

1 THE COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #170  
4

5 CHAIRMAN

6 Stephen P. Crosby  
7

8 COMMISSIONERS

9 Gayle Cameron

10 Lloyd Macdonald

11 Bruce W. Stebbins

12 Enrique Zuniga  
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17  
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19  
20

21 November 19, 2015 10:30 a.m. - 12:35 p.m.

22 MASSACHUSETTS GAMING COMMISSION

23 101 Federal Street, 12th Floor

24 Boston, Massachusetts

1 P R O C E E D I N G S :

2

3 CHAIRMAN CROSBY: I think we are  
4 ready to call to order meeting 170 of the  
5 Massachusetts Gaming Commission at our offices  
6 on Federal Street at 10:30 on November 19.  
7 First up is the Interim Executive Director, Ms.  
8 Wells.

9 MS. WELLS: Good morning, Mr.  
10 Chairman and members of the Commission. As far  
11 as our general update, I'm going to just turn  
12 the agenda over to Commissioner Stebbins for an  
13 update on the Executive Director search.

14 COMMISSIONER STEBBINS: Sure, thank  
15 you, Director Wells. We continue to move ahead  
16 with interviews of potential candidates. We  
17 now look ahead to a timeframe ideally of  
18 bringing in our finalists, having them  
19 interviewed by the full Commission in public.  
20 And doing that before the December holidays.

21 Again, the process would be to  
22 interview those finalists, discuss the  
23 candidates, and then charge me with the  
24 responsibility of going back and negotiating

1 with the preferred candidate, salary,  
2 compensation, etc. And hopefully a starting  
3 date subsequent to a completed background  
4 check.

5 CHAIRMAN CROSBY: By the holidays,  
6 you mean Christmas, so before December is out  
7 if things go well we would have our designated  
8 interim?

9 COMMISSIONER STEBBINS: Correct.  
10 And would fully expect that person would then  
11 take the opportunity to complete whatever they  
12 were doing and be able to start with us after  
13 the first of the year.

14 CHAIRMAN CROSBY: Good. Looking  
15 forward to it.

16 COMMISSIONER ZUNIGA: You mentioned  
17 finalists in the plural. You're thinking about  
18 two candidates.

19 COMMISSIONER STEBBINS: You know,  
20 the benefit of leaving kind of an open  
21 application deadline is that we still continue  
22 to receive resumes. We've had a couple just  
23 even this week, a couple of follow-up calls  
24 with some potential candidates.

1 I know early on when we talked about  
2 the process, you were interested in having us  
3 be able to offer more than one finalist. So,  
4 when I use finalists in the plural, it's  
5 hopefully giving us several options to choose  
6 from in terms of experience and background.

7 CHAIRMAN CROSBY: We have had how  
8 many applicants?

9 COMMISSIONER STEBBINS: The resumes  
10 I think now have totaled well over 70.

11 CHAIRMAN CROSBY: Good. Thank you.  
12 Good job.

13 MS. WELLS: Now I'll turn it over to  
14 Mr. Ziemba, our Ombudsman, for the next part of  
15 the agenda.

16 CHAIRMAN CROSBY: Okay.

17 MR. ZIEMBA: Thank you, Director  
18 Wells. Mr. Chairman, members of the  
19 Commission, today we are about to hear the  
20 first quarterly report after Plainridge Park  
21 became operational earlier this year.

22 I ask the Plainridge Park  
23 representatives to join me today. We will hear  
24 from Lance George, Plainridge Park General

1 Manager, Roberta Gregoire, Compliance Manager  
2 for Plainridge Park and Eli Huard who is the  
3 Purchasing Manager. Thank you.

4 CHAIRMAN CROSBY: Good morning. Can  
5 you turn your name tags around? Thank you.  
6 That's perfect, Mr. Reserved, you're up.

7 MR. GEORGE: Good morning,  
8 Commissioners. As John mentioned, I'm going to  
9 walk through the quarterly reports. The plan  
10 is to discuss a few highlights that occurred  
11 during our first quarter of operation. Of  
12 course, I'm happy to answer any questions that  
13 you might have along the way.

14 With me today, as John pointed out,  
15 is Roberta Gregoire, a regular now at these  
16 meetings, I believe, as well as Eli Huard who  
17 is over our purchasing and procurement.

18 So, we jump in, see a snapshot of  
19 staffing and employment. Very straightforward,  
20 very consistent with updates leading up to the  
21 grand opening. Number of employees as of  
22 September 30 sits at 575. Full-time/part-time  
23 mix 71 to 29 consistent with our preopening  
24 projections.

1                   And finally as noted at the bottom,  
2 good work by the team as it relates to  
3 diversity hiring 16 percent versus a goal of 10  
4 percent. Certainly off to a good start there.  
5 And that was an area of focus for us as we  
6 ramped up.

7                   So, we look to the graphs. Total  
8 diversity spent for the quarter shows solid  
9 early results. We are encouraged by the work  
10 that's been accomplished on the WBE side,  
11 achieving 13.4 percent on a goal of 12 percent.

12                   However, we believe there is  
13 opportunity in the areas of MBE and VBE where  
14 we came in just below our goals for the  
15 quarter. We'll discuss our plans going forward  
16 in a moment. We'll circle back to the action  
17 plan that we have in those two areas.

18                   Local spend, great story here the  
19 pie chart really tells the story. Out of the  
20 total eligible spend, the \$2.6 million  
21 referenced at the top, 72 percent was spent  
22 with vendors in the Commonwealth. We've made  
23 in-state spending a priority. And during the  
24 quarter Plainridge Park spent almost \$1.9

1 million in state. So, certainly a good story.

2 CHAIRMAN CROSBY: Do you know what  
3 share of that was local to the community and  
4 the surrounding communities, just out of  
5 curiosity, more or less?

6 So, that's a number you track  
7 ordinarily? That would be an interesting  
8 number, because is that part of your HCA? Did  
9 you have some commitments?

10 MR. GEORGE: Not on the procurement  
11 side just the employment.

12 CHAIRMAN CROSBY: Just on the  
13 employment side.

14 MR. GEORGE: That is correct.

15 COMMISSIONER ZUNIGA: Lance, these  
16 numbers represent the quarter of course  
17 beginning July. How are you going to report  
18 these numbers going forward, on a cumulative  
19 basis or on a quarter basis independent of the  
20 previous quarter?

21 MR. GEORGE: I think the easiest way  
22 to do it perhaps is to do it both ways. Then  
23 we can certainly see if there are any material  
24 changes and how things are trending.

1 Certainly, that would be something we'd all  
2 want to see and look at and understand why that  
3 is or is not occurring. But we can certainly  
4 look at that quarter over quarter.

5 COMMISSIONER ZUNIGA: Good.

6 COMMISSIONER STEBBINS: I know you  
7 have obviously a lot of national contracts. Is  
8 some of the outside of Massachusetts national  
9 contract money reflected here, is that kind of  
10 an ongoing expenditure? Or was a lot of it up  
11 front because of the opening the doors?

12 MR. GEORGE: Both, so though Eli  
13 tries to get out of it when we have  
14 conversations about what he can and cannot do  
15 as far as procurements with WBEs and VBEs, the  
16 national agreements would be reflected in these  
17 numbers.

18 COMMISSIONER MACDONALD: Excuse, Mr.  
19 George, I am new to the Commission. Can I take  
20 a step back to the previous slide. I'm trying  
21 to become conversant with acronyms. WBE, MBE  
22 and VBE, what do those stand for?

23 MR. GEORGE: My apologies those flow  
24 a little too easily, woman business enterprise,



1 minority business enterprise and veteran  
2 business enterprise.

3 COMMISSIONER MACDONALD: And the way  
4 that the charts are represented there, blue is  
5 goal, red is Q3 and then green is variance. I  
6 can do the addition but say total diversity  
7 spend and you've got 21 percent there in blue  
8 as the goal and the spend is 18.5, but you  
9 represent that as a plus 2.5 in terms of the  
10 variance.

11 MR. GEORGE: Yes, we had this  
12 conversation yesterday. And in fact, if you  
13 look at number two, actually, it's a good story  
14 and it's a negative variance. So, perhaps next  
15 time we'll flip around the way the variance is  
16 illustrated.

17 COMMISSIONER MACDONALD: That's what  
18 I would've thought.

19 MR. GEORGE: Yes, Sir.

20 CHAIRMAN CROSBY: And the goal is Q3  
21 also, right?

22 MR. GEORGE: That is correct. It if  
23 makes sense, we can circle back on the local.  
24 I'll give you a chance if you don't have it

1 already.

2           While we're on the topic of goals  
3 and VBE, WBE and MBE a fair amount of copy on  
4 this side. I think at a high level, I would  
5 say the following. We need to continue with  
6 our established practice of ensuring MBEs, WBEs  
7 and VBEs are part of each bid.

8           We need to continue with our  
9 outreach efforts to ensure we are building the  
10 vendor database. There are occasions when  
11 quick turnarounds are required and we  
12 absolutely require licensed vendors.

13           Eli and team conducted our most  
14 recent outreach event. That was held at the  
15 property, I believe, last Monday. And we had  
16 another 20 companies represented. So, we  
17 continue to build and grow on the database  
18 that's already in place.

19           CHAIRMAN CROSBY: There is no  
20 diversity committee now? This is the last  
21 bullet point here.

22           COMMISSIONER ZUNIGA: I was actually  
23 going to ask, did you ever participate or  
24 intend to participate in the access and

1 opportunity committees that we have for the  
2 regions? Or should there be one separate or  
3 something similar?

4 CHAIRMAN CROSBY: It's really now  
5 focused on the construction phase of Wynn and  
6 MGM. So, it really wouldn't make sense. It  
7 might downstream when everybody's in ongoing  
8 operations it might make some sense. Explain  
9 the diversity committee. Explain that last  
10 bullet point.

11 MR. GEORGE: I think you just hit.  
12 There was one in place on the construction side  
13 and during the development side. As we  
14 transition into operations, we need to put one  
15 into place.

16 CHAIRMAN CROSBY: And that will be  
17 for both suppliers and employees?

18 MR. GEORGE: Correct, absolutely.

19 CHAIRMAN CROSBY: All right. Great.

20 COMMISSIONER STEBBINS: It's  
21 interesting is that fact that even though  
22 you've been opened now three, four months, we  
23 know from Eli that there's still a long laundry  
24 list of products, services, goods, on the food

1 side, the beverage side, more than willing to  
2 help you explore craft brewers who might be  
3 potential vendors, the list is still out there.

4 So, the message we should continue  
5 to send is there is still business  
6 opportunities. I know you've actually had a  
7 chance to grow business opportunities with  
8 vendors who came through the door for the  
9 initial opening. And they're picking up new  
10 lines of business.

11 Through Jill's efforts and the  
12 chambers and with Paul, the event we had down  
13 there the other day helped move some folks  
14 through quick licensing process. Our finger  
15 printing team was there. We had folks from DOR  
16 to go through the cost of certificate of good  
17 standing with DOR.

18 We are trying to also from our end  
19 show companies that it's easy to get through  
20 the licensing process. Again, to help fulfill  
21 kind of a still long laundry list of needs that  
22 you're out there looking for.

23 MR. GEORGE: I would agree with  
24 that. And certainly as companies look forward,

1 those needs are only going to grow with the  
2 addition of Wynn and MGM coming online. So,  
3 great opportunity for everyone to go through  
4 the licensing process now in advance of what  
5 I'm sure will be a rush for the licensing  
6 folks.

7 Revenue and taxes, encouraging first  
8 quarter of operations for the property. As a  
9 company, this opening is consistent with what  
10 we've see with our most recent openings.

11 Initial trial on the first month or two while  
12 the business begins to settle over the next few  
13 months.

14 In sum, at the end of our first full  
15 quarter, the property has generated to \$22.5  
16 million in taxes and assessments. Total taxes  
17 and assessments to date sits at \$31.86 million.  
18 While I've seen a few different reports, our  
19 October win per unit numbers based on GGR  
20 continue to be healthy at \$363, and a win per  
21 position of \$321.

22 CHAIRMAN CROSBY: I know there was  
23 some discrepancy. I think it's just a matter  
24 of understanding what the unit of measure is.

1 Would you mind explaining those two and where  
2 the mistake might be made?

3 MR. GEORGE: Sure. To that point,  
4 we report internally as far as metrics both the  
5 win per unit number based on the 1250.

6 CHAIRMAN CROSBY: Win per units --  
7 per gaming unit, okay. So, that's the 1250  
8 that's authorized by law.

9 MR. GEORGE: Correct.

10 CHAIRMAN CROSBY: That might include  
11 some of these multiseat machines.

12 MR. GEORGE: Yes. Then as far as  
13 win per position, exactly what you might think.  
14 That number started out at 1500. After changes  
15 to the floor that number sits at 1414. So,  
16 that's how we back into the win per position  
17 number.

