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COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: CATEGORY 3 LICENSE RENEWAL FOR
VALLEY FORGE CONVENTION CENTER PARTNERS, LP
DBA VALLEY FORGE CASINO RESORT

* * * * *

PUBLIC HEARING

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BEFORE: Linda S. Lloyd, Presiding Officer
William H. Ryan, Jr., Chair
Annmarie Kaiser; Gregory C. Fajt;
Keith R. McCall; John J. McNally, III;
David W. Woods; Anthony C. Moscato; Members
HEARING: Wednesday, April 8, 2015
10:06 a.m.
LOCATION: Upper Merion Township Building
Freedom Hall Room
175 West Valley Forge Road
King of Prussia, PA 19406

Reporter: Jennifer Crawford

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1 WITNESSES: Bob Pickus, Tim Briggs, Greg Philips,
2 Josh Shapiro, Eric Goldstein, Kevin Conrad,
3 Elizabeth Lanza, Kathleen Colfer,
4 John Sentell, Deirdre Gibson,
5 Wendy Campbell, Ryan Caudle,
6 Narcisco Castro, Nikkiciara Signorovitch,
7 Robert Urbanski, Mark Ater, Hector Osorio
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P R O C E E D I N G S

PRESIDING OFFICER:

Good morning, everyone. My name is Linda Lloyd and I'm the Presiding Officer assigned by the Board to conduct this portion of Category 3 License Renewal Hearing for Valley Forge Convention Center Partners, LP doing business as Valley Forge Casino Resort.

Before we begin, if you could all please turn off or vibrate your cell phones, electronic devices, et cetera, so we're not interrupted.

As the Presiding Officer, I call this hearing to order. The date is Wednesday, April 8th, 2015. The time is 10:10 and the location is the Upper Merion Township Building, Freedom Hall Room, 175 West Valley Forge Road, King of Prussia, PA, 19406.

The Pennsylvania Race Horse Development Gaming Act, that's Section 1326 requires that an operator's license shall be subject to renewal by the Board every three years. This License Renewal Hearing is convened by the Board pursuant to the mandate found in Section 1205.B1(i) of the Gaming Act, which requires the Board to conduct a public hearing for any license renewal application. This public hearing was

1 advertised on the Board's website, announced by the
2 Board at several Board meetings and advertised in local
3 newspapers.

4 We have all Board members present with us
5 today for the hearing. The hearing will begin with a
6 presentation by Valley Forge Casino Resort. Our Office
7 of Enforcement Counsel (OEC) will have the opportunity
8 to Cross Examine the witnesses, Redirect, et cetera
9 until all parties are satisfied. And the Board will
10 also have an opportunity to ask questions if they
11 desire.

12 After Valley Forge has concluded its
13 presentation, we're going to go a bit out of order and
14 take comments from a legislator and some local
15 government representatives so they can get about their
16 day. And then we will hear from our OEC and their
17 presentation.

18 After the close of the testimony and
19 evidence from the parties, the individuals who have
20 registered to speak today and didn't speak in between
21 will be heard, public comment. Elected government
22 officials have ten minutes to speak, representatives
23 from community groups have five, and individuals will
24 have three. At the close the public comment, Valley
25 Forge and our OEC will have the opportunity to provide

1 a short closing if they desire.

2 This is an Official Administrative
3 Hearing, so please treat this as if you were attending
4 a court proceeding. All the witnesses, if you would
5 speak loudly and clearly in the microphone so that our
6 court reporter who's sitting over here to my left can
7 hear what you have to say. If you have any questions,
8 find one of the Board Staff that's in the room. And I
9 would like to remind everyone in the room that we are
10 live streaming the proceedings on the Board's website
11 at this moment in time.

12 So, if we can begin by having all the
13 Valley Forge witnesses, the OEC witnesses. And, let's
14 see, Representative Briggs, Greg Philips and Josh
15 Shapiro, if you're in the room, could you all rise and
16 be sworn in by the court reporter.

17 -----
18 WITNESSES SWORN EN MASSE
19 -----

20 PRESIDING OFFICER:

21 And I would ask too, that when you speak
22 for the first time, if you could state your name and
23 spell it for the court reporter. She would appreciate
24 that. So Valley Forge, if you're ready to begin?

25 MR PICKUS:

1 Great. Good morning, Mr. Chairman,
2 members of the Board. I'm Bob Pickus, P-I-C-K-U-S.
3 I'm the Executive Chairman the Board of Valley Forge,
4 where I've been for just about a year now. In that
5 position, Mike Bowman, the President of the Property
6 and the Senior Management Team reports to me with
7 respect to all daily operational matters.

8 Just briefly, a little additional
9 background on myself. Since I am somewhat new to the
10 Board, although I did appear before you a few months
11 ago. In addition to serving on the Board of Valley
12 Forge, currently I'm also the Chief Executive Officer
13 of a company called GCA Leisure, which provides
14 advisory services relating to regulatory compliance
15 matters to the gaming and hospitality industries.
16 Prior to that, I spent 30 years in the gaming industry,
17 the last 26 of which as General Counsel and Chief
18 Administrative Officer for Trump Entertainment.

19 I'd like to introduce the Senior
20 Management Team from Valley Forge who are here with me
21 today. And I ask each of them as I introduce them just
22 to give a quick wave or nod to the Board.

23 First is Mike Bowman, President Chief
24 Executive Officer. Alex Figueras, Vice President of
25 Finance. Anthony Spagno, Vice President for Gaming

1 Operations. Gilbert Morrissey, Executive Director of
2 Security. Janet Maugans, our Compliance Manager.
3 Linda Collins, our Compliance Specialist. And
4 representing ownership group today, Barbara Evans. And
5 now I'm going to turn it over to Adrian King to make
6 our presentation.

7 ATTORNEY KING:

8 Good morning, Mr. Chairman, members of the
9 Board. I'm Adrian King, A-D-R-I-A-N, King, K-I-N-G.
10 I'm also a Junior --- there's a Senior roaming around
11 Pennsylvania --- from the Ballard Spahr Law Firm.
12 Thank you. And good morning, again.

13 I'm going to go through the beginning of
14 our presentation today, mainly focusing on some of the
15 statistics, the results of a little less than three
16 years of operation that we've had. Actually, we are at
17 three years. And then I'm going to turn it over to Bob
18 towards the end of our presentation just to talk about
19 the facility itself, what we have done to improve it
20 over last three years in advance of the opening and
21 where we're go in the future.

22 So I think --- first, let's just start
23 with a quick agenda. We'll start going through just
24 kind of resetting and reacquainting the Board with how
25 we started this project, where we've been, where we've

1 come. I think you'll be amazed at how long we actually
2 have been working on this project. We'll go into
3 economic impacts, our workforce development and
4 diversity. We're going to talk about enhancements to
5 our compliance functions. We're going to talk about
6 compulsive and underage gaming prevention. We'll talk
7 about Valley Forge in terms of its participation in the
8 community and what we've done to be a good neighbor and
9 what we've done to support the community in a variety
10 of ways.

11 As I said, Bob's going to talk about
12 facility improvements, future investment, the way
13 ahead. We'll talk about tourism impact, which I think
14 is a particular issue with respect to the Category 3
15 License. And then we'll conclude, and as you know
16 we're going to community speakers who are also here
17 speaking about the project.

18 So, as I indicated before, if you look at
19 this slide, just to quickly reset. This project
20 actually started in 2007. In June of 2007, we filed
21 our application. There was an eligibility hearing in
22 October of that year. We had a public input hearing, I
23 believe right here, in 2008, if I recall. We had our
24 suitability --- as I said we had a suitability hearing
25 in October of '08 and then things got a little

1 interesting.

2 If you recall the first two applicants for
3 the Category 3 Licenses had withdrawn their
4 applications. We were one of, I think, five
5 applicants. And then things got interesting with the
6 Global Credit Crisis. Things really fell out of the
7 bottom. There was really a lot of questions about
8 whether anybody was going to be able to go forward.
9 The Board reopened the record in January of '09 to take
10 additional information on financial suitability and we
11 were, I think, the only applicant that was really
12 deemed to have financial strength and wherewithal to
13 move ahead. And through supplemental presentations in
14 February and April of '09 about financing. And then
15 finally, in April of 2009, six years ago, the Board
16 awarded the Category 3 License to Valley Forge.

17 The Board issued an Adjudication the next
18 month in May. In June, an appeal was filed to the
19 Pennsylvania Supreme Court by some neighboring Cat 1s
20 and 2s. And there was a little argument in October of
21 '09 and then we waited quite a while. And the Supreme
22 Court issued an Order affirming the Board's decision in
23 2011, in March.

24 We then went to work. And we immediately
25 started to move forward with this project. We invested

1 a significant amount of money, as you'll see at the
2 bottom, \$145.6 million. Which is \$38 million more than
3 we originally budgeted to take the property as it then
4 stood. To refurbish it, to put in the casino facility,
5 and to really turn it into the very nice facility that
6 it is today. And then we opened just a little over
7 three years ago on March 31, 2012. So, it has been a
8 long road and we are very pleased to be three years in
9 and at our first, hopefully of many, renewal hearings.

10 The next --- well, the first item on
11 the agenda that we're going to talk about is our
12 economic impacts. So, what have we done in terms of
13 taxes and other revenue that's gone back to the
14 Commonwealth? The first, obviously, as you can see on
15 the table between our slot gaming tax and table gaming
16 taxes over the three years, we've returned \$106.4
17 million to the Commonwealth. And obviously, those
18 taxes go to County and Local Governments as well. Our
19 licensees paid \$12.5 million. Taxes generated from
20 construction \$1.9. And then non-gaming taxes from
21 operations \$4.2. So, grand total for this facility of
22 \$125 million over the three years of operation.

23 Some of the one-time economic impacts
24 attributable to the construction spending, the total
25 direct and indirect expenditures \$113.3 million. I'm

1 going to talk about the Commonwealth numbers. We've
2 had total employment of 866 and total earnings of \$37.3
3 million. So, it's been significant.

4 If we look at the local fiscal impact from
5 Valley Forge, you've got --- with respect to
6 construction permits and fees, there's \$2 million paid,
7 increased county hotel taxes \$100,000 and then local
8 gaming taxes \$10.4 million with \$12.5 coming back to
9 this community that we sit in today.

10 Ongoing economic impacts from Valley
11 Forge. As you can see, we've laid this out both for
12 the County and Commonwealth. Again, I'll focus on the
13 Commonwealth --- the Commonwealth numbers. These are
14 annual averages. Total output \$72.1 million. Its
15 direct expenditures of \$35.1 million. Indirect and
16 induced expenditures \$37 million.

17 I'll just draw to the Board's attention to
18 the extent you're really interested in digging into
19 these numbers. We've submitted a report from the
20 consult group where all of this has been studied, laid
21 out. It's been presented to OEC. And so, that report
22 is available to you. We did file it confidentially as
23 it contains confidential business information. But it
24 is available to the Board.

25 Total employment, 795. And then total

1 earnings --- again, these are annual numbers --- or I'm
2 sorry, these are average numbers over the three years.
3 That's why the numbers seem to be going a little bit up
4 and down --- \$22.8 million.

5 Now let's talk about workforce development
6 and diversity for a minute. So, on this slide,
7 obviously what we're trying to show is where were we
8 before this amenity of the Casino was added to this
9 convention center and hotel complex? We were at about
10 258 employees. We're now at 877. That was the number
11 as of the end of 2014. Again, that number may be a
12 little bit higher than the average only because of it's
13 date of measurement. Typically, we have our most
14 employees in December. So, that's why you see that
15 number going up and down. But you've got non-gaming,
16 again, pretty steady at 258. And then the Casino has,
17 basically, created another 437 jobs. So, that's, you
18 know, that's a very important figure.

19 If you look at the diversity of that
20 workforce, you'll see that female 41 percent, male 59
21 percent. With respect to ethnicity and race, 54
22 percent white, 23 percent African American, 15 percent
23 Asian, and 8 percent Latino or Hispanic. We then
24 further drawdown. And these numbers, by the way, come
25 directly from the Board's own reports from the data

1 that we submit every year to Mozelle Daniels. This is
2 where these numbers come from. With respect to all
3 executives, that's director level and above, 21 percent
4 female, 13 percent minority. With respect to the
5 managers and supervisors, female 37.3 percent, minority
6 28.6 percent. And then all professionals other than
7 salary are at 51 percent female and 27 percent
8 minority.

9 With respect to purchasing, which is an
10 important component of what we contribute back. With
11 respect to diversity and local impact, you'll see that
12 --- and again, these numbers are taken from Mozelle's
13 reports. For fiscal year '11 and '12, local business
14 enterprises enjoyed over \$15 million dollars of
15 spending that came back to them. The minority and WB
16 component \$401,000 in year 2013. \$7 million to local
17 businesses, \$1.2 million to minority and women business
18 enterprises. And in '13 and '14, \$11.7 million of what
19 we'll spend. And then to minority and women
20 enterprises, \$2.6 million.

21 And then construction gaming service
22 providers. Obviously, first year was the most with \$36
23 million --- over \$36 million going to local businesses,
24 \$363 million --- or, I'm sorry \$363,000 going to
25 minority and women business enterprises. Then in

1 '12-'13 \$3.9 million construction going to local
2 businesses.

3 So, let's revisit one issue which I know
4 the last time Mr. Pickus and I appeared in front of
5 you, I think it was November 19th of last year. And I
6 just want to get back to it because it's important.
7 Clearly, we had some bumps in the road with respect to
8 some compliance aspects. I want to, again, reenforce
9 that we take full responsibility. We're not making any
10 excuses. I think we have done a good, solid job of
11 improving our compliance functions. I hope you're
12 hearing that from your staff and your team. But I do
13 want to just put it back out there and acknowledge that
14 those issues occurred.

15 But let's just quickly revisit it. Again,
16 I don't want to belabor our testimony from November. I
17 mean, what are things that we did? Understanding that
18 we had some Consent Agreements that were painful which,
19 obviously, reenforced the fact that we need to make
20 some changes.

21 So as Mr. Pickus indicated, we brought him
22 in as new Executive Chairman of the Board. Obviously,
23 extremely extensive experience in the gaming industry,
24 30 years alone --- or 26 years alone, I think at Trump,
25 30 years altogether. Brought in new counsel, myself

1 and Mr. Fabius joining the team. Replaced and
2 increased staffing of the Compliance Department. You
3 know, you met Janet Maugans our new compliance person.
4 Again, extensive gaming experience we brought back in.
5 New leadership and staffing of the marketing
6 department. And I think if you'll recall what I told
7 you back in November is --- I think coming out of the
8 box, we were perhaps not handling things in the best
9 way that we could in the sense that we were allowing
10 marketing to almost function at a parallel to
11 compliance, which was not the right way to go. And
12 compliance now firmly sits over marketing so that
13 marketing has to basically clear everything with
14 compliance. And that's clearly made things a lot
15 tighter in terms of running a good operation.

16 We have increased all of our training with
17 respect to Gaming and Non-Gaming Employees. And I can
18 tell you, my client was kind enough to comp me a room
19 last night. I stayed there. And when I checked in,
20 without any prompting at all, the person at the front
21 desk told me that I could not have access to the casino
22 because I had gotten a free room. So, I can tell you
23 from my own experience, I think it's working well.

