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THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

AUGUST 7, 2012, 1:00 p.m.

OFFICE OF THE DIVISION OF INSURANCE

First Floor, Hearing Room E

1000 Washington Street

Boston, Massachusetts

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AUGUST 7, 2012

PROCEEDINGS:

CHAIRMAN CROSBY: We are ready to start the August 7 and 20th public meeting of the Mass. Gaming Commission. I will call the meeting to order.

And we will start out by approval of minutes for the two meetings on July 17 and one meeting on July 26. Are there any comments or questions about the drafts? Any issues Commissioner McHugh?

COMMISSIONER MCHUGH: I have no issues.

CHAIRMAN CROSBY: Can we adopt them all at one time?

COMMISSIONER MCHUGH: We can. And I would move that if there are no corrections to the meetings that the minutes of the July 17 regular meeting and the July 17 special meeting and the July 26 meeting be approved as included in the form in which they are presented to the Commission.

COMMISSIONER STEBBINS: Second.

CHAIRMAN CROSBY: Any discussion?

1 All in favor, aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER MCHUGH: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER STEBBINS: Aye.

6 CHAIRMAN CROSBY: All opposed? Okay.

7 We are going to skip straight to item
8 five on the agenda. The most important thing what
9 we have to do today is hopefully we'll finalize our
10 discussion of the first voluminous set of regulations
11 that will oversee the request for applications part
12 one. That is a momentous step and we want to make
13 sure gets it done. So, we are going to do that first
14 with the help of our consulting teams. Commissioner
15 McHugh, do you want to orchestrate this?

16 COMMISSIONER MCHUGH: I would, Mr.
17 Chairman. Thank you, very much. By way of
18 prologue, let me say that the regulations that have
19 been drafted by a team that I will mention in a second
20 are before the Commission now.

21 They deal with three aspects of the
22 Commission's business. First of all, hearings and
23 practice before the Commission, some access to
24 records and confidentiality of records, the

1 Investigation and Enforcement Bureau. Those are the
2 structural aspects that the regulations deal with.

3 They also deal with external
4 regulation in the sense of political contributions
5 and financial aid to cities and towns. And most
6 importantly for present purposes, they deal with the
7 Phase 1 application process. Later regulations will
8 deal with Phase 2 and with the standing rules that
9 will govern the operation of the casinos.

10 The regulations that we have today to
11 consider are the product of an effort by a terrific
12 team consisting of Guy Michael and Bob Carroll, who
13 are here. Steve Ingis from Spectrum and Fred Gushin
14 who is not with us today. Steve Anderson and Bill
15 Lahey and Kathy O'Toole and Kristin Gooch that whole
16 team has come together really to work together as a
17 team to create these regulations. We have had the
18 benefit of input and help and quick review but
19 thorough and thoughtful review by representatives of
20 the Attorney General's office.

21 Before I turn it over to the
22 consultants who I have asked to give us a high-level
23 view of some of the more salient sections, I think
24 it is more important for everyone to understand what

1 it is that is happening today. We are going to have
2 a discussion of the draft regulations. We are going
3 to make revisions to those regulations based on the
4 comments that emerge from today's meeting.

5 In addition to those, there is another
6 draft, the preparation of which has already begun
7 that has done such things as put all of the contents
8 of the regulations in a uniform style. Now some
9 terms are capitalized and some aren't. Some phrases
10 are different although they refer to the same person.
11 We refer to somebody as the deputy director in one
12 place and the director in another place. All of that
13 needs to be cleaned up, but it is purely mechanical
14 stuff. So, that is going to be done.

15 Then we will approve today the draft
16 that we intend to set out for public comment. This
17 is really the beginning of a long process, not too
18 long, a couple of week process of approval. We will
19 send a notice later this week that we intend to put
20 these regulations out for public comment to the
21 Secretary of State's office. And we will have them
22 published by the Secretary of State so that that
23 comment period can begin.

24 CHAIRMAN CROSBY: August.

1 COMMISSIONER MCHUGH: Beginning
2 August 17. We will submit them on August 17. They
3 will be published by the Secretary of State on August
4 31, but they will be up on our website in the interim.
5 The official publication date will be August 31.

6 And then in the second week of
7 September, we will have a public hearing on the
8 comments that we have received and any other comments
9 that people want to present at the public hearing.
10 We will gather together all of the comments that we
11 have received in the interim.

12 Then after that public hearing, we will
13 consider the comments that we have received, make the
14 changes we think are appropriate and submit the
15 regulations to the Secretary of State again by the
16 end of September, this time for publication of the
17 final regulations.

18 Those regulations will be published by
19 the end of the second week of October. And then as
20 soon as they are published, we can accept the RFA-1
21 applications at our projected deadline of about
22 October 15. So, we are on track to do that. This
23 is the process that we are going to follow to do it.

24 CHAIRMAN CROSBY: Am I right,

1 Commissioner, that the process from the 17th until
2 mid-October is a process prescribed by law?

3 COMMISSIONER MCHUGH: Yes, I was just
4 about to -- No, I think that is an important point,
5 Mr. Chairman, and I am glad you raised it. Because
6 this is a process that is not one that is created by
7 us. This is a process that the statutes and the rules
8 promulgated by the Secretary of State require for all
9 permanent regulations of the type we are
10 promulgating.

11 It is done so that the public does have
12 an opportunity to look at the regulations, to comment
13 on the regulations, to participate in the process.
14 It is perfectly consistent with our commitment to
15 transparency but it is independent of us.

16 So, we like every other organization in
17 the Commonwealth that wishes to promulgate
18 regulations must follow this process. And it's a
19 good one for those reasons.

20 CHAIRMAN CROSBY: To emphasize, as a
21 practical matter, the Commission this month starts
22 our fifth month. And in four and a half months we
23 will have, with the help of these folks, come up with
24 about 80 pages of regs., which will govern, as you

1 say, the first couple of critical parts of what we
2 are doing.

3 COMMISSIONER MCHUGH: Right. So, it
4 is a significant milestone in our progress toward
5 licensure. I am now going to ask, if I might, our
6 able consultants to give us some thematic highlights
7 and overviews of the regulations. Then of course,
8 we will open it up for discussion among the
9 Commissioners as to the specifics of the regulatory
10 content.

11 MR. MICHAEL: Thank you, Commissioner
12 and members of the Commission. Guy Michael, Michael
13 & Carroll. As Commissioner McHugh has mentioned,
14 Steve Ingis, Steve Anderson and Bob Carroll have been
15 busily at work on these regulations for some time.
16 In that regard, if I may start by congratulating the
17 Commission on the alacrity and the diligence that you
18 have all exhibited in putting these regulations
19 together. This is not an easy process. This is
20 created from clearly nothing.

21 What you have been able to do in the
22 period of time that you have been able to do it is
23 quite remarkable. It is, as the Chairman mentioned,
24 approximately 80 pages. It is 17 chapters and it

1 covers a wide variety of material. It is not
2 uncommon for a single regulation to take weeks if not
3 months to create and evaluate and modify and put out
4 for publication. This is 17 chapters of an entire
5 segment of the operation of the Commission in terms
6 of substance of policy of the Phase 1 process and in
7 terms of the overall administration and operation of
8 the Commission itself. So, from us to you we
9 congratulate you on your work.

10 We can just generally review. We will
11 take turns here identifying some of the more
12 important aspects -- not important, but the more I
13 would say at this point the more substantive aspects
14 of the regulations themselves. As I said, they cover
15 17 separate chapters from the way the Commission
16 operates to the standards for qualification and
17 licensure to the operation of the Commission's
18 evaluation process of IBA structure and so on.

19 One of the key elements here we thought
20 and you agreed was how do we handle the
21 confidentiality of information? And we have a whole
22 chapter dedicated to the manner in which the
23 Commission will receive information, identification
24 of those aspects of the application that will be

1 maintained as confidential. Those aspects of the
2 application that must under Massachusetts law be
3 public. They are very minimal in terms of the
4 entirety of the thoroughness of the application the
5 amount that are public.

6 The Commission has also put into place
7 in these regulations a procedure by which applicants,
8 if they choose to seek confidentiality of even those
9 aspects of the application that might otherwise be
10 public, can petition and have the Commission
11 determine in extraordinary cases privatize those.

12 What has been attempted here is near
13 balance as between the need for confidentiality on
14 behalf of the personal privacy of the applicant
15 balanced against the need for transparency for this
16 process as the Commission reviews this material.

17 It should be emphasized that of course
18 the Commission and its investigators will always have
19 access to all of the information. We are only
20 talking here about those aspects of information that
21 might be available for public consumption.

22 In terms of the investigation itself,
23 it might be useful to just briefly identify the flow
24 of how the application process would work. These are

1 the Phase 1 regulations. So, they deal with how the
2 Phase 1 the investigation occurs. An application
3 will be filed on a form that is delineated in these
4 regulations. It will be referred to the IBE or the
5 Investigations Bureau. The Deputy Director of
6 Investigations heads that Bureau, referred out for
7 investigation. Then a recommendation made after the
8 completion of the investigation by the IBE to the
9 Commission and a Commission determination thereafter
10 on suitability.

11 The IBE is provided for here in terms
12 of its function and its duty and its structure. It
13 has authority to subpoena people. It has authority
14 to require testimony under oath. There are
15 regulations that govern the coordination of the IBE
16 with the Massachusetts State Police, with the
17 Massachusetts Attorney General and with the
18 Massachusetts Alcohol Beverage and Control
19 Commission.

20 The goal is to enable the IBE to have
21 access to as much information as possible to conduct
22 as thoroughly an investigation as possible and
23 provide the Commission with all the basis it needs
24 for informed and accurate decisions.

1 The IBE will also conduct hearings,
2 however the hearing themselves that the IBE conducts
3 will not be in this Phase 1 process. They would be
4 on licenses that are other than the casino licenses
5 itself. The Commission conducts the hearings with
6 regard to casino license itself.

7 I can go on. If anybody else wants to
8 jump in on -- One more section on community and
9 political contributions. This is one that is very
10 sensitive but at the same time very important. The
11 regulations provide for as the statute provides for
12 limitations on applicant's ability to make political
13 contributions and the regulations mirror the statute
14 in that regard.

15 But it is also felt that there should
16 be an even further element of transparency with
17 regard to both the political contributions that will
18 be made by applicants and the contributions that the
19 applicants will make to the communities themselves
20 that would not be political but for infrastructure
21 assistance that would be necessary for the
22 communities to undertake this process.

23 So, what the regulations provide here
24 is a mandatory disclosure in the application form of

1 all such payments, contributions and political
2 contributions and community contributions. And
3 that those disclosures would relate back to the
4 effective date of the legislation. And it would be
5 -- It is a simple disclosure requirement, no
6 penalties or anything incumbent on that except for
7 the fact that if in the course of the investigation
8 it is determined that any contributions were made
9 that were not disclosed that would be a factor in
10 evaluating the suitability of the applicant as any
11 information that was not disclosed as it would be
12 required to be disclosed in the application process.

13 I don't want to take the whole thing.

14 MR. CARROLL: I can mention briefly
15 about the fees. We also provided for a specification
16 in the application fees as it relates to the process
17 for the payment of those fees.

18 We also have a provision in here
19 regarding the process of the community
20 disbursements. That would come into effect
21 obviously, when the application fees received and a
22 portion of that would be earmarked and designated and
23 held in escrow for the Commission's reimbursement of
24 potential impact costs of local governments.

1 The Commission has identified that as
2 an area of desire to assist local governments at
3 earliest possible stage within the confines of the
4 statute and these regulations.

5 It also provides for additional fees to
6 be paid by applicants in regard to extra costs
7 involving extensive investigations. It is clear
8 that the typical background investigation and
9 licensee application fee would not cover the whole
10 cost that these investigations would entail, which
11 run typically many, many months. But the idea
12 towards efficiency and also for the cost to be borne
13 by the applicant who is trying to get the license,
14 those fees, those additional fees are in fact picked
15 up by the applicant. And is a process that confirms
16 that that requirement is in place.

17 CHAIRMAN CROSBY: Excuse me. We will
18 talk about this more, but I just want to mention that
19 at our meeting in Western Mass., our educational
20 forum in Western Mass. tomorrow we will be announcing
21 that we are receiving -- we are ready to receive
22 applications and the application fee. We will
23 release that form. This is timely because it is
24 going to start. The process really starts tomorrow.

1 MR. CARROLL: In addition, we have
2 also in here confirmed and reiterated the statute's
3 statement that the funds that are paid, the fees that
4 are paid are in fact nonrefundable. In addition to
5 that, we set forth the suitability determinations,
6 the standards and procedures which are set forth in
7 the statute but which have been codified here in the
8 form of regulations as it relates to the specific
9 standards that will be applicable for the Phase 1
10 licensee qualification and individual qualifier
11 requirements and their compliance with those
12 particular requirements that are set forth. It also
13 requires -- it sets forth the proceedings that will
14 be held before the Commission.

15 We've also identified in subchapter
16 116 the persons who have to be licensed -- who have
17 to be qualified. This is an important segment
18 because obviously it sets the framework for what the
19 investigative responsibilities will be coming out of
20 the Phase 1 application process.

21 After the announcement of the
22 Commission's opening, so to speak, to request the
23 filing of applications, when those applications come
24 in, the series of questions will always arise in every

1 particular application as to in our particular table
2 of organization or company, which people have to be
3 qualified. That will generate a fair amount of
4 exchange between the Commission and the applicants.
5 We set forth a framework for that to be done here.

6 There is also a requirement for
7 continued cooperation. That is that companies
8 sometimes evolve due to their size and in many cases
9 their domestic and international reach of their
10 companies that changes do occur. And in management,
11 there is a continuing duty on behalf of the applicants
12 to make sure that the Commission information is
13 updated and that is not left to an initial filing but
14 in fact is a process. It is an ongoing process of
15 updating. And if there is any change in
16 circumstances whatsoever involving a company's
17 stature that has to be provided to the Commission in
18 a timely fashion.

19 We have also provided by determination
20 initially of financial stability and certain
21 qualifiers. That will be further refined going
22 forward. But again, the purpose of the Phase 1
23 process as a whole is to determine the overall
24 qualifications of these particular applicants so you

1 are assured going forward that before additional
2 resources and so forth are dedicated that in fact the
3 applicants that are applying here meet the applicable
4 statutory standards and the standards that have been
5 amplified in these regulations.

6 MR. INGIS: The only thing I would add,
7 they covered pretty much everything, is that we set
8 forth the application requirements in terms of
9 various different application forms that were
10 required to be filed by a gaming applicant, the
11 entities and also natural person qualifiers. The
12 Commission will be using what is generally used
13 throughout the United States, a multijurisdictional
14 personal disclosure form for the natural person
15 qualifiers. In addition, there will be a
16 Massachusetts supplement, which will cover items
17 that are not included in that form. And the entity
18 applicants will be filing what is called a business
19 entity disclosure form. The requirements for those
20 forms are set forth in the regulations.

21 MR. MICHAEL: We are prepared to drill
22 down on any of those or identify some -- Again, we
23 thought those would be the most outstanding of the
24 elements, just the nature of the structure of the

1 Agency and so on, where you file papers, all of that
2 is covered in the regulations as well. We are open
3 to questions now rather than belabor those individual
4 and very specific subjects.

5 CHAIRMAN CROSBY: Commissioner McHugh
6 and consultant team are there any issues -- before
7 we get around to our particular things, are there any
8 issues, which either in your mind still bear
9 discussion or are sufficiently interesting enough
10 policy questions that we would want to talk about what
11 has transpired?

