

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

* * * * *

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Obra S. Kernodle, IV

Sean Logan

Kathy M. Manderino

T. Mark Mustio

Merritt C. Reitzel

Dante Santoni, Jr.

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Christin Heidingsfelder, Designee,

Department of Revenue

Jennifer Langan, Designee, Pennsylvania

Treasury

HEARING: Wednesday, May 29, 2019,

Reporter: Cynthia Piro Simpson

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1 LOCATION: Pennsylvania Gaming Control Board
2 Strawberry Square Complex
3 2nd Floor
4 Harrisburg, PA 17101

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A P P E A R A N C E S

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

R. DOUGLAS SHERMAN, Chief Counsel

SUSAN HENSEL, Director, Bureau of Licensing

CYRUS PITRE, Chief Enforcement Counsel

MICHAEL ROLAND, Senior Enforcement Counsel

OTHER ATTENDEES FOR MEETING AND/OR HEARING:SANDS BETHWORKS GAMING, LLC AND PCI GAMING AUTHORITY:

LYNNE KAUFMAN, ESQUIRE, Cooper Levenson

LLOYD LEVENSON, ESQUIRE, Cooper Levenson

J. SCOTT KRAMER, ESQUIRE, Duane Morris, LLP (Co-Counsel to
Both Petitioners)

STEPHANIE BRYAN, Tribal Council Chair, Poarch Band of Creek
Indians

ARTHUR MOTHERSHED, VP of Business Development, Wind Creek
Hospitality and Tribal Council

Member

JAY DORRIS, PCIGA - Wind Creek Hospitality, President and
Chief Executive Officer

CATHERINE TIMMONS, Vice President, Human Resources, PCIGA -
Wind Creek Hospitality

A P P E A R A N C E S

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SANDS BETHWORKS GAMING, LLC AND PCI GAMING AUTHORITY:

VENUS PRINCE, Chief Compliance Officer, PCIGA - Wind Creek
Hospitality

BRENT PINKSTON, Chief Operating Officer, PCIGA - Wind Creek
Hospitality

BRIAN CARR, President and Chief Operating Officer, Sands
Bethlehem

JEFF TRATNER, Assistant Attorney General for Tribe Council

TIM MANNING, Chairman, PCI Gaming Authority Board

JOE QUINN, Chief Financial Officer, Wind Creek Hospitality

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OPENING REMARKS

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P R O C E E D I N G S

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CHAIRMAN: Good afternoon, everyone.

I'm David Barasch, the Chairman of the Pennsylvania Gaming Control Board. If you haven't done this already, I ask people to put their electronic equipment on silent.

With us today is Jennifer Langan, representing Joe Torsella, the State Treasurer. And Christin Heidingsfeld - Heidingsfelder, sorry, representing the Secretary of Revenue, Dan Hassell. Thank you for coming.

A quorum of the Board Members being present, I'll call the proceedings to order. The first order of business, the Pledge of Allegiance.
PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN: By way of preliminary announcements, I'd like to state that in advance of this meeting, the Board has received and has had the opportunity to review all the pleadings of the Joint Petition for Change of Control that the Board will be hearing today.

Additionally, the Board now has received and has had a chance to review the Suitability Report for PCI Gaming Authority and the

1 individuals associated with it. I'd also note that
2 after today's - at the conclusion of today's hearing,
3 we'll take a recess in Executive Session to consider
4 what we hear this morning.

5 With that being said, I'll commence
6 proceedings at this point.

7 PUBLIC HEARING HELD

8 CHAIRMAN: At this point now, I'll
9 turn to Doug Sherman.

10 ATTORNEY SHERMAN: Good afternoon,
11 Chairman, Members of the Board.

12 Before the Board for your
13 consideration is the Joint Petition of Sands Bethworks
14 Gaming, LLC and PCI Gaming Authority for Approval of a
15 Change of Control of a Category 2 Licensee brought
16 under Section 1328 of the Gaming Act.

17 This is the matter that's been before
18 you with voluminous filings in the document, and that
19 you heard, I think for about two-and-a-half hours
20 today.

21 The Board has, in advance of the
22 meeting, in addition to the hearing, been complete -
23 provided with a complete documentary and evidentiary
24 record that's been submitted with the Office of
25 Hearings and Appeals (OHA).

1 If the Board votes to approve the
2 Change of Control, as requested, the Board also is
3 required to establish a Change of Control Fee, as
4 provided for in Section 1328D of the Act.