24 We have improvements to our data
25 collection with respect to the access cards so that we

1 can really understand who's getting in, et cetera. We
2 have expanded ethics training for our employees. We
3 have compliance hot lines. I mean, we want to be very,
4 very on top of this.

5 And lastly, with good marks, we're taking
6 a lead and we are hosting the first security directors
7 conference from all casinos across the state in April
8 of 2015. So, I think we're really doing what we need
9 to do. We clearly want to stay away from the Board on
10 compliance-related issues and, well, I think experience
11 has shown not just with this property, but with all,
12 that, you know, perfection is difficult. But we're
13 going to strive for that and we'll continue to do that.

14 So, on compulsive and underage gambling
15 prevention. Obviously, that is something very
16 important to the Board, very important to us. And, you
17 know, we will say on underage --- although Valley Forge
18 was not invited to participate in the letter that came
19 down from the 1s and 2's, there is one very significant
20 suggestion in that letter which we would hope the Board
21 would support. And that would be to create significant
22 penalties for underage gamers. To discourage them from
23 even attempting to come into our facilities. And it
24 would really be to build off the New Jersey model where
25 you could lose a driver's license and have other

1 penalties. And we think that would be something that
2 would be very helpful for not only us, but obviously
3 the industry as a whole.

4 Standard stuff. Obviously, we have
5 standard signage throughout the property about
6 compulsive and problem gaming to offer assistance and
7 services to any people who have problems. We continue
8 to do training for all of our employees on responsible
9 gaming. From new orientation to refresher training.
10 We're spending \$10,000 annually, primarily on training
11 and then printing signage and brochures. And we
12 continue to make this an extremely high priority in the
13 operation as a whole.

14 Now let's turn back to another topic
15 that's very important to us. And that's being in this
16 community of Upper Merion Township, Montgomery County.
17 What are we doing to be a good neighbor? First of all,
18 getting started right out of the box. We knew that
19 traffic was going to be a concern. We agreed with the
20 Township to contribute a special fund. And originally
21 it was \$450,000, it was increased to \$625,000. And
22 that was to do traffic improvements in and around the
23 property. And I think we're happy to tell you that
24 sort of, the traffic nightmares that were projected
25 really haven't happened. A lot of that is we expected

1 that, because, quite frankly, when people come to
2 facilities really off hours from when business travel
3 occurs in the morning and at night. So, generally
4 speaking, that has been a bright spot.

5 In addition, we're going to get a little
6 bit more detail about this. We're doing an annual
7 community benefit contribution under our Community
8 Benefits Agreement. It's adjusted every year going up
9 with the consumer price index. It was originally
10 \$75,000 but we agreed to increase that, and just last
11 year, we contributed \$142,500 into the fund. And then,
12 obviously, there were contributions for '13 and '12.

13 Facility's parking lot was improved
14 working with local officials, we've provided additional
15 emergency training, which was requested by local
16 officials. And then to make sure that police radios
17 and cell phones would function in the event of any
18 emergencies. We agreed with local officials' request
19 to put various equipment in the building to make sure
20 that those signals could be read inside the building.
21 So, those are just some of the things.

22 So, let's go back under Community Benefits
23 Agreement. And I think --- just one observation, I
24 would submit to you, I think proudly so, on behalf of
25 the ownership group and the executive team. Even

1 though we're a Category 3, even though we have fewer
2 slot positions, fewer table positions --- I would put
3 this program, what we're doing here, up against any 1s
4 and 2s from what I've seen. I think we've fully stood
5 up and we're at that level in terms of what we're
6 trying to do in terms of giving back.

7 So, over the last three years, we've put
8 nearly \$400,000 into this community fund. And
9 basically, there is a --- there's a panel or a Board
10 that's been created that actually runs right out of
11 here. And it takes applications. And those
12 applications are coming from worthy community welfare,
13 the new sports organizations as well as colleges.
14 Well, and then the second piece is to fund scholarships
15 to colleges and trade schools for worthy graduating
16 seniors. So, to date, we gave over 52 grants to
17 organizations and there have been 36 scholarships that
18 have been awarded.

19 This slide that I'm showing you is just to
20 give you a sense of who are getting these grants. And
21 these are grants that could go from a \$1,000 to
22 \$10,000. But this is really meaningful and impactful
23 stuff. And I think when the Chairman of the Township
24 Board of Supervisors speaks, I think you'll hear a
25 little bit more about that. But, you know, not just,

1 you know, a new sports club or lacrosse club or soccer.
2 But money's gone back to the local PD for a radio
3 project, funding concerts, the local Elmwood Park Zoo,
4 Girl Scout troops, rotary club, literacy programs,
5 Meals on Wheels. I think you get the point here. It's
6 really, really doing some nice things in the community
7 and I think it's a great benefit to have our facility
8 in this community.

9 And that's not all. In addition to that,
10 we're doing things on the property, encouraging our
11 employees who willfully want to give back ---
12 voluntarily want to give back to community groups. In
13 2014 alone, as you can see, they worked with 26
14 community events and charities. In addition to that
15 --- in addition to the money going into the community
16 benefits fund, and I, you know, I can show you lists
17 and lists. We get requested by local groups to do,
18 like, a free night at the casino or restaurant, gift
19 certificates. These are things that are typically
20 getting auctioned off by community groups to raise
21 money for their various causes. And over the last
22 three years, we've donated that sort of thing up to the
23 tune of about half million dollars. That's over and
24 above the 400 --- the nearly \$400,000 that I just told
25 you about.

1 And then the other thing, and your going
2 to hear about this a little bit from one of the
3 speakers who will come later. We established a
4 partnership with the Alzheimer's Association. It's
5 kind of our flagship charity that we're working with.
6 And now I'm going to turn it back over to Mr. Pickus,
7 who's going to talk about the facility improvements and
8 future investments. Thank you.

9 MR PICKUS:

10 Thank you, Adrian. As Adrian mentioned,
11 after the confirmation by the Supreme Court of the
12 award of the Liquor License to Valley Forge, the
13 ownership group pretty quickly commenced construction
14 development of the Casino. And through the opening of
15 the Casino, just about three years ago now, spent,
16 again, as Adrian mentioned, about \$145 million to
17 construct, outfit the Casino and some of what the
18 related amenities.

19 However, at that time, while the Casino
20 and those amenities were all fairly new or brand new
21 and in pretty good shape. Other portions of the
22 entirety of the Valley Forge Casino Resort had been in
23 operation for decades prior were, frankly, a little old
24 and worn, and didn't quite match the standards that the
25 new casino was providing for the facility. So, since

1 then --- since opening, the ownership group has allowed
2 management to expend additional monies to continue to
3 upgrade and improve the other amenities at the
4 facility. On the slide here are just some examples of
5 the facility prior to the Casino. Including the
6 Convention Center which are the top two slides, and
7 some of the hotel guest rooms.

8 Since then, in the ensuing three years
9 that the Casino's been in operation, the facility spent
10 approximately \$15 million to refurbish, as I said, a
11 lot of the non-gaming amenities at the resort.
12 Including, again, on the slide, you can see up on the
13 upper two slides, the Convention Center which was
14 completely redone; floors, carpets, painting, columns.
15 And you can see the video monitors in all of the
16 columns there. And really it enhanced and made that
17 facility first class.

18 In addition, the bottom couple of slides
19 show a couple sample rooms at the Radisson Hotel Tower,
20 which is one the two hotel towers at the facility. All
21 of the rooms there have also been completely upgraded
22 and renovated since the opening of the Casino.

23 And as new as the Casino was when the
24 facility opened three years ago, we haven't left the
25 casino itself alone, and we have continued to improve,

1 upgrade and enhance the casino. And on this slide you
2 can see some of the improvements to the casino. We've
3 reconfigured the floor to make it more attractive and
4 more exciting. We've got part of the --- on the upper
5 right slide is the center bar in the casino where we
6 have featured DJs and music and dancing many evenings.
7 We have just recently added some additional lighting
8 there.

9 On the bottom right slide is a big six
10 wheel we just put into the casino very recently.
11 Again, to add excitement and newness to the facility.
12 And then, finally, on the bottom left, the --- where it
13 says Cameo Lounge is a new electronic reader board on
14 the sign out front that was also just completed within
15 the last couple of months.

16 So, the commitment to the facility since
17 the opening and the original expenditure has continued
18 as the ownership group has allowed management to
19 continue to make those improvements. And we're not
20 planning to stop there.

21 In 2015, we expect to spend around \$5
22 million additional for additional enhancements to the
23 facility, including a complete renovation of the
24 outdoor pool area that exists in the back of the
25 facility and an expansion of that. One of the things

1 that struck me when I first got involved with Valley
2 Forge is understanding, basically, that the complete
3 opposite of what I experienced in my years in Atlantic
4 City where, in the summertime, the business increases
5 significantly. And what I didn't appreciate until I
6 spent time with Mike and the team at Valley Forge is
7 that the opposite occurs at Valley Forge. In the
8 summertime everybody runs down to the shore and there's
9 nobody left to patronize the Resort and the Casino.

10 So, you know, with --- through Mike's
11 efforts and his team, we've developed a concept that
12 we're looking forward to introducing this summer.
13 Where, again, it's going to be expanded pool, a real
14 inviting Beach Club environment. So, that we hopefully
15 will maybe keep a few folks closer to home and not
16 running to the shore every single weekend and providing
17 an attractive amenity for those people who don't have
18 the ability or time to go to the shore, but they can
19 still enjoy some of that activity during the summer
20 months. We will also be --- even though many of them
21 are newer --- refreshing some of our restaurants this
22 coming year. We have spent a good deal of money
23 refreshing meeting rooms, public areas and elevators in
24 the hotel towers as well.

25 One of the unique things that we have at

1 Valley Forge and, matter of fact, it leads to the tag
2 line that you'll see in a lot of our advertising. Is
3 that we are the only casino in the Philadelphia area
4 that has it all. We're the only casino --- obviously
5 we're a casino, but with our limit of 50 table games
6 and 600 slot machines. But we're also the only casino
7 in the southeastern Pennsylvania market that has nearly
8 500 hotel rooms, that has 54,000 square feet of major
9 convention space and additional 43,000 square feet of
10 meeting, banquet and other convention space. The last
11 two of which, the convention and meeting space allow
12 the property to do things that no other casino in the
13 market can do.

14 And some of which I'll talk about in a
15 moment, but the most interesting, again, to me, being
16 newer property and learning, is that last year, for
17 example, we had over 100 weddings at Valley Forge
18 Casino Resort, which is a significant amount of
19 business. Some of the other amenities that we provide,
20 again, unique to the southeastern Pennsylvania market,
21 are ten different high end restaurants and bars that
22 are listed there. We have also begun to provide in the
23 exhibition and convention space that we have.

24 Notably, the convention center and an area
25 that we are just changing the name to, previously it

1 had been called the Waterford Ballroom and we're
2 renaming to The Venue. And those are the two areas
3 where we have launched the Valley Forge Casino Resort
4 Music Fair. For those of you familiar with the area,
5 that kind of gives a nod back to the Valley Forge Music
6 Fair which operated for decades and was a very
7 significant establishment in the entertainment business
8 on the East Coast.

9 We launched that program back in just
10 December of last year starting with our first act,
11 which was Smokey Robinson, who sold out the show fairly
12 quickly. And you can see there, a list of other acts
13 that either have been or will be during the coming year
14 at the resort. And the kind of response that we've
15 gotten to this offering really shows us how much of an
16 appetite there is for entertainment and related
17 amenities in our market area.

18 I want to talk for just a couple of
19 minutes with respect to the tourism impact that the
20 Casino Resort has had in the area. During, its,
21 basically, its first full year of operation, the number
22 of individuals visiting the Casino Resort complex grew
23 by 76 percent. And that growth didn't stop the second
24 year of operation, it also continued to grow by four
25 percent. So, the, you know, the purpose behind adding

1 the casino amenity to the Casino Resort to attract and
2 offer more to the public certainly has been met.

3 Also interesting fact is that we found
4 that more than half of those people who visit the
5 facility come from more than 20 miles away. So, we're
6 not just capturing an immediate, local market, we're
7 capturing beyond that and expanding the reach of the
8 facility.

9 The success of those efforts and of the
10 facility were recognized by the Valley Forge Tourism
11 and Convention Board, which I'm not going read through
12 everything up there, you can do that. But among other
13 things noted, that the Valley Forge Casino Resort
14 offers a unique asset to reach potential markets. And
15 that the leisure business attributable to the Valley
16 Forge market helped the weekend occupancy grow by 5.6
17 percent in the entire King of Prussia area. And on the
18 convention side, the Bureau also noted --- or the Board
19 also noted that the gaming amenities at Valley Forge
20 are a determining factor in show producers deciding to
21 hold their trade shows there. And now I'll turn the
22 presentation back over to Adrian.

23 ATTORNEY KING:

24 I think at this point I would typically
25 maybe make a very short closing statement, but if I

1 understood correctly from the Presiding Officer, that
2 will be afforded to us at the very end; is that
3 correct?

4 PRESIDING OFFICER:

5 Unless you like to do it now rather than
6 the end.

7 ATTORNEY KING:

8 Why don't we? I think that would be ---
9 we're going to keep it brief. I hope that you can see
10 what I think is --- basically, what has occurred over
11 the last three years, has been exactly what the General
12 Assembly intended with respect to the creation of this
13 Category of license. And if you recall, when you go
14 into the Act, you know, and the regs and the commentary
15 that the General Assembly made at the time, it was
16 about boosting tourism to resort and convention
17 facilities. And I think by any measurement, that is
18 exactly what has happened here.

19 You've seen the increased level of people
20 coming and visiting the property, 400,000, over
21 800,000. You've seen and you'll hear some more from
22 the Convention and Tourism Bureau that that is having
23 great spillover effects with respect to the surrounding
24 area, bringing people into this area, increasing not
25 only hotel visitation at our property, but at

1 neighboring hotels. And so, I think the general
2 assembly and the Board can be justifiably proud that
3 that has occurred.

4 And further, especially from those of you
5 who are familiar with this area and familiar with the
6 property, it has also resulted in, really, the
7 rejuvenation of a property that, as Bob mentioned ---
8 it was a little tired, a little ragged around the
9 edges. And it allowed it to be repositioned and really
10 go into the next phase of its life.

11 And so, it's really done exactly what it
12 was intended to do. And I think the Board got it right
13 when it awarded this license to Valley Forge. I think,
14 you know, just the reinvigoration of the music fair.
15 What a great result. And so, I think for all those
16 reasons and, obviously, the continuing benefits to the
17 community, we respectfully request that we be granted
18 our license for another three year term.

19 So, with that, I won't go into any names,
20 but they're here for a variety of community
21 representatives and local officials who, again, I think
22 echo the sentiments that I just expressed. And at the
23 appropriate time, we'll be happy to answer any of your
24 questions. Thank you.

25 PRESIDING OFFICER:

1 Our OEC, you'd like to --- questions for
2 Valley Forge?

3 ATTORNEY STUART:

4 Yes. A few. Glen Stuart for the OEC.
5 S-T-U-A-R-T. Can we just look at this --- go back to
6 the PowerPoint for a couple minutes. Couple questions
7 there. On page seven and nine of the PowerPoint,
8 there's two columns. One's for the Commonwealth of
9 Pennsylvania and there's also Montgomery County. Do
10 the Commonwealth of Pennsylvania --- does that column
11 encompass the Montgomery County members?

