

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN  
Gregory C. Fajt, James B. Ginty,  
Keith R. McCall, Anthony C. Moscato,  
Gary A. Sojka, Kenneth I. Trujillo; Members  
Christopher Craig, Representing Robert  
McCord, State Treasurer  
Robert Coyne, Representing Daniel P.  
Meuser, Secretary of Revenue  
Matthew Meals, Representing George Greig,  
Secretary of Agriculture

MEETING: Wednesday, June 13, 2012  
10:15 a.m.

LOCATION: Strawberry Square Complex  
2nd Floor  
Harrisburg, PA 17101

Reporter: Jennifer T. Alves

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CHAIRMAN:

We will now begin our regularly scheduled meeting. By way of announcements, the Board held an Executive Session yesterday, June 12th. The purpose of yesterday's Executive Session was to discuss pending litigation, personnel matters and to conduct quasi-judicial deliberations relating to matters being heard and considered by the Board this morning. The Executive Session held prior to our regularly scheduled meeting today was --- we didn't do that, so we don't have to worry about that.

Next we will have a consideration of a motion to approve the transcript and minutes of the Board's May 2nd, 2012 meeting. May I have such a motion?

MR. TRUJILLO:

Chairman of the Board, I move for approval of the minutes of May 2nd, 2011.

MR. SOJKA:

Second.

CHAIRMAN:

All in favor?

ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed? Motion carries. New business,  
3 next up will be Kevin O'Toole, Executive Director, to  
4 provide his report. Kevin?

5                   MR. O'TOOLE:

6                   Good morning, Chairman Ryan and members  
7 of the Board. As you are aware, the Board has  
8 maintained, over the past five years, a manual of  
9 policies and procedures that sets forth standards,  
10 requirements, objections and priorities that govern  
11 the day-to-day administration and management of this  
12 agency. Periodically, it is both necessary and  
13 beneficial to the improvement of the Board that an  
14 existing policy be modified or a new policy be  
15 established. Director of Human Resources Claire  
16 Yantis and her staff have prepared two policy and  
17 procedure matters for your consideration today, both  
18 of which improve the administration of the Board and  
19 which I fully support. I would like to ask Claire to  
20 summarize those matters for you.

21                   MS. YANTIS:

22                   Good morning. In advance of this meeting  
23 the Office of Human Resources has provided you with a  
24 draft PGCB policy, Policy Number 106, Performance  
25 Management Program, which outlines and formalizes

1 expectations regarding the evaluation and expectations  
2 of employee performance. This policy establishes  
3 guidelines and responsibilities for setting,  
4 communicating and reviewing employee performance  
5 throughout the PGCB. While this is a new policy for  
6 the Agency, it serves to formalize a process already  
7 in place. Additionally, the policy will assure  
8 consistency among Bureaus and codify the expectation  
9 that performance management is an ongoing, year-long  
10 process and not just a one-time conversation when  
11 handing out performance evaluations and ratings. The  
12 PGCB remains committed to attracting, developing,  
13 managing and retaining a high performing, diverse and  
14 productive workforce.

15                   In accordance with the goal of Policy  
16 Number 106, supervisors will formalize performance  
17 expectations for each employee and provide ongoing  
18 coaching and feedback relevant to those expectations.  
19 The policy, as written, establishes communication down  
20 through the levels of the organization so that the  
21 Agency is working towards the same goal. I would be  
22 happy to entertain any questions regarding Proposed  
23 Policy 106, Performance Management Process.

24                   CHAIRMAN:

25                   Questions or comments from the Board,

1 Ex-Officio members? May I have a motion?

2 MR. FAJT:

3 Mr. Chairman, I move that the Board  
4 approve the Performance Management Policy as described  
5 by the Director of Human Resources.

6 MR. MCCALL:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? The motion carries.

13 MS. YANTIS:

14 The second policy for your consideration  
15 is Policy Number 100, Classification and Compensation.  
16 As you're aware, this policy outlines the Board's  
17 continual responsibilities to review the  
18 Classification and Compensation Act with PGCB.  
19 Specifically, the policy provides that overall  
20 responsibility for compensation rests with the Board  
21 and that the Board shall review Classification and  
22 Compensation Structure annually. Over the past  
23 several months, the Office of Human Resources has been  
24 reviewing the classifications within the PGCB and have  
25 begun to identify serious modifications to the

1 existing structure.

2                   The first of those changes is to  
3 re-establish the position of Director of  
4 Administration. The Director of Administration is a  
5 position that existed originally but was eliminated  
6 when finance, information technology and  
7 administration reported to the Chief Financial  
8 Officer. Since the departure of the Chief Financial  
9 Officer in the spring of 2009, the position has been  
10 unfilled. Due to recent circumstances regarding the  
11 departure of the Director of Information Technology,  
12 as well as the evaluation of the number of direct  
13 reports to the Executive Director, it is recommended  
14 that the Director of Administration be re-established.  
15 The re-establishment of this position with a  
16 subsequent reorganization of the Bureau of Financial  
17 Management and Administration will reduce the number  
18 of direct reports to the Executive Director. Under  
19 this structure, the Director of Administration will  
20 have oversight to the following program areas:  
21 information technology, human resources, finance and  
22 budget, office services, records management and  
23 retention, right-to-know law requests and safety.  
24 Given the broad nature and scope of this position, it  
25 is recommended that it be placed on the PGCB executive



1 pay scale, pay range B. Furthermore, it is  
2 recommended that the position of Chief Financial  
3 Officer be eliminated from the structure, as it is an  
4 obsolete position. Assuming this proposal is  
5 acceptable, the Agency will begin the process of  
6 recruiting for a candidate to fill the position of  
7 Director of Administration. I would be happy to  
8 answer any questions you may have relative to the  
9 recommended changes to the Classification and  
10 Compensation Structure.

11 CHAIRMAN:

12 Questions, comments from the Board,  
13 Ex-Officio members? May I have a motion?

14 MR. MCCALL:

15 Mr. Chairman, I move that the Board  
16 approve the change to the Pennsylvania Gaming Control  
17 Board Classification and Compensation Structure as  
18 described by the Director of Human Resources.

19 CHAIRMAN:

20 Second?

21 MR. MOSCATO:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed? Motion carries. Thank you both  
3 very much. Claire, the Board thanks you and members  
4 of the Human Resources Department for all the effort  
5 that we know you put into both of these issues that  
6 have just been brought before us. Next, David Rhen to  
7 provide us with a financial update. David?

8                   MR. RHEN:

9                   Good morning.

10                  CHAIRMAN:

11                  Morning.

12                  MR. RHEN:

13                  I'm here today to provide an update on  
14 expenditures through May 31st, one month remaining in  
15 the fiscal year. Expenditures now total \$29.6  
16 million. This total is down \$693,000 or 2.3 percent  
17 from the same point last year. Personnel expenses for  
18 the year stand at \$24.5 million. This is \$362,000 or  
19 1.5 percent higher than at this point last year.  
20 Through the end of May, the Agency employee count was  
21 down six positions for the year, despite us adding six  
22 positions at Valley Forge. That's a big contributor  
23 to the relative stability of personnel expenses for  
24 the year. Operating expenses for the year stayed at  
25 \$5 million, down \$1.1 million or 18 percent from the

1 previous year. Much of the decrease is due to lower  
2 legal costs and lower investigative costs following  
3 last year's --- last fiscal year's roll-out of table  
4 games. The month of May alone, expenditures totaled  
5 \$2.5 million with payroll totaling 2.1 million and  
6 operations totaling \$450,000. The largest operating  
7 expenses for the month were rentals and leases at  
8 \$143,000, software and equipment at \$110,000, services  
9 of \$83,000 and telecommunications at \$33,000. Thank  
10 you. That's my report.

11 CHAIRMAN:

12 David, I'd ask one question. I'm never  
13 good at these budget things, but it seems to me that,  
14 you know, we have the six-person increase because of  
15 Valley Forge, but we're still down six, so that means  
16 that elsewhere, the Agency reduced our employment  
17 count by 12; right?

