \$84 in gaming chips from the
4 self-excluded person. The patron was turned over to
5 the Pennsylvania State Police, who charged him with
6 defiant trespass.

7 The investigation also revealed that the
8 self-excluded person violated the Board's Self-
9 Exclusion list on January 16th of this year.
10 Surveillance evidence in regard to that investigation
11 revealed the self-excluded person playing craps and
12 slots at SugarHouse on various times over two days.
13 In that incident, \$80 was confiscated from the
14 self-excluded person and he was turned over to the
15 State Police, who charged him with defiant
16 trespassing.

17 The second incident. In August the
18 Board's Casino Compliance Bureau reported to the OEC
19 that a person on the Board's Self-Exclusion List was
20 observed gambling at SugarHouse Casino. The
21 investigation revealed that on August 20th, 2012 their
22 Surveillance Manager revealed that a self-excluded
23 person was gambling at an Ultimate Texas Hold 'Em
24 game. The surveillance evidence showed that the
25 self-excluded person played slots for nearly an hour

1 before he played on the Ultimate Texas Hold 'Em game,
2 buying in for \$300. The patron was asked by a table
3 games supervisor if he wanted to be rated. He agreed.
4 The table games supervisor then put the patron's
5 information into SugarHouse Casino management system
6 and learned that the patron had placed himself on the
7 Board's Self-Exclusion List for one year at Parx
8 Casino on May 17th of 2012.

9 A SugarHouse security officer removed the
10 self-excluded person from the game. However, before
11 taking the self-excluded person to the security
12 management office, a security officer escorted the
13 patron to a SugarHouse cashier window to allow the
14 self-excluded person to cash out three gaming chips
15 valued at \$25 each and a \$100 slot voucher. The
16 patron lost \$225 on the Ultimate Texas Hold 'Em game
17 before he was removed by security. The self-excluded
18 person was turned over to the Pennsylvania State
19 Police and charged with defiant trespass.

20 The OEC and SugarHouse Casino
21 respectfully request the Board approve the proposed
22 Consent Agreement and Stipulation Settlement which
23 requires SugarHouse to institute policy training to
24 prevent violations of the Board's Self-Exclusion List
25 and let SugarHouse pay a civil penalty of \$10,000 and

1 \$25 (sic) in costs for the costs incurred by the BIE
2 and the OEC. Thank you.

3 ATTORNEY PITRE:

4 It's \$2,500 in costs.

5 ATTORNEY ARMSTRONG:

6 What'd I say? \$2,500. Thank you.

7 CHAIRMAN:

8 Mr. Sklar?

9 ATTORNEY SKLAR:

10 Thank you. I have Rose Cook here. She
11 is the Vice President of Gaming. If the Board has any
12 questions. The two different matters --- the second
13 one is the typical self-exclusion type of incident
14 that occurs where ID is presented and there's an
15 opportunity for the casino personnel to check and make
16 sure that the person is not self-excluded here. The
17 person was flagged as self-excluded. It was a failure
18 by the security officer. He should not have been
19 permitted --- the self-excluded individual should not
20 have been permitted to cash out. That policy has been
21 reiterated to all security personnel, what the proper
22 protocol is.

23 The first incident there was no
24 interaction, there was no ID that was presented. So,
25 in that case it's the recognition of personnel by

1 reviewing the self-excluded photo books that are
2 assembled and provided to surveillance, security, and
3 marketing. And unfortunately, this person wasn't
4 picked up sooner than he was.

5 Let me say, SugarHouse certainly
6 recognizes the importance of impulsive gaming and
7 seriousness --- and the seriousness and commitment to
8 the program. To try to prevent something like this
9 occurring in the future, SugarHouse is going to
10 require table game personnel, supervisors, managers to
11 also review the self-excluded books in the hope that
12 they'll have recognition and they'll be part of the
13 personnel, the team that'll hopefully flag this before
14 someone's in there this long. And like I said, Ms.
15 Cook is available if anyone has any questions.

16 CHAIRMAN:

17 Any questions or comments from any
18 members of the Board?

19 MR. SOJKA:

20 Four days that guy was in there, in the
21 same game?

22 ATTORNEY SKLAR:

23 No.

24 MR. SOJKA:

25 Oh, he was moving around?

1 ATTORNEY SKLAR:

2 He was moving around. It wasn't
3 continuous ---

4 MR. SOJKA:

5 I see.

6 ATTORNEY SKLAR:

7 --- play.

8 MR. SOJKA:

9 So, he wouldn't necessarily then be
10 flagged by, for example, the same dealer coming on
11 another shift and finding the guy sitting on the same
12 chair? It was a little more subtle than that?