12 ATTORNEY KING:

13 The answer to that is yes.

14 ATTORNEY STUART:

15 Okay. On page 11, it says that an
16 increase in the number of Non-Gaming Employees at
17 Valley Forge has increased by 179. What positions do
18 these Non-Gaming Employees hold and how do they service
19 the Casino?

20 MR. PICKUS:

21 Yeah. Those positions basically include
22 areas like food and beverage service, facilities,
23 security. All of the areas that are not actually
24 actively engaging the gaming on the casino floor, but
25 basically all of which support not only the gaming on

1 the floor, but also the non-gaming amenities.

2 ATTORNEY STUART:

3 And can you briefly explain the benefits
4 provided to the Valley Forge's full-time employees, if
5 you have those figures available?

6 MR. FIGUERAS:

7 Alex Figueras. F-I-G-U-E-R-A-S. I'm
8 sorry. If you could just restate the question to make
9 sure I'm answering it ---?

10 ATTORNEY STUART:

11 The benefits that are provided by Valley
12 Forge to its full-time employees?

13 MR. FIGUERAS:

14 We have benefits that you would expect on
15 a full-time basis. Medical, life insurance, you know,
16 health benefits things like that.

17 ATTORNEY STUART:

18 Any type of like 401(k) or retirement
19 plan?

20 MR. FIGUERAS:

21 There is a 401(k) that is also available
22 for our employees.

23 ATTORNEY STUART:

24 Okay. Now, is that matched by the Valley
25 Forge?

1 MR. FIGUERAS:

2 It is not currently matched.

3 ATTORNEY STUART:

4 Okay. How many part-time employees does
5 the Casino employ?

6 MR. FIGUERAS:

7 About 200 part-time employees.

8 ATTORNEY STUART:

9 Okay. And what positions do those people
10 typically hold?

11 MR. FIGUERAS:

12 It would be a range from Casino and
13 non-gaming also.

14 ATTORNEY STUART:

15 Like dealers and ---?

16 MR. FIGUERAS:

17 It would include dealers. It would also
18 include people serving in the restaurants and banquet
19 functions.

20 ATTORNEY STUART:

21 And do those part-time employees receive
22 benefits from Valley Forge?

23 MR. FIGUERAS:

24 No. The full-time employee --- we
25 classify full-time employees as anybody that's working

1 at least 30 hours on average in our Casino and anybody
2 that would be eligible for benefits.

3 ATTORNEY STUART:

4 Okay. So if you're working less than 30,
5 then you would not be eligible for the benefits that
6 you just talked about.

7 MR. FIGUERAS:

8 Correct.

9 ATTORNEY STUART:

10 Okay. Moving to page 17. It states that
11 Valley Forge spends 10,000 dollars annually on employee
12 training, printing signage, printing brochures, et
13 cetera in relation to the compulsive and problem
14 gambling plan. How much of that \$10,000 is spent on
15 employee training?

16 MR. FIGUERAS:

17 The vast majority of that is spent on
18 training. I'd say close to \$8,000 of that, if not
19 more.

20 ATTORNEY STUART:

21 Okay. And that \$10,000, is that, then,
22 annually for the last three years?

23 MR. FIGUERAS:

24 That's been about the average, yeah.

25 ATTORNEY STUART:

1 And do you continue --- do you anticipate
2 continuing to spend that amount for the next three
3 years?

4 MR FIGUERAS:

5 I would expect that it would continue, if
6 not go up slightly.

7 ATTORNEY STUART:

8 On page 32 --- 33, you talk about the
9 growth of visitations. Do you foresee more growth
10 moving forward?

11 MR. PICKUS:

12 Yes. That's certainly our expectation
13 with some of the amenities and improvements I described
14 earlier. And that, just in the past, and we will
15 continue this year, it is absolutely our expectation
16 for that to continue to grow.

17 ATTORNEY STUART:

18 Okay. And feel free not to answer this if
19 you don't feel comfortable, but do you see Valley Forge
20 drawing patrons from neighboring states such as
21 Delaware, New Jersey, Maryland?

22 MR. PICKUS:

23 I think principally, our market continues
24 to be a localized market. However, we have experience
25 with some of the amenities that I described, the music

1 fair and others to draw patrons from some surrounding
2 states.

3 ATTORNEY STUART:

4 And now, it's general questions moving
5 forward. Are there any plans other than the pool to
6 add additional amenities or make any significant
7 renovations to the property in the next three years?

8 MR. PICKUS:

9 Yes. I think I mentioned briefly, we're
10 looking at some refurbishment to some of the restaurant
11 products, the food and beverage products that we
12 currently own. I can't name names at the moment, but
13 we are in serious negotiations with a fairly well-known
14 --- to use the term celebrity chef, to upgrade our food
15 and beverage product in some of our gourmet rooms and
16 some of the other areas. So, you know, we're
17 continuing to enhance the property in a number of ways.
18 Not only to make our offering better, but to make sure
19 that we stay, not just competitive, but ahead of the
20 competitors in the market.

21 ATTORNEY STUART:

22 I know you --- there's not a lot of room
23 to maneuver on the gaming floor, but do you see any
24 increase or decreases in the size of the gaming floor
25 coming up in the next few years?

1 MR. PICKUS:

2 No. The casino --- square footage of the
3 casino floor is more than enough to accommodate the,
4 you know, the number of table games and slot machines
5 allowed under the law. So, I don't see the casino
6 footprint growing.

7 ATTORNEY STUART:

8 Okay. Are there any plans to reduce the
9 number of slots or number of tables or do you think
10 that you're at a good size right now? At the max?

11 MR. PICKUS:

12 Given the restrictions of the Category 3,
13 I think we're at a good size. We are constrained a
14 number of evenings, but, you know, we make due with
15 that.

16 ATTORNEY STUART:

17 How often does Valley Forge replace or
18 refresh the older slot machines with newer slot
19 machines?

20 MR. PICKUS:

21 The average in the industry is sort of
22 somewhere between the three, four, five year range. We
23 sill have, with the property only being three years
24 old, probably the newer equipment offerings in the
25 marketplace. You know, we do continually upgrade and

1 replace slot machines as new product comes into the
2 market to make sure that we're competitive. If a new
3 slot machine is offered by competitors, you know, we
4 need to change our mix and our offering to make sure
5 that we offer an amenity that the public wants.

6 ATTORNEY STUART:

7 Okay. Does Valley Forge lease its slot
8 machines, own it --- own the slot machines? Or is a
9 mixture of both?

10 MR. PICKUS:

11 Yes. It's a mixture of both.

12 ATTORNEY STUART:

13 Okay. You would know offhand the
14 percentage of owned versus rent?

15 MR. FIGUERAS:

16 We have approximately 70 machines that are
17 leased, you know, which would be considered a daily
18 lease.

19 ATTORNEY STUART:

20 Okay.

21 MR. FIGUERAS:

22 Then the rest are owned.

23 ATTORNEY STUART:

24 The rest are owned by Valley Forge?

25 MR. FIGUERAS:

1 Yes.

2 ATTORNEY STUART:

3 Okay. Are there any plans to add
4 different or new table game options to the Casino or
5 are you pretty content with the mix that you have right
6 now? Or will the market dictate, basically, moving
7 forward?

8 MR. PICKUS:

9 Well, again, we're constantly monitoring,
10 not only what happens in the immediate southeast
11 Pennsylvania market, but also what new products become
12 available in the industry. I mentioned and showed a
13 picture of the Big Six Wheel. That's a very recent,
14 within the last month, new addition to the floor. So,
15 we continue to monitor the new offerings and we add new
16 table game amenities as, you know, as they become
17 appropriate.

18 ATTORNEY STUART:

19 What about a poker room? Any plans to
20 offer a poker room or ---?

21 MR. PICKUS:

22 Well, you know, first of all, we're
23 continuing to monitor the performance of the poker room
24 --- the only poker room that was in the market, that
25 was just introduced over at SugarHouse. We, of course,

1 have our own unique set of challenges because our
2 understanding is that poker tables would be included as
3 part of our 50 table game limit under the Category 3.
4 So, we do periodically look at whether or not
5 converting some of our existing and allowable 50 table
6 games to poker make sense. And again, we'll continue
7 to monitor what happens in the market, to see if that
8 would make sense.

9 ATTORNEY STUART:

10 But right now there's no hard fast plans
11 to institute a poker room?

12 MR. PICKUS:

13 Correct. There are not.

14 ATTORNEY STUART:

15 Okay. Are there any plans to increase or
16 decrease the number of staff servicing the Casino at
17 this point? Or are you pretty much at a good level
18 with the people who are servicing the Casino?

19 MR. PICKUS:

20 No, I think we're at a very good level.
21 We know you always, of course, have to balance the
22 staffing to the needs of the patrons who are there to
23 make sure they are adequately serviced as well as
24 monitoring on behalf of the ownership. That you're not
25 spending more money than you need to. So, I think

1 we're at a, you know, at a fair balance of that mix
2 right now.

3 ATTORNEY STUART:

4 Okay. And how about for the increase or
5 decrease in number of staff that's servicing the Resort
6 in general?

7 MR. PICKUS:

8 I would say the same thing.

9 ATTORNEY STUART:

10 Okay. Are there any plans to offer a new
11 membership or alter the benefits to the current
12 memberships that Valley Forge offers the public?

13 MR. PICKUS:

14 No, not at this time.

15 ATTORNEY STUART:

16 Okay. And does Valley Forge provide RAMP
17 training to its employees; Responsible Alcohol
18 Management Program?

19 MR. PICKUS:

20 Yes, I'm sure we do.

21 ATTORNEY STUART:

22 Okay. Do you know which employees
23 received that training and how often is that training
24 reenforced?

25 MR. FIGUERAS:

1 We can get you the exact stats, but I
2 mean, there's an annual retraining that has to occur
3 and as new hires are coming in, there's --- and anyone
4 that's touching it, under the law that's required to be
5 trained is trained.

6 ATTORNEY STUART:

7 Okay. I know kind of a hot button issue
8 with some of the other casinos in the area are children
9 being left in cars while the parents go in and gamble.
10 Does Valley Forge have any of those issues with
11 children being left in the car?

12 MR. PICKUS:

13 No. We don't and have not since opening.

14 ATTORNEY STUART:

15 Okay. So, is there security patrolling
16 the parking lot to look for children in cars or is that
17 kind of an issue that you'll touch upon when it comes
18 around?

19 MR. PICKUS:

20 Well, we provide security constantly in
21 the parking lot, monitoring traffic as well as safety
22 and security related issues. And as part of that, they
23 absolutely, you know, keep an eye open for what may be
24 happening or who may be left in cars.

25 ATTORNEY STUART:

1 Okay. Those are all the questions I have.
2 Thank you.

3 PRESIDING OFFICER:

4 Mr. King, do you have any Redirect for
5 your witnesses?

6 ATTORNEY KING:

7 I do not. I think the only other thing I
8 would like to do from an administrative perspective,
9 now seems an appropriate time, would be to move all of
10 our exhibits onto the record. I provided the OEC with
11 all of those in advance of the hearing. In addition,
12 we've updated the exhibits slightly yesterday. We
13 submitted --- or maybe Monday, two letters, one coming
14 from several members of the House, the other letter
15 coming from several members of the Senate supporting
16 the licensing which are our two new exhibits. And
17 Attorney Stuart has all of those. And maybe the
18 easiest thing is just to provide this book to the court
19 reporter, and these can be, with your permission,
20 entered onto the record.

21 (Valley Forge Convention Center Exhibit
22 One marked for identification.)

23 PRESIDING OFFICER:

24 Okay.

25 ATTORNEY STUART:

1 No objection.

2 PRESIDING OFFICER:

3 No objection. And is your PowerPoint
4 included in there?

5 ATTORNEY KING:

6 Our PowerPoint's included in this, yes.

7 PRESIDING OFFICER:

8 Okay. Hearing no objection, they will be
9 entered in the record. Any confidential information in
10 that?

11 ATTORNEY KING:

12 There are. There is some confidential
13 information, there is a cover letter at the front of
14 this book which indicates the two exhibits which have
15 been submitted confidentially and we would respectfully
16 request that they be treated as such.

17 PRESIDING OFFICER:

18 Okay. They will be. Thank you.

19 ATTORNEY KING:

20 Thank you.

21 PRESIDING OFFICER:

22 Questions from Board members. Who wants
23 to start? Greg?

24 MR. FAJT:

25 Thank you, Linda. Mr. Pickus, just a

1 quick follow-up question. You had mentioned that you
2 have, at times, capacity issues given your limitations
3 under the Category 3 of law of 50 table games and 600
4 slot machines. How often are you at capacity in a
5 given month? And my second question is, what do you
6 define as capacity? Is it 70 percent of all stations
7 occupied? Is it 90 percent or is it 100 percent? So,
8 in a given month, how often is your facility at
9 capacity?

10 MR. PICKUS:

11 The facility is at capacity, particularly
12 with respect to slot machines. And when I say capacity
13 to answer your question, I mean 100 percent of our
14 existing slot machines are occupied and being utilized
15 for gaming. Most Saturday nights.

16 Particularly, and if you just think about
17 the numbers for a moment. You know, when we do have
18 events, such as one of our new shows in the Convention
19 Center, which is immediately below the casino. And
20 when the show breaks and we have 1,700 guests walking
21 --- leaving the show and looking --- for those that
22 aren't going to leave the building --- and we hope
23 there are a lot of them --- looking to do something,
24 and the casino that's right above the Convention
25 Center.

1 So, 1,700 individuals, most of which are
2 over the age of 21, with a casino that has 600 slot
3 machines and 50 table games. And that's not even
4 including the other guests who are in the facility for
5 other purposes. So, we are, on most Saturday evenings,
6 we're at 100 percent capacity. Particularly on slot
7 machines.

8 MR. FAJT:

9 Thank you.

10 PRESIDING OFFICER:

11 Anthony?

12 MR. MOSCATO:

13 Thank you, Linda. Before I begin, if I
14 might take just a moment to recognize and welcome the
15 casino management class from the Montgomery County
16 Community College. Welcome to our proceedings. We
17 hope you find it interesting and educational. It's
18 always nice to see students learning. Enjoy that.

19 Mr. King, you had mentioned that on April
20 21st of this year, you will be hosting the first
21 Pennsylvania Security Director's Conference?

22 ATTORNEY KING:

23 Yes, sir.

24 MR. MOSCATO:

25 Do you know if all casinos will be

1 represented at this conference?

2 ATTORNEY KING:

3 You can ask Mr. Morrissey. If you will
4 step forward?

5 MR. MORRISSEY:

6 I have not been sworn in, sir.

7 -----
8 GILBERT MORRISSEY, CALLED AND SWORN:

9 -----
10 MR. MORRISSEY:

11 My name is a Gilbert. Last name,
12 Morrissey. M-O-R-R-I-S-S-E-Y. And your question
13 again, sir? I'm sorry.

14 MR. MOSCATO:

15 Will all casinos be sending a
16 representative to the Security Director's Conference.

17 MR. MORRISSEY:

18 The invitation was sent out to all the
19 Casino Security Directors within the Commonwealth. And
20 so far to date, I have six responses back.

