



PENNSYLVANIA GAMING CONTROL BOARD

Meeting of the Board July 15, 2009 Minutes

A meeting of the Pennsylvania Gaming Control Board was held on July 15, 2009 in the PUC-Keystone Building, Hearing Room 1, Harrisburg, PA. The meeting began at 10:00 a.m.

Members in attendance were:

Gregory C. Fajt, Chairman
Raymond S. Angeli
Jeffrey W. Coy
James B. Ginty
Kenneth T. McCabe
Sanford Rivers
Gary A. Sojka

Ex-officio Members in attendance:

Frank Jarbala representing Honorable Dennis Wolff, Secretary for the Department of Agriculture
Jennifer Langan representing Honorable Robert M. McCord, State Treasurer

Individuals who appeared officially before the Board:

Kevin O'Toole – Executive Director report
Paul Resch – resolution – Rivers Internal Controls
Claire Yantis – personnel matters
Richard Sandusky – regulations
Troy Beaverson - regulations
Doug Sherman – petitions
Steve Cook – withdrawals, report and recommendations
Susan Hensel – licensing matters
Cyrus Pitre – enforcement issues
Michael Roland – enforcement issues
Eric Fikry, Esquire, representing Movado Group, Inc., Consent Agreement

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

ANNOUNCEMENTS

Chairman Fajt announced that the Board held an Executive session on July 14, 2009 to discuss personnel issues, to conduct quasi-judicial deliberations relating to matters pending before the Board and to consult with counsel regarding privileged and confidential agency business.

MINUTES AND TRANSCRIPTS

On a motion by Board Member Angeli, seconded by Board Member Coy, the minutes and transcript of the June 3, 2009 meeting were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Kevin O'Toole provided a brief update on the Rivers Casino before turning it over to Mr. Paul Resch, Director, Bureau of Gaming Operations for his report.

PGCB RESOLUTION NO. 2009-5 BGO – Rivers Casino Internal Controls Submission

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

- WHEREAS Pursuant to 4 Pa.C.S. § 1202(a), the Pennsylvania Gaming Control Board (“Board”) has general and sole regulatory authority over all gaming and related activities; and
- WHEREAS Pursuant to 58 Pa.Code § 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 prior to the commencement of gaming operations at the licensed facility; and
- WHEREAS Pursuant to 4 Pa.C.S. § 1322(a), a slot machine licensee may not commence slot operations until it has obtained Board approval of its internal controls; and
- WHEREAS Holdings Acquisitions Co. L.P. submitted to the Board its initial submission of internal controls on April 24, 2009; and
- WHEREAS The Board is in receipt of an attestation from Mr. Edward Fasulo, President and Chief Operating Officer of Holdings Acquisitions Co. L.P, 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 Robert Fitzpatrick, Vice President—Finance for Holdings Acquisitions Co. L.P, 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 Deloitte & Touche, LLP, an independent registered public accounting firm, which opines that, in all material respects, Holdings Acquisitions Co. L.P has complied with the design requirements set forth in the Board’s regulations; and
- WHEREAS Board staff has confirmed that the internal controls submitted by Holdings Acquisitions Co. L.P meet the minimum requirements set forth in 4 Pa.C.S. § 1322, including procedures for safeguarding assets and revenue; retaining accurate and reliable financial records; and ensuring complete connectivity to the central control computer system; and

- WHEREAS Holdings Acquisitions Co. L.P has submitted a narrative description of its surveillance system for the licensed facility; a table of organization; a jobs compendium; and standard operating procedures for its Finance, Information Technology, Internal Audit, Security, Slot Operations, and Surveillance Departments; and
- WHEREAS Holdings Acquisitions Co. L.P acknowledges that, as a condition to its license, revisions to its internal controls are to be reviewed and approved by Board staff; and
- WHEREAS Holdings Acquisition Co., L.P. agrees to immediately implement any revisions in its internal controls as requested by Board staff should Board staff review of the internal controls, as implemented, support the revision; be it
- RESOLVED That the Board approves the internal controls of Holdings Acquisitions Co. L.P , subject to the conditions that modifications may be required by staff upon review of the internal controls, as implemented, and that any implementation of an amendment to the internal controls will be preceded by Board staff's approval of said amendment and, if necessary, approval by the members of the Board delegated authority to oversee the commencement of operations at the Rivers Casino.