18 CHAIRMAN CROSBY: Right.

19 COMMISSIONER ZUNIGA: You're at 1414  
20 for gaming positions. What is the number for  
21 units?

22 MR. GEORGE: 1250, it remains at  
23 1250.

24 COMMISSIONER ZUNIGA: If you change

1 the mix, if you will, as time progresses you  
2 will remain at 1250. Then what may float is  
3 the gaming positions; is that a fair statement?

4 MR. GEORGE: Yes, that's accurate.  
5 I never see a scenario in which we go under the  
6 1250 units. The position will change. The  
7 unit number, I never see a scenario in which we  
8 go below the 1250.

9 CHAIRMAN CROSBY: For the month of  
10 October, I know this doesn't include October,  
11 for the month of October because of the  
12 installation of the central management system,  
13 you've had a bunch of machines down many days.  
14 Do you factor that into the count? Would you  
15 factor that into the October numbers?

16 MR. GEORGE: Yes, we did. So, I'm  
17 not sure how to answer this. Those games that  
18 were down they were certainly still included in  
19 that 1414 number, yes. We did not back those  
20 out because games were changing on a daily  
21 basis. So, we'd go and we would take down 50  
22 games. They would come up the next day and  
23 then we'd move onto the next 50 games. So,  
24 that 1414 --

1           CHAIRMAN CROSBY: As a practical  
2 matter, you didn't really have the 1250 all  
3 month long. You had more like 1200 all month  
4 long. But you don't adjust for that?

5           MR. GEORGE: Correct.

6           COMMISSIONER MACDONALD: Could I ask  
7 a question on this revenue and taxes. How do  
8 these numbers compare with projections?

9           MR. GEORGE: So, projections I  
10 believe were around \$200 million annually for  
11 the state. So, if you annualize these numbers  
12 I believe they are going to -- they would fall  
13 slightly short. With that being said, along  
14 these same lines, I think I would back up and  
15 say that in our business, in our industry  
16 typically we don't look at numbers month over  
17 month because of seasonality.

18           A more accurate measurement would be  
19 year-over-year numbers. So, if we were to have  
20 opened in January, we would likely be very  
21 smart people because in the month of February,  
22 revenues would have grown, March, April and May  
23 would have shown significant gains.

24           So, to some degree it's a function



1 of when we opened. We are going into some  
2 months that historically are low revenue  
3 months, the month of November, the month of  
4 December and of course the wild card there in  
5 January and February is the weather.

6 COMMISSIONER ZUNIGA: December is  
7 also historically a low month in general?

8 MR. GEORGE: Yes. Historically low  
9 month. I think one thing I heard when I  
10 started in this business is it's hard to  
11 compete with the man in the red suit.

12 So, we will be slow up until the  
13 24th or 25th and then it'll be very busy for  
14 that last week. The same can be said of  
15 November. Historically, what we will see is a  
16 very slow month leading into Thanksgiving. And  
17 then once Thanksgiving hits, it's a very busy  
18 end of the month for us. I'd be surprise to  
19 see anything different.

20 COMMISSIONER CAMERON: Lance, what  
21 you're saying is annually is a much better  
22 indication of operations in how well you're  
23 doing rather than month by month?

24 MR. GEORGE: Absolutely. To the

1 conversation we just had, if you look at March  
2 numbers compared to April we are going to look  
3 very intelligent because month over month April  
4 numbers are going to grow substantially when in  
5 fact that may not be necessarily the case. We  
6 may have had a bad weather month in the month  
7 of January, February or March.

8 Our best months based on what we've  
9 seen locally with Twin Rivers' number over the  
10 past four or five years, the months of March,  
11 April, May and June will be our best months.

12 COMMISSIONER ZUNIGA: Not just  
13 annually but month over month as in September  
14 2015 to September 2016 that comparison or every  
15 month will allow a better idea about how  
16 revenues are trending.

17 CHAIRMAN CROSBY: We are trying hard  
18 not to get into the projections game very much  
19 this early in the game. Every month reports  
20 come and everybody is interested, oh, my God  
21 you're up or you're down. We are very aware of  
22 the fact that is a long-term play not a short-  
23 term play.

24 But we are also recommending that

1 everybody be as conservative as possible. To  
2 be on the safe side whether it's Administration  
3 and Finance or the Ways and Means Committee or  
4 the media or us talking, I think everybody is  
5 well served by estimating for our purposes at  
6 the very low end of the projections. And  
7 hopefully, we'll only be pleasantly surprised.  
8 Great.

9 MR. GEORGE: Compliance with  
10 regulations, prior to opening the property we  
11 worked to develop procedures for 71 different  
12 sections in the gaming regulations. Not  
13 surprisingly, as the property had gained  
14 experience over the last few months, we've  
15 taken the opportunity to evaluate the internal  
16 controls by working with on-site agent and  
17 requesting variances and changes where it made  
18 sense.

19 Statistics for underage youth and  
20 complaints were presented during last week's  
21 meeting. And similarly as our experience has  
22 grown, our competency has grown. To date,  
23 great work in this area by the team and we're  
24 certainly encouraged with the results.

1                   COMMISSIONER CAMERON: Those numbers  
2 were impressive.

3                   MR. GEORGE: Thank you.

4                   COMMISSIONER CAMERON: The amount of  
5 individuals that were not allowed to enter  
6 compared to the couple that were be able to get  
7 onto the floor.

8                   MR. GEORGE: Thank you for that.

9                   COMMISSIONER ZUNIGA: Lance, can I  
10 go back a bit to the revenues, and I know we  
11 just mentioned it's early to draw any trends.  
12 But is there anything that you can speak to  
13 game days? When the Patriots play have you  
14 seen any trends positively or negatively?

15                   MR. GEORGE: We're going to talk to  
16 the Patriots about playing every game away, I  
17 think that would suit us better.

18                   COMMISSIONER ZUNIGA: Well, you know  
19 that's not going to be able to happen.

20                   MR. GEORGE: A significant drop in  
21 our volumes on game days when they're home.  
22 The challenge is strapping. As you might  
23 imagine 50,000 people headed up to Gillette  
24 Stadium, so, certainly game days are not our

1 best days.

2 COMMISSIONER CAMERON: Did you  
3 anticipate that?

4 MR. GEORGE: I think there was a  
5 mixed opinion going into that. Just had a  
6 conversation recently to see if there is any  
7 way that we can adjust, react. It's pretty  
8 difficult as everybody around here knows very,  
9 very strong support for the local sports teams.  
10 I don't know what you're going to do to change  
11 that behavior. They're going to pack them in  
12 particularly when they're 9-0 or 10-0.

13 CHAIRMAN CROSBY: It's obvious, but  
14 have you talked to the Patriots? Is there some  
15 kind of promotional opportunity for people when  
16 they're leaving the game or maybe that already  
17 happens? You're slow until the game is over?  
18 Do you think if everybody got a free play pass  
19 as they walked out the door of the stadium or  
20 something, are you working on those kind of  
21 promotion ideas?

22 MR. GEORGE: We've been in close  
23 contact with the Patriots from preopening. So,  
24 yes, we'll work to develop something that works

1 for both of us, no doubt about it.

2 Host community, since June 24 since  
3 the grand opening Plainridge Park has paid the  
4 town of Plainville over \$1.2 million. That  
5 would be inclusive of the impact fee, the  
6 property taxes, real estate taxes and the host  
7 community fee. So, I see the number of \$25,000  
8 that's part of the \$1.2 million that PPC has  
9 already paid to the town of Plainville.

10 Surrounding communities, two notable  
11 items up there, charitable contributions of  
12 over 100 -- It's actually \$125,000 to five  
13 local charities and civic organizations.

14 CHAIRMAN CROSBY: Is that part of an  
15 agreement or is that over and above the  
16 surrounding community agreements?

17 MR. GEORGE: That is unrelated to  
18 any surrounding community agreements.

19 CHAIRMAN CROSBY: Great.

20 MR. GEORGE: Correct. That's a  
21 direct result of our soft opening, our cherry  
22 night, if you will. In addition, PPC continues  
23 to support local community organizations with  
24 donations. Of the five that we granted \$25,000

1 to we continue to make donations to the local  
2 YMCA as well as the local Lions Club. So,  
3 we're off to a very encouraging start. We've  
4 had some good press about it. We're doing the  
5 right things, a real good story for us.

6 Mass. Office of Travel and Tourism,  
7 pursuant to our license agreement, a minor  
8 point but we have installed the travel and  
9 tourism kiosk. So, that is in place at the  
10 valet entrance.

11 COMMISSIONER STEBBINS: Lance, I had  
12 a chance to use the kiosk the other day was  
13 down. It's great. It's visible. I had a  
14 question. One of the big pieces of the RFA-2  
15 application was the stay, play and shop  
16 promotion. Do you have a timeline for when  
17 that gets kicked off or organized or kind of  
18 moved ahead?

19 MR. GEORGE: Are you referring to  
20 Wrentham?

21 COMMISSIONER STEBBINS: I believe  
22 it's an overall concept. You had a lot of  
23 partners sign up for it. It was kind of a  
24 stay, play and shop. You don't have a hotel,

1 but stay at the local hotels, play obviously at  
2 Plainridge Park and then hopefully shop at  
3 Wrentham because it's right up the road with  
4 some of the other establishments.

5 MR. GEORGE: I believe in a couple  
6 of slides we'll touch on exactly that what's  
7 going on with our cross-property marketing  
8 (SIC) folks. So, we'll give you an update  
9 about local hotels, car dealerships, what's  
10 going on in that area.

11 Continuing with our agreements,  
12 Mass. Community College Casino Career  
13 Institute. Plainridge Park is working hand-in-  
14 hand with Bristol Community College to develop  
15 a curriculum in surveillance. Our surveillance  
16 manager has partnered with BCC to roll out the  
17 certificate program.

18 In addition, we've engaged Bristol  
19 Community College to conduct Plainridge Park's  
20 responsible alcohol service known as TIPS in  
21 advance of opening. That was given to every  
22 employee on the property.

23 Shifting gears a little bit, looking  
24 at lottery numbers. Lottery sales as of



1 October 3 have totaled over \$600,000. You can  
2 see how that breaks down below, Keno and  
3 instant ticket sales with instant ticket sales  
4 responsible for the lion's share.

5 COMMISSIONER ZUNIGA: Do you have a  
6 sense of what historically the track did on  
7 lottery tickets? Remind me, it was a fraction  
8 of this figure, but do you have a sense of  
9 that.

10 MR. GEORGE: I don't. I've seen  
11 that article as well before that local sales in  
12 stores are down but ours are skyrocketing. As  
13 you might imagine certainly that is information  
14 we can gather. But that number is up  
15 dramatically as you can imagine.

16 COMMISSIONER ZUNIGA: Yes.

17 CHAIRMAN CROSBY: But I don't think  
18 the surrounding stores are down. It's just  
19 they haven't grown as much, which is a big  
20 difference. Even the nearest facilities around  
21 -- Even the nearest stores around your facility  
22 are up, they're just not as up as much as other  
23 the places are there.

24 MR. GEORGE: Yes. Company overview,

1 in short as far as the first bullet, no issues  
2 or concerns as it relates to our financial  
3 position. Operationally, service score moving  
4 in the right direction wait time for jackpots,  
5 player services times both continuing to trend  
6 positively.

7 To our knowledge as it relates to  
8 traffic, no issues have been raised with the  
9 off-site road improvements that were completed  
10 in advance of opening. Nor have we heard of  
11 any significant traffic issues in general.

12 CHAIRMAN CROSBY: Can you tell us  
13 more about the customer service satisfaction  
14 surveys? What are they?

15 MR. GEORGE: It's a big deal for our  
16 company. Every month corporate emails out  
17 surveys to a defined number of visitors. We  
18 capture their email address. And then they  
19 evaluate us in a variety of aspects just like  
20 you would expect, timeliness friendliness,  
21 helpfulness.

22 Since the beginning, and I just  
23 presented this earlier this week, but we have  
24 seen continued improvement for four consecutive

1 months. So, a great story for us. Obviously,  
2 one of our advantages is to ensure that we do  
3 deliver great service. So, for us, a big deal,  
4 great to hear. Nice to be able to present  
5 these scores. They have gone up for four  
6 consecutive months.

7 COMMISSIONER CAMERON: Lance, if one  
8 of these surveys results in some kind of a  
9 trend in one particular area, is there  
10 retraining involved?

11 MR. GEORGE: There sure is. So, we  
12 have a variety of feedback, I guess. We look  
13 at the surveys. We look at online social media  
14 and then we look at mystery shops.

15 So, people come in undercover and  
16 shop at every single outlet. They touch 64  
17 employees every month. Then we get feedback  
18 that way as well, direct interaction. So,  
19 service for our company is a big deal.

20 So, yes, to your point, regardless  
21 of which vehicle it comes through whether it's  
22 social, whether it's surveys or whether it's  
23 mystery shops, conversations are had typically  
24 positive.

