



PENNSYLVANIA GAMING CONTROL BOARD

Meeting of the Board

October 2, 2007

Minutes

A meeting of the Pennsylvania Gaming Control Board was held on October 2, 2007 in the Mellow Theater, Lackawanna College, 501 Pine Street, Scranton. The meeting began shortly after 10:00 a.m.

Members in attendance were:

Mary DiGiacomo Colins, Chairman
Raymond S. Angeli
Jeffrey W. Coy
James B. Ginty
Kenneth T. McCabe
Sanford Rivers
Gary A. Sojka

Individuals who appeared officially before the Board:

Melinda Tucker – racetrack gaming presentations

- Mark A McDermott, PA Horse Breeders Association
- Dr. Paul Spears, Standardbred Breeders

Anne Neeb – agency update
Eileen McNulty – budget report
Frank Donaghue – withdrawals of gaming and non-gaming applications
Susan Hensel – licensing
Doug Sherman – investigations and enforcements

Public Comment:

George Kelley – comments regarding Philadelphia casino location
Anne Dicker – comments regarding Philadelphia casino location
Jethro Heiko – casino free Philadelphia
Daniel Hunter – casino free Philadelphia

A quorum of the Board being present, Chairman Colins called the meeting to order.

ANNOUNCEMENTS

Chairman Colins announced that the Board held executive sessions on October 1 and prior to today's meeting, in accordance with the Sunshine Act to discuss personnel issues, privileged agency business, the potential acquisition and/or lease of real property and to consult with counsel and other professional advisors to the Board concerning current litigation or matters in which complaints are expected to be filed.

Ms. Colins also announced that the application period for the last available Category 1 license will be open through November 19th.

TRANSCRIPTS/MINUTES

On a motion by Board Member Sojka, seconded by Board Member Ginty, the transcripts, with the proposed changes, and minutes of the July 26 and August 8, 2007 meetings were unanimously approved.

RACETRACK GAMING

Mr. Mark McDermott, Executive Secretary, Pennsylvania Horse Breeders Association, and Dr. Paul E. Spears, Chairman of the Standardbred Breeders, provided an update on how gaming has impacted their industry.

EXECUTIVE DIRECTOR

PGCB MOTION NO. 2007-155 EXE – Delegation of Authority to Chairman Colins for the opening of Mount Airy #1, LLC

Motion Made: Board Member Rivers
Seconded: Board Member Angeli

Resolved, the Board hereby delegates the authority to Chairman Colins to approve, either collectively with Board Member Raymond Angeli or in her individual capacity, all pre-opening conditions to the Category 2 Slot Machine License of Mount Airy #1, LLC and to determine the effective date and time which slot operations may commence at Mount Airy Casino Resort in Paradise Township, Monroe County.

Board Decision: Passed by unanimous vote

PGCB RESOLUTION NO. 2007-15 EXE – George Bedwick Resolution

Motion Made: Board Member Coy
Seconded: Board Member McCabe

WHEREAS George Bedwick was hired by the Pennsylvania House of Representatives on March 16, 1977, as a research analyst for the House Mines and Energy Committee under Representative Bernard O'Brien; and

