#### COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC HEARING

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BEFORE: GREGORY C. FAJT, Chairman

James B. Ginty, Gary A. Sojka, Kenneth T.

McCabe, Jeffrey W. Coy and Raymond S.

Angeli, David Barasch representing

Honorable Stephen Stetler, Secretary of

Revenue, Keith Welks representing Honorable

Robert M. McCord, State Treasurer and Mike

Pechart representing Honorable Russell

Redding, Secretary of Agriculture

HEARING: Wednesday, November 18, 2009

10:02 a.m.

LOCATION: State Museum Auditorium

Harrisburg, PA

WITNESSES: Thomas Bonner, Esquire, Paul Resch,

Thomas Sturgeon

Reporter: Cynthia Piro Simpson

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### PROCEEDINGS

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# CHAIRMAN FAJT:

Good morning, everybody. I'm Greg Fajt,

Chairman of the Pennsylvania Gaming Control Board.

Just as a housekeeping matter, I'd like to ask

everybody to please turn off your cell phones,

Blackberries and other electronic devices. It tends

to interfere with the communication system.

Today we have with us David Barasch, the ex-officio designee, representing Revenue Secretary Steve Stetler; Keith Welks, representing State Treasurer Rob McCord; and Mike Pechart, representing the Secretary of Agriculture, Russell Redding. Thank you all for joining us today.

We also have a very special guest today, Mr. Neil McCabe, who happens to be the father of our great Commissioner, Ken McCabe. Mr. McCabe, welcome also today.

A quorum of the Board is present.

Today's proceedings are called to order. I'd ask everyone to join me in the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

# CHAIRMAN:

We have one item before the Board today

1 by way of a public hearing, which will take place prior to our public meeting. We'll now address the 3 petition filed by Greenwood Gaming & Entertainment, seeking regulatory approval to open its permanent facility. We will now begin. May I have all parties involved in the petition come forward? I see that the folks from Greenwood Gaming are here. Welcome. And I'd also ask all of you to please stand and be sworn in by the stenographer.

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11 WITNESSES SWORN EN MASSE:

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# CHAIRMAN:

If it's okay with the Board, we'll hear from representatives of Greenwood Gaming and also our Office of Enforcement Counsel (OEC). Reserve our questions until the conclusions of their presentation.

Prior to your speaking, could all the witnesses and Counsel please state and spell your names for the stenographer? And Greenwood Gaming, you 21 may proceed.

#### ATTORNEY KOHLER:

I am Alan Kohler with Eckert Seamans.

2.4 It's K-O-H-L-E-R.

# ATTORNEY BONNER:

Thomas Bonner with Greenwood Gaming,

 $2 \mid B-O-N-N-E-R$ .

# MR. GREEN:

Robert Green, G-R-E-E-N.

#### CHAIRMAN:

Please proceed.

# ATTORNEY KOHLER:

Good morning, Chairman Fajt,

Commissioners. I'm Alan Kohler with Eckert Seamans, representing Greenwood Gaming and Entertainment, Inc. at this morning's hearing. This is a very exciting and nerve-racking time for the company. We are now less than 30 days, 29 days to our scheduled opening on December 17th. And as I believe you're aware, we are in the ultimate full court press to get our facility open on the 17th, and we absolutely plan to accomplish that.

We have a petition before you this morning which essentially asks for the remaining regulatory approvals that are necessary for us to open. Some of those approvals are somewhat ministerial. Others, like the gaming --- approval of the gaming floor and the transition schedule from the temporary to the permanent facility, are more substantive. In any case, we have a variety of

requests for relief before you and would request that it's extremely important for us to receive those approvals as a result of today's public meeting, because the Board's next public meeting would put us in a position where we literally couldn't get done in time in order to open on the 17th.

representatives from Greenwood. The chairman of Greenwood, Bob Green, is here. He can --- if you have any questions as to the logistics of all the activities that are going on related to opening, the timing, you know, what's all involved, he's here today to answer questions. Mr. Bonner will be presenting testimony on an issue of dispute with the Bureau of Investigations and Enforcement (BIE). But before we get to that, we wanted --- we thought you'd be interested in seeing some pictures that were actually taken yesterday. As you'll see, the place is really coming together. You can start to see what it will look like on --- at the time we open.

As we reported to you before, we're very proud of this facility. It has a very --- it's a very large facility, has a very large gaming floor of 121,694 square feet. We're going to open with 3,300 slot machines. That's been approved by the Board. We

1 have lots of food and beverage venues, including the one that's gotten the most attention, Chickie & 3 Pete's. And we have a new name. And after a lot of thought into this, the new name of the casino will be Parx Casino and the emblem you see on the screen there.

I think you've seen --- probably seen this picture before, but the signature of our new facility is the video screens. This actually, unlike the other photos, is a little bit dated, but the video screens now have been up for some time and they are 12 operational. They were developing content, but they are operational and have been for weeks. And this is essentially what it looks like as you approach the front entrance.

This is the lobby, and Mr. Bonner is going to tell you a little bit about what's gone into that.

#### ATTORNEY BONNER:

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This is a shot standing in the casino, looking out through the front of the main customer desk area in the lobby. We have two entrances on either side of this main desk area. The lobby is done entirely in marble and stone. You can see the marble on the wall. The stone is going in on the floor.

These are absolute high-line, top-line finishes, and as you can see, well on the way to being completed in that area.

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Another shot of the lobby floor, again, 4 from pretty much the same angle, looking out towards the glass front that looks out onto the porte-cochere. We have three main archways or portals that we're constructing between the main entrance lobby and the casino floor itself. And actually the front line of these three portals defines the casino floor and 10 separates it from the non-casino front lobby area. 11 12 These are constructed --- they're backlit with onyx 13 stone centerpieces that are backlit. And you can 14 actually see these from Street Road. They're 15 beautiful. I would invite you all to come take a look. These pictures and our descriptions do not do 16 17 justice to the beauty of these finishes, and it's 18 something of which we all will be proud. But these 19 are the three main entrance features inside the 20 building. You see two of them here.

There is a lighted feature. And it looks good there. It looks much better up close and personal. This is the high-limit slot area, and this is a shot of the wood grain soffit above that area that defines and separates that area from the main

casino. Another shot of that same area. This is our sports bar that is pretty much in the center of the casino, which we've called Jax, playing on the X theme of Parx. I'd say this bar is probably 50 percent complete. And you see the structure there on which the various beverage bottles will be placed for display.

We have custom-made chandeliers 8 throughout. The next few shots are just different 10 pictures of the various chandeliers that have been installed. They're wrapped with plastic to keep them 11 12 clean. So, they're somewhat distorted in what you're 13 seeing. These are custom-made works of art, 14 hand-blown, custom-made glass. Again, they're 15 wrapped. And even if they weren't wrapped, the photos don't do them justice. But these are dead center in 16 17 the elliptical portion of the casino, and you've got 18 to see them to appreciate them. It's another custom-made, hand-blown, glass chandelier. We have 19 20 several of these throughout the casino, again, patterned on the same theme as the main center 21 22 features that we saw before. This is a shot of our entertainment bar we call the 360 Bar. There is a 23 24 full --- fully-equipped stage. There is a --- we have 25 a glass-lit dance floor in the bar area itself. This

will be a key entertainment feature and entertainment spot in our casino, and it's right off the casino It's a shot of the stage which is against the 3 back wall of the casino. The bar is in front of the stage. You're looking at the partially-finished wall features of the stage. Shots of the casino floor. The casino carpet is about 75 or 80 percent complete on the casino floor. In this shot you can see both chandeliers above and then you can see the slot bases 10 that have been installed on the floor. As we'll see later, the schedule contemplates beginning to move 11 some of our initial existing machines on November 12 23rd. So, we're just a week or so away from 13 14 commencing that move, and the bases are in place, 15 ready to accept those machines. This is a shot of the main cage, cashier's cage. Standing in the casino, 16 17 looking at the cage, you see through the cage, into 18 the actual work areas where our employees will be at the cage itself. This is a shot of the inside of the 19 20 cage, looking out onto the casino floor. Again, you 21 can see the cabinetry and the millwork is being 22 installed, and it's coming along and certainly will be This is a shot of the simulcast area. 23 ready. going to have 10 or 12 flat-screen TVs on the walls. 2.4 25 This provides the patrons the opportunity to enjoy

1 both the racing as well as the casino gaming in the one facility. This is adjacent to the cage area. 3 This is our food court called Foodies. You're standing in the casino, looking through the food court at the kitchen area and the back tile wall. This food court area is served by a kitchen that also is going to serve the steak restaurant that is adjacent to the food court. We have seating for a hundred patrons at the food court. We expect this to be of our most popular food outlets in the building. Another shot of 10 Foodies again from the casino floor. Another angle 11 into the food court. It's a circular area. We've got 12 13 circular and elliptical themes throughout both ceiling 14 and carpet areas, and it's carried through into the 15 food court. For some reason we always show you a They're there. They work. 16 restroom shot. 17 lot of tile. Ditto.

