

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: DAVID M. BARASCH, CHAIRMAN
Richard G. Jewell, Kathy M. Manderino, Sean Logan, Dante Santoni, Jr., William H. Ryan, Jr., Merritt C. Reitzel, Members, Fred Strathmeyer, representing Russell Redding, Secretary of Agriculture; Jennifer Langan, representing Joseph Torsella, State Treasurer; Robert P. Coyne, representing Daniel Hassell, Secretary of Revenue

HEARING: Wednesday, November 8, 2017
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Strawberry Square Complex
303 Walnut Street
Harrisburg, PA 17101

Reporter: Cynthia Piro Simpson

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P R O C E E D I N G S

CHAIRMAN: Good morning, everybody.

I'm David Barasch, Chairman of the Pennsylvania Gaming Control Board. Before we begin, as always, I give you your Miranda warnings about turning off your electronic devices or putting them on silent.

Today - with us today Fred Strathmeyer representing Russell Redding, Secretary of the Department of Agriculture, Jennifer Langan representing Joe Torsella, State Treasurer and Bob Coyne representing Revenue Secretary Dan Hassell. Thanks to all of you for coming.

A quorum of the Board being present, I'll call these proceedings to order. First order of business, Pledge of Allegiance.

(WHEREUPON, PLEDGE OF ALLEGIANCE WAS RECITED.)

CHAIRMAN: Today, we have an oral argument scheduled pertaining to Bally Gaming's Petition to Intervene in the Petition of Sylebra HK Company Limited to confirm status as an institutional investor.

May we have counsel for Bally's -

1 Sylebra, OEC come forward? Before we begin, I'd like
2 each attorney making an argument today to please state
3 and spell their name for the court reporter.

4 ATTORNEY SCHRIER: Good morning, Mr.
5 Chairman, Members of the Commission, Stephen D.
6 Schrier with the law firm of Blank Rome on behalf of
7 Sylebra HK Company Limited.

8 CHAIRMAN: Thank you.

9 ATTORNEY SOROKO: Good morning,
10 Chairman. John Soroko, S-O-R-O-K-O, Duane Morris on
11 behalf of the Petitioner Bally Gaming.

12 CHAIRMAN: Okay.

13 Thank you.

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

17 CHAIRMAN: Thank you. As you are the
18 Petitioner here, Bally, you may proceed.

19 ATTORNEY SOROKO: Thank you, Mr.
20 Chairman. With me also this morning is Mr. Michael
21 Fries, Vice President of Compliance and Regulatory
22 Affairs for Scientific Games, the parent of Bally.

23 CHAIRMAN: Thank you.

24 ATTORNEY SOROKO: May it please the
25 Board. Before the Board is Bally's Petition to

1 Intervene in the matter of the Petition of Sylebra HK
2 Company Limited in respect of the determination by
3 this Board of Sylebra's status as an institutional
4 investor. Sylebra owns nearly ten percent of the
5 shares of Bally's parent, Scientific Games.

6 The matter is before the Board because
7 in June, the OEC advised Sylebra that it was required
8 to file either a Principal Entity License Application
9 or in the alternative file a Petition to have its
10 status confirmed as an institutional investor.

11 Sylebra chose to do the latter. While
12 this matter is not yet before the Board on the merits
13 I think it's fair to say that Sylebra's Petition to
14 confirm its status as an institutional investor
15 essentially will turn on the question of whether at
16 the end of the day this Board will determine that
17 Sylebra is being regulated in Hong Kong under a
18 statute that will be deemed by this Board to be
19 substantially similar to applicable U.S. law.

20 Bally has filed a Petition to
21 Intervene and it's attached to that Petition a number
22 of documents including two expert reports which Bally
23 contends on the merits cast doubt on Sylebra's claim
24 to a status as an institutional investor.

25 The OEC has taken the position of the

1 question of Sylebra's status under Hong Kong law would
2 be a matter of first impression for this Board.
3 Notably, the OEC is also supporting Bally's Petition
4 to Intervene. Despite the fact that it's uncontested
5 that Sylebra is the owner of nearly 10 percent of the
6 shares of Bally's parent, Scientific Games, and the
7 outcome of these and related proceedings could by
8 Sylebra's own admission cause Sylebra to have to
9 divest itself of almost ten percent of the shares of
10 Bally's parent.

11 Sylebra is opposing Bally's Petition
12 to Intervene, as if Bally had no real interest in this
13 matter. The parties have filed with the Board briefs
14 and various statements, stipulations of fact as well
15 as statements of additional facts.

16 Bally's position is that intervention
17 is left to the sound discretion of this Board. And
18 for reasons that both Bally and OEC have identified
19 Bally is very clearly the kind of party who this Board
20 should permit to intervene given the facts of this
21 case and in particular Bally's very direct, very
22 substantial and very immediate connection to the
23 matter of Sylebra's status before this Board.

24 The standards for intervention are
25 well established and are very clearly met in this

1 case. For its part, Sylebra is attempting to suggest
2 that the standard for intervention is a very high and
3 demanding one and one that Bally can't satisfy here.
4 That's not the case. The applicable PA Code provides
5 for intervention and proceedings before this Board
6 makes it clear the decision is within the sole
7 discretion of this Board.

8 The applicable PA Code identifies the
9 factors that this Board will consider in exercising
10 its discretion. All of those factors are met in this
11 case, particularly the fact that Bally has an obvious
12 interest in these future proceedings regarding Sylebra
13 status, given that those proceedings will directly
14 affect Sylebra's continuing status or not as a nearly
15 ten percent owner of Bally's parent company.

16 In this case not only is Bally a party
17 who should be permitted to intervene, but it's also
18 the case that Bally is a party which as a practical
19 matter is necessary or indispensable to these
20 proceedings because Bally's rights and status are as
21 was found by the Supreme Court in the case of Columbia
22 Gas, so directly connected with and affected by this
23 litigation that it must be a party of record in order
24 to protect its own rights. Bally clearly meets all of
25 the standards used by this Board into guiding this

1 Board's discretion to permit intervention.

2 First, Bally's interest in these
3 proceedings is substantial, direct and immediate. As
4 the case is made clear what this factor means and what
5 that factor is intended to do, is to ensure that a
6 would be intervenor in a proceeding before this Board
7 is not connected to the matter only in the vague
8 abstract way that some member of the general public
9 might theoretically be interested. That is not the
10 case here.

11 Bally's interest here is not merely
12 abstract, but clearly direct, substantial and - and
13 immediate because it relates to the question of the
14 status before this Board of a nearly ten percent
15 shareholder in Bally's parent company. And if Sylebra
16 cannot secure from this Board an exemption as an
17 institutional investor which Bally contends is very
18 significantly in doubt, then Sylebra will need to
19 establish its own suitability via Principal Entity
20 License Application.

21 This is clearly therefore not a case
22 in which Bally only has some abstract connection to
23 this matter like some member of the public might have,
24 but it's an interest that as to Bally is substantial,
25 direct and immediate. Bally's interest is substantial

1 because it is not merely abstract, not merely an
2 interest of the general public and is real.

3 Bally's interest is direct because
4 there is an obvious and direct connection between this
5 proceeding and Sylebra's current and future status or
6 not as a substantial shareholder of Bally's parent
7 company. And Bally's interest is immediate because
8 there is a recausal connection here that's not merely
9 hypothetical or theoretical between this proceeding,
10 and again, Sylebra's status or not as a nearly ten
11 percent owner of Bally's parent.

12 In fact, the case on which Sylebra
13 relies so heavily in trying to stop Bally's
14 intervention, the Keystone case, is so different from
15 the facts presented here by Bally that it actually
16 makes Bally's point about why intervention should be
17 permitted.

18 In Keystone, the would be intervenor,
19 was an applicant for a license who had been
20 unsuccessful in its application. The applicant never
21 appealed that decision, didn't appeal an award of a
22 license to another applicant, didn't itself hold any
23 license and yet three years later tried to intervene
24 when the licensed party tried to get an extension from
25 this Board to permit it to postpone for some time the

1 commencement of actual casino operations.

2 In essence, intervention was denied in
3 that case because it was found that Keystone's
4 interest was really no different than any interest
5 that any member of the general public might have.
6 That's just not a relevant precedent on the facts
7 before this Board and that's the case on which Sylebra
8 relies most heavily, if not entirely.

9 In fact, the only thing in that case
10 that Keystone advanced was the argument that if, and I
11 emphasize if the Board were to deny the requested
12 extension than Keystone might, and I emphasize the
13 word might, later somehow become entitled to a license
14 itself. Not surprisingly, that was held to be too
15 speculative and outside the narrow issue of the
16 extension which was before the Board.

17 This present set of circumstances
18 before the Board now couldn't be any more different.
19 Two other factors very strongly favor intervention.
20 First, notwithstanding the position of the OEC. The
21 matter - well excuse me, I should say notwithstanding
22 the positon of Sylebra. The matter before the Board
23 is complex, likely when a first impression is noted by
24 the OEC and very directly goes to Sylebra's status not
25 only before this Board, but also as a substantial

1 shareholder of Bally's parent.

2 The fact that OEC will be addressing
3 such issues, certainly doesn't mean that Bally's
4 participation as an intervenor is precluded. And a
5 good example of that is the SugarHouse precedent
6 mentioned in our brief, where the Board permitted
7 intervention in an issue of market saturation because
8 it was viewed by the Board that the intervenor was
9 well situated to provide additional information that
10 would guide the Board's determination.

11 Finally, Bally also satisfies a third
12 factor which is that it will be bound by the courts -
13 excuse me, by the Board's ruling regarding Sylebra's
14 status. Sylebra contends otherwise, but Sylebra's
15 argument in that regard is really self-contradictory.
16 Not only would Bally be bound by such a determination,
17 but a decision to permit intervention would in all
18 respects be appropriate given that it's yet unknown
19 whether Sylebra will successfully establish its status
20 as an institutional investor or failing that will need
21 to establish its suitability as a principal.

22 In either event, those determinations
23 will be binding upon Bally in respect to an issue as
24 critical as the status of a nearly ten percent holder
25 of the shares of Bally's parent.

1 Finally, there are two other points of
2 real significance that are relevant here from the
3 submissions of OEC and from Sylebra's own submission.
4 In terms of OEC's submission, it's noteworthy that not
5 only does OEC fully support the view that Bally has a
6 substantial, direct and immediate interest in this
7 proceeding, but OEC also acknowledges that Bally's
8 intervention and this is critical, is an intervention
9 designed to protect the integrity of its own license
10 with the Board and to ensure the suitability of its
11 shareholder.

12 Clearly on that basis alone, the
13 intervention should be granted. Moreover, OEC makes
14 the point that those interests of Bally are related to
15 - are related not exactly the same issue as OEC's
16 interests which is another reason intervention should
17 be permitted. In terms of Sylebra's submission to
18 this Board, it's notable that Sylebra bases its
19 opposition of Bally's intervention in part by pointing
20 out that one of the possibilities here is that
21 Sylebra, a 9.6 percent owner of Bally's parent, might
22 have to divest itself of those shares.

23 Clearly viewed properly that fact
24 alone creates a very real, very substantial and very
25 immediate interest here on Bally's part. And it's not

1 speculative, since Sylebra itself has stated that this
2 is one of the discrete paths this matter may take.
3 For all of these reasons, it's respectfully submitted
4 that the Board should grant Bally's Petition to
5 Intervene. Thank you.

6 CHAIRMAN: Thank you very much.
7 Office of Enforcement Counsel (OEC)?

8 ATTORNEY GABRIELLE: Yes. We maintain
9 our position that we believe that Bally Gaming should
10 be permitted to intervene in this matter, mainly
11 because Bally Gaming is a Board licensed slot machine
12 and table games manufacturer. Sylebra is an almost
13 ten percent owner of Scientific Games which is Bally
14 Gaming's parent company, and the Petition to confirm
15 institutional investor status was based on its
16 investment in Scientific Games.

