

PENNSYLVANIA GAMING CONTROL BOARD

BOARD MEETING

FORUM BUILDING AUDITORIUM  
HARRISBURG, PENNSYLVANIA

DECEMBER 20, 2006, 10:52 A.M.

BEFORE:

THOMAS DECKER, CHAIRMAN  
RAYMOND ANGELI  
MARY DiGIACOMO COLINS  
JEFFREY W. COY  
JOSEPH W. MARSHALL, III  
KENNETH W. MCCABE  
SANFORD RIVERS  
GREGORY C. FAJT, SECRETARY OF REVENUE  
DENNIS WOLFF, SECRETARY OF AGRICULTURE

HILLARY M. HAZLETT, REPORTER  
NOTARY PUBLIC

I N D E X

1		
2	SPEAKER	PAGE
3	Anne LaCour Neeb	5
4	Michael Walsh	5
5	Frank Donaghue	7
6	Doug Sherman	11
7	Susan Hensel	13
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1                   CHAIRMAN DECKER: Good morning. I'm very  
2 sorry that we're late. We had some personnel issues  
3 to deal with and an Executive Session, we'll talk a  
4 little more about that later.

5                   I'm Tad Decker. I'm Chairman of the  
6 Pennsylvania Gaming Control Board. I would like to  
7 welcome the Board and all of you to this public  
8 meeting today. A quorum of the Board being present,  
9 this meeting is called to order.

10                  As always, let me ask everyone, including  
11 myself, which I think I just did, to shut off their  
12 cell phones and Blackberries and other electronic  
13 devices because they can interfere with the sound  
14 system.

15                  Let's see here. Treasurer Casey is not  
16 with us today but representing the Treasurer is  
17 Special Counsel Keith Welks. Is Keith here somewhere  
18 so we can recognize him? I think he's here  
19 somewhere. So welcome.

20                  As always, let us begin this meeting with  
21 the Pledge of Allegiance.

22                  (Pledge of Allegiance.)

23                  CHAIRMAN DECKER: Was that an echo?

24                  Okay. Thank you. Let me start by saying  
25 this is a day that I think we've all been waiting for

1 for some time. We will get to the licensing issues  
2 toward the end of this agenda, but we do have some  
3 regular business to conduct first, starting with  
4 announcements.

5 The Board held an Executive Session, as I  
6 mentioned earlier, before this meeting to discuss  
7 personnel matters. No business was conducted at this  
8 meeting.

9 Next, we have the transcript of the minutes  
10 for the December 4th, 2006 Board meeting. We're up  
11 to date these days or close to being up to date.

12 May I have a motion?

13 COMMISSIONER McCABE: Mr. Chairman, I move  
14 that we approve the transcript and minutes of the  
15 December 4th meeting.

16 COMMISSIONER MARSHALL: Second.

17 CHAIRMAN DECKER: Thank you.

18 Any comments?

19 All of those in favor, please indicate by  
20 saying aye.

21 COMMISSIONERS: Aye.

22 CHAIRMAN DECKER: Any opposed?

23 Thank you. The motion carries.

24 By way of old business, Anne, the Executive  
25 Director's report.

1 MS. LaCOUR NEEB: Good morning, Chairman  
2 Decker. I just have a very short report. I wanted  
3 to give you an update on the opening in Philadelphia  
4 Park in Bucks County, which was yesterday.

5 Apparently, we have some numbers. These  
6 are approximate because they're being calculated as  
7 we speak.

8 There was gross terminal revenue of about  
9 \$500,000 to the State of Pennsylvania, amount wagered  
10 \$6 million and the amount of payout from the company  
11 \$5.7 million. So it was a successful opening. We  
12 had no major glitches. We're looking forward to them  
13 having good business to continue.

14 That's all I'm going to report on today.  
15 I'm going to turn it over at this point to  
16 administration, to our Director, Mike Walsh, for  
17 personnel issues.

18 CHAIRMAN DECKER: Mike, you have a couple  
19 of announcements for us today?

20 MR. WALSH: Just a couple items for the  
21 Board to consider.

22 Thank you, Anne.

23 Good morning, Mr. Chairman, Members of the  
24 Board. Upon the recommendation of the Executive  
25 Director and Bureau Directors, we present today six

1 candidates for positions within the agency.

2           In the Office of Hearings and Appeals,  
3 Mr. David Hittinger as a law clerk; in the Bureau of  
4 Gaming Laboratory Operations, Mr. Andrew Blessing as  
5 a lab engineer, trainee; in the Bureau of Licensing,  
6 Miss Lyndsley Houser as a licensing analyst, and  
7 Miss Angela Zimmerman as a licensing technician;  
8 finally, in the Bureau of Administration, in the  
9 Office of Informational technology, Mr. James Perry  
10 as an application developer; and in the Office of  
11 Human Resources, Miss Tania Miller as a human  
12 resource analyst.

13           These candidates have successfully  
14 completed a background investigation and drug  
15 screening results of which have been approved by the  
16 Board, and we respectfully request a motion to hire  
17 these six candidates today.

18           CHAIRMAN DECKER: May I have a motion to  
19 that effect?

20           COMMISSIONER RIVERS: Yes. Mr. Chairman,  
21 based on the recommendation of the Director of  
22 Administration, I would like to move for the approval  
23 of the motion to hire the six people made reference  
24 to.

25           COMMISSIONER COY: Second.

1           CHAIRMAN DECKER: Thank you. Are there any  
2 questions or comments from or for Mike?

3           Hearing none, all those in favor?

4           COMMISSIONERS: Aye.

5           CHAIRMAN DECKER: Any opposed?

6           Motion carries. Thank you very much.

7           We're now moving on to the Office of the  
8 Chief Counsel, Frank Donaghue. Frank, I think you  
9 have a couple of things.

10           MR. DONAGHUE: Thank you, Mr. Chairman and  
11 Board Members. The first item that we would like the  
12 Board to take under consideration would be a motion  
13 to approve the fees for filing and copying developed  
14 by our Bureau of Hearing and Appeals.

15           This would be consistent with other state  
16 administrative agencies that have filing fees. We  
17 would respectfully request a positive motion.

18           COMMISSIONER ANGELI: Mr. Chairman, I move  
19 that the Board adopt the fees for filings and copies  
20 developed by the Hearing and Appeals, that the  
21 increases take effect immediately, and that the new  
22 fees be published in the Pennsylvania Bulletin and be  
23 posted on the Board's website.