This is the schedule that I had mentioned. This schedule has been developed in consultation with the Gaming Board, DOR, G-Tech and Philadelphia Park. As I had mentioned, we begin to install new machines that we have acquired and are actually in storage in the casino now. On November 23rd --- I misspoke earlier when I described it as --- if I did, I described those as progressives.

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But that week of the 23rd we install about 600 1 2 machines, as shown on the schedule. And then 3 continuing into December, the Gaming Board does its testing of those machines that we've installed November 23rd the week of November 30. And then we roll through moving the existing progressives from the existing building. The bottom row that you see there, December 13, December 14, we will be moving machines from the existing casino through the week of November 10 30 and December 7. And then in the wee hours of the morning on December 13 we plan to close the existing 11 12 casino, begin to empty out the rest of the machines, and then on the 14th and the 15th complete all of the 13 14 installation and testing in the new casino. And the 15 schedule that we've agreed with the various agencies is to do our test period on the 16th, from 4:00 p.m. 16 17 to 10:00 p.m. And then hoping that all goes well, we would hope to be open for business on December 17th, 18 19 as shown on the schedule.

## ATTORNEY KOHLER:

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And I think what the schedule shows, if nothing else, and you can see all the detail, but there's little room for --- or no room for delay or problems. We are literal --- you know, we start moving machines on --- out of the temporary facility

on December 15th --- December 5th. That is essentially a point of no return. And you know, we 3 are determined to meet this schedule. I think if it's okay with Chairman Fajt, we'd entertain any questions about the facility, the schedule and then we can move on to the hearing portion.

#### CHAIRMAN:

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Thank you, Counselor. Before the Board opens with any questions, Enforcement Counsel, do you have questions?

### ATTORNEY MILLER:

Mr. Chairman, we have no --- I'm Dale Miller, the Deputy Chief Enforcement Counsel for the 14 Eastern Region. Mr. Chairman, we have no questions with regard to the slideshow. We will have guestions regarding Mr. Bonner's testimony of the matter in dispute.

# CHAIRMAN:

Okay. Does any of the Board members have any questions regarding the slideshow at this point?

# MR. MCCABE:

What are your --- this will be the 11th opening that we've been involved in, counting the temporary facilities, including yours. And from the 25 best of my recollection, none of them have opened on

time. The casinos thought they were going to open, they told us a date, and because of issues that have 2 3 arisen through our inspection or --- and also an agreement with casinos, we've had to change the dates. What is your plan if, in fact, you cannot open on the 6 17th?

### ATTORNEY KOHLER:

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Our plan is that we will seek relief from And you know, we've had discussions with the Board. 10 Board staff as to that possibility. In the petition that's before you today we raise that possibility. 11 It's not our plan to proceed down that road. We are 12 13 doing everything humanly possible to open on time. 14 But as you point out, Commissioner McCabe, sometimes unforeseen things happen that are completely, totally beyond our control, and we will have to address 16 them --- you know, hopefully not, but if and when they 18 occur.

#### MR. GREEN:

We have --- today we have 550 men on site. And by December the 5th is the point of no return. Our machines will be out or moving out of our present facility. We did, by the way, open that facility on time. So, that was probably one of the few that did. But we just have to make sure that we

can get open, whatever it takes.

# ATTORNEY BONNER:

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Commissioner, just as one --- a case in

4 point, we were experiencing a delay in the delivery of

5 some glasswork for the porte-cochere, which is

6 actually the roof of our two porte-cocheres. We

7 arranged to air freight that from England at a cost of

8 \$140,000 just last week because we kept getting

9 promises, promises, promises. So, we're doing

10 whatever it takes to get it done, and we're confident

11 we're going to meet the date.

## ATTORNEY KOHLER:

13 And we'll absolutely do everything under 14 our control. I mean, we --- as I said in the 15 beginning, it's an exciting time, but it's also a nervous time. There's obvious examples, but one would 16 17 be a snow blizzard in early December. There is nothing that we could do about that, and it would have 18 repercussions for meeting our schedule. And if 19 20 something of that nature occurred, we will, of course, you know, socialize that with your staff, and we'll 21 22 then seek whatever relief we find to be necessary to protect the facility and to protect the investors. 23 Again, that is not part of the plan and, in fact, it's 24 25 something we are very much trying to avoid. But you

know, certainly there's nothing we can do to completely eliminate those types of possibilities.

### CHAIRMAN:

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Why don't we move into the next phase of the meeting, Mr. Miller?

# ATTORNEY MILLER:

Mr. Chairman, Philadelphia Park ---Greenwood Gaming has filed a petition which is before the Board. The OEC answered that petition, and in our answer we objected to a part of the gaming floor and object to its approval by the Board, and that is the location of the Gaming Board offices that are on site within the facility. We objected to the location of those offices for reasons which we stated in our response because the public --- the public's ability to access the Gaming Board offices is compromised in that the public would have to traverse a restricted hallway, past a restricted area, in order to get to the Gaming Board offices. They would have to be escorted by Philadelphia Park staff, and it would impede the public's ability to interact with the Gaming Board with complaints, emergencies or any other reason a patron may wish to talk to Gaming Board staff. Having filed that objection, I believe at this point it's incumbent upon Philadelphia Park to address

that objection, try to resolve those issues and offer something to the Board at this point.

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Before we do that, and I'll turn it over to Philly Park to answer that issue, do you by any chance, just for purpose of transparency, have a picture of the floor so that the public and the audience can see it? Is there anything on the video? Do you have a copy of that in the video anywhere?

# ATTORNEY KOHLER:

There is not, although Mr. Miller has circulated me a copy of an OEC exhibit which, in fact, is the floor plan. I do not have it on ---.

#### CHAIRMAN:

The Board --- or the public is not going to be able to see that.

### ATTORNEY MILLER:

Mr. Chairman, we decided not to make a slide of the gaming floor and the back of the house because we were not sure that Philadelphia Park wanted the public to see, at this time, the configuration of those restricted areas and the rooms and the items 23 that are in those restricted areas that are in the 24 back of the house. Having said that, we do have a copy of the floor plan, which we will be introducing

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as the OEC Exhibit One, a copy of which is provided
  to --- has been provided to the Board and to
3
  Philadelphia Park. We can have a slide of this
  diagram, this gaming floor, available to members of
  the public if Philadelphia Park would agree that it's
  not a confidential schematic.
                 (OEC Exhibit One marked for
                 identification.)
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                CHAIRMAN:
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                Okay. Well, let's answer the questions
   first before we get to the issue. So, Mr. Kohler, Mr.
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  Bonner, who's going to take the lead on that?
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                ATTORNEY KOHLER:
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                 I'm going to call Mr. ---.
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                MR. GINTY:
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                Mr. Chairman, ---
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                CHAIRMAN:
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                Yes.
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                MR. GINTY:
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                 --- I have a question.
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                ATTORNEY MILLER:
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                Yes, sir.
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                MR. GINTY:
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                 This space also includes the State
25 Police, does it?
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### ATTORNEY MILLER:

Yes, sir.

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# MR. GINTY:

So, it's our offices and those of the State Police?

# ATTORNEY MILLER:

There's a group of offices, and I'm sure Mr. Bonner will address that, there's a group of offices which does include the Gaming Board office, the State Police. You enter those offices through a reception area. And once you get through that reception area, you then can access the State Police and the Gaming Board offices.

### MR. GINTY:

Okay.

# ATTORNEY KOHLER:

17 Chairman Fajt, I propose to call Mr.

18 Bonner as a witness. But just to speak to this issue

19 very briefly, we do have --- generally speaking, the

20 floor plan for the gaming floor is not sensitive.

21 There are some sensitive --- depending on what you put

22 on that diagram and, to some extent, on what Mr.

23 Miller has prepared, there's some sensitive issues as

24 to where the armored trucks come in, where --- that we

25 wouldn't want the public to have detail on. Certainly

we could --- if the Board wants, could stipulate to a
post-hearing exhibit that has enough detail to address
this issue without disclosing the location of
sensitive areas.

#### CHAIRMAN:

We will take you up on that, but go ahead and swear --- or Mr. Bonner, you can do the testimony now.

# ATTORNEY KOHLER:

I believe Mr. Bonner is already sworn

11 in, ---

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# CHAIRMAN:

Sworn in, yes.

# ATTORNEY KOHLER:

15 --- so I would call Mr. Bonner.