1                   And if there's an opportunity and a  
2 need for retraining that happens as well.

3                   CHAIRMAN CROSBY: So, this customer  
4 service survey is done by corporate not by you  
5 guys.

6                   MR. GEORGE: Right.

7                   CHAIRMAN CROSBY: Do they rank the  
8 facilities, the Penn facilities?

9                   MR. GEORGE: Yes, we are not to  
10 focus on that however. With that being said,  
11 we currently sit six. Our goal as you might  
12 imagine would be to be number one. More  
13 important to our corporate folks is to ensure  
14 that there's continuous improvement. So, over  
15 the last four months we've shown that. As you  
16 might imagine, there is obviously a bit of  
17 pride in being number one.

18                   CHAIRMAN CROSBY: Yes, of course.

19                   COMMISSIONER CAMERON: So, six out  
20 of 28?

21                   MR. GEORGE: 27, correct.

22                   COMMISSIONER CAMERON: The top  
23 quarter.

24                   MR. GEORGE: I'll take it, yes.

1 Events and promotions, circling back to  
2 Commissioner Stebbins' comments, marketing  
3 calendar continues to be busy. Several  
4 initiatives unfolding in Q3, car giveaways,  
5 events, parties.

6 Then in addition, we continue to  
7 work closely with our cross-marketing partners,  
8 particularly with hotels in the area. We  
9 partnered with a local dealership for a car  
10 giveaway. We've sent hundreds of customers to  
11 the Xfinity Center for concerts. And also of  
12 note, the property partnered with the Lottery  
13 for a lottery ticket giveaway in the month of  
14 September.

15 So, we're trying to ensure that we  
16 are following up with what we committed to.  
17 And we're off to a good start.

18 COMMISSIONER CAMERON: Could you  
19 explain what the Pro Football Challenge is?

20 MR. GEORGE; I thought that might  
21 draw a question. We'll get back to you. And I  
22 knew that this was going to be a question from  
23 you guys too. It is not fantasy sports  
24 related, I assure you. I know that it's been

1 in the news every day. Yes, let me get more  
2 information for you.

3 COMMISSIONER CAMERON: Thank you.

4 CHAIRMAN CROSBY: What is U-Spin?

5 COMMISSIONER ZUNIGA: What about the  
6 U-Spin?

7 MR. GEORGE: Simply a to drive  
8 trial. Sign up and you will receive an  
9 undetermined amount of money. Go to the game  
10 and a display allows you to spin a wheel, a  
11 video wheel, if you will, almost like a Wheel  
12 of Fortune. And then whatever it lands on that  
13 is the amount of money you have won.

14 COMMISSIONER MACDONALD: Because I  
15 am an innate skeptic, I'm most interested in  
16 the snowblower blowout.

17 MR. GEORGE: It's horrible to think  
18 about.

19 COMMISSIONER MACDONALD: What is it?

20 MR. GEORGE: Just as you would  
21 think, as none of us look forward to the months  
22 of December, January and February, what we've  
23 seen historically is that giving away  
24 snowblowers in advance of the impending winter

1 works out well for everybody involved.

2 CHAIRMAN CROSBY: How many will you  
3 give away?

4 MR. GEORGE: I believe there's 15  
5 that we'll have lined up in the facility. And  
6 that might be a low number based on last year's  
7 performance.

8 CHAIRMAN CROSBY: It should be a  
9 trade. We'll give you a snowblower if you'll  
10 come over and help us when the snow is ---

11 MR. GEORGE: It's painful. Finally,  
12 now that the operation has calmed a bit, one  
13 other item, we've taken the opportunity to  
14 thank the citizens of our host community from  
15 the town of Plainville for the month of  
16 November. They are dining with us at Slacks at  
17 a 50 percent discount. Something we wanted to  
18 do once things calmed down a little bit.

19 New Year's Eve, the obvious  
20 festivities that will occur. What we are  
21 seeing is that the Winter Classic, the hockey  
22 game is being played at Gillette Stadium.  
23 There is not a hotel room anywhere in the  
24 immediate area, 50-, 60,000 people will be

1 there. The Bruins are playing the Canadians.  
2 So, on top of what is historically already a  
3 very busy night, I expect an incredibly busy  
4 evening.

5 Current projects, wrapping up,  
6 beyond the day-to-day business a couple of  
7 major projects going on. The central  
8 monitoring system, great news coming to a close  
9 rapidly. I suspect early next week it will be  
10 deployed to the floor.

11 As of now, the consensus is that the  
12 system of record, if you will, will transition  
13 from ACSC to Intelligen or the central  
14 monitoring system at some point in early  
15 January.

16 So, the heavy lifting at this point  
17 is behind us. Now it's more of ensuring that  
18 we can reconcile the two systems and then  
19 transition to Intelligen to be the system of  
20 record for us.

21 CHAIRMAN CROSBY: Lance, our CIO  
22 John Glennon made a point of this in our last  
23 meeting, but just to do it again and for you to  
24 pass on, everybody here is mindful of the fact



1 that your IT folks picked up some work on this  
2 project that was not really anticipated. And  
3 you've been to it with a will and helped us  
4 tremendously get this in.

5 So, please understand our -- take  
6 our appreciation but pass it on back to your  
7 folks as well. It's not gone unnoticed.

8 MR. GEORGE: Thank you for that.  
9 I'll certainly pass it onto the IT folks, to  
10 the slot folks, the accounting folks, a lot of  
11 people involved in making this happen. And as  
12 a property, I think we are delighted the goal  
13 was to have it wrapped up prior to  
14 Thanksgiving. And I think we're in pretty good  
15 shape at this point.

16 Intercept detection system or IDS as  
17 we refer to it as updated mid-October. We  
18 continue to work with Commission staff, with  
19 the Department of Revenue to ensure that the  
20 system is working as advertised and to update  
21 and improve the system as we move forward.

22 COMMISSIONER CAMERON: Could you  
23 elaborate a little bit on the system for those  
24 who may not be familiar with that system?

1           MR. GEORGE: Sure. So, the nuts and  
2 bolts, if you will, if a patron hits a jackpot,  
3 we run it through our jackpot kiosk. Any  
4 individual who owes back taxes or child support  
5 payments, it is captured. It is identified and  
6 then those payments are withheld from the  
7 individual.

8           Play management finally, looking at  
9 January 12, I believe, was the last date at  
10 this point. All major milestones point have  
11 been hit. I suspect given where we are, I  
12 wouldn't anticipate any further creep. We are  
13 in pretty good shape to launch this the 12th,  
14 maybe some fine tuning the 13th, 14th but we're  
15 in pretty good shape at this point.

16           Again, as we talked about the IT  
17 team on property, great work as it relates to  
18 all of these things. I believe Jason Gittle  
19 was here last week providing a bit of an  
20 update. He's done a very nice job working very  
21 closely with Mark. And we are ready to go.

22           COMMISSIONER CAMERON: Thank you.

23           CHAIRMAN CROSBY: Anybody? Just a  
24 couple of follow-up things. Commissioner

1     Zuniga and I followed up with Director Wells  
2     and the licensing folks after our conversation  
3     with you.

4             And we came away really impressed by  
5     the professionalism of that group of people and  
6     by the manner in which they were able to  
7     accommodate the fact that our LMS, our  
8     licensing management system, didn't materialize  
9     and they had to do a manual process in effect.  
10    And for the most part, for the most part we see  
11    that most folks are going through pretty  
12    quickly.

13            But we were also impressed by the  
14    openness of the licensing team to sit down and  
15    take a hard look at the system. I think we all  
16    walked away thinking that the whole process,  
17    the whole continuum starting at filling out of  
18    the forms and the communication with the  
19    employees all of the way to the process at MGC  
20    can be improved.

21            And we can make significant  
22    improvements in the flow of that process by all  
23    of us sitting down together and working on it.  
24    So, as you know we're going to follow up. I

1 want be there. I think Commissioner Zuniga  
2 does too. And we'll just talk through.

3 Our licensing folks were wide open  
4 to talking about it. And I know your people  
5 will be too. So, I think if we put our  
6 shoulders to the wheel, we can really reduce  
7 some of the stress that's in the system. And  
8 we're looking forward to following up on that.

9 MR. GEORGE: That's appreciated. I  
10 know Karen and I missed each other last week  
11 and we will circle up today or tomorrow to try  
12 to get something on the calendar. Thank you.

13 COMMISSIONER ZUNIGA: Can I just  
14 mention just along those lines. It is clear  
15 that there's been a lot of work towards that  
16 improvement, a lot of thought and it's an  
17 ongoing process.

18 A lot of it started to come to  
19 fruition with the after action effort, but that  
20 effort is ongoing. It's part of a culture of  
21 continuous process improvement that we're  
22 trying to impart here as well.

23 CHAIRMAN CROSBY: It's very much --  
24 As I say, it's very much a continuum.

1 Everybody has to be sold into this thing the  
2 employees, your employees, the prospective  
3 employees, and our process, the whole thing has  
4 to work.

5 I think there are sections along the  
6 way that all of us can attend to. So, we look  
7 forward to that. The other thing and I'm sure  
8 you've already thought about this, but it  
9 certainly didn't go unnoticed here that a part  
10 of your operation, Doug Flutie, had a  
11 horrendous tragedy yesterday. I know he's part  
12 of your family. So, we're respectful and sad  
13 about his behalf that that horrible situation  
14 unfolded.

15 MR. GEORGE: A lot of conversations  
16 internally yesterday, be respectful we are  
17 gathering up as a team internally and with the  
18 corporate team and with the construction team  
19 to figure out next steps. Incredibly  
20 unfortunate isn't a strong enough word, but  
21 that doesn't go unrecognized by us either.

22 CHAIRMAN CROSBY: All the things  
23 that he is, one of the things that he is is  
24 really a family guy. He's really a family guy.

1 It's really incredibly powerfully poignant.  
2 Okay, anything else for these troops? Thank  
3 you all very much.

4 MR. ZIEMBA: Commissioners, last  
5 night I attended an MGM presentation and  
6 question-and-answer session hosted by the city  
7 of Springfield. The meeting was held at City  
8 Stage in Springfield in front of an audience of  
9 approximately 300 people.

10 Springfield's panel introduced and  
11 led by Mayor Sarno, Kevin Kennedy and City  
12 Solicitor Ed Pikula introduced city staff and  
13 its consulting team. After about a 75-minute  
14 presentation by MGM, Springfield's team asked a  
15 wide range of questions about the design such  
16 as building exterior finishes, traffic  
17 considerations, signage, how the space would be  
18 activated, landscape plans, parking garage  
19 questions, financial issues, impacts on the  
20 host community agreement and many other  
21 detailed questions.

22 The scope and depth of Springfield's  
23 review was truly impressive. Springfield and  
24 indeed MGM touched upon many areas that have

1 been the subject of review by the Commission  
2 staff and by our consultants.

3           Instead of me attempting to provide  
4 an issue by issue recount of the nightly  
5 meeting, much of what was presented will be  
6 part of the MGM planned presentation coming up  
7 on December 3 as we've planned.

8           Further, we have video from  
9 yesterday's presentation which can be reviewed  
10 by the Commissioners and our staff and our  
11 consultants. Our consultant team, we are  
12 divvying up parts of that video so that the  
13 appropriate consultants don't have to wade  
14 through the entire thing if they don't need to.  
15 We're in the process of doing that today.

16           As to MGM's presentation, some of  
17 the key aspects of its presentation have been  
18 reported in the newspapers today publicly.  
19 Notably, MGM's project budget sits at \$950  
20 million. MGM estimates that its projected jobs  
21 at approximately the same current estimates of  
22 2000 construction jobs and 3000 operational  
23 jobs. MGM again expressed its commitment to  
24 the project.

1           As you know, MGM made this  
2           commitment to the Commission when it first  
3           presented its designs a little bit earlier this  
4           year. Since that time it has repeated that  
5           commitment to the Mayor, to the city of  
6           Springfield, to the city councilors over the  
7           last couple of months. And they wanted to make  
8           sure that the city of Springfield and the  
9           Commonwealth knew that they remain committed to  
10          this project.

11           MGM then went into a very detailed  
12          description of some of the square footage  
13          reductions that were included in the  
14          Massachusetts Environmental Policy Act's  
15          filing, the notice of project change filing and  
16          how much of those reductions were due to back  
17          of the house reductions impacting -- not  
18          impacting the general public in a major sense.

19           For example, there was a big square  
20          footage reduction in the employee dining rooms,  
21          which in the initial planning was much bigger  
22          than comparable dining rooms in typical Las  
23          Vegas facilities. And they went over the  
24          square footage. And that I believe it was



1 27,000 in the initial plan and it's  
2 approximately I think 15,000 in the new plan.

