

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

PUBLIC MEETING

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BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Richard G. Jewell, Commissioner

Obra S. Kernodle, IV, Commissioner

Sean Logan, Commissioner

Kathy M. Manderino, Commissioner

Merritt C. Reitzel, Commissioner

Dante Santoni, Jr., Commissioner

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jennifer Langan, Designee, Department of  
Treasury

Christin Heidingsfelder, Designee,  
Department of Revenue

HEARING: Wednesday, January 9, 2019

Reporter: Cynthia Piro Simpson

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LOCATION: Pennsylvania Gaming Control Board  
Strawberry Square  
2nd Floor  
Harrisburg, PA 17101

## A P P E A R A N C E S

PA GAMING CONTROL BOARD EXECUTIVE STAFF WHO APPEARED  
BEFORE THE BOARD:

KEVIN F. O'TOOLE, Executive Director, 10-Year Service  
Awards and Qualified Gaming Entities

DANETTE BIXLER-GEORGE, Director of Human Resources,  
New Hires

CLAIRE B. YANTIS, Administrative Director, Quarterly  
Financial Report for Period Ending 12/31/2018

SUSAN HENSEL, Director, Licensing Matters

JOSEPH BOTT, Human Resources, Assisted with  
Presentation of 10-Year Service Awards

OFFICE OF CHIEF COUNSEL - ALSO PRESENTING:

R. DOUGLAS SHERMAN, ESQUIRE, Chief Counsel, Petitions

STEVE COOK, ESQUIRE, Deputy Chief Counsel,

Withdrawals/Surrenders and Report and Recommendations

PA Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control Board

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

OFFICE OF ENFORCEMENT COUNSEL - ALSO PRESENTING:

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

BETH MANIFESTO, ESQUIRE

Senior Enforcement Counsel

ASHLEY GABRIELLE, ESQUIRE

Assistant Enforcement Counsel

OTHER ATTENDEES FOR MEETING AND/OR HEARING (ORAL ARGUMENT):

Woodlands Fayette, LLC:

Michael D. Fabius, Esquire

10-Year Award Recipients:

Vickie Schreiner, PGCB Employee

Michael Roland, Esquire, PGCB Employee

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## P R O C E E D I N G S

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CHAIRMAN: Good morning. I'm David Barasch, Chairman of the Pennsylvania Gaming Control Board. And if you haven't already, please put your electronic equipment on silent, please.

With us today, Jen Langan, representing Joe Torsella, State Treasurer. Christin Heidingsfelder, representing Revenue Secretary Dan Hassell - apparently our Ag representatives are busy with something called a Farm Show this morning.

MR. JEWELL: Cow milking -.

CHAIRMAN: Cow milking contest this morning.

All right.

A quorum of the Board being present, we'll call the proceedings to order. The first order of business, the Pledge of Allegiance.

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(WHEREUPON, THE PLEDGE OF ALLEGIANCE WAS RECITED.)

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CHAIRMAN: Before we get started, we have a few presentations of 10-Year Service Awards.

Kevin?

MR. O'TOOLE: Good morning, Chairman

1 Barasch, Members of the Board.

2                   With the assistance of Joe Bott, from  
3 our Office of Human Resources, I have the pleasure,  
4 once again, to officiate on the recognition of two  
5 employees of the Pennsylvania Gaming Control Board who  
6 have reached a very significant milestone. The  
7 milestone of continuous and loyal service to the  
8 Pennsylvania Gaming Control Board for ten years.

9                   So, Vickie and Michael join 158 other  
10 employees, other colleagues who have also attained  
11 that - that significant milestone. So, I'm pleased to  
12 report of our 300 complement agency, 53 percent of our  
13 employees have reached the 10-year service goal. And  
14 we're very proud of that as an agency.

15                   So, Joe, come on over. First, please  
16 stand up. I would like to recognize Vickie Schreiner.

17                   Vickie began her employment with the  
18 Gaming Control Board on November the 3rd of 2008 as a  
19 Clerical Support Specialist for the Bureau of  
20 Administration.

21                   Since May of 2016, Vickie has held the  
22 position of Licensing Analyst for the Bureau of  
23 Licensing.

24                   Vickie, thank you very much and  
25 congratulations.

1                   MS. SCHREINER: Thank you.

2                   MR. O'TOOLE: And our second honoree  
3 is Michael Roland.

4                   Michael was hired for the Gaming  
5 Control Board on December the 6th of 2008 as an  
6 Assistant Chief Enforcement Counsel for the Office of  
7 Enforcement Counsel (OEC). Today Michael serves as a  
8 senior counsel for the OEC.

9                   Michael, congratulations and thank you  
10 for your service.

11                   ATTORNEY ROLAND: Thank you very much.  
12 Thank you, Chairman.

13                   CHAIRMAN: Thank you.

14                   By way of announcements, the Board  
15 held an Executive Session yesterday, Tuesday,  
16 January 8th, to discuss personnel matters and to  
17 conduct quasi-judicial deliberations relating to  
18 matters that are going to be considered by the Board  
19 today.

20                   First order of business this morning  
21 will be an oral argument regarding Woodlands Fayette's  
22 Petition to Surrender a License of Joseph A. Hardy,  
23 III.

24                   Can we please have representatives  
25 come forward on that matter?

1                   Before we get started, I just ask  
2 Counsel to please stand and spell your name for - not  
3 stand. Spell your name for the court reporter,  
4 please.

5                   ATTORNEY FABIUS: Certainly.

6                   Michael Fabius of the law firm Ballard  
7 Spahr. Last name is spelled, F as in Frank, A, B as  
8 in Boy, I-U, S as in Sam.

9                   CHAIRMAN: Okay.

10                   You can begin.

11                   ATTORNEY FABIUS: Thank you, Chairman,  
12 Commissioners. Good morning.

13                   My name is, as I said, Michael Fabius,  
14 here representing Woodlands Fayette, LLC. First I'd  
15 like to thank the Board staff and the OEC, in  
16 particular, for its diligence reviewing this matter.

17                   We have before you a set of  
18 stipulations to provide a definitive record, leaving  
19 for your consideration a question of statutory  
20 interpretation.

21                   Particularly, when it comes to who  
22 does or does not have an interest in the casino  
23 Licensee, transparency is the standard. And I'm glad  
24 there's - there's quite, literally, no need for a  
25 contested hearing. The facts are what the facts are.

1 Woodlands Fayette, LLC, as you see in  
2 this stipulation, is ultimately owned by the 2001  
3 Irrevocable Trust of Margaret H. Magerko. The - that  
4 Trust, as the name implies, was established in 2001,  
5 as part of Mr. Hardy's estate planning. And the  
6 ownership in the resort was consolidated and  
7 transferred to that Trust in 2001.

8 And as part of the succession plan,  
9 completed in 2003, Mr. Hardy transferred full control  
10 of the resort to his daughter, Ms. Magerko.

11 So, since 2003 Mr. Hardy has had no  
12 ownership or control of the resort. It's really truly  
13 been the Margaret H. Magerko show. She controls the  
14 Trust through the - excuse me, she controls the resort  
15 and the casino Licensee through the 2001 Trust, for  
16 which she is the sole trustee, sole beneficiary and  
17 the subsequent grantor.

