

PENNSYLVANIA GAMING CONTROL BOARD

PUBLIC MEETING

SEPTEMBER 23, 2009, 10:47 A.M.

STATE MUSEUM AUDITORIUM
HARRISBURG, PENNSYLVANIA

BEFORE:

GREGORY C. FAJT, CHAIRMAN
RAYMOND S. ANGELI
JEFFREY W. COY
JAMES B. GINTY
KENNETH T. McCABE
SANFORD RIVERS
GARY A. SOJKA

ALSO PRESENT:

DAVID BARASCH, EX-OFFICIO REPRESENTATIVE
FRANK JURBALA, EX-OFFICIO REPRESENTATIVE
KEITH WELKS, EX-OFFICIO DESIGNEE

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

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1 CHAIRMAN FAJT: We will now commence with our
2 regularly scheduled public meeting. The first order of
3 business is old business and announcements.

4 By way of announcements, the Board held an
5 Executive Session on September 22nd in accordance with
6 the Sunshine Act.

7 The purpose of the Executive Session was to
8 discuss litigation matters and to conduct quasi-judicial
9 deliberations relating to matters pending before the
10 Board.

11 Additionally, the Board held a second Executive
12 Session for the purpose of quasi-judicial deliberations
13 just prior to this meeting.

14 Moving on to new business, I would like to have
15 our Executive Director Kevin O'Toole please come up and
16 present his report.

17 Kevin?

18 MR. O'TOOLE: Thank you. Good morning,
19 Chairman Fajt, members of the Board.

20 First, I would like to report that slot machine
21 revenue in the Commonwealth of Pennsylvania rose 19.8
22 percent for the month of August 2009 over the prior
23 year's figures for the same month.

24 Even with the recognition that there are two
25 additional casinos in Pennsylvania during August of

1 2009, these figures reflect that Pennsylvania casino
2 properties are attracting new customers.

3 Second, with the 2009-2010 budget recently
4 agreed to in principal by the House and the Senate, it
5 appears rather certain that table games would become
6 another way for Pennsylvania casinos to market and
7 attract new customers.

8 The staff at the Board will continue to work
9 hard to ensure that Pennsylvania gains the benefits of
10 expanded gaming activities while at the same time
11 providing regulatory oversight needed to ensure the
12 integrity of all forms of legalized gaming at
13 Pennsylvania casinos.

14 That concludes my report. If you have any
15 questions, I would be glad to answer them or we can move
16 on to the next item.

17 CHAIRMAN FAJT: Any questions or comments from
18 the Board?

19 Thank you very much, Kevin.

20 MR. O'TOOLE: Thank you.

21 CHAIRMAN FAJT: Next up is our Budget Manager
22 David Rhen.

23 Dave?

24 MR. RHEN: Good morning. Today's budget report
25 is the first budget report of fiscal year '09-'10. The

1 Board recently received an appropriation of \$31,644,500.

2 This consisted of a loan of \$23,531,500 from
3 the Property Tax Relief Reserve Fund and \$8,113,000 in
4 restricted revenue from fees and other revenue to be
5 collected by the Board. We have allocated 79 percent of
6 this budget to payroll and 21 percent to operating
7 expenditures.

8 During the first two months of the fiscal year,
9 Board expenditures totalled \$3.69 million, 81 percent of
10 expenditures were for payroll and 19 percent for
11 operations. Payroll expenditures totaled \$2.99 million
12 or approximately 906,000 per payroll.

13 The Board also expended \$703,000 for operations
14 during this time; 92 percent of this total was expended
15 for travel, leases, and telecommunications.

16 Leases were the largest category of operating
17 expenditures for the first two months totalling
18 \$428,000. This total consisted primarily of payments
19 made for July through September real estate lease
20 payments.

21 The second highest category of operating
22 expenditures was for travel followed next by
23 telecommunications. Travel expenditures totaled
24 \$126,000 and telecommunications totaled \$91,000.

25 Eighty-five percent of the travel expenses

1 related to casino openings, operations of the gaming
2 lab, and other investigations and proceedings. As such,
3 these expenditures will be charged back to Licensees and
4 Applicants. That concludes my remarks.

5 CHAIRMAN FAJT: Any questions or comments from
6 the Board?

7 Thank you very much, Dave.

8 Next up is our Office of Chief Counsel (OCC).

9 Doug?

10 MR. SHERMAN: Good morning, Chairman Fajt and
11 members of the Board.

12 Our first agenda items relate to Proposed
13 Regulations and Final-form Regulations, which Director
14 of Regulatory Review Richard Sandusky will address.

15 MR. SANDUSKY: Good morning.

16 CHAIRMAN FAJT: Good morning.

17 MR. SANDUSKY: The first regulation we have for
18 Board consideration for today is Regulation 125-106.
19 This Proposed Rulemaking revises the Board's existing
20 requirements for the display of Board-issued
21 credentials, will permit under certain circumstances the
22 use of nonfixed seating at casinos in addition to fixed
23 seating, and makes a number of other changes related to
24 internal controls, which improve the clarity of our
25 current requirements and make other revisions which will

1 simplify and improve the effectiveness of existing
2 provisions.