3           Again, I'm not going to recount the  
4 meeting word-for-word, MGM is going to present  
5 on the 3rd. In general however, the MGM group  
6 led by President Bill Hornbuckle, Mike Mathis  
7 and Brian Packer, they put forward a lot of  
8 information.

9           As I mentioned, they stressed MGM's  
10 commitment to Springfield and the Commonwealth.  
11 And they promised a renewed focus on  
12 transparency and good communications among all  
13 parties.

14           As for our next step in the review  
15 in both the design and Section 61 Findings,  
16 we're going to continue our review with this  
17 new information. We will hear from MGM on the  
18 third. We will concentrate on items that are  
19 necessary for the Commission to make its so-  
20 called Section 61 Findings while still  
21 evaluating the design in general.

22           Further, we'll continue to watch the  
23 local process as it unfolds. There are  
24 undoubtedly numerous hearings that will be

1 scheduled in the near term before the city  
2 council and other places.

3 But before I conclude, I just wanted  
4 to thank the city of Springfield, Kevin  
5 Kennedy, Mayor Sarno, Ed Pikula for all the  
6 cooperative spirit that they've demonstrated so  
7 far in the review. It's quite clear that they  
8 are engaged in a very thorough review process  
9 of the proposed changes. And our team as it  
10 engages in its own process will certainly  
11 benefit from what they are doing right now.

12 CHAIRMAN CROSBY: And on that point,  
13 on December 3 when we get the presentation from  
14 MGM, we will be holding our meeting in  
15 Springfield. In the afternoon, we will have a  
16 public hearing in which will be invited, public  
17 officials. City council President Fenton wrote  
18 us and asked us if we would have a hearing out  
19 there.

20 We've been thinking about it. We  
21 talked with MGM. We talked with the city,  
22 decided it would be a good idea. So, in the  
23 afternoon of the third we will have a public  
24 hearing where anybody, including public

1 officials will be free to speak to us about the  
2 design issues that we'll be considering at that  
3 stage of the game. And we'll be promoting that  
4 as part of our regular process and inviting  
5 people to speak.

6 MR. ZIEMBA: One final point, in the  
7 meantime a couple weeks ago we put on our  
8 website a notice of comment on the design  
9 changes for the MGM facility and the design for  
10 the Wynn facility. And we'll continue to  
11 request comments.

12 CHAIRMAN CROSBY: Right. Great.

13 COMMISSIONER ZUNIGA: I look forward  
14 to a lot of those details. It really does  
15 sound like there was a lot of information that  
16 was released yesterday.

17 I did not have a chance to watch the  
18 stream, which was streamed live but I look  
19 forward to watching that video and all of the  
20 details in terms of the project for example and  
21 other areas of the program that I know we'll be  
22 getting and our consultants will be also  
23 helping us analyze.

24 CHAIRMAN CROSBY: Okay.

1           COMMISSIONER MACDONALD: Can I just  
2 follow up on that John? Was there any public  
3 comment and discussion at the meeting yesterday  
4 or was this just a one-way presentation?

5           MR. ZIEMBA: What was impressive is  
6 that it was a panel discussion. So, you had  
7 the presentation and the panel of experts from  
8 Springfield. They asked questions in front of  
9 that audience. MGM had to respond to those.  
10 It was a rather lengthy presentation. I think  
11 it was about two and a half hours or perhaps  
12 even longer. So, it wasn't designed to have  
13 the public input on what they were saying.

14           COMMISSIONER MACDONALD: Is there  
15 any way characterize how their presentation was  
16 received?

17           MR. ZIEMBA: There were numerous  
18 sections of applause for what MGM presented.  
19 Notably, when they put forward the \$950 million  
20 budget, I think that was very warmly received.  
21 Among the audience members there seemed like  
22 there were a lot of folks hopefully will  
23 eventually work on the project or perhaps are  
24 even working on the project now.

1           MGM detailed that it's already had  
2 some significant construction activity --  
3 preparation activity, let me say that. And  
4 that there have been workers involved in  
5 cleanup within the facilities and utility work.  
6 So, I think it was very warmly received.

7           COMMISSIONER MACDONALD: I should  
8 know the answer to this, but the 950, how much  
9 of an increase to that -- I have 850 in my  
10 head. How much of an increase was that  
11 commitment over what had earlier been?

12           MR. ZIEMBA: There are a couple of  
13 different numbers. There's \$825 million RFA-2  
14 number, which is our request for application 2  
15 number, which includes a \$25 million set aside  
16 for cash, as I understand, which brings it down  
17 to the \$800 million number for the total  
18 project. So, if you take a look at the 800  
19 versus the 950 that's a significant increase.

20           COMMISSIONER MACDONALD: It  
21 certainly is.

22           MR. ZIEMBA: But I'm not sure how  
23 the cash is handled under the 950. Perhaps  
24 that's an apples to apples as well but that's

1 part of our review.

2 CHAIRMAN CROSBY: Anybody else?

3 COMMISSIONER CAMERON: Thank you  
4 John.

5 CHAIRMAN CROSBY: Thanks. Okay,  
6 General Counsel Blue?

7 MS. BLUE: Good morning,  
8 Commissioners. We have Deputy General Counsel  
9 Grossman to present to you on the licensee  
10 request for non-disclosure and then we will  
11 also discuss the transfer regulations.

12 MR. GROSSMAN: Good morning, Mr.  
13 Chairman, members of the Commission. We are  
14 here to discuss the provisions of regulations  
15 that discuss the non-disclosure agreements.  
16 And just to put the conversation in context, I  
17 thought it would be helpful to point out why  
18 this is relevant.

19 It falls into the category of a  
20 public records law issue. Under the public  
21 records law of course all records received and  
22 maintained by state agencies such as ours are  
23 presumed to be public. The law sets out, of  
24 course, a number of exemptions to the public

1 records law.

2           One of which being the statutory  
3 exemption, meaning if there is a specific  
4 statute that allows for the withholding of  
5 certain information, then it is presumptively  
6 exempt from public disclosure under the law.

7           In our case, the Legislature in  
8 Chapter 23K included such an exemption. It's  
9 in section 21(a)(7) of the law. And it  
10 provides essentially that any information that  
11 is provided to the Commission that the gaming  
12 licensee considers a trade secret or believes  
13 to be detrimental to the gaming licensee if it  
14 were made public may be identified by the  
15 licensee. And the licensee in fact may require  
16 a non-disclosure agreement with the Commission  
17 before disclosing such material.

18           In response to that, the Commission,  
19 as you'll recall, has created a process in 205  
20 CMR 139.02 whereby we describe how we will  
21 handle such requests.           Just to get to the  
22 point of this particular discussion, we have  
23 received such a request. And we are before you  
24 here today to discuss the manner in which you

1 anticipate or would like to see us process such  
2 a request.

3 They could for example be brought  
4 before you here at a public meeting.

5 CHAIRMAN CROSBY: Todd, we've  
6 received a request for some of the information  
7 which the applicant deems confidential?

8 MR. GROSSMAN: That's right.

9 CHAIRMAN CROSBY: This isn't the  
10 first time this has happened.

11 MR. GROSSMAN: Under this process it  
12 is. We've never used this mechanism before.

13 CHAIRMAN CROSBY: This mechanism.

14 MR. GROSSMAN: Yes.

15 CHAIRMAN CROSBY: Yes, okay. But  
16 we've had requests for stuff we consider  
17 confidential.

18 MR. GROSSMAN: It's a little bit  
19 different. There were different exemptions at  
20 play when you've seen those previous requests.  
21 This is different.

22 This is really -- the bulk of the  
23 materials that we'll be receiving in the future  
24 will fall under this particular mechanism. In



1 the past, we used one that allowed us to  
2 withhold information submitted as part of the  
3 RFA-1 process. That has obviously passed.  
4 That is no longer.

5           There are a number of other  
6 exemptions to the public records law, of  
7 course, which we use on a regular basis when we  
8 receive public records requests. As you'll  
9 recall, in section 139 of our regulations, we  
10 laid out probably 20, 25 categories of  
11 information that the gaming licensees will be  
12 providing to the Commission and/or the IEB on a  
13 regular basis. Or that they were required to  
14 maintain in the event that we want to look at  
15 it as part of our overall ongoing suitability  
16 investigation and investigation into the  
17 operations of the gaming licensees.

18           So, this is a critical component in  
19 ensuring that we are able to protect from  
20 public disclosure certain types of documents  
21 that have been identified in the regulations  
22 that we will come into possession of that we  
23 will need to look at.

24           So, what the provision does is it

1 puts the onus on the licensees to tell us what  
2 they think is a trade secret or would otherwise  
3 be detrimental. It doesn't put the onus on us  
4 to make that determination in the first  
5 instance.

6 But once we do receive that request,  
7 we need to come up with a plan and a process by  
8 which we will review and approve of the  
9 request. Now we have received our first  
10 request. And we wanted to ensure that we  
11 follow a process that will be workable into the  
12 future.

13 COMMISSIONER MACDONALD: Todd, just  
14 to clarify that. The request that you are  
15 referencing is a request by a licensee to enter  
16 into a non-disclosure agreement.

17 MR. GROSSMAN: That's right.

18 COMMISSIONER MACDONALD: It's not a  
19 request from an outside party.

20 CHAIRMAN CROSBY: I thought you  
21 meant a public records request.

22 MR. GROSSMAN: No. It's a good  
23 point to make. Only gaming licensees may  
24 request non-disclosure agreements nobody else.

1 So, there's obviously only at the moment only  
2 three potential requestors that we're looking  
3 at. In fact, they have made such a request.

4 So, we've also included in the  
5 packet the application we used as the vehicle  
6 to receive the request. Also included in the  
7 packet is a copy of a draft non-disclosure  
8 agreement, which we would envision utilizing as  
9 to outline the terms of the agreement under  
10 which we will protect that information.

11 But the question really is is this  
12 something that you would want to see the legal  
13 department or some other entity within the  
14 Commission process and handle and execute such  
15 agreements? Does the Commission itself want to  
16 review such a request? And if so, how do we go  
17 about doing that or some hybrid of those two.  
18 That's where we are at the moment.

19 CHAIRMAN CROSBY: So, the process as  
20 planned doesn't figure out -- doesn't propose  
21 who would actually make the judgment as to how  
22 to respond to the request.

23 MR. GROSSMAN: Well, it says that  
24 the Commission ultimately bears that

1 responsibility. But as we were looking at the  
2 request, it struck us that this might not be  
3 something you want to go through -- First of  
4 all, it could be a timely -- By timely, I mean  
5 take a lot of time. -- process to go through.

6           There are about 19 separate  
7 requests. We would want to go through each one  
8 carefully and discuss whether we would or would  
9 not accept the licensee's assertion that there  
10 are trade secrets or other reasons why these  
11 documents should not be publicly released. And  
12 then discuss whether we accept it in whole or  
13 whether there are parts of the document that  
14 need to be redacted and not the whole thing.  
15 So, that's one of the --

16           COMMISSIONER MACDONALD: You said 19  
17 requests. Are these 19 sub-requests of what  
18 you referred to as the first request?

19           MR. GROSSMAN: They all came in  
20 together.

21           COMMISSIONER MACDONALD: All from  
22 Plainridge?

23           MR. GROSSMAN: Yes. So, there are  
24 things like their internal controls, the

1 salaries of employees, things that you may  
2 right off the top agree should be exempt from  
3 public disclosures. Others might be a little  
4 closer call.

5 CHAIRMAN CROSBY: Thoughts or  
6 suggestions on how this should be handled?

7 COMMISSIONER ZUNIGA: Maybe a mix of  
8 what you described. I would favor that the  
9 initial view of the legal department into  
10 making a judgment call, the initial judgment  
11 call on the merits on principle or in the  
12 abstract, if you will.

13 I sense that some of this may be  
14 quite specific perhaps. So, it might depend on  
15 the details of what might be under that  
16 request. So, maybe at a first pass I would  
17 favor that General Counsel Blue or Deputy  
18 Counsel, your team take a look at it first.

19 With the caveat that any matter of  
20 let's say fundamental disagreement could be put  
21 brought back to the Commission to be sort of  
22 appealed in some form or fashion or not.

23 CHAIRMAN CROSBY: How would the  
24 Commission deal with the discussion about a

1 requested confidential, trade secret or non-  
2 disclosure? How would we discuss that?

3 MS. BLUE: It would depend. If you  
4 could discuss it in terms of a category as  
5 opposed to an actually document, you could  
6 discuss it in a public session. If there was a  
7 sense that we needed to discuss a particular  
8 document or particular information, you would  
9 have to take it into executive session.

10 CHAIRMAN CROSBY: There would be an  
11 executive session mechanism for that?

12 MS. BLUE: There would be because of  
13 the exemption under the public records law.

14 CHAIRMAN CROSBY: All right. So,  
15 Commissioner Zuniga is suggesting that the  
16 legal department do it first, take the first  
17 cut but if there are either issues that the  
18 legal department is not sure on or presumably  
19 if the applicant -- if the requestor disagrees,  
20 then we would end up being a court of last  
21 resort.