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- 17 THOMAS BONNER, ESQUIRE, HAVING BEEN PREVIOUSLY SWORN,
- 18 TESTIFIED AS FOLLOWS:
- 19 -----
- 20 DIRECT EXAMINATION
- 21 BY ATTORNEY KOHLER:
- 22 Q. Can you identify yourself and business address for
- 23 the record?
- 24 A. Sure. Thomas Bonner. I'm the VP and General
- 25 Counsel of Philadelphia Park. We're at 3001 Street

- 1 Road, Bensalem, Pennsylvania.
- 2 Q. Mr. Bonner, on Monday the BIE submitted an
- 3 objection to our petition. Are you familiar with that
- 4 objection?
- $5 \mid A$ . I am, yes.
- 6|Q. And can you describe it?
- 7 A. Yes. My understanding from discussions with
- 8 Gaming Board representatives is that I think the
- 9 Gaming Board has two issues. One is the general
- 10 location of the office space. And number two is the
- 11 fact that, in order to get to the Gaming Board and
- 12 State Police office space from the casino floor,
- 13 individuals have to use a corridor which passes along
- 14 restricted areas, including the cage area and the
- 15 count room complex of the facility.
- 16 Q. And you don't dispute that that is the case?
- 17 A. No, no, I don't dispute that that's the case.
- 18 Q. And as I understand it, there's a history or a
- 19 chronology of events related to the development of
- 20 this pace. Can you just briefly go through that?
- $21 \mid A$ . Yes. We --- when we developed the plan for the
- 22 casino, part of that plan included a back-of-house
- 23 office pod that was always located where it's located
- 24 today. Relatively early on in the process, as the
- 25 plans were being developed, we were in discussions

with the Gaming Board about the requirements for the office space. The Gaming Board and State Police have a document that lists the technical requirements for the offices, and we used the information in that document to actually lay out and design the office space. Early on there was actually a request from the Gaming Board to flip some of the spaces in that back-of-house area, to bring the Gaming Board and the State Police offices more to the front and closer to the casino area, which we complied with.

- 11 Q. And continuing with that chronology, can you
- 12 continue to where we sit today with ---
- 13 A. Yes.

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- 14 Q. --- development of that space?
- 15 When we initially developed the plan for the casino, the contemplation was that we would open with 16 17 a greater number of slot machines than we presently have received approval to open with. For the original 18 proposal that was presented to the Board, when it was 19 20 presented the casino floor itself actually backed up 21 to the office space, which is occupied by the Gaming 22 Board and the State Police. Sometime in late 2008, 23 early 2009, related partially to the need of our

construction contractors to make certain installations

with respect to mechanical equipment in the area,

certain redesign took place. Also, we made the 2 decision at about that time to highlight restaurant 3 and food and beverage facilities on our property. began negotiations with Chickie's & Pete's, which is a very prominent outlet in Philadelphia. And one of the specific requirements that that tenant needs is an access from the outside into the restaurant in addition to any access to its restaurant from the casino floor. The location where we could provide 10 that is the location where it currently sits, which used to be casino space. So, the offices that are 11 12 built now for the Gaming Board and the State Police, 13 which formerly backed up the casino space, now backs 14 up to that restaurant space. 15 Now, you testified that at the request of the 16 Gaming Board we moved some of the space to meet that 17 request. Once that was done, has the location or size 18 or detail of that space changed? 19 No, the location has not changed. Some of the Α. 20 interior partitions and layout has changed in response to requests we received from both State Police and 21 22 Gaming Board. We've made certain adjustments to the 23 space to suit their request over the past year or so. 24 Now, you've read Mr. Miller's objection. 25 scheme in the new facility, is it comparable in any

- way to the current PGCB office space in our temporary
  facility?
- 3 A. It's similar in many ways. In our existing casino
- 4 facility, patrons who are required to go to the Gaming
- 5 Board offices actually walk right past the count room
- 6 in our existing facility. Customers don't know that
- 7 it's the count room. It's a solid door. There's a
- 8 magnetic card swipe lock on it. There's no signage.
- 9 It doesn't say count room, obviously. So, we have a
- 10 similar situation in our existing casino with respect
- 11 to customers being required to pass by a sensitive
- 12 restricted area to get to the Gaming Board offices.
- 13 Q. Now, there's apparently a concern with the
- 14 corridor leading to the Gaming Board offices in the
- 15 new facility. Is there also a corridor in the
- 16 existing temporary facility?
- $17 \mid A$ . Yes. In the existing temporary facility --- I
- 18 walked these distances yesterday so I could give you
- 19 some sense of the differences we're talking about.
- 20 From the existing --- in the existing casino, from the
- 21 | Gaming Board offices to the nearest entry to the
- 22 casino it's about 60 paces that I took yesterday,
- 23 about 60 paces, including a flight of steps. There's
- 24 25, 26 stairs of steps from the second floor down to
- 25 the first floor that you have to traverse. In the new

- casino, to get from the Gaming Board offices into the main casino building area it's about 68 paces. It's a little bit longer, but it's not dramatically different from what we have in the current facility.
- Q. Now, you mentioned a change of plans related to the placement of Chickie & Pete's and also related to things that had to be done to take care of
- 8 construction and related installation of facilities.
- 9 Was Gaming Board staff provided with plans, including
- 10 the modifications that you discussed which resulted in
- 11 this corridor that's at issue here?
- 12 A. I mean, I believe so. One of my personal
  13 objectives was to keep Gaming Board staff informed of
- 14 developments to the property, specifically with
- 15 request to the office space. I'd say as far back as a
- 16 year ago I was transmitting copies of plans to the
- 17 Gaming Board. We were having discussions about the
- 18 layout and the equipment in their offices. I don't
- 19 believe I ever specifically said, hey, by the way, the
- 20 casino has been pulled back. You're not backing up to
- 21 the casino anymore. But we were exchanging
- 22 information, and I thought that I was communicating
- 23 fully to the Board what was happening with respect to
- 24 the offices and the general building design.
- 25 Q. Part of the objection that's been submitted

relates to having to pass by restricted security 2 In your view, should the Board be concerned with public access to the count room area from the 3 corridor that we've been discussing? As I mentioned a little while ago, I don't think that's a concern. We have that current situation now in the existing casino. There's never been an issue with respect to a patron trying to gain access to the count room area. As I said, they wouldn't even known 10 that it's the count room area. Similarly, in the new 11 casino, walking down the corridor, patrons would not know which door would be a count room, which door 12 would be a mantrap door, which door would be a door 13 14 into a cage area, so I think that's similar to the 15 current situation. Additionally, patrons would have to be escorted either by a casino representative or by 16 17 a governmental representative, either the Gaming Board 18 or the State Police. So, anybody in that corridor area would be escorted. If a patron were to gain 19 20 access to the corridor area without the appropriate 21 escort, we have 24/7 surveillance, and we'd be able to 22 detect that very quickly as well. So, I don't see it 23 as a problem with respect to security of our assets and security of the operations. And again, it's very 24 25 similar to the current situation in our existing

casino.

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Q. Now, with all that said, is there a fix to the problem raised by Board staff as to the long-term scenario?

I mean, we've had some discussions with the Yeah. Gaming Board. We know that, assuming table games legislation is passed, we would build out the shell space that on the sketches you have, Board members, is the white area to the right, the rightmost part of the casino. That's a 15,000 square foot shell space, and we intend to build that out if and when table games legislation is approved. We think that in conjunction with that build-out, from an operational desire, we're going to want to provide access to the back-of-house for our employees. And we think that we probably, in conjunction with that build-out, would find a way to provide some additional corridor space to get employees from that area of the casino to the back-of-house, as opposed to having to walk all the way down to your left on your sheet past the cage. So, we think that in the not-too-distant future there is a fix to it. We just can't tell you today specifically what it would be or when it would be, but we do think that in the near future there is a resolution to the Board's concerns.

- 1 Q. Now, I think you indicated that you've had
- 2 discussions with Board staff regarding this issue.
- 3 And I assume that, if it were possible, you would ---
- 4 Philadelphia Park would attempt to resolve those
- 5 concerns now; is that right?
- 6 A. We would. We've had some discussions with the
- 7 Board and some suggestions have been made, but to date
- 8 the suggestions that have been made we don't think are
- 9 going to work. One suggestion was to provide access
- 10 to the Chickie's & Pete's space on a temporary basis.
- 11 That site is going to be under construction from now
- 12 until March or April, and it would be a hardhat
- 13 literally through which it wouldn't be appropriate to
- 14 bring patrons. So, one of the suggestions we looked
- 15 at --- or the Board had suggested just --- it's not
- 16 feasible, given the realities of our upcoming
- 17 construction schedule.
- $18 \mid Q$ . And maybe you were leading into this, but is our
- 19 flexibility related to entering into construction to
- 20 solve this problem now limited by the schedule that
- 21 you talked about previously?
- 22 A. Yeah. We would have to put areas under
- 23 construction to accomplish this. And the area --- the
- 24 entire area will be under construction, and I don't
- 25 think it would be feasible, nor would we want to be

taking members of the public through those kinds of spaces that would be under construction.

# MR. SOJKA:

Can I ask a quick question?

#### CHAIRMAN:

Sure.

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#### MR. SOJKA:

Some of us are getting now substantially confused with the documents we're looking at and the descriptions we're getting. And at least my problem is I'm looking at two large spaces that have nothing 12 in them. And I assume one of them is Chickie & Pete's, but which one? The oddly-shaped one or the 14 rectangle?

Commissioner, the oddly-shaped one that is farthest to the right is the Chickie's & Pete's space.