- WHEREAS A native of Wilkes-Barre, Pennsylvania, Mr. Bedwick is a 1965 graduate of Grand Army of the Republic Memorial High School, a 1969 graduate of King's College and a 1972 graduate of Dickinson Law School; and
- WHEREAS As a major in the United States Army Reserve, Mr. Bedwick served his country in Operation Desert Storm; and
- WHEREAS Mr. Bedwick also served as Executive Director of the Liquor Control Committee and the Business and Commerce Committee under Representative Fred Taylor from 1979 to 1992; and
- WHEREAS From 1993 to 1999, Mr. Bedwick served as director under former Majority Leader and Majority Whip Ivan Itkin and legal counsel for former Minority Whip Mike Veon from 1999 to 2006; and
- WHEREAS Mr. Bedwick currently serves as legal counsel to Majority Whip Keith McCall; and
- WHEREAS As an expert in the gaming field, Mr. Bedwick was instrumental in crafting the Pennsylvania Race Horse Development and Gaming Act; and
- WHEREAS Mr. Bedwick has provided invaluable advice and insight on the Gaming Act to the members and staff of the Pennsylvania Gaming Control Board; and
- WHEREAS Through the efforts of Mr. Bedwick and others, Pennsylvania's gaming industry is off to a successful start with the opening of five slots facilities that have generated more than \$850 million in tax revenue and thousands of new jobs for the Commonwealth; and
- WHEREAS Mr. Bedwick retired on September 25, 2007, after 30 years of service with the House of Representatives; and
- WHEREAS Mr. Bedwick has earned the admiration and respect from the members and staff of the Pennsylvania Gaming Control Board for his kindness, dedication, enthusiasm, professionalism and hard work; and
- WHEREAS Mr. Bedwick will be deeply missed by all who have had the pleasure of working with him during his service to the Commonwealth; therefore be it
- RESOLVED That the Pennsylvania Gaming Control Board congratulates George Bedwick on his retirement from the House of Representatives; and be it further
- RESOLVED That a copy of this resolution be transmitted to George Bedwick.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-156 EXE – Distribution of Local Law Enforcement Grants

Motion Made: Board Member McCabe
Seconded: Board Member Rivers

Resolved, the Board hereby approves the first distribution of 2006-07 Local Law Enforcement Grants as follows:

Lower Saucon Township Police Department - \$9,570
Allegheny County District Attorney - \$250,000
City of Philadelphia Police Department - \$250,000
Washington County District Attorney - \$153,749.90
Northern Regional Police Department - \$43,836.76
Lower Paxton Township Police Department - \$48,822.40
Pike County District Attorney - \$22,166

The Board further announced an extension of the 2006-07 application period to October 31, 2007 and the elimination of the 20% match requirement.

Board Decision: Passed by unanimous vote

OFFICE OF GAMING OPERATIONS

PGCB RESOLUTION NO. 2007-13 OGO – Approval of Mt. Airy #1 LLC Internal Controls

Motion Made: Board Member McCabe

Seconded: Board Member Rivers

WHEREAS Under 4 Pa. C.S., Section 1202(a), the Pennsylvania Gaming Control Board (the “Board”) has general jurisdiction over all gaming activities or related activities; and

WHEREAS Under 58 Pa. Code, Section 465a.2(a), a slot machine licensee must submit to the Board a written description of its internal control systems and audit protocols (collectively “internal controls”) at least 90 days before gaming operations are to commence; and

WHEREAS Under 4 Pa. C.S., Section 1322(a), a slot machine licensee may not commence slot operations until it has obtained Board-approval of its internal controls;

WHEREAS Mount Airy #1, LLC, an entity for which a Category 2 Slot Machine License was issued on July 19, 2007, submitted to the Board its initial submission of internal controls on July 16, 2007; and

WHEREAS The internal controls submitted by Mount Airy #1, LLC meet the minimum requirements set forth in 4 Pa. C.S., Section 1322 , including procedures for safeguarding assets and revenues; retaining accurate and reliable financial records; and ensuring complete connectivity to the central control computer system; and

WHEREAS Mount Airy #1, LLC has submitted a narrative description of its organizational structure; a jobs compendium; and standard operating procedures for its Finance, Information Technology, Internal Audit, Security, Slot Operations, and Surveillance Departments; and

WHEREAS The Board is in receipt of an attestation by Mr. Joseph D’Amato, Chief Executive Officer of Mount Airy #1, LLC, attesting that he believes, in good faith, that the

submitted internal controls conform to the requirements of the Pennsylvania Race Horse Development and Gaming Act (“Act”) and the regulations promulgated thereunder; and

WHEREAS The Board is in receipt of an attestation by Mr. Joel Daum, Chief Financial Officer of Mount Airy #1, LLC, attesting that he believes, in good faith, that the submitted internal controls are designed to provide reasonable assurance that the financial reporting conforms to generally accepted accounting principles in the United States and comply with applicable laws and regulations, including the Act and the regulations promulgated thereunder; and