12 COMMISSIONER MCHUGH: We had a
13 discussion about policy before and dealt with the
14 major policy questions, Mr. Chairman. The only
15 additional question that is perhaps worth talking
16 about at a very high-level for a minute is that this
17 regulatory scheme as we heard from our consultants
18 insofar as community fees are concerned takes two
19 approaches.

20 Either the community and the developer
21 agree on a fee to be paid out of the monies deposited
22 with the Commission for the application fee and
23 supplements. That is one route. Or the developer
24 and the community agree on a direct payment by the

1 developer to the community to defray the costs of
2 negotiation and investigation and the like and then
3 disclose what the payment is as part of the
4 application so that everybody understands what
5 monies have changed hands.

6 That does not admit at the moment of any
7 payments out of Commission funds for those purposes.
8 We have talked sort of generally at one point about
9 whether Commission funds would be available for that
10 process. These regulations do not make any
11 Commission funds available for it.

12 Now that does not mean we cannot change
13 in the future. It is just is something that is
14 important for all of us to understand now about what
15 these regulations do and don't do. And if that is
16 not appropriate, not where we want to be, now is the
17 time to discuss that insofar as Phase 1 is concerned.
18 That is the only sort of high-level issue I can see.

19 CHAIRMAN CROSBY: I have a couple of
20 questions about that. One is, this doesn't apply to
21 this conversation, but there is some interest on the
22 part of the towns who are negotiating with the Tribe
23 in Southeastern Mass. about where and how they are
24 going to get money, because there is really no

1 mechanism for that besides the host community. That
2 is something we may need to talk about in another
3 environment.

4 How does -- Take an example of
5 Brimfield. Brimfield negotiated with a developer
6 for a period of time and eventually that broke down
7 and they went away. The developer went away. Do we
8 have a mechanism or is there a band-aid in the law
9 in the enabling legislation for the Brimfields of the
10 world, communities that negotiate for a while but
11 don't end up being a host community or a surrounding
12 community as part of an application? Is there a
13 mechanism for them to get compensated for their
14 expenses?

15 COMMISSIONER MCHUGH: There is no
16 mechanism for them in these regulations. There is
17 no mechanism specifically in the statute for them.
18 The host communities and the surrounding communities
19 are the only entities that under the statute are
20 entitled to seats at the table and compensation.
21 That doesn't mean that we cannot consider doing
22 something. But it is not done here and is not in the
23 statute.

24 COMMISSIONER ZUNIGA: Can I clarify or

1 as a question relative to that? To the extent that
2 the developer negotiating with Brimfield, to follow
3 your example, were to be an applicant, there is a
4 mechanism in these regulations. It's in the absence
5 of being an applicant that Commissioner McHugh is
6 responding. Do you see the distinction?

7 CHAIRMAN CROSBY: Because we could say
8 to that -- Even though Brimfield is not a host or
9 surrounding community, we want -- before we will
10 approve you, we want you to pay Brimfield?

11 COMMISSIONER ZUNIGA: The trigger is
12 when somebody becomes an applicant by virtue of
13 depositing the \$400,000 application fee. If that
14 never happens, there is no mechanism. That's your
15 example. Am I --

16 COMMISSIONER MCHUGH: The Chairman's
17 postulate was that the developer has walked away from
18 the town. So, the developer is not going to become
19 an applicant, at least for that town.

20 CHAIRMAN CROSBY: Not for that town,
21 they maybe become an applicant for some other town.

22 COMMISSIONER MCHUGH: It seems to me
23 then we could think about that. But Brimfield will
24 not be a host or surrounding community for that

1 application.

2 CHAIRMAN CROSBY: Right.

3 COMMISSIONER MCHUGH: So, we would
4 have to think about our power to deal with Brimfield
5 after that walk-away applicant became an applicant
6 for someplace else. There is no immediately visible
7 path for compensation for the Brimfields of the world
8 under those circumstances.

9 CHAIRMAN CROSBY: Right.

10 COMMISSIONER MCHUGH: It doesn't mean
11 we can't think about it, but it's not in the regs.
12 It is not as obvious in the statute. We would have
13 to think about it.

14 COMMISSIONER ZUNIGA: Yes, that's it.
15 That's the trigger.

16 CHAIRMAN CROSBY: We ourselves and/or
17 our ombudsman could simply say to a Brimfield if
18 anybody comes to your door to start talking, first
19 thing you better tell them that you need some money
20 to pay for your side of the table. That's all we can
21 do at this point is to give advice.

22 COMMISSIONER MCHUGH: Right.

23 CHAIRMAN CROSBY: That is a little bit
24 of a hole here that we need to think about. Not in

1 this but just the situation.

2 COMMISSIONER MCHUGH: In the world.

3 CHAIRMAN CROSBY: In the world, right.

4 Which chapter is this? There is one other phrase
5 that I wanted to ask.

6 COMMISSIONER MCHUGH: The fee chapter
7 is --

8 COMMISSIONER ZUNIGA: 114.03.

9 CHAIRMAN CROSBY: On page?

10 COMMISSIONER ZUNIGA: Page 61. I
11 actually had a related question on fees. In the two
12 scenarios that Commissioner McHugh describes and are
13 laid out in the regulations, if it's the route of
14 monies deposited on the Commission, the Commission
15 can then make payments to the host community and
16 assess additional payments if that is the case.

17 CHAIRMAN CROSBY: And surrounding
18 communities.

19 COMMISSIONER ZUNIGA: Right, not just
20 on host but surrounding communities, is there a test
21 of reasonableness that is now the factor imposed on
22 the Commission? Because compared to the other -- for
23 the fees, reasonableness for the fees? Compared to
24 the alternative where the reasonableness hinges on

1 what the community and the applicant would negotiate
2 and agree on.

3 The question is does the Commission by
4 virtue of following this alternative, because that
5 maybe one alternative, is obligated to test for
6 reasonableness of fees?

7 COMMISSIONER MCHUGH: The language
8 permits the Commission to disburse monies from the
9 applicant's deposit upon receipt of a signed
10 dispersal agreement, a dispersal agreement signed by
11 both the developer and the town. So, the negotiation
12 is built into that process.

13 There is not a reasonableness standard
14 superimposed on that. In other words, the
15 Commission does not exercise independent judgment
16 after it receives that dispersal agreement. I think
17 I am right on that.

18 MR. CARROLL: You are. We might also,
19 I might add, Commissioner Zuniga, that part of that
20 is to avoid interference in the local process in terms
21 of their ability to negotiate with a developer.

22 One of the targets that we were trying
23 to hit here was to assure that there is adequate
24 disclosure and transparency in the relationship

1 between the developer and the town to avoid any
2 corrupt influences or anything that might be done or
3 frankly perceived as anything be done. So, the
4 purpose of the disclosure was carefully drawn in that
5 regard.

6 CHAIRMAN CROSBY: What if there is a
7 dispute, which seems fairly plausible?

8 MR. MICHAEL: Between the community
9 and the developer?

10 CHAIRMAN CROSBY: Right. In other
11 words, they don't get a letter of authorization.

12 MR. MICHAEL: Under these
13 regulations, beyond the \$50,000 there would be no
14 authority on the part of the Commission to disburse
15 money without the letter of authorization.

16 CHAIRMAN CROSBY: So, we can disperse
17 the \$50,000 without the letter of authorization?

18 MR. MICHAEL: (INAUDIBLE) the
19 Commission at any time make payment discretion to the
20 hosts from available amounts paid by the applicant
21 to the community.

22 So, there is the initial \$50,000 under
23 031, which is now 14.031. And then there is the
24 additional monies. The sentence that I am reading

1 from says if the total amount of payments authorized
2 by an applicant exceeds the initial \$50,000, the
3 applicant shall pay immediately to the Commission all
4 such additional amounts. So, it covers both
5 actually in the agreement for both the initial
6 \$50,000 and the excess of that amount.

7 MR. CARROLL: Otherwise, we would be
8 subject to unilateral submissions for example
9 without being able to be assured that this is the
10 particular group that the town wishes to move forward
11 with and that particular developer has agreed to do
12 so.

13 CHAIRMAN CROSBY: I understand that.
14 But what if they don't agree? What if the town says
15 it's X and the developer says it's Y and they don't
16 agree?

17 MR. CARROLL: Then they don't get the
18 letter of authorization submitted and they don't get
19 reimbursement.

20 CHAIRMAN CROSBY: So, then we can't
21 intercede? In other words, if the developer just
22 says I don't agree. That is way too much, then they
23 stiff the town just because they don't agree to the
24 town's amount.

1 COMMISSIONER MCHUGH: You are taking
2 the town's side there. But the answer is yes. Under
3 these regulations as presently drafted, they either
4 agree or the money does not get dispersed.

5 CHAIRMAN CROSBY: I am following up on
6 Commissioner Zuniga's point. It seems very likely
7 that there would be a debate about what the costs
8 were. And it seemed to me like a good suggestion
9 might be to have the Commission in the absence of an
10 agreement be able to make the judgment.

11 MR. MICHAEL: Part of our thinking as
12 a practical matter and our experience is that the
13 developer would not want to get on the wrong side of
14 the town, especially with the political process, the
15 election process that is built into the legislation.
16 So, that it would be less likely given those practical
17 circumstances that a developer would stonewall the
18 community and refuse to pay for legitimate costs.

19 CHAIRMAN CROSBY: Obviously, the host
20 community they are going to have to agree, but the
21 surrounding communities have to submit in a letter
22 to the Commission with the eventual proposal, right?
23 As a practical matter, and they are not going to sign
24 that letter if they haven't gotten what they think

1 is fair compensation and their costs.

2 MR. MICHAEL: That's correct.

3 COMMISSIONER MCHUGH: There also is
4 another and frankly, this is not explicit, but there
5 is another break. That is if the \$50,000 is
6 exhausted by payments that are authorized, it is the
7 Commission's responsibility to issue a notice of
8 deficiency and to get more money.

9 The Commission, I suppose, there is no
10 specific provision in here for this, the Commission
11 could if asked to don the developer for additional
12 sums. And if the developer responds by saying we are
13 being asked for unreasonable amounts and we shouldn't
14 be required to deposit some more, the Commission
15 could decline to issue a bill for more money. That's
16 not in there. If we want to inject ourselves into
17 the middle of this, we could add a provision dealing
18 with this subject.

19 But it was the thinking of the
20 consultants, thinking of the team really is the best
21 at this stage at least -- the best approach at this
22 stage, at the Phase 1 stage where we don't have a
23 specific proposal and we don't have site-specific
24 issues against which to measure the reasonableness

1 of fees, that the best thing to do was to let the
2 developer and the city and town agree, recognizing
3 that in the Phase 2 proceedings where we will have
4 site-specific proposals and recognizing that we will
5 have an opportunity for hearings, we could build in
6 something that would give the Commission more
7 discretion in terms of making assessments for city
8 and town compensation. Even if that meant city and
9 town reimbursement for monies they spent somewhere
10 along the way.

11 It's very difficult to find something
12 that is objectively reasonable when you don't have
13 before you a proposal against which you can measure
14 the reasonableness of the request for expenses. And
15 I think collectively we felt the Commission would
16 basically be shooting in the dark if it attempted to
17 inject at the Phase 1 stage itself into the
18 negotiation process between the developer and the
19 town.

20 CHAIRMAN CROSBY: Okay. I will leave
21 this to the real lawyers in the room, but I gather
22 that Section 1 doesn't stand by itself. It sort of
23 looks at 031 --

24 COMMISSIONER ZUNIGA: 114.031?

1 CHAIRMAN CROSBY: Yes, it looks like
2 that authorizes the use of \$50,000 at the
3 Commission's discretion. And then the next says
4 with authorization.

5 MR. MICHAEL: They would be read
6 together.

7 CHAIRMAN CROSBY: So, they can't be
8 read separately.

9 MR. MICHAEL: Yes.

10 CHAIRMAN CROSBY: Other things on fees
11 before we --

12 COMMISSIONER ZUNIGA: I had a couple
13 just to reiterate, on page 62 section 114.03
14 subsection 3, the way it reads it would appear that
15 there is only one opportunity to do additional fees?
16 Or is this a continuing ability to assess additional
17 fees?

18 MR. ANDERSON: Mr. Chairman, Steve
19 Anderson. The opportunity is there both for the
20 community of reimbursement and the costs of the
21 Commission to assess additional fees (INAUDIBLE).

22 COMMISSIONER ZUNIGA: On multiple
23 times?

24 MR. ANDERSON: Yes.

1 COMMISSIONER ZUNIGA: Thank you.

2 CHAIRMAN CROSBY: On page 63, section
3 4, I can't help think that clause makes sense.

4 COMMISSIONER ZUNIGA: Yes, I
5 underlined that one too.

6 CHAIRMAN CROSBY: So, there is
7 something wrong in section 4 just doesn't scan.

8 COMMISSIONER ZUNIGA: There is a shall
9 be assessed by the Commission -- that's too many.
10 That we should strike -- Where it says internal
11 applicant, we should strike shall be assessed by the
12 Commission.

13 CHAIRMAN CROSBY: I wasn't quite sure
14 what you were trying to get at, but it needs to be
15 rewritten.

16 COMMISSIONER MCHUGH: Let's rework
17 it.

18 CHAIRMAN CROSBY: Let's just point out
19 issues. And it can just be -- Unless we are
20 misunderstanding I think that needs to be rewritten.

21 COMMISSIONER MCHUGH: I think I see
22 the problem.

23 CHAIRMAN CROSBY: Anything else on
24 fees? Or then if you are through highlighting

1 things, Commissioner, then we will just go ahead. Do
2 you want to just go around the room? Commissioner
3 Stebbins, do you want to start?

4 COMMISSIONER STEBBINS: Thank you,
5 Mr. Chairman. Some of the biggest area of interest
6 that I had initially looking was more in the review
7 or the application process, information that we are
8 requesting. Obviously, we have seen a new model of
9 development whereas a non-gaming developer steps
10 forward in the lead position with a gaming operator
11 partner behind them and they form a separate LLC.

12 I was wondering if you could just walk
13 me through where we are going to make allowances to
14 capture what I would call the new style of doing
15 things?

16 MR. MICHAEL: What we provide for
17 would be 112 -- 111 and 112.

18 CHAIRMAN CROSBY: Pages?

19 MR. MICHAEL: 111 starts at page 43 and
20 then you would go on from there. It is basically that
21 section 111, 112 is obligation to cooperate with what
22 is required under 111.

23 What the application seeks to capture
24 is essentially as a concept anyone with any influence

1 or control over the operation of the applicant. That
2 would include the applicant's structure itself. So,
3 if you had a joint venture that was applying as the
4 applicant, it would be all members of that joint
5 venture. Corporation A and Corporations B or
6 Partner A and Limited Partner B both would be what
7 are called qualifiers, which means they are the
8 parties whose qualifications are a necessary
9 precondition to the qualification of the applicant.

10 They would be required to file
11 application forms. That application form then in
12 turn asks for all parties who have any influence or
13 control over those applicants. And then that would
14 be any owners, any corporate owners or individual
15 owners of those entities.

16 Then you go up the ladder or down the
17 rabbit hole, whichever way you want to look at it and
18 you would be capturing the intermediary or holding
19 companies as far as up until you get to the ultimate
20 owner of the applicant itself. So, it's a pyramid.
21 Each one of those entities, you would have each board
22 member, officer, director and shareholder of those
23 companies with certain limitations.

24 As the further up the pyramid you go,

1 the more discretion the Commission would have to be
2 able to waive or identify those individuals within
3 those entities that are really not as important as
4 some of the other individuals.

5 So, you have waiver provisions in these
6 regulations that the Commission would use to
7 determine what is used in what is called an industry
8 scope of licensing. Identifying which persons and
9 entities are the qualifiers and all of those
10 qualifiers would be part of the application.