24           COMMISSIONER MARSHALL: Second.

25           CHAIRMAN DECKER: Thank you.

1           Are there any questions or discussion you  
2 want to have with Frank on this issue?

3           All those in favor, please indicate by  
4 saying aye.

5           COMMISSIONERS: Aye.

6           CHAIRMAN DECKER: Any opposed?

7           Motion carries.

8           Frank, what is next?

9           MR. DONAGHUE: Second, Chairman, I would  
10 like to take up for the Board's consideration two  
11 withdrawals, and if we could handle them in separate  
12 motions.

13           The first, the Board has received a  
14 petition for withdrawal of their Category III  
15 application and of all associated applications from  
16 Woodlands Fayette, LLC, Docket No. 1366.

17           The application was reviewed by the Office  
18 of Enforcement Counsel, and the Chief Enforcement  
19 Counsel has no objection to the withdrawal as there  
20 is no information constituting good cause to deny,  
21 condition, or prejudice the withdrawal of the  
22 application, and all required fees have been paid as  
23 of this date. This withdrawal request would be  
24 granted without prejudice.

25           Chief Counsel's Office concurs in this

1 review and submits the petition for withdrawal for a  
2 motion by the Board to grant the withdrawal petition  
3 without prejudice to Woodlands Fayette, LLC.

4 CHAIRMAN DECKER: Thank you, Frank.

5 May I have a motion to that effect?

6 COMMISSIONER DiGIACOMO COLINS: Yes. Mr.  
7 Chairman, I move that the Board approve the order  
8 granting withdrawal of the Category III application  
9 of Woodlands Fayette, LLC, and all applications and  
10 waiver requests associated therewith.

11 CHAIRMAN DECKER: Thank you.

12 May I have a second, please?

13 COMMISSIONER RIVERS: Second.

14 CHAIRMAN DECKER: Are there any questions  
15 or comments from the Board?

16 All those in favor, please indicate by  
17 saying aye.

18 COMMISSIONERS: Aye.

19 CHAIRMAN DECKER: Any opposed?

20 The motion carries.

21 Along those lines, let me just mention that  
22 sometime in January, the Board will be considering  
23 the opening of an application period for Category III  
24 licenses since we haven't issued any. We don't  
25 intend to issue any today since there are no

1 applicants.

2 Frank, what is next?

3 MR. DONAGHUE: Mr. Chairman, next, the  
4 Board has received two other petitions for withdrawal  
5 for the Board's consideration.

6 With regard to these requests, they were  
7 reviewed by the Office of Enforcement Counsel, and  
8 the Chief Enforcement Counsel has no objection to the  
9 withdrawal as there is no information constituting  
10 good cause to deny, condition, or prejudice the  
11 withdrawal of the application, and all required fees  
12 have been paid as of this date. These would all be  
13 granted without prejudice.

14 The Chief Counsel's Office concurs in the  
15 review and submits the following for a motion by the  
16 Board to grant the withdrawal petitions without  
17 prejudice to petition of Crossroads Gaming Resorts  
18 and Spa, LP, Docket No. 1355, to withdraw the key  
19 employee qualifier applications of James Quillen, and  
20 that's Docket No. 1847.

21 Secondly, the petition of Mountainview  
22 Thoroughbred Racing Association, Docket No. 1315, to  
23 withdraw the key employee qualifier application of  
24 Kevin DeSanctis, Docket No. 1331.

25 COMMISSIONER MARSHALL: Mr. Chairman, I

1 move that the Board approve the orders granting  
2 withdrawal of the applications of James Quillen and  
3 Kevin DeSanctis.

4 COMMISSIONER DiGIACOMO COLINS: Second.

5 CHAIRMAN DECKER: Thank you.

6 All of those in favor?

7 COMMISSIONERS: Aye.

8 CHAIRMAN DECKER: Any opposed?

9 The motion carries. Thank you.

10 MR. DONAGHUE: Finally, Mr. Chairman, I  
11 would like to turn over to Doug Sherman a motion for  
12 the Board to consider a petition to intervene in the  
13 Sands Bethworks Gaming, LLC application.

14 MR. SHERMAN: Good morning, Mr. Chairman,  
15 members of the Board. The Board has received a  
16 petition to intervene in a supporting memorandum  
17 filed, supported by the Bethlehem Defense Fund and 11  
18 individuals seeking to intervene in the Sands  
19 Bethworks Gaming, LLC, for a Category II slot machine  
20 operator license.

21 Board regulations provide that intervention  
22 petitions are to be filed 45 days prior to the first  
23 hearing in the subcategory in which the individual  
24 seeks to intervene.

25 The proposed interveners in this case filed

1 the petition on December 15th, 2006, two days after  
2 the Sands Bethworks' final hearing.

3 The proposed intervener sought to present  
4 evidence to the Board concerning the scope of public  
5 opposition to the Sands Bethworks' project, as well  
6 as to the assertion that Sands Bethworks has obtained  
7 preliminary site approval for the project.

8 Issues of public opposition are addressed  
9 at length in the evidentiary record both through the  
10 Public Input Hearings and in the written comments  
11 received by the Board, including the testimony and  
12 comments of some of the proposed interveners.

13 In addition, there's already evidence in  
14 the record concerning the purported site approval  
15 from Sands Bethworks and as presented by Tropicana as  
16 part of their comparative evidence presentation.

17 I suggest it would be appropriate for the  
18 Board to entertain a motion to consider and rule upon  
19 the petition to intervene in the Sands Bethworks  
20 application, and I would be happy to entertain any  
21 questions that any Board members may have.

22 CHAIRMAN DECKER: Thank you, Doug.

23 COMMISSIONER COY: Mr. Chairman, I move  
24 that the Board deny the petition to intervene filed  
25 by the Bethlehem Defense Fund and the 11 individuals

1 in the application of Sands Bethworks on the basis  
2 that the petition is untimely, that the interest  
3 sought to be presented are already addressed in the  
4 record before the Board, and that no extraordinary  
5 circumstances exist to permit an untimely  
6 intervention.