Board Decision: Passed by unanimous vote

HUMAN RESOURCES

PGCB MOTION NO. 2009-173 HR – Employment

Motion Made: Board Member Coy
Seconded: Board Member McCabe

New Hires:

- ✓ Joshua Hofritcher, Casino Compliance Representative – The Meadows
- ✓ Yvonne Reed, Casino Compliance Representative – The Rivers
- ✓ Katlyn Tortorice, Casino Compliance Representative – The Rivers

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. 2009-174 REG – Proposed Regulation of 125-103

Motion Made: Board Member McCabe
Seconded: Board Member Ginty

Resolved, the Board hereby adopts the Proposed Regulation No. 125-103 and that the Board establish a public comment period of 30 days; and that the proposed regulation is posted on the Board's website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-175 REG – Proposed Regulation of 125-105

Motion Made: Board Member Ginty
Seconded: Board Member Coy

Resolved, the Board hereby adopts the Proposed Regulation No. 125-105 and that the Board establish a public comment period of 30 days; and that the proposed regulation is posted on the Board's website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-176 REG – Final-form Regulation of 125-97

Motion Made: Board Member Coy
Seconded: Board Member Angeli

Resolved, the Board hereby adopts the Final-form Regulation No. 125-97 and that the Final-form regulation is posted on the Board's website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-177 REG – Final-form Regulation of 125-99

Motion Made: Board Member Angeli
Seconded: Board Member Sojka

Resolved, the Board hereby adopts the Final-form Regulation No. 125-99 and that the Final-form regulation is posted on the Board's website.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-178 OCC – Bureau of Investigation and Enforcement Petition To Set Dates (Holdings Acquisition Company, L.P.)

Motion Made: Board Member Sojka
Seconded: Board Member Rivers

Resolved, based on the information received and the progress attested to by both parties towards a resolution the Board agreed to table this matter or take it under advisement. A report, indicating timetable of resolution was requested from each party and that report was to be submitted to the Board by July 22nd.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-179 OCC – Withdrawal or Surrender of Application, Licenses, Vendor Registrations or Certifications

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

Resolved, the Board hereby issues Orders approving the Withdrawal or Surrender of Principal and Key Employee Applications, or Licenses, as well as Vendor Registrations or Certifications as follows:

✓ Helen M. Brancazio	Licensing No. 2918;	PGCB Doc No. 43574
✓ Paul Charles Cautley	Licensing No. 20956;	PGCB Doc No. 43548
✓ Betty J. Gerhart	Licensing No. 15155;	PGCB Doc No. 43593
✓ Scott Henry	Licensing No. 1871;	PGCB Doc No. 43591
✓ Jeanne Jackson	Licensing No. 30838;	PGCB Doc No. 43612
✓ Bruckmann, Roser, Sherrill & CO. II, L.P.	Licensing No. 29730;	PGCB Doc No. 43482
✓ Jacob A. Organek	Licensing No. 29733;	PGCB Doc No. 43483
✓ SPC Services, Inc.	Licensing No. 20406;	PGCB Doc No. 43541
✓ Vacation Charters, Ltd.	Licensing No. 19419;	PGCB Doc No. 42495
✓ ESOP	Licensing No. 19423;	PGCB Doc No. 42496
✓ Barbara Kalins	Licensing No. 19425;	PGCB Doc No. 42497
✓ Shelly Kalins	Licensing No. 19427;	PGCB Doc No. 42498
✓ W. Jack Kalins	Licensing No. 19431;	PGCB Doc No. 42499
✓ Joseph DelRosso	Licensing No. 19434;	PGCB Doc No. 42500
✓ Cheryl Jones	Licensing No. 19435;	PGCB Doc No. 42501
✓ Charles Dickinson	Licensing No. 19437;	PGCB Doc No. 42502
✓ Stacey Kalins	Licensing No. 19439;	PGCB Doc No. 42503
✓ David London	Licensing No. 19442;	PGCB Doc No. 42504
✓ Janet Wheeler	Licensing No. 19445;	PGCB Doc No. 42505
✓ Samuel L. Arnett	Licensing No. 19447;	PGCB Doc No. 42506
✓ Merrill N. Foster, Jr.	Licensing No. 23371;	PGCB Doc No. 43698