11 So, if you have in your hypothetical if
12 you have a non-gaming -- traditional non-gaming
13 company partnering with a gaming company both
14 traditional and the nontraditional would be
15 scrutinized in the same fashion.

16 COMMISSIONER STEBBINS: Okay. I had
17 some other questions with respect to
18 confidentiality, but sorry to say, I turned to our
19 own attorney and (INAUDIBLE) for some of that
20 information.

21 MR. CARROLL: Did you keep it
22 confidential?

23 COMMISSIONER STEBBINS: Thank you.

24 CHAIRMAN CROSBY: Commissioner?

1 COMMISSIONER CAMERON: Yes. I had a
2 question, page 42 timing of the RFA-1 and RFA-2
3 process.

4 COMMISSIONER MCHUGH: Page 42,
5 Commissioner?

6 COMMISSIONER CAMERON: Correct.
7 Page 42, I am looking at 110.02 and bullet two we talk
8 about the category two license shall precede. I
9 guess that leaves it very vague and we need to have
10 further discussions about the timing of those two
11 applications, correct? That is an internal
12 discussion that we have to figure out?

13 MR. MICHAEL: Right.

14 COMMISSIONER CAMERON: I have a
15 question about the multijurisdictional personal
16 disclosure form, but I think it was answered already
17 by additional supplementary Massachusetts
18 information that would be captured.

19 MR. MICHAEL: Yes.

20 COMMISSIONER CAMERON: And my last
21 question had to do with, and I am looking on page 65,
22 which is section 115.05, determination by the
23 Commission. Having served on another Commission
24 where conditions and restrictions were involved,

1 with a positive determination that could include
2 conditions and restrictions but the way I am reading
3 this is they would still be applicable to move on to
4 the next phase even though there was a condition and
5 a restriction.

6 MR. MICHAEL: That's correct.

7 COMMISSIONER CAMERON: At some point,
8 that condition and restriction would have to
9 be --

10 MR. MICHAEL: -- would have to be
11 satisfied.

12 MR. INGIS: It depends on the nature of
13 the condition. Some condition are ongoing. There
14 may be a condition for periodic reporting
15 requirements that the Commission will continue.

16 COMMISSIONER CAMERON: So, you would
17 talk then about the license with a condition is what
18 you would be referring to?

19 MR. INGIS: Yes.

20 MR. MICHAEL: Or in this case a
21 suitability target with a condition, for example.
22 But you would not be able to proceed in some cases
23 unless you met the condition. For example, the
24 applicant is fine except for one individual with whom

1 you have a problem. The condition would be if that
2 individual is removed from the process, they could
3 move forward. So, they would not be able to move
4 forward unless they met that condition first.

5 COMMISSIONER CAMERON: Thank you.

6 COMMISSIONER STEBBINS: Just to pick
7 up on 115.05 number four, you'd issue a positive
8 suitability determination on that applicant with
9 conditions and restrictions removed. Do we need to
10 make it that specific? As you are talking about that
11 in three, it says shall not entertain a Phase 2
12 application for an applicant unless the Commission
13 has issued a positive suitability determination on
14 that applicant. Do we need to make it clear that
15 previous conditions have been met or satisfied?

16 MR. INGIS: Then again it depends on
17 the nature of the condition. There will certain
18 conditions that will not be satisfied within a
19 certain time period. But there will be others that
20 could be ongoing and do not necessarily have to be
21 satisfied because there will be a determination of
22 suitability.

23 COMMISSIONER CAMERON: So, that would
24 be articulated in a determination letter as opposed

1 to a regulation. That would be the more
2 appropriate --

3 MR. CARROLL: Yes. It is very hard in
4 the industry to have statements of conditions
5 attached to a determination.

6 MR. INGIS: There are standard
7 conditions that do not impact on an ultimate
8 determination of suitability that are generally
9 proposed by the regulations.

10 MR. MICHAEL: And that might create
11 one of the guiding concepts here was to try to find
12 a middle ground between the regulations being so
13 specific that it hamstringing you in to what you can
14 and cannot do but at the same time specific enough
15 so that it gives guidance to the applicants and
16 guidance to the Commission.

17 And that would be one of those areas
18 where you want to have some flexibility as to what
19 the conditions are and how they're articulated.

20 MR. CARROLL: I just want to point out
21 one other thing, Commissioner, in response to the RFA
22 Phase 1 request for applications. Particular
23 materials when you do the order, the statutory
24 required order of the RFA-2 first, the application

1 materials and the standards are the same in terms of
2 what will be issued. So, the same materials are
3 going to be required of the applicants regardless of
4 particular claims. So, the same in-depth
5 investigation will be conducted.

6 COMMISSIONER CAMERON: Okay. Thank
7 you.

8 CHAIRMAN CROSBY: On that same
9 section, apparently, I wasn't aware of this so, I
10 guess I just didn't understand this, when the Bureau
11 makes a decision on suitability, gives that
12 recommendation to us and then ipso facto there is an
13 adjudicatory hearing on it? We don't just announce
14 it and they can appeal if they want to? We have to
15 have -- What does it mean in this context to have an
16 adjudicatory hearing?

17 COMMISSIONER MCHUGH: It means that we
18 are going to have a formal hearing where people can
19 present testimony. Where if we have questions about
20 issues, we can highlight the issues, take testimony
21 and hear evidence in the normal sense of the word,
22 hear arguments. Take all submissions and then
23 retire to deliberate among ourselves as to what the
24 decision ought to be.

1 CHAIRMAN CROSBY: It's essentially
2 giving them a formal opportunity to contest or
3 question.

4 COMMISSIONER MCHUGH: That's right or
5 present their case.

6 MR. INGIS: That will be the one
7 opportunity that an applicant will have to present
8 its case because there is no hearing in front of the
9 Bureau for a gaming license applicant.

10 CHAIRMAN CROSBY: If the Bureau
11 recommends that we accept an applicant, there is
12 still an adjudicatory hearing?

13 MR. MICHAEL: If you agree with that
14 recommendation.

15 CHAIRMAN CROSBY: Commissioner, did
16 you have --

17 COMMISSIONER CAMERON: No, go ahead.

18 CHAIRMAN CROSBY: Just in no
19 particular order other than pages, on page 44, we have
20 a business entity disclosure form, which is that
21 standard form you had given us earlier. I guess this
22 was from New Jersey. Right. But then we go on for
23 pages and list all of the information we want. Isn't
24 that all in this form? Why do we list all of this

1 stuff when all we need to do is say we are going to
2 give them this form? Or is this --

3 MR. MICHAEL: This is part of what we
4 were talking about before. There is one repository
5 where people can go and say well, if I want to file
6 a form, what do I have to file? Where they can read
7 the regulations and see what's in it. They also
8 could go to get a copy of the form off the Commission's
9 website. It is fairly traditional in gaming
10 jurisdictions for the regulations to list the
11 elements of the application form in the regulation.

12 CHAIRMAN CROSBY: But it is basically
13 listing what is in here?

14 MR. MICHAEL: Yes, it is.

15 CHAIRMAN CROSBY: One of the
16 suggestions that was made at a brainstorming session
17 that we had with people about the affirmative action
18 and diversity criteria in the legislation, which we
19 all talked about a lot and want to take very
20 seriously, was that there might be something that we
21 could do at this stage of the process to at a minimum
22 give a signal that this is something that we take very
23 seriously. And maybe learn some substantive stuff
24 that would have something to do with suitability.

1 I'm not sure about that.

2 Would it be, and I am asking everybody
3 this, would it be appropriate to add in something
4 here? A simple example would be to identify the
5 gender, race and ethnicity of your senior management
6 and Board of Directors, for example, wherever that
7 fits in this structure. That is something I'm going
8 to be interested in knowing when the time comes.

9 So, is that something? First of all,
10 that tells us something interesting assuming it is
11 legal for us to ask the question. Secondly, it gives
12 people a heads up that this is something that we take
13 seriously.

14 MR. MICHAEL: It would be no problem in
15 adding that to the application. The issues arise as
16 you pointed out legally with what you could do with
17 that information. Whether or not it could be become
18 a criteria for licensing is questionable under the
19 recent court decisions.

20 The availability of the information is
21 certainly something you could get in either the
22 application or during the course of the application
23 itself. You are empowered to ask every applicant for
24 anything that you want.

1 CHAIRMAN CROSBY: I haven't thought
2 this through at great length. It was a suggestion
3 that was made that I thought was a really interesting
4 suggestion. And I was going to talk about it in
5 another context anyway, but I throw it out there as
6 something that seems to me -- You would have to figure
7 out how to do it and where to do it. But it seems
8 to me it is making an important point that we mean
9 to make. And I suggest that we add that. But I am
10 game to hear other people's reactions.

11 COMMISSIONER STEBBINS: I think I
12 talked about this with Guy at one point, using this
13 RFA-1 process to get an idea of how any of these
14 entities conduct themselves in the area of reaching
15 out. How do they contract with small business,
16 another priority within the legislation.

17 The suggestion was made if you
18 incorporate it in the regs., it sends the signal, it
19 sends the message that it's important. The flipside
20 in thinking that instead of overburdening the
21 document with more information, at least going
22 through this RFA-1 process now we identify who the
23 players are.

24 They are filling out the paperwork.

1 They are stepping up right now to check. Can we then
2 use that as an opportunity to have a follow-up
3 conversation with them to say we would be interested
4 in whatever your hiring policies or the makeup of your
5 Board. What are your standards for contracting out
6 to small businesses?

7 And use that separately but know that
8 who we are talking to has pretty much stepped forward
9 and identified themselves. I saw us getting to the
10 same end goal but maybe not necessarily incorporating
11 in the regulations. But if as a Commission we ask
12 for that type of information so we can begin again
13 to work with them and think about how the State or
14 how this Commission needs to react and position
15 itself on those issues. Just requesting it, because
16 we know they are going to be a player down the line.

17 It might be a way of us achieving the
18 goal that you're interested in and I'm interested in
19 as opposed to folding it all into the regulations.

20 CHAIRMAN CROSBY: I think it is more
21 powerful to fold it and this topic as well. I meant
22 to mention both things, because you had brought this
23 up before. I think it's more powerful to figure out
24 neat, strategic not onerous, but a smart, neat way

1 to do it within the context of the regs. That makes
2 the strongest statement on both points.

3 COMMISSIONER MCHUGH: Who is it that
4 you would like to -- and I hear you. Because if you
5 look at page 45, it seems to me that we could, if we
6 wanted to, add to eight and nine at the top of the
7 page, assuming our pagination is similar, where we
8 ask for the name, home address, business address,
9 yada, yada, yada, current and former directors,
10 trustees, we could add questions about ethnicity
11 there. It's easy to slip that in.

12 CHAIRMAN CROSBY: And gender.

13 COMMISSIONER MCHUGH: And gender for
14 nine, for the officers and for the former officers.

15 CHAIRMAN CROSBY: I think -- I am not
16 sure exactly where each place would go. I am not
17 familiar enough to know whether that does the trick.
18 If it does -- I think what is really interesting and
19 telltale is the nature of the senior most leadership.
20 That's where the rubber hits the road. That's where
21 the issues are. That's where the challenges are.
22 Whatever that is, if that covers it, if eight and nine
23 covers it, then fine.

24 COMMISSIONER MCHUGH: That would be

1 the directors and the senior managers.

2 CHAIRMAN CROSBY: It is different for
3 -- I guess you covered it all trustees, partners.
4 Does the language cover all of the different
5 corporate structures?

6 COMMISSIONER MCHUGH: It does.

7 MR. MICHAEL: If that's your
8 direction, we can certainly add that in.

9 CHAIRMAN CROSBY: Is that a consensus
10 that everybody is okay when?

11 COMMISSIONER CAMERON: So, we capture
12 the information but we can't necessarily use it,
13 correct?

14 COMMISSIONER MCHUGH: It's tricky.
15 It is very tricky.

16 MR. MICHAEL: I guess the recent cases
17 talk about having to establish that there is a
18 pre-existing racial discrimination or sexual
19 discrimination in that particular industry. And the
20 problem with the gaming industry is it is new. There
21 is no real ability to go back and make that
22 demonstration.

23 But there can be uses in terms of
24 established goals, but it's whether we get closer to

1 it being a criteria for the license itself, it gets
2 tricky.

3 COMMISSIONER MCHUGH: So, we
4 certainly can capture it. I think the offshoot of
5 that is, and this is, and this is law that is in flux
6 now. We have a major Supreme Court case next term
7 that is going to take another look at all of this.
8 And the benefit of asking this question is that we
9 get the answer. What we can do with it is yet to be
10 determined.

11 The downside of asking the question and
12 getting the answer is a claim that you improperly used
13 it when you made the final decision. And basically,
14 then having to disprove that we misused the
15 information. Nothing in this environment is risk
16 free.

17 The impulse is one with which I agree.
18 There is a need for diversity in our society, in our
19 life, in our country. These are the issues we have
20 to think about.

21 CHAIRMAN CROSBY: I think we are a long
22 way from getting sued by misusing the data. So, I
23 would say that that we ought to say go ahead.

24 COMMISSIONER MCHUGH: No, but they are

1 going to sue us tomorrow. This lawsuit won't come
2 until we make the licenses.

3 CHAIRMAN CROSBY: Right. To grant,
4 that's a possibility. What about you? Is there a
5 similar interest? We could ask people to sort of
6 append their local hiring.

7 COMMISSIONER STEBBINS: It got to a
8 question more of - Again, I'm thinking out loud, I
9 was like this information we want to collect. The
10 statute talks about the gaming operation having an
11 impact on small business. And we have deemed some
12 information -- we have gotten some information about
13 spending categories.

14 I didn't necessarily -- I, like you
15 with respect to equal employment opportunity I think
16 it is a priority. And where we state it may raise
17 the level of awareness to it where. I didn't really
18 find a particular place where it fit in neatly to say
19 tell us what your spending categories are when
20 obviously this RFA-1 application is more in detail
21 about who you are and who the folks are that make up
22 the company.

23 COMMISSIONER STEBBINS: I am happy to
24 follow it up after we know who the applicants are to

1 say we want to begin to work with you on supporting
2 small businesses. We invite you to share with us
3 your spending categories. Hopefully, we'll gain a
4 level of cooperation.

5 I see us getting the same effect by
6 either having it in the regs. or as a Commission
7 sending out a communication that asks for that
8 information.

9 MR. INGIS: While I wholly agree that
10 it is a critical matter to take up, I think it may
11 best be part of the Phase 2 regulations as opposed
12 to suitability.

13 COMMISSIONER STEBBINS: True.

14 MR. MICHAEL: I would agree with that
15 also with the need for diversity, but at the same time
16 the issues that we are raising maybe more acute
17 whenever we are asking for that information in terms
18 of the only decision we are making here is suitability
19 on background.

20 If we are asking for that information
21 in the context of suitability for background as
22 opposed to your overall suitability for your ability
23 to have a successful project, it may be more
24 questionable than if we ask it later on.

1 MR. INGIS: There is certain
2 information that while the Commission maybe well
3 within its rights as an agency to require an applicant
4 to provide, there are limitations as to what can be
5 provided in an application form based on case law that
6 you have to be concerned with.

7 COMMISSIONER STEBBINS: I'm happy to
8 look at that process separate from the RFA-1 process.

9 COMMISSIONER ZUNIGA: I was on the
10 same camp of thinking about this more towards the RFA
11 Phase 2. Asking these questions towards Phase 2,
12 gender, race ethnicity.