### MR. SOJKA:

18 Okay. So, we had that correct. where would your build-out be? The build-out you're 19 20 talking about, where would that be?

Okay. The far right top --- I'm sorry, the far right top is the casino shell space that would be 23 built out. The space below that at the far right is the restaurant area.

MR. SOJKA:

Okay.

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#### MR. COY:

What's next to Chickie & ---?

A. To the left of Chickie's & Pete's is a shell space that we believe we will build out for another restaurant. Again, don't know when that would be done, but that's a future space. Again, most likely we might do that in conjunction with the build-out of the casino shell space, but we've not made those decisions yet, and I wouldn't want to represent that.

# MR. SOJKA:

And the build-out would not then bring the gaming floor any closer to the State Police and the PGCB offices, they would still be back in this ---?

A. That is correct. We wouldn't propose to be taking those offices.

### MR. SOJKA:

So, the build-out is not really relevant to this issue?

A. Well, we think the build-out might be because, as
I had mentioned, Commissioner, we might build a backof-house corridor that would --- that would connect
the existing casino space ---

MR. SOJKA:

I see.

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A. --- to the existing back-of-house corridor.

#### MR. SOJKA:

Got you. That would be external to the building?

A. No, sir. It could go in the shell space that is to the left of Chickie's & Pete's. It could go in another location yet to be determined.

# ATTORNEY KOHLER:

I think the point is, Commissioner, that 10 at least it appears --- of course, within the 11 discretion of the General Assembly, but at least it 12 appears that as a result of the passage of legislation 13 14 we may be entering into a new construction phase 15 shortly after we complete this one. And certainly 16 that would be an opportunity --- you know, we want to 17 solve this problem. Whether or not we think it's a 18 serious problem or not is not pertinent. An objection 19 has been raised. We'd like to solve this problem. 20 That seems to us to be a golden opportunity to do 21 that, and we will certainly try to do that. Our point 22 being what Mr. Bonner's testimony is indicating, that 23 you know, now is not the time for us to try to resolve 2.4 this problem. We weren't aware of the problem until 25 very recently, and I'm not faulting anyone for that,

but we are --- you know, we have a lot to get done in a short period of time, and adding task to it is, we don't think, going to be particularly productive for anyone.

### CHAIRMAN:

Can we --- I don't want to cut members off, but can we stick to a little bit of structure here and let the office --- let's let Mr. Kohler finish his presentation, let Enforcement Counsel ask their questions, and then maybe the Board jump in. Is that okay?

## MR. SOJKA:

13 Okay.

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# ATTORNEY KOHLER:

That would finish our presentation,

16 Chairman Fajt. Thank you.

### 17 CHAIRMAN:

Enforcement Counsel, questions?

## ATTORNEY MILLER:

Thank you, Mr. Chairman.

#### 21 CROSS EXAMINATION

#### 22 BY ATTORNEY MILLER:

- 23 Q. Good morning, Mr. Bonner.
- 24 A. Good morning, Mr. Miller.
- 25 Q. Mr. Bonner, you have in front of you or Counsel

- 1 has in front of you what's been previously marked as
- 2 OEC Exhibit One; correct?
- 3 A. That's correct.
- $4 \mid Q$ . Is that an exhibit an accurate depiction of the
- 5 casino floor plan and the partial mezzanine floor plan
- 6 of the new Philadelphia Park casino?
- 7 A. It is.
- 8 Q. And it is accurate as of this week; is that
- 9 correct?
- 10 A. Yes. I believe it's --- well, I believe it's
- 11 dated November 3. I can't read it, but this is the
- 12 document that we've submitted to the Board for
- 13 approval of the casino floor plan.
- 14 Q. Thank you. And the gaming floor is color coded on
- 15 this document as yellow; is that correct?
- 16 A. That is correct.
- 17 Q. And restricted areas are color coded on this
- 18 document in blue; is that correct?
- 19 A. Yes, that is correct.
- 20 Q. And would you agree that --- well, let me ask you
- 21 this. If you take a look at the document on the
- 22 | right-hand side, just below Chickie & Pete's there is
- 23 in pencil a Y. Do you see that? Difficult to see,
- 24 but ---.
- 25 A. I don't see it. I'm sorry.

- 1 Q. Point it out to him, please.
- 2 A. Oh, okay.

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# CHAIRMAN:

- 4 Mr. Miller, I'm sorry, can you just show
- us where you're looking at, just raise it up and ---
- 6 or have your ---.
- 7 A. I see it.

#### 8 BY ATTORNEY MILLER:

- 9 Q. Is that the approximate position where there is a
- 10 door entering the reception area into the Gaming Board
- 11 offices?
- 12 A. Yes. That is where the reception area door is
- 13 located.
- $14 \mid Q$ . Okay. Now, to the left of that Y there is a
- 15 hallway that goes to the left. And if you follow that
- 16 hallway down, you'll see an X marked in pencil below
- 17 an open-space area on the left side of the diagram.
- 18 Do you see that?
- 19 A. I do see that.
- 20 Q. Okay. Is that --- where that X is marked, is that
- 21 the area where the public would enter to get into the
- 22 | hallway to walk down to the Gaming Board offices? Is
- 23 that the approximate area?
- 24 A. It's approximate. There are actually doors to the
- 25 right of where you've drawn the X, and they would

- 1 enter through the door that is on the --- that is
- 2 farthest to the right, in that shell space area.
- 3 Q. But that's the approximate area; correct?
- $4 \mid A$ . That is --- yes, it is.
- 5 Q. And there's an arrow to the right of that X. Is
- 6 that arrow along the hallway that the public or any
- 7 other person would have to traverse in order to get to
- 8 the Gaming Board offices?
- 9 A. Yes, that is.
- 10 Q. From the gaming floor, is there any other way to
- 11 travel to the Gaming Board offices other than going
- 12 through the doors in the approximate area of the X and
- 13 then traversing the hallway?
- 14 A. No.
- 15 Q. Does that hallway pass by areas marked in blue
- 16 which are, in fact, restricted areas?
- $17 \mid A$ . Yes. If you were traveling from that area down to
- 18 the Gaming Board offices, on the right there are areas
- 19 marked in blue which are restricted areas.
- 20 Q. And in fact, that's the only way you can traverse
- 21 from the gaming floor to the Gaming Board offices; is
- 22 that correct?
- 23 A. Yes. That's the route, yes.
- 24 Q. If I'm a patron and I'm standing on the gaming
- 25 | floor, the only way I can get to the Gaming Board

- 1 offices is to go through that shell space, walk
- 2 through that shell space, through those doors down
- 3 near the X, and then traverse that hallway past the
- 4 count room ---
- 5 A. Yes.
- 6 Q. --- and then enter the Gaming Board offices;
- 7 correct?
- 8 A. That is correct.
- 9 Q. There is no direct access from the gaming floor to
- 10 the Gaming Board offices; correct?
- 11 A. No, there is not.
- 12 Q. Okay. Now, when you originally put together the
- 13 floor plan for this casino you said in your earlier
- 14 testimony that the gaming floor extended further ---
- 15 or closer to the Gaming Board offices, through that
- 16 shell space next to Chickie & Pete's; is that correct?
- 17 A. Yes, that is correct.
- $18 \mid Q$ . That was originally gaming floor; is that right?
- 19 A. Well, the Chickie's & Pete's and shell space area
- 20 was a combination of casino floor and restroom areas
- 21 when the space was originally designed.
- $22 \mid Q$ . It was an area where patrons would normally be
- 23 expected to be; is that correct?
- 24 A. Yes.
- 25 Q. It's not a restricted area?

- 1 A. No.
- 2 Q. So, even though you're in your temporary casino,
- 3 you have our gaming floor offices located in a
- 4 restricted area, you corrected that mistake in your
- 5 new facility when you first designed it by having our
- 6 offices closer to the casino floor; is that not true?
- 7 A. Well, there was no mistake to be corrected, in our
- 8 opinion. We located the offices --- we located the
- 9 Gaming Board offices in the general back-of-house
- 10 office complex that includes our offices as well. And
- 11 at the request of the Gaming Board, we put your
- 12 offices in the location that was closest to the gaming
- 13 floor.
- 14 Q. So, you were aware of the Gaming Board's desire to
- 15 have the offices close to the gaming floor when you
- 16 originally developed this plan; is that not true?
- 17 A. I think that's accurate.
- $18 \mid Q$ . And in fact, the plan, as originally proposed by
- 19 Philadelphia Park, was acceptable to the Gaming Board
- 20 staff because the offices were close to the gaming
- 21 floor; is that not true?
- 22 A. I don't know that. I don't know if that's the
- 23 reason. I know that we had discussions about the
- 24 offices, as I testified earlier, with respect to both
- 25 location and specific layout within the offices, and

- 1 the indications that we got from the Gaming Board 2 operations group was that it was acceptable.
- 3 Q. And you don't deny that the Gaming Board staff
- $4\mid$  certainly made known to you that we wanted --- that
- 5 the staff wanted the PGCB offices close to the gaming
- 6 floor? You don't deny that that was conveyed to you,
- 7 do you?
- 8 A. No, I don't deny that.
- 9 Q. Okay. Now, when did you file this Petition for
- 10 | Prerequisite Approval? Somewhere around October 14th;
- 11 is that correct?
- 12 A. It was in the middle of October, yes.
- 13 Q. This diagram, in a much larger form, was an
- 14 exhibit to that petition; was that not true?
- $15 \mid A$ . Not this specific diagram but a very similar
- 16 diagram was an exhibit to that petition.
- 17 Q. And there's certainly been changes to the gaming
- 18 floor or yellow portion of this diagram, but is it
- 19 fair to say that there were no changes, since your
- 20 petition was filed, to the space where the PGCB
- 21 offices are located?
- 22 A. Yes, that's correct.
- 23 Q. So, the only changes that were made at the request
- 24 of staff were to the actual gaming floor itself,
- 25 correct, and some other minor changes?