7 CHAIRMAN DECKER: Thank you, Commissioner  
8 Coy.

9 Second?

10 COMMISSIONER DiGIACOMO COLINS: Second.

11 CHAIRMAN DECKER: Second. Are there any  
12 questions or comments on this petition and the  
13 motion?

14 Hearing none, all of those in favor, please  
15 indicate by saying aye.

16 COMMISSIONERS: Aye.

17 CHAIRMAN DECKER: Any opposed?

18 Motion carries unanimously. Thank you.

19 Is there anything else, Mr. Donaghue?

20 MR. DONAGHUE: No, thank you, Chairman.

21 CHAIRMAN DECKER: Thank you. I think Susan  
22 Hensel is up next, correct?

23 Susan.

24 MS. HENSEL: Thank you, Chairman Decker;  
25 and good morning, Members of the Board.

1           The first item I have to bring before you  
2 today is a motion to approve an order concerning the  
3 report of the Bureau of Licensing on the issuance of  
4 temporary key employee credentials.

5           Prior to this meeting, the Bureau of  
6 Licensing provided you with a list of 14 individuals  
7 who the Bureau of Licensing has provided with  
8 temporary credentials under the authority delegated  
9 to the Director.

10           If I may ask the Board to consider a  
11 motion.

12           CHAIRMAN DECKER: Thank you, Susan.

13           May I have a motion to that effect, please?

14           COMMISSIONER McCABE: Mr. Chairman, I move  
15 that the Board adopt the order accepting the report  
16 of Bureau of Licensing regarding the issuance of  
17 temporary key employee credentials.

18           COMMISSIONER MARSHALL: Second.

19           CHAIRMAN DECKER: Thank you.

20           Any questions for Susan about this?

21           All of those in favor, please indicate by  
22 saying aye.

23           COMMISSIONERS: Aye.

24           CHAIRMAN DECKER: Any opposed?

25           Motion carries.

1 Susan, you have one more, right?

2 MS. HENSEL: The second item is approving a  
3 motion approving an order concerning the report from  
4 the Bureau of Licensing on key employee gaming and  
5 non-gaming employees.

6 Prior to this meeting, the Bureau of  
7 Licensing provided you with a list of 15 individuals,  
8 who the Bureau of Licensing has granted key employee  
9 licenses to; 70 individuals, who the Bureau has  
10 granted occupation permits to; and 192 individuals,  
11 who has the Bureau has granted non-gaming  
12 registrations to under the authority delegated to the  
13 Director of Licensing.

14 I ask the Board consider a motion.

15 CHAIRMAN DECKER: Thank you, Susan.

16 May I have a motion to that effect?

17 COMMISSIONER RIVERS: Mr. Chairman, based  
18 on the recommendation of the Director of Licensing, I  
19 move approval of Board order accepting the report of  
20 the Bureau of Licensing regarding the issuance of  
21 licenses, permits, and registrations.

22 CHAIRMAN DECKER: Thank you.

23 Is there a second?

24 COMMISSIONER COY: Second.

25 CHAIRMAN DECKER: Any discussion?

1 All of those in favor, please indicate by  
2 saying aye.

3 COMMISSIONERS: Aye.

4 CHAIRMAN DECKER: Any opposed?

5 Motion carries.

6 Susan, is there anything else?

7 MS. HENSEL: We next move to the slot  
8 operator licenses. For that, I would like to turn to  
9 Executive Director, Anne Neeb.

10 MS. LaCOUR NEEB: Thank you, Ms. Hensel.

11 Mr. Chairman, Members on the Board, next on  
12 the agenda is the matter of the Board's consideration  
13 of the pending Category I and II slot machine  
14 operator licenses.

15 As the Board is well aware, there are 19  
16 pending applications for the 11 available Category I  
17 and II slot machine licenses.

18 There are six applications for your  
19 consideration for Category I licenses at racetracks  
20 and 13 applications for your consideration for the  
21 Category II stand-alone licenses.

22 There are five applications to the Board's  
23 consideration for two available licenses in the City  
24 of Philadelphia, three applications for the Board's  
25 consideration for one available license in the City

1 of Pittsburgh, and five applications for the Board's  
2 consideration for the two available licenses in  
3 revenue or tourism enhanced location.

4 All 19 applicants have been investigated.  
5 All 19 applications are complete. Extensive public  
6 hearings have been conducted, a public comment period  
7 has been permitted.

8 The applicants have all presented testimony  
9 and evidence to this Board, have answered the Board's  
10 questions at license suitability hearings, filed  
11 briefs in support of their applications, and have had  
12 the opportunity to present oral argument to the  
13 Board.

14 Unless the Board has any questions, I  
15 believe I can safely say at this time all 19  
16 applicants are now ready for the Board to entertain  
17 motions for approval of licenses.

18 CHAIRMAN DECKER: Thank you, Anne.

19 Before we get to that, I want to review  
20 some of the things that have happened with us over  
21 the period of years.

22 Almost two and a half years have passed  
23 since Act 71 became law. It was just two years ago  
24 this month that we held our first meeting. Some of  
25 you in the audience may remember that we were sued on

1 that first day before we even gaveled the meeting to  
2 order.

3 We started with just four staff people on  
4 loan from other agencies and borrowed furniture in  
5 our office from other agencies in Harrisburg.

6 Now we have more than 200 terrific people  
7 on our staff, including some of the best gaming  
8 regulators in the country and top-notch law  
9 enforcement professionals working in three locations  
10 throughout the state.

11 As you know, the lawsuit was subsequently  
12 dismissed but did most certainly delay our ability to  
13 hire and put us back in a fair amount.

14 We adopted comprehensive regulations that  
15 ensured thoroughness and fairness of the process that  
16 will culminate in today's decisions and that will  
17 carry this agency forward as it evolves in its  
18 long-term role as a regulator.

19 We accepted applications from potential  
20 operators at the end of 2005. This spring, we held  
21 the public hearings across the state, a degree of  
22 public participation in licensing of casinos that was  
23 unprecedented in the United States. Again, we didn't  
24 have to do that. People don't do it in other states.  
25 We did it here. We did it here.

1           Early in the summer, we awarded our first  
2 licenses to manufacturers and suppliers. In  
3 September, we began the stretch draw by holding  
4 suitability hearings on track applicants and  
5 approving conditional licenses for the six  
6 racetracks, two of which have already opened to  
7 tremendous success.

8           We then held additional suitability  
9 hearings for permanent licenses. Now we are  
10 approving permanent licenses, all while protecting  
11 the people of Pennsylvania as required by Act 71.