18 MR. RHEN:

19 That's right.

20 CHAIRMAN:

21 Any questions, comments from the Board?

22 MR. MOSCATO:

23 I have one question. I missed at the  
24 beginning of your presentation, Dave, the percentage  
25 which our budget is down over the previous year.

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MR. RHEN:

2.3 percent.

MR.MOSCATO:

2.3 percent. Thank you.

CHAIRMAN:

Ex-Officio members? Thank you, sir.

MR. RHEN:

Thank you.

CHAIRMAN:

Next, Doug Sherman, Chief Counsel. Doug?

ATTORNEY SHERMAN:

Good morning, Chairman and members of the Board. There's several Petitions pending before the Board today for your consideration. Some of those were heard at prior Board meetings, one was heard at the commencement of this meeting and others being considered from the documentary records. In each case, though, I want to be clear, the Board has been provided in advance of the meeting with Petitions, any response to the pleadings, all evidence of record, as well as the Board having had the opportunity to ask questions on any matter.

The first matter today involves Mount Airy. Procedurally, there are three separate Petitions before the Board. That would be Mount

1 Airy's Petition for Approval of Corporate  
2 Restructuring, Mount Airy's Petition to Modify its  
3 Statement of Conditions, and Mount Airy's Petition to  
4 Amend the Board's September 23rd, 2009 Order. These  
5 three matters are all interrelated and it would be  
6 appropriate for the Board to consolidate those matters  
7 for the purpose of an Order because of that  
8 interrelationship. Each of the matters was heard by  
9 the Board at the last meeting on May 23rd of 2012. I  
10 would request that there be a motion to consolidate  
11 and then I'll get into the substance.

12 CHAIRMAN:

13 Does a member of the Board wish to make a  
14 motion to consolidate?

15 MR. SOJKA:

16 Yes, Mr. Chairman, I'll make such a  
17 motion.

18 CHAIRMAN:

19 Second?

20 MR. MOSCATO:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Motion carried.

2 ATTORNEY SHERMAN:

3 All right. Now, moving into the  
4 substance. The Mount Airy Consolidated Petitions that  
5 we have before the Board has essentially four  
6 different items. One asks for the approval to the  
7 disbursement of the ownership interest in the casino  
8 from the Lisa DeNaples Trust alone to trusts set up on  
9 behalf of Ms. DeNaples' six siblings or their  
10 families. Under the plan presented, the Lisa DeNaples  
11 Trust will retain a 14.29 percent interest of the  
12 casino and the Mount Airy Resort and each of the other  
13 six trusts would also have a like interest of 14.29  
14 percent.

15 The second Petition requests the  
16 surrender of the Principal License to Louis DeNaples,  
17 as well as withdrawal of his license renewal  
18 application without prejudice.

19 Three, Mount Airy seeks the removal of  
20 certain restrictions placed upon Mount Airy in the  
21 Board's September 23rd, 2009 Order which excluded  
22 Louis DeNaples from being involved in the affairs of  
23 Mount Airy.

24 And four, they seek a redrafting of the  
25 Mount Airy Charter to come more in line with the

1 requirements of the Sarbanes-Oxley Law.

2           The Office of Enforcement Counsel (OEC)  
3 does not object to the transfer of the ownership  
4 interests or the withdrawal of Louis DeNaples from  
5 licensure, subject to certain conditions which were  
6 presented to the Board at the last meeting.

7           Additionally, Enforcement Counsel and  
8 Mount Airy have jointly submitted to the Board a  
9 Proposed Revised Audit Committee Charter, which they  
10 both agree would be sufficient to satisfy the needs of  
11 the Act and the oversight requirements of Mount Airy.

12           Relative to Mount Airy's request to  
13 remove the restrictions in the September 23rd, 2009  
14 Order, the OEC has continued in their filings to  
15 object to the removal of those conditions.

16           Finally, both Mount Airy and OEC have  
17 requested that certain of the information found in the  
18 record, that is specifically documents pertaining to  
19 financial transactions, be maintained as confidential.  
20 The Office of Chief Counsel (OCC) has reviewed those  
21 requests of the confidential treatment and agree that  
22 the identified documents should be maintained as  
23 confidential.

24           Now, should the Board grant relief to  
25 Mount Airy on these consolidated Petitions, the Order

1 of the Board to be issued after this meeting would  
2 specifically set forth the conditions which the Board  
3 is imposing on each of these items. With that  
4 background, the matter is now appropriate for the  
5 Board's consideration.

6 CHAIRMAN:

7 Questions, comments from the Board,  
8 Ex-Officio members?

9 MR. CRAIG:

10 Mr. Chairman?

11 CHAIRMAN:

12 Chris?

13 MR. CRAIG:

14 I have a couple questions I was hoping to  
15 be able to ask of Enforcement Counsel.

16 CHAIRMAN:

17 Sure, go ahead.

18 MR. CRAIG:

19 I was unable to be at the last meeting,  
20 but it's my understanding that one of the documents  
21 that was entered into the record was a credit  
22 agreement that was --- the contents of which are to be  
23 treated as confidential; is that correct?

24 MR. PITRE:

25 That's correct.



1                   CHAIRMAN:

2                   Cyrus, why don't you just put your name  
3 on the record?

4                   MR. PITRE:

5                   Cyrus Pitre, P-I-T-R-E, Chief Enforcement  
6 Counsel.

7                   CHAIRMAN:

8                   Thank you.

9                   MR. CRAIG:

10                  As part of the review of the transaction,  
11 was Enforcement Counsel able to review the financial  
12 provisions of that document?

13                  MR. PITRE:

14                  Yes, we did, along with FIU, the BIU's  
15 Financial Investigation Unit.

16                  MR. CRAIG:

17                  As a part of that review, were you able  
18 to put the --- were there any, I guess, revenue  
19 projections for Mount Airy during the --- there were  
20 revenue projections based upon that credit facility  
21 conducted by the bank in conjunction with Mount Airy?  
22 Has the OEC --- have you had an opportunity to do any  
23 kind of independent revenue projections?

24                  MR. PITRE:

25                  Our review of those projections appear

1 reasonable.

2 MR. CRAIG:

3 Do those projections assume any kind of  
4 revenue growth?

5 MR. PITRE:

6 If I remember correctly, they do.

7 MR. CRAIG:

8 Were you able to determine whether or not  
9 that revenue growth was optimistic, reasonable or ---  
10 what I'm attempting to find out, without you  
11 disclosing any kind of confidential information, is  
12 whether or not you are satisfied that the assumed  
13 revenue projections are reasonably achievable and that  
14 there is a highly likely confidence that there's not  
15 going to be a default type of event.

16 MR. PITRE:

17 Here's what I'm confident about. I'm  
18 confident that Mount Airy is in a much better  
19 financial situation. I'm confident that if the banks  
20 did not think that those projections were reasonable  
21 that they would not loan that money to Mount Airy, and  
22 I'm confident that based upon the flow of revenue that  
23 we've seen from Mount Airy recently and based upon  
24 those projections that we think that they may be  
25 achievable and even if they're not achievable, it's

1 likely to maintain --- Mount Airy is likely to  
2 maintain operational viability without any default at  
3 that particular credit facility.

4 MR. CRAIG:

5 Let me try to rephrase it this way and  
6 express my concern and then maybe you can address it.  
7 I have no reason to doubt that this is in the  
8 long-term interest of Mount Airy and that this  
9 provides relief from existing debt load and will allow  
10 them to look forward. One of the questions, though,  
11 and it's kind of two-fold is, is this agreement an  
12 agreement to loan, or is this potentially a  
13 debt-to-equity conversion? And the debt-to-equity  
14 conversion may not necessarily be, per se, a bad  
15 thing, either. But if it's that, then it kind of  
16 triggers whether or not there is a mechanism by which  
17 the identity of those individuals that could  
18 potentially be receiving an equity stake pursuant to  
19 the agreement would be identified to the OEC and would  
20 be satisfied that the money flow is appropriate under  
21 the circumstances and whether or not there is a  
22 realistic chance that equity would be converted to the  
23 creditors under this agreement.