18 I say subsequent grantor, because this  
19 - the nature of this 2001 Trust, as the name applies,  
20 it's an Irrevocable Trust with respect to Mr. Hardy,  
21 but it's also a Grantor Trust with respect to Ms.  
22 Magerko.

23 The difference between a Grantor Trust  
24 and an Irrevocable Trust is at the core of this issue.  
25 A Grantor Trust is one in which the grantor retains

1 certain rights and authority over the assets in the  
2 Trust, including a right of substitution. And a  
3 Grantor Trust remains part of the taxable estate of  
4 the grantor.

5           An Irrevocable Trust, on the flip  
6 side, is a separate taxable entity. Gifts made,  
7 contributions made to an Irrevocable Trust are, as the  
8 name implies, irrevocable. And the grantor explicitly  
9 disclaims, renounces and relinquishes any rights to  
10 the assets in the Trust. They are - quite literally,  
11 the grantor, and the Irrevocable Trust, two separate  
12 legal persons, taxable persons.

13           This Trust, it has two provisions.  
14 They're referenced in the stipulations. Establishing  
15 the nature of the Trust is an Irrevocable Trust.  
16 Article 2, Section 4 provides that the grantor, quote,  
17 disclaims, renounces, relinquishes any of the powers  
18 with respect to the trust its administration or any  
19 interest in the income or corpus of the Trust, which  
20 could cause this Trust to be treated as a Grantor  
21 Trust.

22           Article 8, Section 1 - if you forgive  
23 me for reading the quote. The grantor further hereby  
24 renounces and disclaims any reservation of interest  
25 herein or in the Trust assets regardless of how remote

1 or how arising.

2 That brings us to the question of,  
3 under Section 1325(d), how long Mr. Hardy must  
4 maintain a Principal License for the Trust to maintain  
5 its eligibility for a Principal License.

6 Section 1325(d) provides certain  
7 eligibility rules, one of which it requires the  
8 grantor qualify for and is granted a license as a  
9 Principal.

10 Plainly stated, Mr. Hardy, has  
11 qualified for, fully participated in the licensing  
12 process, been found suitable by this Board and has  
13 been licensed as a Principal.

14 The question that we submit in this  
15 Petition is how long must he maintain that license.  
16 There are three possible interpretations, in my view.

17 One, in perpetuity. Practically  
18 speaking, a Trust is designed to outlive its grantor.  
19 There will undeniably be a time when the Trust cannot  
20 bring Mr. Hardy forward to - for licensure.

21 I respectfully submit that that can't  
22 possibly be the intended interpretation by the General  
23 Assembly in -. Section 1922 of the Statutory  
24 Construction Act, you know, spells out that the  
25 General Assembly doesn't intend the result that is

1 impossible in execution.

2           Possible interpretation, too, is until  
3 he dies. He must maintain his license until he dies.  
4 That, respectfully, is - we respectfully submit that  
5 that should not be expected of him or the Trust.

6           Whether or not Mr. Hardy is alive or  
7 deceased, should not, in our view, be the licensable  
8 standard. It should be a question of whether or not  
9 he maintains an economic interest or control - element  
10 of control that would require licensure.

11           That's important from a risk  
12 management and control perspective for the - the  
13 Licensee. I'll give you an analogy. If the General  
14 Manager of the resort woke up one day and decided that  
15 he would - did not wish to proceed with renewal, he  
16 would be fired and replaced by someone who would meet  
17 the obligations of his job.

18           Maggie Magerko has that authority to  
19 make - to control that risk. Maggie Magerko does not  
20 have the ability to fire Mr. Hardy as grantor. That  
21 fact that he is a grantor is a historical fact that  
22 cannot be changed. He was the grantor for this Trust  
23 in 2001 and simply will never - he will never cease to  
24 have been the grantor of this Trust in 2001.

25           The third interpretation, the one that

1 we respectfully submit to you, is the reasonable  
2 interpretation that would be intended by the General  
3 Assembly. Is that he should - you know, he should  
4 have come forward once, make sure he's found suitable.  
5 And then only remain licensed to the extent that he  
6 has an economic interest or element of control that  
7 would require licensure.

8                   And as the stipulation set forth in  
9 particular, Stipulations 35 through 38, Mr. Hardy does  
10 not derive any economic benefit or have any element of  
11 control of the Licensee or the Trust that would  
12 require licensure. And so for those reasons we would  
13 respectfully submit that he should be - Woodlands  
14 Fayette should be permitted to surrender Mr. Hardy's  
15 license.

16                   And with that, I'll take any  
17 questions.

18                   CHAIRMAN: Fine. Counsel?

19                   ATTORNEY MANIFESTO: Thank you.

20                   Good morning. Beth Manifesto,  
21 M-A-N-I-F-E-S-T-O, on behalf of the OEC.

22                   In our opinion, the reason we're here,  
23 in simple terms, is that Mr. Hardy has been licensed  
24 as a Principal. He is the grantor of the 2001  
25 Irrevocable Trust for Margaret Magerko.

1           This Trust, as stated, is the ultimate  
2 owner of Woodlands Fayette, LLC, which is the holder  
3 of the Category 3 License. Now, Mr. Hardy seeks to  
4 surrender this license. Under Pennsylvania Law, this  
5 cannot be done.

6           Pursuant to the Gaming Act, Section  
7 1325(d), it clearly states the Board shall determine  
8 the eligibility of a Trust in accordance with the  
9 following. No Trust shall be eligible to hold any  
10 beneficial interest in a licensed entity unless each  
11 trustee, each grantor and each beneficiary, including  
12 a minor child beneficiary, qualifies for and is  
13 granted a license as a Principal.

14           The eligibility of a Trust relies, in  
15 part, on the eligibility of its grantors,  
16 beneficiaries and its trustees. The only exception  
17 carved out to the requirement of Principal licensure  
18 is that for a trustee which is a banking or a lending  
19 institution.

20           Quite obviously, Mr. Hardy is neither  
21 a trustee, a banking institution or a lending  
22 institution.

23           Pursuant to the Act, a grantor of a  
24 Trust initially must initially be found suitable for  
25 the privilege of participating in Pennsylvania's

1 gaming industry. It is a basic common standard in the  
2 gaming industry that suitability is ongoing. Meaning  
3 those licensed must maintain suitability standards  
4 under which they were licensed in order to maintain  
5 good standing within the gaming industry.

6 Further, under the Act, those licensed  
7 must periodically file Renewal Applications in order  
8 to assure the suitability standards have been  
9 maintained.

10 Through the renewal process,  
11 applicants must, again, demonstrate their suitability,  
12 and that there has not been an overall negative impact  
13 upon their suitability since he or she was last  
14 licensed.

15 These are the basic core  
16 responsibilities of gaming regulator and of the gaming  
17 industry in what is a very strictly-regulated  
18 business. These core responsibilities were readily  
19 consented to by the Petitioner when a Category 3  
20 License was sought.

21 Now that the Petitioner has the  
22 Category 3 License, these responsibilities are deemed  
23 to be a nuisance. The OEC respectfully would request  
24 that this Board deny the relief that has been  
25 requested by the Petitioner.