3 If the Board has any questions on the
4 particulars of this, I would be happy to answer them.
5 If not, we would ask for a motion to adopt this Proposed
6 Rulemaking.

7 CHAIRMAN FAJT: Any questions or comments?

8 COMMISSIONER GINTY: I want to congratulate the
9 staff in addressing several items that you might be
10 aware of that have been bothersome to me and
11 particularly with credentials and nonfixed seating.

12 I know there have been casinos that have come
13 in here requesting exceptions to the rule, and I think
14 we decided that the best way to do this is a uniform
15 way.

16 So I want to thank the staff for working on
17 these regulations and taking into consideration the
18 interests and concerns of the casinos. They will now
19 have an opportunity to respond to these regulations.

20 CHAIRMAN FAJT: May I have a motion?

21 COMMISSIONER RIVERS: Yes, I also would like to
22 echo Jim's sentiment and propose the following
23 regulation:

24 Mr. Chairman, I move that the Board adopt
25 Proposed Regulation No. 125-106, that the Board

1 establish a public comment period for 30 days, and that
2 the Proposed Regulation be posted on the Board's
3 website.

4 CHAIRMAN FAJT: Second?

5 COMMISSIONER McCABE: Second.

6 CHAIRMAN FAJT: All in favor?

7 COMMISSIONERS: Aye.

8 CHAIRMAN FAJT: Opposed?

9 Motion passes.

10 Next?

11 MR. SANDUSKY: Thank you. The next item is a
12 Final-form Rulemaking Regulation 125-104. This
13 Final-form Rulemaking makes a number of minor revisions
14 to provisions in the Board's regulations that relate to
15 employees of Slot Machine Licensees.

16 This Proposed Rulemaking was adopted by the
17 Board on June 3rd of 2009 and published in the
18 Pennsylvania Bulletin with a 30-day comment period.

19 The Board did not receive any comments during
20 the public comment period nor did we receive any
21 comments from the Independent Regulatory Review
22 Commission.

23 The staff is not recommending any changes
24 between -- of the Proposed Regulation at final; and
25 therefore, barring any action by the standing

1 committees, this regulation would be deemed approved by
2 IRCC at its public meeting after adoption by the Board
3 today.

4 If there are any questions, I would be happy to
5 answer them. If not, we would ask for a motion to adopt
6 this Final-form Rulemaking.

7 CHAIRMAN FAJT: Any questions or comments?

8 May I have a motion?

9 COMMISSIONER McCABE: Mr. Chair, I move that
10 the Board adopt Final-form Regulation 125-104 and that
11 the Final-form Regulation be posted on the Board's
12 website.

13 CHAIRMAN FAJT: Second?

14 COMMISSIONER GINTY: Second.

15 CHAIRMAN FAJT: All in favor?

16 COMMISSIONERS: Aye.

17 CHAIRMAN FAJT: Opposed?

18 Motion passes.

19 Thank you, Richard.

20 MR. SANDUSKY: Thank you.

21 CHAIRMAN FAJT: Doug, thank you.

22 MR. SHERMAN: Yes, Chairman.

23 The Board has before it four Petitions for
24 consideration today. Two of the matters were combined
25 and heard by the Board earlier. They are the two

1 Petitions relating to Mount Airy for the corporate
2 restructuring and the second one to vacate certain Board
3 Orders primarily relating to the trustee.

4 Two other Petitions are scheduled for
5 consideration before the Board today. In each case, the
6 Board has been provided with the Petition, the OEC
7 answer, and any relevant documentary evidence which has
8 been submitted.

9 First, as to Mount Airy, of course, the Board
10 had heard from the Mount Airy representative earlier.
11 The Petitions have the effect of transferring the
12 ownership interest of Mount Airy Resort and Casino from
13 Louis DeNaples individually to a trust to be held at
14 this time by Lisa DeNaples. Of course, that Order would
15 be subject to conditions prescribed by the Board.

16 The second component of those Petitions is to
17 vacate the Board's prior Orders relating primarily to
18 the trusteeship, which had previously been established
19 by this Board.

20 The matters are being considered
21 simultaneously. Of course, the record on those are now
22 closed.

23 In addition, it should be clear that new
24 entities are being presented for licensing in
25 conjunction with the Petitions. That would be one

1 principal license and two entity licenses.

2 The record should reflect that the OCC has
3 consulted with the Bureau of Licensing regarding the
4 licensure of those entities and principal and that the
5 Bureau has indicated no objection to the licensure so
6 long as it's done pursuant to terms and conditions to be
7 imposed by the Board's Order. The matter is now ripe
8 for consideration.