13 CHAIRMAN CROSBY: I thought you were
14 talking about the second one. I would much rather
15 put it in the regs. now. People are going to hear
16 this conversation. The word is going to start
17 getting out that these are important issues. But I
18 just think it makes a statement that is an important
19 statement. The downside risk of being sued as a
20 consequence of it --

21 COMMISSIONER ZUNIGA: Is very small in
22 your opinion?

23 CHAIRMAN CROSBY: I think is
24 tremendously small.

1 COMMISSIONER MCHUGH: I disagree with
2 that not an overt lawsuit but at the end - I'm not
3 saying we shouldn't do it. But I don't think we
4 should minimize the potential for litigation arising
5 out of acquisition of any information that we in
6 somebody's view are not entitled to have. This is
7 the area that is in flux.

8 So, I think we ought to make a judgment
9 about whether or not we want the information. But
10 I don't think we ought to diminish the risk not of
11 somebody suing us for money, but for somebody saying
12 we made an improper decision because we took into
13 account information we weren't entitled to have.
14 That is where the rubber is going to meet the road.

15 I think it is worthwhile because we do
16 feel strongly about that, at least I feel strongly
17 about the desirability of diversity, putting it in
18 these draft regulations, putting it out for public
19 comment. Let us see what the reaction to that is and
20 let us make a judgment as we measure the comments.
21 We'll have another opportunity to do it. That is
22 what this is for. And we send a signal to the world
23 in the process that we are interested in this topic.
24 So, I think it is worthwhile doing that.

1 CHAIRMAN CROSBY: There are other
2 bites to the apple. That is a good point.

3 MR. CARROLL: Chairman, could I just
4 briefly interject just one other section, section 15,
5 which is the criteria --

6 CHAIRMAN CROSBY: What page is this?

7 MR. CARROLL: This is in the statute.
8 In section 15 of the statute, it sets forth the
9 criteria that an applicant has to meet before a
10 license. One of those subsections in section 15
11 subsection 16, the applicant is required to formulate
12 for the Commission's approval and abide by an
13 affirmative action program of equal opportunity
14 whereby the applicant establishes specific goals and
15 utilization minorities, women and veterans on
16 construction jobs provided and so forth.

17 So, there is some recognition in the
18 statute of those goals and objectives.

19 CHAIRMAN CROSBY: I understand that.
20 It is also has to do with use of minority vendors,
21 minority woman vendors. We are not saying we are
22 creating this out of whole cloth. We are taking a
23 message, which is clear. We are taking a value,
24 which is established in the legislation and making

1 it stick.

2 MR. INGIS: What is hard in looking at
3 the statutory requirements is that this is going to
4 be incorporated in Phase 2 regulations. But if the
5 Commission feels otherwise and prefers that we put
6 it in in terms of the Phase 1, obviously that can be
7 done.

8 But to emphasize the point that Guy
9 made, it has got to be quite clear that it does not
10 impact on the finding of suitability or you will be
11 predisposed to litigation. It can be a determining
12 factor in terms of awarding the license in a
13 competitive bidding process.

14 CHAIRMAN CROSBY: Right, right. I
15 think we are agreed to go ahead and put it in, see
16 what happens, see what kind of feedback we get. And
17 make a final determination at the end of the day, at
18 the end of the process.

19 COMMISSIONER ZUNIGA: I have a number
20 of little questions.

21 CHAIRMAN CROSBY: Go ahead if you want
22 to, but I was just going to keep going through mine.

23 COMMISSIONER ZUNIGA: What section
24 were you in?

1 CHAIRMAN CROSBY: I am going page by
2 page. I am now on page 57, withdrawal of
3 application.

4 COMMISSIONER ZUNIGA: Go ahead.

5 CHAIRMAN CROSBY: We talked before
6 about --

7 COMMISSIONER MCHUGH: Which page?

8 CHAIRMAN CROSBY: Fifty-seven, this
9 is the withdrawal of application. I don't know
10 whether this is worth talking about or not, but when
11 we are talking about reasons for which we might not
12 allow withdrawal, one seemed to me that might be worth
13 mentioning is some unpaid financial obligation.

14 If you negotiated with a city or town,
15 for example, and you owed some money or you owed the
16 Commission some money, you can't withdraw until the
17 money is paid. I don't know if it is worth adding
18 that.

19 MR. MICHAEL: In subparagraph three,
20 11053, it says the Commission agrees to grant
21 withdrawal under any of the circumstances and two,
22 the Commission may condition that withdrawal with
23 appropriate terms it deems necessary included but not
24 limited to a period of time --

1 CHAIRMAN CROSBY: Okay. I agree, it
2 is not worth worrying about. My bigger question sort
3 of goes to the question we had about this before. How
4 do we enforce non-withdrawal? What does it mean to
5 not let somebody withdraw?

6 MR. INGIS: The Commission would go
7 ahead and deny the application. Frequently, what
8 will happen is an applicant, which is confronted with
9 a negative suitability report, will seek to withdraw
10 because there are ramifications in other
11 jurisdictions for a denial. So, the regulatory
12 agency may decide based on that negative information
13 that it does not wish to allow the applicant to
14 withdraw its application and go forward with its
15 finding of a negative suitability.

16 MR. MICHAEL: It affects the applicant
17 in other jurisdictions.

18 CHAIRMAN CROSBY: We won't rehash
19 that.

20 MR. INGIS: It is a common matter.

21 COMMISSIONER MCHUGH: If it puts you
22 at ease at all, it happens in litigation all of the
23 time. You don't have the unilateral right to
24 withdraw your lawsuit.

1 CHAIRMAN CROSBY: Okay. I'm fine.
2 On page 61, we talked about that. Sorry, that was
3 the issue we talked about.

4 A big question on page 72, we enumerate
5 some sort of standards. A question of make sure you
6 have enough money to pay your bills. Make sure you
7 are capable of refinancing, things like that. But
8 as a practical matter, are we essentially left to make
9 ad hoc judgments on our own using whatever criteria?
10 Instead, you might have debt-to-equity ratios. You
11 might have operating cash flow. You might have any
12 of a host of a million things that are metrics that
13 say this makes you financially suitable.

14 The way this is written now, whether
15 financially suitable, character suitable, too many
16 marriages suitable, whatever, we pretty much can make
17 the decision based on whatever standards we want. Am
18 I understanding that right? Is that what we want to
19 do?

20 MR. MICHAEL: That is a policy
21 judgment on your part. Obviously, from our
22 perspective again we try to balance the need for
23 discretion with the need for guidance. If we felt
24 that if the standards either on character or on

1 financial stability or any of the licensing criteria
2 were too specific, they might not capture everyone
3 you might want to qualify or disqualify. This gives
4 you that discretion to make those judgments on an ad
5 hoc, as you say, but case-by-case basis.

6 CHAIRMAN CROSBY: Is there any problem
7 with us having that kind of discretion?

8 MR. MICHAEL: No. It's commonplace
9 throughout this industry. It is very broad
10 discretion that is given to these gaming agencies.

11 CHAIRMAN CROSBY: Just out of
12 curiosity, I know the law says that we have the final
13 decision and there is no right of appeal, but you can
14 appeal, right?

15 MR. MICHAEL: I don't want to go on
16 records saying what the legislature didn't say,
17 however I would assume some enterprising, creative
18 attorney would figure out something.

19 CHAIRMAN CROSBY: I would think,
20 right.

21 COMMISSIONER ZUNIGA: Remember there
22 could be conditional approvals. If there is a
23 debt-to-equity ratio that is maybe a little too close
24 to comfort, that could be explored and the applicant

1 may be able to later on fix that.

2 CHAIRMAN CROSBY: Right. I like it
3 this way. I am just wanting to make sure --

4 COMMISSIONER MCHUGH: You are troubled by
5 the absence of any firm standards?

6 CHAIRMAN CROSBY: I am not troubled by
7 it. I like it. It gives tremendous discretion for
8 us to exercise our judgment such as it is. And I like
9 that. I think that's why we were appointed and I am
10 happy to do that. But I'm questioning whether that
11 is the best policy and wondering out loud whether
12 that's appropriate that much discretion.

13 COMMISSIONER MCHUGH: From my
14 standpoint of discretion -- the statute is
15 constructed to give us that kind of discretion. And
16 these regulations are designed to illuminate the
17 qualities that we are going to take into account and
18 exercise in that discretion.

19 And then it is incumbent on us to make
20 a reasoned, explainable decision as to what we have
21 done so that we do not give the appearance of or
22 actually simply vote with our gut. That we have a
23 clear articulable basis for the decision-making that
24 we do. In that way we constrain our discretion in

1 a sensible way. I think that combination is the
2 ideal way to proceed.

3 COMMISSIONER ZUNIGA: Plus remember
4 there is this Phase 1 at this point. There is only
5 a determination of pass, pass with conditions or
6 fail. There is no grading at this point yet.

7 CHAIRMAN CROSBY: Right.

8 COMMISSIONER STEBBINS: Just a
9 follow-up while we are on this section. The
10 criteria, the ability to maintain, the ability to
11 meet. That sounds a little prospective about their
12 project. But I'm assuming what we are doing is we
13 are looking at has a history demonstrating its
14 ability to maintain a gaming establishment.

15 MR. MICHAEL: That is correct. Even
16 further these regulations have been drafted
17 specifically as Phase 1 regulations. There will
18 potentially -- There will be modifications to these
19 regulations when it comes to Phase 2, because the
20 financial stability evaluation has to be made in the
21 context of what it is that you are intending to build.
22 What will your operation look like and can you afford
23 that operation. We don't know that in Phase 1. So,
24 what we drafted here is just the standard of

1 typicality. Do you have enough money to run an
2 ordinary typical casino?

3 COMMISSIONER STEBBINS: You would see
4 using this same language in the RF-2 piece almost
5 verbatim? Again, I am thinking of ability as
6 prospective as opposed to we are still looking at your
7 financial suitability and your history.

8 MR. MICHAEL: Essentially, yes, but
9 the evaluation would be geared to a specific project
10 in Phase 2 as opposed to an esoteric kind of
11 possibility.

12 CHAIRMAN CROSBY: On page 72 down at
13 the bottom section 3, I don't understand exactly what
14 that means just out of curiosity.

15 MR. MICHAEL: That is what we were
16 saying and the point I was trying to make. This
17 finding of financial stability is not binding on the
18 Phase 2 evaluation of financial stability. The
19 financial stability demonstrating now is just in
20 general terms. The Phase 2 demonstration would have
21 to be in specific terms regarding your project.

22 MR. CARROLL: Two different contexts.

23 CHAIRMAN CROSBY: I am not sure these
24 are worth talking about, but on page 70 at the top,

1 these are things where we want to waive qualification
2 requirements. In one of these you mention
3 specifically is persons involved in the financing of
4 the gaming establishment.

5 It seems like that would be one of the
6 most important categories of people that you would
7 want? What this does is it gives us the right to
8 waive anybody we want to waive, which is fine. We
9 can just leave it at that. I just was curious why
10 you would single out?

11 MR. INGIS: Intended primarily for
12 banks and other licensed (INAUDIBLE). There needs
13 to be a mechanism to enable those entities to
14 participate in the gaming industry. They've become
15 a major factor in providing financing.

16 You don't have to waiver if you don't
17 want to. Waiver is always a discretion.

18 CHAIRMAN CROSBY: Page 69 we talked
19 about in the application if the applicant is a limited
20 partnership, we want the background information on
21 each close associate. Is that a legal term?

22 MR. MICHAEL: That's from the statute.

23 CHAIRMAN CROSBY: From our statute?

24 MR. MICHAEL: Yes.

1 CHAIRMAN CROSBY: Pretend I didn't ask
2 that question.

3 MR. INGIS: It is a very broad
4 definition.

5 CHAIRMAN CROSBY: I thought maybe that
6 was a term of law that I am not familiar with.

7 MR. ZUNIGA: I have a question from
8 that section, if I may?

9 CHAIRMAN CROSBY: Sure.

10 COMMISSIONER ZUNIGA: 116.02 persons
11 required to be qualified. There is a very broad on
12 subsection 3 in the judgment of the Commission in
13 accordance with Chapter 23K, a number of individuals
14 including each employee. And I was just wondering
15 when is it anticipated the Commission will make those
16 judgments or is this the Bureau? And what is the
17 Bureau's role in determining this sort of scope of
18 licensing or this qualifier, this determination of
19 qualified individuals?

20 MR. MICHAEL: The way this usually
21 works is that an applicant will appear or schedule
22 a conference with staff, the Bureau and present their
23 structure, their table of organization and all of the
24 ladders all of the way out. Then determinations will

1 be made as to who in that structure in that picture
2 will be required to be qualified.

3 It is not as simple as sitting down with
4 a piece of paper. You really have to see the
5 background information and if there are lenders and
6 ventures and what authority they have. And what is
7 their convertible equity and all of those issues that
8 determine whether anyone -- The ground rule is
9 whether anybody has influence and control over the
10 operation.

11 Then at that point the Bureau staff
12 will make a determination and ultimately the
13 Commission if there are still disputes over who needs
14 to be qualified. Then the Commission will make the
15 determination and final finding as to who the
16 qualifiers are.

17 MR. INGIS: It is frequently a very
18 arduous time-consuming process based on our prior
19 experience.

20 COMMISSIONER ZUNIGA: Right. If it's
21 each lender, for example, which was a prior
22 conversation that could be very, very lengthy even
23 if it's no to this and no to that one, it could be
24 very --

1 MR. MICHAEL: That's right.

2 CHAIRMAN CROSBY: The only other
3 questions that I have have to do with these two forms.
4 To me there is a lot of stuff in here, which is
5 inexplicable. Asking people whether they have scars
6 or tattoos? Asking people how many cars they own,
7 how many times they been married?

8 There is dozens of things in here that
9 seem to me to be on the face of it at least, of very
10 marginal value. I wonder whether this document has
11 just sort of grown like topsy. And has anyone ever
12 gone back and edited this thing to see whether it
13 really makes any sense?

14 MR. INGIS: They have been edited.
15 You would be amazed at what the original disclosure
16 form looked. Fortunately, I was tasked with having
17 to modify it. It was not a very pleasant exercise
18 in New Jersey.

19 CHAIRMAN CROSBY: Why would we want to
20 know how many cars people own, for example?

21 COMMISSIONER CAMERON: Financial.

22 MR. INGIS: That is an element of
23 financial stability. There are many facets of an
24 applicant's financial stability.

1 MR. MICHAEL: Not only their
2 stability, but their integrity. The source of fund
3 analysis in an investigation is key to all of this.
4 If you declared in your financial statement that you
5 have \$20 in the bank and you have three Mercedes that
6 is questionable. Where did you get the money for the
7 Mercedes?

8 CHAIRMAN CROSBY: We are talking here
9 about the major players in these major organizations,
10 right?

11 MR. MICHAEL: This form applies to --
12 this multijurisdictional form is filed by not only
13 the owners and the directors but all employees too,
14 key employees. So, it is not just for the highest
15 level.

16 MR. INGIS: And also when you say major
17 players, they are not immuned from providing false
18 information.

19 CHAIRMAN CROSBY: I understand that.

20 MR. INGIS: These forms have been
21 historically set forth to deal with the various
22 matters that come up in an application in an
23 investigation. They were streamlined sufficiently
24 over the years to eliminate many of that regulators

1 and applicants had that there was too much of an
2 intrusion. What was considered by most regulatory
3 agencies is a fair fear balance for the information
4 that is requested.

5 Is it more intrusive than what other
6 administrative agencies ask for, yes, because the
7 nature of the casino gaming industry has always been
8 that this is a very intrusive examination of an
9 individual's or entity's background in all facets.

10 CHAIRMAN CROSBY: I understand that
11 that's appropriate. And I want us to be as rigorous
12 as we can possibly be. But I would also like us to
13 be smart and not stupid. I get my back up on this
14 stuff. Maybe I'm wrong here and I'm happy to shut
15 up if I am unreasonable.