5 And finally, as noted, the parties
6 have filed a Petition seeking a designation of
7 confidentiality of certain information submitted with
8 the Petition and related filings.

9 Section 1206(f) of the Gaming Act
10 provides for the designation and maintenance of
11 confidentiality of certain information submitted by an
12 applicant or licensee to include nonpublic background
13 information, proprietary information, trade secrets,
14 competitive marketing and strategy materials and
15 security information.

16 The record is now closed and the
17 matter is now appropriate for consideration of the
18 Board on the joint motion to change control - the
19 establishment of a Change of Control Fee and the
20 designation of certain information as confidential.

21 CHAIRMAN: Thank you, Doug.

22 Are there any further questions or
23 comments from the Board at this time?

24 Hearing none, is there a motion?

25 MS. MANDERINO: Mr. Chairman, I move

1 the Board approve the Joint Petition for Change of
2 Control with the conditions as outlined in the Board's
3 Order, and that a \$3.75 million Change in Control Fee
4 be assessed in this transaction.

5 I further move that the OEC's request
6 for confidentiality be denied and that Joint
7 Petitioner's request for confidentiality be granted in
8 part, and denied in part, as will be outlined in the
9 Board's Order.

10 MR. MUSTIO: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

13 CHAIRMAN: All opposed? Hearing none,
14 the motion's adopted.

15 Next, a related matter. Sue?

16 MS. HENSEL: Thank you, Chairman
17 Barasch and Members of the Board.

18 Before the Board today is the
19 licensing of PCI Gaming Authority doing business as
20 Wind Creek Hospitality pursuant to the change of
21 control transaction with Sands Bethworks Gaming, LLC.

22 As you have heard, PCI Gaming
23 Authority is acquiring Sands Bethworks Gaming, LLC,
24 the current holder of the Category 2 License. Upon
25 the closing of the transaction, Sands Bethworks

1 Gaming, LLC will be renamed Wind Creek Bethlehem, LLC.

2 PCI Gaming Authority has filed
3 applications for all required individuals and entities
4 associated with the transaction. The Bureau of
5 Investigations and Enforcement (BIE) has completed its
6 investigation of the Applicants, and the Bureau of
7 Licensing has provided you with the Background
8 Investigation and Suitability Report.

9 You have also been provided with an
10 Order licensing PCI Gaming Authority and the
11 Principals associated with it.

12 In addition, the Order authorizes the
13 retitling of the Category 2 License in the name of
14 Wind Creek Bethlehem, LLC upon the closing of the
15 transaction. I ask that the Board consider the Order.

16 ATTORNEY PITRE: The OEC has no
17 objection.

18 CHAIRMAN: Are there any questions or
19 comments from the Board?

20 Hearing none, may I have a motion?

21 MR. SANTONI: Mr. Chairman, I move
22 that the Board approve the licensure of PCI Gaming
23 Authority and its associated entities and individuals,
24 as well as the retitling of the Category 2 License
25 from Sands Bethworks Gaming, LLC to Wind Creek

1 Bethlehem upon the closing of the transaction.

2 MR. KERNODLE: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: All opposed? Hearing none,
6 the motion's adopted.

7 Well, that should conclude today's
8 meeting. And I want to offer congratulations and best
9 of luck to all involved in this transaction. May you
10 go forth, as they say, and be fruitful.

11 And relative to PCI, we look forward
12 to working with you in the coming years.

13 And other than that, the next public
14 meeting of the Board will be held on Wednesday, June
15 12th at 10:00 a.m. in this room.

16 Is there a motion to adjourn the
17 meeting?

18 MS. REITZEL: So moved.

19 MR. LOGAN: Second.

20 CHAIRMAN: All in favor?

21 AYES RESPOND

22 CHAIRMAN: All opposed? The motion's
23 adopted.

24 We are adjourned. Thank you one and
25 all.

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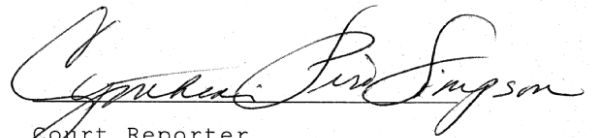
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MEETING CONCLUDED
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CERTIFICATE

I hereby certify that the foregoing proceedings,
David M. Barasch, was reported by me on 05/29/19 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 24th day of June, 2019



Court Reporter
Cynthia Piro Simpson