9 CHAIRMAN FAJT: Any questions or comments from
10 the Board?

11 Seeing none, may I have a motion, please?

12 COMMISSIONERS ANGELI: Mr. Chairman, I move
13 that the Board grant Mount Airy No. 1, LLC's, Petitions
14 for Approval of the Corporate Restructuring and to
15 Vacate the Board's 2/5/08 and 6/3/09 Orders as described
16 by the OCC.

17 CHAIRMAN FAJT: Second?

18 COMMISSIONER GINTY: Second.

19 CHAIRMAN FAJT: All in favor?

20 COMMISSIONERS: Aye.

21 CHAIRMAN FAJT: Opposed?

22 Motion passes.

23 Doug, can I just ask you to stop for one
24 second.

25 Dr. Ceddia, could you come up? We have a

1 Resolution for you. Come on up.

2 COMMISSIONER COY: Don't be bashful.

3 CHAIRMAN FAJT: Let me --

4 COMMISSIONER RIVERS: It is a diploma.

5 CHAIRMAN FAJT: Let me just say on behalf of
6 the Board, we have a Resolution that we presented to
7 Dr. Ceddia.

8 For those of you who don't know Tony, he was
9 the Trustee that the Board had instituted at the Mount
10 Airy Casino. He has done just a fabulous job.

11 I'll just read in part some of the things that
12 we put in the Order.

13 Whereas on February 8th, 2008, the Gaming
14 Control Board appointed Dr. Tony Ceddia as Trustee to
15 act as Principal of Mount Airy No. 1, LLC, Category 2
16 Slot Machine License.

17 Dr. Ceddia was charged with the Board to
18 exercise all rights and obligations of the principal of
19 that licensee and to take all measures that were
20 necessary and reasonable to facilitate the continuation
21 of business at the Mount Airy Casino and Resort at that
22 time.

23 During Mr. Ceddia's Trusteeship, the Mount Airy
24 Casino and Resort, contributed approximately \$155
25 million to the Gaming Fund.

1 Tony, on behalf of the Board, again, I want to
2 thank you.

3 I want to thank Gleason & Associates and Post &
4 Schell for the work you did as part of Dr. Ceddia's
5 team. Thank you on a job well done folks.

6 (Appause.)

7 CHAIRMAN FAJT: Okay. Doug, continue on.

8 MR. SHERMAN: The next matter on the agenda
9 involves KGM Gaming.

10 Mr. Chairman, if there is anyone from KGM
11 Gaming present today, they should come forward.

12 CHAIRMAN FAJT: Is there anyone from KGM Gaming
13 in the audience?

14 Seeing nobody --

15 MR. SHERMAN: Chairman, there may be some
16 question as to the notice that was provided to KGM
17 Gaming.

18 I would suggest that at this time, given that
19 question, it might be appropriate for us to remove this
20 item from the agenda to be rescheduled at a subsequent
21 meeting.

22 CHAIRMAN FAJT: Is there any objection from
23 anybody on the Board?

24 COMMISSIONER RIVERS: I make a proposal that we
25 pull it.

1 COMMISSIONER SOJKA: I'll second that.

2 CHAIRMAN FAJT: All in favor from pulling this
3 issue from the agenda today say aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN FAJT: Opposed?

6 Okay. We will pull it.

7 MR. SHERMAN: The final Petition before the
8 Board is that of RLC Electronic Systems, Incorporated.
9 It is a Petition for possession -- Petition to Possess
10 Slot Machines.

11 A proposed Settlement Agreement in the matter
12 has been reached between the Office of Enforcement
13 Counsel (OEC) and RLC.

14 The agreement, if accepted, would allow RLC to
15 possess slot machines at its place of business in
16 Womelsdorf, Pennsylvania.

17 By way of background, RLC designs and
18 manufacturers electronic products to be used in slot
19 machines including the development of customized
20 software used in a player tracking system currently in
21 use in machines installed on Carnival Cruise Lines. RLC
22 seeks to possess slot machines for the purpose of
23 research and development of its product line.

24 As stated, there is a Settlement Agreement
25 between RLC and the OEC that has been provided to the

1 Board in advance of this meeting.

2 It requires RLC to take certain steps to
3 guarantee the security of slot machines in its
4 possession with oversight by BIE and the Bureau of
5 Gaming Operations.

6 The matter would be appropriate for the Board's
7 consideration at this time.

8 CHAIRMAN FAJT: I see that there are
9 representatives from RLC.

10 Does the Board have any questions or comments
11 for any of the RLC representatives?

12 If not, I'll entertain a motion.

13 COMMISSIONER GINTY: Mr. Chairman, I move that
14 the Board approve the Settlement Agreement allowing RLC
15 Electronic Systems, Inc., to possess slot machines as
16 described by the OCC.

17 CHAIRMAN FAJT: Second?

18 COMMISSIONER McCABE: Second.

19 CHAIRMAN FAJT: All in favor?

20 COMMISSIONERS: Aye.

21 CHAIRMAN FAJT: Opposed?

22 Motion passes.

23 Thank you.

24 MR. SHERMAN: Next on the agenda are
25 Withdrawals and Reports and Recommendations to be

1 presented by Steve Cook, Deputy Chief Counsel.