22 COMMISSIONER CAMERON: I think that  
23 makes sense. Many of them the legal department  
24 is very capable of handling and have a lot of

1 expertise in this area. Yes, I think that  
2 makes sense also if there's something that  
3 there's a real disagreement, we could take that  
4 matter.

5 CHAIRMAN CROSBY: Your Honor.

6 COMMISSIONER MACDONALD: I'm not  
7 sure of the structure, but I would just note at  
8 the outset that there are very sensitive  
9 interests that are implicated there. Of  
10 course, there's the public records statute.  
11 There's the First Amendment overlay, and as  
12 I've come to be familiar with it that there's  
13 been a tradition and emphasis by the Commission  
14 on transparency and an interest of disclosure  
15 to the public on matters that the Commission is  
16 dealing with.

17 So, I think that without having any  
18 specific suggestion in mind, there has to be a  
19 residual significant role on the Commission's  
20 part to make these judgments in combination  
21 with first its responsibility resting within  
22 the legal department.

23 CHAIRMAN CROSBY: I think that's a  
24 really good point. Because this an art not a

1 science and these are judgment calls. And the  
2 Commission I think needs to establish in the  
3 long run, the Commission needs to establish  
4 where we think the parameters should be. I  
5 think that's our judgment to make.

6 My suggestion would be to build on  
7 that a little bit would be that let's use this  
8 first one as a trial run. Let's go-ahead. I  
9 think we all agree that ultimately this should  
10 be or initially this should be the legal  
11 department's job to do.

12 And as time goes along, the legal  
13 department will figure out if they have the  
14 same judgments that the Commission has, if we  
15 have any differences of agreement.

16 But how about if you take the first  
17 one, you all make your judgments, staff shows  
18 it to us, gives us a chance to take a look at  
19 it and see whether we agree with the judgments.  
20 If we do, it's easy. If we don't then we'll  
21 talk about it and see whether or not how we  
22 reconcile that.

23 If we do that the first time or two,  
24 I think we'll get a sense whether the



1 Commission's sense of where these lines should  
2 be drawn is compatible or is the same as the  
3 legal department's.

4 COMMISSIONER ZUNIGA: As I think  
5 about it, yet an alternative to that or a  
6 slightly different flavor to that would be the  
7 involvement of one Commissioner in that first  
8 view of the categories.

9 CHAIRMAN CROSBY: I think we would  
10 want all five of us. That's the whole point.  
11 We may differ too. We probably have differed  
12 and we know we've differed. We've talked about  
13 the redaction issue over the years now. And we  
14 know we have differences of opinion about where  
15 the line should be drawn.

16 So, I think we need to get a sense  
17 of where the Commission is coming from. To the  
18 extent I don't know how much we don't have  
19 that. But we need to get a sense of where the  
20 Commission is coming from. The only way to do  
21 that is for the first time or two is to have  
22 legal do it, let us all take a look, feedback  
23 and see where we are at.

24 MS. BLUE: So, that we are clear on

1 the process which of course we can change if we  
2 determine in the future. What that would  
3 entail is then legal would look at the request.  
4 Legal would put together a memo that goes into  
5 the Commission package.

6 The Commission would then review  
7 that memo. You would vote on it, because it  
8 would require your approval so you would vote  
9 on it. And at that point, the legal department  
10 would provide a non-disclosure agreement to the  
11 licensee with the documents that were covered  
12 by it.

13 CHAIRMAN CROSBY: I was thinking of  
14 slightly different and maybe it can't. I was  
15 thinking that you do your cut, your department  
16 does the first draft. Then staff comes and  
17 talks to us on one by one or in twosies, not as  
18 a group, and lets us just give our feedback on  
19 an informal basis.

20 And if it's easy then it's done. If  
21 it isn't, if there seems to be issues, then we  
22 would have to figure out how to have a  
23 Commission conversation.

24 MS. BLUE: I think the regulation

1 and Mr. Grossman can weigh in on it too, it  
2 talks about the Commission approving this.

3 CHAIRMAN CROSBY: No matter what,  
4 okay.

5 MS. BLUE: So, if the Commission is  
6 going to approve it, it would need to come  
7 before you to be approved. So, we can  
8 certainly set up a process that does that.

9 Then if at some point we go through  
10 a number of these and the Commission determines  
11 that they have a good feel for what it is and  
12 they want to delegate it that's fine. We were  
13 just trying to establish the process. So, that  
14 going forward we know what we need to follow.

15 CHAIRMAN CROSBY: In the long run,  
16 once we get through this initial sort of get a  
17 sense phase, what we are hoping is that you all  
18 would make the decision and we will pretty much  
19 just routinely approve it. Or as you say  
20 delegate it.

21 But in this first couple -- I think  
22 it would be easier, just less bureaucratic to  
23 make the iteration be staff. It'd be easier  
24 for us to talk about it. Then staff can tell

1 us whether there are significant differences  
2 among the Commission.

3 So, if that works for you all. If  
4 you think that works then at the end of that  
5 process, Commissioners will feedback one-to-  
6 one. We'll see if there's any issues and then  
7 we'll discuss it as a Commission or approve it.  
8 Does that make sense?

9 MS. BLUE: In order for you to  
10 approve it, you'll have to discuss it in a  
11 meeting. So, we can obviously brief individual  
12 Commissioners beforehand and that's fine. But  
13 we'll have to create that part of the process  
14 where it comes before you so you can take a  
15 vote on it and move towards --

16 CHAIRMAN CROSBY: Under today's  
17 reg., right.

18 COMMISSIONER STEBBINS: Just a  
19 novice question about this process. So, the  
20 document comes that they wish to have redacted  
21 or held, how in our discussion about the  
22 document about the security of this document do  
23 we not see the document and thereby make the  
24 document essentially open to the request?

1 MS. BLUE: It doesn't come in.  
2 That's part of the process. So, they don't  
3 submit it to us initially. What they do is  
4 they give us a list of mostly categories but  
5 some of the categories are specific enough to  
6 know basically what the general outline is.  
7 That's the way the regulation is set up. So  
8 that they don't actually submit it us until  
9 we've determined is it covered or not.

10 COMMISSIONER STEBBINS: Okay.

11 COMMISSIONER MACDONALD: But  
12 presumably, if there were a close call that you  
13 could request the actual document to review it  
14 before making a recommendation as to the  
15 Commission's judgment as to whether a non-  
16 disclosure agreement should be entered into,  
17 correct?

18 MS. BLUE: We could certainly do  
19 that. We would think carefully about how we  
20 did that because once we have it then unless  
21 it's subject to an exemption, it's a public  
22 record. So, we would think very carefully. We  
23 would probably have some conversations with the  
24 licensee first to get a better feel for what it

1 was. But ultimately yes, we could ask for it  
2 and we could review it.

3 CHAIRMAN CROSBY: So, is that clear,  
4 the process of how to go forward with this one  
5 and sort of get a sense of where we are all  
6 coming from?

7 COMMISSIONER MACDONALD: I would  
8 just say that I agree with the Chairman's  
9 suggestion here of let's use this as in effect  
10 an exercise with the idea of developing a  
11 decision-making template for the future.

12 CHAIRMAN CROSBY: Right. Next up?

13 MR. GROSSMAN: Next up are our so-  
14 called transfer of interest regulations. I can  
15 go through -- For Commission Macdonald's  
16 benefit, I'd be happy to go through the whole  
17 history.

18 COMMISSIONER MACDONALD: I don't  
19 think that's necessary. I did read the  
20 materials.

21 COMMISSIONER ZUNIGA: Maybe if you  
22 have a two-minute version.

23 MR. GROSSMAN: I'll cut to the  
24 chase. What we are proposing now is to

1 commence a new promulgation process with the  
2 present draft. Now the present draft bears a  
3 resemblance in many respects to the versions of  
4 this language that you have seen in the past.

5 The issue though is that we have  
6 recalibrated what we believe to be the intent  
7 of these regulations. Again, to put this in  
8 context, how we see it now is that this is an  
9 extension and offshoot of essentially our  
10 qualifier process.

11 And it took us a while to really  
12 gain that understanding, to figure out why this  
13 was important, what we were doing here was  
14 important.

15 But ultimately what it does in many  
16 respects is just ensures that the Commission  
17 and the IEB have an opportunity to determine  
18 who qualifiers are and are not as a result of  
19 any particular transfers. And offer them an  
20 opportunity to conduct the necessary background  
21 investigations. While at the same time  
22 ensuring that there are mechanisms in place to  
23 allow for the divestiture, redemption, etc. of  
24 any particular interest in the event that the

1 Commission deems a particular individual  
2 unsuitable.

3           And that's really the endgame here  
4 is making sure that we have a way to remove  
5 unsuitable individuals from the process. What  
6 we have done here is we have built these  
7 provisions that we had initially separated into  
8 a different set of regulations into the  
9 qualifier regulations.

10           And we have set out notice  
11 provisions, approval and then have gone into  
12 interim authorization. We've gone through a  
13 lot of this in the past. I'm happy to  
14 certainly go through the way this works if  
15 that's of interest.

16           Ultimately, what we seek now is just  
17 to commence the promulgation process. Of  
18 course, what we mean by that is that we'll file  
19 notice with the local government advisory  
20 committee. We'll file 30A notices with the  
21 Secretary of State setting up a public hearing,  
22 open the process to public comment to any  
23 interested parties. You'll conduct a public  
24 hearing and we'll move ahead.



1                   And we'll have plenty of time to go  
2 through some of the particulars of this  
3 language when that's of interest to you. And  
4 we can certainly do it now as well.

5                   COMMISSIONER CAMERON: Todd, when  
6 you say provide the opportunity, what you are  
7 really saying is they understand, the new  
8 qualifiers that they must avail themselves to  
9 this opportunity.

10                  MR. GROSSMAN: As they did in the  
11 past. This really just puts a finer point on  
12 some of these transfers. And it kind of also  
13 incorporates some of the statutory requirements  
14 that don't presently exist in our qualifier  
15 regulations. But yes.

16                  COMMISSIONER CAMERON: As part of  
17 the process they have to comply.

18                  CHAIRMAN CROSBY: It's not just an  
19 opportunity.

20                  MR. GROSSMAN: Yes, they need to  
21 comply.

22                  CHAIRMAN CROSBY: Other thoughts?

23                  COMMISSIONER ZUNIGA: As Todd  
24 mentioned, we evolved quite a bit from the

1 original draft. I think it's appropriate that  
2 we have it now under the qualifier makes  
3 because we learned a lot through the  
4 promulgation process, which is part of the  
5 intent on having this out for public comment.

6 We got a lot of very thoughtful  
7 detailed and sometimes complex to understand in  
8 terms of all the scenarios that some of these  
9 regulations have to cover. I think this, as  
10 Todd described, this is a good draft that we  
11 have. But because it's evolved to this degree  
12 and it's better placed under the qualifier  
13 regs. we really ought to start the process anew  
14 even though a lot of this language is something  
15 that we've talked a lot about and agreed upon  
16 quite a bit.

17 COMMISSIONER STEBBINS: Todd, the  
18 definitions as you presented it. Reading the  
19 second half of the definition again just are  
20 likely to result in significant change to the  
21 management or operations. Is that giving us  
22 enough leeway to somewhat decide whether some  
23 of the transfer of ownership has an impact on  
24 that? I hate to see new ownership try to skate

1 around going through the licensing transfer  
2 process by reading that a different way.

3 MR. GROSSMAN: The point is to  
4 ensure that you do have the flexibility to  
5 address these issues. And that was designed  
6 with the understanding that if there's a  
7 transfer that does not significantly change  
8 anything, then the existing terms and  
9 conditions of the license and all, of course,  
10 statutory and regulatory conditions remain in  
11 place. And there's really no need to engage in  
12 any kind of RFA-2 review because it's just an  
13 ongoing process.

14 It's only when a transfer is going  
15 to affect the operations. And in fact, some of  
16 the pre-existing conditions or commitments  
17 might be affected. Or in fact, the whole  
18 operation might be affected. The Commission  
19 will have an interest in reviewing what will  
20 result to ensure that it's the benefit that we  
21 all bargained for. And that's what this change  
22 in control is the trigger for.

23 COMMISSIONER STEBBINS: Thank you.

24 COMMISSIONER MACDONALD: Just in a

1 broad-brush way Todd, how do these materials  
2 here the red-colored materials alter what is  
3 currently in place and has been part of the  
4 regulations before.

5 MR. GROSSMAN: There are existing  
6 so-called qualifier regulations that govern  
7 when new entities and individuals become part  
8 of the process. What they don't really cover  
9 though is what the mechanism will exactly be in  
10 the event of certain transfers of interests.