24 MR. PITRE:

25 Is that a yes or no question?

1                   MR. CRAIG:

2                   It is not artfully asked. All I'm really  
3 trying to get to is whether or not these are issues  
4 that you considered and evaluated, that you all have  
5 done an independent assessment and not --- my concern  
6 is I get the fact that folks loaning the money are  
7 comfortable with it. I mean, they're in the  
8 distressed debt business, but my real question is  
9 whether or not, from the Commonwealth's perspective,  
10 you feel like there is enough movement within that  
11 agreement that they can move forward, that their  
12 performance expectations are reasonable with the  
13 existing economic map of Pennsylvania.

14                   MR. PITRE:

15                   Yes.

16                   MR. CRAIG:

17                   Okay. Great.

18                   MR. PITRE:

19                   We do a careful analysis of that.  
20 Debt-to-equity conversion --- these banks are not in  
21 the business of converting this to equity; it's the  
22 last thing they want to do. But in the likelihood  
23 that they do, they couldn't make that conversion  
24 without notifying us. If they did such a thing, then  
25 we're looking at a hidden ownership scenario, which

1 will call into question whether or not that license  
2 remains with that particular project. We would move  
3 immediately and probably suspend and then revoke that  
4 license and that license is what keeps the property  
5 operational.

6 MR. CRAIG:

7 Understood, nobody wants that scenario.

8 MR. PITRE:

9 And I don't think the banks want that  
10 scenario either.

11 MR. CRAIG:

12 Understood. I guess as a note, I think  
13 it would be helpful from my minor perspective as a  
14 member and maybe for other members of the Board, that  
15 when the analysis is done and presented to the Board,  
16 particularly as a sealed document in which we have to  
17 keep the terms and conditions, you know, confidential,  
18 that having a better idea of what your analysis was,  
19 how that analysis was conducted and actually provide  
20 maybe more than what we all need, but some financial  
21 data behind these assumptions would be helpful in  
22 understanding it. For example, if you received a copy  
23 of JP Morgan's analysis, that would be interesting to  
24 see. I appreciate your indulgence, Mr. Chairman.

25 CHAIRMAN:

1 Thank you. Anything further, Chris?  
2 Ken?

3 MR. TRUJILLO:

4 Yes, thanks. I wanted to follow up on a  
5 couple points from Mr. Craig. The credit facility had  
6 a number of covenants, both negative and positive; did  
7 it not?

8 MR. PITRE:

9 Yes.

10 MR. TRUJILLO:

11 And did the FIU review the covenants to  
12 ascertain whether or not they were reasonable  
13 transactions of this type?

14 MR. PITRE:

15 We see covenants of this type in all of  
16 the financial transactions and refinancing. They  
17 vary. We've seen some that are more restrictive and  
18 some that are less restrictive.

19 MR. TRUJILLO:

20 The transaction documents also had a  
21 variety of debt ratios that were required to be met  
22 prior to the licensee; did it not?

23 MR. PITRE:

24 Yes.

25 MR. TRUJILLO:

1                   And in your analysis, or FIU's analysis  
2 of these documents, did you reach a conclusion as to  
3 whether or not those ratios could reasonably be met by  
4 this property?

5                   MR. PITRE:

6                   In our opinion, they could.

7                   MR. TRUJILLO:

8                   And were also other ratios beyond the  
9 debt, certain requirements that were required to be  
10 met also by the licensee, did you review and make any  
11 determinations to whether or not those requirements  
12 could reasonably be met by this licensee?

13                  MR. PITRE:

14                  We believe they are reasonable and that  
15 we don't see any reason why the licensee shouldn't be  
16 able to meet those based upon the reduction of the  
17 debt load and so we're hoping that that will increase  
18 some --- free up some cash flow to meet all those  
19 requirements. So I mean in comparison to other  
20 properties, they're either right in line or doing  
21 better than a lot of other properties now based on  
22 this refile.

23                  MR. TRUJILLO:

24                  Did you reach any conclusion as to what  
25 would happen if this transaction were not approved by

1 the Board?

2 MR. PITRE:

3 Yes.

4 MR. TRUJILLO:

5 Can you tell me what that conclusion is,  
6 please?

7 MR. PITRE:

8 Well, we would be in a scenario where  
9 certain agreements would probably have to be changed  
10 and based upon changing those agreements, our position  
11 will likely change with regard to who's licensed,  
12 who's not licensed and what should be approved and  
13 what shouldn't be approved.

14 MR. TRUJILLO:

15 Let me ask it this way. If the Board  
16 were not to approve the transaction, is it your  
17 opinion that it would potentially put the viability of  
18 the licensee at issue?

19 MR. PITRE:

20 Yes.

21 MR. TRUJILLO:

22 That's all I have.

23 MR. SOJKA:

24 Just to make sure we're in a plain  
25 language situation, I think the upshot --- the final



1 concern is in a financial situation as they, as we, as  
2 the world is facing right now, anything could happen,  
3 but if it does, worst-case scenario, there cannot be  
4 an ongoing operation in which there are unknown or  
5 unidentified owners; is that correct?

6 MR. PITRE:

7 That's correct.

8 MR. SOJKA:

9 Then I think that settles it.

10 MR. CRAIG:

11 I did have one other question.

12 CHAIRMAN:

13 Go ahead.

14 MR. CRAIG:

15 With respect to the various Petitions,  
16 really it's three Petitions but four issues, is there  
17 anything in our consideration of the three Petitions  
18 that makes one dependent on the other? And I'm not  
19 asking from a practical standpoint, because I  
20 understand the Mount Airy practical matter may, for  
21 instance, want certain things, but as I read the  
22 Petitions, I did not see anything that indicated that  
23 any of the Petitions were dependent on the approval or  
24 non-approval of the other Petitions.

25 MR. PITRE:

1                   There certainly is a relationship between  
2 the Petitions. Obviously, if the Board went on to  
3 approve the investiture of the interest from the Lisa  
4 Trust down, it may have ramifications elsewhere, you  
5 know, probably an hour long conversation, dissecting  
6 it, so I think in discussion it's reasonable to ask  
7 that they be consolidated because of that  
8 interrelationship and the spillover that one could  
9 have on another.

10                   MR. CRAIG:

11                   And I understand the practical  
12 interrelatedness and the fact that as a practical  
13 matter the impact of one --- the approval or non-  
14 approval of one has an impact on the others. I just  
15 did not see anything --- I'm not aware of anything  
16 that prohibits us from approving or disapproving any  
17 of them because they are independent.

18                   MR. PITRE:

19                   Correct.

20                   MR. CRAIG:

21                   That's it.

22                   CHAIRMAN:

23                   Okay. All right. Gentlemen, may I have  
24 a motion?

25                   MR. TRUJILLO:

1           Mr. Chairman, I move that the Board issue  
2 an Order to approve Mount Airy Number One in part as  
3 described by the OCC and as will be outlined in an  
4 Order to be issued at the conclusion of this meeting.

5           MR. MCCALL:

6           Second.

7           CHAIRMAN:

8           All in favor?

9 ALL SAY AYE

10          CHAIRMAN:

11           Opposed? Motion carries. For the  
12 record, the Board's Order will be available in a  
13 reasonable period of time and that means at some point  
14 today.

15          ATTORNEY SHERMAN:

16           The next Petition is Greenwood Gaming's  
17 Petition to Rescind the Shuttle Bus Requirement, which  
18 we heard just a short time ago. Were there any  
19 questions?

20          CHAIRMAN:

21           Questions or comments from the Board,  
22 Ex-Officio members? Can I have a motion?

23          MR. GINTY:

24           Your Honor, I move to approve Greenwood  
25 Gaming & Entertainment, Inc.'s Petition regarding the

1 shuttle bus requirement as presented.