13 ATTORNEY SKLAR:

14 It was more subtle. And Rose can get
15 into more detail if you want. But he was completely
16 non-descript. He wasn't playing, you know, large
17 hands. His buy-in was low, he wasn't disruptive, he
18 wasn't, you know, drinking. He was, you know, just a
19 regular guy. There was no huge red flag where people
20 would have said, you know, we'd better watch this guy.
21 And unfortunately, like I said, the recognition didn't
22 occur until ---.

23 MR. SOJKA:

24 So, the only way he would have been
25 picked up would have been by the self-exclusion match

1 up?

2 ATTORNEY SKLAR:

3 Correct.

4 MR. SOJKA:

5 You say they looked at the picture ---
6 they were looking at the picture books. How many
7 pictures do people have to go through at this point?
8 That list is getting long.

9 ATTORNEY SKLAR:

10 As of Monday the list was up to 4,624.

11 MR. SOJKA:

12 And they're thumbing through trying to
13 see if there's a match?

14 ATTORNEY SKLAR:

15 The policy at SugarHouse is, I think, at
16 different points of shifts the personnel are required
17 to look through the books and hopefully they'll recall
18 --- they'll have to recall and match a face to, you
19 know, a person they see. It's not a great system, but
20 that's ---.

21 MR. SOJKA:

22 Maybe I need to ask Ms. Cook this. But
23 isn't there any effort to try to help the surveillance
24 people by in some way subdividing that picture book?
25 I mean for example, is half of it men and half of it

1 women? Is there an age distinction or something, or
2 do you just start looking at pictures?

3 ATTORNEY SKLAR:

4 I don't know. Rose, because she's table
5 games, she doesn't see ---.

6 CHAIRMAN:

7 Perhaps she can come forward and answer
8 that question. Ma'am, could you just stand there for
9 a minute and just state your name for the record and
10 spell your last name?

11 MS. COOK:

12 Rosemarie Cook, C-O-O-K.

13 CHAIRMAN:

14 And just raise your right hand so you can
15 be sworn.

16 -----

17 ROSEMARIE COOK, HAVING BEEN FIRST DULY SWORN,
18 TESTIFIED AS FOLLOWS:

19 -----

20 CHAIRMAN:

21 You may sit down.

22 MR. SOJKA:

23 We've gotten off the subject, clearly, of
24 the Consent Agreement. For that, I apologize. But
25 we're very, very serious about and concerned about the

1 self-exclusion issue and the protection of persons who
2 recognize in themselves a tendency toward a problem
3 gaming. If you put yourself on that list, you must
4 --- at some level you're concerned about it. And I'm
5 worried about the mechanics of this. It's no problem
6 with the slot machines. Somebody's got to play a
7 card. Bingo, you've got it; right? There's no
8 problem if somebody wins a jackpot and has to give up
9 their information in order to get money.

10 But I'm concerned about this non-descript
11 person who's raising no attention, and the only way
12 we're going to find this person at a table game is to
13 make a match up. Is it practical to think we could do
14 it with 4,000 pictures in front of your people? And
15 that list will be growing.

16 A. It's difficult. That is a very difficult thing.
17 The best thing we can do --- I mean I think it's
18 incumbent upon us as --- you know, as a company to
19 educate our staff to look for signs of that type of
20 behavior. And once you recognize the signs and you
21 identify that, then you could go to that book and
22 start looking.

23 MR. SOJKA:

24 And is that book in any way subdivided to
25 help the search?

1 A. Right now in table games it doesn't exist yet.
2 The book that I've seen in surveillance does not ---.
3 The book is sorted by the date of the self exclusion.

4 MR. SOJKA:

5 So, that's not terribly helpful to the
6 person doing the search. I'm wondering if there's
7 been any thought at all to possibly doing some kind of
8 automated facial recognition approach, which might be
9 the next step if this thing goes completely out of
10 practical control. I expect that's not inexpensive.

11 ATTORNEY SKLAR:

12 It would be quite costly.

13 MR. SOJKA:

14 Yeah. So, you know, in an effort to try
15 to forestall moving to something like that, I'd love
16 to see you find ways to expedite finding these people,
17 because I think it would be daunting to look at 4,000
18 to try to match somebody up.

19 CHAIRMAN:

20 It sounds like we have a conundrum.
21 You're in a very difficult situation in the casino
22 with this situation; is that correct?

23 A. Yes. When we encounter this type of thing ---.
24 First of all, we are a high-frequency market
25 allocation. You understand? The customer --- they

1 are high-frequency visitors. It is not uncommon to
2 see a customer in there four, five, six days in a row.
3 So, you have a customer that's non-descript, \$100
4 buy-in, very low, white t-shirt with nothing on it,
5 just a plain what t-shirt in jeans. There's at least
6 tens or dozens of people that look like that every day
7 in there. And again, they come in and will play every
8 day.