1                    CHAIRMAN: Thank you.

2                    Any questions from the Board in this  
3 matter?

4                    MS. MANDERINO: I - Mr. Chair, I have  
5 two.

6                    For Enforcement Counsel, I'm trying to  
7 recall everything that I read in the various versions  
8 of the - because there were amendments to Trusts. And  
9 was Ms. - is Ms. Magerko the only - what am I trying  
10 to say?

11                    There's issue of Ms. Magerko. I can't  
12 remember if it's one or two children. Are they named  
13 in any of those documents as beneficiaries or is she  
14 the only beneficiary? I thought I read that there was  
15 a beneficiary issue in the documents?

16                    ATTORNEY MANIFESTO: She is the only  
17 beneficiary until her death.

18                    MS. MANDERINO: Okay.

19                    And for counsel for Woodlands Fayette.  
20 As the only beneficiary of this Trust, and as you  
21 said, someone who has absolute control, for lack of a  
22 better way to say it -?

23                    ATTORNEY FABIOUS: That's fine.

24                    MS. MANDERINO: I'm not real familiar  
25 with Trust Law, but is there some other mechanism by

1 which - legal mechanism by which an existing Trust  
2 like this can be made another kind of a Trust that -  
3 that kind of changes the status of who the grantor is?

4 ATTORNEY FABIUS: No. This - you  
5 know, the grantor of this Trust is - will always have  
6 been the grantor of this Trust. I mean, the only  
7 other mechanisms would be to transfer the assets to  
8 another - another newly-formed -

9 MS. MANDERINO: Right.

10 ATTORNEY FABIUS: - Trust, if that's  
11 where you're going.

12 MS. MANDERINO: And is that legal?

13 ATTORNEY FABIUS: A business entity  
14 like the 2001 Trust could enter a new transaction to  
15 transfer assets freely under - provided that Ms.  
16 Magerko approves it. But that would trigger taxable  
17 consequences. It would trigger a 1328 Change of  
18 Control.

19 If the ownership of the resort  
20 changed, it would be - prohibitively - the  
21 consequences would be prohibitive simply to change the  
22 status of the grantor on -.

23 MS. MANDERINO: Prohibitive or  
24 expensive? Or are you making -?

25 ATTORNEY FABIUS: Prohibitively

1 expensive.

2 MS. MANDERINO: Thank you.

3 I have no further questions.

4 CHAIRMAN: Any other questions from  
5 the Board?

6 MR. JEWELL: Actually, the - although  
7 it is rare, under the Cy-Près Doctrine, you could have  
8 a court completely redo a Trust. Now, that usually  
9 takes a - you know, a passage of time, but would you  
10 agree with that?

11 ATTORNEY FABIOUS: My familiarity with  
12 the Cy-Près Doctrine would be to - is with respect to  
13 the purpose with which - with respect to the Trust was  
14 granted. I.E., if the Trust was formed for the  
15 education of the beneficiary, and the trustee thought  
16 that there was - that purpose was not feasible any  
17 longer, but that the grantor would have supported a  
18 slightly different articulated purpose.

19 They could go to the court and get  
20 that purpose rearticulated. My understanding is not  
21 that Cy-Près Doctrine could change the historical -  
22 historical fact as to who was the grantor.

23 MR. JEWELL: Okay. Thank you.

24 CHAIRMAN: Any other questions at the  
25 time?

1                   ATTORNEY MANIFESTO: If I may add  
2 something? One of the things also about the Trust is  
3 that, although it's an Irrevocable Trust, it still -  
4 granted certain circumstances have to be met, but it  
5 could still revert back to Mr. Hardy.

6                   MS. MANDERINO: Under what  
7 circumstances?

8                   MR. LOGAN: How so?

9                   ATTORNEY MANIFESTO: If, for example,  
10 Ms. Magerko passed away and her issue also passed  
11 away, there are certain circumstances where the Trust  
12 could return to Mr. Hardy.

13                   ATTORNEY FABIOUS: I can -  
14 theoretically -.

15                   MR. LOGAN: I hear you. Tell me how.  
16 Like I'm a fifth-grader. I don't understand it. So,  
17 give me the example that that could happen.

18                   ATTORNEY MANIFESTO: Well, for  
19 example -.

20                   MR. LOGAN: You said under certain  
21 circumstances, so give me -

22                   ATTORNEY MANIFESTO: Right.

23                   MR. LOGAN: - one.

24                   ATTORNEY MANIFESTO: Presently Ms.  
25 Magerko is the beneficiary to the Trust. If she was

1 to become deceased, then it would go to her issue. If  
2 something happened to her issue and they were no  
3 longer there, then I believe the Trust lists two or  
4 three options. And one of them is that the Trust and  
5 the assets return to Mr. Hardy.

6 ATTORNEY FABIUS: If I - I can put it  
7 plainly. If Mr. Hardy, at 96 years old, outlived his  
8 daughter and his grandson, he could reinherit the  
9 beneficial interest.

10 MR. JEWELL: You both said the same  
11 thing.

12 MS. MANDERINO: Yeah.

13 CHAIRMAN: Okay.

14 If there are no other questions, thank  
15 you for appearing today. We're going to take this up  
16 a little later this morning.

17 Next we have consideration of a Motion  
18 to Approve the Minutes and Transcripts of our October  
19 31st meeting.

20 May I have such a motion, please?

21 MR. JEWELL: Mr. Chairman, I move that  
22 the Board approve the Minutes and Transcript of the  
23 October 31, 2018 meeting.

24 MR. KERNODLE: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: All opposed? The motion's  
3 adopted.

4 Kevin, Executive Director's Report.

5 MR. O'TOOLE: Chairman, Members of the  
6 Board. This morning I would like to update the Board  
7 on the qualified gaming entities within the context of  
8 Interactive Gaming Initiative.

9 So, as a summary, Act 42 of 2017, the  
10 Gaming Expansion Legislation provided for the  
11 implementation of interactive gaming in the  
12 Commonwealth of Pennsylvania.

13 Thirteen (13) Interactive Gaming  
14 Certificates were made available in each of the  
15 following three categories, peer-to-peer poker,  
16 non-peer-to-peer slots, and non-peer-to-peer table  
17 games.

18 The 39 Interactive Gaming Certificates  
19 were initially made available to the 13 Slot Machine  
20 Licensees in the Commonwealth for a period of 120  
21 days. After that time period expired, and after the  
22 subsequent withdrawal of one applicant, four  
23 Peer-to-Peer Poker Certificates, three  
24 non-Peer-to-Peer Slot Certificates and three  
25 non-Peer-to-Peer Table Games Certificates remained

1 available.

2 Pursuant to the Gaming Act, the Board  
3 was then authorized to establish procedures to allow  
4 for qualified gaming entities to apply for the  
5 remaining Interactive Gaming Certificates.

6 The Board set out guidelines stating  
7 that an entity seeking Interactive Gaming Certificates  
8 must file a Petition with the required contents  
9 between October 15th and October 31st, 2018.

10 The Board received two Petitions for  
11 Consideration as a Qualified Gaming Entity for the  
12 issuance of Interactive Gaming Certificates.