2 MR. FAJT:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? Motion carries.

9 ATTORNEY SHERMAN:

10 The next matter is Holding Acquisition's  
11 Petition for Approval of Change in Ownership.  
12 Pittsburgh Gaming Investors, L.P. effectively owns a  
13 69.5 percent limited partnership interest in the  
14 Rivers Casino. Through Holdings Acquisition,  
15 Pittsburgh Gaming Investors is requesting permission  
16 from the Board to acquire PITG Entertainment, LLC's 20  
17 percent limited partnership interest in the Rivers  
18 Casino. PITG Entertainment is largely owned and  
19 controlled by the Estate of Don Barden.

20 The OEC has not lodged any objections to  
21 the request. Holdings has also requested that  
22 Exhibits B and C of their Petition be kept  
23 confidential. Neither OEC nor the OCC have any  
24 objection to that request of confidentiality. Unless  
25 there are any questions, the matter is now ready for

1 the Board's consideration.

2 CHAIRMAN:

3 Questions or comments from the Board?

4 MR. TRUJILLO:

5 Mr. Chairman, no questions, just one  
6 comment. I have a little --- I just didn't want to  
7 let the moment pass. One thing I hate about this ---  
8 something with the remaining interests that Don Barden  
9 had with this group, there will be virtually no  
10 minority ownership to any of the casino licenses  
11 anywhere in Pennsylvania, so I'm a little chagrined by  
12 that, but I also understand the need for this  
13 transaction.

14 CHAIRMAN:

15 Thank you, Ken. Anything further? Any  
16 questions or comments from Ex-Officios? Do I have a  
17 motion?

18 MR. FAJT:

19 Mr. Chairman, I move that the Board issue  
20 an Order to approve the Petition of Holdings  
21 Acquisition for a change of ownership as described by  
22 the OCC.

23 MR. TRUJILLO:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? Motion carries.

5 ATTORNEY SHERMAN:

6 The next Petition before the Board  
7 relates to Mujahid Fareed. Mr. Fareed filed a Gaming  
8 Employee Permit Application in January of 2008.  
9 During BIE's background investigation, it was  
10 determined that he had not paid, or was not current on  
11 his tax payments for the years 2005 and 2006. The OEC  
12 issued a Notice of Recommendation of Denial to Mr.  
13 Fareed in May of 2008, and thereafter the Board denied  
14 his application, resulting in his being barred for  
15 reapplying for licensure for a period of five years.  
16 Mr. Fareed has filed the application or a Petition  
17 indicating he is current with his tax obligations and  
18 has cured the prior issues from 2005 and 2006 and he  
19 requests the Board to lift the five-year prohibition  
20 and allow him to be able to apply for a Gaming  
21 Employee Permit.

22 The OEC has no objection to the relief  
23 and, again, all the relief does is allow him to file  
24 an application and then proceed through the  
25 investigative phase. This matter is appropriate for

1 the Board's consideration at this point.

2 CHAIRMAN:

3 Questions or comments from the Board?

4 MR. SOJKA:

5 Just one quick question and that is that  
6 anyone that has been put on one of these five-year  
7 prohibitions might do this, but they won't --- you  
8 know, ask for us to move up the clock. But there's  
9 got to be some reason. Is the reason here that we  
10 think that this gentleman has, in fact, cured the  
11 issue? How do we know that?

12 ATTORNEY SHERMAN:

13 My understanding is that it has been  
14 confirmed that, in fact, he has cured the prior issue  
15 of noncompliance which prevented him from ---.

16 MR. SOJKA:

17 So there is a real trigger for the  
18 request?

19 ATTORNEY SHERMAN:

20 Correct.

21 CHAIRMAN:

22 Any questions, comments from Ex-Officio  
23 members? May I have a motion?

24 MR. TRUJILLO:

25 Mr. Chairman, I would move the Board

1 issue an Order to approve Mujahid Fareed to reapply  
2 for a Gaming Employee Permit as described.

3 MR. SOJKA:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? Motion carries.

10 ATTORNEY SHERMAN:

11 And the final Petition before the Board  
12 today pertains to Javier Zighelboim. The Office of  
13 Enforcement Counsel has filed a complaint for  
14 revocation of Mr. Zighelboim's Gaming Permit. He was  
15 a table games dealer at Harrah's Chester who was  
16 terminated from Harrah's in October of 2011 after it  
17 was determined that he took chips totaling  
18 approximately \$100 and placing them into his token box.  
19 He was thereafter charged with five counts of  
20 prohibited acts in violation of the Gaming Act and  
21 five counts of theft by unlawful taking.

22 Mr. Zighelboim filed an Answer  
23 acknowledging that he took money from the table, but  
24 raised mitigating factors relative to his conduct.

25 As a result, a hearing was scheduled for



1 January 19th, 2012. However, after receiving notice  
2 of the hearing, Mr. Zighelboim telephonically  
3 requested waiver of the hearing and thereafter filed  
4 written waiver of his right to a hearing. As a  
5 result, the only evidence before the Board is the  
6 admitted conduct and the uncorroborated statements of  
7 mitigation. The matter is appropriate for the Board's  
8 consideration at this point.

9 CHAIRMAN:

10 Questions or comments from the Board,  
11 Ex-officio members? May I have a motion?

12 MR. SOJKA:

13 Yes, Mr. Chairman. I'll move that the  
14 Board issue an Order to approve the OEC's Compliant  
15 for Revocation as described by the OCC.

16 CHAIRMAN:

17 Second?

18 MR. MOSCATO:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed? The motion carries.

25 ATTORNEY SHERMAN:

1                   That's the last of the Petitions. Next  
2 presenting Withdrawals and Reports and Recommendations  
3 will be Deputy Chief Counsel Steve Cook.

4                   CHAIRMAN:

5                   Good morning, Steve.

6                   ATTORNEY COOK:

7                   The Board has received three unopposed  
8 Petitions to Withdraw the Applications or Surrender  
9 the Credentials of individuals or businesses. The  
10 persons and one entity subject to these Petitions are  
11 as follows, Lift Marketing, LLC, Daniel Howard Scott  
12 and Phillip S. Smith.

13                   The OEC has no objections to these  
14 Withdrawal Petitions and as such, if the Board were to  
15 grant the requests, it would be doing so without  
16 objection.

17                   CHAIRMAN:

18                   Questions, comments from the Board,  
19 Ex-Officio members? May I have a motion?

20                   MR. MOSCATO:

21                   Mr. Chairman, I move that the Board issue  
22 Orders to approve the Withdrawals and Surrenders as  
23 described by the OCC.

24                   MR. MCCALL:

25                   Second.

1                   CHAIRMAN:

2                   All in favor?

3 ALL SAY AYE

4                   CHAIRMAN:

5                   Opposed? The motion carries.

6                   ATTORNEY COOK:

7                   Next before the Board for consideration  
8 are two Reports and Recommendations received from the  
9 Office of Hearings and Appeals (OHA) relative to one  
10 Petition to be placed on the Board's Exclusion List  
11 and one Gaming Employee Permit. These Reports and  
12 Recommendations, along with the evidentiary record for  
13 each hearing, have been provided to the Board in  
14 advance of this meeting.

15                   Additionally, in each case, the person  
16 involved has been notified that the matter was going  
17 to be called before the Board today and that they have  
18 the right to be present and briefly address the Board.  
19 I would ask that if either of these persons are  
20 present that when I call their matter, they come  
21 forward.

22                   The first Report and Recommendation  
23 before the Board pertains to Meng Su Khou. In August  
24 of 2011, Mr. Khou was accused of leaving his 14 year  
25 old daughter unattended in his car at the Parx Casino

1 parking lot for approximately 25 minutes while he  
2 gamed inside the facility.

3           Upon learning of this matter, the OEC  
4 filed a Petition to place Mr. Khou on the Exclusion  
5 List on January 31st, 2012.

6           Subsequently, Mr. Khou requested a  
7 hearing, retained counsel and a hearing was held  
8 before the OHA on March 14th. Mr. Khou appeared and  
9 OEC entered a Stipulation of Facts with no additional  
10 evidence.

11           The Hearing Officer thereafter issued a  
12 Report and Recommendation recommending that OEC's  
13 request for placement on the Exclusion List be denied.