21 MR. MOSCATO:

22 Okay. And just, can you give us a brief
23 highlight of what you hope to cover in this conference?

24 MR. MORRISSEY:

25 Certainly. One of the things that when we

1 brought it together is, obviously, the Casino Directors
2 --- Security Directors are not competitive. We're more
3 about understanding some of the situations that we all
4 handle on a daily basis. So, I wanted to cover some of
5 the topics such as underage gaming, some prevention
6 techniques that we currently use and some of the other
7 facilities use to bring us all onto a level playing
8 field and share some of our concerns and some of the
9 things that we've actually accomplished. And also self
10 exclusions. And we're also going to talk about the
11 detention law, which is going to be presented by the
12 Pennsylvania State Police. We're also including a two
13 hour block on the detection of fraudulent IDs, which is
14 a very hot topic, not only in the casino world, but
15 also when it deals with Homeland Security.

16 MR. MOSCATO:

17 It's a one day conference?

18 MR. MORRISSEY:

19 It will be, sir. Yes, sir.

20 MR. MOSCATO:

21 Oh. Very good. Well, I think it's a
22 great idea and I compliment you on that.

23 MR. MORRISSEY:

24 Thank you, sir.

25 MR. MOSCATO:

1 Thank you. Mr. King, you also mentioned,
2 and I think Mr. Stuart followed up on it. You spend
3 \$10,000 annually for employee training?

4 ATTORNEY KING:

5 Just on underage and excluded issues.
6 Yes, sir.

7 MR. MOSCATO:

8 Underage and excluded issues. And are all
9 employees trained on that? Or just Gaming Employees?

10 ATTORNEY KING:

11 Well, typically the training is for any
12 training whether it's alcohol or this issue. You know,
13 we look at the subset of employees who have regular
14 interface with patrons and who have responsibility with
15 respect to identifying underage or people who are on
16 the excluded list.

17 MR. MOSCATO:

18 And then, as they spend more time in ---
19 your employee, are they retrained or do they receive
20 supplemental training?

21 ATTORNEY KING:

22 Sure. There's training that comes at the
23 point of hire. And then there's refresher training on
24 an annual basis.

25 MR. MOSCATO:

1 Okay. My last question. You had
2 mentioned under the community involvement, a free night
3 at the Casino?

4 ATTORNEY KING:

5 Yes, sir.

6 MR. MOSCATO:

7 Can you expand on that? What's a free
8 night at the Casino?

9 ATTORNEY KING:

10 Well, it's just --- you'll get a group,
11 maybe it's a school group or a community group and
12 they're doing a fund raiser. And they may do, like, an
13 auction night. And they're just looking for a gift
14 card. So you might get like a gift certificate that
15 we've basically given as a charitable donation. And
16 that would allow whoever bids on that to get a free
17 night or a meal or things of that nature.

18 MR. MOSCATO:

19 Okay. Thank you.

20 MS. KAISER:

21 Good morning. Thank you for your
22 presentation. It looks like you've made some great
23 strides in some of the changes that you made, so I just
24 wanted to applaud you on that.

25 With respect to that, I noticed on page 15

1 of your presentation that you talked about improvements
2 to date available with access and with access cards.
3 Can you expand on that a bit? What type of
4 information?

5 ATTORNEY KING:

6 Sure. On that issue, just to make sure
7 we're crystal clear, I'm going to ask Mr. Figueras, who
8 oversees that.

9 MR. FIGUERAS:

10 In many instances, we would be able to
11 tell, for example, where someone obtained the access.
12 Whether it was from an event, to the extent that we can
13 --- if we swiped an ID for the person, it would include
14 the person, you know, that actually is in front of us.
15 So, we would know it's the particular person. If we
16 have an ID on file, sometimes a picture will actually
17 be able to come up right at the gate.

18 MR. KING:

19 If I may add, the idea is to continue to
20 develop and evolve our systems so that if we do have
21 issues with respect to access or it could be underage,
22 could be excluded persons. I mean, the more data we
23 have, the better we can do if we have an issue. We can
24 go back and do an analysis and say, okay, well, maybe
25 we could have done that better, or we missed this. So,

1 that's basically what we're trying to achieve as best
2 we can.

3 I would just emphasize, you know, we were
4 the first Cat 3, we were the first to have to implement
5 the system of access restrictions. So, it was --- you
6 know, it was brand new. It was untested. There was no
7 other place that we could go in the United States to
8 kind of learn this. We had to create it. Working with
9 your staff to make sure it complied with the law, and
10 as such, it's kind of been a little bit of a work in
11 progress. And we continue to try to improve it.

12 MS. KAISER:

13 Thank you. With respect to the hotel,
14 what is the average capacity of 485 rooms?

15 MR. PICKUS:

16 You know, we operate on an average of
17 around 60 percent occupancy.

18 MS. KAISER:

19 Sixty (60) percent? And it is good to see
20 that you have some big named entertainment coming in.
21 Do you find that that's improved your numbers? Do most
22 folks stay? Do they come early?

23 MR. PICKUS:

24 We've found that many folks come early.
25 They'll have dinner. They'll have a drink. And

1 they'll stay after. So, it is --- and in addition,
2 which is one of the real, sort of, things we were
3 hoping to get out of entertainment, is we also get
4 significant new card sign-ups. So, we can continue to
5 market the facility to people who come into the
6 facility for the entertainment. Or maybe they haven't
7 visited before.

8 ATTORNEY KING:

9 I would add just one other data point.
10 You'll see in the PowerPoint presentation --- it's
11 actually on page 34. One of the things that the
12 Tourism and Convention Board found was that since we've
13 been up and running, you know, really, through '13 and
14 '14, which is the full stable year. Weekend occupancy
15 at all hotels in the area has gone up 5.6 percent. So,
16 we believe that we have had some impact to that number
17 as well.

18 MS. KAISER:

19 Thank you.

20 MR. MCCALL:

21 One comment to --- one question. I
22 certainly want to commend you for your impressive
23 community support. What you do in the community,
24 community development, the scholarship program. I'm
25 sure I echo the sentiments of Representative Briggs and

1 Chairman of the County Commissions, Josh Shapiro. I
2 mean, that's really a big helping hand in the community
3 and you should be recognized and congratulated for
4 that. So, I thank you for that.

5 My question is a little bit of a follow-up
6 to Greg's question. You talked about the capacity
7 issues because of your limits with 50 tables and 600
8 slot machines. But you do have a capacity problem.
9 Yet, there's still the access issue of --- the issue of
10 patron of the amenities that kind of restricts access
11 to your facility. Yet, you're saying that you have
12 full capacity on certain nights. I want to hear on the
13 record what impact the patron of the amenities has on
14 your facility.

15 MR. PICKUS:

16 Let me try my best to answer that
17 question. Understanding, of course, that we're not
18 necessarily here to, you know, engage in a discussion
19 of policy issues. But more of, you know, operational
20 issues that we do have at the facility. We continue to
21 experience significant questions and uncertainty from
22 the public. Particularly those who have never visited
23 the facility before as to, you know, why they
24 functionally need to pay to get into the casino. And a
25 lot of them, while we try to explain that it's the law

1 and the requirements of the Gaming Act, a lot of folks
2 don't necessarily care to hear the full explanation.
3 They think that it's something that actually the Casino
4 has implemented as some sort of, you know, measure to
5 get additional revenues.

6 So, it is something we struggle with,
7 there's no question. Some people --- oh, again, when
8 you have a limited entertainment budget, to spend an
9 additional \$10 before you can walk into the door to
10 game, particularly if that's the principle function of
11 your visit, is clearly an impediment to our business.

12 MR. MCCALL:

13 So, and I don't want to put words in your
14 mouth, but it is a deterrent, in your opinion, that
15 access issue. And would you track that --- I mean, are
16 there people that literally walk away from the front
17 door when they're confronted with a \$10 or a \$20 fee to
18 come into the facility?

19 MR. PICKUS:

20 Yes, there are.

21 MR. MCCALL:

22 Thank you. Thank you for your comments.

23 MR. MCNALLY:

24 Thank you very much. Just a couple
25 follow-up on the issue of the patron and the amenities.

1 Are all concert goers included as patrons of the
2 amenities?

3 MR. PICKUS:

4 Well, we've been fortunate. Because the
5 demand for entertainment in the market is so great that
6 --- I don't know what percentage, but probably 90 or
7 more percent of folks who do go to the entertainment
8 venue, actually do pay for their ticket as opposed to
9 some that are provided by the Casino to existing
10 customers on a complimentary basis. So, those folks,
11 when they do pay for their own tickets to attend
12 entertainment events, that is absolutely included in a
13 patron of the amenity. And we, to make sure that
14 there's no confusion and no backup in the process, we
15 particularly staff up on those evenings to be sure that
16 we can provide Casino access to every patron of the
17 entertainment amenity who wishes to take advantage of
18 the ability to access the Casino.

19 MR. MCNALLY:

20 And I applaud you for the expansion of
21 your amenities, particularly the pool. But I believe
22 when asked by Attorney Stuart you said that there would
23 be no additional memberships. Will there be a
24 membership to your pool? Will this be more of an
25 amenity offered to guests or will it be a draw --- a

1 separate amenity like a day club to bring in younger
2 people to the facility?

3 MR. PICKUS:

4 The latter part of your question pretty
5 much would have been my answer. We're really looking
6 to provide it as an additional amenity. I think it
7 will attract, both during the day and evening, a bit of
8 a younger crowd. Hopefully over 21. There will be
9 alcohol served there as well. So hopefully, you know,
10 they will move at some point during the day from the
11 pool. So, we'll have to figure out get in there from,
12 you know, when they're bathing suits and flip flops.
13 But aside from that, we think that it will hopefully
14 enhance the facility that way. Yes.

15 MR. MCNALLY:

16 I take it in that regard then, there'll be
17 additional measures to make sure that persons given
18 access to the pool for that purpose will be of age?

19 MR. PICKUS:

20 Oh, absolutely. Yes.

21 MR. MCNALLY:

22 Okay. With regard to the --- some of your
23 diversity numbers. Do you have a program that
24 emphasizes a diversity in your workforce with regard to
25 people of physical or mental disabilities?

1 ATTORNEY KING:

2 I think at the present time we do not.

3 MR. MCNALLY:

4 Is that something to be looked at?

5 ATTORNEY KING:

6 Sure. Absolutely.

7 MR. MCNALLY:

8 With regard to your diversity, do you
9 also, in your hiring practices, emphasize a preference
10 for veterans?

11 ATTORNEY KING:

12 I don't know if we have a formal veteran's
13 policy, but I think, clearly, we support veterans. And
14 I think we recognize that veterans have very unique and
15 valuable training with respect to leadership and
16 reliability and things of that nature because of their
17 veteran status. And I think even if you walk into our
18 facility you'll see that we have an entire wall that we
19 dedicate to veterans, honoring them. And I know they
20 get extra consideration.

21 MR. MCNALLY:

22 Thank you. With regard to your problem
23 gaming and underage gaming, do you work with some of
24 your local schools on issues of underage gaming and
25 problem gaming?

1 ATTORNEY KING:

2 No. We do not do that now, but that's
3 certainly something we can look into.

4 MR. MCNALLY:

5 Okay. Thank you. What percentage of your
6 workforce are union members?

7 MR. PICKUS:

8 We have no union members at the facility.

9 MR. MCNALLY:

10 Have there been any efforts made, to your
11 knowledge, to unionize all or a portion of your staff?

12 MR. PICKUS:

13 We continue to monitor union activity in
14 the facility. But to date, there have been no --- you
15 know, there have not been any active organized
16 campaigns.

17 MR. MCNALLY:

18 You talked briefly about penalties imposed
19 upon underage. So, I take it that you would support
20 legislation that would impose penalties such as, you
21 use your driver's license to gain access, you lose your
22 driver's license? You use it and lose it.

23 ATTORNEY KING:

24 Absolutely. You know, we work very, very
25 hard to limit underage access. But we do believe, as

1 New Jersey's recognized, that underage people who use a
2 fake ID or use someone else's ID also should be held
3 accountable. And we think that will further, I think,
4 all of our collective goals of stopping underage
5 gambling.

6 MR. MCNALLY:

7 Okay. Thank you. That's all the
8 questions I have. Thank you.

9 MR. WOODS:

10 I too want to congratulate you on your
11 community efforts. I think that it is a very important
12 thing for the community and for Montgomery County in
13 specific. And it's a great achievement.

14 So, my questions are similar to
15 Commissioner McCall's about capacity and so forth. But
16 could you tell me first, how many actual members ---
17 yearly annual members do you have to the Casino at this
18 point?

19 MR. FIGUERAS:

20 The membership number goes up and down
21 because there's primarily two types of members, three
22 month and annual members, so as they come on and off.
23 Active members at any one time approximates somewhere
24 between 15,000 and 20,000 individuals.

25 MR. WOODS:

1 Would you say that that is the greatest
2 percentage of individuals who do repeat visits are
3 members?

4 MR. FIGUERAS:

5 I would say that it correlates well with
6 frequent visitation.

7 MR. WOODS:

8 Okay. And a little deeper questioning on
9 the issue of capacity. What would be your normal
10 capacity on slot machines if you spread it out during
11 the entire week? Obviously, you've said 100 percent
12 for a Saturday evening often, but during the course
13 overall in a week, what is the capacity factor that
14 you're reaching?

15 MR. FIGUERAS:

16 So, you're saying like the overall
17 average?

18 MR. WOODS:

19 Yes.

20 MR. FIGUERAS:

21 And just to reiterate, on Saturday night
22 we're talking about several hours when it would be at
23 full capacity.

24 MR. WOODS:

25 Sure.

1 MR. FIGUERAS:

2 It would be north of 50 percent on
3 average. Probably somewhere in 60s, 60 range.

4 MR. WOODS:

5 Okay. And just on the capacity versus the
6 amenity fee issue. Which is, in your opinion, the
7 greater constraint on the success of the Casino.

8 MR. PICKUS:

9 That's --- that is an interesting
10 question. I'd probably have to say that the limit on
11 the number of slot machines is a greater impediment to
12 our business.

13 MR. WOODS:

14 Thank you. No other questions.

15 PRESIDING OFFICER:

16 Any follow up from either Mr. King or OEC
17 based on the questions? No?

18 ATTORNEY KING:

19 No.

20 ATTORNEY STUART:

21 No.

22 PRESIDING OFFICER:

23 Okay. Then you moved your evidence into
24 the record so we will now turn to Representative
25 Briggs. If you come to the podium here in the middle?

1 REPRESENTATIVE BRIGGS:

2 Thank you, very much. Thank you,
3 Chairman. Thank you, Board. Mr. Speaker,
4 Representative. I still think it's the best job. You
5 guys have a great job. Now, I still think that being a
6 representative is a great job.

7 My name Tim Briggs, B-R-I-G-G-S, and I'm
8 the State Representative for the Commonwealth's 149th
9 District. I've been a long standing supporter of the
10 Valley Forge Casino Resort, which has been a tremendous
11 asset to Upper Merion and Montgomery County.