2 CHAIRMAN FAJT: Steve?

3 MR. COOK: Good morning, Mr. Chairman, members
4 of the Board.

5 The Board has received seven unopposed
6 Petitions to withdraw applications, which include
7 principal applications, vendor applications, or personal
8 history disclosure statements submitted by principals of
9 vendors.

10 The individuals subject to these Petitions are
11 as follows. Anthony Cruz, Leo Foster, David Steven
12 Keene, Richard A. Marone, Menchey Music Service, Inc.,
13 Harmon Resources, LLC, and Coreen Ann Sawdon.

14 The OEC has no objection to these Petitions.
15 Therefore, we would recommend that they all be granted
16 without prejudice.

17 CHAIRMAN FAJT: Any questions or comments from
18 the Board?

19 May I have a motion?

20 COMMISSIONERS ANGELI: Mr. Chairman, I move
21 that the Board issue Orders to approve the withdrawals
22 as described by the OCC.

23 COMMISSIONER COY: Second.

24 CHAIRMAN FAJT: All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN FAJT: Opposed?

2 Motion passes.

3 MR. COOK: Next before the Board for
4 consideration are two Reports and Recommendations
5 received from the Office of Hearings and Appeals (OHA)
6 relative to one Gaming Employee Permit and one
7 Non-Gaming Employee Registration.

8 These Reports and Recommendations along with
9 the evidentiary record for each of these matters has
10 been provided to the Board in advance of these meetings.

11 Additionally, in each case the Applicant has
12 been notified that the Board is considering their Report
13 and Recommendation today and that they have the right to
14 be present to briefly address the Board if they so
15 desire.

16 If any one of these individuals are present,
17 they should come forward when their name is called.

18 The first Report and Recommendation before the
19 Board relates to the Emergency Suspension of Todd
20 Aldrich. Mr. Aldrich was employed as a Slots Technician
21 at Presque Isle Downs. On May 27, 2009, Mr. Aldrich was
22 charged with Possession of a Controlled Substance and
23 Possession of Drug Paraphernalia.

24 It is alleged that during the execution of a
25 search warrant associated with an Office of Attorney

1 General investigation into drug activity in Allegheny,
2 Erie, Indian, and Mercer Counties, marijuana and drug
3 paraphernalia was found in Mr. Aldrich's bedroom.

4 As a result of these charges, OEC filed an
5 Emergency Suspension request, which was signed by the
6 Executive Director on June 22, 2009 and served on Mr.
7 Aldrich on June 23, 2009.

8 The Board thereafter referred the matter to the
9 OHA to conduct a hearing and submit a Report and
10 Recommendation on the validity of the Emergency
11 Suspension.

12 On July 28, 2009, Hearings and Appeals
13 conducted a hearing regarding the validity of the
14 Emergency Order.

15 Mr. Aldrich did appear and participated in the
16 hearing. OHA issued their Report and Recommendation on
17 August 7, 2009 recommending that the Emergency
18 Suspension of Mr. Aldrich's permit be continued pending
19 the disposition of his criminal charges, at which time
20 the Board could reconsider the matter.

21 Given the fact that Mr. Aldrich's charges are
22 still pending, the OCC recommends that the Board adopt
23 the Report and Recommendation and continue Mr. Aldrich's
24 suspension until, at least, his criminal charges are
25 disposed of.

1 This matter is now ripe for the Board's
2 consideration.

3 CHAIRMAN FAJT: Is Mr. Aldrich present?

4 Any questions or comments from the Board?

5 If not, may I have a motion?

6 COMMISSIONER COY: Mr. Chairman, I move that
7 the Board issue an Order adopting the Report and
8 Recommendation of the OHA regarding the Gaming Employee
9 Permit of Todd Aldrich as described by the OCC.

10 CHAIRMAN FAJT: Second?

11 COMMISSIONER GINTY: Second.

12 CHAIRMAN FAJT: All in favor?

13 COMMISSIONERS: Aye.

14 CHAIRMAN FAJT: Opposed?

15 Motion passes.

16 MR. COOK: The second Report and Recommendation
17 pertains to Gregory Richards. Mr. Richards submitted a
18 Non-Gaming Employee Registration application on April
19 15th, 2009 in which he disclosed a 2008 arrest for
20 reckless burning and subsequent entry into the
21 Accelerated Rehabilitative Disposition Program.

22 The OEC issued a Notice of Denial of
23 Mr. Richard's application due to his 2008 arrest.

24 Upon receiving the Notice from the OEC,
25 Mr. Richards requested a hearing in this matter.

1 The hearing was scheduled for July 8th, 2009.
2 However, despite receiving notice, Mr. Richards failed
3 to appear for the hearing and it was held in absentia.

4 Subsequent thereto, a Report and Recommendation
5 was issued to the Hearing Officer recommending that
6 Mr. Richards permit be denied based upon his
7 noncompliance in the process and his failure to appear
8 at the hearing.