14           In reaching this conclusion, the Hearing  
15 Officer considered several factors. Specifically, the  
16 age of the child, again, she was 14, the health and  
17 maturity level of the child, the amount of time spent  
18 in the vehicle, the time of day and environmental  
19 conditions. This happened in the evening hours in  
20 mid-August. Additionally, the Hearing Officer noted  
21 that pending legislation in the Pennsylvania General  
22 Assembly to deal with this issue, children in  
23 unattended vehicles in parking lots --- which hasn't  
24 passed; it's still pending legislation. But it limits  
25 the criminal sanction for this type of conduct to

1 children under the age of 14. So based on all those  
2 factors, the Hearing Officer formed a recommendation  
3 which is before the Board, and I ask that the request  
4 for placement on the Exclusion List be denied.

5 CHAIRMAN:

6 Questions or comments from the Board.  
7 Ken?

8 MR. TRUJILLO:

9 I got a couple questions, Steve. Number  
10 one, there is legislation that's pending. You noted  
11 it's not passed. There's no law now on the books with  
12 respect to what specific age a child can or cannot be  
13 left alone anywhere, in a car, around the state,  
14 regardless of whether it's a casino or not; is there?

15 ATTORNEY COOK:

16 There's not a specific crime, but I think  
17 you can charge somebody with that sort of conduct if  
18 they're under the age of 13.

19 MR. TRUJILLO:

20 Thirteen (13). And the other question I  
21 had, with respect to this case, were there any  
22 criminal charges brought against Mr. Khou?

23 ATTORNEY COOK:

24 There were not. I believe that Bensalem  
25 Township Police were called, but chose not to

1 prosecute.

2 MR. TRUJILLO:

3 That's all I have.

4 MR. GINTY:

5 Steve, early evening in August, so it was  
6 still daylight out?

7 ATTORNEY COOK:

8 I believe it was.

9 MR. GINTY:

10 And we would not necessarily be setting a  
11 precedent here on age alone, but the Hearing Examiner  
12 took into consideration a number of factors, including  
13 that it was still light out?

14 ATTORNEY COOK:

15 That's correct. Essentially, the Hearing  
16 Officer's Report and Recommendations were set upon a  
17 variety of factors and in this case, all of those  
18 factors he thought were in the favor of not placing  
19 the person on the Exclusion List.

20 MR. GINTY:

21 If this had been 12 o'clock at night or  
22 one o'clock in the morning, the result ---?

23 ATTORNEY COOK:

24 Potentially would be a different outcome.

25 CHAIRMAN:

1                   Any further questions from the Board,  
2 Ex-officio members? May I have a motion?

3                   MR. MCCALL:

4                   Mr. Chairman, I move that the Board  
5 approve the Report and Recommendation of the OHA as  
6 described by the OCC.

7                   MR. GINTY:

8                   Second.

9                   CHAIRMAN:

10                   All in favor?

11 ALL SAY AYE

12                   CHAIRMAN:

13                   Opposed? Motion carries.

14                   ATTORNEY COOK:

15                   The next Report and Recommendation before  
16 the Board is John Banh. Mr. Banh submitted a Gaming  
17 Employee Permit on April 16th, 2010 seeking work as a  
18 table games dealer at the Harrah's Philadelphia  
19 Casino. On June 10th, 2010, the Bureau of Casino  
20 Compliance became aware that Mr. Banh had been  
21 arrested and charged with two felony and one  
22 misdemeanor drug-related offenses. A Letter of  
23 Recommendation of Denial was sent by the Board's OEC  
24 to Mr. Banh on July 11th, 2010.

25                   Mr. Banh thereafter requested a hearing,

1 which was held on April 7th, 2011. Both this  
2 individual and OEC appeared and offered testimony and  
3 other evidence into the record. At that time, Mr.  
4 Banh averred that he was a full-time college student  
5 and had no prior arrests and he indicated that what  
6 happened here was a traffic stop with drug charges  
7 with his passenger in the vehicle in possession of  
8 drugs, which was unbeknownst to him. Mr. Banh  
9 thereafter testified that he pleaded no contest to  
10 these charges and entered into the Philadelphia County  
11 Drug Court Program.

12                   Based on the evidence presented on April  
13 20th, 2011, a Report and Recommendation was issued  
14 recommending that, because of the felony charges, and  
15 the fact that Mr. Banh had entered a no-contest plea,  
16 that his application be denied. The matter was  
17 thereafter brought up to the Board for consideration.  
18 The Board chose to table the matter, pending the  
19 outcome of Mr. Banh's placement in the Drug Court  
20 Program.

21                   Subsequently, the OCC has been monitoring  
22 this. In fact, this past March, Mr. Banh successfully  
23 completed the Drug Court Program, which had the effect  
24 of his felony charges --- his no-contest plea being  
25 withdrawn and drug charges being dismissed. So



1 essentially, where we are at is the Report and  
2 Recommendation recommending denial of the application  
3 based upon the drug charges, but now they have been  
4 dismissed, so the recommendation of the OCC would be  
5 that the Board would consider a motion to reject the  
6 Report and Recommendation and allow the licensing  
7 process of Mr. Banh to continue.

8 CHAIRMAN:

9 Any questions, comments from the Board?

10 MR. GINTY:

11 Do we know the nature of the substance?

12 ATTORNEY COOK:

13 It was marijuana.

14 CHAIRMAN:

15 It was marijuana?

16 ATTORNEY COOK:

17 Correct.

18 CHAIRMAN:

19 Any other questions, comments, Ex-officio  
20 members? May I have a motion?

21 MR. GINTY:

22 Mr. Chairman, I move that the Board  
23 reject the Recommendation as described by the OHA,  
24 denying a Gaming Employee Permit as described by the  
25 OCC and consistent with the recommendation and the

1 individual's permit be permitted --- or the  
2 application be permitted for consideration.

3 MR. FAJT:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? Motion carries.

10 ATTORNEY SHERMAN:

11 That concludes all matters of OCC.

12 CHAIRMAN:

13 Thank you both. Next, Susan Hensel,  
14 Director of Licensing. Good morning, Susan.

15 MS. HENSEL:

16 Thank you, Chairman Ryan and members of  
17 the Board. Before the Board today will be motions  
18 regarding one Manufacturer License, 748 Key Gaming and  
19 Non-Gaming Employees, as well as Qualifiers. In  
20 addition, there will be consideration of 11 Gaming  
21 Service Provider Applications. The first matter for  
22 your consideration is the renewal of the Slot Machine  
23 and Table Games Manufacturer License for Shuffle  
24 Master, Inc. Shuffle Master was originally licensed  
25 by the Board as a Slot Machine Manufacturer in 2006

1 and as a Table Games Manufacturer in 2010. The  
2 company is based in Las Vegas and manufactures a  
3 variety of gaming products, including slot machines  
4 and electronic table games. The Bureau of  
5 Investigations and Enforcement (BIE) has completed its  
6 investigations and the Bureau of Licensing has  
7 provided you with a renewal background investigation  
8 and report. I provided you with a draft Order and ask  
9 that the Board consider the approval of the renewal  
10 licenses for Shuffle Master, Inc.

11 CHAIRMAN:

12 Any comments from Enforcement Counsel?

13 ATTORNEY PITRE:

14 Enforcement Counsel has no objection.

15 CHAIRMAN:

16 Questions or comments from the Board,  
17 Ex-officio members? May I have a motion?

18 MR. TRUJILLO:

19 Mr. Chairman, I move the Board approve  
20 the Slot Machine and Table Games Manufacturer Renewal  
21 Licenses for Shuffle Master, Inc. as described by the  
22 Bureau of Licensing.

23 MR. SOJKA:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? The motion carries.

5 MS. HENSEL:

6 We also have for your consideration the  
7 approval of Principal and Key Employee Licenses and  
8 Gaming Service Provider Qualifications. Prior to this  
9 meeting, the Bureau of Licensing provided you with a  
10 Proposed Order for one Principal and five Key Employee  
11 Licenses for slot machine licensees and three Gaming  
12 Service Provider Qualifiers for Rayaz Solutions, Inc.  
13 and High Concrete, LLC. I ask that the Board consider  
14 the Order approving these licenses and qualifications.