17 Bally Gaming is - or I'm sorry.
18 Sylebra in its Petition to confirm institutional
19 investor status is seeking a finding from the Board
20 that regulation pursuant to Hong Kong law is
21 substantially similar to regulation pursuant to United
22 States law. And we believe that Bally Gaming has met
23 the requirements for intervention as outlined in the
24 regulation.

25 CHAIRMAN: Okay.

1 Thank you very much. Sylebra - do you
2 have comments, please?

3 ATTORNEY SCHRIER: Thank you, Mr.
4 Chairman and Members of the Commission. Stephen D.
5 Schrier on behalf of Sylebra HK Company.

6 I beg to differ with Mr. Soroko's
7 conclusion that we're relying upon case law that he is
8 referencing. I think the case law is important to
9 look at, but I think what we're really relying on here
10 in this case and in this particular proceeding are
11 facts. And this proceeding is not about Sylebra's
12 suitability. We aren't there yet. That is many steps
13 down the road.

14 This proceeding is about whether or
15 not the regulatory body that licenses and regulates
16 Sylebra is substantially similar enough to our United
17 States SEC, so that Sylebra could be qualified as an
18 institutional investor in the same way as other
19 companies both in the U.S. and as this Board has
20 already found for other countries like the UK.

21 Sylebra is an investment advisor firm.
22 You may have that kind of a firm managing your pension
23 account, for example. It's much like the Vanguards of
24 the world, Susquehanna, Black Rock, Fine Capital. All
25 of those firms invest in publicly traded shares on the

1 U.S. markets and in foreign markets as they choose and
2 they buy these shares open on the stock exchange - the
3 New York stock exchange, Nasdaq, foreign exchanges as
4 well.

5 Sylebra, at this time, has investments
6 in over 90 different public companies. So, it's not
7 just Bally's. Notably the other firms that I just
8 mentioned each own over five percent of Bally's parent
9 company, Scientific Games. Unlike those firms, my
10 client Sylebra is located in Hong Kong. And as you
11 know, Hong Kong is one of the world's greatest
12 financial capitals along with New York, London,
13 Zurich, Tokyo. That's where they're located.

14 In that jurisdiction, they have an
15 agency called the Securities and Futures Commission.
16 And that Commission is designed to be similar to the
17 SEC. It regulates and licenses investment advisors
18 such as Sylebra. Two years ago, not now, two years
19 ago Sylebra acquired the 9.6 percent of the shares
20 that it has in Bally's company.

21 Since then, it had been approved by
22 this Board as an institutional investor. And it has
23 been approved as an institutional investor by numerous
24 other gaming states. And in fact, in a state like
25 Nevada, if you have less than ten percent of a

1 publicly traded gaming company you don't have to file
2 anything. Your Gaming Act and your regulations allow
3 you to determine that a passive investor with no
4 ability to control a gaming company can come from
5 another country other than the United States.

6 So, at the request of the OEC the
7 question of Sylebra's foreign institutional investor
8 status has been revisited. And as a result of that,
9 Sylebra filed its Petition asking the Board to
10 consider whether the SFC is similar enough to the SEC
11 so that it can be licensed in a similar fashion to the
12 Vanguards and the Susquehanna's.

13 If it is determined to be that, it
14 will file the appropriate paperwork as an
15 institutional investor. If it's not, your
16 determination will be that they need to get licensed
17 and they'll get licensed. I don't understand why this
18 proceeding, which will only end with one of - one or
19 both of those two outcomes or only one of those
20 outcomes, has anything to do with the company's
21 suitability.

22 No one is sitting here and saying
23 they're unsuitable. Nobody is saying they're
24 divesting any shares because they're unsuitable. The
25 only issue in this proceeding - this particular

1 proceeding is, can we be this or do we have to be
2 that?

3 MR. JEWELL: Counsel, let me ask a
4 couple questions if I may. I think you're starting to
5 reach to the merits because we're here on a very
6 narrow review and that is the interventional review.

7 ATTORNEY SCHRIER: Very good.

8 MR. JEWELL: And by opposing counsel
9 it was stated that, your client had indicated there
10 might be pathways depending on the outcome that would
11 be different from we'll be licensed or that we might
12 walk away from the investment, et cetera.

13 Is that so - is that a pathway that
14 might - might be one?

15 ATTORNEY SCHRIER: Well, I would
16 submit to you that, no, I didn't suggest and they
17 haven't suggested that. But if they're found
18 unsuitable, usually the outcome, and in fact, Bally's
19 own bylaws require, that there be a method of either
20 redeeming their shares or having them divest.

21 Now, Sylebra as an investment advisor
22 has to make decisions about what it does with its
23 investor's monies. So, it's conceivable that it would
24 sell shares, buy shares, buy more shares, buy less
25 shares. But they are not intending in this proceeding

1 to divest all of their shares. They're just asking
2 for you to decide whether they can be an institutional
3 investor or whether they have to go forward and get
4 licensed.

5 MR. JEWELL: I'd be interested in your
6 specific arguments against the intervention.

7 ATTORNEY SCHRIER: Okay.

8 Thank you. The three elements that
9 were mentioned, are the three eligibility requirements
10 that you have in your regulation to permit somebody to
11 intervene. And you have to meet all three of those
12 elements. And even if you do, then it's up to you in
13 your discretion whether or not to grant the
14 intervention.

15 The first element is whether the
16 person has an interest in the proceeding that is
17 substantial, direct and immediate. I would submit to
18 you that they don't meet any of the criteria. But the
19 first criteria, Bally itself cannot show that the
20 outcome of Sylebra's request creates any immediate
21 harm to them in this particular proceeding. How could
22 your ruling in this proceeding if it goes forward to
23 the end, create any immediate or direct harm if
24 they've held an institutional investor status for two
25 years?

1 If you rule in their favor, they will
2 continue to do that. If you rule the other way, then
3 they will have to go forward and get licensed. None
4 of that will be in this proceeding. Your proceeding
5 is only to determine which way they have to go. So,
6 there's no immediate harm that will impact Bally in
7 this proceeding. If, in some remote and what I would
8 consider to be speculative set of facts in the future,
9 my client is asked to be licensed and they're found to
10 be unsuitable or they don't cooperate.

11 At that point in the future there
12 would be a proceeding I assume by the Board to deal
13 with the suitability. And at that point in time, I
14 would think, that Bally would certainly have an
15 interest. But this limited proceeding to decide one
16 way or the other how they should be licensed has no
17 immediate impact. They've held these shares for two
18 years.

19 The second prong is whether or not the
20 OEC adequately represents the interest of Bally, and I
21 respectfully submit to you that they do. What has OEC
22 done in response to Sylebra's Petition, they've
23 objected? They've said in their review, of all the
24 information to date, leads them to conclude that the
25 SFC is not similar enough to the SEC for investment

1 advisors. And they pointed out in great detail why
2 they believe that to be the case. What does Bally say
3 in its intervention, they object. And they say in
4 great detail, why they don't think the SFC is similar
5 to the SEC. It's precisely the same position.

6 So, the concept of whether there is an
7 adequate representative for their interest as required
8 as one the eligibility criteria I would submit to you
9 is covered. OEC has covered it. They're competent,
10 they know what they're doing and they can respond to
11 the same exact issues and they, in fact, have as
12 Bally.

13 The third prong is whether the outcome
14 of Sylebra's Petition will bind Bally to something
15 that impacts it in some way - impact its suitability
16 or its license. And I submit to you that, again, in
17 this limited proceeding that we've brought they are
18 not bound by anything. The mere fact that they have a
19 manufacturer's license is not enough. They wave that
20 as if, hey, we have a manufacturer's license, you're
21 an owner. That doesn't met the eligibility criteria.

22 They can have their opinion. They're
23 an interested party, but they don't meet the
24 eligibility criteria because no matter what your
25 outcome they won't be harmed in any way. They'll only

1 be harmed in some future potential proceeding if
2 Sylebra fails to cooperate or is found unsuitable.
3 But that is not in this proceeding.

4 Bally's can chose who to hire as its
5 executives. It can choose its management team and
6 pick its directors and they have control over that.
7 They have control over those people's licenses. But
8 when you're a publically traded company, anybody can
9 buy your stock. And those buyers, under certain
10 circumstances like this, are bound by the PGCB's rules
11 or the rules of other gaming jurisdictions as to what
12 kinds of licenses they can get and what kind of
13 treatment they can get as an institutional investor.
14 Bally's can't change that.

15 If you want a license from Sylebra,
16 then you'll rule that they have to file one. If you
17 agree instead with a dozen or more other states that
18 they can be an institutional investor at the end of
19 these proceedings, that doesn't bind Bally to take any
20 action either way. It doesn't adversely impact them
21 in any way. It doesn't affect their existing license.

22 So, in sum I do submit that this Board
23 has a fairly high hurdle for intervention. You've
24 chosen in determining your own regulations over the
25 years that parties to a proceeding should not

1 necessarily have to deal with others who may have some
2 interest, who may have a very strong interest in fact
3 in the proceedings. They have to meet the eligibility
4 criteria. And I submit that in this case, they
5 haven't done so. And if you allow them to intervene,
6 it is going to broaden this proceeding substantially.

7 They've already spent a substantial
8 amount of energy and money on expert's reports and the
9 like and they will take over this process. That will
10 effectively allow the tail to wag the dog in this
11 particular proceeding. I think their intervention
12 here is premature and unnecessary. They'll suffer no
13 harm by the outcome, and their view point has
14 adequately covered in precisely the same way by the
15 OEC.

16 So, I would ask you to deny the
17 Petition.

18 CHAIRMAN: If I could?

19 ATTORNEY SCHRIER: Sure.

20 CHAIRMAN: I wanted to give Bally an
21 opportunity to rebut and then open if there were other
22 questions. If you have some brief rebuttal, please
23 proceed and then I want to open it up for questions.

24 ATTORNEY SOROKO: Very briefly, Mr.
25 Chairman. Thank you. It makes a lot of sense for

1 this Board to have standards governing Petitions to
2 Intervene. And it makes sense for this Board to
3 interpret those standards so as to ensure that members
4 of the general public or people with - at most,
5 attenuated connections or just a public interest
6 connection to a matter before this Board can't
7 intervene. That makes a lot of common sense. But
8 that's not the set of facts here with respect to the
9 relationship here between Sylebra, Bally and Bally's
10 parent.

11 The way I would submit your relevant
12 code sections read is this is a matter entrusted to
13 your discretion. You have some factors to look at to
14 guide that discretion. And in this case, for all the
15 reasons we've set forth in our papers and OEC has set
16 forth in their papers, all those standards are met
17 because at the end of the day the very clear point
18 made here is that Bally's relationship with all of the
19 issues now before and to be before the Board with
20 respect to Sylebra, is not just a generalized public
21 interest.

22 It's not an outsider looking to
23 intervene in a matter and make it more complicated and
24 make it more difficult and make it more lengthy or
25 make it more expensive. It's just as OE - OEC said.

1 It's an intervention designed to protect the integrity
2 of Bally's license and on that basis, we think the
3 case law is very solidly in favor of intervention in
4 this matter. Thank you.

5 CHAIRMAN: Commissioner Ryan?

6 MR. RYAN: Mr. Schrier, what is the
7 legal harm that Sylebra suffers from permitting
8 Bally's in this matter?

9 ATTORNEY SCHRIER: The legal harm -
10 I'm not sure if it would be legal harm, but the harm
11 that I see they suffer is that there is a party who is
12 involved in the proceeding that has a point of view
13 and it's an opinion. And under your standards, that
14 is not reason to be a party.