9 This matter is now ripe for the Board's
10 consideration as well.

11 CHAIRMAN FAJT: Is Mr. Richards present?

12 Not seeing him, any questions or comments from
13 the Board?

14 If not, I'll entertain a motion.

15 COMMISSIONER GINTY: Mr. Chairman, I move that
16 the Board issue an Order to adopt the Report and
17 Recommendation of the OHA relating to the Non-Gaming
18 Employee Registration of Greg Richards as described by
19 the OCC.

20 CHAIRMAN FAJT: Second?

21 COMMISSIONER McCABE: Second.

22 CHAIRMAN FAJT: All in favor?

23 COMMISSIONERS: Aye.

24 CHAIRMAN FAJT: Opposed?

25 Motion passes.

1 Thank you, Steve.

2 MR. SHERMAN: Mr. Chairman, that concludes the
3 matters of the OCC.

4 CHAIRMAN FAJT: Next up is Susan Hensel our
5 Director of Licensing for her report.

6 Welcome, Susan.

7 MS. HENSEL: Thank you, Chairman Fajt and
8 members of the Board.

9 The first matter for your consideration is the
10 renewal of Downs Racing, LP's, Category 1 License. You
11 have received the record regarding this matter and the
12 record is now closed.

13 As a result, the license renewal is now ready
14 for your consideration. As indicated, no issues
15 regarding Downs Racing, LP, have been identified by
16 either the Bureau of Investigations and Enforcement
17 (BIE) or Licensing that would preclude renewal of the
18 Downs Racing, LP, License.

19 I have provided you with a draft Order and ask
20 that the Board consider that Order to renew the Category
21 1 License for Downs Racing, LP.

22 CHAIRMAN FAJT: Cyrus, any comments from you?

23 MR. PITRE: We support that recommendation for
24 renewal.

25 CHAIRMAN FAJT: Thank you.

1 Any questions or comments from the Board?

2 If not, could I have a motion, please?

3 COMMISSIONER McCABE: Mr. Chair, I move that
4 the Board grant the renewal of Downs Racing, LP,
5 Category 1 Slot Machine License as described by the
6 Bureau of Licensing.

7 CHAIRMAN FAJT: Second?

8 COMMISSIONER RIVERS: Second.

9 CHAIRMAN FAJT: All in favor?

10 COMMISSIONERS: Aye.

11 CHAIRMAN FAJT: Opposed?

12 Motion passes.

13 MS. HENSEL: Next, we have the renewal of a
14 Supplier License for Modern Gaming Pennsylvania, LLC.
15 The BIE has completed its investigation and the Bureau
16 of Licensing has provided you with a renewal background
17 investigation and suitability report for this Licensee.

18 No issues were identified by either the BIE or
19 Licensing that would preclude renewal of Modern Gaming
20 Pennsylvania, LLC's, license.

21 I have provided you with a draft Order and ask
22 that the Board consider the renewal of this license.

23 MR. PITRE: The Enforcement Counsel recommends
24 renewal.

25 CHAIRMAN FAJT: Thank you.

1 Any questions or comments from the Board?

2 If not, could I have a motion, please?

3 COMMISSIONER SOJKA: Yes. Mr. Chairman, I move
4 that the Board approve the Order renewing Modern Gaming
5 Pennsylvania, LLC, a Supplier License as just described
6 by the Bureau of Licensing.

7 COMMISSIONERS ANGELI: Second.

8 CHAIRMAN FAJT: All in favor?

9 COMMISSIONERS: Aye.

10 CHAIRMAN FAJT: Opposed?

11 Motion passes.

12 MS. HENSEL: The next matter for your
13 consideration are Principal and Key Employee Licensees.
14 Prior to this meeting, the Bureau of Licensing provided
15 you with a proposed Order for three Principal and two
16 Key Employee licenses for Chester Downs, Holdings
17 Acquisition, Arrouza Corporation, and Aristocrat
18 Technologies. I ask that the Board consider the Order
19 granting these licenses.

20 CHAIRMAN FAJT: Any questions or comments from
21 Enforcement Counsel?

22 MR. PITRE: Enforcement Counsel supports that
23 recommendation.

24 CHAIRMAN FAJT: Thank you.

25 Questions or comments from the Board.

1 Seeing none, could I have a motion, please?

2 COMMISSIONERS ANGELI: Mr. Chairman, I move
3 that the Board approve the Order as described by the
4 Bureau of Licensing.

5 CHAIRMAN FAJT: Second?

6 COMMISSIONER RIVERS: Second.

7 CHAIRMAN FAJT: All in favor?

8 COMMISSIONERS: Aye.

9 CHAIRMAN FAJT: Opposed?

10 Motion passes.

11 MS. HENSEL: We also have for your
12 consideration the issuance of Temporary Key Employee
13 Licenses to 112 individuals.