9 This customer is changing games, moving around the
10 casino floor, not making any kind of disruptive
11 behavior, nothing to draw attention. Sometimes
12 playing with a group of males, one time playing with a
13 female, several times not playing at all, just in the
14 vicinity, you know, of the games. Again, no alcohol
15 issues here.

16 And the crew changes, so you look at the staffing.
17 Every three hours we have a new staff comes on. And
18 then every day that staff also changes locations
19 within the casino. So, you're always rotating your
20 staff around. So, there was nothing there that really
21 called our attention to it. And I think that's the
22 question that we all kept asking ourselves in review
23 of this, was there something there that, you know,
24 that we missed. And there really was no behavior that
25 was out of the ordinary.

1 MR. SOJKA:

2 And again, I think you're seeing that
3 we're not being unsympathetic to the problem you're
4 facing. What I think this Board and the licensees
5 together are facing what may become a very difficult
6 problem. Because if our job is to protect one of the
7 groups that really needs to be protected, after seeing
8 within themselves a problem, reach out and then we
9 don't enforce. So, I would urge you to be thinking
10 about ways that would make sense for you that would
11 also do a better job of being able to pick up those
12 people. It's going to be --- it already is a serious
13 problem. It's going to be a much more serious problem
14 if we don't figure out how to handle it.

15 A. Yes, I understand.

16 CHAIRMAN:

17 Mr. Fajt?

18 MR. FAJT:

19 Thank you, Mr. Chairman. Ms. Cook, I too
20 am troubled by the fact that somebody could be in your
21 casino for 91 hours straight and no one in your
22 facility picks up on that. I hear what you're saying.
23 Non-descript, you know, looks like other people in the
24 casino. You know, this Board has cautioned casinos in
25 the past that, you know, if you see a player at a slot

1 machine or somebody recognizes somebody on a shift
2 that's there for eight hours, you know, tap them on
3 the shoulder, say hey, why don't you take a break for
4 a while. You know, for somebody to be in your
5 facility for 91 hours is stunning. It's stunning.
6 Your place is not that big. I've been down there
7 several times, as have the other Board members.

8 I guess my question is, you know, what
9 have you done with your staff to retrain them to look
10 for things like this so that it doesn't happen again?

11 A. We did take all of the table game staff through
12 responsible gaming training. And that's very recent.
13 They just completed that. And we will continue to do
14 that on an annual basis. That's not just a one time.

15 MR. FAJT:

16 And what does that mean?

17 A. It is a full course in things to look for. Things
18 like that, to recognize when you come in --- like you
19 said, so you come in the next day and you say hey,
20 wait a minute, I saw that guy yesterday in the same
21 shirt. Let somebody know. So, it's a matter of
22 teaching our staff to look, recognize, and inform.

23 MR. FAJT:

24 And how long is that training?

25 A. It's about an hour.

1 MR. FAJT:

2 For each person?

3 A. Each person.

4 MR. FAJT:

5 Again, you know, I agree with Gary, that
6 the self-exclusion book is really unmanageable at this
7 point. I think we all recognize you have 4,600 names
8 in it. If you detect somebody just by face
9 recognition that's more coincidence than anything
10 else. But again, I cannot stress enough my concern
11 about somebody being in a facility for 91 hours
12 without --- going unrecognized.

13 CHAIRMAN:

14 Any other questions or comments from the
15 Board? Ex-Officio members? May I have a motion?

16 MR. MOSCATO:

17 Mr. Chairman, I move that the Board issue
18 an Order to approve the Consent Agreement between the
19 OEC and HSP Gaming, LP as described by the OEC.

20 MR. SOJKA:

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. Thank you, ma'am.

5 ATTORNEY PITRE:

6 The next matter we have for the Board's
7 consideration is the Revocation of Stephon Coker's
8 Non-Gaming Employee Registration. That matter will be
9 presented by Assistant Enforcement Counsel, Cassandra
10 Fenstermaker.

11 CHAIRMAN:

12 Good morning, Cassandra.

13 ATTORNEY FENSTERMAKER:

14 Good morning, Chairman Ryan,
15 Commissioners. I'm Cassandra Fenstermaker,
16 F-E-N-S-T-E-R-M-A-K-E-R, Assistant Enforcement
17 Counsel.