11 They really only govern when there  
12 is a new entity that comes in or a new person  
13 will be part of the process. But they don't  
14 really address, at least as thoroughly as we  
15 probably need them to, what would happen if a  
16 person or entity came in and now the whole  
17 dynamics are going to change.

18 Or, if someone buys stock, which we  
19 have no control over, then how do we handle  
20 that situation where they already own the  
21 interest? Or whether there's a big purchase by  
22 contract of the securities of a particular  
23 company.

24 So, we do have some, I suppose,

1 rudimentary requirements in place that could be  
2 applied to certain situations. But what these  
3 do is it really provides us a comprehensive  
4 infrastructure, I think, to deal with any  
5 transfers that may come our way, whether it's a  
6 new employee or all the way to a whole transfer  
7 of the gaming license itself. And it really  
8 just beefs up the existing process.

9           Some of this is required by statute  
10 so we really need to do it. Some of the  
11 interim authorization and trust agreement  
12 components are required and we don't have them  
13 at present. It took us a while to figure out  
14 why they're important. And I think we now have  
15 a handle on that. And we cover that in this  
16 new red language.

17           CHAIRMAN CROSBY: Todd, I don't know  
18 if this is meaningful or not, but at the end of  
19 the second line you've got the words any  
20 circumstance.

21           The way this is written means that  
22 the or clause reads change of control means any  
23 circumstance which results in, rather than  
24 change of control means a transfer of interest

1 which results in or is likely to result in.

2 Any circumstance makes you cut out  
3 the words -- to read this right -- makes you  
4 cut out the words transfers interest. It  
5 sounds like it's talking about circumstances  
6 other than transfer of interest because a  
7 change of control means any circumstance which  
8 likely results -- that could be somebody dying,  
9 if the CEO of the company dies. I think if you  
10 take out the words any circumstance, it's more  
11 precisely written if I understand what you're  
12 trying to accomplish here.

13 MR. GROSSMAN: I think that is part  
14 of the discussion, right, is whether if a CEO  
15 passes or something like that whether that is  
16 the type of change.

17 CHAIRMAN CROSBY: That would not be  
18 a transfer of interest.

19 MR. GROSSMAN: It may, it may and  
20 that's all we're looking at here.

21 CHAIRMAN CROSBY: But are you  
22 talking about transfer of interest is the issue  
23 or change in management or change in operation  
24 generated by a transfer of interest?

1 I think we are talking about  
2 circumstances which are or may be generated by  
3 a transfer of interest.

4 MR. GROSSMAN: I would agree with  
5 that.

6 CHAIRMAN CROSBY: I think this is --  
7 I hope this isn't nitpicking, but I think the  
8 words any circumstance, the way it reads right  
9 now you've broadened it to circumstances beyond  
10 the transfer of interest.

11 If you took out the word any  
12 circumstance, you would keep it only to those  
13 situations which derive from or might derive  
14 from a transfer of interest. We can look at  
15 this later, but just make a note of that.

16 MR. GROSSMAN: Yes.

17 CHAIRMAN CROSBY: Here's my other  
18 question is what happened to the Commonwealth's  
19 share?

20 MR. GROSSMAN: The Commonwealth's  
21 share is gone, we reference that though.

22 CHAIRMAN CROSBY: Jed is wondering  
23 where the Commonwealth's share is. He's  
24 looking.

1 MR. GROSSMAN: They really wanted to  
2 keep it, but we removed it. It's on page two.

3 CHAIRMAN CROSBY: So does Attorney  
4 Krum, Krum was really looking for it too.

5 MR. GROSSMAN: It's a great  
6 disappointed to all of the licensees but we did  
7 remove the Commonwealth's share language after  
8 that extensive discussion how it was a red  
9 herring and that whole thing.

10 COMMISSIONER ZUNIGA: We discussed  
11 it at a public meeting.

12 CHAIRMAN CROSBY: Was I present for  
13 that?

14 COMMISSIONER ZUNIGA: Yes.

15 CHAIRMAN CROSBY: And we decided to  
16 eliminate it completely?

17 MR. GROSSMAN: You didn't vote on  
18 that or anything like that but the consensus  
19 certainly was that we're not going to pursue  
20 it. So, I'll just point to where it is. And  
21 as part of the process you'll obviously have to  
22 decide whether that's the approach.

23 The approach that is reflected in  
24 the draft at the moment is just that the



1 Commission will not assess a payment solely for  
2 the transfer. This is on page two at the  
3 bottom. It's 116.09 paragraph one, the second  
4 sentence. It's section 21(b)(ii) is the  
5 Commonwealth's share section.

6 COMMISSIONER ZUNIGA: We were  
7 already here in this building. So, it's not  
8 too long ago that we discussed this. It was a  
9 consensus, a unanimous consensus.

10 CHAIRMAN CROSBY: I'm fine with  
11 that. I just didn't remember that we actually  
12 had made that decision. So, functionally we  
13 determined that there will be no payment to --  
14 there is no share that goes to the  
15 Commonwealth.

16 COMMISSIONER ZUNIGA: That's right.

17 CHAIRMAN CROSBY: We're taking the  
18 word may and acting --

19 COMMISSIONER ZUNIGA: -- and then  
20 saying that it will not, with the small caveat  
21 that they're required as they have always been  
22 to fund the costs of the investigations for  
23 whatever qualifiers.

24 CHAIRMAN CROSBY: Would it be

1 meaningful if you put after payment or in  
2 replacement of payment Commonwealth's share?

3 MR. GROSSMAN: Just to clarify the  
4 point?

5 CHAIRMAN CROSBY: Yes.

6 MR. GROSSMAN: We could certainly do  
7 that.

8 CHAIRMAN CROSBY: That's what we're  
9 doing is we're specifically referring to that  
10 section of the statute. I don't know why we  
11 wouldn't just use the same language or  
12 parenthetical.

13 MR. GROSSMAN: In some respects we  
14 do. The Commonwealth share is kind of what  
15 it's colloquial been referred to as, but it  
16 really is talking about the assessment of a  
17 payment reflecting the Commonwealth's share.  
18 So, I just used the other half of the sentence,  
19 but we can put in the Commonwealth's share.

20 CHAIRMAN CROSBY: Whatever you're  
21 comfortable with. Okay. Anything else on  
22 this? This is going to go through the whole  
23 review process.

24 COMMISSIONER ZUNIGA: The formal

1 promulgation process.

2 MR. GROSSMAN: With your approval,  
3 we'll commence the process, schedule a public  
4 hearing and it'll come back before you for  
5 further review.

6 COMMISSIONER CAMERON: Thank you.

7 CHAIRMAN CROSBY: We don't need a  
8 vote on that.

9 COMMISSIONER ZUNIGA: No, we do.

10 MS. BLUE: Yes. You should vote to  
11 start the promulgation process.

12 CHAIRMAN CROSBY: Commissioner  
13 Zuniga?

14 COMMISSIONER ZUNIGA: I would be  
15 happy to move, Mr. Chairman that the Commission  
16 approve the draft of the regulations presented  
17 here in the packet, 205 CMR 116 as currently  
18 being amended and start the formal promulgation  
19 process.

20 CHAIRMAN CROSBY: Second?

21 COMMISSIONER MACDONALD: Second.

22 COMMISSIONER ZUNIGA: And the  
23 section 102.02 of the definitions.

24 MR. GROSSMAN: And there's 129 just

1 for a finer point at the very end.

2 COMMISSIONER ZUNIGA: Thank you and  
3 205 CMR 129 as presented here today.

4 CHAIRMAN CROSBY: Did you second all  
5 that?

6 COMMISSIONER MACDONALD: I second it  
7 again.

8 CHAIRMAN CROSBY: Further  
9 discussion? All in favor, aye.

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 COMMISSIONER STEBBINS: Aye.

14 CHAIRMAN CROSBY: Opposed? The ayes  
15 have it unanimously.

16 MR. GROSSMAN: Thank you.

17 CHAIRMAN CROSBY: Thank you. Want  
18 to take a quick break, we'll be back in five or  
19 10.

20

21 (A recess was taken)

22

23 CHAIRMAN CROSBY: We are ready to  
24 reconvene at public meeting number 170. We are

1 still on legal I believe. There was one more  
2 matter and that I guess comes to me. And  
3 you're going to tell us that we're due for some  
4 elections.

5 MS. BLUE: Pursuant to Chapter 23K  
6 the Commission is required to elect from their  
7 members a secretary and a treasurer on an  
8 annual basis.

9 This is particularly timely given  
10 that Commissioner McHugh was the secretary and  
11 he's no longer here. So, we thought today  
12 would be the day to have our annual election  
13 for secretary and treasurer.

14 CHAIRMAN CROSBY: In the future, we  
15 will do it on our normal anniversary which is  
16 around in March.

17 MS. BLUE: Yes. We are going to do  
18 it yearly for the March, April timeframe.

19 CHAIRMAN CROSBY: So, we have an  
20 opening for the office of secretary. And we'll  
21 take that one first. Do we have a nomination?

22 COMMISSIONER ZUNIGA: Given the  
23 background and what the secretary does as the  
24 keeper of the records of the proceedings, we do

1 have a very robust process, but I would ask  
2 Commissioner Macdonald if he would be  
3 interested in being nominated for the position  
4 of secretary.

5 CHAIRMAN CROSBY: There is no pay  
6 raise.

7 COMMISSIONER MACDONALD: I would be  
8 honored to be to be considered a candidate for  
9 secretary of the Gaming Commission.

10 COMMISSIONER ZUNIGA: In that case I  
11 nominate Commissioner Macdonald to that  
12 position.

13 CHAIRMAN CROSBY: Second?

14 COMMISSIONER STEBBINS: Second.

15 CHAIRMAN CROSBY: Any other  
16 nominations? Any discussion? We'd want to  
17 think about whether he's got the ability. I  
18 don't know.

19 COMMISSIONER STEBBINS: I do like  
20 the fact that we have a very limited campaign  
21 period unlike the presidential elections, no  
22 bulletin boards, no billboards.

23 CHAIRMAN CROSBY: No PACs. No  
24 further discussion? All in favor of the

1 nomination of The Honorable Lloyd Macdonald to  
2 be secretary signify by saying aye, aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 COMMISSIONER STEBBINS: Aye.

6 CHAIRMAN CROSBY: Opposed? The ayes  
7 have it unanimously.

8 COMMISSIONER MACDONALD: Thank you  
9 all.

10 CHAIRMAN CROSBY: Congratulations.

11 We do also need to elect or re-elect our  
12 treasurer. Do we have a nomination?

13 COMMISSIONER STEBBINS: Mr.

14 Chairman, I would be pleased to nominate my  
15 colleague Commissioner Zuniga to continue to  
16 serve as treasurer.

17 The treasurer has outlined roles I  
18 think a lot more on our internal controls in  
19 terms of overseeing payments, overseeing  
20 transfers of monies. And certainly since  
21 Commissioner Zuniga was here the day we opened  
22 the door, he undertook a lot of those financial  
23 responsibilities until we had a CFAO.

24 And he continues to work obviously

1 very closely with the whole financial team.

2 So, I am pleased to nominate Commissioner

3 Zuniga to continue to serve as Treasurer.

4 CHAIRMAN CROSBY: Second?

5 COMMISSIONER CAMERON: Second.

6 CHAIRMAN CROSBY: Commissioner

7 Zuniga, are you willing?

8 COMMISSIONER ZUNIGA: And able.

9 CHAIRMAN CROSBY: Any other  
10 nominations? Any discussion? How is his  
11 English?

12 COMMISSIONER ZUNIGA: The math is  
13 better.

14 CHAIRMAN CROSBY: All in favor of  
15 re-election of Commissioner Zuniga as  
16 treasurer, signify by saying aye, aye.

17 COMMISSIONER MACDONALD: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 CHAIRMAN CROSBY: The ayes have it  
21 unanimously. Okay that does it for the legal  
22 division. We now have Director Griffin,  
23 Director of Workforce, Supplier and Diversity  
24 Development.



1 MS. GRIFFIN: Good afternoon,  
2 Commissioners and congratulations to your newly  
3 elected position.

4 COMMISSIONER STEBBINS: We do have  
5 quite an inauguration party afterwards.

6 MS. GRIFFIN: I'm going to give you  
7 a few introductory remarks and then I'm going  
8 to turn it over to Commissioner Stebbins who  
9 has been working closely on this issue.

10 As you all know, the expanded gaming  
11 law places a priority on diversity including  
12 the involvement of veterans in every stage of  
13 the building and operation of the casinos. On  
14 June 23, the Commission discussed the  
15 definition of a veteran and the potential of  
16 expanding the definition to include members of  
17 the National Guard who have been called to  
18 active duty or the Reserves and Guard members  
19 who have been honorably discharged.

20 We put this definition out for  
21 public comment and I'm going to turn it over to  
22 Commissioner Stebbins to kind of sum up the  
23 process and where we are.