15 CHAIRMAN:

16 Comments from Enforcement Counsel?

17 ATTORNEY PITRE:

18 Enforcement counsel has no objection.

19 CHAIRMAN:

20 Questions or comments from the Board,  
21 Ex-officio members? May I have a motion?

22 MR. SOJKA:

23 Yes, Mr. Chairman, I move that the Board  
24 approve the issuance of Principal and Key Employee  
25 Licenses and Gaming Service Provider Qualifications as

1 described by the Bureau of Licensing.

2 CHAIRMAN:

3 Second?

4 MR. MOSCATO:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? Motion carries.

11 MS. HENSEL:

12 Also for your consideration are  
13 Temporary, Principal and Key Employee Licenses. Prior  
14 to this meeting, the Bureau of Licensing provided you  
15 with an Order regarding the issuance of temporary  
16 licenses for one Principal and 12 Key Employees. I'd  
17 ask that the Board consider the Order approving these  
18 licenses.

19 CHAIRMAN:

20 Any comments from Enforcement Counsel?

21 ATTORNEY PITRE:

22 Enforcement Counsel has no objection.

23 CHAIRMAN:

24 Any questions or comments from the Board,  
25 Ex-officio members? May I have a motion?

1                   MR. MOSCATO:

2                   Mr. Chairman, I move that the Board  
3 approve the issue of the Temporary Principal and Key  
4 Employee Credentials as described by the Bureau of  
5 Licensing.

6                   MR. MCCALL:

7                   Second.

8                   CHAIRMAN:

9                   All in favor?

10 ALL SAY AYE

11                   CHAIRMAN:

12                   Opposed? Motion carries.

13                   MS. HENSEL:

14                   Next are Gaming Permits and Non-Gaming  
15 Registrations. Prior to this meeting, the Bureau of  
16 Licensing provided you with a list of 494 individuals  
17 who the Bureau has granted temporary or full  
18 Occupation Permits to and 143 individuals who the  
19 Bureau has granted Registrations to under the  
20 authority delegated to the Bureau of Licensing. I'd  
21 ask that the Board consider a motion approving the  
22 Order.

23                   CHAIRMAN:

24                   Any comments from Enforcement Counsel?

25                   ATTORNEY PITRE:

1 Enforcement Counsel has no objection.

2 CHAIRMAN:

3 Any questions or comments from the Board,  
4 Ex-officio members? May I have a motion?

5 MR. MCCALL:

6 Mr. Chairman, I move that the Board  
7 approve the issuance of Gaming Employee Permits and  
8 Non-Gaming Employee Registrations as described by the  
9 Bureau of Licensing.

10 MR. FAJT:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 ALL SAY AYE

15 CHAIRMAN:

16 Opposed? Motion carries.

17 MS. HENSEL:

18 In addition, we made a recommendation for  
19 the denial of nine Gaming and one Non-Gaming Employee  
20 Application. Prior to this meeting, the Bureau of  
21 Licensing provided you with Orders addressing these  
22 applicants, which the BIE and the OEC have recommended  
23 for denial. In each case, the applicant failed to  
24 request a hearing within the specified time period. I  
25 ask that the Board consider the Orders denying the

1 Gaming and Non-Gaming Applications.

2 CHAIRMAN:

3 Any comments from Enforcement Counsel?

4 ATTORNEY PITRE:

5 The Enforcement Counsel requests denial  
6 on each matter.

7 CHAIRMAN:

8 Any questions or comments from the Board,  
9 Ex-officio members? May I have a motion?

10 MR. GINTY:

11 Mr. Chairman, I move that the Board  
12 approve the denial of Gaming and Non-Gaming Employee  
13 Applications as described by the Bureau of Licensing.

14 MR. FAJT:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL SAY AYE

19 CHAIRMAN:

20 Opposed? The motion carries.

21 MS. HENSEL:

22 We also have Withdrawal Requests for Key  
23 Employees, Gaming and Non-Gaming Employees. In each  
24 case, the license for the registration is no longer  
25 required due to such circumstances such as the



1 employee failed to report to work. For today's  
2 meeting, I have provided the Board with a list of 14  
3 Gaming and five Non-Gaming Employee Withdrawals for  
4 approval and I ask that the Board consider the Orders  
5 approving these Withdrawals.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 Enforcement Counsel has no objection.

10 CHAIRMAN:

11 Questions or comments from the Board,  
12 Ex-Officio members? May I have a motion?

13 MR. FAJT:

14 Chairman, I move that the Board approve  
15 the Withdrawals as described by the Bureau of  
16 Licensing.

17 CHAIRMAN:

18 Second?

19 MR. TRUJILLO:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries.

1                   MS. HENSEL:

2                   In addition, we have an Order to certify  
3 the Gaming Service Provider Out Think, LLC. I ask  
4 that the Board consider the Order approving this  
5 Gaming Service Provider for certification.

6                   CHAIRMAN:

7                   Any comments from Enforcement Counsel?

8                   ATTORNEY PITRE:

9                   Enforcement Counsel has no objection.

10                  CHAIRMAN:

11                  Any questions or comments from the Board,  
12 Ex-officio members? May I have a motion?

13                  MR. TRUJILLO:

14                  Mr. Chairman, I move that the Board issue  
15 an Order to approve the Application for Gaming Service  
16 Provider Certification as described by the Bureau of  
17 Licensing.

18                  MR. SOJKA:

19                  Second.

20                  CHAIRMAN:

21                  All in favor?

22 ALL SAY AYE

23                  CHAIRMAN:

24                  Opposed? The motion carries.

25                  MS. HENSEL:

1                   Next, we have an Order regarding Gaming  
2 Service Provider Registrations. The Bureau of  
3 Licensing provided you with an Order and an attached  
4 list of nine registered Gaming Service Providers. I  
5 ask that the Board adopt a motion approving the Order  
6 approving these applicants for registration.

7                   CHAIRMAN:

8                   Any comments from Enforcement Counsel?

9                   ATTORNEY PITRE:

10                  Enforcement Counsel has no objection.

11                  CHAIRMAN:

12                  Any questions or comments from the Board,  
13 Ex-officio members? May I have a motion?

14                  Mr. SOJKA:

15                  Yes, Mr. Chairman. I move that the Board  
16 issue an Order to approve the applications for Gaming  
17 Service Provider Registration as described by the  
18 Bureau of Licensing.

19                  CHAIRMAN:

20                  Second?

21                  MR. MOSCATO:

22                  Second.

23                  CHAIRMAN:

24                  All in favor?

25 ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed? The motion carries.

3                   MS. HENSEL:

4                   Finally, the Gaming Service Provider  
5 Application for Nordquist Sign Company is being  
6 recommended for abandonment. This company filed an  
7 application with the Board but is no longer in  
8 business. The Board may declare an application  
9 abandoned during the application process. I ask that  
10 the Board consider the Order declaring Nordquist Sign  
11 Company's application abandoned.

12                   CHAIRMAN:

13                   Any comments from Enforcement Counsel?

14                   ATTORNEY PITRE:

15                   Enforcement Counsel has no objection.

16                   CHAIRMAN:

17                   Any questions or comments from the Board,  
18 Ex-officio members? May I have a motion?

19                   MR. MOSCATO:

20                   Mr. Chairman, I would move the Board  
21 issue an Order to approve the abandonment of Nordquist  
22 Sign Company's Gaming Service Provider Application as  
23 described by the Bureau of Licensing.

24                   MR. MCCALL:

25                   Second.

1                   CHAIRMAN:

2                   All in favor?

3 ALL SAY AYE

4                   CHAIRMAN:

5                   Opposed? The motion carries.

6                   MS. HENSEL:

7                   That concludes the matters for the Bureau  
8 of Licensing.

9                   CHAIRMAN:

10                  Thank you, Susan. Cyrus Pitre, our Chief  
11 Enforcement Counsel, will be next. Cyrus?

12                  ATTORNEY PITRE:

13                  We have five matters for the Board's  
14 consideration today. The first matter will be  
15 presented by Deputy Chief Enforcement Counsel, Barry  
16 Creany, C-R-E-A-N-Y.