13 The first Petition was filed by Marina  
14 District Development Company, LLC, a subsidiary of MGM  
15 Resorts International, the operator of the Borgata  
16 Casino in Atlantic City, New Jersey as well as other  
17 casinos throughout the United States.  
18 Marina District seeks to offer all three forms of  
19 interactive gaming.

20 The second Petition was filed by  
21 Golden Nugget Pennsylvania, Inc., a subsidiary of  
22 Golden Nugget, who operates the Golden Nugget Casino  
23 in Atlantic City, New Jersey, as well as other casinos  
24 throughout the United States.

25 Golden Nugget seeks to offer

1 non-peer-to-peer slots and non-peer-to-peer table  
2 games. I have been informed, by the Office of Chief  
3 Counsel (OCC) that following each review of each  
4 Petition, in its review of the OEC's responses to  
5 those Petitions, that it has been determined that all  
6 required documentation has been provided by the two  
7 entities.

8           As such, both Petitions have satisfied  
9 the requirements for qualified gaming entity status.  
10 Each may now proceed to file Applications for Slot  
11 Machine Operators' Licenses and undergo the requisite  
12 investigative process, and be found suitable for  
13 licensure by this Board.

14           Although it was previously anticipated  
15 that a blind random drawing to select from multiple  
16 Petitioners would be necessary, that is not the case.

17           Marina District and Golden Nugget  
18 Pennsylvania, Inc. are both proceeding forward in the  
19 process toward approval to offer interactive gaming in  
20 Pennsylvania.

21           So, that's a summary of where we stand  
22 currently with the Qualified Gaming Entities. Do you  
23 have any questions? I'll be glad to answer.

24           CHAIRMAN: Just one, Kevin.

25           At this time, in your judgment, would

1 it be appropriate for us to reopen this process in  
2 some way?

3 MR. O'TOOLE: Well, we're still in the  
4 process of getting the 13 Casino Licensees - those who  
5 had applied for interactive gaming, we're still in the  
6 process of moving forward to implement that activity.

7 So, my recommendation would be that  
8 that certainly is an option for the Board, but I think  
9 it should be considered a little bit further down the  
10 road.

11 CHAIRMAN: Thank you very much.

12 Thanks, Kevin.

13 Danette Office of Human Resources.

14 Good morning.

15 MS. BIXLER-GEORGE: Good morning.

16 Good morning, Chairman, Board Members.

17 The Office of Human Resources has one motion for your  
18 consideration today relative to the hiring of one  
19 individual.

20 Daniel Cali has been selected as an  
21 investigator for the western region, under the Bureau  
22 of Investigations and Enforcement (BIE). He has  
23 completed the interview process, background  
24 investigation and drug screening and is recommended  
25 for hire by the Director of Investigations and

1 Enforcement, Paul Mauro.

2 Unless you have questions, I ask that  
3 the Board consider a motion to approve the hiring  
4 action as indicated.

5 CHAIRMAN: Any questions or comments?  
6 Hearing none, may I have a motion?

7 MR. KERNODLE: Mr. Chairman, I move  
8 that the Board approve the applicant for hire, as  
9 proposed by the Human Resources Director.

10 MR. LOGAN: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

13 CHAIRMAN: All opposed? The motion's  
14 adopted.

15 Thank you, Danette.

16 MS. BIXLER-GEORGE: Thank you.

17 CHAIRMAN: Clair Yantis.

18 MS. YANTIS: Good morning, Chairman,  
19 Board Members.

20 I'm here today to present the second  
21 quarter budget status update for fiscal year 2018-'19.  
22 The current year budget year appropriation is  
23 \$46,153,000.

24 Overall we are within budget and are  
25 currently projecting a surplus due to higher than

1 anticipated vacancy rates.

2 Overall first half expenses were up  
3 \$1,235,114 or 6.8 percent to \$19.4 million. This is  
4 primarily due to timing differences and processing  
5 invoices for operating expenses and gaming expansion.  
6 Personnel expenses were \$17.2 million or 89 percent of  
7 overall agency expenses.

8 This is an increase of 4.4 percent  
9 over last year, due to salary and complement  
10 increases. The overall benefit rate was 69 percent of  
11 salary expenses, down from 71 percent for the same  
12 period last year.

13 The average employee count for the  
14 first half of the year was up three, to 295 positions  
15 from 292. The operating and fixed asset expenditure  
16 categories expenses totaled \$2.2 million or 11 percent  
17 of agency costs. This is up \$508,000 or 30 percent  
18 from the same quarter last year.

19 The increase is primarily the result  
20 of timing differences. For the first half of the  
21 fiscal year, the largest operating and fixed asset  
22 expenses were rentals and leases, which totaled  
23 \$781,000 or 36 percent of operating expenses.  
24 Followed by services, including fees for fingerprints  
25 used in background investigation and interagency

1 billings at \$690,000. And data and telecommunication  
2 expenses at \$237 - \$237,000.

3 Unless you have any questions, -

4 CHAIRMAN: Okay.

5 MS. YANTIS: - that's the report.

6 CHAIRMAN: Any questions or comments  
7 from the Board on the budget?

8 Thanks a lot, Claire.

9 MS. YANTIS: Thank you.

10 CHAIRMAN: Before we proceed with the  
11 OCC we're going to take a very brief break.

12 ---

13 (WHEREUPON, A SHORT BREAK WAS TAKEN.)

14 ---

15 CHAIRMAN: Doug, before we begin, our  
16 discussion in the back has indicated that the desire  
17 of the Board is to table and give further  
18 consideration to your Petition. We'll take it up at -  
19 sometime in the near future.

20 Okay.

21 So, we're just going to table it for  
22 now. Thank you.

23 ATTORNEY SHERMAN: Okay.

24 Good morning, Chairman, Members of the  
25 Board. We have just one Petition before you for

1 consideration today.

2           The matter is the Jerome Benenati -  
3 Benanti's Request for Removal from the Board's  
4 Involuntary Exclusion List. The documents in support  
5 of this in relation to the Petition, along with OEC's  
6 Answer in the evidentiary record, have been provided  
7 to you in advance of the meeting.

8           By way of background, on August 9th,  
9 2016, Mr. Benenati, who was 20 years old at the time,  
10 attempted to enter Mt. Airy Casino by providing a  
11 false identification.

12           As a result of his actions, the OEC  
13 filed a Petition requesting that he be placed on the  
14 Board's Involuntary Exclusion List. Consequently, the  
15 Board did place him on the Exclusion List until at  
16 least July 12th, 2018, at which time he could petition  
17 to be removed.

18           In December of this past year, Mr.  
19 Benenati, through his Counsel, filed a request to be  
20 removed from the Board's Exclusion List. There's no  
21 objection to that request, and it's ready for the  
22 Board's consideration.

23           CHAIRMAN: Any questions or comments  
24 from the Board? Hearing none, may I have a motion?

25           MS. MANDERINO: Mr. Chairman, I move

1 the Board approve Jerome Benenati's Petition for  
2 Removal from the PGCB Involuntary Exclusion List, as  
3 described by the OCC.