24 COMMISSIONER STEBBINS: Just for our

1 new Commissioner's benefit, part of Director  
2 Griffin's work, we have been reaching out to  
3 local veteran service officers. Every  
4 community has one. There are folks who are on  
5 the ground in their own community, know who the  
6 veterans are, provide them benefits and  
7 assistance.

8           We thought they would be a great  
9 touch point in terms of talking about the  
10 opportunities for veterans under the expanded  
11 gaming statute. In one meeting we came across  
12 a question which was what would be our  
13 definition of a veteran.

14           For two people who have not served  
15 in military service, it was quite an  
16 interesting question that was posed. The  
17 gentleman who posed the question talked about  
18 the fact that many members, obviously since  
19 9/11, many members of the Guard and Reserves  
20 have been activated for duty. And to receive  
21 certain financial benefits and incentives after  
22 doing your service, you have to serve for a  
23 certain number of days.

24           And the anecdote was shared with us

1 that some folks were being shipped back home or  
2 being taken off active duty prior to hitting  
3 that milestone date found in the Massachusetts  
4 statute's definition of a veteran.

5 Obviously, we don't manage a pool of  
6 funds. We are not handing out financial  
7 benefits. So, we went about the task of maybe  
8 building off the state's definition and saying  
9 any member of the National Guard or  
10 Massachusetts resident who serves in the  
11 Reserves, if they've been activated for any  
12 period of time other than for training would be  
13 eligible to be counted by our licensees as a  
14 veteran in their hiring goals.

15 Additionally, we also had  
16 conversations around whether members of the  
17 Guard or members of the Reserves might also be  
18 candidates for being included in the target  
19 population of underemployed or unemployed who  
20 also, again, are referenced throughout the  
21 expanded gaming statute.

22 We solicited comments. We put the  
23 changes out for comments. We got a lot of  
24 feedback, helpful comments. There was, I would

1 say, an overall concern that our definition or  
2 our change of the definition might cause, I  
3 would say some confusion or misunderstanding of  
4 the definition of veteran.

5 So, as we sit here today taking all  
6 that feedback in and commentary is that I'm  
7 going to suggest we withdraw our proposed  
8 changed definition at this point, continue to  
9 obviously gather feedback. We're going to  
10 obviously continue to do outreach around the  
11 state with these VSOs who work in the  
12 individual communities.

13 However, not to lose track of how  
14 the expanded gaming statute and these casino  
15 career opportunities might impact folks in the  
16 Guard or Reserves, through Director Griffin's  
17 responsibilities to extract information about  
18 hires and diversity goals from our licensees,  
19 we are going to ask our licensees to track  
20 potential operational employees and ask whether  
21 they are actively serving in the Guard or  
22 Reserves.

23 So, it will be anecdotal information  
24 for us to have. It certainly will be somewhat

1 of a new requirement on our licensees. But at  
2 this point we are considering only asking as  
3 they near their operational phase to track that  
4 information.

5 CHAIRMAN CROSBY: As opposed to  
6 construction?

7 COMMISSIONER STEBBINS: As opposed  
8 to construction. Interesting, we've seen  
9 activity on Beacon Hill also related to  
10 veterans about the Stolen Valor Act, which is a  
11 law intended to punish people who are trying to  
12 pass off military credentials for financial  
13 gain.

14 In talking with Director Connelly  
15 and Director Griffin, we certainly see some  
16 kind of overlay of that bill on our licensing  
17 requirements, people not trying to provide us  
18 false information. There's an overlay I think  
19 with the Stolen Valor Act which passed the  
20 Senate and is now headed to the Governor's  
21 desk.

22 I spoke with Representative Velis  
23 yesterday. He was the sponsor of the bill. We  
24 are going to meet with him in a couple of weeks

1 to talk about the overlay of the bill and also  
2 again about making sure that we're doing the  
3 most that we can with our licensees to offer  
4 opportunities for veterans and members of the  
5 Guard and Reserves. I believe he is a veteran  
6 who is still currently serving in the Guard.

7           Going through this process, it has  
8 been interesting. Again, we appreciate the  
9 responses that we got. It's interesting to  
10 note is I was working with Director Griffin and  
11 General Counsel Blue and previously with  
12 Commissioner McHugh, understanding the number  
13 of folks in the Guard and Reserves that have  
14 been activated since 9/11. 47 percent of our  
15 nation's Guard and Reserve members have been  
16 activated for duty.

17           Obviously, in fact I was just  
18 reading a report as I was coming in this  
19 morning. I wasn't driving so I could read the  
20 report. But the Guard and Reserves in their  
21 service has changed so dramatically since 9/11.  
22 They have foreign obligations. Again, we are  
23 trying to make sure that they have an  
24 opportunity to pursue these careers that are

1 going to be available through the opening of  
2 our next two facilities.

3           The work is ongoing, but again I'm  
4 respectfully kind of withdrawing our proposed  
5 change for the time being. But again with  
6 Director Griffin's responsibilities, we're  
7 going to try to track just for information  
8 purposes how many people that are in the Guard  
9 and Reserves who are gaining employment as the  
10 casinos open their doors.

11           CHAIRMAN CROSBY: Comments,  
12 thoughts?

13           COMMISSIONER CAMERON: It seems to  
14 be a way to accommodate both issues, the  
15 concerns as well as accommodate those who have  
16 served in the Guard. So, kudos for trying to  
17 balance all of those issues.

18           COMMISSIONER STEBBINS: We'll see  
19 how it goes. And if something new arises or we  
20 gain additional feedback, we might bring the  
21 issue back, but I'm comfortable with this  
22 approach. I think it places enough of a  
23 spotlight on our members of the Guard and  
24 Reserves that they'll have opportunities for

1 employment.

2 CHAIRMAN CROSBY: I certainly don't  
3 have any expertise to suggest anything to the  
4 contrary. You guys have really dug into this,  
5 which I really appreciate.

6 Bruce you have really taken the  
7 legislative mandate to pay attention to  
8 veterans very seriously and made it a major  
9 part of our initiative that I think would not  
10 have happened had you not been driving it. So,  
11 thank you for doing that.

12 COMMISSIONER STEBBINS: I know Eli  
13 from Plainridge was here earlier. Simple  
14 challenges trying to get business owners who  
15 happen to be veterans to step forward and  
16 acknowledge that they've had military service  
17 as we struggle to get our hands around it.

18 I know this was another factor.  
19 Director Griffin went to the announcement that  
20 the Governor had the other day of how the  
21 supplier diversity office is looking at a  
22 process for identifying veteran-owned  
23 businesses. So, there's still a lot of parts  
24 that are moving around. But we can't spread



1 the message enough to say if you've been a  
2 veteran and you own a business now especially,  
3 step forward and draw attention to yourself.  
4 It's worth it.

5 CHAIRMAN CROSBY: Great. Okay. I'm  
6 sure we are fine with that. Thank you.

7 CHAIRMAN CROSBY: Director Wells?  
8 No, I'm sorry, Chairman Crosby.

9 We are moving along pretty  
10 expeditiously on trying to, in Commissioner  
11 Cameron's words, make ourselves smart about  
12 this industry. We are aspiring to have a work  
13 product ready by the end of next month. I'm  
14 not sure we'll be able to do that but we're  
15 going to try.

16 But most importantly, we have  
17 determined -- We have decided to have what  
18 we're going to call a public education forum on  
19 the issue particularly of fantasy sports but  
20 also the broader online gaming world on  
21 December 10. We've had a number of educational  
22 forums over the years where we've undertaken to  
23 inform us and the public about the real  
24 information behind important issues like

1 responsible gaming, gaming and tourism, etc.

2 And we thought this it a topic.

3 There's a lot of conversation, a lot of press  
4 releases but not a lot of really in-depth  
5 conversation, real discussion about these  
6 issues, what the business case and model is of  
7 these folks, what the range of issues are that  
8 might be addressed and why and how.

9 So, all day long on December 10, we  
10 will be having a public hearing with speakers  
11 all the way from experts in the industry who  
12 understand a lot of the internal control issues  
13 and the legal aspects, to representatives of  
14 the DFS and the online gaming industry as well  
15 as our licensees, representatives of the casino  
16 industry, and others who might have information  
17 that will help us make recommendations to the  
18 Legislature.

19 We have talked about this with the  
20 Legislature and are working in collaboration  
21 with them as well with the Attorney General who  
22 today just laid out some consumer protection  
23 regs. We are all working together to see if we  
24 can get our arms around this comprehensively

1 and quickly. So, that's the update.

2 Now, Director Wells.

3 MS. WELLS: So, I have our Chief  
4 Enforcement Counsel for the Commission,  
5 Attorney Loretta Lillios who is going to  
6 discuss the slot machine leasing issue.

7 She was just here a minute ago. I  
8 said that I would text her right when she was  
9 up, but I thought she was in the back of the  
10 room. I'll take the hit on this one. I think  
11 she's expecting a text from me.

12 For the Commission's information on  
13 agenda item number eight research and  
14 responsible gaming, Director Vander Linden is  
15 out sick today. So, we will not be discussing  
16 the 2016 research agenda. Unless there's any  
17 other business before the Commission, the last  
18 item on the agenda is the slot machine leasing  
19 discussion.

20 COMMISSIONER CAMERON: Thank you.

21 MS. LILLIOS: Good afternoon. We  
22 had a recent inquiry from an attorney that  
23 represents a couple of slots manufacturers as  
24 to whether Massachusetts allows revenue shared

1 leasing arrangements between gaming licensees  
2 and the manufacturers.

3           And I did some limited research by  
4 speaking with our three licensees, with two  
5 slots manufacturers and with regulators in  
6 Nevada and New Jersey. And I'd like to report  
7 to you on what I found.

8           So, first off what is a revenue  
9 share arrangement? A casino can acquire a slot  
10 machine in one of three ways. They can  
11 outright purchase it. Or they can lease it for  
12 a flat fee that tends to range in the area of  
13 around \$50 a day on the low-end to around \$125  
14 a day on the high-end for the more popular  
15 games.

16           Or they can lease it under a revenue  
17 share arrangement also called a participation  
18 agreement. And the split is typically in the  
19 range of 80/20 or 90/10 with the higher number  
20 going to the casino.

21           Leasing arrangements are negotiated  
22 agreements and there can be different  
23 permutations to them like a lease to buy type  
24 arrangement. But they are negotiated

1 agreements that in general can be helpful to  
2 the casino where a large capital outlying would  
3 otherwise be needed, like when a casino opens  
4 or when an existing casino needs to update its  
5 floor, or when an existing casino has some  
6 competing capital needs. Like needs to update  
7 its restaurant at the same time it needs to  
8 update its casino floor.

9           When capital is limited, the leasing  
10 arrangement can allow the casino to get the  
11 newest games without the large capital outlay.  
12 This is particularly helpful with small  
13 operators. In Nevada for example, unlike in  
14 Massachusetts, there are storefront operators  
15 with only a few machines and very limited  
16 capital.

17           Another example of when leasing  
18 arrangement is helpful is when a manufacturer  
19 may want a casino to place a brand-new game on  
20 its floor, but because it's a new game it has  
21 no track record. And the casino is or may be  
22 reluctant to give up a location to an unproven  
23 game.

24           So, a revenue share in a situation

1 like that can allow the casino to minimize and  
2 share the risk with the manufacturer. As for  
3 the manufacturers, they say that innovation in  
4 game development is enhanced on their end  
5 because this risk sharing option increases the  
6 willingness of the casino to place an unproven  
7 game and increases the manufacturer's incentive  
8 to develop new games.

9           On the other hand, it has been said  
10 that participation agreements can have the  
11 opposite impact and could potentially lead to a  
12 scenario where a game gets so popular with so  
13 much money being generated for the manufacturer  
14 that it leads the casino to take the game off  
15 the floor and replace it with a popular game  
16 leased under a flat fee.

17           I have not crunched the numbers to  
18 determine where that tipping point might be but  
19 that's what's been reported to me.

20           CHAIRMAN CROSBY: I don't follow  
21 that. That doesn't make sense. If the casino  
22 is getting 80 or 90 percent and it's a very,  
23 very valuable machine entirely active machine,  
24 why on earth would they take it down for a more

1 pedestrian machine? The percentage split is  
2 like four to one or eight one.

3 MS. LILLIOS: That's why said I  
4 haven't crunched the numbers myself. I'm  
5 reporting to you what has been told to me. I  
6 think the idea behind it would be that they  
7 wouldn't want to necessarily replace it with a  
8 less highly performing machine but they would  
9 want to try to replace it with a flat fee  
10 arrangement where then more of that revenue  
11 would be going to them.

12 COMMISSIONER ZUNIGA: Remember,  
13 they're always playing with the mix of  
14 products. So, they could simply just choosing  
15 to go with a less number of those games for the  
16 calculation of that tipping point.