WHEREAS The Board is in receipt of a report prepared by Demetrius & Company, LLC, an independent registered public accounting firm, which opines that, in all material respects, Mount Airy #1, LLC has complied with the design requirements set forth in the Board’s regulations; and

WHEREAS Mount Airy #1, LLC, as a condition to its license, acknowledged that the internal controls are reviewed and approved by the Board in concept form and expressly agreed to immediately implement any procedural revisions in its internal controls as requested by the Board should Board review of the internal controls as implemented support the conclusion;

RESOLVED That the Board approves the internal controls of Mount Airy #1, LLC, subject to the condition that any implementation of an amendment to the internal controls will be preceded by notice to the Board.

Board Decision: Passed by unanimous vote

PGCB RESOLUTION NO. 2007-14 OGO – Approval of Mt. Airy #1 LLC Floor Plan

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

WHEREAS Under 4 Pa. C.S., Section 1202(a)(1), the Pennsylvania Gaming Control Board (the “Board”) has general and sole regulatory authority over the conduct of gaming or related activities as described in the Pennsylvania Race Horse Development and Gaming Act; and

WHEREAS Under 58 Pa. Code, Section 467a.1(b), a slot machine licensee may not commence slot operations until a floor plan depicting its gaming floor and all restricted areas servicing its slot operation has been approved by the Pennsylvania Gaming Control Board; and

WHEREAS Mount Airy #1, LLC, an entity which was issued a Category 2 Slot Machine License on July 19, 2007, has submitted a gaming floor plan, which depicts the gaming floor and all restricted areas servicing the licensed facility to be known as the Mount Airy Casino Resort; and

WHEREAS The floor plans have been reviewed and determined to comply with 58 Pa. Code, Section 467a.1, including those requirements relating to a clearly delineated path for juvenile ingress/egress, slot machine locations and seating, surveillance camera

configuration, cashiers' cage, count room, and armored car bay specifications, slot storage and repair locations and placement of automated gaming voucher redemption, jackpot payout and automated teller machines; and

WHEREAS Mount Airy #1, LLC agrees to comply with the requirements of 58 Pa. Code Section 467a.1(c) with regard to proposed modifications to the Board-approved floor plan; be it

RESOLVED That the Board approves the floor plan of Mount Airy #1, LLC, as prepared by Hemmler and Camayd Architects, revised through September 18, 2007 and denoted as "Operational Print 1," which depicts 57,261 square feet of gaming floor configured to accommodate a total of 2,525 slot machines.

Board Decision: Passed by unanimous vote

CHIEF FINANCIAL OFFICER

Ms. McNulty provided an update on expenditures and distribution of funds to local governments.

ADMINISTRATION

PGCB MOTION NO. 2007-157 HR – Employment

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

New Hires:

Stephanie Eberlin, Engineer - Gaming Laboratory
Steve Wilson, Director of Office Services - Bureau of Administration
Jason Dempsey, Casino Enforcement Agent - Philadelphia Park
Christian Krempasky, Casino Enforcement Agent - Mount Airy
Kerri Avvisato, Casino Enforcement Agent - Mount Airy

Resolved, the Board hereby approves the hiring of the above candidates for employment.

Board Decision: Passed by unanimous vote

OFFICE OF CHIEF COUNSEL

PGCB MOTION NO. 2007-158 OCC – Withdrawal of applications

Motion Made: Board Member Angeli
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Orders granting withdrawal of the applications without prejudice as follows:

Steven Wather, Docket No. 2073
Andrea Boroli, Docket No. 2720
Robert DelRossi, Docket No. 2083

Antonia Cowan, Docket No. 4220
Carol Sitroom, Docket No. 19512
Arthur Tice, Docket No. 8996
Sonia Tlatenchi, Docket No. 4311
Eileen Cassini, Docket No. 1460
Erin Corbitt, Docket No. 5079
William Conaboy, Docket No. 20029
Eugene Lucas, Docket No. 20023
David Downes, Docket No. 20052
Midori Yamanouchi, Docket No. 20095

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-159 OCC – Withdrawal of gaming and non-gaming permit and registration applications