12           All told, we moved from our first meeting  
13 to licensure in about two years without compromising  
14 our mission of acquiring comprehensive background  
15 investigations on all applicants to ensure the  
16 integrity of gaming in Pennsylvania.

17           No jurisdiction in recent memory has moved  
18 so quickly and so efficiently to complete such a  
19 complex and demanding task.

20           In December of 2005, the Pennsylvania  
21 Gaming Control Board received the applications for  
22 the Category I, II, and III licenses.

23           Since that time, four Category II and both  
24 Category III applicants have withdrawn their  
25 applications. That left 19 Category I and II

1 applications, which have undergone a very, very  
2 extensive review process, literally including  
3 hundreds of thousands of pages of documentary  
4 submissions, tens of thousands of hours of  
5 investigation and licensing review by our staff and  
6 the Pennsylvania State Police, and hundreds of hours  
7 of public hearings.

8           This incredible amount of work, which has  
9 been performed, has brought the Gaming Board to this  
10 point today at which we are going to vote on the  
11 applicants for licensure.

12           As one of our applicant's counsel so  
13 succinctly noted yesterday, the Board and staff is  
14 going to license and create an industry the size of  
15 Atlantic City within about 14 months.

16           Before proceeding any further, there is a  
17 group of people which I and the entire Board want to  
18 acknowledge. This is our dedicated staff of the  
19 Gaming Control Board which, despite sometimes adverse  
20 and unfair criticism, waged an ongoing and  
21 hard-fought campaign to implement and fulfill the  
22 objective and the intent of the gaming law and do it  
23 correctly.

24           The sacrifices of our staff and the  
25 Pennsylvania State Police are monumental. They've

1 worked long hours, often weekends and sometimes in  
2 less desirable conditions, to get this job done and  
3 do it right.

4 I don't believe that anyone outside can  
5 appreciate the tremendous job that these people have  
6 performed. It is frankly better -- equal to or  
7 better than anything I have witnessed in my 35 years  
8 in private industry.

9 I want to make sure that the staff knows  
10 that each and every Commissioner appreciates their  
11 work.

12 I want the citizens of Pennsylvania to know  
13 that the staff of the Gaming Control Board has  
14 performed an incredible job on their behalf.

15 I want each of our staff to know that the  
16 Board and the citizens of Pennsylvania are extremely  
17 proud and grateful for your performance. Thank you.  
18 Please stand up.

19 (Applause.)

20 CHAIRMAN DECKER: So there's no confusion,  
21 the Pennsylvania State Police are also included in  
22 those accolades.

23 Because of the fact and in the Christmas  
24 spirit of Scrooge, we want to let all the staff know  
25 that they're definitely going to have Christmas Day

1 off this year.

2 COMMISSIONER MARSHALL: But no overtime.

3 CHAIRMAN DECKER: But no overtime. Okay.

4 I also want to thank each of my fellow Board Members  
5 individually for their hard work and extreme  
6 dedication; Ray Angeli, Mary Colins, Jeff Coy, Chip  
7 Marshall, Ken McCabe, and Sanford Rivers and former  
8 Board Member Bill Conaboy, who contributed a great  
9 deal during our first year.

10 Also, I want to thank our ex-officio  
11 members, Agricultural Secretary Dennis Wolff is with  
12 us today, Treasurer Bob Casey and Former Treasurer  
13 Barbara Hafer, who was just with us briefly when we  
14 first got started.

15 And especially, I want to thank Revenue  
16 Secretary Greg Fajt for his wise counsel and advice  
17 on many, many topics. He's done a tremendous job for  
18 us, in addition to being the source of many  
19 employees.

20 Greg, thank you.

21 I also want to note one thing. With our  
22 super majority votes requirements, without the  
23 collegiality of the Board, the good spirit and good  
24 faith work of each of our members, we could have  
25 never reached this point today.

1           I previously worked for a company that did  
2 a lot of acquisitions. One important standard was  
3 whether you would be willing to take the management  
4 of this newly acquired or potentially acquired  
5 company home for dinner.

6           I know that each of our members have  
7 exceeded that standard. It's an absolute pleasure to  
8 work with them on a day-to-day basis.

9           I am grateful and proud that the Governor  
10 appointed me to be Chair and work with them on a  
11 regular basis. Thank you.

12           (Applause.)

13           CHAIRMAN DECKER: Okay. The applicants  
14 before the Board for the Category II license  
15 applicants are divided into three groups under the  
16 Act.

17           The Category II applicants in Philadelphia  
18 are HSP Gaming, also known as SugarHouse; Keystone  
19 Redevelopment Partners, also referred to as  
20 TrumpStreet; Philadelphia Entertainment and  
21 Development Partners, referred to as Foxwoods; PNK,  
22 also known as Pinnacle and Riverwalk Casino.

23           The Category II applicants in Pittsburgh  
24 are Isle of Capri, PITG Gaming, also referred to  
25 Majestic Star, and Station Square Gaming.

1           The Category II applicants in the revenue  
2 or tourism enhancement locations referred to as the  
3 at-large applicants are Crossroads Gaming Resort and  
4 Spa, Mount Airy, Pocono Manor Investors, Sands  
5 Bethworks Gaming and Tropicana Pennsylvania.

6           The applicants before the Board for  
7 Category I licences are Chester Downs and Marina,  
8 Downs Racing, Greenwood Gaming, Mountainview  
9 Thoroughbred Racing Association, Presque Isle Downs,  
10 and Washington Trotting Association.

11           In furtherance of the Board's duty to  
12 consider and approve or deny the Category I and  
13 Category II licenses before the Board today, the  
14 Board has conducted, as we have noted before,  
15 extensive public hearings, has conducted public final  
16 suitability hearings for each applicant, and has  
17 considered all of the evidence which makes up the  
18 evidentiary record in this case.

19           We have received briefs supporting the  
20 applications. We have heard oral arguments, which  
21 were presented yesterday, and we have had the  
22 opportunity to question the applicants in depth about  
23 their proposals.

24           In addition, throughout the entire  
25 licensing and investigative process and as recently

1 as yesterday, the Board has reached out to various  
2 Federal, State and Local law enforcement agencies,  
3 including but not limited to the FBI and Pennsylvania  
4 State Police, requesting any information in the  
5 possession of those agencies related to the  
6 suitability of the applicants in order to assure that  
7 the Board has obtained all information relevant to an  
8 applicant's suitability for licensing.