18 On July 24th, 2012, the OEC filed a
19 Complaint for Revocation against Stephon Coker, who
20 was issued a Non-Gaming Registration for a bus person
21 position at Harrah's Philadelphia and he subsequently
22 pled guilty to one count of theft by unlawful taking
23 on June 18th, 2012. The Enforcement complaint was
24 served on Mr. Coker by first class and certified mail.
25 He did not respond to the complaint within 30 days,

1 and therefore, all facts alleged in the complaint are
2 deemed admitted.

3 The OEC filed a request for Default
4 Judgment on October 18, 2012, and at this time
5 requests that Stephon Coker's Non-Gaming Employee
6 Registration be revoked.

7 CHAIRMAN:

8 Is Stephon Coker in the hearing room?
9 Any questions or comments from the Board? Ex-Officio
10 members? May I have a motion?

11 MR. SOJKA:

12 Mr. Chairman, I move that the Board issue
13 an Order to approve the Revocation of Stephon Coker's
14 Non-Gaming Employee Registration as described by the
15 Office of Enforcement Counsel.

16 MR. FAJT:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed?

23 NO RESPONSE

24 CHAIRMAN:

25 The motion carries.

1 ATTORNEY FENSTERMAKER:

2 Thank you.

3 CHAIRMAN:

4 Thank you, Cassandra.

5 ATTORNEY PITRE:

6 The next seven matters that we have are
7 to place individuals on the Board's Involuntary
8 Exclusion List. The first matter is to place Mr.
9 James F. Lewis on the Board's Involuntary Exclusion
10 List. Mr. Armstrong will present that matter on
11 behalf of the OEC.

12 ATTORNEY ARMSTRONG:

13 Chairman and Commissioners. On January
14 12th of this year the OEC filed a petition for
15 placement on the Exclusion List with the Board against
16 James Lewis. The basis for the petition was Mr. Lewis
17 being charged by the Pennsylvania State Police and the
18 Philadelphia District Attorney's Office with
19 attempting to rob the SugarHouse Casino on October
20 24th of 2011.

21 At 7:49 p.m. on the night of October
22 24th, 2011 Mr. Lewis approached the main cage in
23 SugarHouse Casino. Mr. Lewis placed his left hand in
24 his jacket pocket and pointed it at one of the
25 cashiers and told the cashier to give him the money in

1 the cash drawer and to not hit the alarm. When a
2 second cashier turned around and observed Mr. Lewis,
3 Mr. Lewis reportedly told the first cashier that he
4 was only kidding, and he walked away from the main
5 cage.

6 The cashier reported the incident. Mr.
7 Lewis was taken into custody by SugarHouse security
8 and Philadelphia Police. He was subsequently turned
9 over to the Pennsylvania State Police, who charged Mr.
10 Lewis with criminal intent, robbery, and six other
11 offenses. As part of the plea agreement, Mr. Lewis
12 pled guilty to the robbery charge. The other charges
13 were not prosecuted. On January 19th, 2012, Mr. Lewis
14 was convicted of the robbery charge in Philadelphia
15 Common Pleas Court and sentenced to five to ten years
16 in prison.

17 OEC had some concern about our initial
18 service to Mr. Lewis, that it was not effective.
19 Accordingly, on April the 25th OEC served Mr. Lewis
20 with a petition. This service was accomplished by
21 regular and certified mail to Mr. Lewis's new address
22 at the state correctional facility in Camp Hill. Mr.
23 Lewis has been properly served by regular and
24 certified mail with the petition. Mr. Lewis did not
25 respond or request a hearing in regard to the

1 petition, or respond in any manner. Mr. Lewis was
2 properly served with the OEC's request for Judgment
3 upon Default, and he did not respond to that in any
4 way.

5 Based on the forgoing, the OEC requests
6 that the Board place Mr. Lewis on the Involuntary
7 Exclusion List at this time. Thank you.

8 CHAIRMAN:

9 I'm sure Mr. Lewis is still unavoidably
10 detained. Any questions or comments from the Board?
11 Ex-Officio members? May I have a motion?

12 MR. FAJT:

13 Yes, Mr. Chairman. I move that the Board
14 issue an Order to approve the addition of James F.
15 Lewis to the PGCB Involuntary Exclusion list as
16 described by the OEC.

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 ARMSTRONG:

3 Thank you.

4 ATTORNEY PITRE:

5 The next matter on the Board's agenda is
6 to place Mr. Harold Brantley, III on the Board's
7 Involuntary Exclusion List. Ms. Alexandra Sacavage,
8 Assistant Enforcement Counsel, will present the matter
9 on behalf of the OEC.

10 ATTORNEY SACAVAGE:

11 Good morning, Chairman Ryan, ---

12 CHAIRMAN:

13 Good morning.

14 ATTORNEY SACAVAGE:

15 --- members of the Board. My name is
16 Alexandra Sacavage, S-A-C-A-V-A-G-E, on behalf of the
17 OEC.