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Orders granting withdrawal of gaming and non-gaming permit and registration applications, without prejudice, as follows:

Gaming Employees:

Joseph Demark, Docket No. 5933
Moriah Strenfel, Docket No. 5954
Terri Thorne, Docket No. 5953
Caleb Dixon, Docket No. 15649
Mark Williams, Docket No. 20227
Joann Wolfe, Docket No. 16562

Non-Gaming Employees:

Kathleen Mikulski, Docket No. 18493
Brian Livingstone, Docket No. 17686
Norman DeMoss, Docket No. 20777
Gary Beringer, Docket No. 20791
Dustin Eller, Docket No. 15941
James Erven, Docket No. 20272
Vincent Grizanti, Docket No. 8321
Matthew Heim, Docket No. 15903
Shawn Smith, Docket No. 8342
Timothy Wilczynski, Docket No. 20263

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-160 OCC – Withdrawal of Key Employee Application for Thomas Michael Reddy

Motion Made: Board Member Sojka
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Order granting withdrawal of Key Employee Application for Thomas Michael Reddy, Docket No. 15069, with prejudice.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-161 OCC – Withdrawal of previously filed petition to withdraw the gaming employee application of John Hollingsworth

Motion Made: Board Member Rivers
Seconded: Board Member Coy

Resolved, the Board hereby approves the Order granting the withdrawal of the previously filed petition to withdraw the gaming employee application of John Hollingsworth, Docket No. 19742.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-162 OCC – Denial of gaming and non-gaming employee permit and registration applications

Motion Made: Board Member Sojka
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Orders granting the withdrawal of gaming and non-gaming employee permits and registrations as follows:

Gaming Employee:

Tyrone L. Buckner, Docket No. 1004375-PI

Non-gaming Employees:

Stacey L. Core, Docket No. 1005288

Christopher, DiCrecchio, Docket No. 1001505

Lemar Gadson, Docket No. N1005474

Parrish Riggins, Jr., Docket No. 1004313-CH

Christopher R. Van Ness, Docket No. 1000798

Nicole Ann Hewish, Docket No. N10005335

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-163 OCC – Reject the Bureau of Hearings and Appeals recommendation for Kevin Perry

Motion Made: Board Member Ginty
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Order to reject the Bureau of Hearings and Appeals recommendation for Kevin Perry, Docket No. 1002521-MS, and remand the matter to the Bureau of Licensing.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-164 OCC – Revocation of occupation permit for Brian Lee Baker

Motion Made: Board Member Coy
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Order granting the revocation of occupation permit for Brian Lee Baker, Docket No. 11244.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-165 OCC – Revocation of non-gaming employee registration for Frank Bergamino

Motion Made: Board Member Angeli
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Order granting the revocation of non-gaming employee registration for Frank Bergamino, Docket No. 32709.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-166 OCC – Intervention Petition filed by Greenwood Gaming and Entertainment, Inc. regarding Valley Forge

Motion Made: Board Member Angeli
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Order denying the Intervention Petition filed by Greenwood Gaming and Entertainment, Inc. regarding Valley Forge, Docket No. 19421.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-167 OCC – Intervention Petition filed by Vacation Charters, LTD regarding CE Palace and Valley Forge

Motion Made: Board Member Angeli
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Orders denying the Intervention Petition filed by Vacation Charters, LTD regarding CE Palace, Docket No. 19415 and Valley Forge, Docket No. 19421.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-168 OCC – HSP Gaming, LP request for extension of time to pay \$50 million license fee

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby approves the Order denying the request of HSP Gaming, LP for an extension of time to pay the \$50 million license fee.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-169 OCC – Philadelphia Entertainment and Development Partners, LP request for extension of time to pay \$50 million license fee

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Order denying the request of Philadelphia Entertainment and Development Partners, LP for an extension of time to pay the \$50 million license fee.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-170 OCC – Pro hac vice admission

Motion Made: Board Member Angeli
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Order accepting the pro hac vice admission of attorneys John Donnelly and Michael Sklar.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007- 171 LIC – Independent Audit Committee Criteria