4 MS. REITZEL: Second.

5 CHAIRMAN: All in favor?

6 AYES RESPOND

7 CHAIRMAN: All opposed? The motion's  
8 adopted.

9 ATTORNEY SHERMAN: Next presenting  
10 Withdrawals and Report and Recommendations is Steve  
11 Cook.

12 ATTORNEY COOK: Morning.

13 The Board has received several  
14 unopposed Petitions to withdraw the Applications or  
15 Surrender the credentials of the following  
16 individuals: Christopher Cody Williamson; Matthew  
17 Frank; Franchise Merger Sub, Inc.; Charles Atwood;  
18 Stephen Craig Comer; Ron Huberman; Desiree Katherine  
19 Rogers; James L. Martineau; Anthony Sanfilippo; Carlos  
20 A. Ruisanchez; Donna S. Negrotto; Neil E. Walkoff;  
21 Vincent Zahn; Cheryl Kondra; Christina Jeannette  
22 Donelson; Jeff Danis; The Carlino Family Trust; Simon  
23 Fothergill; John Rauen and Robert Pickus.

24 The OEC has no objection to any of  
25 these Withdrawals or Surrenders. And as a result, if

1 the Board were to grant same, they'd be doing so  
2 without prejudice. These matters are now all ripe.

3 CHAIRMAN: Thank you.

4 Any questions or comments from the  
5 Board? Hearing none, may I have a motion?

6 MS. REITZEL: Mr. Chairman, I move  
7 that the Board issue the Orders to approve the  
8 Withdrawals and Surrenders, as described by the OCC.

9 MR. SANTONI: Second.

10 CHAIRMAN: All in favor?

11 AYES RESPOND

12 CHAIRMAN: All opposed? The motion is  
13 adopted.

14 ATTORNEY COOK: The next matter before  
15 the Board is a report to the Board received from the  
16 Office of Hearings and Appeals (OHA) regarding  
17 Greenwood Gaming and Entertainment, Incorporated's  
18 Petition to Waive Section 465a.19 of the Board's  
19 Regulations. Or in the alternative to have the Board  
20 interpret that section as allowing the processing of  
21 poker Dealer tips at the end of a shift in a very  
22 particular way.

23 The Board has, in advance of this  
24 meeting, been provided with the report issued by OHA,  
25 along with the complete evidentiary record in the

1 matter. The case was the subject of a hearing held  
2 before the OHA on August 14th, 2018.

3 Briefly, Greenwood is asking to modify  
4 its internal controls procedures, as to allow poker  
5 Dealers who retain their own tips to assist Cage  
6 Cashiers charged with the process of opening the  
7 Dealers' tip boxes and counting the chips as tips.

8 Specifically, Parx request the Dealers  
9 be allowed to rack their chips by denomination for the  
10 Cashier in an area with surveillance coverage before  
11 the Cashier counts the tips.

12 Greenwood asks for the change in order  
13 to expedite the process at the end of Dealer shifts,  
14 where Dealers at present can wait up to 25 minutes to  
15 have their tips counted.

16 The OEC filed an Answer objecting to  
17 the Petition, arguing that the entire process of  
18 counting poker Dealer chips received as tips must be  
19 done by Cage Personnel, and the Dealer cannot assist  
20 in that process. And that to allow otherwise could  
21 result in Dealers pocketing chips before they are  
22 counted, thereby hiding income from taxing  
23 authorities.

24 As I indicated, the record in this  
25 matter is now closed and it's ripe for the Board's

1 consideration.

2 CHAIRMAN: Any questions or comments  
3 from the Board? Hearing none, may I have a motion?

4 MR. SANTONI: Mr. Chairman, I move  
5 that the Board deny Greenwood Gaming & Entertainment,  
6 Inc.'s Petition for Waiver of Section 465a.19 of the  
7 Pennsylvania Gaming Control Board's Regulations, as  
8 described by the OCC.

9 MR. JEWELL: Second.

10 CHAIRMAN: All in favor?

11 AYES RESPOND

12 CHAIRMAN: All opposed? The motion's  
13 adopted.

14 ATTORNEY COOK: The next matter before  
15 the Board is a Report and Recommendation pertaining to  
16 Jessica Benning. In April of 2018 Ms. Benning  
17 submitted an Application for a Non-Gaming Employee  
18 Registration, seeking employment as a Cashier Host at  
19 The Meadows Casino.

20 On June 4, 2018, the OEC issued a  
21 Notice of Recommendation of Denial of Ms. Benning's  
22 Application, based upon her failure to fully disclose  
23 her criminal history, failure to cooperate with the  
24 Board and delinquencies of over \$14,000 in fines and  
25 costs related to her criminal convictions.

1                   Specifically, between 2008 and 2017  
2 Ms. Benning had been arrested and convicted of  
3 numerous offenses, including driving under the  
4 influence, public drunkenness, various drug charges,  
5 retail theft, trespassing and traffic violations.

6                   A hearing in this matter was held  
7 September 11th, 2018. Ms. Benning did not attend that  
8 hearing. As a result, OEC put in evidence of the  
9 convictions and her failure to fully report the  
10 convictions. As a result of that, the Report and  
11 Recommendation issued recommends that Ms. Benning's  
12 Non-Gaming Employee Registration Application be  
13 denied.

14                   CHAIRMAN: Questions or comments from  
15 the Board? Hearing none, may I have a motion?

16                   MR. JEWELL: Mr. Chairman, I move that  
17 the Board adopt the Report and Recommendation issued  
18 by the OHA regarding Jessica Benning's Application for  
19 Non-Gaming Employees Registration, as described by the  
20 OCC.

21                   MR. KERNODLE: Second.

22                   CHAIRMAN: All in favor?

23 AYES RESPOND

24                   CHAIRMAN: All opposed? The motion's  
25 adopted.

1                    ATTORNEY COOK: The next Report and  
2 Recommendation before the Board today pertains to  
3 Nicholas Anderson's request to be removed from the  
4 Board's Involuntary Exclusion List.

5                    On May 17th, 2017, the Board placed  
6 Mr. Anderson on the list after he was arrested and  
7 charged with harassment, disorderly conduct and  
8 defiant trespass following an incident at the Rivers  
9 Casino.

10                    Specifically, in January of 2017,  
11 while visiting that casino Mr. Anderson, along with  
12 two other individuals, were asked to leave and were  
13 escorted to the main lobby of the facility, due to  
14 their level of intoxication.

15                    Mr. Anderson, at that time, attempted  
16 to run and hide. He was, once again, found on the  
17 gaming floor. Again, escorted to the main lobby,  
18 where he became belligerent with security personnel.  
19 And in fact, placed his hands on one of the Security  
20 Officers.

21                    On April 9th, 2018, Mr. Anderson filed  
22 his Request to be removed from the Exclusion List.  
23 The hearing in this matter was held in September of  
24 2018. The OEC and Mr. Anderson both attended the  
25 hearing and put evidence into the record.

1           Mr. Anderson does not dispute the  
2 underlying allegations and was apologetic about his  
3 behavior. He also testified that he was actually  
4 found not guilty of the criminal charges he was  
5 originally charged with, and that he has greatly  
6 matured since this incident.

7           The Board Regulations generally  
8 require an individual to wait five years to seek  
9 removal from the Excluded Persons List absent extreme  
10 circumstances. And the Hearing Officer ultimately  
11 found that although Mr. Anderson did appear remorseful  
12 for this situation, he did not show extraordinary or  
13 extreme facts or circumstances which would support an  
14 early removal from the list. And that is the  
15 recommendation.