15 I would submit to you that if we want
16 opinions, we should get investment companies to come
17 in from here and from foreign locations. We should
18 get gaming companies who have publicly traded shares
19 to come in and sit before you and explain to you why
20 it's important or unimportant that people be able to
21 buy investments from foreign countries and our own
22 country to determine the success of a potential public
23 company.

24 So, what I'm saying is, Bally's is no
25 different than any other publicly traded gaming

1 company in this particular instance. We are harmed
2 because we are now faced with a question that we are
3 asked to address by your OEC. And that question was
4 you have been an institutional investor, but we think
5 we need to really examine how you're regulated to
6 determine whether or not you should continue in that
7 capacity.

8 So, we have been in that capacity and
9 now Bally's is attempting, through its own opinions
10 about things, to influence how our status is viewed by
11 the Board. And I submit to you, there is a lot of
12 people who would like to influence this Board with
13 status of how somebody is viewed, but they don't meet
14 the eligibility requirements.

15 MR. RYAN: All right. Thank you.

16 CHAIRMAN: Thank you. We're going to
17 take a very brief recess right now, but we will come
18 back and vote on this matter in the OEC's portion of
19 the agenda. But just - about a three minute, four
20 minute break. Thank you.

21 ---

22 (WHEREUPON, A SHORT BREAK WAS TAKEN.)

23 ---

24 CHAIRMAN: We're going to proceed with
25 our regular agenda at this time. By way of

1 announcements, the Board held an Executive Session
2 yesterday on November 7th to discuss personnel matters
3 and do conduct quasi-judicial deliberations relating
4 to matters that are being considered today before this
5 Board.

6 Next we have consideration of a motion
7 to approve the minutes and transcripts of the
8 September 13th meeting. May I have such a motion?

9 MS. REITZEL: Mr. Chairman, I move
10 that the Board approve the minutes and transcript of
11 the September 13, 2017 meeting.

12 MR. RYAN: Second.

13 CHAIRMAN: All in favor?

14 ALL SAY AYE

15 CHAIRMAN: All opposed? The motion is
16 adopted. Under new business, Executive Director Kevin
17 O' Toole. Kevin?

18 MR. O'TOOLE: Good morning, Chairman
19 Barasch. Good morning, members of the Board. For
20 today's Executive Session for the - excuse me, for
21 today's Executive Director's Report I'd like to
22 briefly talk about those two words that are ringing in
23 all of our ears, gambling expansion.

24 So, as we all know, Governor Wolf
25 signed House Bill 271 last week authorizing the

1 legalization of a number of new gaming options in
2 Pennsylvania. Those options include a new class of a
3 casino labeled a Category 4 casino, also referred to
4 as a satellite casino. The legislation also
5 authorizes Truck Stop Video Gaming Terminals, Internet
6 Gambling, Airport Gaming, Fantasy Sports Contests,
7 Casino Simulcasting and down the road the possibility
8 of Sports Wagering in a regulated environment.

9 This bill represents the culmination
10 of a significant effort to expand legalized gaming in
11 many forms across Pennsylvania. The law promises
12 great expansion of economic and employment
13 opportunities for casinos and Pennsylvanians and
14 citizens alike. It also requires extraordinary
15 dedication and commitment of Board staff to see that
16 the mandates of the new law are fulfilled.

17 I would like to take this opportunity
18 to express my confidence to you that the staff of the
19 Pennsylvania Gaming Control Board will work diligently
20 to successfully implement the new gaming options.
21 Each Bureau of the Board will play its part in
22 ensuring the overall regulatory preparedness to reach
23 successful implementations of all the new gaming
24 options.

25 I would also like to thank the Board

1 for your leadership which will be invaluable as we
2 move forward with challenges that this amended Gaming
3 Act brings.

4 Finally, I would like to mention our
5 two Legislative Liaisons Dan Stambaugh and Max
6 Flessner for the hard work that they have done over
7 not only the last several months, but the last several
8 years trying to keep track of this evolving
9 legislation in order to keep us all well informed.

10 That's my report. Thank you very
11 much, Chairman.

12 CHAIRMAN: Thanks, Kevin. Next we
13 will hear from Administrative - oh, excuse me. Any
14 questions or comments from the Board at this time?

15 Claire, if you would present, please?

16 MS. YANTIS: Good morning - Good
17 morning, Chairman and members of the Board. The
18 office of Human Resources has one motion for your
19 consideration today relative to the hiring of Rebecca
20 Kunkle. Ms. Kunkle has been selected to fill the
21 position of Assistant Chief Counsel in the Office of
22 Chief Counsel (OCC).

23 She has completed PGCB interview
24 process, background investigation and drug screening
25 and is recommended for hire by Chief Counsel Sherman.

1 Unless you have any questions, I ask that the Board
2 consider a motion to hire Ms. Kunkle as indicated.

3 CHAIRMAN: Questions or comments from
4 the Board? May I have a motion?

5 MR. RYAN: Mr. Chairman, I move that
6 the Board approve the applicant as proposed by the
7 Administrative Director.

8 MR. SANTONI: Second.

9 CHAIRMAN: All in favor?

10 ALL SAY AYE

11 CHAIRMAN: All opposed? The Motion is
12 adopted.

13 MS. YANTIS: Thank you.

14 CHAIRMAN: Thank you, Claire. Doug
15 Sherman, Chief Counsel.

16 ATTORNEY SHERMAN: Good morning,
17 Chairman, Members of the Board. Today, we have two
18 Petitions before you for your consideration. The
19 first one is the matter which you had just heard oral
20 argument on. The second one will be - to be presented
21 will be decided based upon the documents filed of
22 record by agreement of the parties.

23 In each of the matters, however, the
24 Board has in advance of this meeting, been provided
25 with all documents filed of record.

1 The first Petition before the Board is
2 that of Bally Gaming's Petition to Intervene and
3 Sylebra HK Company's Limited Petition to confirm
4 status as an institutional investor. As indicated, an
5 oral argument was just heard. The Board had held a
6 brief Executive Session thereafter, and it's now
7 appropriate for the Board to consider a motion.

8 CHAIRMAN: Any questions or comments
9 from the Board at this time?

10 MR. SANTONI: Mr. Chairman, I move
11 that Board grant Bally Gaming, Inc.'s Petition to
12 Intervene and that the underlying matter be sent to
13 the Board's Office of Hearings and Appeals (OHA) for
14 the purpose of conducting evidentiary hearings with
15 full participation by all parties.

16 MR. JEWELL: Second.

17 CHAIRMAN: All in favor?

18 ALL SAY AYE

19 CHAIRMAN: All opposed? The motion is
20 adopted.

21 ATTORNEY SHERMAN: The second petition
22 before the Board today is that of Presque Isle Downs
23 and it's a request to terminate a limited Shared
24 Services Agreement between itself and Mountaineer
25 Park, its sister property in West Virginia. Both

1 Presque Isle Downs and Mountaineer Park are
2 subsidiaries of Eldorado Resorts.

3 On May 21st, 2014, while both Presque
4 Isle and Mountaineer were owned by MTR Gaming, the
5 Board approved a Shared Service Agreement between the
6 two properties wherein it was agreed that a Senior
7 Director of Player Development at - at Mountaineer
8 would provide similar services to Presque Isle Downs.

9 Eldorado, through Presque Isle Downs,
10 now wishes to terminate that Shared Service Agreement
11 effective November 18th which happens to be the last
12 day of employment for the current Senior Director of
13 Player Development. The OEC has expressed no
14 objection and I - it is that request now appropriate
15 for the Board's motion.

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

18 MR. LOGAN: Mr. Chairman, I move that
19 the Board grant the effective November 18th, 2017
20 Presque Isle Downs Petition to Terminate its Shared
21 Service Agreement with Mountaineer Park as described
22 by the OCC.

23 MS. MANDERINO: Second.

24 CHAIRMAN: All in favor?

25 ALL SAY AYE

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

3 ATTORNEY SHERMAN: Okay.

4 Next, presenting Withdrawals and
5 Reports and Recommendations is Deputy Chief Counsel
6 Steve Cook.

7 ATTORNEY COOK: Morning.

8 The Board has received several
9 unopposed Petitions to Withdraw Applications or
10 Surrender the Credentials of several individuals as
11 follows.

12 The individuals are Bruce S. Bozsum,
13 Victor Duarte, Peggy L. Pepper, Michael Frattone and
14 Peter Magerko. The OEC has reviewed each of these
15 Petitions and has no objections to any of the
16 Withdrawals or Surrenders. And as a result, if the
17 Board were inclined to grant same, they'd be doing so
18 without prejudice to each of the requestors.

19 These matters are now ripe.

20 CHAIRMAN: Questions or comments from
21 the Board? May I have a motion?

22 MS. MANDERINO: Mr. Chairman, I move
23 the Board issue Orders to grant the Withdraws and
24 Surrenders as described by the OCC.

25 MS. REITZEL: Second.

1 CHAIRMAN: All in favor?

2 ALL SAY AYE

3 CHAIRMAN: All opposed?

4 The motion's adopted.

5 ATTORNEY COOK: Next before the Board
6 for consideration are six Reports and Recommendations
7 received from the OHA. The Reports and
8 Recommendations as well as the complete evidentiary
9 hearing in each of the - or evidentiary record in each
10 of these matters has been provided to the Board in
11 advance of today's meeting.

12 And additionally, in each case, the
13 person that is subject to the Report and
14 Recommendation has been notified that the Board would
15 be taking the matter up today. If any of these
16 persons are present and wish to address the Board, I'd
17 ask them to come forward when their matter is called.

18 The first Report and Recommendation
19 before the Board pertains to Jessica Nicole Flagler.
20 On April 19th, 2017, the OEC filed a Petition to place
21 Ms. Flagler on the Board's Exclusion List after it was
22 found that on March 25th, 2017, while 19 years old,
23 she attempted to gain access to the River's Casino
24 gaming floor utilizing a false identification.

25 Ms. Flagler, along with her mother and

1 grandmother, were escorted to the Pennsylvania State
2 Police Office on the casino floor where she was
3 charged with carrying a fake ID. That charge was
4 later dismissed.

5 Ms. Flagler requested a hearing which
6 was held before the Board's OHA on August 10th, 2017.
7 OEC appeared at that hearing and offered testimony and
8 documentary evidence as to the events at the casino in
9 March. Ms. Flagler appeared at the hearing,
10 testifying on her own behalf and also presenting her
11 mother as a witness.

12 Ms. Flagler admitted that she provided
13 a fake ID, further testified that she had no intent to
14 gamble or drink if - if she actually got access to the
15 gaming floor. And she also testified that she is
16 currently a student in college, an education major,
17 teaches underprivileged youth in the City of
18 Pittsburgh as part of her education, and has concerns
19 about being placed on the list and the impact it will
20 have on her professional development upon graduation.

21 The Hearing Officer taking into
22 consideration all that evidence, subsequently issued a
23 Report and Recommendation and recommends to the Board
24 that consistent with Board practice, that Ms. Flagler
25 be placed on the Board's Exclusion List until her 22nd

1 birthday at which time she could petition to come off
2 of the list. And that is the recommendation for the
3 Board.