17 MS. LILLIOS: Some of the very  
18 popular games involve intellectual property or  
19 trademark rights. For instance, with IGT's  
20 Monopoly game, the Monopoly trademark belongs  
21 to Hasbro. And IGT has entered into an  
22 agreement with Hasbro for the Monopoly name.  
23 And IGT cannot sell that game. It can only  
24 lease it. And the same holds true for games

1 like Ellen, Dungeons and Dragons, Wheel of  
2 Fortune and other very popular games.

3 Nevada allows participation  
4 agreements. New Jersey does not. In Nevada,  
5 vendors need to be licensed in order to enter  
6 into these participation agreements with the  
7 casinos. The licensing process in Nevada  
8 includes a review of the terms of the lease  
9 agreement itself to make sure that they are  
10 honest agreements and an evaluation of whether  
11 the operator will have enough money to meet its  
12 tax obligations to the state.

13 And an auditing process at the  
14 casino level and at the regulator level then  
15 follows to confirm that the casino actually got  
16 what the lease agreement says it should be  
17 getting and to confirm that the calculations  
18 and billing for tax purposes were accurately  
19 performed.

20 It's my understanding that in  
21 jurisdictions which allow revenue share  
22 arrangements manufacturers have in some  
23 instances made some games, usually their most  
24 popular games available to operators only by



1 participation agreement.

2 In large casinos, a small percentage  
3 of the floor tends to be lease agreements, flat  
4 fee and revenue share. And then the revenue  
5 share is a fraction of the overall lease  
6 agreement machines.

7 New Jersey by long-standing  
8 regulation prohibits revenue shares. I also  
9 understand that Pennsylvania prohibits them,  
10 but I have not yet spoken with Pennsylvania  
11 regulators. The prohibition in New Jersey is  
12 based on the thought that manufacturers who  
13 share in revenue would become de facto  
14 operators.

15 The rationale in New Jersey also  
16 takes into consideration that some of the major  
17 opposition has come from casinos themselves  
18 who've expressed concern that manufacturers  
19 could force the arrangement on them for highly  
20 popular games, games that customers want but  
21 with unfavorable terms to the casino.

22 Our statute is silent on the point.  
23 It neither expressly allows nor expressly  
24 prohibits these arrangements. We do not need

1 to take any immediate actions or make any  
2 decisions about this now because the only  
3 licensee is Plainridge. And revenue share is  
4 not part of their current market plan or  
5 business model.

6 My discussions to date with our  
7 licensees indicate that they are not unanimous  
8 in their views of the benefits and  
9 disadvantages of them, but they really have not  
10 given any official comments yet.

11 But it does seem to be clear that we  
12 should not do anything that would limit the  
13 ability of our licensees to obtain the games  
14 that customer preference dictates.

15 So, this discussion right now is  
16 really my very preliminary report. My  
17 expectation is that staff would continue to  
18 look at this, gain a deeper understanding of it  
19 and report back and possibly make a  
20 recommendation in the future.

21 COMMISSIONER CAMERON: Loretta, Penn  
22 National has said that they have no plans to  
23 implement a lease in this manner? They just  
24 have the flat fee leases; is that correct?

1 MS. LILLIOS: It's not part of the  
2 model that they are utilizing now.

3 COMMISSIONER CAMERON: So, there is  
4 time for more research on this matter.

5 MS. LILLIOS: That's correct.

6 COMMISSIONER CAMERON: It would seem  
7 that we could benefit from more research.

8 MS. LILLIOS: I agree with that.  
9 And more deliberate thought about it.

10 CHAIRMAN CROSBY: But for now, it is  
11 legal in Massachusetts. If Penn changed their  
12 business model and wanted to do a lease, they  
13 could at the moment.

14 MS. LILLIOS: That's right. We do  
15 not prohibit it.

16 COMMISSIONER ZUNIGA: So, it would  
17 technically require a prohibition on our part  
18 by regulation if we didn't want it not that we  
19 would, in your view.

20 MS. LILLIOS: In my view, if we  
21 wanted to prohibit it, we should say so  
22 outright. I think that would be the fair thing  
23 to do for manufacturers for their planning here  
24 as well as for our licensees.

1                   COMMISSIONER ZUNIGA: I'm just  
2 curious -- That's a very good summary. Thank  
3 you. I am curious what might the dynamics be  
4 in New Jersey that the operators are themselves  
5 the ones advocating or have been advocating  
6 against that arrangement? They have the  
7 freedom, don't they of not purchasing or not  
8 entering into those kinds of agreements. Might  
9 it be because it's a very competitive market?  
10 They have casinos right next to each other.

11                   MS. LILLIOS: My understanding of it  
12 is that the genesis in New Jersey was that  
13 there's this what was described to me as an  
14 age-old debate about whether the manufacturer  
15 with this vested interest in the casino then  
16 becomes more of an operator who potentially  
17 could have control over the floor in some way.

18                   So, I think it was described to me  
19 as an age-old debate, but interestingly in the  
20 Internet gaming in Nevada, the revenue share  
21 was allowed in the Internet gaming by  
22 legislation not by regulation.

23                   COMMISSIONER CAMERON: In New  
24 Jersey?

1 MS. LILLIOS: In New Jersey.

2 COMMISSIONER ZUNIGA: You mentioned  
3 Nevada.

4 COMMISSIONER CAMERON: So, they're  
5 not consistent. Land based, it's not allowed.  
6 Internet, it is.

7 MS. LILLIOS: Correct.

8 COMMISISONER ZUNIGA: As I first  
9 started to understand this arrangement,  
10 especially the leasing which is part of the  
11 industry, I just took it to be the flexibility  
12 that the operators have.

13 It's their choice to figure out how  
14 many machines they want to purchase. And  
15 there's a cost-benefit there and a return on  
16 investment. And how many they have to lease  
17 because that's their only option to be  
18 competitive. Much like movies when they first  
19 come out, you can only rent them for a higher  
20 price because everybody wants see that movie or  
21 etc.

22 So, I am very much of the mindset  
23 that at a first pass this ought be a choice of  
24 the operator. And have us establish a

1 framework that is flexible to those business  
2 decisions, if you will. I would encourage you  
3 to come back with updates as you see them.

4 CHAIRMAN CROSBY: I have the same  
5 predisposition. Retailers wrestle with  
6 wholesalers about the terms of a deal all the  
7 time. That's just part of life. And I don't  
8 know why we should --

9 What we have an interest in is gross  
10 gaming revenue. We care a lot about gross  
11 gaming revenue. If there's any implication on  
12 gross gaming revenue, then I think we have a  
13 reason to be involved. My predilection is  
14 subject to whatever else information you come  
15 up with is the same as yours. Why would we  
16 want to get in the way of just letting these  
17 folks negotiate whatever business deals they  
18 can work out.

19 MS. LILLIOS: I think to focus in on  
20 what the issue seems to be, is that some of  
21 those games are only available by lease because  
22 of the side agreements with the name holders  
23 and trademark holders.

24 So, they're only lease games. And

1 then do the manufacturers insist that of that  
2 subset the leases are available only through  
3 the revenue share and not the flat daily fee.  
4 And it's my understanding that some of those  
5 trademark games are the ones that customers  
6 really are drawn to. So, the casino absolutely  
7 wants to have those games on the floor.

8 CHAIRMAN CROSBY: Plainridge  
9 apparently has decided whichever games they are  
10 not getting as a result of this policy is okay  
11 with them apparently.

12 MS. LILLIOS: It's not clear to me  
13 that in a jurisdiction -- It's not clear to me  
14 -- I think they are getting those games under  
15 the flat fee arrangements. I don't think they  
16 have had to make the choice to not get a game  
17 because they are not doing the revenue share.

18 CHAIRMAN CROSBY: I thought you said  
19 some of the trademark holders insist that it  
20 has to be revenue share.

21 MS. LILLIOS: The trademark holders  
22 insist on a lease arrangement. So, it's either  
23 a flat fee or the revenue share. The concern  
24 from the operators would come if the

1 manufacturer insists only on a revenue share.

2 CHAIRMAN CROSBY: I see.

3 COMMISSIONER MACDONALD: Loretta,  
4 other than the reference by the New Jersey  
5 people that this is an age-old issue, were  
6 there any examples shared with you where real  
7 problems arose from this practice?

8 MS. LILLIOS: From the regulators'  
9 point of view in Nevada, it was a routine  
10 licensing process. But they did dedicate  
11 significant resources to the licensing aspect.

12 From an operator's point of view,  
13 one thing that was expressed was that  
14 significant revenue was going to the  
15 manufacturer that under a flat fee arrangement  
16 could be going to the operator instead.

17 COMMISSIONER MACDONALD: Is there an  
18 implication perhaps of what would amount to  
19 overhead expenses from the Commission's  
20 perspective of having to review now another  
21 account or another entity's financial  
22 reporting?

23 MS. LILLIOS: Certainly, if we had  
24 revenue shares here, it would seem to me that



1 we want to regulate them and possibly license  
2 them. So, that would be --

3 CHAIRMAN CROSBY: But we already do,  
4 don't we? We already license the  
5 manufacturers.

6 MS. LILLIOS: We do license the  
7 manufacturers. In Nevada, the license is a  
8 separate license for the participation share.  
9 If you're a vendor who does the participation  
10 share, you get licensed separately for that.

11 The contracts are reviewed. And  
12 then there's a whole audit process that I  
13 described earlier that has to go into making  
14 sure that the casino got what it was supposed  
15 to get and that your calculations on gross  
16 gaming revenue taken into account that split.

17 COMMISSIONER ZUNIGA: So, the  
18 revenue share comes after the tax or before the  
19 tax on gross gaming revenue?

20 MS. LILLIOS: We would have to make  
21 sure that gross gaming revenue was calculated,  
22 correct.

23 COMMISSIONER CAMERON: Prior shares,  
24 so in other words that vendor would be

1 partially responsible.

2 MS. LILLIOS: We'd have to make sure  
3 that that calculation was done correct. So,  
4 that's some resources on their end and on our  
5 end to confirming those numbers.

6 COMMISSIONER MACDONALD: That's what  
7 I was kind of getting at as to whether it would  
8 amount to more work, if you will, and more  
9 expense to oversee and perhaps enforce.

10 MS. LILLIOS: One of the areas that  
11 I thought I would --

12 CHAIRMAN CROSBY: IEB has got tons  
13 of bandwidth.

14 MS. LILLIOS: Right? So, I thought  
15 I would dig a little deeper into what would be  
16 involved in that process.

17 CHAIRMAN CROSBY: That research  
18 would be helpful.

19 CHAIRMAN CROSBY: Well done, thank  
20 you.

21 COMMISSIONER ZUNIGA: I think  
22 there's a number of dynamics at play here and I  
23 may be proven wrong, but there is a big  
24 incentive in my view up front here to stay away

1 from those arrangements to meet or exceed the  
2 minimum capital investment. Because if any one  
3 of our operators chooses to go to a great  
4 degree on this kind revenue arrangements, all  
5 of that money would not count towards the  
6 minimum capital investment.

7 That may change over time as there's  
8 need to refurbish or reinvest in the property,  
9 for example. And that may also be impacted by  
10 the lifecycle of games. If throughout, as time  
11 progresses, the preference of the public turn  
12 out to be for more and more variety those  
13 arrangements may come a little bit more  
14 present. I don't know. Thanks again for the  
15 update. It's good food for thought.

16 COMMISSIONER CAMERON: Thank you  
17 well done.

18 CHAIRMAN CROSBY: Since we don't  
19 have Director Vander Linden I think that's  
20 everything on the agenda. Anything else on  
21 anybody's mind? Do we have a motion to  
22 adjourn?

23 COMMISSIONER CAMERON: So moved.

24 CHAIRMAN CROSBY: Second?

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COMMISSIONER MACDONALD: Second.

CHAIRMAN CROSBY: All in favor, aye.

COMMISSIONER MACDONALD: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: The ayes have it  
unanimously. Thank you.

(Meeting adjourned at 12:35 p.m.)

1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission November  
3 19, 2015 Notice of Meeting and Agenda  
4 2. Plainridge Park Casino Q3 2015 Report  
5 3. Massachusetts Gaming Commission November  
6 19, 2015 Memorandum Regarding Non-  
7 Disclosure Agreements with gaming  
8 licensees  
9 4. 205 CMR 102.02 Definitions DRAFT  
10 5. 205 CMR 116 DRAFT  
11 6. 205 CMR 129 DRAFT

12  
13 GUEST SPEAKERS:

14 Lance George Plainridge Park Casino  
15  
16

17 MASSACHUSETTS GAMING COMMISSION STAFF:

18 Catherine Blue, General Counsel  
19 Jill Griffin, Director Workforce, Supplier and  
20 Diversity Development  
21 Todd Grossman, Deputy General Counsel  
22 Karen Wells, Interim Executive Director/  
23 Director IEB  
24 John Ziemba, Ombudsman

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 20th day of November, 2015.



LAURIE J. JORDAN  
Notary Public

My Commission expires:  
May 11, 2018