16           CHAIRMAN: Questions or comments from  
17 the Board. Hearing none, may I have a motion?

18           MR. KERNODLE: Mr. Chairman, I move  
19 that the Board adopt the Report and Recommendation  
20 issued by the OHA regarding Nicholas Anderson's  
21 Petition for Removal from the PGCB Involuntary  
22 Exclusion List, as described by the OCC, and that Mr.  
23 Anderson remains on the list.

24           MR. LOGAN: Second.

25           CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: All opposed? The motion's  
3 adopted.

4 ATTORNEY COOK: The next matter  
5 pertains to a Request for Removal from the  
6 Self-Exclusion List.

7 In January of 2018, an individual with  
8 the initials T.S. filed a Petition for Removal from  
9 the Exclusion List. The OEC filed an Answer objecting  
10 to that Petition.

11 A hearing in this matter was held on  
12 September 27th, 2018. OEC attended the hearing and  
13 put evidence into the record. T.S. failed to attend  
14 the hearing.

15 Pursuant to the Findings of Fact in  
16 the Report and Recommendation, T.S., on July 21st,  
17 2017, entered the Sands Casino Bethlehem and met with  
18 the Casino Compliance Representative regarding the  
19 self-exclusion.

20 The CCR testified that he conducted  
21 the mandatory interview of T.S. and completed all of  
22 the required paperwork and procedures. As a result of  
23 that evidence - I'm sorry, T.S., at that point in time  
24 actually signed up for a five-year period of  
25 self-exclusion.

1           As a result of hearing that evidence,  
2 the Report and Recommendation issued subsequent to the  
3 hearing recommends that T.S. not be removed from the  
4 list, as five years have not run, and therefore, he is  
5 not eligible for removal.

6           CHAIRMAN: Questions or comments from  
7 the Board? May I have a motion?

8           MR. LOGAN: Mr. Chairman, I move that  
9 the Board adopt the Report and Recommendation issued  
10 by the OHA regarding T.S.'s Petition for Removal from  
11 the Voluntary Self-Exclusion List, as described by the  
12 OCC, and that T.S. remain on the Board's Voluntary  
13 Self-Exclusion List.

14           MS. MANDERINO: Second.

15           CHAIRMAN: All in favor?

16 AYES RESPOND

17           CHAIRMAN: All opposed? The motion's  
18 adopted.

19           ATTORNEY COOK: The next Report and  
20 Recommendation before the Board pertains to Timothy  
21 Nugent. Mr. Nugent's Gaming Employee Occupation  
22 Permit was renewed in June of 2016, and he worked as a  
23 Table Games Dealer at the Mohegan Sun Pocono Casino.

24           On May 3rd, 2018, the OEC filed a  
25 Complaint to revoke Mr. Nugent's Gaming Employee

1 Occupation Permit, after alleging that on November  
2 16th, 2017 he stole a \$100 chip from the float at a  
3 table that he was working.

4 A hearing in this matter was held on  
5 August 23rd, 2018. The OEC, as well as Mr. Nugent and  
6 his attorney appeared at the hearing. Mr. Nugent did  
7 not testify.

8 At that hearing OEC offered testimony  
9 and documentary evidence, including video evidence.  
10 The video evidence presented by OEC shows that on  
11 November 16th Mr. Nugent took a \$100 chip from the  
12 float while replenishing the chips during the closing  
13 process of the table game he was working.

14 He thereafter placed the chip in his  
15 left hand, moved his hand below the table and then  
16 returned his left hand to the table without the chip.

17 On November 17th, the table was  
18 reopened by another Dealer who found a plastic lammer  
19 in place of the chip. And then subsequently, on  
20 November 18th, 2017, during the closing of the table,  
21 the \$100 discrepancy was discovered and reported.

22 During the hearing, Mr. Nugent's  
23 counsel argued that the \$100 chip was reported missing  
24 two days after his client's shift ended. And since  
25 other Dealers had access to the table during that

1 period of time, one of them could have been  
2 responsible for the theft.

3 The Hearing Officer, however, having  
4 witnessed the video evidence, sided with OEC, and  
5 ultimately recommends to the Board that Mr. Nugent's  
6 Gaming Employee Occupation Permit be revoked.

7 CHAIRMAN: Questions or comments from  
8 the Board? Hearing none, may I have a motion?

9 MS. MANDERINO: Mr. Chairman, I move  
10 the Board adopt the Report and Recommendation issued  
11 by the OHA regarding the revocation of Tim Nugent's  
12 Gaming Employee Occupation Permit, as described by the  
13 OCC.

14 MS. REITZEL: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

17 CHAIRMAN: All opposed? The motion's  
18 adopted.

19 ATTORNEY COOK: The final Report and  
20 Recommendation before the Board today pertains to  
21 Derrick Parris.

22 Mr. Parris was issued a Non-Gaming  
23 Employee Registration and was employed with an EVS  
24 Attendant at Parks Casino.

25 On September 17th, 2018, the OEC filed

1 a Request for an Emergency Suspension of Mr. Parris'  
2 Non-Gaming Employee Registration after receiving  
3 notice that he had been charged with numerous criminal  
4 offenses relating to child pornography and sexual  
5 abuse of a minor.

6 As a result of these charges, the  
7 Board's Executive Director issued an Emergency  
8 Suspension, suspending Mr. Parris' Non-Gaming  
9 Registration.

10 A hearing in this matter was held on  
11 October 10th, 2018. The OEC appeared at the hearing,  
12 putting into evidence the nature - the charges and the  
13 nature of the charges faced by Mr. Parris. Mr. Parris  
14 did not attend that hearing, nor did he request a  
15 continuance.

16 After hearing all of the evidence  
17 presented, the Report and Recommendation issued by the  
18 Hearing Officer recommends that the suspension remain  
19 in place. And that is the recommendation before the  
20 Board.

21 CHAIRMAN: Questions, comments from  
22 the Board? Hearing none, may I have a motion?

23 MS. REITZEL: Mr. Chairman, I move  
24 that the Board adopt the Report and Recommendation  
25 issued by the OHA regarding the suspension of Derrick

1 Parris' Non-Gaming Employee Registration, as described  
2 by the OCC.

3 MR. SANTONI: Second.

4 CHAIRMAN: All in favor?

5 AYES RESPOND

6 CHAIRMAN: All opposed? The motion's  
7 adopted.

8 ATTORNEY SHERMAN: And that concludes  
9 the matters.

10 CHAIRMAN: Thank you, Doug.  
11 Sue Hensel, Bureau of Licensing.  
12 Welcome.

13 MS. HENSEL: Thank you, Chairman  
14 Barasch and Members of the Board.

15 Before the Board today will be a  
16 Change of Control and the related licensure for a  
17 Category 1 Slot Machine Operator, one Interactive  
18 Gaming Manufacturer and one VGT Procurement Agent. In  
19 addition, there will be 780 Principals as well as Key,  
20 Gaming and Non-Gaming Employee Applicants.