- 1 A. Yeah. Yes. What changed on this plan from what
- 2 was filed to what we're looking at today were changes
- 3 in the restricted areas and the casino floor, not the
- 4 office --- not the back-of-house office area.
- $5 \mid Q$ . So, that was the first time that your gaming floor
- 6 plan and your casino floor plan was officially filed
- 7 with the Pennsylvania Gaming Control Board; is that
- 8 | correct?
- 9 A. That's the first time it was officially filed,
- 10 yes.
- 11 Q. Yes. So, that was the first time that the Gaming
- 12 Board, would you agree, had the opportunity to
- 13 officially comment on the casino floor plan; would you
- 14 agree to that?
- 15 A. It may have been the first time they had the
- 16 opportunity to comment officially. However, as I
- 17 testified before, for the past year we've been
- 18 providing copies of drawings of office space area to
- 19 the Gaming Board.
- 20 Q. And in fact, there was a meeting of Gaming Board
- 21 staff and Philadelphia Park staff about six weeks ago
- 22 | wherein --- at Philadelphia Park Casino, wherein it
- 23 was made known to Philadelphia Park that the location
- 24 of the offices, as depicted on OEC Exhibit One, was
- 25 unacceptable; is that not correct?

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The Gaming Board representatives made known
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       No.
   to us that there was concern about the location of the
   Gaming Board offices. That was made known to us.
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   There was no objection. There was no disapproval.
                                                        Wе
   were made aware of the concern. By that time the
  offices were completed. They were finished.
  been making revisions to the offices, as requested by
  the Gaming Board, with respect to the finishes and the
   wiring and the location of desks over the past three
  or four months. So, based on that interaction,
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  notwithstanding any unhappiness that there may have
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  been with respect to the location of the offices, my
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   assumption was if they're asking us to finish the
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   offices, then they plan to use the offices.
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       Were you not told, prior to filing this petition,
  by members of the Board staff that what you were
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  proposing in your casino floor plan was different than
   you had originally planned and was unacceptable?
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   you deny that you were told by members of the staff
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   what I just stated?
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       Well, let me try to respond to your first
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   question, Dale. The Gaming Board representatives made
   known to us that they were dissatisfied that the
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   Gaming Board offices were not adjacent to the casino
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   floor and that there was an intervening space, which
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- 1 | will be Chickie's & Pete's. Yes, I was made aware of
- 2 that. I don't know if that answers your question
- 3 fully.
- 4 Q. So, in your prior testimony, when you said you
- 5 cooperated with the Gaming Board staff and you made
- 6 the Gaming Board staff aware of these plans long in
- 7 advance of the filing of the petition, is that
- 8 incorrect?
- 9 A. No, it's not correct. I made them aware. I
- 10 submitted plans. I met in the building and walked
- 11 through the building probably eight months ago and six
- 12 months ago with representatives of the Gaming Board.
- 13 We walked through the office space. And the Gaming
- 14 Board has been in our new building probably daily for
- 15 the last number of months looking at things.
- 16 Q. Is it not true that back in August you appeared at
- 17 | a meeting in front of this Board and told the Board
- 18 that the Gaming Board offices were just off the gaming
- 19 floor; is that not correct?
- 20 A. That is correct. And I was mistaken.
- 21 Q. You were mistaken?
- 22 A. Yes.
- 23 Q. At that time, when you gave that testimony, you in
- 24 fact, knew that the Gaming Board offices were not just
- 25 off the gaming floor but were near a restricted area

- 1 through which the public had to be escorted? You knew 2 that at that time; did you not?
- 3 A. I probably knew it at the time. I clearly
- 4 misspoke. And I would suggest to the Board members
- 5 that if the perception is that there was some attempt
- 6 to mislead the Gaming Board with respect to what the
- 7 actual conditions were, why would I do that, knowing
- 8 that you have agents in the building every day and can
- 9 see what's going on? I clearly misspoke. I made a
- 10 mistake. I apologize for that. But the record is
- 11 what the record is, and the drawings are what the
- 12 drawings are.
- 13 Q. Now, Mr. Bonner, you said that you ---. I'm
- 14 sorry. Were you --- you were finished?
- 15 A. I was, yes.
- 16 Q. You said that you were offering --- or you thought
- 17 you could offer a solution to this problem by opening
- 18 a corridor, is it, from the gaming floor to the PGCB
- 19 offices. Is that an offer that you are making?
- 20 A. The Gaming Board representatives had asked us
- 21 whether we could --- the Gaming Board representatives
- 22 asked us to suggest some resolution to the concern
- 23 that patrons have to walk by the restricted area. We
- 24 then discussed what we've talked about today, which is
- 25 we do intend to have additional construction in the

area. And when we have that construction, we will 2 seriously consider and discuss with the Board how we might be able to provide access that the Board would 3 find better than the current access and acceptable. And we are committed to that process. 6 But you're not committing to resolving this issue Q. by making the Gaming Board offices accessible to the public through non-restricted areas? You are not committing to that today, are you? 10 No, we can't make that commitment for a number of reasons. We have to create an opening in the casino 11 12 wall that is adjacent to the shell space. It's tough to see on the drawing, but against the wall that 13 14 separates the shell space to the left of Chickie's & 15 Pete's is a row of ATMs, ticket redemption machines. Consideration has to be given to what the appropriate 16 17 relocation might be. We don't know the best location 18 for a corridor at this particular time. construction of a door through the casino wall, which 19 20 is where the heavy finishes are, is something that we 21 have to give careful consideration to from a design 22 perspective, none of which we've had the time to do and none of which we could commit to doing 23 24 specifically without the interaction of our designers. 25 So, they are the reasons that we can't commit to a

- 1 specific location. Nor can we commit to a specific
- 2 time schedule right now because we don't know when the
- 3 additional construction would commence.
- $4 \mid Q$ . So, the answer is that you will not commit to any
- 5 change in these plans until at least after the casino
- 6 is open; is that correct?
- 7 A. Absolutely correct. We're less than a month away
- 8 from opening the casino. That is correct.
- $9 \mid \mathsf{Q}$  . And is it not also correct that you will
- 10 absolutely not consider moving the Gaming Board
- 11 offices closer to the casino gaming floor?
- 12 A. There is no question that we will not consider
- 13 that.
- 14 Q. So, I guess there's no question that we are still
- 15 at an impasse; is that correct?
- 16 A. I don't think that's the case.

### 17 ATTORNEY KOHLER:

- 18 Chairman Fajt, I don't like to object at
- 19 these hearings before the Board, but we indicated that
- 20 from the beginning. I don't think there's any reason
- 21 to go over the same ground over and over again,
- 22 but ---.

23

#### CHAIRMAN:

- 24 I'm going to let Mr. Miller proceed.
- 25 Thank you for your objection, though.

47 1 ATTORNEY MILLER: Mr. Chairman, that's all we have. 2 3 CHAIRMAN: Do you have a presentation or are you 4 done with your presentation also? 6 ATTORNEY MILLER: No, sir. We would present Paul Resch as a witness, assuming that Philadelphia Park has completed their presentation. Mr. Bonner is their 10 witness. 11 CHAIRMAN: 12 Philadelphia Park finished? 13 ATTORNEY KOHLER: 14 Yes, Chairman. 15 CHAIRMAN: 16 Mr. Miller, you could proceed with your 17 presentation. Just again for edification, we'll let 18 OEC do their presentation, Philly Park will have a 19 chance to cross examine their witnesses, and then 20 we'll turn it over to the Board for questions. 21 ATTORNEY MILLER: 22 Thank you, Mr. Chairman. The OEC would present as a witness Mr. Paul Resch. 23 2.4 MR. RESCH:

Paul Resch, R-E-S-C-H, Director of Gaming

Operations for the Board.

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### CHAIRMAN:

And for the record, Mr. Resch did stand and was sworn in earlier, as I recall.

## ATTORNEY MILLER:

That is correct, Chairman.