14 Prior to this meeting, the Bureau of Licensing
15 provided you with an Order regarding the issuance of
16 Temporary Key Employee Licenses. I ask that the Board
17 consider an Order approving these temporary licenses.

18 MR. PITRE: There's no objection.

19 CHAIRMAN FAJT: Thank you.

20 Questions or comments from the Board?

21 May I have a motion, please?

22 COMMISSIONER RIVERS: Yes. Mr. Chairman, I
23 move that the Board issue an Order to approve the
24 issuance of Temporary Key Employee Licenses as described
25 by the Bureau of Licensing.

1 CHAIRMAN FAJT: Second?

2 COMMISSIONER SOJKA: Second.

3 CHAIRMAN FAJT: All in favor?

4 COMMISSIONERS: Aye.

5 CHAIRMAN FAJT: Opposed?

6 Motion passes.

7 MS. HENSEL: Next are Gaming and Non-Gaming
8 Permits and Registrations. Prior to this meeting, the
9 Bureau of Licensing provided you with a list of 225
10 individuals, including 91 initial and 134 renewals, who
11 the Bureau has granted occupation permits to and 153
12 individuals, who the Bureau has granted Registrations to
13 under the authority delegated to the Bureau of
14 Licensing. I ask that the Board adopt a motion
15 approving the Order.

16 MR. PITRE: No objection.

17 CHAIRMAN FAJT: Thank you.

18 Questions or comments from the Board?

19 May I have a motion, please?

20 COMMISSIONER SOJKA: Mr. Chairman, I move that
21 the Board issue an Order of issuance of Gaming Permits
22 and Non-Gaming Registrations as described by the Bureau
23 of Licensing.

24 COMMISSIONERS ANGELI: Second.

25 CHAIRMAN FAJT: All in favor?

1 COMMISSIONERS: Aye.

2 CHAIRMAN FAJT: Opposed?

3 Motion passes.

4 MS. HENSEL: In addition, we have
5 recommendations of denial of five Gaming and three
6 Non-Gaming Employees.

7 Prior to this meeting, the Bureau of Licensing
8 provided you with Orders addressing these Applicants who
9 the BIE has recommended for denial.

10 In each case, the Applicant failed to request a
11 hearing within the specified time period. I ask that
12 the Board consider the Order denying the Gaming and
13 Non-Gaming Applicants.

14 MR. PITRE: We support that.

15 CHAIRMAN FAJT: Any questions or comments from
16 the Board?

17 If not, could I have a motion, please?

18 COMMISSIONERS ANGELI: I move that the Board
19 issue an Order to approve the denial of Gaming Permits
20 and Non-Gaming Registrations as described by the Bureau
21 of Licensing.

22 COMMISSIONER COY: Second.

23 CHAIRMAN FAJT: All in favor?

24 COMMISSIONERS: Aye.

25 CHAIRMAN FAJT: Opposed?

1 Motion passes.

2 MS. HENSEL: We also have withdrawal requests
3 for Gaming and Non-Gaming Employees. In each case, the
4 Occupation Permit or Registration is no longer required
5 due to such circumstances as the employee accepting a
6 job with a different employer, the job offer being
7 rescinded, or the employee failing to report for work.

8 For today's meeting, I have provided you with a
9 list of 42 withdrawals for approval. I ask that the
10 Board consider the Order approving this list of
11 withdrawals.

12 MR. PITRE: No objection.

13 CHAIRMAN FAJT: Thank you.

14 Any comments from the Board?

15 If not, a motion, please.

16 COMMISSIONER COY: Mr. Chairman, I move that
17 the Board issue an Order approving the withdrawal of
18 Gaming and Non-Gaming Employee Applications as described
19 by the Bureau of Licensing.

20 COMMISSIONER GINTY: Second.

21 CHAIRMAN FAJT: All in favor?

22 COMMISSIONERS: Aye.

23 CHAIRMAN FAJT: Opposed?

24 Motion passes.

25 MS. HENSEL: We also have three Orders

1 regarding vendors. The first is to certify the
2 following five vendors, Airy Products, Inc., Century
3 Security Services, Inc., Herman Goldner Company, Inc.,
4 Hooey Consulting, LLC, and Sam Cohen and Sons, Inc.

5 I ask that the Board consider the Order
6 approving these vendors for certification.

7 MR. PITRE: We recommend licensing.

8 CHAIRMAN FAJT: Thank you.

9 Questions or comments from the Board?

10 May I have a motion, please?

11 COMMISSIONER GINTY: Mr. Chairman, I move that
12 the Board issue an Order to approve the applications for
13 Vendor Certifications as described by the Bureau of
14 Licensing.

15 CHAIRMAN FAJT: Second?

16 COMMISSIONER McCABE: Second.

17 CHAIRMAN FAJT: All in favor?

18 COMMISSIONERS: Aye.

19 CHAIRMAN FAJT: Opposed?

20 Motion passes.

21 MS. HENSEL: Next, the Bureau of Licensing
22 provided you with an Order and an attached list of 37
23 registered vendors. I ask that the Board adopt a motion
24 approving the Order registering these vendors.