18 This matter is a request for placement on
19 the Board's Excluded Persons List today involving
20 Harold Lee Brantley, III. On August 6th, 2012, the
21 OEC filed a petition to place Mr. Brantley on the
22 Exclusion List because he was charged with a summary
23 offense of defiant trespass when he accessed the
24 gaming floor and played a slot machine in Hollywood
25 Casino.

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

9 On October 12, 2012, the OEC filed a
10 request to enter Judgment upon Default. The matter is
11 now before the Board to consider the placement of
12 Harold Lee Brantley, III on the Board's Excluded
13 Persons List.

14 CHAIRMAN:

15 Is Harold Brantley, III in the hearing
16 room? May I have a motion?

17 MR. GINTY:

18 Mr. Chairman, I move that the Board issue
19 an Order to approve the addition of Harold Brantley,
20 III to the Board's Involuntary Exclusion List as
21 described by the OEC on the condition that may he
22 petition for removal from the list on his 22nd
23 birthday.

24 CHAIRMAN:

25 Second?

1 MS. KAISER:

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 SACAVAGE:

12 Thank you.

13 ATTORNEY PITRE:

14 The next matter on the Board's agenda is
15 the placement of Mr. Michael Zimorwicz on the Board's
16 Involuntary Exclusion List. That matter will be
17 presented by Assistant Enforcement Counsel Glenn
18 Stuart.

19 ATTORNEY STUART:

20 Good morning.

21 CHAIRMAN:

22 Good morning, Glenn.

23 ATTORNEY STUART:

24 Glenn Stuart for the Office of
25 Enforcement Counsel. S-T-U-A-R-T.

1 Present before the Board is a first
2 consideration petition to place Michael Zimorwicz on
3 the Board's Exclusion List. On May 28th, 2012 at
4 approximately 4:28 p.m. Mr. Zimorwicz arrived in his
5 automobile at the outdoor parking lot of Mount Airy
6 Casino Resort. Mr. Zimorwicz had his two daughters in
7 the vehicle with him at the time. His daughters were
8 ages three and five on that date.

9 After parking the vehicle Mr. Zimorwicz
10 exited the vehicle, leaving his two daughters locked
11 inside the vehicle with the vehicle running. Mr.
12 Zimorwicz then entered Mount Airy's gaming floor and
13 played at two slot machines for approximately 22
14 minutes. The State Police subsequently charged Mr.
15 Zimorwicz with two counts of endangering the welfare
16 of children and two counts of leaving an unattended
17 child in a motor vehicle.

18 In light of this incident, on September
19 4th --- excuse me, on September 24th, 2012 the OEC
20 field a petition seeking to place Mr. Zimorwicz on the
21 Board's Exclusion List. OEC served this petition on
22 Mr. Zimorwicz via certified mail and first class US
23 mail. The certified mail return receipt was returned
24 to OEC on October 1st, 2012, showing that service was
25 achieved on Mr. Zimorwicz on September 26th, 2012.

1 The petition directed Mr. Zimorwicz to request a
2 hearing within 30 days of its receipt. Mr. Zimorwicz
3 did not request a hearing on the matter, therefore,
4 Mr. Zimorwicz waived his right to a hearing and all
5 facts alleged in the petition are deemed admitted.

6 On November 5th, 2012, OEC filed a
7 request to enter Default Judgment in this matter. As
8 such, the placement of Michael Zimorwicz on the
9 Board's Exclusion List is now ripe for the Board's
10 consideration.

11 CHAIRMAN:

12 Is Michael Zimorwicz in the hearing room?
13 Any questions or comments from the Board? Ex-Officio
14 members? May I have a motion?

15 MS. KAISER:

16 Mr. Chairman, I move that the Board issue
17 an Order to approve the addition of Michael Zimorwicz
18 to the Pennsylvania Gaming Control Board Involuntary
19 Exclusion List as described by the OEC.

20 MR. MCCALL:

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 STUART:

6 Thank you.

7 CHAIRMAN:

8 Thank you.

9 ATTORNEY PITRE:

10 The next matter for the Board's
11 consideration is the placement of Mr. Jim J. Bryant,
12 Jr. on the Board's Involuntary Exclusion List. This
13 matter will be presented by Assistant Enforcement
14 Counsel Michael Roland.