4 CHAIRMAN: Are there any questions or
5 comments from the Board on this matter?

6 MS. MANDERINO: Ms. Flagler's not
7 here?

8 CHAIRMAN: Apparently not.
9 May I have a motion?

10 MS. REITZEL: Mr. Chairman, I move
11 that the Board table this matter and take it under
12 advisement.

13 MR. RYAN: Second.

14 CHAIRMAN: All in favor?

15 ALL SAY AYE

16 CHAIRMAN: All opposed?

17 The motion is adopted.

18 ATTORNEY COOK: The second Report and
19 Recommendation before the Board today pertains to Juan
20 Morales.

21 In November of 2016, Mr. Morales
22 submitted a Renewal Application for his Gaming
23 Employee Occupation Permit so as to continue working
24 as a Security Officer at the SugarHouse Casino.

25 Three issues arose relative to Mr.

1 Morales' Renewal Application and he was contacted by
2 the Bureau of Investigations and Enforcement (BIE) on
3 multiple occasions to try to correct deficiencies in
4 his application, relative to local - I'm sorry - to
5 state and federal taxes, as well as to student loan
6 debt.

7 Ultimately, Mr. Morales came into
8 compliance with respect to his federal taxes but
9 continued to have unresolved issues with the
10 Pennsylvania Department of Revenue and with student
11 loan debt.

12 Due to his failure to cooperate
13 despite repeated attempts to have him come into
14 compliance, on April 28th, 2017, the OEC issued a
15 Notice of Recommendation of Denial of his Renewal
16 Application.

17 Mr. Morales requested a hearing which
18 was held on August 2nd, 2017. OEC appeared at that
19 hearing and offered testimony. Mr. Morales, despite
20 requesting the hearing, did not attend it.

21 Ultimately, hearing only from OEC, a
22 Report and Recommendation was issued recommending that
23 Mr. Morales' Gaming Permit Renewal - I'm sorry -
24 Gaming Permit Renewal Application be denied, and
25 that's the recommendation for the Board.

1 CHAIRMAN: Any questions or comments
2 from the Board? May I have a motion?

3 MR. RYAN: Mr. Chairman, I move that
4 the Board adopt the Report and Recommendation issued
5 by the OHA denying Juan Morales Gaming Employee
6 Occupation Permit Renewal Application as described by
7 the OCC.

8 MR. SANTONI: Second.

9 CHAIRMAN: All in favor?

10 ALL SAY AYE

11 CHAIRMAN: All opposed?

12 The motion is adopted.

13 ATTORNEY COOK: Devon Kilgariff's
14 Report and Recommendation is the next matter before
15 the Board.

16 On May 2nd, 2017, the OEC filed a
17 Petition to place Ms. Kilgariff on the Exclusion List
18 after it was found that on February 3rd, 2017, while
19 only 20 years old, she attempted to gain access to
20 Mount Airy Casino's gaming floor utilizing a false
21 identification.

22 She was stopped at the entrance and as
23 a result of her actions, Ms. Kilgariff was charged
24 with - by the Pennsylvania State Police with carrying
25 a false ID.

1 Ms. Kilgariff requested a hearing on
2 OEC's Request to place her on the Exclusion List and
3 it was held - the hearing was held on July 27th of
4 this - a few months ago. Both the OEC and Ms.
5 Kilgariff appeared at that hearing.

6 OEC and Ms. Kilgariff presented a
7 Stipulation of Facts at that point, in which Ms.
8 Kilgariff admitted to the conduct that was alleged.
9 She also put on testimony on her own behalf stating
10 that she went to the casino to celebrate her birthday,
11 did not think her decision through or fully comprehend
12 the consequences of going to the casino and presenting
13 a false ID. She further apologized for her actions
14 and requested that she not be placed on the
15 Involuntary Exclusion List.

16 Notwithstanding this testimony, the
17 Report and Recommendation that was subsequently issued
18 by the Hearing Officer recommended that Ms. Kariff -
19 Ms. Kilgariff be placed on the Exclusion List for at
20 least one year. In fact, consistent with the past
21 practice, if the Board were to place her on the list,
22 it should be until at least her 22nd birthday as she
23 remains underage.

24 But notwithstanding that fact,
25 ultimately, the - the recommendation of the Hearing

1 Officer is that she be placed on the Exclusion List,
2 and that's the recommendation.

3 CHAIRMAN: Just one - one question I
4 have.

5 Did she actually gamble?

6 ATTORNEY COOK: She did not. She was
7 stopped at the entrance.

8 CHAIRMAN: I see.

9 Are there any other questions or
10 comments from the Board?

11 Hearing none, may I have a motion?

12 MR. SANTONI: Mr. - excuse me - Mr.
13 Chairman, I move that the Board table this matter and
14 take it under advisement.

15 MR. JEWELL: Second.

16 CHAIRMAN: All in favor?

17 ALL SAY AYE

18 CHAIRMAN: All opposed?

19 The motion is adopted.

20 ATTORNEY COOK: Sonya Rudolph's matter
21 is the next Report and Recommendation before the
22 Board.

23 Ms. Rudolph was issued a Gaming
24 Employee Permit on December - or during December of
25 2016 and worked as a Security Officer at the Rivers

1 Casino.

2 On August 9th, 2017, the OEC filed a
3 Request for Emergency Suspension of Ms. Rudolph's
4 Permit after receiving notice that she'd been arrested
5 and charged with numerous crimes including felony
6 graded criminal offenses.

7 The underlying allegations were that
8 on April 29th, 2017, Ms. Rudolph along with several
9 other individuals engaged in a fight during a wedding
10 reception that they all were attending. Allegedly,
11 Ms. Rudolph assaulted several individuals by striking
12 them as well as throwing various objects.

13 Based on the felony charge, the
14 Executive Director issued an Emergency Suspension of
15 Ms. Rudolph's permit and the matter was referred to
16 the OHA for a hearing. A hearing was held on August
17 29th, 2017 and despite receiving notice, Ms. Rudolph
18 did not attend that hearing.

19 As a result, the only evidence put
20 into the record were OEC's - OEC's evidence of the
21 criminal charges and underlying Affidavit of Probable
22 Cause. And based on that evidence, the Hearing
23 Officer recommends that Ms. Rudolph's Permit
24 Suspension continue.

25 CHAIRMAN: Questions or comments from

1 the Board? May I have a motion?

2 MR. JEWELL: Mr. Chairman, I move that
3 the Board adopt the Report and Recommendation issued
4 by the OHA regarding the Suspension of Sonya Rudolph's
5 Gaming Employee Occupation Permit as described by the
6 OCC.

7 MR. LOGAN: Second.

8 CHAIRMAN: All in favor?

9 ALL SAY AYE

10 CHAIRMAN: All opposed?

11 The motion is adopted.

12 ATTORNEY COOK: Next before the Board
13 is Robert Sawyer's Report and Recommendation
14 recommending denial of his Gaming Employee
15 Application.

16 In October of 2016, Mr. Sawyer
17 submitted an Application seeking work as a Security
18 Officer at the Parx Casino. In May of 2017, the OEC
19 issued a Notice recommending denial of Mr. Sawyer's
20 Application based upon his criminal history.

21 In his Application, Mr. Sawyer
22 indicated that he'd been arrested and charged with
23 assault in July of 2009. However upon investigation
24 of the Application, it was determined that this
25 individual actually had a 25 year criminal history

1 including numerous felony offenses. And based upon
2 the entirety of that criminal history, OEC recommended
3 him for denial.

4 Mr. Sawyer requested a hearing which
5 was held on August 3rd of 2017. He did not appear at
6 that hearing. Once again, OEC was the only party
7 present and put into evidence the criminal record at
8 issue. And based upon that evidence, the Report and
9 Recommendation issued recommends that the Application
10 be denied.

11 CHAIRMAN: Questions or comments from
12 the Board? May I have a motion?

13 MR. LOGAN: Mr. Chairman, I move that
14 the Board adopt the Report and Recommendation issued
15 by the OHA recommending the denial of Robert Sawyer's
16 Application for a Gaming Employee Occupation Permit as
17 described by the OCC.

18 MS. MANDERINO: Second.

19 CHAIRMAN: All in favor?

20 ALL SAY AYE

21 CHAIRMAN: All opposed?

22 The motion is adopted.

23 ATTORNEY COOK: The Final Report and
24 Recommendation before the Board today pertains to
25 George Suhar.

1 Mr. Suhar was issued a Gaming Employee
2 Permit in January of 2015 and worked as a Security
3 Officer at the Lady Luck Casino at Nemaquin. On July
4 14th of 2017, the OEC filed a Request for an Emergency
5 Suspension of Mr. Suhar's Gaming Employee Permit after
6 receiving notice that he'd been charged with a felony
7 and several summary violations.

8 Specifically, on June 2nd of 2017, Mr.
9 Suhar was pulled over by police after failing to use a
10 turn signal. After interacting with the Police
11 Officer, a - a consensual search of his vehicle
12 occurred and a handgun was found. Mr. Suhar informed
13 the police that he did not have a concealed weapons
14 permit and as a result, he was charged with a felony
15 offense of carrying a concealed weapon without a
16 permit.

17 As a result of that felony charge, the
18 Executive Director issued the emergency suspension as
19 requested by Enforcement Counsel.

20 A hearing on the validity of the
21 emergency suspension occurred on August 3rd, 2017.
22 OEC and Mr. Suhar attended the hearing, but Mr. Suhar
23 did not provide any mitigating evidence or any
24 evidence at all, really. And as a result, the Report
25 and Recommendation issued recommends that based upon

1 the felony charge, the suspension continue.

2 CHAIRMAN: Questions or comments from
3 the Board? May I have a motion?

4 MS. MANDERINO: Mr. Chairman, I move
5 the Board adopt the Report and Recommendation issued
6 by the OHA regarding the suspension of George Suhar's
7 Gaming Employee Occupational Permit as described by
8 the Office of General - Chief Counsel, excuse me.

9 MS. REITZEL: Second.

10 CHAIRMAN: All in favor?

11 ALL SAY AYE

12 CHAIRMAN: All opposed?

13 The motion is adopted.

14 ATTORNEY SHERMAN: And that concludes
15 the matters of the OEC.

16 CHAIRMAN: Thank you very much.

17 Sue Hensel, Bureau of Licensing. Good
18 morning.

19 MS. HENSEL: Thank you, Chairman
20 Barasch and Members of the Board.

21 Before the Board today will be three
22 Manufacturer Renewal Applications and 833 Principal,
23 Key, Gaming and Non-Gaming Employee Applicants. In
24 addition, there will be the consideration of 11 Gaming
25 Service Provider applicants.

1 The first matter for your
2 consideration is the renewal of the Slot Machine and
3 Table Game Manufacturer licenses for Aristocrat
4 Technologies, Inc. Aristocrat Technologies, Inc. is a
5 Nevada based corporation that manufactures and
6 distributes slot machines and other gaming equipment,
7 including a system utilized with table games.

8 Should the Board approve Aristocrat
9 Technologies Table Game Manufacturer License, the
10 company has asked that the Board allow it to pay a
11 reduced licensing renewal fee. Under the Gaming Act,
12 the Board may modify the fee for a table game
13 manufacturer if it determines that the fee will
14 unreasonably limit table game devices or associated
15 equipment.

16 Consistent with this provision of the
17 Act, the Bureau of Licensing has adopted a Reduced
18 License Fee Policy which has previously been presented
19 to the Board. Under the policy, a reduction of the
20 licensing fee is warranted if there are between one
21 and ten manufacturers of a product and the anticipated
22 sales are under \$100,000 over a 12 month period.

23 I note that the policy was based on
24 three year renewals, but recent changes to the Gaming
25 Act have extended that term to five years and we are

1 in the process of amending the policy to reflect that
2 change.

3 Aristocrat Technologies is one of
4 fewer than ten manufacturers of a table game player
5 tracking system. It projects the average yearly gross
6 sales to be under \$100,000 and the Bureau of Licensing
7 does monitor actual sales.