25 MR. PITRE: We recommend approval.

1 CHAIRMAN FAJT: Questions or comments from the
2 Board?

3 May I have a motion, please?

4 COMMISSIONER McCABE: Mr. Chair, I move that
5 the Board issue an Order to approve the applications for
6 Vendor Registration as described by the Bureau of
7 Licensing.

8 CHAIRMAN FAJT: Second?

9 COMMISSIONER RIVERS: Second.

10 CHAIRMAN FAJT: All in favor?

11 COMMISSIONERS: Aye.

12 CHAIRMAN FAJT: Opposed?

13 Motion passes.

14 MS. HENSEL: Finally, there is a proposed Order
15 denying the Vendor Certification Application of Yates
16 Sign Company, Inc. and adding that to the Prohibited
17 Vendors List.

18 Yates Sign Company, Inc., failed to cooperate
19 with the BIE in the investigation process despite
20 receiving a notice that its failure to cooperate would
21 result in the application being recommended for denial.

22 I ask that the Board consider the Order denying
23 the application for Yates Sign Company, Inc., an
24 Applicant for Vendor Certification.

25 MR. PITRE: We request the denial.

1 CHAIRMAN FAJT: Thank you.

2 Questions or comments from the Board?

3 May I have a motion, please?

4 COMMISSIONER RIVERS: Yes. Mr. Chairman, I
5 move that the Board deny the vendor application as
6 described by the Bureau of Licensing.

7 CHAIRMAN FAJT: Second?

8 COMMISSIONER SOJKA: Second.

9 CHAIRMAN FAJT: All in favor?

10 COMMISSIONERS: Aye.

11 CHAIRMAN FAJT: Opposed?

12 Motion passes.

13 MS. HENSEL: Thank you, Mr. Chairman. That
14 concludes the Bureau of Licensing's presentation.

15 CHAIRMAN FAJT: Thank you, Susan.

16 Cyrus, our Enforcement Counsel is next.

17 MR. PITRE: Dustin Miller will present the
18 matter that we have pending before the Board today.

19 While Dustin is settling, I was informed this
20 morning at 8:00 that the Sugarhouse financing did close
21 and that the funds have been wired. So construction
22 should begin today or tomorrow.

23 CHAIRMAN FAJT: That is great news. Thank you
24 Cyrus.

25 Dustin?

1 MR. MILLER: Good morning, Chairman Fajt and
2 members of the Board.

3 There is only one matter relating to the
4 revocation of a casino employee. The records pertinent
5 to this matter have been provided to the Board in
6 advance of this meeting.

7 Upon notification of the complaint filed to
8 revoke the registration of the individual named in the
9 complaint, the individual chose not to respond to the
10 matters set forth in the complaint.

11 In addition, the Applicant has been notified
12 that the Board is considering his revocation today and
13 that he has the right to be present to address the
14 Board. If the individual is present today, he should
15 come forward when his name is announced.

16 The only request for revocation today involves
17 Barton Bickle-Goodman.

18 CHAIRMAN FAJT: Is Mr. Goodman present? Please
19 proceed.

20 MR. MILLER: Thanks. Mr. Bickle-Goodman had
21 been employed as an EVS attendant at Harrah's Chester
22 Downs and registered as a Non-Gaming Employee.

23 The OEC filed an enforcement complaint to
24 revoke Mr. Bickle-Goodman's Non-Gaming Registration for
25 failing to comply with federal or state laws on July

1 7th, 2009.

2 The enforcement complaint was properly served
3 upon Mr. Bickle-Goodman to the address listed on his
4 application by both certified and First Class Mail.

5 Mr. Bickle-Goodman did not respond to the
6 filing in any way. Due to Mr. Bickle-Goodman's failure
7 to respond, the averments in the enforcement complaint
8 are deemed to be admitted as fact and his right to a
9 hearing has been waived.

10 On August 2nd, 2009, the of OEC filed a request
11 to enter Judgment Upon Default against Mr. Goodman. The
12 matter is now before the Board to consider the
13 revocation of Mr. Bickle-Goodman's Non-Gaming Employee
14 Registration.

15 CHAIRMAN FAJT: Any questions or comments
16 before the Board?

17 May I have a motion?

18 COMMISSIONER SOJKA: Yes. Mr. Chairman, I move
19 that the Board issue an Order to approve the revocation
20 of the Non-Gaming Employee Registration of Barton
21 Bickle-Goodman as described by the OEC.

22 CHAIRMAN FAJT: Second?

23 COMMISSIONERS ANGELI: Second.

24 CHAIRMAN FAJT: All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN FAJT: Opposed?

2 Motion passes. Thank you, Dustin.

3 MR. MILLER: Thank you.

4 CHAIRMAN FAJT: Thank you, Cyrus.

5 We will now open up our public comment period.

6 As I understand it, we have one person registered to
7 speak today. I believe that is Greg Rubino.

8 Mr. Rubino, if you are here, could you please
9 come up and state your name for the record and offer
10 your comments? Could you please spell your name also
11 for the stenographer?