15 ATTORNEY ROLAND:

16 Good morning again, Mr. Chairman, members
17 of the Board. Michael Roland for the OEC. The OEC
18 filed a petition on March the 9th, 2012 to place Mr.
19 Jim J. Bryant, Jr. on the Exclusion List for using
20 another person's identification to gain access to the
21 gaming floor at Sands while underage. The petition
22 was properly served upon Mr. Bryant by both certified
23 and first class mail. Mr. Bryant did not respond to
24 the filing in any way. Due to Mr. Bryant's failure to
25 respond, the averments in the petition are deemed to

1 be admitted as fact and his right to a hearing has
2 been waived.

3 On August the 9th, 2012, the OEC filed a
4 request to enter Judgment upon Default. The matter is
5 now before the Board to consider placement of Jim
6 Bryant, Jr. on the Board's Exclusion List. Mr. Bryant
7 was charged with carrying false identification. This
8 is a summary offense. The case is yet to be disposed
9 of, as of October 17th, which is the last entry on the
10 docket. It shows that it's still awaiting a plea.
11 Mr. Bryant did not game and he did not drink while on
12 the gaming floor.

13 OEC believed that the exclusion was
14 appropriate in this matter because of the technical
15 violation. Secondly, because of the efforts he made
16 to get on the floor. He was refused access the first
17 time at the bus entrance. Returned 40 minutes later
18 with someone else's proper ID and then gained access.

19 CHAIRMAN:

20 Is Jim J. Bryant, Jr. in the hearing
21 room? Any questions or comments from the Board?
22 Ex-Officio members? May I have a motion?

23 MR. MCCALL:

24 Mr. Chairman, I move that the Board issue
25 an Order to approve the addition of Jim Bryant, Jr. to

1 the Pennsylvania Gaming Control Board's Involuntary
2 Exclusion List as described by the OEC on the
3 condition that he may petition for removal from the
4 list after one year.

5 CHAIRMAN:

6 Second?

7 MR. MOSCATO:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed?

14 NO RESPONSE

15 CHAIRMAN:

16 The motion carries.

17 ATTORNEY ROLAND:

18 The next matter is a request to place
19 Manual Robinson Rodriguez on the Board's excluded
20 person's list. The OEC filed a petition on March the
21 9th, 2012 to place Mr. Rodriguez on the Exclusion List
22 for brandishing a knife while on the gaming floor and
23 gesturing in a threatening manner towards another
24 patron.

25 The petition was properly served upon Mr.

1 Rodriguez to the address listed on the criminal
2 complaint filed against him by both certified and
3 first class mail. Mr. Rodriguez did not respond to
4 the filing in any way, and due to Mr. Rodriguez's
5 failure to respond, the averments in the petition are
6 deemed to be admitted as fact and his right to a
7 hearing has been waived.

8 On August 9th, 2012, the OEC filed a
9 request to enter Judgment upon Default. The matter is
10 now before the Board to consider the placement of
11 Manuel Robinson Rodriguez on the Board's Excluded
12 Persons List. The charges filed against Mr. Rodriguez
13 were possession of an instrument of crime, which is an
14 M1; simple assault, M2; recklessly endangering another
15 person, M2; disorderly conduct; harassment; and public
16 drunkenness.

17 The case was disposed of on September the
18 28th, 2012 and Mr. Rodriguez entered a guilty plea to
19 the possession --- possessing an instrument of crime,
20 the M1, the public drunkenness, and there was an
21 amended charge of possession of drug paraphernalia,
22 which was also added. He was sentenced to four to
23 twelve months in the county jail.

24 CHAIRMAN:

25 Is Manuel Robinson Rodriguez in the

1 hearing room? Any questions or comments from the
2 Board? Ex-Officio members? May I have a motion?

3 MR. MOSCATO:

4 Mr. Chairman, I move that the Board issue
5 an order to approve the addition of Manual Robinson
6 Rodriguez to the PGCB Involuntary Exclusion List as
7 described by the OEC.

8 MR. SOJKA:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 ALL SAY AYE

13 CHAIRMAN:

14 Opposed?

15 NO RESPONSE

16 CHAIRMAN:

17 The motion carries.

18 ATTORNEY ROLAND:

19 Thank you.

20 CHAIRMAN:

21 Thank you.

22 ATTORNEY PITRE:

23 The next two matters are matters of first
24 impression for this Board. Mr. Jeff Hoeflich will
25 present the facts. It's the same factual scenarios,

1 so we'll only present the facts once. We won't put
2 the Board through the ordeal of listening to Mr.
3 Hoeflich's voice more than it has to. And also, we'd
4 ask that the Board place Ms. Alondzae Reeves and Mr.
5 Raymond Reeves on the Board's Involuntary Exclusion
6 List. Mr. Hoeflich will present the matter.