8 The Bureau of Licensing recommends
9 that the Board grant the Request for a Reduced
10 Licensing Fee and recommends that the fee for the five
11 year renewal license be \$15,000, which is in line with
12 the Bureau's existing policy.

13 The BIE has completed its
14 investigation and the Bureau of Licensing has provided
15 you with a background investigation and suitability
16 report. I have provided you with a draft Order and
17 ask that the Board consider the Order to approve the
18 Table Game Manufacturer License and the reduced
19 licensing fee as well as the Slot Machine Manufacturer
20 License.

21 The recommended reduced fee on the
22 table games side does not impact Aristocrat
23 Technologies, Inc.'s Slot Machine Manufacturer Renewal
24 License Fee which would be \$150,000 for a five year
25 period.

1 ATTORNEY PITRE: And with that,
2 Enforcement Counsel has no objection.

3 CHAIRMAN: Thank you.

4 Questions or comments from the Board?
5 May I have a motion?

6 MS. REITZEL: Mr. Chairman, I move
7 that the Board approve the renewal of Aristocrat
8 Technologies, Inc.'s Table Game and Slot Machine
9 Manufacturer Licenses as described by the Bureau of
10 Licensing.

11 MR. RYAN: Second.

12 CHAIRMAN: All in favor?

13 ALL SAY AYE

14 CHAIRMAN: All opposed?

15 The motion is adopted.

16 MS. HENSEL: Next for your
17 consideration is the renewal of Aristocrat
18 Technologies Australia Pty. Limited's Slot Machine
19 Manufacturer License.

20 Aristocrat Australia is an Australian
21 company that manufactures and sells slot machines and
22 associated equipment. The BIE had completed its
23 investigation and the Bureau of Licensing has provided
24 you with the background investigation and suitability
25 report.

1 I have provided you with a draft Order
2 for this entity and ask that the Board consider the
3 Order to renew the Slot Machine Manufacturer License.

4 ATTORNEY PITRE: Enforcement Counsel
5 has no objection.

6 CHAIRMAN: Thank you.

7 Questions or comments from the Board?
8 May I have a motion?

9 MR. RYAN: Mr. Chairman, I move that
10 the Board approve the renewal of Aristocrat
11 Technologies Australia Pty. Limited Slot Machine
12 Manufacturer License as described by the Bureau of
13 Licensing.

14 MR. SANTONI: Second.

15 CHAIRMAN: All in favor?

16 ALL SAY AYE

17 CHAIRMAN: All opposed?

18 The motion is adopted.

19 MS. HENSEL: Also for your
20 consideration is the approval of Principal and Key
21 Employee Licenses. Prior to this meeting, the Bureau
22 of Licensing provided you with an Order for 2
23 Principals and 3 Key Employee Licenses. And I ask
24 that the Board consider the Order approving these
25 licenses.

1 ATTORNEY PITRE: Enforcement Counsel
2 has no objection.

3 CHAIRMAN: Questions or comments from
4 the Board? May I have a motion?

5 MR. SANTONI: Mr. Chairman, I move
6 that the Board approve the issuance of Principal and
7 Key Employee Licenses as described by the Bureau of
8 Licensing.

9 MR. JEWELL: Second.

10 CHAIRMAN: All in favor?

11 ALL SAY AYE

12 CHAIRMAN: All opposed?

13 The motion is adopted.

14 MS. HENSEL: Next, there are Temporary
15 Principal and Key Employee licenses. Prior to this
16 meeting the Bureau of Licensing provided you with an
17 Order regarding the issuance of temporary licenses for
18 5 Principals and 18 Key employees. I ask that that
19 Board consider the Order approving these licenses.

20 ATTORNEY PITRE: Enforcement Counsel
21 has no objection.

22 CHAIRMAN: Questions or comments from
23 the Board? May I have a motion?

24 MR. JEWELL: Mr. Chairman, I move that
25 the Board approve the issuance of Temporary Principal

1 and Key Employee credentials as described by the
2 Bureau of Licensing.

3 MR. LOGAN: Second.

4 CHAIRMAN: All in favor?

5 ALL SAY AYE

6 CHAIRMAN: All opposed?

7 The motion is adopted.

8 MS. HENSEL: In addition, there are
9 Gaming Permits and Non-Gaming Registrations. Prior to
10 this meeting the Bureau of Licensing provided with you
11 a list of 568 individuals, to whom the Bureau has
12 granted temporary or full occupation permits and 198
13 individuals to whom the Bureau has granted
14 registrations under the authority delegated to the
15 Bureau of Licensing. I ask that the Board consider a
16 motion approving the Order.

17 ATTORNEY PITRE: Enforcement Counsel
18 has no objection.

19 CHAIRMAN: Questions or comments from
20 the Board? May I have a motion?

21 MR. LOGAN: Mr. Chairman, I move that
22 the Board approve the Issuance of Gaming Employee
23 Occupation Permits and Non-Gaming Employee
24 Registrations as described by the Bureau of Licensing.

25 MS. MANDERINO: Second.

1 CHAIRMAN: All in favor?

2 ALL SAY AYE

3 CHAIRMAN: All opposed?

4 The motion is adopted.

5 MS. HENSEL: Also, there are
6 recommendations of Denial for 4 Gaming Employee
7 Applicants and 3 Non-Gaming Employee Applicants. In
8 each case, the applicant was notified he or she was
9 being recommended for denial and failed to request a
10 hearing within the specified time frame. The Bureau
11 of Licensing has provided you with Orders addressing
12 the applicants, who the OEC has recommended for
13 Denial. I ask that the Board consider a motion
14 approving the Denials.

15 ATTORNEY PITRE: Enforcement Counsel
16 continues to request denial in each instance.

17 CHAIRMAN: Questions or comments from
18 the Board? May I have a motion?

19 MS. MANDERINO: Mr. Chairman, I move
20 the Board deny the Gaming and Non-Gaming Employee
21 Applications as described by the Bureau of Licensing.

22 MS. REITZEL: Second.

23 CHAIRMAN: All in favor?

24 ALL SAY AYE

25 CHAIRMAN: All opposed?

1 The motion is adopted.

2 MS. HENSEL: Next for your
3 consideration are Withdrawal Requests for Gaming and
4 Non-Gaming Employees. In each case, the permit or
5 registration is no longer required. For today's
6 meeting, I have provided the Board with a list of 27
7 Gaming Employees and 5 Non-Gaming Employee Applicants
8 for Withdrawal. I ask that the Board consider the
9 Orders approving the withdrawals.

10 ATTORNEY PITRE: Enforcement Counsel
11 has no objection.

12 CHAIRMAN: Questions or comments from
13 the Board? May I have a motion?

14 MS. REITZEL: Mr. Chairman, I move
15 that the Board approve the Withdrawal of Gaming and
16 Non-Gaming Employee Applications as described by the
17 Bureau of Licensing.

18 MR. RYAN: Second.

19 CHAIRMAN: All in favor?

20 ALL SAY AYE

21 CHAIRMAN: All opposed?

22 The motion is adopted.

23 MS. HENSEL: Next, we have an Order to
24 certify the following Gaming Service Providers: Alvin
25 H. Butz, Inc. and TJT, Inc. I ask that the Board

1 consider the Order approving these Gaming Service
2 Providers for certification.

3 ATTORNEY PITRE: Enforcement Counsel
4 has no objection.

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

7 MR. RYAN: Mr. Chairman, I move that
8 the Board approve the applications for Gaming Service
9 Provider Certification as described by the Bureau of
10 Licensing.

11 MR. SANTONI: Second.

12 CHAIRMAN: All in favor?

13 ALL SAY AYE

14 CHAIRMAN: All opposed?

15 The motion is adopted.

16 MS. HENSEL: Finally, for your
17 consideration are Gaming Service Provider
18 Registrations. The Bureau of Licensing provided you
19 with an Order and an attached list of 9 Registered
20 Gaming Service Provider Applicants. I ask that the
21 Board consider the Order registering these Gaming
22 Service Providers.

23 ATTORNEY PITRE: Enforcement Counsel
24 has no objection.

25 CHAIRMAN: Questions or comments from

1 the Board? May I have a motion?

2 MR. SANTONI: Mr. Chairman, I move
3 that the Board approve the applications for Gaming
4 Service Provider Registration as described by the
5 Bureau of Licensing.

6 MR. JEWELL: Second.

7 CHAIRMAN: All in favor?

8 ALL SAY AYE

9 CHAIRMAN: All opposed?

10 The motion is adopted.

11 MS. HENSEL: That concludes the
12 matters of the Bureau of Licensing.

13 CHAIRMAN: Thank you, Sue. Next up
14 OEC.

15 ATTORNEY PITRE: The OEC will present
16 18 matters for the Board's consideration today
17 consisting of four Consent Agreements, six
18 revocations, one suspension and seven involuntary
19 exclusions.

20 The next two matters on the agenda for
21 the Board's consideration are Consent Agreements
22 between the OEC and Category 1 Licensee Washington
23 Trotting Association doing business as The Meadows
24 Racetrack and Casino. The Consent Agreements will be
25 presented by Assistant Enforcement Counsel, Sarah

1 Kolesar. Representatives for the Meadows are present
2 and at this time, I would request that those
3 individuals introduce themselves -.

4 It's only you Mr. - today Mr. -? Are
5 you by yourself?

6 MR. KEELON: By myself.

7 ATTORNEY PITRE: Oh, I'm sorry. I
8 thought you had someone with you. And for the record
9 and stand to be sworn.

10 MR. KEELON: My name is Michael
11 Keelon. I'm the Director of Compliance for the
12 Meadows Racetrack and Casino.

13 ---

14 MICHAEL KEELON,
15 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND
16 HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS
17 FOLLOWS:

18 ---

19 ATTORNEY KOLESAR: Good morning,
20 Chairman Barasch and members of the Board. Sarah
21 Kolesar, K-O-L-E-S-A-R, Assistant Enforcement Counsel
22 for the OEC.

23 This proposed Consent Agreement
24 involves an unimproved operational plan change in a
25 restricted area which occurred at the Meadows Casino.

1 On February 27, 2017 the Bureau of Casino Compliance
2 observed an employee of the Meadows cutting a hole in
3 the wall between the vault and the kiosk room of the
4 main cage to create an open doorway.

5 The Meadows failed to submit an
6 operational floor plan including this modification.
7 The vault and kiosk room are both restricted areas in
8 the main cage. As a result, the Meadows must submit a
9 request in writing to be approved by the Board
10 regarding any modifications of these two rooms prior
11 to the commencement of said modifications.

12 At no time prior to this work
13 commencing did the Meadows submit a request in writing
14 to the office of the clerk to be approved by the
15 Board's Executive Director regarding this
16 modification. On May 12th, 2017 the Meadows completed
17 operational floor plan change 36 after the completion
18 of the above described modification. Operational
19 floor plan change 36 did include notification of the
20 above described modification and was ultimately
21 approved on June 2nd, 2017.

22 At this time, the OEC requests that
23 the Board approve this Consent Agreement between the
24 parties. The terms of the settlement include that
25 within five days of the Board's Order approving this

1 Consent Agreement, the Meadows Casino shall pay a
2 civil penalty of \$7,500. Also within five days of the
3 Board's Order approving this Consent Agreement, the
4 Meadows shall pay the Board \$2,500 for the cost
5 incurred by OEC, BIE and other related staff in
6 connection with this matter.

7 If you have any questions, we would be
8 happy to address them at this time.

9 CHAIRMAN: Any comments from
10 Washington Trotting?

11 MR. KEELON: No. The Washington
12 Trotting Association does not dispute the facts as
13 stated or the proposed Consent Agreement.