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8 PAUL RESCH, HAVING BEEN PREVIOUSLY SWORN, TSTIFIED AS 9 FOLLOWS:

10 -----

11 DIRECT EXAMINATION

## 12 BY ATTORNEY MILLER:

- 13 Q. Mr. Resch, what are your duties with the Gaming
- 14 Board?
- 15 A. I'm the Director of Gaming Operations at the
- 16 Gaming Control Board, and my responsibilities include
- 17 the internal control, review of all the slot machine
- 18 Licensees, as well as compliance audits. And we also
- 19 have racetrack gaming within our division, as well as
- 20 we are the primary bureau that heads up the casino
- 21 openings, the casino opening team.
- 22 Q. Mr. Resch, is it part of your job to review the
- 23 plans of a casino prior to the opening of the casino?
- 24 A. That's correct. We have a Gaming Operations
- 25 Liaison on our staff who specializes in review of the

- 1 casino design plans, including the gaming floor plans.
- 2 He's participated in all but a few of the 12 openings
- 3 that have --- of the 11 openings that have occurred in
- 4 Pennsylvania to this date, and those duties fall
- 5 within our purview among other staff and bureaus of
- 6 the Board.
- $7 \mid Q$ . And have you received and have you reviewed the
- 8 plans of Greenwood Gaming's new Parx Casino?
- 9 A. Yes, we have.
- 10 Q. In particular, have you reviewed the plans with
- 11 regard to the location of the Pennsylvania Gaming
- 12 Control Board offices?
- 13 A. We have.
- $14 \mid Q$ . Have you heard the testimony of Tom Bonner?
- 15 A. I have.
- 16 Q. And in the testimony of Mr. Bonner and in his
- 17 depiction of the location of the offices where the
- 18 Gaming Board is located, is that depiction
- 19 substantially correct?
- 20 A. Yes. The location of our offices on --- I believe
- 21 it's opt. one, updated two, is correct.
- 22 Q. And I'm going to show you what's been previously
- 23 marked OEC Exhibit One. I'm asking you to take a look
- 24 at it, please. When were you first made aware that
- 25 the location of the Gaming Board offices would not be

- adjacent to the gaming floor?
- 2 A. The exact date when we were aware that our offices
- 3 would not be adjacent to the gaming floor, according
- 4 to staff who participated in several meetings, I
- 5 believe it was October of 2009. I think it was
- 6 October --- early October 2009. And that was prior to
- 7 seeing any of the gaming floor plans that depicted our
- 8 office space as it relates to the casino floor and the
- 9 other areas.
- 10 Q. And to access the Gaming Board's offices, is it
- 11 true that members of the public would have to traverse
- 12 a hallway past a restricted area?
- 13 A. That's correct.
- $14 \mid Q$ . And is that a concern of the Bureau of Operations
- 15 of the Pennsylvania Gaming Control Board?
- 16 A. Yes, it is.
- 17 Q. And why is that a concern?
- 18 A. The concern relating to the corridor that the
- 19 public would need to traverse to access the Gaming
- 20 Control Board offices, our concern is that the count
- 21 room and the satellite cage, as well as the cage
- 22 itself and the other sensitive restricted areas in the
- 23 casino would have to be traversed by not only the
- 24 Board staff and the State Police but the gaming public
- 25 to gain access to our offices.

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       Is the route that the public must traverse to gain
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  access to the Pennsylvania Gaming Control Board
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  offices consistent with the protection of the public
  and the security and integrity of gaming in
  Pennsylvania?
       I don't believe that it is.
                 ATTORNEY MILLER:
                 Thank you, Mr. Resch.
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                 CHAIRMAN:
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                 Is that the end of your testimony?
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                 ATTORNEY MILLER:
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                 That's the end of Mr. Resch's testimony,
   yes, sir.
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                 CHAIRMAN:
15
                 Do you have any other witnesses to call?
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                 ATTORNEY MILLER:
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                 We're going to call Mr. Thomas Sturgeon.
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                 CHAIRMAN:
19
                 Okay. Before Mr. Resch leaves, does
   Philadelphia Park have any questions for that witness?
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21
                 ATTORNEY KOHLER:
22
                 Just a few.
23
                 CHAIRMAN:
24
                 Please proceed.
25
   CROSS EXAMINATION
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# 1 BY ATTORNEY KOHLER:

- 2 Q. Mr. Resch, you agree that there are Gaming Board
- 3 representatives on site at Philly Park every day; is
- 4 that correct?
- $5 \, | \, \mathsf{A}$  . We do have staff full time at Philadelphia Park
- 6 whose primary facilities are in the temporary
- 7 facility, yes.
- 8 Q. But would you agree that they also frequently go
- 9 over to the new facility and are there from time to
- 10 time?
- 11 A. I don't know the specifics of their schedule, but
- 12 I do know that they go over to the permanent facility
- 13 from time to time and have over the last couple of
- 14 months.

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- 15 Q. And isn't it true that they would have been
- 16 particularly concerned with the location of their
- 17 space and access to their space as that construction
- 18 project proceeded?

### 19 ATTORNEY MILLER:

- I'm going to object. How would he know
- 21 what they presumed or thought?

#### ATTORNEY KOHLER:

- Half his testimony so far has been what
- 24 they presumed or thought.

## ATTORNEY MILLER:

I object to that comment.

#### CHAIRMAN:

- I'm going to let Mr. Resch answer the question to the extent he has knowledge.
- $\overline{\mathsf{D}} \mid \mathsf{A}$ . Could you restate the question, Mr. Kohler?

## 6 BY ATTORNEY KOHLER:

- 7 Q. Wouldn't you expect that the Gaming Board
- 8 employees that are at the new facility from time to
- 9 time would show particular concern with the location
- 10 of the Gaming Board offices and access to those
- 11 offices?

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- 12 A. I would say that not having seen the gaming floor
- 13 plan that's before the Board today with its petition,
- 14 those concerns may not have manifested themselves to
- 15 the staff had they seen the plans earlier.
- 16 Q. Now, you've been to the new site as well, haven't
- 17 you, Mr. Resch?
- 18 A. Correct.
- 19 Q. And you've taken tours? I believe I've been on at
- 20 least one of those.
- 21 A. I have.
- $22 \mid Q$ . And on those tours --- and this certainly would
- 23 have been true for employees on site, you were told
- 24 where various components of the casino were located;
- 25 is that true?

- 1 A. That's correct.
- $2 \mid \mathsf{Q}$  . And so you would have known, for example, where
- 3 Chickie & Pete's was located and what was the activity
- 4 under construction there?
- 5 A. We were informed that Chickie & Pete's was to be
- 6 located within the casino itself.
- 7 Q. So, you certainly were aware that that wasn't
- 8 going to be gaming floor under the existing plan?
- 9 A. That's correct.
- 10 Q. And this corridor that we've spoken frequently of,
- 11 that corridor has been there for a long time, hasn't
- 12 it?

22

- 13 A. The corridor has, yes, been under construction for
- 14 quite sometime.
- 15 Q. And you also would have known exactly where the
- 16 count room was going to be; isn't that true?
- 17 A. We were provided a tour and it was explained to us
- 18 where the count room would be.
- $19 \mid Q$ . So, you would have known that the count room
- 20 actually --- that there's access to the count room
- 21 from the corridor; isn't that correct?

#### ATTORNEY MILLER:

- Mr. Chairman, I would ask that Mr. Kohler
- 24 be specific as to the date of the tour, at least an
- 25 approximate date of when this occurred, whether it was

yesterday or two years ago.

# CHAIRMAN:

Noted. If you have those specifics,

please so state. And Mr. Resch, if you have specifics

on the tour dates, you should also put those in the

6 record.

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## 7 BY ATTORNEY KOHLER:

- 8 Q. The tour I recall, Mr. Resch, my recollection is
- 9 was that --- that I specifically recall, and there was
- 10 a lot of tours, was in May or June. Does that sound
- 11 right?
- 12 A. We toured the facility in June of 2008. The exact
- 13 date I don't have in front of me. But it was
- 14 sometime ---.
- 15 Q. June 2009?
- 16 A. June 2009. It was in mid-June.
- $17 \mid Q$ . Were you aware of any objections to the current
- 18 plans from --- either by yourself or from employees on
- 19 site at the time of that tour or any subsequent tours?
- 20 A. When you say the current plans, are you referring
- 21 to the plan that's referred to as Exhibit One?
- 22 Q. I'm referring to the plan where the corridor, the
- 23 Gaming Board offices and the count room were located
- 24 where they are under OEC Exhibit One?
- 25 A. We were --- we've not been provided the floor plan

- in its entirety prior to the receipt of this petition
  from Greenwood Gaming, which is referred to here as
  Exhibit One. The first we saw this floor plan in its
  entirety was October 14th, 2009, which was one day
  after the date I believe you signed for --- Mr. Kohler
  signed the petition. It was docketed the next day, I
  believe. So, we had not seen the entire floor plan
  for Philadelphia Park until that date, and I think
  that's --- I think that's part of the issue that's
  playing into the problem here.
- Q. But your testimony is that you had toured the site and Gaming Board employees were on site and you were aware where these components were being constructed; is that right?