7 ATTORNEY HOEFLICH:

8 Good morning, Chairman Ryan, members of
9 the Board. Jeff Hoeflich on behalf of the OEC.
10 H-O-E-F, as in Frank, L-I-C-H.

11 On July 5th, 2012, at approximately 1:35
12 a.m. a Valley Forge security officer heard noises of a
13 child crying from inside a room at Valley Forge Hotel.
14 Security guard attempted to contact the occupants of
15 the room by way of telephone, but no one answered.
16 Valley Forge security knocked on the door of the hotel
17 room and was given access to the room by the child.
18 While inside the room the security officer witnesses
19 two children, ages approximately two and seven were
20 alone in the room.

21 Roughly one hour later, at approximately
22 2:30 a.m., the parents were located on the casino
23 floor and escorted back to the hotel room. Upper
24 Merion Police Department was notified and asked to
25 assist with evicting the family from the premises. No

1 charges were filed in this.

2 As for Alondzae M. Reeves, on September
3 24th, 2012, the OEC filed a petition to place Alondzae
4 M. Reeves on the Exclusion List for leaving her two
5 children unattended in a hotel room at Valley Forge
6 Casino Resort. The petition was properly served upon
7 Ms. Reeves by both first class and certified mail.
8 Ms. Reeves did not respond to the filing in any way.
9 Due to Ms. Reeves' failure to respond, the averments
10 in the petition are deemed to be admitted as fact and
11 her right to a hearing has been waived.

12 On November 8th, 2012, the OEC filed a
13 request to enter Judgment upon Default. The matter is
14 now before the Board to consider the placement of
15 Alondzae Me. Reeves on the Board's Excluded Persons
16 List.

17 CHAIRMAN:

18 Is Alondzae Reeves in the hearing room?
19 Any questions, comments from the Board? Ex-Officio
20 members?

21 MR. SOJKA:

22 It is a matter of first impression
23 because at this point we have never taken this action
24 for someone in a hotel room; is that correct?

25 ATTORNEY PITRE:

1 That's correct. Given the fact that this
2 is a Category III Licensee, our role in enforcement is
3 a little different, given the fact that access cards
4 can be granted when people check into the hotel from
5 different --- in a variety of other ways. So, because
6 the individuals --- and the children were so young,
7 left alone in the hotel room.

8 MR. SOJKA:

9 And it is a slippery slope; is it not?
10 If the children had been twelve and nine we might be
11 looking at this differently.

12 ATTORNEY PITRE:

13 We may have. We may have. But I'm not
14 going to --- I'm going to let each set of facts
15 presents itself. And when we get to a point where ---
16 obviously, you reach a point where the children are
17 old enough to be alone, but I'm going to let the Board
18 decide what that ---

19 MR. SOJKA:

20 Case by case.

21 ATTORNEY PITRE:

22 --- age is. Right.

23 MR. SOJKA:

24 Do we know if Valley Forge provides any
25 sort of childcare service through the hotel for

1 patrons?

2 ATTORNEY PITRE:

3 Not that I'm aware of.

4 MR. SOJKA:

5 There is a potential amenity. You might
6 want to keep that in mind.

7 ATTORNEY PITRE:

8 I don't know if ---

9 MR. SOJKA:

10 I'm not sure ---.

11 ATTORNEY PITRE:

12 --- they carry ---.

13 MR. SOJKA:

14 Let me throw a hypothetical at you.
15 Let's say it's a different casino. Let's say it's one
16 that --- and we have several --- that are surrounded
17 by suites only hotels, but they're not on the
18 premises. If authorities discover children in an
19 endangered situation in one of those hotel rooms,
20 can't find the parents, and ultimately learn that the
21 parents were in the casino, ---

22 ATTORNEY PITRE:

23 It's ---.

24 MR. SOJKA:

25 --- would we likely still place those

1 parents on the Exclusion List?

2 ATTORNEY PITRE:

3 It's funny that you should mention that.

4 There is a matter pending before the Board ---

5 MR. SOJKA:

6 Oh.

7 ATTORNEY PITRE:

8 --- with a factual scenario of that sort.

9 So, I'm going to reserve ---.

10 MR. SOJKA:

11 I really didn't know that.

12 ATTORNEY PITRE:

13 I'm going to reserve that until that
14 matter comes before the Board.

15 CHAIRMAN:

16 That's a good idea.

17 MR. SOJKA:

18 We do not need to engage in hypotheticals
19 if we're going to have something real. But you
20 understood what the question, I think, suggests, how
21 complex this issue is. I'm certainly not suggesting
22 that that's not bad parenting. And we shouldn't be in
23 favor of bad parenting. But there's bad parenting all
24 over this society, and I want to make sure that we
25 have fairly clear lines about when we step in and take

1 action and when we don't. And I have no serious
2 problem with this one, but it is a matter of first
3 impression. And I think we should be well aware that,
4 as you pointed out, we got to do these case by case as
5 they show up because it's going to be tricky.