16 To track all of the cars that your
17 dependent children own, even though they might be 50
18 years old and live in another country, it just doesn't
19 make any sense to me. It seems like we are putting
20 people -- It feels to me and I haven't really thought
21 about this a lot and that's why I am bringing it up
22 now. But it feels to me that we are putting people
23 through some pretty rigorous hoops that if you're a
24 bad guy, this is not going to solve the problem.

1 He is not going to tell you the fact
2 that he has a bunch of money in the Bahamas that is
3 illegal on your disclosure form. We have to dig it
4 out another way.

5 COMMISSIONER CAMERON: But you may be
6 able to find that through that information. For
7 example, a former spouse is always a good source of
8 information, which is why we require that
9 information. Tattoos and scars also another
10 identifier, which can lead to something else that may
11 not be disclosed in any other way.

12 So, I actually think that those are
13 legitimate questions and it is meant to be intrusive
14 for good reasons.

15 CHAIRMAN CROSBY: Don't get me wrong,
16 I am in favor of being intrusive where it is smart
17 and appropriate for us to make sure that we are
18 getting good people. I am totally with that. If we
19 have to ask questions that are hard question and they
20 don't like it that is their problem.

21 But I just want to make sure that we are
22 being as smart about it and thoughtful about it and
23 not just reflexive. Not just doing what everybody
24 has been doing for the last 40 years without thinking

1 it through and thinking is this or does this really
2 make sense? Does this really help us accomplish our
3 public policy objective?

4 MR. CARROLL: On the car issue, which
5 appears to be troubling to you was also troubling to
6 me when I filled out applications for licenses for
7 myself. I point out one thing the way it was
8 explained to me. The registration information that
9 goes with that car will have with it addresses. That
10 address is useful in terms of property holdings and
11 residences, multiple residences. Sometimes it's
12 used also for driver's license in other states where
13 that registration is tied with driver's licenses that
14 may or may not have been revealed.

15 A driver's license may have on it a
16 series of misconduct deeds that a particular
17 applicant may want to have concealed and didn't
18 disclose. There is a useful line to it. The balance
19 of those kind of things -- gun ownership is another
20 example in terms of the amount of information
21 required.

22 That information in this type of
23 in-depth investigation is cross-referenced with the
24 rest of the information. Like Commissioner Cameron

1 pointed out, the scars and tattoos. That is
2 cross-referenced to prior applications to make sure
3 they are the same person and so forth, verifications,
4 the fingerprint cards that may have been filed 25
5 years ago if necessary.

6 All of that information does build on
7 it. There is a rational basis for it. Sometimes it
8 does it appear at first, but I know particularly the
9 cars, the registration and so forth, there is a value,
10 if it helps you.

11 CHAIRMAN CROSBY: Well, it does help
12 me. That's what I am looking for is there a rational
13 basis for this. You're a professional and the two
14 of you are too. If you don't have any doubts about
15 this -- Off the record, not really off the record.
16 But you are just guys that have been around this
17 business for a long time sitting, talking casually
18 to people saying is this the best we can do? Is this
19 under the circumstances appropriate, fitting, not
20 nonsense. If that's the way you feel about it and
21 you too, then I'm fine with it. I just want to make
22 sure we have asked that question hard.

23 MR. MICHAEL: Every single question
24 and what the experience of agencies has been and our

1 experience collectively is that if we are to err it
2 would be to err on the side of disclosure, because
3 you never know what piece of information might be the
4 piece of information that triggers other information
5 that gets you to the results you want.

6 We, as Steve has explained, narrowed
7 that concept down to this document at this point and
8 it has been reviewed fairly recently. Not that it's
9 perfect, but it certainly has been useful and we would
10 recommend it.

11 CHAIRMAN CROSBY: Okay.

12 MR. INGIS: Not that an applicant is
13 going to look at it as his favorite thing to do. You
14 will hear objections.

15 CHAIRMAN CROSBY: The only other
16 observation I have on these is that there seems to
17 me to be bouncing around on the terms, 10 years, 15
18 years, 20 years of look back. I couldn't figure out
19 the rational basis for which is what. The 10, 15 and
20 20 all appear in each of these documents.

21 Maybe it doesn't make any difference,
22 but it would be nice to know if there was some reason
23 why some are 10, some are 15 and some are 20. I
24 couldn't figure out a reason for that. Steve, maybe

1 you are familiar with it.

2 MR. INGIS: Judgment calls with
3 respect to how far back to go with certain
4 information, I agree there should be more
5 consistency. Right now, we have a basic form that
6 is used in other jurisdictions. So, the
7 multijurisdictional there is a little more
8 restrictions because it's a single form. There is
9 more flexibility if this were any disclosure form to
10 make modifications.

11 I know in other jurisdictions have
12 tried to have more consistency with respect to how
13 far back you look for particular areas. How far back
14 you look for criminal matters. How far back you look
15 for employment.

16 CHAIRMAN CROSBY: Right.

17 MR. INGIS: We can re-examine that.

18 CHAIRMAN CROSBY: I am not sure if --
19 This is the one that everybody does?

20 MR. INGIS: That's the thing, the
21 multijurisdictional is a single form. And its
22 ease-of-use has made it the form of choice in other
23 jurisdictions.

24 CHAIRMAN CROSBY: Ease-of-use is an

1 interesting choice of words.

2 COMMISSIONER STEBBINS: Ease-of-use
3 by us not by whoever is filling it out.

4 COMMISSIONER MCHUGH: It may be
5 ease-of-use.

6 MR. INGIS: It is useful for the
7 individuals because they do use it in other
8 jurisdictions. They simply program it to the
9 computer. And it is filed in other jurisdictions.

10 CHAIRMAN CROSBY: That is helpful.
11 It may be crazy the first time, but if they have to
12 keep doing it over and over again, it's no big deal.

13 MR. INGIS: Just so you know the gaming
14 companies had input into the construction of these
15 forms, their initial formats and modifications.
16 Sometimes they were listened to and sometimes they
17 were not listened to.

18 CHAIRMAN CROSBY: Okay.

19 COMMISSIONER ZUNIGA: I have a few
20 questions. In section 110.01, it is about the phase
21 process for the application.

22 CHAIRMAN CROSBY: Page?

23 COMMISSIONER ZUNIGA: Page 42,
24 subsection 1 we say that the application process

1 shall proceed in two phases. And I am thinking of
2 in particular of the Southeast region, which maybe
3 sometime in the near future or in the far future. I
4 am wondering whether we should insert at least two
5 phases recognizing that there may be a third phase
6 or an interim phase between two and three, if that's
7 the term, for that particular region.

8 COMMISSIONER MCHUGH: Wouldn't we do
9 the same thing in region C if we opened it to
10 commercial bidding? In other words, wouldn't we
11 proceed with the Phase 1 and Phase 2 in region C.

12 MR. MICHAEL: I see your point,
13 Commissioner, if the regulation said -- give a time
14 for this phase and said it would be done on such and
15 such a date and completed on such and such a date,
16 which you really haven't done here, then we would need
17 to reauthorize another Phase 1 and 2 for subsequent
18 dates. It just says that any licenses issued in
19 accordance with this Phase 1 and Phase 2 process. As
20 Commissioner McHugh points out that region would just
21 go through the same process but just later.

22 COMMISSIONER ZUNIGA: Effectively
23 even the way they are written, we could take two
24 regions exclusive of the Southwest (SIC) and conduct

1 a solicitation RFA Phase 1 and Phase 2 for one region
2 after another. They wouldn't have to be done at the
3 same time, correct -- the way these are written?

4 MR. CARROLL: Right, the way it is
5 written.

6 COMMISSIONER ZUNIGA: On 110.02
7 subparagraph two.

8 CHAIRMAN CROSBY: Page?

9 COMMISSIONER ZUNIGA: Same page, this
10 was a prior question of Commissioner Cameron, RFA --
11 I am sorry category two precedes category one, which
12 I understand is the intent in the statute, it's
13 actually both phases precede each other. I am just
14 curious as to the second shall just to give us the
15 flexibility whether by putting the RFA Phase 1
16 condition we have complied with the intent of the
17 legislation.

18 COMMISSIONER MCHUGH: I am not sure I
19 follow that.

20 COMMISSIONER ZUNIGA: The issuance of
21 RFA-1 for category two shall precede category one.
22 Have we not at that point already complied with the
23 intent of the legislation, which is issue the license
24 for category two first?

1 MR. MICHAEL: We aren't issuing the
2 license under Phase 1.

3 MR. INGIS: Finding of suitability.

4 CHAIRMAN CROSBY: The law doesn't
5 require us to issue the license before, it just
6 requires us to issue the application.

7 COMMISSIONER ZUNIGA: That's what I
8 meant to say. Have we not with that first sentence
9 then complied?

10 CHAIRMAN CROSBY: I see what you are
11 saying. I would think you might be able to read the
12 law that way, but I think that would defeat the
13 legislative intent. Because they think they
14 consider that being cute if we --

15 COMMISSIONER STEBBINS: They saw it as
16 a single process before we bifurcated.

17 MR. MICHAEL: We intended to draft it
18 to comport with what you are suggesting.

19 CHAIRMAN CROSBY: I think that's a
20 good observation, but I think we should stick with
21 what we know their intention was.

22 COMMISSIONER ZUNIGA: I am going to
23 come back to another one.

24 COMMISSIONER STEBBINS: If I can pick

1 up on a question while we are on 110.02, do we wish
2 to put in language here which would give us the
3 authority to, as we have talked about but haven't
4 really come to a conclusion on in terms of sequencing
5 when an application -- sequencing when the RFA-2
6 piece would come along?

7 Have we thought about -- There has been
8 debate at this meeting about looking to Western Mass.
9 first to see if license might be awarded there first.
10 Does this language allow us the flexibility to do that
11 sequencing if we decide to do it that way?

12 CHAIRMAN CROSBY: I would think so. I
13 don't see why not.

14 COMMISSIONER MCHUGH: There's nothing
15 in there that precludes that. We could easily make
16 that clearer. This is now a second time that
17 question has come up in different forms.

18 And we could say that in each region
19 Phase 1 will precede Phase 2. That would allow us
20 to take region A before we take region B, region B
21 before C.

22 COMMISSIONER ZUNIGA: If we wanted it.

23 COMMISSIONER MCHUGH: I think
24 unaltered this language permits us to do that. But

1 if there is concern about that, we can easily --

2 COMMISSIONER STEBBINS: Can you see
3 that in section 3, establish a deadline for the
4 submission of each type of application?

5 COMMISSIONER MCHUGH: If we were going
6 to do that I would say in 110.01.1 that in each region
7 the application process for both category one and
8 category two license shall proceed in two phases.
9 That basically makes it a regional thing.

10 COMMISSIONER STEBBINS: If the
11 flexibility is there now, again, I don't think we have
12 come to a final decision on that. I know how we all
13 feel on that as long as the language gives us that
14 flexibility and let's leave it as is.

15 COMMISSIONER MCHUGH: This language
16 doesn't preclude us from doing region by region as
17 opposed to one blast, I don't think.

18 COMMISSIONER ZUNIGA: Is a gaming
19 license refer to both category one and two?

20 MR. MICHAEL: Yes.

21 MR. CARROLL: Yes.

22 COMMISSIONER ZUNIGA: I also have just
23 two ways that I figured I would ask, page 33, 106.03
24 this is only one example but the Commission shall

1 develop and post on its website procedures, etc. Is
2 it incumbent upon us to --

3 COMMISSIONER MCHUGH: Which section
4 are you referring to?

5 COMMISSIONER ZUNIGA: It's 106.03
6 subsection 1, the Commission shall develop
7 procedures -- actually that's not one. I'm sorry.

8 MR. MICHAEL: Page 33.

9 COMMISSIONER ZUNIGA: Whereas this
10 must be filed in electronic means as provided
11 therein. Should we consider a may in this section,
12 because we may or may not have those -- the ability
13 to receive those electronic formats. We may have the
14 flexibility. We may want to give ourselves the
15 flexibility about that.

16 COMMISSIONER MCHUGH: We certainly
17 could say may, but I think the thinking of everybody
18 who was working to put this together was that we
19 really ought to strive to have electronic
20 submissions. And we ought to make that clear. We
21 ought to bind ourselves to doing that. I think
22 that's the thinking.

23 MR. MICHAEL: These submissions are
24 going to be enormous. We talked about the structure

1 of these corporations with individual qualifiers for
2 each and all of the financial documents that are
3 incumbent on all of those entities. So, if you do
4 it in paper it's a storage room for each applicant.
5 Electronically, it's a lot simpler and you need a lot
6 less room.

7 COMMISSIONER ZUNIGA: Okay.

8 MR. INGIS: It is also more
9 user-friendly to use that term I used before for both
10 you administratively and also for the applicant.

11 CHAIRMAN CROSBY: Do you have one
12 more?

13 COMMISSIONER ZUNIGA: No, that was it.

14 CHAIRMAN CROSBY: Okay.

15 MR. INGIS: He went through the
16 regulations painstakingly with respect to may and
17 shall.

18 CHAIRMAN CROSBY: Congratulations to
19 you and to us. That was a great job. It's a lot of
20 work. We will now get it to the Secretary of State,
21 and let the public and everybody else take a look at
22 it.

23 COMMISSIONER MCHUGH: I would like to
24 make a motion then, Mr. Chairman, that subject to the

1 corrections we discussed on pages 63 and 45 or 45 and
2 63 that the Commission approve the draft -- and
3 subject to technical corrections for such things as
4 capitalization, internal citation consistency and
5 other mechanical features that the Commission
6 approve this draft of regulations as a draft that it
7 submits to the Secretary of State for the purpose of
8 public comment and continuation with the regulation
9 promulgation process.

10 COMMISSIONER CAMERON: I second that
11 motion.

12 CHAIRMAN CROSBY: Any further
13 discussion? All in favor, aye.

14 COMMISSIONER ZUNIGA: Aye.

15 COMMISSIONER MCHUGH: Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 CHAIRMAN CROSBY: The motion carries
19 unanimously. Great.

20 COMMISSIONER CAMERON: Great work.

21 MR. CARROLL: I would like to also say
22 that Commissioner McHugh was tremendous at keeping
23 us at bay and settling arguments. Thank you.

24 COMMISSIONER MCHUGH: Great team,

1 great team, really a great team.

2 CHAIRMAN CROSBY: Good job. Thanks a
3 lot. We can go back to the regular agenda. We are
4 on item three administration, the Executive Director
5 search process. I guess that is Commissioner
6 Stebbins.

7 COMMISSIONER STEBBINS: Sure. Just a
8 couple of quick updates. As we've talked about in
9 previous meetings, JuriStaff developed an original
10 list of about 45 to 50 contacts to people to begin
11 to initiate communications with, people who might be
12 prospective candidates, people who might be able to
13 lead us to identify prospective candidates. They
14 have begun to make those calls.

15 I would say they have close to about 10
16 of those calls that have resulted in somebody who is
17 interested in applying or somebody who is interested
18 in learning more.

19 So, two subsequent pieces to that,
20 first of all, as a result of one of our previous
21 meetings we scrapped doing an ad placement in the
22 industry publications that we had talked about in
23 terms of spending more of our time and resources
24 focusing on an informational piece/marketing piece.

1 Something that would help us attract a candidate and
2 give them more information about this unique
3 opportunity.

4 Director Driscoll worked on that. I
5 think with some edits from both you, Mr. Chairman and
6 I. So, we do have a PowerPoint presentation, which
7 we will make available to JuriStaff to share with
8 prospective candidates.

9 The other piece of it today is to have
10 a further discussion about the two search scenarios,
11 search and more interview scenarios in selecting one
12 of those so that JuriStaff can begin to communicate
13 to prospective candidates what the process is going
14 to be and address the issues of confidentiality of
15 information that gets submitted.