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-180 OCC – Revocation of Non-Gaming Employee Registration of Lauren Harris

Motion Made: Board Member McCabe
Seconded: Board Member Ginty

Resolved, the Board hereby adopts the Report and Recommendation issued by the Office of Hearings and Appeals to revoke the Non-Gaming Employee Registration of Lauren Harris, OHA Docket Number 43315.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-181 OCC – Denial of Non-Gaming Employee Registration of Melissa Raymond

Motion Made: Board Member Ginty
Seconded: Board Member Coy

Resolved, the Board hereby adopts the Report and Recommendation issued by the Office of Hearings and Appeals to deny the Non-Gaming Employee Registration of Melissa Raymond, OHA Docket Number 43447.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-182 OCC – Denial of Gaming Employee Permit of Norma Robinson

Motion Made: Board Member Coy
Seconded: Board Member Angeli

Resolved, the Board hereby adopts the Report and Recommendation issued by the Office of Hearings and Appeals to deny the Gaming Employee Permit of Norma Robinson, OHA Docket Number 43406.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-183 OCC – Temporary Emergency Suspension

Motion Made: Board Member Angeli
Seconded: Board Member Sojka

Resolved, the Board hereby issues an Order to extend the Emergency Suspension of Todd Aldrich's Gaming Permit, OHA Docket No. 43756, and that the matter is referred to the Office of Hearings and Appeals to conduct a hearing to determine the Validity of the Office of Enforcement Counsel's request for a suspension.

Board Decision: Passed by unanimous vote

BUREAU OF LICENSING

PGCB MOTION NO. 2009-184 LIC – Manufacturing License of Lightning Poker, Inc.

Motion Made: Board Member Sojka
Seconded: Board Member Rivers

Resolved, the Board hereby approves the Order issuing a Manufacturer License to Lightning Poker, Inc.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-185 LIC – Renewal of Manufacturing License of MicroFirst Associate, Inc.

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Order renewing the Manufacturer License of MicroFirst Associate, Inc.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-186 LIC – Issuance of Key Employee Licenses

Motion Made: Board Member McCabe
Seconded: Board Member Ginty

Resolved, the Board hereby issues and Order to approve the issuance of Key Employee Licenses as follows:

Greenwood Gaming and Entertainment, Inc.

William Shreckengost, Surveillance Shift Manager, Docket #6286

William Fleck, Vice President of Design and Construction, Docket #30527

Mountainview Thoroughbred Racing Association

Raffaele Fusca, Internal Auditor, Docket #30067

Debra Taylor, Count Room Supervisor, Docket #31021

Adrienne Hill, Cashier Shift Supervisor, Docket #25745

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-187 LIC – Withdrawal of Key Employee Licenses

Motion Made: Board Member Ginty

Seconded: Board Member Coy

Resolved, the Board hereby issues an Order to approve the withdrawal of five Key Employee Licenses.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-188 LIC – Issuance of Temporary Key Employee Licenses

Motion Made: Board Member Coy

Seconded: Board Member Angeli

Resolved, the Board hereby approves the Order issuing 118 Temporary Key Employee Licenses.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-189 LIC – Issuance of Permits and Registrations