12 I can imagine how projects like this can
13 often draw criticism from those who don't believe a
14 casino belongs in their areas. And I can understand
15 those concerns. The Valley Forge Casino Resort sits
16 directly across from Valley Forge National Historic
17 Park and as not only the legislator, but a resident of
18 this area, I had a vested interest in ensuring the
19 project fit in and worked with our existing assets. I
20 am pleased to report that not only did the owner see
21 this busy corner as the perfect spot, they put their
22 own network on the line to develop a successful project
23 that continues to be responsible to the community.

24 Both Upper Merion Township and Montgomery
25 County have supported the Casino, and both profit from

1 it. I have brought with me a letter that was
2 submitted, signed by 15 of the 18 members of Montgomery
3 County's Legislative Delegation requesting renewal of
4 this license. The local share is obviously a benefit
5 to the Township and the County. Though issues there
6 need to be addressed legislatively. But, Upper Merion
7 also benefits from the amusement tax and the county and
8 occupancy tax on hotel stays. Additionally, Valley
9 Forge Casino Resort as mentioned it provides funds to
10 the Upper Merion Township's Board of Community
11 Assistants, which funds grants to local groups,
12 schools, township entities that have to have a positive
13 impact on the community. Not to mention college
14 scholarships to dozens of our local students.

15 In short, this has been a win-win
16 relationship. The ownership team understood why the
17 Valley Forge site would be successful. It was a
18 phenomenal location. They also hired the best of the
19 breed to do what they do --- run all aspects of the
20 resort casino.

21 When the Casino was up and running, they
22 made it a priority to give back. Valley Forge Casino
23 doesn't just provide a good experience and customer
24 service at the facility, the management and employees
25 serve the community back. In addition to the financial

1 support it provides, they have provided countless hours
2 of volunteer time.

3 There were concerns early on regarding how
4 the old Convention Center, where I took my bar exam in
5 a dirty basement, could be considered a resort or even
6 a tourist destination. But the last three years have
7 shown a success story of what I believe was the intent
8 of the legislation when it created the Class 3 license.

9 The \$10 access fee is a hurdle and could
10 have been a hindrance to success which I hope we can
11 also address in the future, but Valley Forge stepped up
12 and created a full service center that has not only
13 brought back the Valley Forge Music Fair, numerous
14 other shows and performances and even fight nights.
15 But has also become a location where our local senior
16 service center has their holiday party, where the
17 Township hosted their Gala to celebrate their
18 Tricentennial, and where I have even rode the
19 mechanical bull at one of my friend's 40th anniversary
20 parties. And I'm on the oath, so you know that's true.
21 It has become an incredible asset to the whole area and
22 has assisted in making Upper Merion and King of Prussia
23 a terrific destination.

24 The King of Prussia community is facing an
25 exciting time of redevelopment and the Valley Forge

1 Casino Resort has been part of this. They have been
2 active leaders in reviving the economic environment of
3 King of Prussian by making a more vibrant, attractive
4 and prosperous future.

5 We have a rich history, a great community
6 and terrific schools. But over the years when one
7 thinks of King of Prussia --- was hard not think of the
8 mall and sometimes the park. But now in just a few
9 years you have to add the Casino to the list. And the
10 collaborative approach that casino has made to make
11 this community even more successful in the future needs
12 to continue.

13 Members of the Gaming Control Board, I'd
14 like to thank you for this opportunity to share my
15 experience with the partners who brought the
16 Commonwealth a successful resort casino in Valley
17 Forge. And I urge you to renew Valley Forge Casino ---
18 Resort and Casino's license. Thank you very much.

19 PRESIDING OFFICER:

20 Thank you and if you're willing to give
21 up ---

22 REPRESENTATIVE BRIGGS:

23 Yes. I will.

24 PRESIDING OFFICER:

25 --- your script to the court reporter.

1 She would appreciate that. Greg Philips.

2 MR. PHILIPS:

3 Good morning. I'm the Chairman of the
4 Upper Merion Board of Supervisors. I welcome you to
5 our township, and thank you for holding your hearing
6 here. Let me leave you with three things that I think
7 is important for y'all to know about re-licensing. One
8 is revitalization, second is safety, and third is their
9 community involvement which I think they went to great
10 lengths of it in terms of some of slides.

11 But with regard to revitalization,
12 although they've done a wonderful job, revitalizing the
13 Tourist and Convention Center, they may not know it,
14 but I think they do. They are part of a larger
15 revitalization project that we have ongoing in that
16 Valley Forge Industrial Park. In fact, they're one of
17 the anchors at the 422 First Avenue Interchange to what
18 we hope will be sort of a world class revitalization of
19 the entire First Avenue Corps.

20 Some of you may know from press releases
21 that we have recently rezoned that entire area to be a
22 mixed use. So, that truly that industrial area which,
23 you know, it was built in the 1950's --- will now have
24 retail housing as well as commercial and industrial
25 spaces. And it will be truly a walkable community,

1 which is what this Board is striving for. From the
2 standpoint of Board of Supervisors. They're going to
3 play, and they do play, a very large role, both with
4 our business improvement district, which we spun off
5 about four or five years ago, to help push this effort
6 along, as well as with our rezoning efforts throughout
7 the entire Township.

8 With regard to the safety at this
9 facility, we have absolutely no complaints. They have
10 not really added to our burden of providing municipal
11 services. In fact, they go out of their way to help
12 our police department and both their security team as
13 well as the Pennsylvania State Police team that's there
14 work extremely well with our police department. And in
15 preparation for this hearing, I had a lengthy
16 discussion with our police chief Tom Nolan. And they
17 really do provide the programs that we would expect an
18 actor of their size to be able to provide. Whether
19 it's, you know, making sure that folks who've had too
20 much to drink have a cab or a room or, you know, some
21 other way of getting home but getting behind the wheel
22 of their car.

23 To their involvement with our police
24 department to the point of allowing our police
25 department to have radios that will allow them to

1 communicate with security at the mall, or security at
2 the other hotels. We're a big place and some of those
3 things, that interoperability we just have not had the
4 opportunity to have until they came along.

5 And then finally, from the standpoint of
6 their community involvement, you've seen the list for
7 the Board of Community Assistants. They are an
8 integral part of that Board along with members of our
9 Township Board of Supervisors and our township
10 residents. They have provided thousands of dollars
11 through their grants to the BCA that we have then been
12 able to give to non-profits that serve the residents of
13 our community, as well as grants for our residents to
14 go on to a secondary education from high school. And
15 that doesn't mean just from Upper Merion High School.
16 But from parochial schools and the private schools as
17 well.

18 That program continues to grow. I think
19 in the first year that BCA provided those scholarship
20 grants, we only had seven takers. This year, we've had
21 over 20 and we anticipate that as this word continues
22 to get out about our scholarship program, that it's
23 really made possible by their generosity. You know, we
24 will have more and more folks competing for those
25 scholarship assets.

1 And then, finally, again, you know, just
2 to go back to their assistance with our police
3 department. You know, what they've been able to
4 provide to the table really makes the entire community
5 safer. And again, to go back to what I initially said
6 at the onset of my comments. Our goal as the Board of
7 Supervisors is to make sure that we're tracking the
8 best and brightest of Upper Merion Township. Whether
9 that's a Fortune 500 Company or Fortune 100 Company, or
10 whether it's the Mom and Pop Shop that comes up with a
11 super nifty idea that can open a store here and make a
12 go of it. That's what we want for our community. They
13 fit into that scheme extremely well. And they've been
14 very, very helpful to us moving forward.

15 So, I would ask the Board to grant their
16 application and renew their license for another three
17 years. Thank you.

18 PRESIDING OFFICER:

19 Thank you. And Mr. Philips, I'd like to
20 thank you and the staff here in your Township,
21 beautiful township building, for hosting us. They've
22 been a great help in helping our staff get set up. So,
23 thank you for that hospitality.

24 MR. PHILIPS:

25 Thank you very much. We look forward to

1 hopefully having you here in three years. Thank you.

2 PRESIDING OFFICER:

3 And Josh Shapiro.

4 MR. SHAPIRO:

5 Good morning. Members of the Gaming
6 Control Board. Mr. Chairman, Mr. Speaker. It is a
7 pleasure to appear before you and to follow
8 Representative Briggs and Mr. Phillips. I had one of
9 two of Representative Briggs's --- one or two similar
10 experiences to Representative Briggs at the old hotel.
11 I did not ride a mechanical bull, but I did take the
12 bar exam there. So, I have a little bit of bad
13 memories of that place, which have all been washed out
14 with all the positive memories. I did manage to pass
15 the bar exam, though. So, I'm pleased about that. And
16 I'm pleased to be here today to support the application
17 of the Valley Forge Casino's renewal.

18 This was not an obvious decision for me to
19 appear before you, not withstanding my role as Chairman
20 of the County Commission and the proximity of this
21 Casino here in Montgomery County. In fact, when I was
22 a member of the Pennsylvania House of Representatives
23 and served alongside Speaker McCall, I actually voted
24 against the legislation to expand gaming in
25 Pennsylvania.

1 I did so, not because I was against
2 gambling expansion in Pennsylvania, but rather because
3 I felt as though using gaming revenues to support
4 education and reduce property taxes as was promised,
5 was ultimately shortsighted and not the right way to go
6 about that. I think that has been pared out with the
7 fact we still have a funding crisis in Pennsylvania for
8 education. We still have not reduced property taxes to
9 the degree that we should.

10 However, the question before all of you
11 today and the question that those of us who have been
12 invited here to testify on it today, is whether or not,
13 based on our experiences and everything we know,
14 whether the Casino ought to be renewed. And I believe
15 unequivocally and firmly that the answer to that
16 question is yes.

17 I've worked closely with officials of the
18 Casino, especially President and CEO Mike Bowman, who
19 is here, to collaborate on casino-related issues and
20 community issues. I've worked with Mr. Bowman to
21 reinvigorate the Valley Forge Tourism and Convention
22 and Visitors Bureau and in the efforts to better market
23 our entire community and use the Casino as a hub of
24 that effort.

25 Mike and the Valley Forge Casino have been

1 strong and reliable partners in those efforts. And in
2 fact, they have been at the table for many important
3 community decisions and processes that we've gone
4 through. They have been fine corporate citizens and
5 they have heightened us as a destination point in
6 Montgomery County for tourists across Pennsylvania and
7 across the United States.

8 In its presentation a moment ago by Mr.
9 King and others, Valley Forge Casino, I think, did a
10 fine job outlining many of the facts and figures
11 related to the economic, workforce, social and
12 community related improvements offered by the Casino.
13 And I think they have made and are responsible for a
14 very positive impact on our community.

15 I'd like to highlight just a few of the
16 points that Mr. King touched on. The tax revenues and
17 fees have been a boom to the local government to the
18 tune of \$12.5 million. And the Valley Forge Casino's
19 been responsible for over 500 permanent jobs in this
20 area. There's now nearly 900 jobs at the facility.
21 When before, back when Representative Briggs and I took
22 the bar exam, there were approximately 250.

23 Of course, that doesn't account for the
24 jobs that were created indirectly with suppliers and
25 companies that service the Resort operation. As an

1 example, in the last fiscal year alone, the Valley
2 Forge Casino spent \$222 million, I understand, with
3 local businesses. Much of that minority and women
4 owned businesses, a key priority of ours in Montgomery
5 County and obviously a key priority to the Casino.

6 The Casino executive and their executives
7 and their staff have given hundreds, if not thousands
8 of hours to local community and charitable efforts.
9 And have been an excellent corporate neighbor. And I
10 alluded to before, they have been at the table for
11 major decisions and major discussions on issues
12 impacting Montgomery County.

13 Valley Forge Casino's contributed \$625,000
14 to Upper Merion Township for traffic improvements.
15 One-third higher than they originally committed. And
16 the casino's contributed almost \$400,000 to the Upper
17 Merion Board of Community Assistance and has given 52
18 grants to local organizations and 36 scholarships to
19 aspiring students. Mr. Phillips alluded to that
20 earlier.

21 That is an impressive record of
22 performance and commitment. But also points to one of
23 the concerns I had and still have with the Casino's
24 local funding share and the Community Benefits
25 Agreement. And let me stress at the outset, this is

1 not a problem caused by the Casino, but it is one I
2 understand that they want to be a part of fixing.

3 Obviously, I'm here today as Chairman of
4 the Montgomery County Board of Commissioners. I'd be
5 derelict in my duties if I did not point out that our
6 County Government and the Montgomery County tax payers,
7 despite the presence of the Casino here in our great
8 county, do not receive a single dollar or a single
9 grant from the Casino. Primarily because the funding
10 that should go to Montgomery County is diverted to the
11 Commonwealth Financing Authority. I believe that ought
12 to change. Of all the counties in the state that have
13 casinos, only Montgomery County is treated in this
14 particular way. And only Montgomery County is denied
15 access to these revenues in this way.

16 The solution to this shortchanging of the
17 tax payers of Montgomery County is to adopt House Bill
18 565 sponsored by Representative Marcy Toepel of
19 Montgomery County and supported by many in the House.
20 This would provide funding for our parks and trails in
21 Montgomery County to the tune of 75 percent. And 25
22 percent will be split between two very important
23 organizations in Montgomery County, Laurel House and
24 Mission Kidz.

25 Look, I recognize this is not your burden.

1 This is the burden of the legislature. But I think I'd
2 be remiss if I didn't use this public opportunity to
3 remind the legislature of the importance of passing
4 this. This would mean more than 2.5 million dollars to
5 the tax payers of Montgomery County to support these
6 two important organizations and our parks and trails.

7 But again, this is not an issue for you to
8 consider. The issue before you is, I understand, is
9 the renewal of this license. And notwithstanding
10 where I began on this issue and notwithstanding some
11 of the concerns I still have relative to local funding
12 sources. I am unequivocal and firm in my belief and
13 support that this license ought to be renewed.

14 The benefits absolutely outweigh any
15 concerns and frankly, those concerns are ancillary to
16 the issues that you have before you. This has been a
17 win for the people of Montgomery County, for Upper
18 Merion Township, for visitors to our county. And it
19 has added to the greatness of the King of Prussia area.
20 And it has been a destination point and it has brought
21 new people to the table in Montgomery County to tackle
22 some of the challenges and the great opportunities we
23 have.

24 So, I'd respectfully ask that you consider
25 and look at them favorably. And I'd be more than happy

1 to answer any questions. Mr. Chairman, ma'am, if you
2 have any at this time. Thank you.

3 PRESIDING OFFICER:

4 Thank you.

5 MR. SHAPIRO:

6 Thank you.

7 PRESIDING OFFICER:

8 Okay. We will move along to our OEC's
9 presentation at this time. Do you need ---?

10 ATTORNEY KING:

11 Ms. Presiding Officer and OEC, may I
12 respectfully request --- could we just fit in one other
13 speaker. Mr. Goldstein from the King of Prussia
14 District has a --- I told him I thought we might be
15 able to get him on earlier and he has to be in an
16 appointment, so ---.