21 In addition, there will be the  
22 consideration of four Gaming Service Provider  
23 Applicants.

24 The first matter for your  
25 consideration is the licensure of PID, LLC, which is a

1 wholly-owned subsidiary of Churchill Downs,  
2 Incorporated, through which Churchill Downs will  
3 operate Presque Isle Downs and Casino.

4 On August 15th, 2018, the Board  
5 preliminarily approved the change of control of  
6 Presque Isle Downs from Eldorado Resorts, Inc. to PID,  
7 LLC, subject to certain conditions, including the  
8 licensure of PID, LLC and its Principals.

9 PID, LLC has filed Applications for  
10 all required individuals and entities associated with  
11 the transaction. The BIE has completed its  
12 investigation of the Applicant. The Bureau of  
13 Licensing has provided you with a Background  
14 Investigation and Suitability Report.

15 I have provided you with a Draft  
16 Order, and ask that the Board consider approving the  
17 change of control and the licensure of PID, LLC and  
18 its Principals.

19 ATTORNEY PITRE: Enforcement Counsel  
20 has no objection.

21 CHAIRMAN: Thank you.

22 Questions or comments from the Board?  
23 Hearing none, may I have a motion?

24 MR. SANTONI: Mr. Chairman, I move  
25 that the Board approve, for licensure, parties related

1 to the Change of Control of Category 1 Slot Machine  
2 Licensee Eldorado Resorts, Inc. to Churchill Downs,  
3 Incorporated, operating Presque Isle Downs and Casino  
4 through PID, LLC, as described by the Bureau of  
5 Licensing.

6 I further move that the Board approve  
7 the Change of Control with the conditions requested by  
8 the Bureau of Licensing and OEC.

9 MR. JEWELL: Second.

10 CHAIRMAN: All in favor?

11 AYES RESPOND

12 CHAIRMAN: All opposed? The motion's  
13 adopted.

14 MS. HENSEL: Next for your  
15 consideration is a Conditional Interactive Gaming  
16 Manufacturer License for Majime Services OU.

17 Majime Services OU is a  
18 software-development company that provides services  
19 for Rush Street Interactive Development, LLC. Majime  
20 Services, OU is an Estonia-based company that plans to  
21 offer interactive-related gaming products and services  
22 in the Commonwealth.

23 Under the Board's Temporary  
24 Regulations an interactive manufacturer applicant is  
25 eligible for conditional licensure if the applicant

1 has submitted a complete Licensing Application and  
2 fees and the Bureau of Licensing - the BIE does not  
3 object to the issuance of the Conditional License.  
4 Majime Services OU satisfies these criteria.

5 I provided the Board with a Draft  
6 Order and ask that the Board consider the Order to  
7 approve Majime Services OU for conditional licensure.

8 ATTORNEY PITRE: Enforcement Counsel  
9 has no objection.

10 CHAIRMAN: Questions or comments from  
11 the Board? Hearing none, may I have a motion?

12 MR. JEWELL: Mr. Chairman, I move that  
13 Board grant Majime Services OU's Conditional  
14 Interactive Gaming Manufacturer License, as described  
15 by the Bureau of Licensing.

16 MR. KERNODLE: Second.

17 CHAIRMAN: All in favor?

18 AYES RESPOND

19 CHAIRMAN: All opposed? The motion's  
20 adopted.

21 MS. HENSEL: In addition, there is a  
22 Conditional License for the VGT Procurement Agent  
23 Applicant, Commonwealth America, LLC. Commonwealth  
24 America, LLC is a Hinsdale, Illinois based entity. A  
25 procurement agent negotiates Terminal Placement

1 Agreements on behalf of a VGT Terminal Operator for  
2 placement of VGTs in truck-stop establishments.

3 In order to be eligible for  
4 conditional licensure, the Procurement Agent Applicant  
5 must meet certain criteria, including filing a  
6 completed Application, having never had a similar  
7 license denied or revoked, having never been convicted  
8 of a felony or Gaming Law violation and being current  
9 on state taxes.

10 The BIE has conducted a preliminary  
11 review of the Applicant, and I have provided you with  
12 a Conditional Licensure Report. I have provided you  
13 with a Draft Order and ask that you consider the Order  
14 to approve a Conditional License for Commonwealth  
15 America, LLC.

16 ATTORNEY PITRE: Enforcement Counsel  
17 has no objection.

18 CHAIRMAN: Questions or comments from  
19 the Board? Hearing none, may I have a motion?

20 MR. KERNODLE: Mr. Chairman, I move  
21 that the Board grants Commonwealth America, LLC Video  
22 Gaming Terminal Procurement Agent License as described  
23 by the Bureau of Licensing.

24 MR. LOGAN: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: All opposed? The motion's  
3 adopted.

4 MS. HENSEL: In addition there are  
5 Principals and Key Employee Licenses.

6 Prior to this meeting, the Bureau of  
7 Licensing provided you with a Proposed Order for two  
8 Principals and four Key Employees. I ask that the  
9 Board consider the Order approving these Licenses.

10 ATTORNEY PITRE: Enforcement Counsel  
11 has no objection.

12 CHAIRMAN: Questions or comments from  
13 the Board? Hearing none, may I have a motion?

14 MR. LOGAN: Mr. Chairman, I move the  
15 Board grant the Principal and Key Employee Licenses,  
16 as described by the Bureau of Licensing.

17 MS. MANDERINO: Second.

18 CHAIRMAN: All in favor?

19 AYES RESPOND

20 CHAIRMAN: All opposed? The motion's  
21 adopted.

22 MS. HENSEL: There are also Temporary  
23 Principal and Key Employee Licenses. Prior to this  
24 meeting, the Bureau of Licensing provided you with an  
25 Order regarding the issuance of Temporary Licenses for

1 two Principals and seven Key Employees.

2 I ask the Board consider the Order  
3 approving these Licenses.

4 ATTORNEY PITRE: Enforcement Counsel  
5 has no objection.

6 CHAIRMAN: Questions or comments from  
7 the Board? Hearing none, may I have a motion?

8 MS. MANDERINO: Mr. Chairman, I move  
9 the Board grant the Temporary Principal and Key  
10 Employee Credentials, as described by the Bureau of  
11 Licensing.

12 MS. REITZEL: Second.

13 CHAIRMAN: All in favor?

14 AYES RESPOND

15 CHAIRMAN: All opposed? The motion's  
16 adopted.

17 MS. HENSEL: Next are Gaming Permits  
18 and Non-Gaming Registrations. Prior to this meeting,  
19 the Bureau of Licensing provided you with a list of  
20 583 individuals to whom the Bureau has granted  
21 temporary or full occupation permits, and 166  
22 individuals to whom the Bureau has granted  
23 registrations under the authority delegated to the  
24 Bureau of Licensing.

25 I ask the Board consider a motion

1 approving the Order.

2 ATTORNEY PITRE: Enforcement Counsel  
3 has no objection.

4 CHAIRMAN: Questions or comments from  
5 the Board. Hearing none, may I have a motion?

6 MS. REITZEL: Mr. Chairman, I move  
7 that the Board grant the Gaming Employee Occupation  
8 Permits and Non-Gaming Employee Registrations, as  
9 described by the Bureau of Licensing.