Motion Made: Board Member Ginty
Seconded: Board Member Coy

Resolved, the Board hereby adopts the Independent Audit Committee Criteria as described by the Bureau of Licensing.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-172 LIC – Bureau of Licensing report regarding the issuance of Key Employee licenses

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

Resolved, the Board hereby approves an Order accepting the report of the Bureau of Licensing regarding the issuance of Key Employee licenses for:

Joseph Michael Devlin, Cashier Shift Manager
David Anthony Crichlow, Systems Support Specialist III
Kenneth Harry Rambo, Jr., Cage Shift Manager
Curtis H. Lane, Jr., Regulatory Compliance Manager
Michael Edward Rodriguez, Internal Audit Manager
Stephen Michael Smith, Dual Rate Shift Manager
Michael John Vinci, Jr., Financial Controller
Vicki Lynn Guveiyian, Dir. of Electronic Gaming Regulatory Affairs, Eastern Division
Nancy Lynne Hughes, Vice President of Legal Affairs & Chief Legal Officer
Anne Margaret Johnson, Cage Shift Manager
Shane Michael Stone, Count Room Attendant
William Syrek, Facilities Manager
Rosanne Thompson, Human Resource Manager
Vincent Dale Smith, Director of IT for the Meadows
Meghan Lee Zulick, Human Resource Director
Jay Boyd, Director of Marketing
Brian Francis Block, Regional Sales Manager
Jeffrey Jerome Connors, VP Regional Sales
Stanley Joseph Kozlowski, Director of Sales – East Coast Region
David Joseph Lucchese, Senior VP of Sales
Gerald J. McGowan, Systems Sales Manager
Thomas Reilly, VP of Eastern Regional System Sales
Thomas Martin Santoro, Regional Account Manager
Christopher Thomas Schunk, Regional Account Manager
Beverly Ann Wessel, Sales Coordinator
Peter John Wichterman, Sales Representative

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-173 LIC – Bureau of Licensing report regarding the issuance of Temporary Key Employee licenses

Motion Made: Board Member McCabe
Seconded: Board Member Coy

Resolved, the Board hereby approves an Order accepting the report of the Bureau of Licensing regarding the issuance of 251 Temporary Key Employee licenses.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-174 LIC – Bureau of Licensing report regarding the issuance of gaming and non-gaming permits and registrations

Motion Made: Board Member Ginty
Seconded: Board Member Sojka

Resolved, the Board hereby approves an Order accepting the report of the Bureau of Licensing regarding the issuance of 334 gaming and non-gaming permits and registrations.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-175 LIC – Vendor certifications

Motion Made: Board Member Coy
Seconded: Board Member McCabe

Resolved, the Board hereby approves the following vendor certifications:

- A.C. Dellovade, Inc.
- Central Metals, Inc.
- Mid-Valley Contracting, Inc.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2007-176 LIC – Vendor registrations

Motion Made: Board Member Angeli
Seconded: Board Member Sojka

Resolved, the Board hereby approves the following vendor registrations:

- Apex Services, Inc.
- Bucks County Cigar and Candy Co., Inc.
- Casino Executive Search, LLC
- CBS Outdoor, Inc.
- Conrad Office Products
- Csük Photography
- Ford Business Machines, Inc.
- G.M. Taggart & Associates, Inc.
- Intellacom, Inc.
- Maharam Fabric Corporation
- NTN Software Solutions, Inc.
- Pikewood, Inc.-DBA Minute Man Press
- Ridgways, Ltd.
- Stand Advertising, LLC
- T.D. Patrinos Painting & Contracting Co.
- The Dallas Marketing Group, Inc.
- Turner Dairy Farms, LLC

Board Decision: Passed by unanimous vote

BUREAU OF INVESTIGATIONS AND ENFORCEMENT

Mr. Kwait, Director and Paul Mauro, Deputy Director of Investigations provided a presentation outlining BIE procedures for the annual renewal obligations of licensees and suitability for licensing.

ADJOURNMENT

There being no further business before the Board, on a motion by Board Member Angeli seconded by Board Member Coy, the meeting was adjourned.