17 PRESIDING OFFICER:

18 Sure.

19 ATTORNEY STUART:

20 Sure. That's fine.

21 ATTORNEY KING:

22 Thank you for your accomodation.

23 PRESIDING OFFICER:

24 Eric Goldstein, and where you sworn in
25 with the group?

1 MR. GOLDSTEIN:

2 I was not.

3 -----

4 ERIC GOLDSTEIN, CALLED AND SWORN:

5 -----

6 MR. GOLDSTEIN:

7 Thank you for the opportunity this
8 morning. My name is Eric Goldstein. I'm the Executive
9 Director of the King of Prussia Business Improvement
10 District located here in King of Prussia, Pennsylvania.

11 My organization is a private
12 not-for-profit, 501(c)(3) that works with nearly 300
13 commercial property owners in King of Prussia. We
14 engage public and private partners to collaboratively
15 --- excuse me, improve the economic environment in King
16 of Prussia by making it more vibrant, attractive and
17 prosperous.

18 The Valley Forge Casino Resort property is
19 located within my organization's program boundary area
20 and the organization, therefore, has a vested interest
21 in what happens with property both positive and
22 negative with that property.

23 From my perspective, since the opening in
24 2012, Valley Forge Casino Resort has provided a
25 tremendous benefit to the King of Prussia community, to

1 Upper Merion Township, to Montgomery County as well as
2 the Commonwealth of Pennsylvania.

3 Not only does the Casino Resort provide
4 millions of dollars in tax revenue, but they also
5 provide financial and economic benefits in many other
6 ways. The Casino has generated close to a thousand
7 permanent jobs in the community for its casino
8 operations, restaurants, meeting and event spaces and
9 through its hotel operations. The Casino provides
10 considerable spinoff business to other area hotels,
11 restaurants and to retail establishments as well.

12 The Casino provides hundreds of thousands
13 of dollars in grant assistance and sponsorship dollars
14 to local organizations for their good work in the
15 community each year through the Board of Community
16 Assistance Programs they described.

17 The Casino is also involved in other
18 community improvement and outreach efforts. From our
19 organization, they have been involved with extensive
20 landscape and beautification projects that have helped
21 to improve the aesthetics of the business park location
22 in which they are located and they have sponsored and
23 participated in numerous events and activities.

24 The Casino brings much needed night life
25 and energy to the King of Prussia community as well

1 with non-gaming activity such as the restaurants, the
2 music and entertainment events, and the corporate
3 meeting and association business. These non-gaming
4 events also have a very positive residual affect on
5 other areas of businesses including local hotels,
6 restaurants and retailers.

7 The Casino maintains the highest standards
8 of honesty and integrity and executes their business
9 with an extraordinary regard for public safety and
10 respect for its neighbors in the community.

11 The King of Prussia District is proud to
12 have the Valley Forge Casino Resort in our community as
13 an active participant in the Business Improvement
14 District. I think we have a topnotch management team
15 in place at the Casino. And our organization strongly
16 supports the renewal of Valley Forge Casino license.
17 And I thank for the time.

18 PRESIDING OFFICER:

19 Thank you. And now I'll turn it over to
20 the OEC.

21 ATTORNEY STUART:

22 Thank you. We have no presentation, but
23 we do have four witnesses and we had five exhibits that
24 we've already presented to the Board and we've provided
25 stipulations as well. We provided Valley Forge's

1 Counsel with those exhibits and they had no issue with
2 those coming in.

3 For my first witness, I would like
4 Sergeant Kevin Conrad with the Pennsylvania State
5 Police Gaming Enforcement Unit at Valley Forge Casino.

6 MR. CONRAD:

7 Good morning.

8 -----
9 KEVIN CONRAD, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
10 AS FOLLOWS:

11 -----
12 DIRECT EXAMINATION

13 BY ATTORNEY STUART:

14 Q. Please state your name and your position for the
15 record?

16 A. My name is Kevin Conrad, last name is spelled
17 C-O-N-R-A-D. I'm a Sergeant with the Pennsylvania
18 State Police assigned to the Bureau of Gaming
19 Enforcement at Valley Forge Casino.

20 Q. And how many years have you work with the
21 Pennsylvania State Police?

22 A. I've been with the Pennsylvania State Police for
23 19 years.

24 Q. And can you please describe the role of PSP at the
25 licensed facility?

1 A. State Police role at the Valley Forge Casino is to
2 enforce laws under Title 18, the Crimes Code and also
3 under the Title 4 of the Gaming Act. So, the State
4 Police has the role for any crimes that occur on the
5 casino floor or any gaming-related areas. We have a
6 Memorandum of Agreement with Upper Merion Township
7 Police Department where Upper Merion handles crimes
8 that occur in ancillary areas, on the hotel side, in
9 the parking lots, in other non-gaming-related areas.

10 Q. Okay. So, just to touch on the parking lot again.
11 Who has primary police jurisdiction over the parking
12 lot?

13 A. That would be Upper Merion Township.

14 Q. Okay. And can you describe your working
15 relationship with the personnel from Valley Forge?

16 A. The State Police has a very good working
17 relationship with Casino Management. And specifically
18 Valley Forge Surveillance Department and the Security
19 Department. We rely heavily upon the Surveillance
20 Department and the Security Department to do our jobs
21 correctly.

22 Q. And describe your working relationship with the
23 Board's Casino Compliance Representatives at Valley
24 Forge.

25 A. We have a very good working relationship with the

1 Gaming Control Board Representatives at Valley Forge
2 Casino.

3 Q. Okay. Are you familiar with the Uniform Crime
4 Reporting System?

5 A. Yes, I am.

6 Q. And which agency compiles the information
7 contained in the UCR?

8 A. The FBI administers the UCR system. And the State
9 Police and local law enforcement agencies enter the
10 data into the UCR system.

11 Q. Okay. Is it in electronic format?

12 A. Yes, it is.

13 Q. Okay. And is the UCR available to the public on
14 PSP's website?

15 A. It is. There is a link on the Pennsylvania State
16 Police website that'll take you to the UCR system.

17 Q. Okay. Do you happen to know offhand what that
18 link is in case members of the public would like to
19 visit that site?

20 A. Yes, I do. The link is www.paucrs.pa.gov.

21 Q. And how frequently is information in the UCR
22 updated?

23 A. The UCR information is updated on a monthly basis.

24 Q. Okay. Is the information contained in that
25 database subject to any editing?

1 A. Yes, it is.

2 Q. And under what circumstances?

3 A. The UCR system user can edit arrests, clearances
4 of arrests, number of victims, number of accused
5 individuals, demographics for victims, and demographics
6 for the accused.

7 Q. What information generally is contained in the
8 UCR?

9 A. The UCR would show what offenses occurred at the
10 location. That information that I just previously
11 stated, the demographics for a victim, demographics for
12 the accused, the number of offenses that were actually
13 prosecuted and the convictions that were obtained.

14 Q. Can the number of offenses reported in the UCR be
15 refused if the case is later determined to be
16 unfounded?

17 A. Yes, they can.

18 Q. Can you just briefly just run through --- how many
19 crimes are we seeing at Valley Forge? What types of
20 crimes are we seeing? Are they serious in nature?

21 A. The number of crimes occurring at Valley Forge
22 Casino are certainly not great in my opinion. I
23 previously worked at another casino in Pennsylvania. A
24 larger casino, obviously not a Category 3 licensed
25 casino, but the number of crimes that are occurring at

1 Valley Forge Casino are relatively low in my opinion.
2 They're crimes that are consistent with other crimes
3 that are occurring at casinos across Pennsylvania.
4 Ranging from theft, disorderly conduct, criminal
5 trespass offenses, criminal mischief offenses and also
6 counterfeit currency in the casino. Not necessarily by
7 people that know that they're possessing counterfeit
8 money, but just happen to possess it. And it's
9 detected by the casino and then we're notified. Not
10 necessarily people that are arrested for possessing the
11 counterfeit money because they actually in our opinion
12 after an investigation didn't realize that it was
13 counterfeit money.

14 Q. And are the crimes and offenses that occur at
15 Valley Forge --- are those listed on the UCR?

16 A. Yes, they are. Specifically to Valley Forge. The
17 public can see what crimes are occurring at Valley
18 Forge Casino and the number of crimes that are actually
19 cleared during our investigations and the number of
20 crimes that are prosecuted.

21 Q. Okay. You just explained how the offenses that
22 occur at Valley Forge are entered into the UCR?

23 A. We have a UCR officer. A State Police Corporal in
24 our unit that's assigned as the person that enters the
25 information into the system. So, it's a systematic

1 approach wherein when a report is submitted to our UCR
2 officer, he denotes the information that's needed to
3 enter in the UCR system and keeps a --- basically a
4 spread sheet --- a monthly spreadsheet. And at the end
5 of the month, he'll go in and enter all the necessary
6 information into the UCR system.

7 Q. Does the UCR list the number of actual offenses
8 that are prosecuted?

9 A. The UCR lists the number accused prosecuted to the
10 highest UCR offense, which I know can be a little bit
11 confusing. But what that basically means is, if
12 somebody is charged with four different criminal
13 offenses, it'll only --- the UCR system will only list
14 the highest UCR numbered offense, which is the most
15 serious crime that's listed. And that is for
16 misdemeanor offenses and felony offenses. It muddies
17 the water a little bit more from a summary offense
18 standpoint. For, say, disorderly conduct or criminal
19 trespass. Each one of those offenses would be listed
20 in UCR system. So, there is a difference between how
21 summary offenses are entered into the system and how
22 misdemeanors and felony offenses are entered into the
23 system.

24 Q. What's the most common criminal offense listed in
25 the UCR for Valley Forge?

1 A. The most common criminal offense that's listed is
2 a UCR number of 260. And what that means is it's a
3 catchall, all other offenses. And the reason why
4 that's a catchall and not a specific offense is by the
5 way that the UCR system is set up and those offenses
6 that that would be included in the UCR 260 number would
7 be criminal trespass, Title 4 Gaming Act offenses. So,
8 that's our most common offenses that occur at Valley
9 Forge.

10 Q. Can you say how many thefts are reported in any
11 given month? Just an average per month?

12 A. Yes. So, when I ran our numbers for 2013 at
13 Valley Forge, we averaged two and a half thefts per
14 month. And the average number of thefts for 2014 was
15 2.25 thefts per month.

16 Q. Okay. Are those, you know, violent thefts or are
17 those just people finding vouchers on the ground and
18 picking them up? Just explain that.

19 A. Typically, it's not a violent crime. It's an
20 offense as you stated, it's something that's taking a
21 voucher out of a machine after somebody has actually
22 already left the machine. Or if a patron leaves
23 credits on the machine, somebody who sits down and use
24 those credits, which actually under Pennsylvania law,
25 is a crime.

1 Q. Are there any significant number of violent crimes
2 that occur at Valley Forge?

3 A. No, we haven't had, off the top of my head, any
4 very serious violent crimes that occurred at the
5 licensed facility.

6 Q. Are there any significant --- that were crimes
7 involving individuals under the age of 21?

8 A. No, I wouldn't call the number of incidents
9 significant. But by looking at statistics that I put
10 together for this presentation. In 2012, we had one
11 specific underage incident which involved two people.
12 In 2013, we had eight specific incidents involving
13 underage patrons. In 2014, we had five specific
14 incidents. And so far this year, we've had two
15 specific incidents. For a total number of non-traffic
16 citations of 27. So the number of incidents on several
17 occasions involved several individuals, but the total
18 number of incidents over the past three years was 16
19 according to my statistics.

20 Q. Has there been any noticeable increase in specific
21 crimes between April of 2012 and today?

22 A. There has not been any significant increase in any
23 specific category.

24 Q. Okay. After reviewing the UCR for offenses report
25 for Valley Forge, do you see a pattern of any type of

1 actual offenses that occurred at the licensed facility?

2 A. The crimes that occurred at Valley Forge Casino
3 are consistent with the crimes that I've seen from the
4 State Police statistics across the state. So, as I
5 previously mentioned, those types of offenses are
6 criminal trespass, which can include self-exclusion
7 violations, statewide exclusions or specific casino
8 evictions. So, criminal trespass, counterfeit money
9 being passed in the casino, those are the most common
10 offenses that are occurring.

11 Q. Okay. What is the last date that the UCR records
12 are available for recorded offenses at Valley Forge?

13 A. March, 2015.

14 Q. Okay. Can you draw a conclusion based on crime
15 statistics between the different licensed facilities in
16 Pennsylvania based on the data contained in the UCR?

17 A. I think it's easy for people to draw an opinion
18 based upon looking at just the numbers that are in the
19 UCR database. But by somebody not knowing exactly
20 what's occurring at each specific casino, I think it's
21 difficult to draw a conclusion or an opinion based upon
22 the size of the casino, the Category 3 License itself,
23 obviously, the number of --- the number of patrons that
24 are coming into the casino, the geographic location of
25 where the casino is, how many customers they have. So,

1 I would hesitate to draw a specific conclusion about
2 the numbers that are listed in UCR database.

3 Q. In general, is State Police satisfied with the
4 level of cooperation between the staff at Valley Forge
5 and the trooper station within the facility?

6 A. Yes, we are. As I previously stated, we have very
7 good working relationship with the Casino Management,
8 Casino Surveillance and Casino Security.

9 Q. Okay. And at this time, are there any issues or
10 concerns that Pennsylvania State Police has that would
11 negatively impact the suitability of Valley Forge
12 Casino Resort?

13 A. No. There are not.

14 ATTORNEY STUART:

15 Those are all the questions I have. Thank
16 you.

17 PRESIDING OFFICER:

18 Attorney King, do you have anything?

19 ATTORNEY KING:

20 No. We have no questions. Thank you.

21 ATTORNEY STUART:

22 My next witness is Elizabeth Lanza, the
23 Director of Compulsive Gambling for the Pennsylvania
24 Gaming Control Board.

25 MS. LANZA:

1 Good morning.

2 -----

3 ELIZABETH LANZA, HAVING BEEN PREVIOUSLY SWORN,

4 TESTIFIED AS FOLLOWS:

5 -----

6 DIRECT EXAMINATION

7 BY ATTORNEY STUART:

8 Q. Just state your name and spell it for the record?

9 A. My name is Elizabeth Lanza, L-A-N-Z-A.

10 Q. And what is your position at the Board?

11 A. I am the Director of the Office of Compulsive and
12 Problem Gambling.

13 Q. And how long have you been in that position?

14 A. Since December of 2010.

15 Q. And can you briefly describe the responsibilities
16 of the Office of Compulsive and Problem Gambling?

17 A. Sure. My office is responsible for problem
18 gambling outreach, also the administration of the ---
19 the administering of the self-exclusion program, and
20 also maintaining and ensuring that the casinos are
21 compliant with compulsive and problem gambling plans.

22 Q. And are licensees all required to have a
23 compulsive and problem gambling plan?

24 A. Yes, they are.

25 Q. Is that approved by your office?

1 A. Yes.

2 Q. Can you summarize the Act --- the Gaming Act and
3 the Board's regulations and what they require with
4 respect to compulsive and problem gambling?

5 A. Sure. Each compulsive and problem gambling plan,
6 or CPG plans as I may refer to them as, are required to
7 have the policies and procedures on problem gambling,
8 what to do when there's a suspected problem gambler,
9 how to assist that person as well as policies and
10 procedures on self-excluded, underage and intoxicated
11 individuals. The plans also have information on
12 employee training, advertisement policies, signage
13 policies as well.