9 As of this time, those agencies have not  
10 provided the Board with any information which would  
11 preclude any applicant from being considered for a  
12 license today.

13 Based upon each Board Member's  
14 comprehensive evaluation of all information obtained  
15 through the entire licensing and investigative  
16 processes and in the -- and in the evidentiary  
17 record, the Board collectively has engaged in quasi  
18 judicial deliberations in Executive Session, during  
19 which the Board met to fully and frankly discuss the  
20 merits of each of the applicants and the proposals.

21 The Pennsylvania Supreme Court has  
22 recognized the propriety of this course of action in  
23 2003 when it issued the decision of Kennedy versus  
24 Upper Milford Township Zoning Hearing Board. The  
25 citation for that is 834 A.2d 1104.

1           In that case, the Court held that the quasi  
2       judicial deliberations are a proper subject of  
3       private Executive Sessions under the Sunshine Act in  
4       order to permit Board Members to frankly exchange  
5       their ideas and views and to review confidential and  
6       proprietary business information.

7           The necessity of the collegiality to group  
8       decision making of the highest quality, which is  
9       furthered by quasi judicial deliberations, is  
10      paramount to the Board's ability to perform its  
11      duties under the Act.

12          As a reminder to everyone, today's  
13      proceedings are the initial step in licensing. Today  
14      we are approving applicants for licensure -- I can't  
15      even pronounce it -- for licenses.

16          Today, we are approving those licenses.  
17      The licenses, however, will not be issued until all  
18      appeals of the final orders are completed, all  
19      conditions complied with, and all fees paid.

20          In addition, the Board's investigative  
21      staff has an ongoing obligation to continue to review  
22      and evaluate the suitability of any approved  
23      applicant based upon the criteria set forth in the  
24      Act.

25          That's not only true between the period of

1 the approval today and the licensure but even after  
2 licenses are issued. It's the same in every state  
3 that has gaming.

4           Finally, before moving to the selection  
5 process, I want to address the topic of recusals.  
6 Each Board Member has an affirmative duty to examine  
7 his or her own interest as they relate to any  
8 particular applicant at all times to assure that his  
9 objectivity, impartiality, and integrity or  
10 independence in a matter cannot be reasonably  
11 questioned.

12           If a Board Member determines that he has  
13 any interest, which may cause his impartiality and  
14 objectivity to reasonably question, he should recuse  
15 and disqualify himself or herself from voting on a  
16 particular matter in that proceeding.

17           Now, do any Commissioners have recusal  
18 issues to discuss?

19           COMMISSIONER MARSHALL: Mr. Chairman --

20           CHAIRMAN DECKER: Yes.

21           COMMISSIONER MARSHALL: -- may I?

22           CHAIRMAN DECKER: Please.

23           COMMISSIONER MARSHALL: Thank you.

24           CHAIRMAN DECKER: Thank you, Commissioner.

25           COMMISSIONER MARSHALL: Before the Board

1 announces its final decisions on the awarded slot  
2 operator licenses, I would like to take this  
3 opportunity to inform the members of the general  
4 public of my decision to recuse myself from the  
5 deliberations and voting on Keystone Redevelopment  
6 Partners, LLC.

7           This decision was communicated to my  
8 colleagues on the Board prior to any deliberations on  
9 the application of Keystone Redevelopment Partners,  
10 LLC.

11           I have not participated in any  
12 deliberations concerning this applicant. I have made  
13 this decision for the following reasons:

14           Temple University Health System, of which I  
15 am Chairman and CEO, has a lease agreement with  
16 Preferred Real Estate, a company owned by Michael  
17 O'Neill.

18           Certain matters related to that agreement  
19 are currently in dispute and the matter is pending in  
20 arbitration.

21           Mike O'Neill and Preferred Real Estate were  
22 both required by the Pennsylvania Gaming Control  
23 Board to file key employee qualifier applications in  
24 support of the slot operator license application of  
25 Keystone Redevelopment Partners, LLC.

1           Accordingly, a potential conflict may arise  
2 in this situation as my interest in Temple University  
3 Health System may appear to conflict with my role as  
4 a Board Member of the Pennsylvania Gaming Control  
5 Board.

6           I believe that it is of the utmost  
7 importance to maintain objectivity, impartiality,  
8 integrity, and independence of judgment of the Board.

9           Therefore, in accordance with Section  
10 1201(f)(3) of the Act and out of an abundance of  
11 caution, I have decided to recuse myself from any  
12 deliberations and voting on the application of  
13 Keystone Redevelopment Partners, LLC.

14           I have confirmed with Board's Chief Counsel  
15 that my recusal from this application has no effect  
16 on my ability to participate in the deliberations and  
17 voting on any other slot operator license  
18 applications, including the remaining Category II  
19 Philadelphia applications.

20           Thank you, Mr. Chairman.

21           CHAIRMAN DECKER: Thank you, Commissioner  
22 Marshall.

23           As a member of the Board and Chairman of  
24 the Board, it is one of my roles along with the rest  
25 of the Board to help ensure the integrity of the

1 licensing process is maintained.

2           To that end, I believe that it is necessary  
3 to publicly announce my decision to recuse myself  
4 from all deliberations and voting on the Category II  
5 application of HSP Gaming, LP, otherwise known as  
6 SugarHouse.

7           Prior to my appointment of Chairman of the  
8 Board, I was the managing partner of the Philadelphia  
9 law firm, Cozen O'Connor.

10           Since leaving that firm, it has recently  
11 come to my attention that Cozen O'Connor has  
12 performed a variety of legal services in relation to  
13 the application of HSP, all, of course, after I had  
14 left the firm.

15           Neither I nor any member of my family  
16 received any benefit from the legal work performed by  
17 Cozen O'Connor.

18           I do not believe that an actual conflict  
19 exists under these circumstances. However, in order  
20 to err on the side of extreme caution and to avoid  
21 any appearance of impropriety, I have elected to  
22 recuse myself from the deliberations and have done so  
23 and having not voted on the application of HSP  
24 Gaming, LP.