12 MR. RUBINO: Yes, sir, Mr. Chairman.

13 Gregory Rubino, R-u-b-i-n-o. Mr. Chairman, I
14 understand I only have three minutes to speak when the
15 clock starts running. I'm going to talk very quickly.
16 So if you would like me to, I can leave a copy of this
17 with your stenographer.

18 CHAIRMAN FAJT: That would be great.

19 If you need a little more time, we're certainly
20 open to that.

21 MR. RUBINO: Then I'll try not to talk quite so
22 fast. Good afternoon, Commissions. My name is Gregory
23 Rubino. My company is Passport Realty, LLC.

24 Pending before you for many months has been our
25 Petition which asks for relief from SOC 58 of the Gaming

1 License of Presque Isle Downs, Inc., known as PIDI.

2 At your last Board Meeting with public comment,
3 I addressed you regarding the inordinate delay of this
4 Board in taking official action on my petition.

5 Since then, on September 2, 2009, you issued an
6 Order rejecting the conclusion of your own Hearing
7 Officer, Linda Lloyd, that a Realtor was a professional
8 under 58 PA Code Section 437a.1(c)(8) and thus needed a
9 Vendor's License to do business with a gaming company.
10 In concert with that finding you also tabled action on
11 my petition.

12 I believe you have gone beyond your primary
13 purpose to protect the integrity of gaming in
14 Pennsylvania. My Petition asks that we be allowed to
15 represent a buyer, not PIDI, for excess properties owned
16 by PIDI.

17 Your Order indicated you would further review
18 my Petition upon my filing of an application for
19 Vendor's License supported by PIDI. It is disingenuous
20 at best for this Board to require PIDI to support my
21 application when it is this very Board that chased PIDI
22 away from such support.

23 Several years ago, my lawyers, Bob Ridge and
24 John Rodney of Thorp, Reed & Armstrong, filed with your
25 lawyers a five-page letter in which we argued that the

1 very most this Board could require would be filing an
2 application for a Vendor's License.

3 This suggestion was met with a threat from your
4 Susan Hensel in which she told me that my application
5 for a waiver or a Vendor's License would delay PIDI's
6 licensing by at least six months.

7 This threat caused me to withdraw my
8 applications for the various licenses for which I had
9 been asked to apply, which included, incidentally, a
10 Vendor's license, then a Key Employee Qualifier License,
11 then an actual Key Employee license, then a Multistate
12 Jurisdictional form and finally, the Category 1 Gaming
13 License.

14 How bizarre it is that after all that effort
15 and all that time, you have come full circle and now
16 request an application for a Vendor's License.

17 Ms. Hensel's threat to delay PIDI's license for
18 six months forced me to eventually accept a buyout of my
19 contract with PIDI, costing me millions of dollars.

20 Because of your unexplained aversion to me,
21 PIDI no longer has any interest in the mess up there in
22 Erie, to quote PIDI CEO, Bob Griffin.

23 Thus, MTR's excess properties have gone unsold.
24 The multiple offers that I procured many months ago
25 would have by now closed and provided MTR and its

1 shareholders with much-needed revenue instead of
2 continued expense.

3 Erie County has lost multiple opportunities to
4 increase its tax base and to create new jobs. Further,
5 my associates and I have lost the potential profits.

6 I have tried to communicate these injustices to
7 this Board, but your staff has prevented this
8 communications claiming it would be ex parte.

9 However, I believe this Board has been
10 prevented from having sufficient and correct information
11 on which to base its judgment on SOC 58.

12 I believe that your staff has been covering up
13 its prior error and clinging to an untenable position
14 regarding SOC 58.

15 Three minutes is not enough time for me to
16 address my grievances before this Board. Please vote in
17 the affirmative or the negative on my Petition so I can
18 react accordingly.

19 CHAIRMAN FAJT: Thank you, Mr. Rubino. I will
20 discuss this matter with our Enforcement Counsel. I
21 appreciate you being here today; and to the extent that
22 you need to file a license, we will be in communication
23 with you and any filing of a license will include a
24 background check, as we always do. Thank you very much
25 for being here.

1 MR. RUBINO: Thank you Mr. Chairman.

2 CHAIRMAN FAJT: Looking ahead, the Board will
3 hold its next public meeting on Wednesday, October 7th,
4 2009 at 10:00 a.m. The meeting will be held here in the
5 State Museum Auditorium.

6 Are there any final questions or comments from
7 the Board?

8 May I have a motion to adjourn?

9 COMMISSIONER RIVERS: So moved.

10 COMMISSIONER McCABE: Second.

11 CHAIRMAN FAJT: The meeting is adjourned.

12 Thank you.

13 (The meeting concluded at 11:23 a.m.)

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

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Hillary M. Hazlett, Reporter
Notary Public

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