10 MR. SANTONI: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

13 CHAIRMAN: All opposed? The motion's  
14 adopted.

15 MS. HENSEL: There was also a  
16 recommendation of denial for Gaming Employee Applicant  
17 Dustin Atkinson. The Applicant was notified that he  
18 was being recommended for denial and failed to request  
19 a hearing within the specified time frame.

20 The Bureau of Licensing has provided  
21 you with an Order addressing Dustin Atkinson, who the  
22 OEC has recommended for denial. I ask that the Board  
23 consider an Order approving the Denial.

24 ATTORNEY PITRE: Enforcement Counsel  
25 continues to request denial in this matter.

1                    CHAIRMAN: Questions or comments from  
2 the Board? Hearing none, may I have a motion?

3                    MR. SANTONI: Mr. Chairman, I move  
4 that the Board deny the Gaming Employee Occupation  
5 Permit Application of Dustin Atkinson, as described by  
6 the Bureau of Licensing.

7                    MR. JEWELL: Second.

8                    CHAIRMAN: All in favor?

9 AYES RESPOND

10                   CHAIRMAN: All opposed? The motion's  
11 adopted.

12                   MS. HENSEL: Also for your  
13 consideration, our Withdrawal Requests for gaming  
14 employees. In each case the permit is no longer  
15 required.

16                   For today's meeting, I have provided  
17 the Board with a list of eight gaming employees. I  
18 ask that the Board consider the Order approving the  
19 list of Withdrawals.

20                   ATTORNEY PITRE: Enforcement Counsel  
21 has no objection.

22                   CHAIRMAN: Questions or comments from  
23 the Board? Hearing none, may I have a motion?

24                   MR. JEWELL: Mr. Chairman, I move that  
25 the Board grant the Withdrawal of Gaming and

1 Non-Gaming Employee Applications -

2 MR. KERNODLE: Second.

3 MR. JEWELL: - as described by the  
4 Bureau of Licensing.

5 MR. KERNODLE: Second.

6 CHAIRMAN: All in favor?

7 AYES RESPOND

8 CHAIRMAN: All opposed? The motion's  
9 adopted.

10 MS. HENSEL: Next, we have an Order to  
11 certify Center Stage Entertainment, Inc. I ask that  
12 the Board consider the Order approving this Gaming  
13 Service Provider for certification.

14 ATTORNEY PITRE: Enforcement Counsel  
15 has no objection.

16 CHAIRMAN: Questions or comments from  
17 the Board? Hearing none, may I have a motion?

18 MR. KERNODLE: Mr. Chairman, I move  
19 that the Board approve the Application for Central  
20 Stage Entertainment, Inc. Gaming Service - start that  
21 over again.

22 CHAIRMAN: Start again.

23 MR. KERNODLE: Mr. Chairman, I move  
24 that the Board approve the Application for Center  
25 Stage Entertainment, Inc. for Gaming Service Provider

1 Certification, as described by the Bureau of  
2 Licensing.

3 MR. LOGAN: Second.

4 CHAIRMAN: All in favor?

5 AYES RESPOND

6 CHAIRMAN: All opposed? The motion's  
7 adopted.

8 MS. HENSEL: Finally for your  
9 consideration are Gaming Service Provider  
10 Registrations.

11 The Bureau of Licensing provided you  
12 with an Order and an attached list of three Registered  
13 Gaming Service Provider Applicants. I ask that the  
14 Board consider the Order registering these Gaming  
15 Service Providers.

16 ATTORNEY PITRE: Enforcement Counsel  
17 has no objection.

18 CHAIRMAN: Questions or comments from  
19 the Board? Hearing none, may I have a motion?

20 MR. LOGAN: Mr. Chairman, I move that  
21 the Board approve the Applications for Gaming Service  
22 Provider Registration, as described by the Bureau of  
23 Licensing.

24 MS. MANDERINO: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: All opposed? The motion's  
3 adopted.

4 MS. HENSEL: That concludes the  
5 matters of the Bureau of Licensing.

6 CHAIRMAN: Thank you, Sue.

7 ATTORNEY PITRE: The OEC will present  
8 one matter today for the Board's consideration, in  
9 which we'll request the Board's approval of one  
10 revocation.

11 That matter will be presented by  
12 Assistant Enforcement Counsel Ashley Gabrielle.

13 ATTORNEY GABRIELLE: Good morning, Mr.  
14 Chairman and Members of the Board. Ashley Gabrielle,  
15 G-A-B-R-I-E-L-L-E, Assistant Enforcement Counsel with  
16 the OEC.

17 Next on the Agenda for the Board's  
18 consideration is a Complaint seeking the revocation of  
19 the Non-Gaming Employee Registration issued to Sean  
20 Simons.

21 The Complaint has been filed with the  
22 Board's OHA and properly served upon Sean Simons.  
23 Sean Simons failed to respond within 30 days, as  
24 required by Board Regulation. As a result, the OEC  
25 filed a Request for Default Judgment and properly

1 served the same upon Mr. Simons.

2                   Therefore, the facts in the Complaint  
3 are deemed admitted. All filed documents have been  
4 provided to the Board and the matter is presently ripe  
5 for Board consideration.

6                   On July 24th, 2018, Mr. Simons pled  
7 guilty to endangering welfare of children,  
8 parent/guardian or other commits an offense, which is  
9 a third-degree felony, and indecent assault on a  
10 person less than 13 years of age, which is also a  
11 third-degree felony.

12                   Mr. Simons is not currently employed  
13 by the Pennsylvania gaming industry.

14                   At this time the OEC requests that the  
15 Board revoke the Non-Gaming Employee Registration  
16 issued to Sean Simons.

17                   CHAIRMAN: Any questions or comments  
18 from the Board? Hearing none, may I have a motion?

19                   MS. MANDERINO: Mr. Chairman, I move  
20 the Board approve the revocation of Sean F. Simons  
21 Non-Gaming Employee Registration, as described by the  
22 OEC.

23                   MS. REITZEL: Second.

24                   CHAIRMAN: All in favor?

25 AYES RESPOND

1                    CHAIRMAN: All opposed? The motion is  
2 adopted.

3                    ATTORNEY PITRE: Thank you.  
4 That concludes our business.

5                    CHAIRMAN: Thank you very much.  
6 Okay.

7                    That concludes today's public meeting.  
8 The next public meeting will be held on Wednesday,  
9 February 6th at 10:00 a.m. in this room.

10                    May I have a motion to adjourn?

11                    MS. REITZEL: So moved.

12                    MR. SANTONI: Second.

13                    CHAIRMAN: All in favor?

14 AYES RESPOND

15                    CHAIRMAN: All opposed? We are  
16 adjourned. Thank you.

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18                    MEETING CONCLUDED AT 11:15 A.M.

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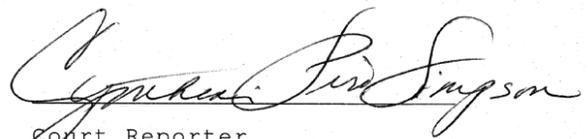
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CERTIFICATE

I hereby certify that the foregoing proceedings was reported by me on 01-09-19 and that I, Cynthia Piro Simpson, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 1st day of February, 2019



Court Reporter  
Cynthia Piro Simpson