25           I believe this is the most appropriate

1 course of action in order to avoid any subsequent  
2 questions concerning the objectivity, impartiality,  
3 integrity, and independence of the judgement of the  
4 Board as required under Section 1201(f)(3) of the  
5 Pennsylvania Racehorse Development and Gaming Act.

6 I have confirmed with the Board's Chief  
7 Counsel that my recusal from this application has no  
8 effect whatsoever on my ability to participate in the  
9 deliberations and voting on any other slot operator  
10 license application. Thank you.

11 Are there any other recusal matters?

12 Hearing no other recusal matters, we will  
13 move on.

14 Subject to these recusals as to the  
15 specific applicants, the Board has undertaken the  
16 task of analyzing and engaging in deliberations  
17 concerning the 19 applicants for the various Category  
18 II and Category I slot machine licenses.

19 Consistent with the Act, the goal of the  
20 deliberations was to achieve the qualified majority  
21 support of the voting of the Board Members acting  
22 within their discretion and subject to their  
23 individual conscience as to whether each applicant  
24 was suitable for licensure in the case of the  
25 Category II applicants, which applicants the Board

1 members believe to be the most appropriate and fit  
2 for the award of a license, given the limited number  
3 of licenses available.

4           As stated, the hearing process for these  
5 applicants has been very well documented. The Board  
6 has held extensive hearings in or near communities of  
7 all of the applicants to obtain information from the  
8 applicants and the public spanning 18 days during the  
9 spring of this year.

10           Beginning in September of this year, we  
11 commenced holding the final licensing hearings for  
12 all remaining Category I and II applicants. Those  
13 hearings spanned portions of 13 days, during which  
14 the applicants made presentations concerning all  
15 aspects of their proposals and answered questions  
16 from the Board Members.

17           Much to the credit of the Category II  
18 applicants, we have been presented with 13 very, very  
19 comparable proposals, all of which are eligible and  
20 suitable for licensure under the terms of the Act.

21           Unfortunately, the Board is constrained by  
22 the Act to issue only two licenses in Philadelphia,  
23 one in Pittsburgh, and two licenses at at-large  
24 locations.

25           Those applicants not awarded a license will

1 under the mandates of the Act be denied a license.  
2 Let me be clear that the denial will not be in any  
3 way because the unsuccessful applicants were found  
4 unsuitable, but because the Board had a difficult,  
5 extremely difficult task of choosing among these  
6 many, many suitable candidates.

7           Simply stated, the successful applicants  
8 will be believed by the Board to be the best  
9 candidates to receive the licenses in the Board's  
10 opinion.

11           In determining which of these applicants  
12 ought to be approved for licenses, the Board has  
13 looked at the full evidentiary record before it,  
14 looked to the criteria for consideration of licenses  
15 spelled out in Sections 1309, 1311, and, 1312, 1313,  
16 and 1325 of the Act, and exercised its discretion to  
17 arrive at decisions, which embodies the Act's  
18 objectives including but not limited to the  
19 protection of the public through the regulation of  
20 all activities involving gaming, the public interest  
21 of the citizens of Pennsylvania and the social  
22 effects of gaming, the integrity of the control over  
23 slot machines in the Commonwealth, and the creation  
24 of new tax revenues, economic opportunities, and  
25 tourism for Pennsylvania.

1           Before we proceed any further, would any  
2 Commissioners like to address the review process?

3           Okay. Thank you.

4           I would now entertain motions to approve --  
5 we will now entertain motions to approve applicants  
6 for licensure. Because of the two recusals  
7 identified, the two Philadelphia applicants will be  
8 considered individually and in alphabetical order.

9           COMMISSIONER DiGIACOMO COLINS: All right.  
10 Mr. Chairman, if I may, at this point, we will  
11 proceed now to HSP. I will ask Board Member Rivers  
12 for a motion.

13           COMMISSIONER RIVERS: Madam Chairwoman,  
14 following the extensive review of the record and  
15 deliberations by the Board, I move that the Board  
16 approve HSP, also referred as SugarHouse, for a  
17 Category II licensing in Philadelphia pursuant to the  
18 terms and conditions to be imposed by the Board.

19           COMMISSIONER DiGIACOMO COLINS: Do we have  
20 a second?

21           COMMISSIONER COY: Second.

22           COMMISSIONER DiGIACOMO COLINS: Very well.  
23 Subject to the recusal of Chairman Decker from this  
24 vote, would the Board Secretary please poll the  
25 members of the Board?

1 MR. RESCH: Commissioner Angeli?  
2 COMMISSIONER ANGELI: Yes.  
3 MR. RESCH: Commissioner Colins?  
4 COMMISSIONER DIGIACOMO COLINS: Yes.  
5 MR. RESCH: Commissioner Coy?  
6 COMMISSIONER COY: Yes.  
7 MR. RESCH: Commissioner Marshall?  
8 COMMISSIONER MARSHALL: Yes.  
9 MR. RESCH: Commissioner McCabe?  
10 COMMISSIONER McCABE: Yes.  
11 MR. RESCH: Commissioner Rivers?  
12 COMMISSIONER RIVERS: Yes.  
13 MR. RESCH: Chairman Decker recuses.  
14 COMMISSIONER DIGIACOMO COLINS: The motion  
15 passes. HSP is approved by a qualified majority vote  
16 for a Category II license in the City of  
17 Philadelphia.  
18 CHAIRMAN DECKER: Thank you, Commissioner  
19 Colins.  
20 COMMISSIONER McCABE: Mr. Chairman?  
21 CHAIRMAN DECKER: Thank you. Please.  
22 COMMISSIONER McCABE: Mr. Chairman,  
23 following extensive review of the record and  
24 deliberations by the Board, I make the motion that  
25 the Board approve Keystone Redevelopment Partners,

1 also known as TrumpStreet, for Category II licensing  
2 in Philadelphia pursuant to the terms and conditions  
3 to be imposed by the Board.

4 CHAIRMAN DECKER: Do we have a second?

5 COMMISSIONER COY: Second.

6 CHAIRMAN DECKER: Okay. Subject to the  
7 recusal of Commissioner Marshall in this vote, would  
8 the Board Secretary please poll the members of the  
9 Board?