6 CHAIRMAN:

7 And the bottom line here, Cyrus, is the
8 age of the children, first of all, and two, this is a
9 Category III. The hotel was one of the amenity
10 features of this Category III. And there's a reason
11 for the Board to be especially concerned for those two
12 reasons.

13 ATTORNEY PITRE:

14 Correct.

15 CHAIRMAN:

16 Any other questions or comments to make?

17 MR. MOSCATO:

18 One clarification, I guess. Did you say
19 the reasons for escorting out of the casino --- or out
20 of the hotel?

21 ATTORNEY HOEFLICH:

22 They were escorted from the casino floor
23 of the hotel room to get their children while they
24 were in the hotel room. Upper Merion Police
25 Department was notified to actually assist in evicting

1 them from the hotel premises.

2 MR. MOSCATO:

3 So, at 1:30 in the morning they were
4 evicted from the hotel?

5 ATTORNEY HOEFLICH:

6 It was about 3:00, 3:30 in the morning by
7 the time the police came and they removed them from
8 the hotel property.

9 MR. MOSCATO:

10 Okay. Thank you.

11 CHAIRMAN:

12 Any other questions or comments from the
13 Board? Ex-Officio members? May I have a motion?

14 MR. SOJKA:

15 Mr. Chairman, I move that the Board issue
16 an Order to approve the addition of Alondzae Reeves to
17 the PGCB Involuntary Exclusion List as described by
18 the OEC.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed?

24 NO RESPONSE

25 CHAIRMAN:

1 The motion carries. The next one would
2 be Raymond Reeves, the same facts?

3 ATTORNEY HOEFLICH:

4 Correct.

5 CHAIRMAN:

6 Anything you want to add, sir?

7 ATTORNEY HOEFLICH:

8 Yes. On September 24th, 2012, the OEC
9 filed a petition to place Raymond A. Reeves on the
10 Exclusion List for leaving his two children unattended
11 in a hotel room in Valley Forge Casino Resort. The
12 petition was properly served upon Mr. Reeves by both
13 first class and certified mail. Mr. Reeves did not
14 respond to the filing in any way. Due to Mr. Reeves'
15 failure to respond, the averments in the petition are
16 deemed to be admitted as fact and his right to a
17 hearing has been waived.

18 On November 8th, 2012, the OEC filed a
19 request to enter Judgment upon Default. The matter is
20 now before the Board to consider the placement of
21 Raymond A. Reeves on the Board's Excluded Persons
22 List.

23 CHAIRMAN:

24 Is Raymond Reeves in the hearing room?
25 Any further questions, comments from the Board?

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

2 MR. FAJT:

3 Mr. Chairman, I move that the Board issue
4 an Order to approve the addition of Raymond Reeves to
5 the PGCB Involuntary Exclusion List as described by
6 the OEC.

7 MR. GINTY:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed?

14 NO RESPONSE

15 CHAIRMAN:

16 The motion carries.

17 ATTORNEY PITRE:

18 Thank you.

19 ATTORNEY HOEFLICH:

20 Thank you.

21 CHAIRMAN:

22 Thank you both. I think that concludes
23 today's meeting. Our next scheduled public meeting
24 will be on January 9th, 2013. The meeting will begin
25 at 10:00 a.m.

1 I was just informed that this meeting is
2 one of those that is scheduled to be open for public
3 comment. I don't believe anybody has ---

4 MR. GINTY:

5 Signed up.

6 CHAIRMAN:

7 --- signed up, which if they knew what I
8 knew, which is nothing, that wouldn't surprise me.
9 But just in case, is there anyone here in the body of
10 the hearing room who wishes to come forward and make
11 public comment?

12 Seeing no response, I will once again
13 state that our next meeting will be January 9th, 2013,
14 here at 10:00 a.m. And with that, I will wish --- and
15 I'm sure the Board joins me in this --- everyone a
16 Merry Christmas, Happy Hanukah, and of course, a very
17 happy New Year. Thank you all.

18 May I have a motion to adjourn?

19 MR. GINTY:

20 So moved.

21 MR. MCCALL:

22 Second.

23 CHAIRMAN:

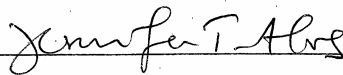
24 Okay. The meeting is adjourned.

25 * * * * MEETING CONCLUDED AT 11:28 A.M. * * * *

CERTIFICATE

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


Court Reporter