14 CHAIRMAN: Okay.

15 Are there any questions or comments
16 from the Board in this matter?

17 Hearing none, may I have a motion?

18 MR. LOGAN: Mr. Chairman, I move that
19 the Board approve the Consent Agreement between the
20 OEC and the Washington Trotting Association as
21 described by the OEC.

22 MS. MANDERINO: Second.

23 CHAIRMAN: All in favor?

24 ALL SAY AYE

25 CHAIRMAN: All opposed?

1 The motion is adopted. I appreciate
2 your presence. Thank you very much.

3 ATTORNEY KOSELAR: This proposed
4 Consent Agreement involves a self-exclusion violation
5 which occurred at the Meadows Casino. On July 2nd,
6 2017 K.L., a self-excluded individual went to the
7 Meadows Casino and actively gamed for approximately
8 two hours. During this time, K.L. attempted to
9 cash-out \$10,500 in gaming checks at the main cage.

10 According to the cage cashier working
11 at this time, K.L. did not have the proper
12 identification and the transaction was not completed.
13 Approximately 45 minutes later, K.L. returned to the
14 main cage to cash out \$10,000 in gaming checks.

15 At this time, K.L. provided his
16 passport to the cage cashier who made several
17 unsuccessful attempts to enter K.L.'s name into the
18 computer. The cage cashier requested the assistance
19 of her supervisor, as she believed her computer was
20 not working properly. The cage cashier supervisor
21 entered K.L.'s information into a different computer
22 and authorized the payment of \$10,000 to K.L.

23 After K.L. departed the Meadows, the
24 cage cashier supervisor used the computer to
25 subsequently identify K.L. as a self-excluded

1 individual. The Meadows promptly reported this
2 violation to the Bureau of Casino Compliance and the
3 Pennsylvania State Police.

4 At this time, the OEC requests that
5 the Board approve this Consent Agreement between the
6 parties. The terms of the settlement include that
7 within five days of the Board's Order approving this
8 Consent Agreement, the Meadows Casino shall pay a
9 civil penalty of \$12,000. Also within five days of
10 the Board's Order approving this Consent Agreement,
11 the Meadows shall pay the Board \$2,500 for the costs
12 in incurred by OEC, BIE and other related staff in
13 connection with this matter.

14 If you have any questions, we would be
15 happy to answer them at this time.

16 CHAIRMAN: Any comments from
17 Washington Trotting?

18 MR. KEELON: The Meadows does not
19 dispute the facts as presented nor do we contest the -
20 proposed agreement.

21 CHAIRMAN: Thank you.

22 Any questions or comments from the
23 Board?

24 MR. RYAN: I would have one. Sir,
25 what happened here?

1 MR. KEELON: In this particular one,
2 the cage cashier accepted the passport. The passport
3 was for an individual with a middle-eastern type name.
4 She had difficulty ascertaining what the first name
5 was, what the last name was which is when she
6 requested the assistance of her supervisor.

7 The supervisor ran into the same
8 issues as far as trying to determine which was which.
9 While the supervisor was trying to figure out what the
10 passport said, the cage cashier continued processing
11 the transaction. The cage cashier completed the
12 transaction prior to the supervisor being able to
13 determine that this was, in fact, a person on the
14 self-exclusion list and the person had departed.

15 MR. RYAN: So, if I - let me ask.
16 What is the best way to prevent this from happening?

17 MR. KEELON: Well - where the - where
18 the procedure broke down was, the cage cashier should
19 not have completed the transaction until this was
20 confirmed. Even if it meant that the person would
21 have to wait a period of time. Because they wanted to
22 expedite the process, a guest services consideration,
23 at that time, they had no belief that the person was
24 on the self-exclusion list. The cashier completed the
25 transaction prior too.

1 MR. RYAN: So, the problem wasn't with
2 your system?

3 MR. KEELON: No, no. It was - it was
4 the procedure.

5 MR. RYAN: Okay.

6 MR. JEWELL: I have a question. These
7 were winnings. Is that correct?

8 MR. KEELON: Yes.

9 MR. JEWELL: Were they clawed back or
10 have you attempted to claw them back afterwards?

11 MR. KEELON: Once the determination
12 was made that the person was on the self-exclusion
13 list, surveillance attempted to locate the individual
14 but the individual had departed the casino already.
15 As far as what State Police may have done to try and
16 follow through with that I can't - I can't say.

17 CHAIRMAN: Okay.

18 May I have a motion?

19 MS. MANDERINO: Mr. Chairman, I move
20 that the Board approve the Consent Agreement between
21 the OEC and Washington Trotting Association as
22 described by the OEC.

23 MS. REITZEL: Second.

24 CHAIRMAN: All in favor?

25 ALL SAY AYE

1 CHAIRMAN: All opposed?

2 The motion is adopted. Thank you.

3 ATTORNEY PITRE: The next matter on
4 the agenda for the Board's consideration is a Consent
5 Agreement between the OEC and Gaming Level 2 Permittee,
6 Priscilla Robles. If Ms. Robles is present I ask that
7 she come forward and be sworn. The Consent Agreement
8 will be presented by Assistant Enforcement Counsel,
9 James Armstrong.

10 ATTORNEY ARMSTRONG: Chairman and
11 Commissioners, James Armstrong for the OEC. The next
12 matter for the Board's consideration is a Consent
13 Agreement reached between OEC and Priscilla Robles
14 regarding a complaint filed against Ms. Robles to
15 revoke her Gaming Level 2 Permit.

16 Commissioners, the Bureau of Casino
17 Compliance referred a regulatory violation to the OEC
18 that involved Priscilla Robles, a Gaming Level 2
19 Permittee who at the time of this incident was
20 employed as a Casino Host at SugarHouse Casino. A
21 Player Development Executive at SugarHouse was
22 checking the playing status of her customers when she
23 noticed one of her customers had an issue with one of
24 her customer's players cards.

25 The maintenance screen showed that Ms.

1 Robles, through her position as Casino Host, had
2 re-printed the players - the customer's player's card.
3 An internal investigation was initiated by SugarHouse.
4 Ms. Robles claimed that the patron's requested that
5 there player's cards be prepared in advance. However,
6 patrons advised that they had not been to SugarHouse
7 recently and had not made such a request.

8 The SugarHouse security personnel
9 interviewed Ms. Robles about her involvement in
10 creating player's cards and giving them to
11 unauthorized persons to be used illegally. Ms. Robles
12 denied any wrongdoing, but when offered a choice of
13 immediately resigning from SugarHouse referring to the
14 matter to law enforcement, Ms. Robles chose to
15 immediately resign.

16 A subsequent BIE investigation
17 reviewed that surveillance coverage of the incident
18 showed a male patron using one of the re-printed
19 player's cards that was issued to a female patron.
20 The male patron was identified as a former SugarHouse
21 security officer who advised BIE that on a trip to
22 SugarHouse as a patron, he encountered another patron
23 from whom he had known through his previous
24 employment.

25 The patron advised the former security

1 officer that he had received a player's card from Ms.
2 Robles with free play on it and asked the former
3 security officer if he would use the free play for
4 him. The former security officer advised the
5 investigator that he knew Ms. Robles so he agreed to
6 the other patron's request. The former security
7 officer also advised the BIE investigator that he met
8 the other patron and played the free play on other
9 player's cards given to him by this patron on
10 approximately four other occasions.

11 The former security officer also
12 advised BIE that it had no knowledge of any other
13 SugarHouse employees making player's cards and using
14 them illegally. It was determined that a total of
15 \$775 in unauthorized free-slot play was issued by Ms.
16 Robles. It was through the Consent Agreement, Ms.
17 Robles acknowledges that while licensed by the Board
18 and employed as a Casino Host at SugarHouse Casino she
19 engaged in unsuitable behavior by producing
20 unrequested player's cards with free play on them and
21 providing the player's cards to SugarHouse patrons who
22 were not entitled to them, allowing unqualified
23 patrons to utilize free play on the players cards
24 illegally.

25 The terms of this settlement include

1 provision that Ms. Robles Gaming Level 2 Permit will
2 be suspended for one year. Now we see in Ms. Robles
3 request that the Board approve the Consent Agreement.
4 I'll be glad to answer any questions you may have.

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

7 MS. REITZEL: Mr. Chairman, I move
8 that the Board approve the Consent Agreement between
9 the OEC and Priscilla Robles as described by the OEC.

10 MR. RYAN: Second.

11 CHAIRMAN: All in favor?

12 ALL SAY AYE

13 CHAIRMAN: All opposed?

14 The motion is adopted.

15 ATTORNEY ARMSTRONG: Thank you.

16 ATTORNEY PITRE: The next matter on
17 the agenda for the Board's consideration is a Consent
18 Agreement between the OEC and Principal Licensee,
19 Robert Soper. At this time, I would ask that
20 Mr. Soper and his legal counsel come forward and
21 introduce themselves for the record. I would also
22 request that Mr. Soper stand and be sworn.

23 ---

24 ROBERT SOPER,

25 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING AND

1 HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS
2 FOLLOWS:

3 ---

4 MR. SOPER: Good morning, my name is
5 Robert Soper, R-O-B-E-R-T, S-O-P-E-R.

6 ATTORNEY DOWNEY: Good morning, Mr.
7 Chairman. William Downey from the firm Fox Rothschild
8 on behalf of Mr. Soper.

9 ATTORNEY PITRE: Mr. Soper served in
10 the capacity of CEO, General Manager and President of
11 Mohegan Sun Pocono from December 2005 to October 2012.
12 He served as President of Mohegan Sun Resort in
13 Connecticut from October of 2012 to April of 2015, and
14 CEO of Mohegan Tribal Gaming Authority from April of
15 2015 through January 2017.

16 An investigation conducted by the BIE
17 revealed that Mr. Soper failed to update his Key
18 Applications submitted to the Board in August of 2009,
19 and to properly include a Principal Application
20 submitted to the Board in January of 2013 and November
21 of 2016 ownership interest in ten business entities.

22 Schedule H of the Board's Key and
23 Principal Applications is entitled, other assets. Mr.
24 Soper failed to update Schedule H of his 2009 Key
25 Application, and to include in Schedule H of his 2013

1 and 2016 Principal Applications, his ownership
2 interest in the following business entities; Drink
3 Holder, LLC; Jobs, LLC; AEI 2008 Venture Investment 1,
4 LLC; Montage Fish Market, LLC; ReferLocal, LLC;
5 ReferLocal Business Pages, LLC; ReferLocal
6 Classifieds, LLC; Group Capital Holdings, LLC;
7 PATHMAP, LLC; and PATH to French Girls, LLC.

8 It should be noted that Mr. Soper
9 included all relevant ownership interests in the above
10 related business entities in his applicable tax
11 returns and properly included in Schedule B, which is
12 entitled loans of the appropriate applications. A
13 loan to Jobs, LLC and in Schedule C entitled
14 Securities of the appropriate applications, ownership
15 of shares in AEI 2008 Venture Investment.

16 Additionally, some of the businesses -
17 business entities conducted business with Mohegan Sun
18 Pocono. During the time in which Mr. Soper held an
19 ownership interest in Drink Holder, LLC, the company
20 did business directly with Mohegan Sun Pocono. Drink
21 Holder, LLC entered into a lease agreement with
22 Mohegan Sun Pocono on September 25th, 2014 and
23 pursuant to that lease agreement installed fixtures in
24 the Mohegan Sun Pocono restrooms.

25 Mohegan Sun Pocono did not pay any

1 expenses to Drink Holder, LLC or receive any
2 compensation from Drink Holder, LLC. However, a
3 business entity in which Mr. Soper had an ownership
4 interest, Path to French Girls, LLC advertised its
5 mobile device app on the Drink Holder fixtures placed
6 in the Mohegan Sun Pocono restrooms.