17                  ATTORNEY CREANY:

18                  Mr. Chairman, Commissioners, before you  
19 today is a Consent Petition for John D. Scassa. In  
20 early 2010, Mr. Scassa was hired as a table games  
21 dealer at the Rivers Casino in Pittsburgh. He filed  
22 an application with the Board and he was approved for  
23 a permit on June 24th, 2010. He began work on June  
24 26th that year and he worked for one year without an  
25 incident or any disciplinary action taken against him.

1 In 2011, on June 3rd, Mr. Scassa reported to work and  
2 was assigned to work as a base dealer at a craps table  
3 and in his position as a base dealer at a craps table,  
4 he's entitled to a share of any gratuities, which we  
5 refer to as tips, given by any patrons playing the  
6 craps table during his shift. In the course of Mr.  
7 Scassa's shift, a patron placed a \$2 field bet as a  
8 token resulting in a win with proceeds of \$4. That \$4  
9 token win was then placed on a horn bet which resulted  
10 in a total win of \$31, which Mr. Scassa gave to the  
11 locks man at the craps table and it was deposited into  
12 the token box. Mr. Scassa was suspended from  
13 employment on June 5th, 2011 and on June 17th, 2011 he  
14 was involuntarily terminated by the Rivers Casino.  
15 October 27th of 2011, the OEC filed a Complaint for  
16 revocation of his permit and he had a delinquent  
17 request for hearing on that, but before the Hearing  
18 Officer was able to decide whether he was entitled to  
19 a hearing on the merits, this Board heard the related  
20 case of John D. Stabich, III, in which a court  
21 recommendation suggested that Mr. Stabich's permit be  
22 suspended for 60 days. The Board approved the Report  
23 and Recommendation; however, you likewise suspended  
24 the suspension of 60 days. In light of that, the OEC  
25 and Mr. Scassa have prepared a Resolution of Complaint

1 for Revocation, which will afford Mr. Scassa similar  
2 treatment for his participation in the alleged  
3 unlawful wagering as was given to Mr. Stabich. The  
4 parties would agree, then, that if the Consent  
5 Agreement is approved, an Order will be entered  
6 suspending Mr. Scassa's occupation permit for 60 days,  
7 but that suspension will be suspended in light of the  
8 fact that he's been unable to work in the casino  
9 industry since June 17th of 2011.

10 That's all I have. If you have any  
11 questions, I would be glad to answer.

12 CHAIRMAN:

13 Any questions or comments from the Board,  
14 Ex-officio members? May I have a motion?

15 MR. MCCALL:

16 Mr. Chairman, I'd move that the Board  
17 issue an Order to approve the Consent Agreement  
18 between the OEC and John Scassa.

19 MR. GINTY:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries.

1                   ATTORNEY CREANY:

2                   Thank you, sir.

3                   CHAIRMAN:

4                   Thank you, Barry.

5                   ATTORNEY PITRE:

6                   Next is a Consent Agreement that will be  
7 presented by Assistant Enforcement Counsel Dustin  
8 Miller, M-I-L-L-E-R.

9                   ATTORNEY DUSTIN MILLER:

10                  Good morning, Chairman Ryan and members  
11 of the Board. At this time, the OEC has a Consent  
12 Agreement prepared for the Board's approval. The  
13 Consent Agreement is between the OEC and a Robert  
14 Sharp, a gaming employee permit holder who was  
15 employed at Parx Casino as a security officer. This  
16 Consent Agreement arises from Mr. Sharp's arrest in  
17 New Jersey on August 18th, 2011. Mr. Sharp was  
18 arrested on the Atlantic City Expressway while pulled  
19 over to the side of the road looking for a cell phone.  
20 When approached by police, Mr. Sharp volunteered that  
21 he had been drinking alcohol. He also disclosed he  
22 had a firearm in his vehicle, which was located in a  
23 backpack in the trunk of his vehicle. Mr. Sharp was  
24 arrested and charged with unlawful possession of a  
25 weapon, unlawful possession of hollow point



1 ammunition, driving under the influence of alcohol and  
2 possession of an open container of alcohol in public.

3           On February 3rd, 2012, Mr. Sharp entered  
4 a guilty plea with the charges of unlawful possession  
5 of a weapon and driving under the influence of  
6 alcohol. On March 9th, 2012, Mr. Sharp was sentenced  
7 to two years of probation in superior court of New  
8 Jersey, Atlantic County, for these offenses. New  
9 Jersey employs a different grading scheme to criminal  
10 offenses than Pennsylvania. Mr. Sharp was sentenced  
11 on the unlawful possession of a weapon charge as a  
12 third degree crime. A third degree crime in New  
13 Jersey is equivalent of a first degree misdemeanor  
14 offense in Pennsylvania. Driving under the influence  
15 of alcohol is not graded as a criminal offense in New  
16 Jersey; however, the penalties under New Jersey law  
17 are similar to the misdemeanor penalties found in  
18 Pennsylvania law.

19           Mr. Sharp was 23 years old at the time of  
20 this arrest and Mr. Sharp holds a valid concealed  
21 weapons permit for Bucks County in Pennsylvania. This  
22 is Mr. Sharp's first and only involvement with the  
23 criminal justice system. Mr. Sharp is a veteran who  
24 was honorably discharged from the Army National Guard  
25 in June of 2009. Mr. Sharp immediately notified Parx

1 Casino and the Board's Bureau of Casino Compliance  
2 after he was arrested. Mr. Sharp also provided timely  
3 updates to the Bureau of Casino Compliance regarding  
4 his criminal court case throughout the process. At  
5 the time of application, all Gaming Employees agree to  
6 a standard statement of conditions that accompanies  
7 their Gaming Employee Permit if they become licensed.

8           On April 22nd, 2010, Mr. Sharp agreed to  
9 this statement and conditions when he applied to his  
10 Gaming Employee Permit. Condition nine of the  
11 statement of conditions reads that the applicant  
12 agrees to ensure that at all times he meets and  
13 maintains the suitability requirements of the Act,  
14 including, but not limited to, good character, honesty  
15 and integrity. Pursuant to Section 423(A)(6)(b)(4) of  
16 the Board's Regulations, the licensee shall fully  
17 comply with each provision contained in the statement  
18 of conditions.

19           In lieu of commencing an enforcement  
20 action in this matter, the parties entered into a  
21 Consent Agreement on May 10th, 2012. The terms of the  
22 agreement call for Mr. Sharp's Gaming Employee Permit  
23 to be suspended for a period of 30 days from the date  
24 that the Board approves the Consent Agreement. It is  
25 OEC's understanding that Mr. Sharp cannot be here

1 today due to the terms of his probation which prohibit  
2 him from leaving Bucks County. However, he has  
3 submitted a statement on his behalf which has  
4 previously been provided to the Board. At this time,  
5 we would ask the Board to entertain a motion to  
6 approve this Consent Agreement.

7 CHAIRMAN:

8 Any questions or comments from the Board?

9 MR. GINTY:

10 Just one for clarification. This traffic  
11 stop that happened, in Pennsylvania, it would just be  
12 a DUI?

13 ATTORNEY DUSTIN MILLER:

14 That's correct. That's what our analysis  
15 of the situation --- if he would have been in Bucks  
16 County.

17 MR. GINTY:

18 We've granted licenses to a lot of people  
19 who have had DUIs.

20 ATTORNEY DUSTIN MILLER:

21 That's correct.

22 ATTORNEY PITRE:

23 We wouldn't even have taken it into  
24 consideration for enforcement action.

25 CHAIRMAN:

1                   And I think the record indicates, Dustin,  
2 you may have already said this, Parx continues to  
3 employ the gentleman; isn't that correct?

4                   ATTORNEY DUSTIN MILLER:

5                   They've been supportive of him.

6                   CHAIRMAN:

7                   And there's no indication that he's not  
8 fully compliant with his requirements as to his  
9 probationary status with the criminal authorities in  
10 New Jersey and I would assume his probation has been  
11 transferred, from what you're saying, to Bucks County?