16 CHAIRMAN CROSBY: I think you said
17 this, but I didn't catch it. Did you say there are
18 some number of available people already? Is there
19 a pool already of people?

20 COMMISSIONER STEBBINS: Again, they
21 took that initial list, began making calls. Gauged
22 people's interest, gauged people's willingness to be
23 considered. They had I think it was four or five that
24 were interested in applying for the position. There

1 was another three or four that were willing to talk
2 more and learn more about it, again, subsequent to
3 us providing them more information about the
4 responsibilities as well as what the clear scope of
5 the interview process is going to be. So, the
6 interest is out there, which is great.

7 CHAIRMAN CROSBY: Good. Do you want
8 to pick up on the process questions?

9 COMMISSIONER MCHUGH: In the packet,
10 Mr. Chairman, there are two scenarios. We looked at
11 a variance of this earlier. One is a process in which
12 a single Commissioner would be the screening
13 person. The second is one in which a subcommittee
14 would be the screening person.

15 Under the single process, under the
16 single screening -- single Commissioner's screening
17 person, all of the materials would be submitted by
18 the applicant to the Commissioner. The Commissioner
19 would review those, would interview the applicants,
20 would select a number of finalists, presumptively
21 three, but the number could vary. And then there
22 would be a public meeting between the Commission and
23 those three after there had been a background
24 investigation and drug screening and all of the other

1 things so that the people that came before us would
2 be people we could choose. And then the choice would
3 be made.

4 The materials submitted by those who
5 were not finalists would remain confidential as part
6 of a personnel file. And there would be no record
7 of the interchange between the single Commissioner
8 and those applicants, no necessary record, I should
9 say. The Commissioner may have notes, but there
10 would be no other record to be disclosed of the
11 interchange between the Commissioner and the
12 applicant that took place during the screening
13 process.

14 The interviews between the finalists
15 and the Commission would be public. The materials
16 discussed at that interview with the Commission would
17 not be necessarily -- would not be disclosed except
18 for the resume of the individual. The other
19 components of the application would not be disclosed.
20 And the resume of the person who was ultimately
21 selected would be part of the public record perhaps
22 and other documents would, but that would be after
23 the person was hired. That would be basically the
24 scenario with a single person.

1 The process with a group of two
2 Commissioners would be one that required the
3 existence -- They would be a subcommittee.
4 Therefore they would be subject to the provisions of
5 the Open Meeting law. They would meet, post a
6 meeting for their interview with the applicant. The
7 meeting would be held in executive session.

8 The meeting would require the creation
9 of minutes of the interchange and discussion between
10 the Commissioners and the applicant. The same rules
11 would apply to the documents submitted by the
12 applicant, i.e., those documents would be
13 confidential and not disclosed. They would be part
14 of the meeting record to the extent that they were
15 used at the meeting between the Commissioners and the
16 applicant.

17 The process would result in three
18 presumptively candidates who would be publicly
19 interviewed and the rest of the process would be the
20 same as with the single Commissioner.

21 After the applicant had been hired, the
22 reason, in the view of the Attorney General, for the
23 confidentiality of the process -- the subcommittee
24 process ends and the minutes would then become a

1 public record. But the identities of the applicants
2 and all of the discussion items during the course of
3 the interview that serve to identify the applicant
4 could be redacted -- would be redacted.

5 The documents submitted during the
6 course of the interview would remain confidential
7 just as they would with the single Commissioner and
8 not available for public view. And the only
9 documents that would be released would be the
10 documents, the resume of the person who was
11 ultimately selected.

12 So, the subcommittee process would
13 result in a greater procedural rigor, would result
14 in creation of minutes that the individual process
15 would not. Would require disclosure of those
16 minutes, once the final hire had been made. There
17 would be no minutes to disclose from the single
18 Commissioner process. The minutes disclosed at the
19 end of the process would have all identifiers
20 redacted and the documents would be -- submitted by
21 the applicant would be treated equally in both
22 approaches to the process.

23 Commissioner Zuniga and I had the
24 benefit -- I mean Commissioner Stebbins and I had the

1 benefit of talking with the Attorney General
2 representatives who were very helpful to us and who
3 have helped us understand that the process I just
4 outlined for you is a process to which they subscribe.
5 Correct me, Commissioner, if I am wrong or misstated
6 anything there.

7 COMMISSIONER STEBBINS: No.

8 COMMISSIONER MCHUGH: We've tried to
9 detail, the two of us have worked together on this
10 memorandum and I've tried to detail in the memorandum
11 and have detailed in the memorandum the advice about
12 the way this works as well as our own reading of the
13 statute.

14 That's the difference basically,
15 between the two processes. If I could editorialize,
16 the difference is that the subcommittee process
17 requires a greater attention to detail than the
18 individual process requires, but in my view comes out
19 in the same place in terms of confidentiality of the
20 identities of the unsuccessful applicants or the
21 non-finalist applicants. That's for me the
22 summation of the two. It is more cumbersome but it
23 gets to the same destination.

24 CHAIRMAN CROSBY: Does JuriStaff,

1 have they reacted to this? Do they have a
2 preference?

3 COMMISSIONER STEBBINS: Their
4 response to this, I shared a preliminary draft to give
5 them an idea again of how we were trying to clarify
6 what the confidentiality levels were. I think their
7 interest lies for in let's pick a scenario so again
8 we go ahead and talk to potential candidates, they
9 have an idea of how the process proceeds.

10 CHAIRMAN CROSBY: They don't care or
11 think it has an impact on the pool?

12 COMMISSIONER STEBBINS: I think the
13 level of confidentiality as Commissioner McHugh
14 said, it's addressed equally on both sides. I think
15 that was their big issue. And the question they
16 expected to get from candidates what is the level of
17 confidentiality in case I am not the finalist or as
18 I go through the process.

19 COMMISSIONER CAMERON: Although, I do
20 think that minutes are taken, which means a
21 stenographer changes the dynamic of an interview.

22 COMMISSIONER MCHUGH: It doesn't
23 necessarily mean a stenographer. We don't have to
24 have a transcript. We could have a transcript if we

1 wanted. Minutes are the things that we approve
2 each --

3 COMMISSIONER CAMERON: Agreed, there
4 would be someone in the room.

5 COMMISSIONER MCHUGH: It could well be
6 one of the interviewers, but you are right. Somebody
7 would have to take notes that would fairly represent
8 the discussion that took place at the interview.

9 COMMISSIONER CAMERON: Which I think
10 changes the dynamic of the interview. For one thing,
11 it would slow it down. I just see it changing the
12 dynamics of the interview itself.

13 And also when we talk about
14 confidentiality, we do have the issue of it's open
15 to the public. People know and seeing someone enter
16 or leave, if someone wanted to go to that level of
17 identification, it would certainly -- it would be
18 easy to do, if someone chose to go to that level of
19 scrutiny about this process.

20 COMMISSIONER MCHUGH: It depends on
21 where the setting is. I think there are other people
22 in town who have done this and who have hints,
23 suggestions as to how to do that piece of it, but you
24 are right, Commissioner. It is more cumbersome.

1 There is no question the second route is more
2 cumbersome and harder.

3 CHAIRMAN CROSBY: It seems to me
4 that's a fact. And I think less desirable too from
5 the standpoint of the candidates. The question I
6 think is are we comfortable delegating this process
7 to one of the five of us? If we are, then clearly
8 that is a better process.

9 COMMISSIONER CAMERON: The ability
10 for that one Commissioner to work with someone
11 outside the Commission for assistance with an
12 interview process. For example, someone from
13 another State agency who may volunteer to assist us
14 with an interview process maybe a way to assist that
15 one Commissioner in bouncing off ideas, judgments
16 about a candidate.

17 COMMISSIONER MCHUGH: That is a
18 subcommittee --

19 CHAIRMAN CROSBY: If we --

20 COMMISSIONER MCHUGH: If we pick
21 another person.

22 COMMISSIONER CAMERON: Outside the
23 Commission?

24 COMMISSIONER MCHUGH: -- who has a

1 role. Let me just put it in context a second. We
2 presented the first scenario as one in which the
3 single Commissioner would consult either with
4 another Commissioner who did not have authority to
5 make a decision, i.e. for assistance in the
6 interview, give me your reaction to this or with
7 another person outside the Commission for the same
8 purpose, didn't have authority, consulting. And the
9 response we got was that that ran very close to and
10 ran the risk of turning the process into a
11 subcommittee process. There is precedent for that.
12 There are situations in which that has been done and
13 they have found that the subcommittee was created and
14 required revelation of all of the materials. That
15 process is not risk-free.

16 CHAIRMAN CROSBY: Is that something we
17 can get and the A.G. --

18 COMMISSIONER MCHUGH: They have.

19 CHAIRMAN CROSBY: They have told you
20 that it is a subcommittee?

21 COMMISSIONER MCHUGH: They have told
22 us that that is risking a subcommittee. It is fact
23 specific, Mr. Chairman. They look on the
24 enforcement and they look at this from what actually

1 happened. And recreate what actually happened, if
2 somebody raises the issue, and then make a judgment
3 as to whether what happened was the creation of a
4 subcommittee.

5 CHAIRMAN CROSBY: What is the
6 variable?

7 COMMISSIONER MCHUGH: How much
8 consultation and power and the actual dynamic. And
9 did the person really have an ongoing role in
10 influencing the outcome of the decision? Were they
11 purely advisory? With a heavy weight toward finding
12 that if two people are doing it there is collaboration
13 and it's a joint decision.

14 COMMISSIONER CAMERON: Certainly,
15 working with our search firm who will be doing some
16 initial screening for us is advisory?

17 COMMISSIONER MCHUGH: Right, no
18 question about that.

19 COMMISSIONER CAMERON: I am very
20 comfortable with one Commissioner moving forward
21 with this process. Being able to screen resumes in
22 conjunction with JuriStaff and getting to the bottom
23 line, which would be the top folks.

24 COMMISSIONER ZUNIGA: I have a

1 question/suggestion as we are contemplating this
2 issue. Could this Commission or the subcommittee or
3 the one Commissioner come up with an application form
4 of sorts with five or 10 essay type questions to be
5 submitted by all of the applicants, either the
6 finalists or everybody that could later in the time
7 of the decision or prior to the time of the decision
8 by the Commission be reviewed as a way to facilitate
9 questions at that time or facilitate the process? In
10 other words, the involvement of everybody, which
11 would also be a part of the record one that applicants
12 would be responding in writing, again, as a way to
13 facilitate the input of the rest of the
14 Commissioners.

15 COMMISSIONER CAMERON: That wouldn't
16 happen until the last two or three candidates?

17 COMMISSIONER ZUNIGA: I am raising
18 the question as to whether it could happen for the
19 finalists maybe or larger pool.

20 COMMISSIONER CAMERON: When you say
21 part of the record?

22 COMMISSIONER ZUNIGA: Part of the
23 public records that we have to maintain. Or would
24 those be exempt from the personal records in the

1 process that you were describing, Commissioner
2 McHugh, relative to the application material?

3 COMMISSIONER MCHUGH: If they are part
4 of the application package, they would come under the
5 personnel-- insofar as a public record is concerned,
6 they would come under the personnel files exception
7 to the public records statute. If we all considered
8 them at a meeting they would become or we would risk
9 having them become part of the record of the meeting.
10 And they would become part of the record of the
11 meeting at least that would be a risk.

12 COMMISSIONER CAMERON: As with we have
13 done with many of our other hires, I reiterate that
14 I am comfortable with one Commissioner moving the
15 process forward.

16 MS. REILLY: Excuse me. Jim Larosa
17 just sent an email and asked if he could call in. He
18 has some comments from JuriStaff. Do you want me to
19 try and get him?

20 CHAIRMAN CROSBY: Sure.

21 COMMISSIONER MCHUGH: I would say
22 this, I would much prefer to have in an ideal world
23 a single person do this. And I don't shrink from the
24 notion that this second area, a subcommittee area is

1 much more rigorous and onerous, much more -- is more
2 rigorous and onerous than the single one.

3 On the other hand, three thoughts.
4 This is the most important hire we are going to make.
5 It is going to be closely watched and closely
6 scrutinized by everybody. And it seems to me that
7 our commitment to transparency is enhanced by
8 following the subcommittee route just as a general
9 principle.

10 Secondly, I think it is unfair to put
11 a single Commissioner in the position of being the
12 screener for this particular hire. I think the
13 chances that something will go wrong are not
14 nonexistent. I think the chances for
15 second-guessing are significant. I think the lack
16 of transparency and the potential for rumors
17 attending what choices, judgments and decisions that
18 were made in the selection of the finalists is
19 abundant. And I think it is unfair to saddle a single
20 person with that task.

21 And I think is not good for the
22 Commission to have that kind of speculation swirl
23 around a single person no matter who that person is.
24 And I think it will.

1 Thirdly, I think it is important
2 because of the close working relationship between the
3 Chair and Executive Director and the relationship
4 between the Chair and the Executive Director and head
5 of the Bureau for the Chair to have a role in selecting
6 the finalists for whom all of the Commissioners --
7 whom all of the Commissioners are going to consider.
8 And I think it is important for another member of the
9 Commission to be involved in that selection process
10 as well.

11 So, I think that a subcommittee in
12 which the Chair was a participant would be the ideal
13 formulation from that standpoint moving forward.

14 I close as I began, I think that is a
15 more onerous, more difficult way of proceeding. I
16 don't shrink from that. But I do think in the
17 environment in which we find ourselves and given our
18 brief history as a Commission and the track that we
19 are on now, we ought to stay on a track that leads
20 to greatest transparency and the fewest
21 opportunities for a mischief and second-guessing.
22 And I think that the subcommittee route is that route.

23 COMMISSIONER CAMERON: I think we will
24 be judged on the quality of the person we hire.

1 Obviously, we are going to put a process together.
2 We have hired a search firm to assist us with the
3 process. I think we all are very capable of
4 screening.

5 I think the quality of the applicants
6 will basically screen themselves. It's a small
7 world. All will not be equally qualified. Again,
8 I am comfortable with trusting one of us to handle
9 those initial phases. I actually think we are making
10 this bigger than it has to be.

11 COMMISSIONER ZUNIGA: I would agree
12 with Commissioner Cameron. I think the goals of
13 transparency are met with the notion of a set of
14 finalists that will come to a public meeting and would
15 balance with the fact that we want to and we need to
16 move forward with this very critical hire.

17 CHAIRMAN CROSBY: I sort of have a
18 middle view, but it gets me to Commissioner Cameron's
19 position. I clearly agree with the principles that
20 are important here. And I feel sensitive as the
21 Chair about delegating away a material piece of this
22 responsibility. I feel sensitive to that issue.

23 But it does seem to me that two things.
24 First of all, it does seem to me it is pretty unlikely

1 that there won't be a pretty clear top field. It may
2 not be three, maybe it's two, maybe it's five, but
3 it is pretty clear there will be a top field. There
4 will be a whittling process, which won't be all that
5 difficult probably.

6 Secondly, I think we could say that the
7 assumption or presumption is that we are going to do
8 the single Commissioner process, but if the
9 Commissioner feels like this isn't working, it's not
10 as clear, there are either very different kinds of
11 people, he can't make the decisions, we can always
12 change this. We can always switch to a subcommittee
13 model if need be.

14 So, I think I would be inclined to start
15 out and get us through. The early part is just going
16 to whistle through resumes and try to pare it down
17 where the rubber really meets the road and then trust
18 in the designated Commissioner to tell us if
19 Commissioner McHugh's judgments are coming to be
20 particularly relevant.