10 MR. RESCH: Commissioner Colins?

11 COMMISSIONER DiGIACOMO COLINS: Denied.

12 MR. RESCH: Commissioner Coy?

13 COMMISSIONER COY: No.

14 MR. RESCH: Commissioner Marshall recuses.

15 Commissioner McCabe?

16 COMMISSIONER McCABE: No.

17 MR. RESCH: Commissioner Rivers?

18 COMMISSIONER RIVERS: No.

19 MR. RESCH: Commissioner Angeli?

20 COMMISSIONER ANGELI: No.

21 MR. RESCH: Chairman Decker?

22 CHAIRMAN DECKER: No.

23 The motion fails. Keystone Redevelopment  
24 Partners is not approved by a qualified majority vote  
25 for a Category II license in the City of

1 Philadelphia.

2 COMMISSIONER ANGELI: Mr. Chairman?

3 CHAIRMAN DECKER: Please.

4 COMMISSIONER ANGELI: Following an  
5 extensive review of the record and deliberation by  
6 the Board, I make the motion that the Board approve  
7 Philadelphia Entertainment and Development Partners,  
8 also known as Foxwoods, for a Category II licensing  
9 in Philadelphia pursuant to the terms and conditions  
10 to be imposed by the Board.

11 CHAIRMAN DECKER: Do we have a second?

12 COMMISSIONER MARSHALL: Second.

13 CHAIRMAN DECKER: Thank you.

14 Would the Board Secretary please poll the  
15 members of the Board?

16 MR. RESCH: Commissioner Coy?

17 COMMISSIONER COY: Yes.

18 MR. RESCH: Commissioner Marshall?

19 COMMISSIONER MARSHALL: Yes.

20 MR. RESCH: Commissioner McCabe?

21 COMMISSIONER McCABE: Yes.

22 MR. RESCH: Commissioner Rivers?

23 COMMISSIONER RIVERS: Yes.

24 MR. RESCH: Commissioner Angeli?

25 COMMISSIONER RIVERS: Yes.

1 MR. RESCH: Commissioner Colins?

2 COMMISSIONER DIGIACOMO COLINS: Yes.

3 MR. RESCH: Chairman Decker?

4 CHAIRMAN DECKER: Yes.

5 The motion passes. Philadelphia  
6 Entertainment and Development Partners, also known as  
7 Foxwoods, is approved by qualified majority vote for  
8 a Category II license in the City of Philadelphia.

9 We have achieved a qualify majority vote on  
10 two applications for Category II licenses in the City  
11 of Philadelphia.

12 Pursuant to Section 1304 of the Racehorse  
13 Development and Gaming Act, we are prohibited from  
14 awarding any further licenses in the City of  
15 Philadelphia.

16 Because of the statutory prohibition on  
17 further licenses and because through deliberations,  
18 PNK Pinnacle and Riverwalk Casino have not obtained  
19 the required support for licensure, I would like to  
20 make a motion the applications of PNK Pinnacle and  
21 Riverwalk be denied.

22 COMMISSIONER RIVERS: Second.

23 CHAIRMAN DECKER: Thank you.

24 Would the Board Secretary please poll the  
25 members?

1 MR. RESCH: Commissioner Marshall?

2 COMMISSIONER MARSHALL: Yes.

3 MR. RESCH: Commissioner McCabe?

4 COMMISSIONER McCABE: Yes.

5 MR. RESCH: Commissioner Rivers?

6 COMMISSIONER RIVERS: Yes.

7 MR. RESCH: Commissioner Angeli?

8 COMMISSIONER ANGELI: Yes.

9 MR. RESCH: Commissioner Colins?

10 COMMISSIONER DiGIACOMO COLINS: Yes.

11 MR. RESCH: Commissioner Coy?

12 COMMISSIONER COY: Yes.

13 MR. RESCH: Chairman Decker?

14 CHAIRMAN DECKER: Yes.

15 The motion passes. PNK Pinnacle and  
16 Riverwalk Casino are denied a Category II license in  
17 the City of Philadelphia based upon the prior grant  
18 of two licenses and the statutory prohibition placed  
19 on the issuance of any additional licenses in  
20 Philadelphia.

21 We will now move on to Pittsburgh.

22 COMMISSIONER COY: Mr. Chairman, following  
23 review of the evidentiary records and after much  
24 deliberation by the Board and having achieved the  
25 support of a qualified majority of the voting

1 members, I move that the Board approve a Category II  
2 license in Pittsburgh for PITG Majestic Star pursuant  
3 to the terms and conditions to be imposed by the  
4 Board.

5 I further move that, as required by Section  
6 1301 and 1304 of the Act, the remaining applications  
7 for a Category II license in Pittsburgh, those being  
8 the Isle of Capri and Station Square Gaming, be  
9 denied as not having achieved a qualified majority of  
10 support for licensure as defined in the Act and  
11 because the City of Pittsburgh is limited to only one  
12 Category II license.

13 CHAIRMAN DECKER: Do we have a second?

14 COMMISSIONER DiGIACOMO COLINS: Yeah, we  
15 have a second.

16 CHAIRMAN DECKER: Would the Board Secretary  
17 please poll the members of the Board concerning this  
18 motion?

19 MR. RESCH: Commissioner McCabe?

20 COMMISSIONER McCABE: Aye.

21 MR. RESCH: Commissioner Rivers?

22 COMMISSIONER RIVERS: Yes.

23 MR. RESCH: Commissioner Angeli?

24 COMMISSIONER ANGELI: Yes.

25 MR. RESCH: Commissioner Colins?

1 COMMISSIONER DiGIACOMO COLINS: Yes.

2 MR. RESCH: Commissioner Coy?

3 COMMISSIONER COY: Yes.

4 MR. RESCH: Commissioner Marshall?

5 COMMISSIONER MARSHALL: Yes.

6 MR. RESCH: Chairman Decker?

7 CHAIRMAN DECKER: Yes.

8 The motion passes. Based upon a qualified  
9 majority vote, a Category II license in Pittsburgh is  
10 approved for PITG Majestic Star pursuant to the terms  
11 and conditions to be imposed by the Board upon the  
12 licensee.

13 Because we are constrained to issue only  
14 one Category II license in the City of Pittsburgh,  
15 the remaining applicants, Isle of Capri and Station  
16 Square, will be denied a license as previously  
17 explained.