7 The mobile device app was created by
8 PATHMAP, LLC another business entity in which Mr.
9 Soper held an ownership interest. Additionally,
10 during the time in which Mr. Soper held ownership
11 interest in the various ReferLocal business entities,
12 the companies did a significant amount of business
13 with Mohegan Sun Pocono beginning in March 2011 and
14 ending in January 2017.

15 ReferLocal is in the business of
16 providing discounted offers for various businesses by
17 way of ecomers and subscriptions. ReferLocal's
18 business relationship with Mohegan Sun Pocono
19 consisted of selling vouchers to people on
20 ReferLocal's website for what was termed Deal of the
21 Day Offers at Mohegan Sun Pocono. The offers included
22 free-slot play and a variety of package discounts at
23 Mohegan Sun Pocono.

24 ReferLocal would then share with
25 Mohegan Sun Pocono a portion of the gross of any

1 purchases for the Mohegan Sun Pocono offers.
2 Additionally, ReferLocal sold a VIP service at Mohegan
3 Sun Pocono wherein for a monthly fee, patrons were
4 given special benefits and privileges at Mohegan Sun
5 Pocono such as discounts and quicker restaurant
6 access.

7 Mohegan Sun Pocono also solicited
8 patrons to sign up for ReferLocal memberships or
9 offers and would in return receive a share of the net
10 proceeds of the Mohegan Sun Pocono referred member
11 purchases that occurred on the ReferLocal platform.

12 As a result of his ownership and
13 ReferLocal, Mr. Soper received approximately \$26,945
14 in total distributions. These distributions occurred
15 during the period of time when Mr. Soper served as
16 President of Mohegan Sun Connecticut. In 2017, Mr.
17 Soper relinquished his ownership interest in
18 ReferLocal for an approximate loss of \$73,054.

19 During the time in which Mohegan Sun
20 Pocono and ReferLocal companies conducted business,
21 there was no contract or written agreement between
22 them. The ReferLocal companies have never been
23 authorized by the Board to conduct business in
24 Pennsylvania's Gaming Industry. Mr. Soper's failure
25 to properly include his ownership interest in the

1 named business entities constitute violations of the
2 Act and Board Regulations.

3 Mr. Soper's failure in this respect is
4 particularly serious in the case of business entities
5 in which Mohegan Sun Pocono was directly doing
6 business due to the potential appearance of
7 impropriety and conflicts of interest that such
8 relationships could engender.

9 The terms of the Consent Agreement
10 require that Mr. Soper pay a civil penalty - penalty
11 in the amount of \$60,000 to the Board within five
12 days. Mr. Soper must also pay a \$2,500 - for cost
13 incurred by BIE, OEC and other staff to the Board
14 within five days. Mr. Soper shall immediately amend,
15 if he has not already done so, his pending application
16 to reflect his ownership in all business interests.

17 Additionally - additionally the Board
18 may make the terms and the conditions of the Consent
19 Agreement public and the Consent Agreement may be set
20 aside if any term is violated by Mr. Soper. With
21 that, OEC requests that the Board approve the
22 presented Consent Agreement.

23 CHAIRMAN: Thank you, Cyrus.

24 Are there any comments for Mr. Soper
25 or his counsel?

1 ATTORNEY DOWNEY: Mr. Chairman, we
2 concur the recitation of facts as offered by OEC and
3 we are prepared to answer any questions that the Board
4 may have.

5 CHAIRMAN: Fair enough. Other
6 questions or comments from the Board on this matter?

7 MR. RYAN: Mr. Soper, are you employed
8 in the casino industry at the present time?

9 MR. SOPER: Commissioner, I actually
10 am self-employed. I've created my own company. I am
11 working on a number of projects both domestically and
12 internationally. Some are - some are Gaming and some
13 are Non-Gaming. Most of them are integrated resort
14 related. So, I - I am technically involved in gaming
15 projects right now.

16 MR. RYAN: And where is that business
17 based, sir?

18 MR. SOPER: I am based in South
19 Florida in Sunrise near Fort Lauderdale.

20 MR. RYAN: Thank you.

21 CHAIRMAN: Are you - are you at
22 liberty to tell us who you're consulting with at this
23 time? Who is in the gaming business in Penn - in the
24 United States?

25 MR. SOPER: Yes. I cannot disclose

1 names because I am under confidentiality with all of
2 these projects. One project is in Las Vegas and it's
3 a - it's a major resort there and I'm working with
4 private equity funds. An international brand hotel -
5 an international hotel brand as well. I am also
6 working with various technology companies. I'm
7 launching some online gaming in South America as well.
8 Unfortunately I am bound by confidentiality as it
9 relates to the - as it relates to those relationships.

10 CHAIRMAN: Any other questions from
11 the Board? Hearing none. May I have a motion?

12 MR. RYAN: Mr. Chairman, I move that
13 the Board approve the Consent Agreement between the
14 OEC and Robert Soper as described by the OEC.

15 MR. SANTONI: Second.

16 CHAIRMAN: All in favor?

17 ALL SAY AYE

18 CHAIRMAN: All opposed?

19 The motion is adopted.

20 ATTORNEY DOWNEY: Thank you.

21 MR. SOPER: Thank you for your time.

22 ATTORNEY PITRE: The next seven
23 matters on the - the next seven matters on the agenda
24 consist of Enforcement actions in which the OEC has
25 filed complaints seeking the suspension of one Gaming

1 Employee Occupation Permit and the Revocation of four
2 Gaming Employee Occupation Permits, One Gaming Level 2
3 Occupation Permit and One Non-Gaming Registration
4 issued by the Board.

5 Each complaint has been filed with the
6 Board's OHA and properly served upon the person named
7 in each complaint. The person named in each complaint
8 failed to respond within 30 days, as required by Board
9 regulation.

10 As a result, the OEC filed a Request
11 for Default Judgment and properly served the same upon
12 each named person. Therefore, the facts in each
13 complaint are deemed admitted. All filed documents
14 have been provided to the Board and the matters are
15 presently ripe for Board consideration. In each
16 instance, we will provide a brief summary of the facts
17 and request the appropriate Board action.

18 ATTORNEY ROLAND: Good morning, Mr.
19 Chairman and members of the Board. Michael Roland,
20 R-O-L-A-N-D, with the OEC. The next matter is a
21 request to suspend the Gaming Employee Occupation of
22 Gentle Anderson.

23 On March 7th, 2017 Ms. Anderson was
24 arrested by the Philadelphia Police Department and
25 charged with DUI under multiple sections of the

1 vehicle code. Two counts of terroristic threats, two
2 counts of simple assault, two counts of recklessly
3 endangering another person, one count of aggravated
4 assault, one count of accidents involving death or
5 personal injury, one count of defiant trespass and one
6 count of criminal mischief after she allegedly
7 threatened to kill two individuals.

8 Ms. Anderson attempted to strike both
9 individuals with a motor vehicle and successfully hit
10 one of the individuals in a leg. Ms. Anderson has a
11 hearing date set for November 15, 2017 and the matter
12 is now before the Board to consider the suspension of
13 the Gaming Employee Occupation Permit of Gentle
14 Anderson.

15 CHAIRMAN: Questions or comments from
16 the Board? Hearing none. Is there a motion?

17 MR. SANTONI: Mr. Chairman, I move
18 that the Board approve the suspension of Gentle
19 Anderson's Gaming Employee Occupation Permit as
20 described by the OEC.

21 MR. JEWELL: Second.

22 CHAIRMAN: All in favor?

23 ALL SAY AYE

24 CHAIRMAN: All opposed?

25 The motion is adopted.

1 ATTORNEY ROLAND: Next is a request to
2 revoke the Gaming Employee Occupation Permit of Anne
3 L. James. On or about July 24th, 2017 it was
4 discovered that Ms. James, a Revenue Auditor at Sands
5 Casino, allegedly forged refunds worth \$4,812 to her
6 personal credit card. This occurred in ten separate
7 transactions dating back to January of 2017.

8 When confronted, Ms. James admitted to
9 taking the identified funds. Ms. James was terminated
10 from Sands and was charged by the Pennsylvania State
11 Police with theft by deception, access device fraud,
12 forgery and tampering with records. The criminal
13 charges remain pending. The matter is now before the
14 Board to consider the revocation of the Gaming
15 Employee Occupation Permit of Anne L. James.

16 CHAIRMAN: Questions or comments from
17 the Board? May I have a motion?

18 MR. JEWELL: Mr. Chairman, I move that
19 the Board approve the revocation of Anne L. James
20 Gaming Employee Occupation Permit as described by the
21 OEC.

22 MR. LOGAN: Second.

23 CHAIRMAN: All in favor?

24 ALL SAY AYE

25 CHAIRMAN: All opposed?

1 The motion is adopted.

2 ATTORNEY FERRELL: Good morning,
3 Chairman and Members of the Board. Benjamin Ferrell,
4 F-E-R-R-E-L-L. The next matter for your consideration
5 is a complaint to revoke Joseph Bennett's G-2 Employee
6 Occupation Permit.

7 While employed as a security manager
8 at Valley Forge Casino Resort, Mr. Bennett took a set
9 of golf clubs and a golf bag from the lost and found
10 at the facility. Valley Forge subsequently terminated
11 Mr. Bennett's employment and issued him a - permanent
12 eviction notice.

13 At this time, OEC requests that the
14 Board issue an Order of revoking Mr. Bennett's G-2
15 Employee Occupation Permit.

16 CHAIRMAN: Questions or comments from
17 the Board? May I have a motion?

18 MR. LOGAN: Mr. Chairman, I move that
19 the Board approve the revocation of Joseph Bennett's
20 Gaming Level 2 Employee Occupation Permit as described
21 by the OEC.

22 MS. MANDERINO: Second.

23 CHAIRMAN: All in favor?

24 ALL SAY AYE

25 CHAIRMAN: All opposed?

1 The motion is adopted.

2 ATTORNEY FERRELL: The next matter for
3 your consideration is a complaint to revoke Robin
4 Cifone's Gaming Employee Occupation Permit. While
5 working her shift as a cage cashier at Harrah's
6 Philadelphia, Ms. Cifone stole \$400 from a cash
7 drawer.

8 The Pennsylvania State Police was
9 notified and charged Ms. Cifone with one count each of
10 theft by unlawful taking, receiving stolen property
11 and disorderly conduct. Ms. Cifone subsequently pled
12 guilty to disorderly conduct and the remaining charges
13 were withdrawn.

14 At this time, OEC requests that the
15 Board issue an Order revoking Ms. Cifone's Gaming
16 Employee Occupation Permit.

17 CHAIRMAN: Questions or comments from
18 the Board? May I have a motion?

19 MS. MANDERINO: Mr. Chairman, I move
20 that the Board approve the revocation of Robin
21 Cifone's Gaming Employee Occupation Permit as
22 described by the OEC.

23 CHAIRMAN: That's a second?

24 MS. REITZEL: Second.

25 CHAIRMAN: All in favor?

1 ALL SAY AYE

2 CHAIRMAN: All opposed?

3 The motion is adopted.

4 ATTORNEY FERRELL: The next matter for
5 your consideration is the complaint to revoke Melvin
6 Goankeh's Non-Gaming Employee Registration. While
7 working a shift as an EVS attendant on the gaming
8 floor at Harrah's Philadelphia, Mr. Goankeh stole and
9 cashed out a patron's voucher valued at \$55.

10 Mr. Goankeh was charged with one count
11 of theft by unlawful taking. That charge remains
12 pending. At this time, OEC requests that the Board
13 issue an Order revoking Mr. Goankeh's Non-Gaming
14 Employee Registration.