21 COMMISSIONER ZUNIGA: I want to make
22 it clear that none of what I said is based on lack
23 of trust. I hope that was clear.

24 CHAIRMAN CROSBY: Yes. I understand

1 that. What is your --

2 COMMISSIONER STEBBINS: My big issue
3 was the issue that AG's office helped us address,
4 which I think gets to the heart of making sure we can
5 draw the best field of candidates and that was
6 answering the question of the confidentiality.

7 I have been involved in the search for
8 a community college president where certainly I can't
9 recall whether we used a subcommittee, but certainly
10 when it came down to the final field of candidates,
11 it was a decision made collectively by the whole
12 group. There wasn't any question of maybe we didn't
13 see enough people.

14 The AG's office said we have got to
15 interview at least two. We hope we get more than that
16 and have a little bit wider group of people to
17 consider. Certainly, coming up with the same set of
18 questions that everybody gets to ask, same set of
19 questions that everybody asks in a formal process,
20 I think we will find enough from that group that is
21 out there.

22 Our preference has been to find
23 somebody with gaming experience. We are not talking
24 about a big number of people. I would like to think

1 it is a pretty quick process for us to get through
2 to find candidates for the whole Commission to
3 consider.

4 With that said I don't see a detraction
5 from scenario one. I echo the Judge's comments about
6 scenario two. And do we get encumbered worrying
7 about a process so much as winding up with somebody
8 who we would want to have serve as our first Executive
9 Director.

10 CHAIRMAN CROSBY: So, the
11 bottom-of-the-line was what?

12 COMMISSIONER STEBBINS: The final
13 decision is being left up to the five of us. Scenario
14 one is --

15 CHAIRMAN CROSBY: We'll get you off
16 the hook for a second and listen to Jim?

17 COMMISSIONER STEBBINS: No, no, no,
18 come back.

19 CHAIRMAN CROSBY: Are you there?

20 MR. LAROSA: I'm here. Is it
21 possible, can you guys just call me right back on my
22 cell phone, because when I am on this line, it cuts
23 out the feed to the audio that I'm hearing.

24 CHAIRMAN CROSBY: We have Jim Larosa

1 from JuriStaff who has called in. I guess you were
2 watching us on the Web. And you wanted to make some
3 comments about this issue we are discussing.

4 MR. LAROSA: Yes, thank you Chairman
5 and Commission for taking me. First of all, I love
6 this Web technology to watch the meeting.

7 Just a couple of points that I wanted
8 to I guess address, first, just in terms of the search
9 itself. In terms of as Commissioner Stebbins was
10 saying the search so far I think has been fairly
11 successful. We have reached out to a number of
12 candidates with the requisite experience.

13 We have at least four people at this
14 point that have expressed interest of being
15 identified to the Commission or to the Commissioner
16 to whatever the search process is as soon as they hear
17 what it is. In terms of that, we have got at least
18 three others that have expressed a strong interest.

19 In terms of which route to go,
20 understanding Commissioner McHugh's concerns about
21 making sure that there is transparency, at the end
22 of the day I think ultimately you want to get the best
23 candidate available. My concern with the option of
24 the committee is that the mere fact of having to post

1 that there is a meeting would scare some of the
2 candidates off. And maybe scare is not the right
3 word to use, but there may be certain candidates that
4 may pull themselves out of running because of that
5 process.

6 My concern is that you may lose some of
7 the candidates. Some of the better candidates are
8 apparently working sitting as an E.D. at another
9 gaming commission. I think they would be very
10 concerned about having their name revealed or somehow
11 of getting out.

12 It seems like there is less chance of
13 that with scenario one. Again, it is up to the
14 Commission to decide, but obviously I think my
15 position and Jennifer's position would be there is
16 less likelihood of losing potential candidates with
17 the one Commissioner scenario.

18 COMMISSIONER CAMERON: Thank you,
19 Jim.

20 CHAIRMAN CROSBY: Okay. Let's leave
21 you on, Jim, as long as we are talking about this.
22 Do you want to finish?

23 COMMISSIONER STEBBINS: Again, I
24 think going with scenario one would get to the goal

1 of getting good candidates in front of the rest of
2 the Commission without again some of the encumbrances
3 and potential hurdles of the second scenario.

4 It's easy to -- It's nice to have a
5 colleague there at the table to kind of bounce some
6 ideas back and forth off in interviewing a
7 candidate. But at the end of the day, all five of
8 us will have the same chance to ask the same questions
9 and get the same people.

10 CHAIRMAN CROSBY: As I said from my
11 standpoint, we would trust whoever this designated
12 person is to change this process if we need to. If
13 we feel like something for some reason that there
14 needs to be more people involved that the designated
15 and the search firm cannot comfortably tee up, don't
16 feel comfortable teeing up finalists, then I would
17 expect the person would say something. We can always
18 change this if we need to.

19 So, I think it sounds like -- Do we need
20 a vote on this? I don't think we do, do we? Should
21 we have a vote on this?

22 COMMISSIONER CAMERON: Consensus.

23 COMMISSIONER MCHUGH: I am not joining
24 the consensus, but I understand.

1 COMMISSIONER CAMERON: Well, we have a
2 majority.

3 COMMISSIONER MCHUGH: You have a solid
4 majority.

5 CHAIRMAN CROSBY: So, we can just go
6 ahead. We are going to go ahead, Jim. I guess there
7 is another question. I guess the answer is inherent
8 in what we are deciding here.

9 We have got Commissioner Stebbins
10 being the point person and I think we all have
11 confidence in him as a good person to do this, the
12 right kind of perspective and temperament and
13 experience and so forth. If what we are saying is
14 right that the real meat of the work will be in the
15 finalists that we will be involved in it than not
16 having the Chair involved in that I think is okay.

17 Does anybody disagree with that? Do
18 you feel it ought to be anybody besides -- Should it
19 be the Chair or is it okay to go with Bruce?

20 COMMISSIONER CAMERON: If you are
21 comfortable, Mr. Chair, I actually had the
22 opportunity to watch Commissioner Stebbins interview
23 and his skills are exceptional. I have interviewed
24 so many people, but I was incurably impressed with

1 the interview skills. I know I am very comfortable.

2 CHAIRMAN CROSBY: I'm not a very good
3 interviewer. I think there is a little bit of a point
4 to what Commissioner McHugh said worth talking about.
5 I am comfortable with going with this.

6 COMMISSIONER MCHUGH: Without
7 surrendering my philosophical disagreement, I think
8 Commissioner Stebbins would be, if we are going to
9 go that route, an ideal person. And I
10 enthusiastically join in his carrying forward the
11 task.

12 CHAIRMAN CROSBY: I think we have got
13 a process. Jim Larosa, thank you for calling in.
14 You will continue to move down this road as quickly
15 as you can. Everybody is waiting anxiously and you
16 and Commissioner Stebbins will go to work. Thank
17 you, Jim.

18 On additional hires, two of them get
19 mentioned below, the ombudsman and the Racing
20 Division Director head. Just for the public to know,
21 we are working also on a staff attorney. Now there
22 is a search under way. I think we came to the
23 conclusion that we are ready to start the search for
24 a general counsel.

1 We haven't actually formalized that
2 yet, but I think Commissioner McHugh feels that
3 that's what we are ready. I think from the list that
4 we got from Spectrum, from the consultants about key
5 hires that I think we are well on our way. We need
6 to get moving on the Deputy Director for IEB. For
7 the public to know, we have got five senior hires that
8 we are going on after right now.

9 COMMISSIONER MCHUGH: Could I just ask
10 about the endgame of the search? We had talked at
11 one point about starting an outreach for these
12 various key hire positions to have these people in
13 place so that the Executive Director when he or she
14 is hired would have a say in who ultimately got the
15 job. Is that still the course that we are on? Or
16 is the thought that we would go ahead and as quickly
17 as possible hire somebody even if it meant that that
18 person was in place when the Executive Director came
19 onboard?

20 CHAIRMAN CROSBY: My view is it
21 depends. If we feel we need the GC and just can't
22 wait anymore, then I think we have to go ahead and
23 hire a General Counsel, like we felt we couldn't wait
24 on the Director of Communications, same with the

1 Deputy Director of IEB. Probably the director
2 search is a hit and probably things will work out
3 well. The Director will be involved just because of
4 the way the schedules work. But if it didn't work
5 out that way and we felt under the gun, I think we
6 would just have to go ahead and hire.

7 COMMISSIONER MCHUGH: I am perfectly
8 comfortable with that. I just wanted to have a sense
9 of what the collective thinking was.

10 COMMISSIONER CAMERON: I think
11 preferably the Executive Director who would have
12 gaming experience hopefully and would have better
13 insight into what these key hires, what those skill
14 sets have to be is preferable. But I understand that
15 depending on how long this takes, it may or may not
16 be possible. Certainly, I think that is preferable.

17 CHAIRMAN CROSBY: I totally agree with
18 that, but I think the schedule -- by the time we get
19 the GC and the Deputy Director in the pipeline, there
20 is a pretty good chance that the schedules will work
21 out. If we are okay, we will just wait and make sure
22 unless we feel we have to make a decision.

23 COMMISSIONER MCHUGH: I was really
24 thinking of a situation in which we see an amazing

1 person who is available if we get them in the next
2 month.

3 COMMISSIONER CAMERON: I think racing
4 may be different because it is so different from
5 gaming.

6 COMMISSIONER MCHUGH: So, let's get
7 rid of racing. General Counsel who is only going to
8 be available and had got another offer but it's a
9 person we really like. That's the thing I was
10 thinking about.

11 CHAIRMAN CROSBY: I think we all agree
12 it is preferable to have the E.D. involved. If we
13 possibly can, we will, but if we can't we won't.

14 There is also a recommendation from
15 Spectrum that we have the supervisor of data
16 management come on pretty soon. That may be a
17 complicated enough one that we might want to think
18 about teeing that one up pretty soon too for the
19 pipeline purposes. Hopefully, again, that the E. D.
20 would be a part of that hire. But it sounds like it
21 could be kind of an early position.

22 COMMISSIONER STEBBINS: If we heard
23 our consultants talk about electronic information
24 coming in, this RFA-1 process, somebody with IT

1 experience to protect that data is going to be
2 critical at that stage.

3 COMMISSIONER MCHUGH: That for me
4 raises a question as to what this person is.
5 Director of Administration Glovsky may be able to
6 handle this piece of it.

7 We have been referring to this person
8 as a data manager and as IT Director. I think this
9 person is a chief information officer. I think we
10 need to either collectively or with some outside help
11 figure out what this person is going to be, because
12 of all of the positions of all of the organization
13 charts that one for me is the most ambiguous than the
14 one that we need to think through.

15 I for one see that person at a very high
16 level, a policy person with a great deal of
17 technological experience. Other places have that
18 person as a technician. I just think the world is
19 a world in which the person really is going to be key
20 person. So that is a place where we are in need of
21 a little --

22 COMMISSIONER CAMERON: I agree.

23 COMMISSIONER ZUNIGA: I know in the
24 near, near term are the deliverables of our

1 consultants. The table of organization is one that
2 is coming up next in the next week or two. We should
3 really tee up those discussions. I agree with
4 Commissioner McHugh. We may be in the need for a
5 strategic thinker with information technology
6 background, heavy information technology.

7 CHAIRMAN CROSBY: Okay. Good. I
8 agree with that. We are going to push the
9 consultants to get the table of organization chart
10 teed up as quickly as possible maybe next week if
11 possible.

12 Discussion of internal policies that
13 is the handbook, right?

14 COMMISSIONER ZUNIGA: Yes.

15 CHAIRMAN CROSBY: Are you planning on
16 going through this today?

17 COMMISSIONER ZUNIGA: No. I put it in
18 the agenda originally hoping to have a policy paper,
19 which I don't have ready just with everything that
20 was going on. I am shooting for next week to present
21 a set of policy questions relative to the employee
22 manual.

23 The big reason is that as the
24 regulations were coming to fruition and I saw the

1 draft, there are sections that deal in the
2 regulations that deal in great detail with sensitive
3 and confidential information that I feel we need to
4 just have the employee manual either reference or
5 summarize that I had originally drafted a little bit
6 in parallel. So, I need to make them jive.

7 CHAIRMAN CROSBY: Great. Project
8 management consultant, item 3D, just a quick status
9 report.

10 COMMISSIONER ZUNIGA: Yes. A quick
11 status. There was an initial meeting last week
12 between our consultants who were all here working on
13 regulations and PMA our scheduling consultant.
14 There was a good exchange, information requested,
15 some of it is forthcoming.

16 Also, the timeline section of the
17 strategic plan has slipped a little bit in the latest
18 schedule update from our consultants, but it is
19 projected for the second week in August. So at this
20 point, they are suggesting and we are thinking about
21 a meeting around August 22 for a really facilitated
22 session type meeting between the two sets of
23 consultants.

24 CHAIRMAN CROSBY: Where the project

1 management people are really working with the
2 consultants to figure out what is the critical path
3 of all of these things on their chart?

4 COMMISSIONER ZUNIGA: Yes.

5 CHAIRMAN CROSBY: I would like to get
6 together with these people to see what is going on
7 between now and then and talk about the non-work plan
8 topics and stuff too. So, maybe you and I can get
9 together with them sometime fairly soon.

10 COMMISSIONER ZUNIGA: Yes. There was
11 a good, I think, realization that there's a lot of
12 information that is currently residing in the
13 collective minds of everybody, not just the
14 consultants. Right now really our task is to start
15 putting it into paper.

16 There is a big, big timeline and a lot
17 of detail in the upfront, actually our current
18 schedule, but there is a lot of detail that needs to
19 start making its way to the Commission.

20 CHAIRMAN CROSBY: Let's do that.
21 Let's you and I follow up on that. Racing Division,
22 Commissioner?

23 COMMISSIONER CAMERON: Mr. Chair,
24 today we have a job description here for a Director

1 of Racing. I was helped by some individuals, some
2 subject matter experts in Saratoga at the new
3 commissioner training with some of the submitted
4 qualities and responsibilities that we would be
5 looking for here in this position.

6 I put this forth for your comments and
7 ideas. But I do think this is a position where we
8 could go ahead and post and feel confident we were
9 moving ahead and we wouldn't be in a situation where
10 our eventual Executive Director -- It's fairly new
11 that these two are -- If in fact what I learned in
12 Saratoga is accurate, we are the fourth state to fold
13 racing under gaming. But in those states, unlike
14 this state, they were two separate entities with two
15 Executive Directors and then one was folded under the
16 other.

17 Here we've had racing established in
18 the Commonwealth for quite some time, many, many
19 years and gaming is new. So, I thought and please
20 if you have a different idea, let me know. I thought
21 that a Director of Racing, which reported to the
22 Executive Director made sense because -- not that
23 that person wouldn't have authority over all
24 racing-related matters but the idea of sharing staff,

1 integrating staff, for example HR, some legal
2 responsibilities that could be held on both the
3 gaming and the racing side. I thought that that made
4 sense for the integration piece to have one direct
5 report with a Director of Racing.

6 Those were my thoughts. Still very as
7 you can see significant responsibilities but just as
8 far as the ability for us to be one Commission and
9 integrate as much as can be made a lot of sense to
10 me.

11 CHAIRMAN CROSBY: Makes sense to me.

12 COMMISSIONER CAMERON: That's the way
13 I wrote this job description. As our other job
14 descriptions, this person will have to walk on water,
15 but I think it is important to stress that we really
16 are looking for an individual that is very talented
17 and has management skills as well as subject matter
18 knowledge and interpersonal skills.

19 So, I am just putting this forth for
20 comment. And if approved, I would like be able to
21 post this. I believe I have the knowledge of all of
22 the proper areas in which to post this as well as our
23 State sites and would like to move forward with that
24 when appropriate.