In a general sense, not having had the plans to

- look at and refer to as we do now. We were provided
  with several tours in which the locations of
  restricted areas and other areas of the casino was
  presented to us, but --- well, just leave it at that.
- 20 Q. But you and other Gaming Board employees are
- 21 familiar with the temporary facility; is that correct?
- 22 A. I'm not as familiar with it as other staff who are
- 23 here today.

- Q. But you're certainly aware of where the Gaming
- 25 Board offices are?

- 1 A. The offices are located on an upper level, off the 2 gaming floor. I'm aware of that, yes.
- 3 Q. And you're aware of how you gain access to those 4 offices?
- A. Through some --- through a couple of flights of stairs and down a hallway.
- 7 Q. Right. And that's been in existence for 8 approximately three years; ---
- 9 A. Uh-huh (yes).
- 10 Q. --- is that correct? And I think, as you pointed
- 11 out, they actually aren't on the same floor. You
- 12 actually have to go down a flight of stairs?
- 13 A. Uh-huh (yes).

- 14 Q. And you would also agree that there's restricted
- 15 areas along that particular corridor as well?
- 16 A. I've not reviewed the plans recently, but I will
- 17 accept that the count room is located along that
- 18 corridor, as Mr. Bonner described. I've never
- 19 personally been into the count room. My staff have.
  - ATTORNEY KOHLER:
- Nothing further.
- 22 ATTORNEY MILLER:
- Thank you. We would at this time present
- 24 the testimony of Mr. Thomas Sturgeon.
- 25 CHAIRMAN:

1 Mr. Sturgeon, would you stand to be sworn

2 | in?

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 $4\mid$  THOMAS STURGEON, HAVING FIRST BEEN DULY SWORN,

TESTIFIED AS FOLLOWS:

6 -----

### ATTORNEY MILLER:

Thank you.

DIRECT EXAMINATION

## 10 BY ATTORNEY MILLER:

- 11 Q. Mr. Sturgeon, would you please state your full
- 12 name and spell your last name?
- 13 A. Thomas Sturgeon, S-T-U-R-G-E-O-N.
- 14 Q. And Mr. Sturgeon, by whom are you employed?
- 15 A. The Pennsylvania Gaming Control Board.
- 16 Q. And what is your position with the Board?
- 17 A. The Director of Casino Compliance.
- 18 Q. Could you please briefly describe the nature of
- 19 your duties as the Director of Casino Compliance?
- 20 A. I'm responsible for the Casino Compliance
- 21 Representatives who work in each casino, who
- 22 ultimately are responsible for their regulatory
- 23 control and making certain that all the regulations
- 24 and internal controls are being enforced by the casino
- 25 as they operate.

- 1 Q. Approximately how many Casino Compliance
- 2 Representatives work for you, sir?
- 3 A. Well, we have seven in every facility, so we have
- 4 about 70 employees at this point.
- $5 \mid Q$ . And these Compliance Representatives are the
- 6 Gaming Board's representative at each casino; correct?
- 7 A. That's correct.
- 8 Q. And the Gaming Board offices that we've been
- 9 discussing here this morning, is it not true that
- 10 those offices would be manned by your people?
- 11 A. That's correct.
- 12 Q. Now, Mr. Sturgeon, you are familiar with the
- 13 current Philadelphia Park facility, are you not?
- 14 A. Yes. Yes, I am.
- 15 Q. And you're familiar with all the casinos in
- 16 Pennsylvania; correct?
- 17 A. I am.
- 18 Q. Is it important to have the Gaming Board offices
- 19 in a casino located close to the gaming floor?
- 20 A. It's important for a lot of reasons, but the first
- 21 reason it's important is because about 18 months ago
- 22 this Board made a determination that they wanted all
- 23 of the Pennsylvania Gaming Control Board offices
- 24 adjacent to the gaming floor. And since they made
- 25 that declaration, every casino that opened, the last

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four, they are absolutely adjacent to the gaming
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           I've heard testimony here today with regard to
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   Philadelphia Park's temporary facility, but the truth
   of the matter is that when we opened Philadelphia Park
   and Mohegan Sun, some of the very early temporary
   facilities, there was a lot of latitude given to them
   at that time just simply to get gaming operational in
  Pennsylvania. But there was never an indication that
   those temporary facilities would be what we
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  anticipated the permanent facilities to be in terms of
   office space and the location of the office space.
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   Q.
       Is it important for your staff, in order to do
   their jobs properly, to have an office which is close
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  to the gaming floor?
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       It's very helpful.
                           We have worked in some of the
   temporary facilities, where the office space was not
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   adjacent to the floor, and it becomes inconvenient.
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   Does it make it impossible? No, it doesn't. But it
   certainly makes it much more efficient, especially
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   when you only have one person working at a time. And
21
   when you have one person working at a time, if they
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  have the ability to respond to the gaming floor
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   quickly and without a longer walk, it's more
   efficient.
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- 1 Philadelphia Park gaming floor diagram and, in fact,
- 2 visit the construction site of the Philadelphia Park
- 3 | Casino?
- $4 \mid A$ . I have not visited there, but I was privy to this
- 5 drawing last week.
- $6 \mid Q$ . And so you have reviewed the diagram schematic of
- 7 the casino floor plan; is that correct?
- 8 A. I have.
- 9 Q. Based on your review of that diagram, is it
- 10 convenient or inconvenient for your staff to have
- 11 their offices located in the position they're located
- 12 on that diagram?
- 13 A. I had a discussion with Director Resch last week,
- 14 and I objected to where these offices are in
- 15 comparison to the gaming floor for the various reasons
- 16 already aforestated.
- $17 \mid Q$ . And after hearing all the testimony that's been
- 18 presented here this morning, reviewing the diagram,
- 19 looking at the slideshow, does that objection still
- 20 stand?
- 21 A. The objection stands from my point of view, yes.
- 22 ATTORNEY MILLER:
- Thank you, Mr. Sturgeon. Does
- 24 Philadelphia Park have any questions?
- 25 ATTORNEY KOHLER:

No questions.

# CHAIRMAN:

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Mr. Miller, any other witnesses?

## ATTORNEY MILLER:

We have no other witnesses, Mr. Chairman.

# CHAIRMAN:

Okay. Philadelphia Park, any other witnesses? Any comments from you before we open it up for the Board?

## ATTORNEY KOHLER:

I think we'll rest. I think this issue is clear for the Board. You understand our position. There's no point to regurgitate it again.

#### CHAIRMAN:

Mr. Miller, any final Thank you. statement from you before we open up questions from the Board?

### ATTORNEY MILLER:

The only thing I would state at this point is our objection still stands. Nothing that was 21 presented this morning changes it. The objection that we made in our pleading I think is appropriate. We do 23 not change it at this point. And we ask that the 24 Board not permit Philadelphia Park to open this new casino until this issue is resolved.

## CHAIRMAN:

Okay. Board members, thank you for your patience. Mr. Ginty, especially you, I know you had a question early on, so why don't you start off, Jim?

### MR. GINTY:

Mr. Bonner, when you appeared before us in August, August 31st, you clearly were going over a diagram and a floor plan. What was the status of the area we have now identified as Chickie's & Pete's and the adjacent shell space?

## ATTORNEY BONNER:

At that time, that was space designated as Chickie's & Pete's, and the adjacent shell space was identified as shell space. We knew at that time that there was going to be a restaurant and space reserved for future construction.

### MR. GINTY:

I truthfully am troubled by your statement. I mean, you understand that access to the gaming floor has become a very important issue to the Board?

#### ATTORNEY BONNER:

We certainly understand that, yes, sir.

## MR. GINTY:

And you were responding to a concern that

Commissioner McCabe had in your testimony on the 31st. He had indicated a concern as to access to the floor.

### ATTORNEY BONNER:

I accept that, Commissioner, yes.

## MR. GINTY:

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I just find it difficult that, you know, that all being the case, that your response of they're literally out the door and into the casino was really a serious thoughtful response to Commissioner McCabe's question.

### ATTORNEY BONNER:

As I said, Commissioner, clearly I misspoke. I would hope that the Board would not accept that as an overt attempt to mislead the Board when the hard evidence is right there on the property. I can tell you this, Commissioner, I was not focused at the time, in August of 2009, on this particular issue because, quite frankly, nobody had articulated that issue the way it's been articulated within the last several weeks. Had I been focused on that, I probably would have been better prepared and had the actual layout in mind better when I made the statement that I made. I clearly was wrong. I can't undo what was said.

#### MR. GINTY:

I have no further questions.

### CHAIRMAN:

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Thank you. Commissioner McCabe?