12                   ATTORNEY DUSTIN MILLER:

13                   That's correct. His probation has been  
14 transferred to Bucks County. As far as we know, he's  
15 in compliance with them.

16                   CHAIRMAN:

17                   He appears to be an otherwise good  
18 employee?

19                   ATTORNEY DUSTIN MILLER:

20                   Yeah.

21                   CHAIRMAN:

22                   Any questions from Ex-officio Members?

23 May I have a motion?

24                   MR. GINTY:

25                   Mr. Chairman, I move that the Board issue

1 an Order to approve the Consent Agreement between the  
2 OEC and Mr. Sharp as described by the OEC; however, I  
3 would further move for a 30-day suspension.

4 MR. FAJT:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Motion carries.

11 ATTORNEY PITRE:

12 The next matter for the Board's  
13 consideration, the revocation of Angela D'Aurizio.  
14 That matter also will be presented by Mr. Miller.

15 ATTORNEY DUSTIN MILLER:

16 The next matter is a request for  
17 revocation today involving Angela G. D'Aurizio. Ms.  
18 D'Aurizio was employed as a table games dealer at Parx  
19 Casino and permitted as a Gaming Employee. The OEC  
20 filed an Enforcement Complaint to revoke Ms.  
21 D'Aurizio's Gaming Employee Permit for failing to  
22 maintain her suitability on December 27, 2012. Ms.  
23 D'Aurizio was terminated from Parx Casino as of  
24 September 22nd, 2011 for an incident of theft. Ms.  
25 D'Aurizio was caught trying to steal money from a

1 blackjack table at Parx Casino while working as a  
2 dealer at that table. Ms. D'Aurizio attempted to  
3 steal \$500 from the drop box located at the table when  
4 she was observed by Parx Casino surveillance  
5 attempting to conceal the currency on her person. Ms.  
6 D'Aurizio was charged with theft for her actions.

7           The enforcement complaint was properly  
8 served upon Ms. D'Aurizio to the address listed on the  
9 criminal complaint filed against her by both certified  
10 and first class mail. Ms. D'Aurizio did not respond  
11 to the filing in any way. Due to Ms. D'Aurizio's  
12 failure to respond, the averments in the enforcement  
13 complaint are deemed to be admitted as fact and her  
14 right to a hearing has been waived. On May 4th, 2012,  
15 the OEC filed a request to enter judgment upon  
16 default. The matter is now before the Board to  
17 consider the revocation of Ms. D'Aurizio's Gaming  
18 Employee Permit.

19           CHAIRMAN:

20           Is Angela D'Aurizio in the hearing room?  
21 Any questions or comments from the Board, Ex-officio  
22 members? May I have a motion?

23           MR. FAJT:

24           Mr. Chairman, I move that the Board issue  
25 an Order to approve the revocation of Angela

1 D'Aurizio's Gaming Employee Permit as described by the  
2 OEC.

3 CHAIRMAN:

4 Second?

5 MR. TRUJILLO:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? Motion carries.

12 ATTORNEY DUSTIN MILLER:

13 Thank you.

14 ATTORNEY PITRE:

15 The next two matters are involving the  
16 same individual seeking a revocation and the placement  
17 on the voluntary exclusion list of one Jessica Nichol.  
18 Those matters will be presented to the Board by Deputy  
19 Chief Enforcement Counsel Dale Miller.

20 ATTORNEY DALE MILLER:

21 Good morning, Chairman and members of the  
22 Board. These matters are separate, the facts are the  
23 same. However, I recommend that they certainly be  
24 consolidated by the Board as one issue. On December  
25 19th, 2011, the OEC filed a revocation complaint and a

1 Petition for placement on the exclusion list with the  
2 Board against Jessica Nichols. The basis for the  
3 complaint and the Petition was the fact that Ms.  
4 Nichols had been charged by the Pennsylvania State  
5 Police at the Sugarhouse Casino on March 2nd, 2011 for  
6 underage gaming. The facts of the matter are that on  
7 February 4th, 2011 at approximately 12:32 a.m., Ms.  
8 Nichols, at the time a 19-year-old former employee of  
9 Sugarhouse, she was a cage cashier, was permitted  
10 entry into the casino.

11 Ms. Nichols proceeded to a craps table at  
12 12:45 a.m. and began placing wagers at the craps game.  
13 She participated in three rolls of craps and was on  
14 the gaming floor for about one hour. At 1:37 a.m., she  
15 was observed by a representative of the Bureau of  
16 Casino Compliance. He recognized her as a former  
17 employee of Sugarhouse and knew she was not 21 years  
18 old from previous encounters with her. Ms. Nichols  
19 was confronted by two representatives, along with  
20 Sugarhouse security personnel and after a heated  
21 discussion, Ms. Nichols left the Sugarhouse Casino  
22 with a companion. She was subsequently cited by the  
23 Pennsylvania State Police for underage gaming. She  
24 had a hearing for that underage gaming citation in  
25 Philadelphia municipal court. She never appeared. A



1 bench warrant was issued for her arrest and that  
2 warrant remains active. Ms. Nichols was properly  
3 served by regular and certified mail with the  
4 complaint and Petition. She did not request a hearing  
5 in regard to the complaint and Petition despite being  
6 advised of her right to do so. She was properly  
7 served with OEC's request for judgment upon default,  
8 also and has not responded.

9           Based on all the forgoing facts, the  
10 complaint, the motion to consider placing her on the  
11 involuntary exclusion list, the OEC would request that  
12 the Board revoke Ms. Nichols' Gaming Permit and place  
13 her on the Board's involuntary exclusion list.

14           CHAIRMAN:

15           All right. Is Jessica Nichols in the  
16 hearing room? Because that's on our agenda twice, we  
17 will keep them separate. So we'll handle first the  
18 Gaming Employee Permit. Any questions or comments  
19 from the Board on that issue?

20           MR. SOJKA:

21           I assume it's been noted that she did  
22 manage to get past Sugarhouse Security and that that's  
23 going to be dealt with at some later point?

24           ATTORNEY DALE MILLER:

25           Yes, sir. That's part of the overall

1 investigation.

2 ATTORNEY PITRE:

3 That has been dealt with previously.

4 ATTORNEY DALE MILLER:

5 A member of Sugarhouse was here at the  
6 last Board meeting.

7 CHAIRMAN:

8 Any other questions or comments from the  
9 Board with respect to the revocation? Ex-officio  
10 members? May I have a motion?

11 MR. TRUJILLO:

12 I move the Board issue an Order to  
13 approve revocation of Jessica Nichols' Gaming Permit  
14 as described by the OEC.

15 MR. SOJKA:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries. On the  
22 issue of placing her on the involuntary exclusion  
23 list, any questions or comments, Ex-officio members?  
24 May I have a motion?

25 MR. SOJKA:

1                   Yes, Mr. Chairman, I move that the Board  
2 issue an Order to approve the addition of Jessica  
3 Nichols to the PGCB Involuntary Exclusion List as  
4 described by the OEC.

5                   CHAIRMAN:

6                   Second?

7                   MR. MOSCATO:

8                   Second.

9                   CHAIRMAN:

10                  All in favor?

11 ALL SAY AYE

12                  CHAIRMAN:

13                  Opposed? The motion carries. Thank you.  
14 That concludes all our Enforcement Counsel's matters.  
15 That also will bring this meeting to conclusion. Our  
16 next scheduled public meeting will be held here on  
17 Wednesday, July 11th at 10:00 a.m. Any final comments  
18 from the Board or Ex-Officio members? Do I have a  
19 motion to adjourn?

20                  MR. MOSCATO:

21                  Chairman, I move we adjourn.

22                  MR. MCCALL:

23                  Second.

24                  CHAIRMAN:

25                  The meeting is adjourned. Thank you all.

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MEETING CONCLUDED AT 11:22 A.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairmany Ryan, was reported by me on 06/13/2012 and that I Jolynn C. Prunoske read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

*Jolynn C. Prunoske*