15 CHAIRMAN: Questions or comments from
16 the Board? May I have a motion?

17 MS. REITZEL: Mr. Chairman, I move
18 that the Board approve the revocation of Melvin
19 Goankeh's Non-Gaming Employee Registration as
20 described by the OEC.

21 MR. RYAN: Second.

22 CHAIRMAN: All in favor?

23 ALL SAY AYE

24 CHAIRMAN: All opposed?

25 The motion is adopted.

1 ATTORNEY ARMSTRONG: Chairman and
2 Commissioners, James Armstrong for OEC. Next on the
3 agenda for the Board's consideration is a complaint to
4 revoke Craig Clark's Gaming Employee Permit for
5 stealing from SugarHouse Casino while employed there
6 as a warehouse employee.

7 Mr. Clark was charged with theft
8 offenses and terminated from SugarHouse. He is now
9 presently employed in the Pennsylvania Gaming
10 Industry. Accordingly, OEC request that the Board
11 revoke Mr. Clark's Gaming Employee Permit.

12 CHAIRMAN: Questions or comments from
13 the Board? May I have a motion?

14 MR. RYAN: Mr. Chairman, I move that
15 the Board approve the revocation of Craig Clark's
16 Gaming Employee Occupation Permit as described by the
17 OEC.

18 MR. SANTONI: Second.

19 CHAIRMAN: All in favor?

20 ALL SAY AYE

21 CHAIRMAN: All opposed?

22 The motion is adopted.

23 ATTORNEY ARMSTRONG: Thank you. Next
24 on the agenda for the Board's consideration is a
25 complaint to revoke Minh Nguyen's Gaming Employee

1 Permit for stealing from SugarHouse while employed
2 there as a warehouse employee. He was charged with
3 theft offenses and terminated from SugarHouse. Mr.
4 Nguyen is not presently employed in Pennsylvania's
5 Gaming Industry.

6 Accordingly, we see request that the
7 Board revoke Mr. Nguyen's Gaming Employee Permit.

8 CHAIRMAN: Questions or comments from
9 the Board? May I have a motion?

10 MR. SANTONI: Mr. Chairman, I move
11 that the Board approve the revocation of Minh Nyugen's
12 Gaming Employee Occupation Permit as described by the
13 OEC.

14 MR. JEWELL: Second.

15 CHAIRMAN: All in favor?

16 ALL SAY AYE

17 CHAIRMAN: All opposed?

18 The motion is adopted.

19 ATTORNEY ARMSTRONG: Thank you.

20 ATTORNEY PITRE: The remaining matters
21 on the agenda consist of enforcement actions in which
22 the OEC filed petitions seeking the involuntary
23 exclusion of individuals whose presence in a licensed
24 facility are inimical to the interests of the
25 Commonwealth and/or licensed gaming therein.

1 In each instance, a petition for
2 exclusion has been filed with the Board's OHA and
3 properly served upon the individual named in the
4 petition. The individual named in the petition failed
5 to respond within 30 days, as required by Board
6 regulation. As a result, the OEC filed a Request for
7 Default Judgement in each instance and properly served
8 the same upon each named individual.

9 Therefore, all facts in each petition
10 are deemed admitted. All filed documents have been
11 provided to the Board and the matters are presently
12 ripe for the Board's consideration. In each instance,
13 if the Board orders the proper - the proposed
14 exclusion each individual's photo, personal
15 identifiers and a summary of the inimical conduct will
16 be placed on the Board's public website.

17 ATTORNEY POKINIEWSKI: Good morning,
18 Chairman and fellow Board members. John Pokiniewski,
19 P-O-K-I-N-I-E-W-S-K-I, with the OEC. Mr. Chairman,
20 the next two matters are related and arise from the
21 same fact pattern.

22 With permission from the Board, I
23 would like to read one fact pattern for both and then
24 request placement on the exclusion list for each
25 individual.

1 On May 19th, 2017 William Pratt and
2 Justin Campbell conspired and participated in the
3 robbery of a patron in the parking lot of Lady Luck
4 Casino. On that date, Mr. Pratt and Mr. Campbell
5 followed a Lady Luck patron out to the parking lot
6 where Mr. Pratt approached the patron while Mr.
7 Campbell proceeded to start his own vehicle. Mr.
8 Pratt then began to assault the patron and attempted
9 to take the patron's money.

10 After this altercation, Mr. Pratt ran
11 to the positioned vehicle operated by Mr. Campbell who
12 drove away from the scene. Ultimately, Mr. Campbell
13 pled guilty to theft by unlawful taking, movable
14 property, a second degree felony. While the multiple
15 felony charges against Mr. Pratt remain pending at
16 this time.

17 Based on the foregoing, OEC now asks
18 that the Board place Justin Campbell on the Board's
19 Involuntary Exclusion List.

20 CHAIRMAN: Questions or comments from
21 the Board? Is there a motion?

22 MR. JEWELL: Mr. Chairman, I move that
23 the Board approve the addition of Justin Dale Campbell
24 to the PGCB Involuntary Exclusion List as described by
25 the OEC.

1 MS. MANDERINO: Second.

2 CHAIRMAN: All in favor?

3 ALL SAY AYE

4 CHAIRMAN: All opposed?

5 The motion is adopted.

6 ATTORNEY POKINIEWSKI: Again, based on
7 the foregoing fact pattern. OEC asks that the Board
8 place William Pratt on the Board's Involuntary
9 Exclusion List.

10 CHAIRMAN: Any questions or comments
11 from the Board? May I have a motion?

12 MS. MANDERINO: Mr. Chairman, I move
13 the Board approve the addition of William Pratt to the
14 PGCB Involuntary Exclusion List as described by the
15 OEC.

16 MS. REITZEL: Second.

17 CHAIRMAN: All in favor?

18 ALL SAY AYE

19 CHAIRMAN: All opposed?

20 The motion is adopted.

21 ATTORNEY FERRELL: The next matter for
22 your consideration is a petition to place Tyriq Huff
23 on the Board's Involuntary Exclusion List. On June
24 18, 2017 Mr. Huff threatened other patrons with a
25 firearm at a Blackjack table in Valley Forge Casino

1 Resort. The Pennsylvania State Police was notified
2 and criminally charged Mr. Huff. As of July 17th,
3 2017, one count of simple assault and two counts of
4 disorderly conduct remain pending against Mr. Huff.

5 At this time, OEC requests that the
6 Board issue an Order placing Mr. Huff on the
7 Involuntary Exclusion List.

8 CHAIRMAN: Questions or comments from
9 the Board? May I have a motion?

10 MS. REITZEL: Mr. Chairman, I move
11 that the Board approve the addition of Tyriq Huff to
12 the PGCB Involuntary Exclusion List as described by
13 the OEC.

14 MR. RYAN: Second.

15 CHAIRMAN: All in favor?

16 ALL SAY AYE

17 CHAIRMAN: All opposed?

18 The motion is adopted.

19 ATTORNEY FERRELL: The next matter for
20 your consideration is a petition to place Iev Ngon Lao
21 on the Board's Involuntary Exclusion List. On
22 February 12th, 2017 while at Parx Casino, Iev Lao
23 passed seven counterfeit bills at a black jack table.

24 During his arrest, Mr. Lao was
25 discovered to have a total of 28 counterfeit bills in

1 his possession. The Pennsylvania State Police charged
2 Mr. Lao with 28 counts each of possession of - of an
3 admission of a crime with intent and felony forgery.

4 On July 11th, 2017 Mr. Lao pled guilty
5 to one count of felony forgery. The remaining charges
6 were nolle prossed. At this time, OEC requests that
7 the Board issue an Order placing Mr. Lao on the
8 Involuntary Exclusion List.

9 CHAIRMAN: Questions or comments from
10 the Board? May I have a motion?

11 MR. RYAN: Mr. Chairman, I move that
12 the Board approve the addition of Iev Ngon Lao to the
13 PGCB Involuntary Exclusion List as described by the
14 OEC.

15 MR. SANTONI: Second.

16 CHAIRMAN: All in favor?

17 ALL SAY AYE

18 CHAIRMAN: All opposed?

19 The motion is adopted.

20 ATTORNEY MILLER: Good morning,
21 Chairman Barasch and Members of the Board. Dustin
22 Miller on behalf of the OEC.

23 The next matter today is a request for
24 placement on the Board's Excluded Person's List
25 involving Walter Taylor. The OEC filed a petition to

1 place Mr. Taylor on the exclusion list after she was
2 caught cheating while playing Blackjack at Parx Casino
3 on February 17th, 2017.

4 Based upon the foregoing, the OEC asks
5 that the Board place Walter Taylor on the Board's
6 Excluded Person's List.

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

9 MR. SANTONI: Mr. Chairman, I move
10 that the Board approve the addition of Walter Taylor
11 to the PGCB Involuntary Exclusion List as described by
12 the OEC.

13 MR. JEWELL: Second.

14 CHAIRMAN: All in favor?

15 ALL SAY AYE

16 CHAIRMAN: All opposed?

17 The motion is adopted.

18 ATTORNEY MILLER: The next matter
19 today is a request for placement on the Board's
20 Excluded Person's List involving Jason Ballard. The
21 OEC filed a petition to place Mr. Ballard on the
22 exclusion list for his involvement in a robbery of a
23 patron of Parx Casino in the parking lot of Parx
24 Casino on December 11th, 2016. Mr. Ballard was
25 criminally charged for his actions.

1 Based upon the foregoing, the OEC asks
2 that the Board place Jason Ballard on the Board's
3 Excluded Person's List.

4 CHAIRMAN: Questions or comments from
5 the Board? May I have a motion?

6 MR. JEWELL: Mr. Chairman, I move that
7 the Board approve the addition of Jason D. Ballard to
8 the PGCB Involuntary Exclusion List as described by
9 the OEC.

10 MR. LOGAN: Second.

11 CHAIRMAN: All in favor?

12 ALL SAY AYE

13 CHAIRMAN: All opposed?

14 The motion is adopted.

15 ATTORNEY MILLER: The final matter
16 today is a request for placement on the Board's
17 Excluded Person's List involving Miguel Soto. The OEC
18 filed a petition to place Mr. Soto on the exclusion
19 list for his involvement in a robbery of a patron of
20 Parx Casino in the parking lot of Parx Casino on
21 December 11th, 2016. Mr. Soto was criminally charged
22 for his actions.

23 Based upon the foregoing, the OEC asks
24 that the Board place Miguel Soto on the Board's
25 Excluded Person's List.

1 CHAIRMAN: Questions or comments from
2 the Board? May I have a motion?

3 MR. LOGAN: Mr. Chairman, I move that
4 the Board approve the addition of Miguel Soto to the
5 PGCB Involuntary Exclusion List as described by the
6 OEC.

7 MS. MANDERINO: Second.

8 CHAIRMAN: All in favor?

9 ALL SAY AYE

10 CHAIRMAN: All opposed?

11 The motion is adopted.

12 ATTORNEY PITRE: Thank you. That
13 concludes our business.

14 CHAIRMAN: Thank you very much.

15 That concludes today's meeting. Our
16 next scheduled public session will be held on
17 Wednesday, December 13th at 10:00 a.m. in this room.

18 Is there a motion to adjourn the
19 meeting?

20 MS. MANDERINO: Mr. Chairman, I move
21 that the Board do now adjourn.

22 MS. REITZEL: Second.

23 CHAIRMAN: So be it. All in favor?

24 ALL SAY AYE

25 CHAIRMAN: All opposed.

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The motion is adopted. Thank you.

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MEETING CONCLUDED AT 11:45 A.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings,
hearing held before Chairman Barasch was reported by
me on 11/8/17 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.



Cynthia Piro Simpson
Court Reporter

Cynthia Piro Simpson

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