### MR. MCCABE:

If I could follow up because you and I had this discussion August 28th, 2009, where I had this concern about where the gaming offices were and their access to the floor. Up on the screen was a diagram that you pointed to. And I'll read you --- if you want, I'll read you your testimony. You say that they're literally out of the door and into the casino. That is a rendering of what the lobby will look like as you come into the casino. You're referring to 14 a --- the diagram that you had presented to us at that time, and led me to believe, and it sounds like other Commissioners, that all our people had to do was open 16 the door and they were right out the door to the 17 18 casino floor. That was satisfactory to me. what we wanted. This now, I'm going to tell you, could be a showstopper. I'm not going to slow down the movement, the testing and all of that, but I'm 21 22 quite perturbed that you're pushing the limit --- the 23 envelope. And this isn't the first time you've changed things and made it look like we haven't done 2.4 25 our job or our people haven't done our job, and I want

this fixed. It's that simple. I want our casino
compliance people, our offices, to have what you
testified to on August 28, 2009, direct access to the
gaming floor. That's it. You know, I'm not going to
go into a long thing. We don't need to go back and
forth. I'm going to be real reluctant to let you open
on the 17th unless I know this is either solved or
will be solved shortly.

# CHAIRMAN:

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Other questions from Board members?

## MR. ANGELI:

I have a question.

## CHAIRMAN:

Commissioner Angeli?

### MR. ANGELI:

Mr. Bonner, when you were talking about some possible solutions, you had talked --- looking at the longitudinal --- I know you don't have --- no one has the --- but when you look at the longitudinal access, there is that space --- there's that space to the right as you look at the diagram that nothing is in right now. And you were talking about the possibility that if the gaming floor expands, it will expand into that area?

## ATTORNEY BONNER:

Yes, sir. That's the space on the right 1 2 that's in the upper portion, not the lower portion; 3 correct? MR. ANGELI: 4 5 Right. It's like a traffic-way there. 6 ATTORNEY BONNER: Yes, sir. 8 MR. ANGELI: 9 Were you indicating that if the gaming 10 floor expanded into that area there, there was a possibility of putting the offices back in there that 11 12 would have direct access to the floor? 13 ATTORNEY BONNER: 14 No, sir, I was not suggesting that. 15 MR. ANGELI: 16 Okay. 17 ATTORNEY BONNER: 18 No, Commissioner. 19 MR. ANGELI: 20 Okay. So, that would all be gaming floor over there? 21 22 ATTORNEY BONNER: 23 That would all be gaming floor. 24 was suggesting was there might be a way to construct a 25 corridor along the Chickie & Pete's and the shell

space to the left to get from the casino through that area to the main corridor, which drops very close to the Gaming Board offices. We're not suggesting relocating the Gaming Board offices, Commissioner.

### MR. ANGELI:

Okay. And I want to go back to what Mr. Sturgeon said. One of the --- things have been said here about the current temporary facility has a very similar situation. But we were very clear in the beginning, when we looked at the openings of the first casinos, that we were not, as a Board, happy with that. And from that point on we changed our perspective as that we wanted access onto the gaming floor. So, what we said on the first --- what we adhered to on the first couple openings of casinos is not the desire of the Board from the first temporary openings onward. So, we do --- and to reinforce what Mr. McCabe said, we do need access to the floor.

The comment that you made that I want to take issue with is that we would probably look at a solution. Probably is I don't think where we are at this particular point. We're looking for a solution.

## ATTORNEY BONNER:

I agree, Commissioner. We're committed to working out a solution that is satisfactory to the

Gaming Board. We don't want to have a roadblock in the way. We wanted to have this resolved before today. We're taking who knows how much time. It's ar issue that's important to both you and to us. Our goal is to resolve it to the satisfaction of both parties, and we're committed to finding a way in the short term to have this work out.

#### MR. ANGELI:

Thank you. I have no further questions.

## CHAIRMAN:

Thank you. Other questions?

12 Commissioner Sojka?

#### MR. SOJKA:

Just one comment, and I think it's worth noting, and that is we've couched the discussion about escorting patrons past sensitive areas and the need for our people to get to the floor. But there is another component, and that is the easy access of the public to get to us because we're there to serve the public, and they should not be forced to go through long corridors and pass signage and all sorts of things to get to us, for example, to register a complaint. So, we want that access for more than convenience. It's part of serving the public and protecting the public interest.

## MR. BONNER:

We understand that, Commissioner.

# MR. COY:

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And Mr. Chairman, from my point of view, I just want to indicate it's too bad that we have to spend this time, your time and our time, in doing this. I don't need to see another drawing. I don't need to visit. I will be satisfied when Paul Resch and Tom Sturgeon sit at that table and say they're okay.

## CHAIRMAN:

Any other questions or comments?

# MR. GINTY:

I'd like to follow up on ---

### CHAIRMAN:

Commissioner Ginty.

### MR. GINTY:

that when you extend that gaming floor out to that upper empty space, that you probably might look at a solution that would perhaps encompass putting a corridor in the Chickie & Pete shell area to access the offices. I don't see the relationship between extending into that upper space and putting that corridor in, which you previously just gave us every

reason that you can't do or don't want to do. But is there --- what's the relationship between extending the gaming floor into the upper empty space here and putting a corridor into the, you know, Chickie & Pete space?

## MR. BONNER:

Well, when we expand --- assuming table games legislation is approved, Commissioner, when we expand and we're under construction, that would be the time to do any additional work. We anticipate that we may build out that shell space that is next to Chickie's & Pete's in conjunction with the build-out of the casino. So, that will be the appropriate time to do that. But to answer another --- and I'll answer that further if need be.

But to address one of the other questions, per discussions personally with Paul Resch, it was my understanding that the Gaming Board's main concern was the need to take patrons along a corridor that passes by sensitive restricted areas. By providing an alternate corridor in the areas we're discussing now, Commissioner Ginty, we would eliminate that concern. We still wouldn't have the offices adjacent to the casino floor, but there would not be a situation where patrons would be walking by a count

room or cage area.

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MR. GINTY:

And I understand that is a possible compromise situation here, but I don't see why you can't do that now. I mean, it has --- I don't see --- you're under construction now. You know, I just don't see the relationship between extending the gaming floor out and waiting until you do that to do this.

## ATTORNEY KOHLER:

10 The only relationship we're pointing out is that, you know, we now have our hands full with 11 12 getting open on December 17th. Every second of every 13 day is dedicated --- with incredible resource, is 14 dedicated to doing all the things that need to be done 15 by December 17th. With that said, it appears if a table games bill is passed we will start new 16 17 construction shortly after we complete this multi-tier 18 construction project. And we're asking the Board to 19 permit us to address that --- to address this issue 20 during that phase rather than this phase simply because we are under the strictest of schedules and do 21 22 not have --- or fear we do not have the ability to take on additional tasks without risking a delay in 23 24 opening.

### MR. GINTY:

Okay. I'm sorry. I heard you.

## ATTORNEY KOHLER:

No, you are correct that, you know, from a logistical standpoint, the build-out of the new space does not bring the gaming floor closer to the offices, but it is, from our perspective, the proper time and the time that we can commit to to resolving this problem with the Board.

# MR. GINTY:

I'll just be honest with you. You knew how important this issue was not just to the staff but to the Board. I mean, we made that clear, you know, when you were here in August. And you know, I think you could have attended to this in August. And if you did, it would be done by now, so ---.

### CHAIRMAN:

Commissioner McCabe?

### MR. MCCABE:

One final thing. I bring to your attention the Act. And I want you to refer to that Act, Section 1207, paragraph 11, requires each slot machine License applicant to provide detailed site plans of its proposed licensed facility which shall be reviewed and approved by the Board for the purpose of determining the adequacy of the proposed security and

surveillance measures inside and outside the facility. Applicants will cooperate with the Board in making 3 changes to the plan suggested by the Board and will ensure that the plans, as modified and approved, are implemented. So, you know, please do what we ask. 6 CHAIRMAN: Any other questions from Board members? ATTORNEY MILLER: 8 9 Mr. Chairman, as a matter of 10 housekeeping, I would ask at this time that OEC 11 Exhibit One be officially admitted into the record as 12 part of this proceeding. 13 CHAIRMAN: 14 Thank you. So done. Mr. Kohler? 15 ATTORNEY KOHLER: We'd move for admission of the PowerPoint 16 17 presentation as well, Mr. Chairman. Thank you. 18 (Philadelphia Park Exhibit One marked 19 for identification.) 20 ATTORNEY MILLER: 21 No objection. 22 CHAIRMAN: 23 And I would also like that to be put on 24 the website. If we have to, you know, redact any 25 sensitive information, we will work with you to do

that. But just for the transparency, so that the public can actually see what we're talking about, we'll try to do that this afternoon if we can. This will conclude the public hearing. We're now going to take a break for Executive Session so that we may conduct our quasi judicial deliberations on these matters. We will be back to finish the rest of our meeting at the conclusion of our deliberations.

\* \* \* \* \* \*

PUBLIC HEARING CONCLUDED AT 11:30 A.M.

\* \* \* \* \* \* \*

#### CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Fajt was reported by me on 11/18/2009 and that I Cynthia Piro Simpson read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

court Reporter