Motion Made: Board Member Angeli

Seconded: Board Member Sojka

Resolved, the Board hereby approves the Order issuing 589 Gaming Employee Permits (including 223 renewals) and 545 Non-Gaming Employee Registrations.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-190 LIC – Denial of Gaming and Non-Gaming Employee Licenses

Motion Made: Board Member Sojka

Seconded: Board Member Rivers

Resolved, the Board hereby approves the Orders denying the Gaming and Non-Gaming Employee Permits and Registrations as listed below:

<u>BOL Dbase</u>	<u>Docket #</u> <u>SLOTSLink</u>	<u>Applicant</u>
38830	G1015326	Robert Small, Jr.
37751	N1014563	Cornell Steele
37864	N1014653	James Heal

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-191 LIC – Withdrawal of Gaming and Non-Gaming Employee Licenses

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

Resolved, the Board hereby issues Orders to approve the Withdrawal of 48 (32 Gaming; 16 Non-Gaming) Gaming and Non-Gaming Employee Permits and Registrations.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-192 LIC – Vendor Certifications

Motion Made: Board Member McCabe
Seconded: Board Member Ginty

Resolved, the Board hereby issues an Order approving the applications for Vendor Certification as follows:

Alpha Video and Audio, Inc.
Beverage Management Systems, Inc.
D'Andrea Bros. Concrete Co., Inc.
Eastern Time, Inc.
Hale Trailer Brake & Wheel, Inc.
JP Phillips, Inc.
Kepler's Seafood, Inc.
Phillis Enterprises
Thermal Solutions Contracting, LLC
Varsity, Inc.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-193 LIC – Applications for Vendor Registration

Motion Made: Board Member Ginty
Seconded: Board Member Coy

Resolved, the Board hereby approves an Order approving the applications for Vendor Registration as follows:

20enty by Alexander Kalifano, LLC, DBA: Alexander Kalifano
Andre & Son, Inc.
CIS Technology, Inc.
Communications Supply Corporation
Country Canvas, LLC
Helga Designs, Inc.
Imagine Nation Books, Ltd., DBA: Books are Fun
Incredible Foods, Inc.
K&D Factory Service, Inc.
Land Displays, Inc.
Levin Professional Services, Inc., DBA: Washington Professional Systems
Lindsey Refrigeration, Inc.
M3B, Inc.
Marina's Seafood, LLC
Pavilion Enterprises, Ltd.
PC Mall, Inc.
Port Morris Tile & Marble Corporation
Proper Computer Consulting, Inc.
Trade Eastern, Inc.
Traka USA, LLC
United Van Lines, LLC
Xtreme Cycles Outlet, LLC, DBA: Xtreme Cycles of Washington County
Young Volkswagen, Inc

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-194 LIC – Prohibited Vendor List

Motion Made: Board Member Coy
Seconded: Board Member Angeli

Resolved, the Board hereby issues an Order approving the additional vendors to the Prohibited Vendor List as follows:

Fisher Fire Protection
Inergy Propone, LLC
The Kirandt Group
Krengel Quaker City Corporation dba: American Marketing Systems
Pat Ionadi Corporation
Penn Perry, Inc.
Plus Relocation Services, Inc.
Tom Brown Contracting

Board Decision: Passed by unanimous vote

OFFICE OF ENFORCEMENT COUNSEL

PGCB MOTION NO. 2009-195 OEC – Movado Group, Inc. Consent Agreement

Motion Made: Board Member Angeli
Seconded: Board member Sojka

Resolved, the Board hereby approves the Consent Agreement between the Bureau of Investigations and Enforcement and Movado Group, Inc., OHA Docket No. 43116.

Board Decision: Passed by unanimous vote

ADJOURNMENT

On a motion by Board Member Coy, seconded by Board Member Rivers, the meeting was adjourned.