14 Q. And does Valley Forge Casino Resort have a
15 compulsive and problem gambling plan in place?

16 A. Yes, they do.

17 Q. And do you know when that was approved?

18 A. It was originally approved March, 28th 2012. And
19 the most recent amendment was just approved last week
20 March 26th, 2015.

21 Q. Okay. Can you describe the training that Valley
22 Forge Casino Resort employees receive with respect to
23 the area of compulsive and problem gambling?

24 A. Sure. The Valley Forge Casino Resort uses the
25 Counsel in Compulsive Gambling of Pennsylvania to do

1 their training. They are trained --- all the employees
2 that receive the training are trained on the
3 characteristics of a problem gambler. They are trained
4 on identifying problem gamblers, self-excluded
5 individuals. They also are trained on underage
6 individuals as well.

7 Q. Is it your opinion that Valley Forge Casino Resort
8 has met all the requirements of the Act --- the Gaming
9 Board's regulations regarding submission and
10 implementation of its compulsive and problem gambling
11 plan including the placement of signage and
12 implementation of training programs?

13 A. Yes.

14 Q. And has Valley Forge Casino Resort been in
15 compliance with this approved compulsive and problem
16 gambling plan?

17 A. Yes, they have been.

18 ATTORNEY STUART:

19 Those are all the questions I have.

20 PRESIDING OFFICER:

21 Attorney King, any follow up?

22 ATTORNEY KING:

23 I do not. Thank you.

24 A. Thank you.

25 ATTORNEY STUART:

1 Thank you. My next witness is Kathleen
2 Colfer from the Bureau of Investigations and
3 Enforcement.

4 MS. COLFER:

5 Good morning.

6 -----
7 KATHLEEN COLFER, HAVING BEEN PREVIOUSLY SWORN,
8 TESTIFIED AS FOLLOWS:

9 -----
10 DIRECT EXAMINATION

11 BY ATTORNEY STUART:

12 Q. Can you please state your name and spell it for
13 the court reporter?

14 A. It's Kathleen J. Colfer, C-O-L-F-E-R.

15 Q. And how are you employed?

16 A. As an Investigator for the Pennsylvania Gaming
17 Control Board.

18 Q. And for how long?

19 A. Nine years.

20 Q. And just give a brief overview what your
21 responsibilities are as an agent of the BIE?

22 A. In my position, I would conduct background
23 investigations of individuals or companies who wish to
24 participate in gaming in Pennsylvania. In addition, I
25 would conduct, as requested by the OEC, to conduct

1 miscellaneous investigations as it pertains to the
2 facilities.

3 Q. And in your professional capacity, have you been
4 involved with the investigation of Valley Forge Casino
5 Resort's for renewal application?

6 A. Yes, I have. I was assigned in July of 2014.

7 Q. Okay. At this time, are the background
8 investigations at Valley Forge Casino Resort and its
9 associated entities and individuals complete?

10 A. No, they're not. But I expect them to be complete
11 in the next couple weeks.

12 Q. Can you describe the scope of a typical renewal
13 investigation?

14 A. After reviewing the renewal application, I would
15 send out correspondence requesting backup information,
16 and verify the information that's entered into the
17 application as true and correct. Query database ---
18 databases for criminal backgrounds, credit information,
19 leans, judgments, contact outside agencies, other
20 jurisdictions to see if they've been licensed or not in
21 those jurisdictions. Contact references and interview
22 them. And once all my information's been gathered,
23 then I'll conduct that applicant interview.

24 Q. And thus far in your investigation, has Valley
25 Forge Casino Resort and it's associated entities and

1 individuals, have they all been cooperative during the
2 course of your investigation?

3 A. At this time, they have been.

4 Q. And after your investigation is complete, what's
5 the next step?

6 A. After gathering all the information, I would
7 complete a report of investigations and send it to the
8 OEC for review.

9 Q. Is there anything else you'd like to say about
10 Valley Forge here, any of their people or entities at
11 this time?

12 A. No. Thank you.

13 ATTORNEY STUART:

14 I have no more questions.

15 PRESIDING OFFICER:

16 Mr. King? Any Cross?

17 ATTORNEY KING:

18 I have no Cross and no questions. We will
19 continue to cooperate.

20 PRESIDING OFFICER:

21 Thank you. Good to hear.

22 ATTORNEY STUART:

23 My next and final witness is John Sentell
24 from the Bureau of Casino Compliance.

25 -----

1 JOHN SENTELL, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
2 AS FOLLOWS:

3 -----

4 DIRECT EXAMINATION

5 BY ATTORNEY STUART:

6 Q. For the record, can you please state your name and
7 spell it for the court reporter?

8 A. Yes. Good morning. My name is John Sentell,
9 S-E-N-T-E-L-L.

10 Q. And how are you employed?

11 A. I'm employed as the Casino Compliance Senior
12 Supervisor for the Bureau of Casino Compliance for the
13 Pennsylvania Gaming Control Board.

14 Q. For how long have you in that position?

15 A. I've been in that position since May of 2010.

16 Q. And just briefly describe what your job duties
17 are?

18 A. I'm responsible for the supervision of the Bureau
19 of Casino Compliance Offices in the casinos and
20 licensed facilities, primarily in the eastern part of
21 the state.

22 Q. And can you describe the role of Bureau of Casino
23 Compliance facility?

24 A. The best way to describe it --- the Bureau of
25 Casino Compliance is a 24 hour a day, 7 day a week

1 presence built on the ground in the casinos. We do
2 regulatory reviews and observations and investigations
3 of compliance issues in each casino in Pennsylvania.

4 Q. What kind of access does the Bureau of Casino
5 Compliance have within a licensed facility?

6 A. The Bureau of Casino Compliance has complete,
7 unfettered access to every aspect of casino operations
8 in each licensed facility.

9 Q. Would that include the surveillance room, the
10 count room, central control computer room, other
11 sensitive areas in the casino?

12 A. Yes.

13 Q. Does Casino Compliance interact with the patrons
14 at all?

15 A. Yes. Very much so.

16 Q. Okay. What interactions do they typically deal
17 with?

18 A. When a patron has a question or a concern or a
19 complaint, we do an investigation, a regulatory review
20 and attempt to advocate for them if they have a founded
21 complaint with the casino.

22 Q. Okay. Are individuals who seek to be --- place
23 themselves on a self-excluded list, do they do intakes
24 at the casino --- the Casino Compliance ---?

25 A. Yes. Yes, they do. We work in support of the

1 Office of Compulsive and Problem Gambling in conducting
2 self-exclusion intake interviews and doing that process
3 for the patrons that request it.

4 Q. Can you describe the relationship between the
5 Bureau of Casino Compliance and the Pennsylvania State
6 Police --- the Pennsylvania State Police at Valley
7 Forge?

8 A. Excellent.

9 Q. Can you describe the relationship between the
10 Bureau of Casino Compliance and Valley Forge Casino
11 Resort staff?

12 A. Excellent as well.

13 Q. Have they always been cooperative in compliance
14 reviews with BCC?

15 A. Yes, they have. They've been very cooperative and
16 also responsible --- very responsive when a problem is
17 either self-reported or detected through our review.

18 Q. What are the biggest or most common regulatory
19 issues that Casino Compliance sees at Valley Forge?

20 A. I wouldn't say there's any one issue that
21 particularly jumps out. I think it's the same type of
22 issues that they have in every licensed facility in ---
23 that we have in every licensed facility in
24 Pennsylvania.

25 Q. Okay. And that would include underagers,

1 self-excluded, cheats?

2 A. Yes.

3 Q. Okay. Are there any issues or concerns that
4 Casino Compliance would have that would negatively
5 impact Valley Forge's suitability for its renewal
6 application?

7 A. No.

8 ATTORNEY STUART:

9 Okay. I don't have any more questions for
10 you.

11 PRESIDING OFFICER:

12 Mr. King?

13 ATTORNEY KING:

14 No questions.

15 A. Okay. Thank you.

16 ATTORNEY STUART:

17 Those are all the witnesses we have. We
18 have five exhibits that we would like to introduce into
19 the record. Those include the UCR reports that
20 Sergeant Conrad had discussed in his testimony. We
21 have a letter from the Liquor Control Board citing one
22 violation that has been adjudicated. Consent
23 Agreements that have been entered into --- between the
24 OEC and Valley Forge that have been approved by the
25 Board. And the next --- Number Four and Five are

1 compliance conference memorandums and warning letters
2 issued to Valley Forge from OEC. And we would request
3 that Exhibits Four and Five especially be introduced as
4 confidential.

5 (OEC Exhibits One, Two, Three, Four and
6 Five marked for identification.)

7 PRESIDING OFFICER:

8 Okay. Mr. King, any objection to OEC?

9 ATTORNEY KING:

10 No objection. No objection.

11 PRESIDING OFFICER:

12 Okay. We will enter those into the record
13 and I will look to --- any Board members have questions
14 for our OEC? I see none. I'll also ask if anyone up
15 here needs a break? A brief break? No?

16 Okay. We will move on to the remainder of
17 the public comment portion. As I call your name, come
18 forward to the microphone. Again, state and spell your
19 name for the court reporter. All of you that have
20 registered that have not spoken yet, if you could stand
21 up to be sworn by the court reporter?

22 -----

23 WITNESSES SWORN EN MASSE

24 -----

25 PRESIDING OFFICER:

1 Okay. And I'll again remind community
2 groups have approximately five minutes to speak, and
3 individuals three minutes. And if you're getting close
4 to the end of your time, I'll give you a friendly
5 reminder to wrap up your comments. So, we will start
6 with Deirdre Gibson.

7 MS. GIBSON:

8 Good morning, everyone. I'm Deirdre
9 Gibson from Valley Forge National Historical Park.
10 It's D-E-I-R-D-R-E, G-I-B-S-O-N. I'm happy to be here
11 this morning to represent the Park and to describe a
12 very positive experience with the Casino.

13 The park is a 3,500 acre place of beauty
14 set aside to commemorate the inspirational winter of
15 1777 encampment of General George Washington and his
16 20,000 sentinel troops. Valley Forge was
17 Pennsylvania's first State Park. It was established in
18 1893. And it's been a National Park since 1976.

19 In addition to its historic values, the
20 Park's also a very popular place for people to come to
21 relax, to workout, to reconnect with the nature, enjoy
22 scenery and simply find a personal sense of renewal.
23 The Park receives over 1.9 million visitors a year,
24 making it the third most visited site in the
25 Philadelphia region.

1 When the Casino Partners first proposed
2 opening the Casino in the old Convention Center --- and
3 I remember what the Convention Center looked like as
4 well. I remember when it was built. A number of
5 people both locally and nationally were legitimately
6 concerned about the potential impact of such a use
7 right across the street from the National Park. From
8 the beginning though, our sense was that because this
9 was an existing building in a very heavily developed
10 area, we didn't have the authority to comment on what
11 any ulterior use might be. Instead, as we expressed at
12 the time, our early concerns were with what might
13 happen outside and what the effects might be on park
14 resources and visitors.

15 I'm happy to tell you that there have been
16 no effects. We see no impact arise in traffic volume
17 on park roads. We see no rise in the number of
18 citations for moving violations or DUI on roads within
19 the Park. We see no impact at all of crime within the
20 Park. And we've come to an agreement with the Casino
21 Partners on limits to signs and lights that capped the
22 visual effects of the building on the Park.
23 Particularly at night. And in fact, we have an
24 excellent working relationship with the Casino
25 ownership and management that enables us to discuss and

1 resolve any concerns together.

2 As far as visitation, and people this
3 morning have talked a lot about tourism, we know from
4 our own work with the Valley Forge Tourism and
5 Convention Bureau that regional visitation is rising,
6 ours is certainly rising. Growing visitation helps the
7 Park meet our own essential mission of education and
8 preservation.

9 Casino visitors may also be park visitors.
10 Although the Park doesn't have the ability to just kind
11 of scientific sampling that would tell us what that
12 crossover is, we do believe that the rising tide of
13 regional visitation, to which the Casino certainly
14 contributes, is lifting all boats. We welcome and
15 appreciate the commitment and contribution that the
16 Casino has made to regional tourism including Mr.
17 Bowman's service as Chairman of the Board of the
18 Tourism and Convention Bureau. In every respect, we
19 regard the Casino as a very good neighbor. So, I thank
20 you for the opportunity to comment. And I'd be happy
21 to answer any questions.

22 PRESIDING OFFICER:

23 Thank you.

24 MS. GIBSON:

25 Thank you.

1 ATTORNEY KING:

2 And Madam Presiding Officer, would you
3 object to Ms. Campbell and Mr. Harris switching
4 position so that Mr. Harris can make an appointment?

5 PRESIDING OFFICER:

6 Not at all. Ed Harris?

7 MR. HARRIS:

8 Thank you. Good afternoon. My name is
9 Edward Harris. I'm Vice President of Marketing and
10 Communications for the Valley Forge Tourism and
11 Convention Board and I have a letter I am going to read
12 in support of the Casino as well as our Chairman
13 Michael Bowman.

14 On behalf of the Valley Forge Tourism and
15 Convention Board, it is my pleasure to comment on the
16 positive impact made by the Valley Forge Casino Resort
17 in both the immediate King of Prussia area, which it
18 conducts business as well as the Greater Montgomery
19 County, PA market and organization represents.

20 Since its 2012 opening, we have seen the
21 VFCDR become both a tourism draw and a conscientious
22 community partner. Initiatives included the hosting of
23 a number of hospitality industry students from the
24 Montgomery County Community College for a day of
25 on-site observation of the Casino Resort's daily

1 operations. The VF CR also provides ongoing support, as
2 we heard earlier, through a number of grants issued to
3 local individuals and institutions.

4 The VF CR has furnished the perception and
5 image of the region as a destination. VF CR marketing
6 initiatives are positive and favorable, giving us a
7 unique asset to reach potential markets. Especially in
8 the area of offering gaming in an easy to reach,
9 convenient and attractive setting. Further, the VF CR's
10 array of nighttime and sports entertainment adds
11 additional variety to our entertainment options.

12 Data shows an increase in leisure business
13 attributable to the VF CR presence in the market.
14 Weekend occupancy, as you heard earlier, grew 5.6
15 percent in the King of Prussia area through July of
16 2014. On the convention side, the gaming amenities at
17 the VF CR are a determining factor in show producers
18 deciding to hold their trade shows here. For example,
19 the following events were brought to the VF CR
20 specifically because of the opportunity for attendants
21 to enjoy the Casino Resort. The National Grand Lodge
22 FAAY Masons, the Philadelphia Food and Wine Festival,
23 and the American Consumer Shows to name a few.

24 Finally, the organization holds strong
25 leadership with committed managers and staff offering

1 great service consistently. For these reasons, then,
2 our organization at Valley Forge Tourism and Convention
3 Board wholeheartedly recommends VFCD for licensing
4 purposes. Thank you.

5 PRESIDING OFFICER:

6 Thank you. And if I could ask you, Mr.
7 Harris, if you would share the copy of your letter with
8 our court reporter. Thank you.