18 We're now moving on to Category II at  
19 large.

20 COMMISSIONER DiGIACOMO COLINS:  
21 Mr. Chairman, following the review of the evidentiary  
22 records, after much deliberation by the Board, having  
23 achieved a qualified majority of support of the  
24 voting Board Members, I make a motion that the Board  
25 approve for the two available Category II at-large

1 licenses Sands Bethworks and Mount Airy, No. 1, LLC  
2 pursuant to the terms and conditions to be imposed by  
3 the Board.

4 I further move that, as required by  
5 Sections 1301 and 1304 of the Act, the remaining  
6 Category II at-large applications, those being  
7 Crossroads Gaming, Tropicana Pennsylvania and Pocono  
8 Manor Investors, be denied as not having achieved a  
9 qualified majority of support for licensure as  
10 defined in the Act and because the at-large locations  
11 are limited to only two Category II licenses.

12 COMMISSIONER RIVERS: Second.

13 CHAIRMAN DECKER: Thank you. Thank you.

14 Would the Board Secretary please poll the  
15 members of the Board concerning this motion.

16 MR. RESCH: Commissioner Rivers?

17 COMMISSIONER RIVERS: Yes.

18 MR. RESCH: Commissioner Angeli?

19 COMMISSIONER ANGELI: Yes.

20 MR. RESCH: Commissioner Colins?

21 COMMISSIONER DIGIACOMO COLINS: Yes.

22 MR. RESCH: Commissioner Coy?

23 COMMISSIONER COY: Yes.

24 MR. RESCH: Commissioner Marshall?

25 COMMISSIONER MARSHALL: Yes.

1 MR. RESCH: Commissioner McCabe?

2 COMMISSIONER McCABE: Yes.

3 MR. RESCH: Chairman Decker?

4 CHAIRMAN DECKER: Yes.

5 The motion passes. And based upon the  
6 qualified majority vote of the Board, licenses are  
7 approved for Sands Bethworks and Mount Airy No. 1,  
8 LLC, pursuant to the terms and conditions to be  
9 imposed by the Board upon each licensee.

10 Because we are constrained to issue only  
11 two Category II licenses in the at-large locations,  
12 the remaining applicants, Crossroads Gaming,  
13 Tropicana Pennsylvania, and Pocono Manor Investors,  
14 will be denied a license as not gaining a qualified  
15 majority of the Board's vote.

16 We now move on to Category I racetracks.

17 COMMISSIONER MARSHALL: Mr. Chairman,  
18 following review of the evidentiary record and  
19 deliberation and having achieved the support of a  
20 qualified majority of the Board members, I make a  
21 motion that the Board approve for Category I licenses  
22 Chester Downs and Marina, Downs Racing, Greenwood  
23 Gaming, Mountainview Thoroughbred Racing Association,  
24 Presque Isle Downs and Washington Trotting  
25 Association pursuant to the terms and conditions to

1 be imposed by the Board.

2 CHAIRMAN DECKER: Do we have a second,  
3 please?

4 COMMISSIONER DiGIACOMO COLINS: Second.

5 CHAIRMAN DECKER: Would the Board Secretary  
6 please poll the members of the Board concerning this  
7 motion.

8 MR. RESCH: Commissioner Angeli?

9 COMMISSIONER ANGELI: Yes.

10 MR. RESCH: Commissioner Colins?

11 COMMISSIONER DiGIACOMO COLINS: Yes.

12 MR. RESCH: Commissioner Coy?

13 COMMISSIONER COY: Yes.

14 MR. RESCH: Commissioner Marshall?

15 COMMISSIONER MARSHALL: Yes.

16 MR. RESCH: Commissioner McCabe?

17 COMMISSIONER McCABE: Yes.

18 MR. RESCH: Commissioner Rivers?

19 COMMISSIONER RIVERS: Yes.

20 MR. RESCH: Chairman Decker?

21 CHAIRMAN DECKER: Yes.

22 The motion passes based upon the qualified  
23 majority vote of the Board Members, Category I  
24 licenses are approved for Chester Downs and Marina,  
25 Downs Racing, Greenwood Gaming, Mountainview

1 Thoroughbred Racing Association, Presque Isle Downs  
2 and Washington Trotting Association.

3           The Board will, consistent with the  
4 Administrative Agency Law, be issuing -- and this is  
5 important, will be issuing adjudications and orders  
6 complete with proposed findings and of fact and  
7 conclusions of law, which will set forth the finding  
8 and the rationale of the Board in reaching these  
9 decisions.

10           Could we have some -- could we just have  
11 some order, please?

12           The adjudications and orders will be  
13 distributed to the parties and posted on the Board's  
14 website when completed.

15           The Board Members will not be available to  
16 discuss or comment upon the reasons for the decisions  
17 issued today.

18           I will, however, be available to discuss  
19 the process, which the Board has pursued over the  
20 course of the last year, to bring us to this historic  
21 day.

22           This concludes the meeting of the  
23 Pennsylvania Gaming Control Board for the purpose of  
24 awarding Category I, Category II licenses under the  
25 Pennsylvania Racehorse Development & Gaming Act.

1                   Do any of the Board Members have anything  
2 further to say?

3                   Thank you. I will now --

4                   COMMISSIONER DIGIACOMO COLINS: I do. I  
5 do.

6                   CHAIRMAN DECKER: Please.

7                   COMMISSIONER DIGIACOMO COLINS: I would  
8 like to extend my gratitude and speak on behalf of  
9 the Board in extending my gratitude to Chairman  
10 Decker for his leadership in this effort and bringing  
11 us to this event today.

12                   (Applause.)

13                   CHAIRMAN DECKER: Thank you. Thank you.  
14 It's not necessary. It's not necessary. Please.  
15 Please. Really, it's not necessary. It's not  
16 necessary. Please. Enough, please.

17                   I will now accept a motion to adjourn.

18                   COMMISSIONER RIVERS: So moved.

19                   COMMISSIONER MARSHALL: Second.

20                   CHAIRMAN DECKER: Second. Okay.

21                   Thank you.

22                   All in favor?

23                   COMMISSIONERS: Aye.

24                   CHAIRMAN DECKER: Any opposed?

25                   Motion carries.

1                   And this meeting is adjourned. Thank you  
2 very much.

3                   (The meeting concluded at 11:29 a.m.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1                   I hereby certify that the proceedings and  
2 evidence are contained fully and accurately in the  
3 notes taken by me on the within proceedings and that  
4 this is a correct transcript of the same.

5

6

7

Hillary M. Hazlett, Reporter  
Notary Public

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