9 MR. HARRIS:

10 Thank you for moving us around.

11 PRESIDING OFFICER:

12 Wendy Campbell.

13 MS. CAMPBELL:

14 I am Wendy Campbell. And I'm President
15 and CEO of the Alzheimer's Association Delaware Valley
16 Chapter. The Delaware Valley Chapter serves the eight
17 counties of southeastern Pennsylvania, full State of
18 Delaware and seven counties of South Jersey. And I
19 thank you for allowing me to be here today.

20 Two years ago, we opened a regional office
21 in King of Prussia with the hopes of significantly
22 expanding awareness of Alzheimer's disease and our
23 numerous free services. Montgomery County has 31,000
24 people with Alzheimer's disease or a related dementia.
25 Alzheimer's is the sixth leading cause of death in the

1 United States and only one that's rising.

2 There's no doubt that our most significant
3 advance for our mission in Montgomery County is the
4 partnership we have formed with Valley Forge Casino
5 Resort. We are a winning pair.

6 We've been holding our annual Pennsylvania
7 conference at the hotel for three years and have
8 watched it steadily grow. With our new office, we were
9 hoping to increase utilization of our services and to
10 acquire our new donors and corporate support by
11 expanding awareness of AD in this area Montgomery
12 County.

13 We are the leading voluntarily health
14 association in the United States, but I have struggled
15 really hard to get the word out in Pennsylvania. My
16 advertising budget is --- you would laugh at it, so I
17 won't even bother saying it. Our mission is to
18 eliminate Alzheimer's disease through the advancement
19 of research to provide and enhance care and support for
20 all affected, and to reduce the risk of dementia.

21 Now I have a major corporation, the Valley
22 Forge Casino Resort helping with our mission. They
23 have posted our Shoe Man Kickoff for our Wine, Women
24 and Shoes event on April 19 where two of their
25 employees have volunteered to compete to be crowned

1 King of Sole. Just last week, they invited us to speak
2 about our Alzheimer's workplace alliance to an audience
3 of casino HR reps that were meeting at the Casino.
4 Not-for-profits don't get that marketing opportunity
5 very often. A Valley Forge Casino and Resort chef, who
6 will be one of our Chocolatiers at our Chocolate
7 Symphony. Ninety-five (95) percent of my money is
8 raised through donations, not through any public
9 support. This is just what's happening this spring.

10 Now we have a wonderful community partner
11 who will have their 1,000 employees trained on the ten
12 warning signs of Alzheimer's, which will help their own
13 families, but it's also going to help all of the guests
14 and patrons of the Casino. Even more importantly,
15 these employees, when they help, are going to be
16 helping the community at large. When they're driving,
17 shopping, going to church or whatever, they're doing in
18 Montgomery County because they now understand
19 Alzheimer's disease and its profound impact on the
20 person with the disease and their family. This is not
21 just a one year partnership. There's going to be
22 annual trainings. We're going to continue to keep this
23 group of employees understanding Alzheimer's disease.

24 As we have been exploring our partnership,
25 the Casino staff has suggested so many opportunities to

1 publicize our educational programs, our special events
2 and other services to the hundreds of thousands ---
3 well, the 100,000 people that they have on their e-mail
4 lists. I have only 20,000-some on my e-mail list, just
5 to give a sense of what this does for us. I can't
6 begin to estimate the impact on our community. And I
7 am so tuned into stats. I look at --- I count my media
8 times in the media whenever Alzheimer's Association is
9 mentioned. So, this is huge for me.

10 We have already discussed so many exciting
11 ideas from holding Safe Return/MedicAlert registrations
12 on site and I want to use this to educate you a little
13 bit. This is a program where participants are
14 registered in a national database, which can transmit
15 photos and medical information to police and hospital
16 emergency rooms at an increasing radius around where
17 the person is lost. Over 60 percent of those with
18 Alzheimer's disease are going to wander during the
19 course of their illness, many multiple times. After 24
20 hours the odds for a safe return diminish rapidly. So
21 this means the entire King of Prussia and Montgomery
22 County area will be far safer for the 31,000 people
23 with Alzheimer's that are living in Montgomery County.

24 Other ideas have included beginning and
25 holding support groups in the Casino, kicking off a

1 Valley Forge Casino Resort team to participate in the
2 largest Walk to End Alzheimer's in the United States.
3 Which we hold at Citizens Bank Park. We have over
4 16,000 people there, but can you imagine what it means
5 to have one team that wants to be there that's the size
6 of what can come out of this casino?

7 President and CEO Michael Bowman basically
8 said to ask first and they'll see if they can help.
9 This is a dream for a CEO of a not-for-profit. Most
10 importantly, there's an Employee Action Team. These
11 are volunteers who will help activate our partnership
12 to raise awareness, provide volunteers and use their
13 creativity to help the Alzheimer's Association Delaware
14 Valley Chapter.

15 This is our chapter's first business
16 sponsorship that fully embraces the idea of community
17 partner, engaging staff and, yes, I'm proud and
18 delighted to be able to share it with you. And I thank
19 you for the opportunity of letting me tell you about it
20 and publicize our Chapter too. And I thank you, the
21 Casino, for allowing me to do that as well. Thank you.

22 PRESIDING OFFICER:

23 Thank you. We'll move on to the
24 individuals, I had Mr. Schneller at the top of my list,
25 but I saw him walk out the back door. So, Ryan Caudle.

1 MR. CAUDLE:

2 How you doing? Good morning. My name's
3 Ryan Caudle. I've been working at the Valley Forge
4 Casino since we opened in March of 2012. At first, I
5 didn't know what to expect, but through the years as a
6 valet attendant, I've come to love my job and the
7 interactions that I have formed with my fellow
8 coworkers and the guests at the Valley Forge Casino
9 Resort.

10 During my employment, the guests in the
11 community often express their satisfaction and
12 gratitude with the staff members for the constant
13 kindness, caring and honesty. The community members
14 are always thankful for all of our efforts like donated
15 food, clothing and school supplies to the people in
16 need. And the VF CR has given me the opportunity to
17 build myself up as an employee and maintain my
18 livelihood. Because if it was not for the VF CR, I
19 would not have my beautiful apartment or the chance to
20 save money for a better future.

21 The Valley Forge Casino Resort has helped
22 so many people in finding employment and keeping stable
23 and sufficient lives for their families. And I
24 appreciate everything this place has done for the
25 community, city and myself. That's it.

1 PRESIDING OFFICER:

2 Thank you.

3 MR. CAUDLE:

4 Thank you.

5 PRESIDING OFFICER:

6 And I'll apologize in advance that I will
7 probably mispronounce some of these names, but I'll try
8 my best. Narcisco Castro.

9 MR. CASTRO:

10 That was correct. I'm here on behalf of
11 Valley Forge Casino Resort to give you a perspective of
12 how proud I am as a team member. To be part of this
13 dynamic property, I have seen numerous changes,
14 upgrades and continuous improvements during my three
15 years there. I was there on opening day and we've had
16 a lot of rough --- kind of rough edges there but we've
17 come a long way. Every improvement has been done in a
18 positive way that benefits guests so they can enjoy an
19 awesome experience while they visit our property.

20 Team members also benefit. Valley Forge
21 Casino's passionate goal is to always make positive
22 changes. Reach out to us as more than just employees.
23 We're part of a team. A family. On what they can do
24 to make our job easier. For example, they hold
25 periodic round tables where they get all the employee's

1 team members together. And they bring us up and they
2 ask us what we need. What changes can they make to
3 make the guest experience better, our work environment
4 better? And they always ask for feedback, what they
5 can do make our job easier, and I think that's an
6 awesome feeling to be part of that.

7 I'm also very passionate about ---
8 everybody has echoed the charity work they do. The
9 associations that we support with money, support and
10 the volunteers of the team members that work there.
11 Valley Forge Casino is dedicated to giving back,
12 helping the less fortunate families in the surrounded
13 communities. The Resort is an active supporter of the
14 food bank, like Manna on Main Street for the families
15 in need, packing emergency food boxes for families in
16 need. And the Resort also has partnered with the
17 Alzheimer's Association, as you heard. I'm also a
18 proud part of helping families in need and the team
19 members that volunteered to support the Valley Forge
20 Casino to help others.

21 I'm sure there's so much more that we can
22 do and will do to support the community and surrounding
23 townships. I feel that we at Valley Forge Casino
24 Resort can make a big difference. Without the gracious
25 donations and team support of Valley Forge Casino

1 Resort, none of this would ever be possible. I thank
2 you for your time. Appreciate it.

3 PRESIDING OFFICER:

4 Thank you.

5 MR. CASTRO:

6 You're welcome.

7 PRESIDING OFFICER:

8 Nikkiciara Signorovitch?

9 MS. SIGNOROVITCH:

10 Hello, everyone. How are you? My name is
11 Nikkiciara Signorovitch, S-I-G-N-O-R-O-V-I-T-C-H. I've
12 been employed with Valley Forge Casino Resort since
13 they have opened their doors. Almost threes years.
14 And so thankful to be a part of their team. I bartend
15 at Cameo Lounge fulltime. Cameo Lounge is located
16 between the fine dining restaurants located right
17 upstairs from the casino floor. The restaurants that I
18 am involved in known for their impeccable service and
19 five-star cuisine.

20 All the while, during my employment, I
21 have been treated with respect and have been provided
22 with exceptional management, which has given me the
23 tools for growth. One of the many advantages of being
24 a bartender at Cameo is I've gotten to see how we have
25 grown as an establishment directly from the local

1 patrons that come to enjoy themselves. More and more
2 people from the local community are coming in and
3 accepting that the Casino --- accepting the Casino as
4 part of their region and every day lives.

5 Whether on business or just people local
6 and abroad, they are coming for recreation or network
7 to create hopeful opportunities while they enjoy the
8 experience unparalleled from anywhere else. Creating a
9 better local economy and also more job openings
10 available.

11 Valley Forge Casino has taken its place as
12 a new member in the community by donating. For
13 examples, we have donated money for the Fourth of July
14 fireworks. Also, we also have a few canned food drives
15 and we do holiday gifts for 2,000 less fortunates. So,
16 just a closing statement, I'd just like to say that I'm
17 really happy to be part of the team there. Thank you.

18 PRESIDING OFFICER:

19 Thank you. Robert Urbanski.

20 MR. URBANSKI:

21 Hello. My name is Robert Urbanski,
22 U-R-B-A-N-S-K-I. I've been at the Casino since the
23 opening of their two fine dining restaurants, Pacific
24 Prime and Viviano's, which I think is exactly three
25 years tomorrow. Since I've been there, I've seen

1 myself grow, and I've seen the Casino grow. I've seen
2 me as an individual --- I'm looking back at three
3 years, I knew not a lot about culinary in the industry.
4 Since I've been there I've grown exponentially. And
5 also, at the Casino, I am constantly seeing growth and
6 renovations around the place, trying to improve the
7 guest experience and all that.

8 And as everyone said, the Casino is always
9 trying help out the community and everything with all
10 these different drives and whatnot. And it's great to
11 be a part of that experience. And sorry. Sorry, just
12 completely blanked.

13 Since I've been there, I've seen --- they
14 have been trying to do stuff with employees. They've
15 been having like barbecues for all the employees, to
16 show appreciation to all of us, which is a nice feat
17 because not always do I get to go out and see, like,
18 also the guests like how Nikki does and hear the
19 experience of people loving the place.

20 But since I've been there, I've slowly
21 been hearing outside of work, like, just random people
22 --- how much they've enjoyed the Casino and all that
23 it's done and it's slowly increasing. Glad to be part
24 of the team.

25 PRESIDING OFFICER:

1 Thank you. Mark Ater?

2 MR. ATER:

3 Good morning. My name is Mark Ater. As
4 you can --- maybe you'll guess I'm a table games
5 dealer. I was trained to deal through the Valley Forge
6 Casino Resort and Montgomery County. It was a, I
7 believe, a 12 week program. We focused on outstanding
8 customer service and professionalism with guests and
9 coworkers in this training.

10 Good character, honesty and integrity were
11 traits displayed by all team members in the table games
12 section. Valley Forge Casino Resort is one of the best
13 places I've worked with regard to professional
14 attitude, managers and supervisors being approachable.
15 Managers --- excuse me, managers are very well to
16 assist dealers with personal issues with regards to
17 facilitate working at the casino.

18 In short, I am proud of being an employee
19 of Valley Forge Casino Resort. It has allowed my
20 quality of life to improve since I've been employed
21 there. Thank you for letting me speak.

22 PRESIDING OFFICER:

23 Thank you. Hector Osorio.

24 MR. OSORIO:

25 Yup. Good afternoon, my name's Hector

1 Osorio, O-S-O-R-I-O. I work for the Engineering
2 Department at the Valley Forge Casino Resort. So,
3 there's a lot of construction going on and renovations
4 done in that department. I started working there ---
5 since the beginning, the opening of the Casino. And
6 since then, the Casino's given me multiple
7 opportunities to improve with my career. I started
8 landscaping there and now I'm basically the engineer on
9 duty. So, I go from repairing plumbing to just
10 construction and, you know, the jack-of-all-trades kind
11 of job.

12 Ever since then, working there, I've
13 noticed that the community within the building --- the
14 Casino has been a big family. To me, that's kind of a
15 big thing. But, you know, it's not just going in to
16 work and then you want to clock out. It's a --- we all
17 work together, we talk to one another. And it's a big
18 thing for me. It helps us all out. And my experience
19 there, I always keep on learning. I believe I learned
20 more there than I would have out of college, if I go to
21 university. I gain a lot of experience there.

22 So, I just want to say that the Valley
23 Forge Casino Resort has given me a great opportunity to
24 pursue a career that I didn't know I was going to go
25 into. And I appreciate that. Thank you.

1 PRESIDING OFFICER:

2 Thank you. I'll call James Schneller
3 again? Mr. Schneller? Did not return. Okay.

4 I have one note. We had a speaker
5 registered --- a Mr. Robert Forlina. He was to speak
6 in opposition. He called yesterday afternoon to say he
7 would not be able to be here to speak today. Just note
8 that for the record.

9 Some housekeeping matters. We provided
10 opportunity for written comment to be submitted through
11 our website or via US mail or fax and we have received,
12 as of close of business yesterday, no written comment
13 to be entered into the record. And housekeeping number
14 two, if the parties, for whatever reason, would wish to
15 file a brief or written memorandum after this you have
16 until close of business next Wednesday, April 15th to
17 do so.

18 The record will remain open until the
19 Board hears the matter at a later public Board meeting.
20 I will prepare a report based upon the testimony and
21 evidence entered into the record today and the
22 suitability report when it's filed with the Office of
23 Hearings and Appeals (OHA) and the report and all the
24 information, transcripts, documents will be forwarded
25 to the Board for its consideration at a future public

1 Board meeting.

2 And I should have asked this before,
3 but I had been through my list of registered witnesses.
4 Is there anyone out there that thought they registered
5 to speak and I did not call your name? If you raise
6 your hand? Okay, seeing no hands, our list was
7 accurate, and I want to thank you all for coming today
8 for your corporation and this hearing is now adjourned.
9 Thank you.

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HEARING CONCLUDED AT 12:25 P.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings,
hearing held before Officer Lloyd was reported by me on
04/08/2015 and I Jennifer Crawford read this transcript
and that I attest that this transcript is a true and
accurate record of the proceeding.


Court Reporter