1 COMMISSIONER ZUNIGA: I have a
2 question or a comment and a question. I think it is
3 critical that we have somebody come in at the racing
4 -- since we took over the racing operations. That's
5 very real. It's very immediate. From the last
6 consultant's report, there are things to be done and
7 implement that are very important.

8 My question, and it is really just one
9 to ponder a little bit, we may have to cross that
10 bridge when we get there is one of where later on as
11 this table of organization really evolves, as this
12 Commission starts overseeing casinos with or without
13 racing operations where does that position fit? But
14 we could essentially cross that bridge when we get
15 there.

16 COMMISSIONER CAMERON: As I see this
17 now, I see it as a director's position with all of
18 the racing employees underneath. Again, there would
19 be some shared employees due to the nature of the
20 Commission itself. As we have other directors, I see
21 this as director's position with significant
22 responsibilities.

23 COMMISSIONER MCHUGH: I see it the
24 same way. I think this is an excellent job

1 description. I have one suggestion and maybe it is
2 implicit in this. I think one of the qualities that
3 we are looking for is the ability to make and maintain
4 Massachusetts as an institution -- as a racing
5 institution that has the best practices and as of the
6 cutting-edge of innovation. And I would like to see
7 some mention of that explicitly in here.

8 COMMISSIONER CAMERON: I also like
9 that very much, Commissioner.

10 COMMISSIONER MCHUGH: I think it's
11 implicit, but that is really what we are looking for.

12 COMMISSIONER CAMERON: We could be
13 clear about stating that.

14 COMMISSIONER MCHUGH: Maybe as one of
15 the qualities, the ability to do that.

16 COMMISSIONER CAMERON: Preferred
17 abilities maybe, the ability to do that could be
18 added. That's a good suggestion.

19 COMMISSIONER MCHUGH: It's a great
20 description and I think we need this person ASAP.

21 CHAIRMAN CROSBY: I think we can
22 authorize you just to go ahead and finish making an
23 edit or two to that --

24 COMMISSIONER CAMERON: -- and move

1 ahead.

2 CHAIRMAN CROSBY: -- and move ahead,
3 yes.

4 COMMISSIONER CAMERON: Excellent,
5 thank you. Commissioner McHugh, I think you had an
6 issue?

7 COMMISSIONER MCHUGH: Do you want to
8 take up that issue, Commissioner, in the context of
9 this one?

10 COMMISSIONER CAMERON: I do, I do. Do
11 you want to talk about the authority piece?

12 CHAIRMAN CROSBY: Just one second, on
13 this search, we are effectively, I think, having the
14 same process, right? We are going to designate you
15 to bring some finalists to the table?

16 COMMISSIONER CAMERON: I think that
17 would be appropriate. Again, I think it is a small
18 world when we are looking for racing credentials.

19 CHAIRMAN CROSBY: Okay.

20 COMMISSIONER MCHUGH: I will break the
21 ice on this one then. We were going to discuss a
22 second a situation that is going to recur in
23 connection with Commissioner Cameron's
24 responsibilities as the fact finder in disciplinary

1 and other adjudicatory proceedings.

2 That is the situation which a contested
3 hearing goes forward, she makes a decision, reports
4 the decision to us and at the same time reports the
5 decision to the person who is the target of the
6 disciplinary proceeding, whatever it is. And that
7 person says, I don't want to go through the appellate
8 proceedings. I want to withdraw my appellate
9 rights, serve my suspension, pay my fine, whatever
10 it is and get on with things. Right now we don't have
11 a procedure that would allow her to do that.

12 When she acts as a single Commissioner,
13 she is merely a reporter to this Commission and the
14 decision is not final until we act. We therefore
15 have the power among other things to increase or
16 decrease the penalties that she assesses if she finds
17 against the person who is the target of the
18 disciplinary proceeding.

19 It seems to me that justice and
20 efficiency is served by allowing the person against
21 whom the Commissioner assesses a penalty to say I
22 accept, I am done and move on. Therefore, I would
23 recommend that we authorize her to do that. And I
24 have a motion designed to take that -- put that into

1 play if conceptually we agree that that would be a
2 good idea.

3 CHAIRMAN CROSBY: I think I would sort
4 of only amend it slightly to say that we are all
5 learning new stuff here. And that it would be
6 invited at any time to say wait a second, this isn't
7 working right. Let's rethink this or this isn't one
8 I want to act like that on. But as a way to start
9 out, that makes sense to me too.

10 COMMISSIONER MCHUGH: The resolution
11 wouldn't require her to do that but it would empower
12 her to do that if she wanted to do it.

13 CHAIRMAN CROSBY: Right.

14 COMMISSIONER MCHUGH: Conceptually
15 fine? Then I move that Commissioner Cameron, who
16 already has been delegated certain powers with
17 respect to racing, be delegated the power to accept
18 waivers of appellate rights in contested hearings and
19 that sanctions imposed as a result of those hearings
20 be binding on the Commission when she accepts those
21 waivers.

22 COMMISSIONER STEBBINS: Second.

23 CHAIRMAN CROSBY: Any further
24 discussion? All in favor, aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 CHAIRMAN CROSBY: All right, the
6 motion passes unanimously.

7 COMMISSIONER CAMERON: In
8 anticipation of this and of course we would have
9 waited the 30 days if the Commission did not agree
10 that this was an appropriate manner to proceed, we
11 do have one matter that I heard and agreed with the
12 stewards about the penalty for the violation.

13 This is a jockey Jacqueline Davis at
14 Suffolk Downs. She has asked to serve her three-day
15 suspension. And she has in writing waived her rights
16 to a hearing before the full Commission and would like
17 to go ahead and serve her suspension at this time.
18 So, in this matter we will go ahead. I have signed
19 this also. And we will move ahead with the method
20 I was just empowered to do, which is allowing this
21 jockey to move ahead with her suspension.

22 CHAIRMAN CROSBY: What was she
23 suspended for?

24 COMMISSIONER CAMERON: A violation of

1 taking the horse in too close, cutting another horse
2 off and the judges were unanimous in their decision
3 on the ruling there.

4 And there is a second matter here,
5 which is Judy Ray. And this was just simply a State
6 Police ejection in which she actually had some
7 issues, which she resolved immediately. The State
8 Police recommended we lift the ejection so that this
9 individual could go back to work.

10 And it's a similar case where rather
11 than wait the 30 days, she has asked to waive any
12 further rights to come before the full Commission.
13 And we'll handle this matter in the same way. We will
14 accept her request on both cases and those matters
15 are resolved at this time. That's all I have for
16 racing today, Mr. Chair.

17 CHAIRMAN CROSBY: Okay. Is Annie's
18 contract --

19 COMMISSIONER ZUNIGA: Not yet.

20 COMMISSIONER CAMERON: We are not
21 complete with that process yet.

22 CHAIRMAN CROSBY: Okay. We pretty
23 much did five. We just now talked about following
24 up on the organization chart. We are working on a

1 procurement for investigations.

2 COMMISSIONER ZUNIGA: Yes.

3 CHAIRMAN CROSBY: We are still talking
4 about --

5 COMMISSIONER ZUNIGA: We started
6 drafting the body of an RFR that would be a
7 solicitation, an open solicitation for
8 investigations.

9 CHAIRMAN CROSBY: To help with the
10 investigations.

11 COMMISSIONER ZUNIGA: Yes. Director
12 Glovsky is helping us draft that. Commissioner
13 Cameron is looking at the scope of work. And I am
14 looking at some of the documentation. So, we are in
15 the process for that.

16 CHAIRMAN CROSBY: Great. And we are
17 working with the consultant on extending their
18 contract to help us with RFA-2 as well.

19 COMMISSIONER ZUNIGA: Yes. I have an
20 update on that as part of the finance and budget
21 update. I could talk about that.

22 CHAIRMAN CROSBY: Okay. Technical
23 and other assistance to communities, the ombudsman
24 search, do you want to do a quick status report?

1 COMMISSIONER STEBBINS: Sure. We
2 received I would say a number of excellent resumes
3 that have come in to Chief of Staff Reilly and I. We
4 are kind of going through those. As I mentioned, we
5 had some offers of assistance from Jeff Simon. And
6 I believe I have another individual to help us do some
7 of the interviews, similar to how we conducted the
8 interviews for Director Driscoll. And then bring
9 those finalists back to the full Commission to
10 consider.

11 CHAIRMAN CROSBY: Good.

12 COMMISSIONER STEBBINS: Hopefully,
13 start interviewing next week.

14 CHAIRMAN CROSBY: The search period is
15 closed, right? And we've now got all of our
16 candidates. So, as soon as next week, good, starting
17 to interview.

18 COMMISSIONER STEBBINS: Yes.

19 CHAIRMAN CROSBY: So, within maybe a
20 couple of weeks we might be there.

21 Commissioner Zuniga, we talked. You
22 and I were designated to follow up a little bit on
23 the Wall Street consultant, investment banker idea,
24 if you want to give a quick status report.

1 COMMISSIONER ZUNIGA: Quick status,
2 yes. We have had informal -- not informal, an
3 information process of talks with a financial
4 advisory firm. And I expect that I might do that with
5 a couple of other firms in this aspect of just
6 requesting information.

7 The idea being that a financial advisor
8 could help this Commission in different capacities.
9 At an early stage as we have formulating regulations
10 or evaluating especially those on RFA Phase 2 and
11 understanding the financial -- the financing of the
12 proposals, which is a very important piece, the
13 revenue projections relative to timing, etc., we may
14 need somebody to help us figure out what needs to go
15 in regulations for us to be able to do that. Or
16 certainly analyze those assumptions and financing
17 structure once we get those proposals.

18 So, that is at a very high level. The
19 idea would be that we would have to like other
20 consultants conduct a solicitation. But this group
21 helped us frame, with their experience, helped us
22 frame how we should think about going forward.

23 They had also suggested that a
24 financial analyst or advisor could have a role in the

1 local process. One in which we are still debating
2 how much of a role this Commission will have. Or
3 maybe we have sort of settled that we will be on the
4 two ends. That the middle process is really up to
5 the host and the surrounding communities with the
6 process that our regulations are going to set
7 forward.

8 That's a third bucket, if you will.
9 We're hoping to get an understanding relative to
10 pricing because these type of services are also
11 significant.

12 CHAIRMAN CROSBY: Right. We are
13 paring back the places in which they might be
14 involved. You didn't mention that the idea maybe
15 this Wall Street trip is still on the table.

16 COMMISSIONER ZUNIGA: Yes, right.

17 CHAIRMAN CROSBY: We would want to use
18 their expertise to make sure we are prepped properly
19 and make sure we are talking to the right people.

20 And I certainly think they could
21 clearly help with that. I think as Commissioner
22 Zuniga says, they could help with some amount --
23 helping us with the oversight of the RFA-2 process,
24 but they could absolutely help us in the negotiations

1 with these folks, whoever the ultimate applicants
2 are, licensees are.

3 But the services are expensive as hell.
4 So, we will just have to think about it. We are going
5 to keep going down that road as quickly as we can to
6 try to tee it up.

7 COMMISSIONER ZUNIGA: Yes.

8 CHAIRMAN CROSBY: They're an
9 investment banking firm did work with Spectrum, one
10 of the consultants in Ohio and in New York on the
11 Aqueduct deal. So, there is a best practice models
12 of having investment banking skills in the mix when
13 we're negotiating these things.

14 COMMISSIONER MCHUGH: It would be
15 enormously helpful if we can afford it.

16 CHAIRMAN CROSBY: Yes, it would be.
17 Budget and finance.

18 COMMISSIONER ZUNIGA: I have
19 submitted -- I would like to start with what is
20 labeled 6A as part of the packets. This is a memo
21 that includes an attachment of the budget as I have
22 drafted it and obtained more intelligence from some
23 of the topics that we discussed relative to how we
24 want to approach, how we want to hire and when.

1 Although we are still technically in
2 the -- We are already in the fiscal year, I think it
3 is important for this Commission to approve a budget
4 for this fiscal year. I tried to lay out here the
5 highlights in this recommendation. The budget
6 amounts to \$7.4 million fiscal year '13 budget. The
7 Commission currently has or at the beginning of this
8 fiscal year had an available balance from its
9 appropriation of \$14.2 million. That is after all
10 expenses for the prior fiscal year were reflected.
11 And this budget would take us through June 30, 2013.

12 There were earlier questions I
13 remember from Commissioner Stebbins relative to the
14 revenue sources. At this point, we are not making
15 any assumptions relative to licensing fees for this
16 fiscal year. That is the timeline that we sort of
17 discussed. Any application fees will go to mitigate
18 or actually to be applied directly to the cost of
19 investigations, which I have also called out of this
20 7.4 figure as a below the line, if you will, number,
21 because that in and of itself is a number that we have
22 to think about separately. Because any incremental
23 costs would be assessed of the applicants just as we
24 were discussing earlier.

1 I can go through the highlights or ask
2 any questions if anybody has them.

3 COMMISSIONER CAMERON: I have one
4 question and I know I talked about this before, but
5 having had experience with IT systems, and we are
6 talking about a confidential system, I know how
7 expensive those are. And I know that we haven't
8 thought about costing something like that. And that
9 maybe something we have to invest in before June of
10 next year.

11 COMMISSIONER ZUNIGA: The assumptions
12 that I have made here for information systems are
13 purely on a public -- on a record management type
14 system, which is the immediate step that we've talked
15 about. But also start scoping out hopefully with the
16 help of an IT Director or CIO just what we may need.

17 I should have prefaced this that it is
18 of course -- my assumption has been that this is a
19 preliminary budget that we can come back and revise
20 at any time that I would be reporting on expenditures
21 against the budget periodically. And as new
22 commitments are necessary that we have either a
23 discussion of a budget amendment or an understanding
24 that as long as we are not going over the total budget,

1 we may be okay. The idea is that we will come back
2 and revise this from time to time.

3 CHAIRMAN CROSBY: Any other questions
4 about the budget?

5 COMMISSIONER ZUNIGA: I could
6 highlight a couple of things just broadly, the number
7 for salaries is projected because we don't have yet
8 but we will be hiring additional FTEs to be \$2.7
9 million, whereas consulting and outside services,
10 professional services is \$2.9 million.

11 In the big picture going forward, I
12 personally would like to see some of that trend
13 reverse a little bit as we are ramping up. And maybe
14 having to use less of our professional services
15 firms. But that would be the in fiscal year '14 or
16 '15. There is so much to do up front that there may
17 very well be --

18 CHAIRMAN CROSBY: There is going to be
19 this big deer going through the python when we do the
20 investigations.

21 COMMISSIONER ZUNIGA: Yes, that is not
22 even part of this. I have made some assumptions
23 about increasing space notably about 20,000 square
24 feet because we will need that. We will start paying

1 for that even before we fill it out.

2 So, even though we haven't run out of
3 space, I anticipate that we will need to start leasing
4 out some additional space as early as the beginning
5 of the next calendar year or at the end of this
6 calendar year.

7 COMMISSIONER MCHUGH: In regard to the
8 \$2.9 million, about \$800,000 of that, focusing on
9 your reversing them, about \$800,000 of that is for
10 work that has already been done --

11 COMMISSIONER ZUNIGA: That's correct.

12 COMMISSIONER MCHUGH: -- but not paid
13 for. So, that was for the contracts that we entered
14 before that we still owe money for for the gaming
15 consultants and the legal consultants. So, the
16 actual expenditure for next year's work or work to
17 be performed is less by that amount.

18 COMMISSIONER ZUNIGA: Right. I have
19 assumed and we have talked about this, we have the
20 ability and authority to extend the current contracts
21 that we have with our consultants and our lawyers as
22 per the original solicitations.

23 We'll get to that perhaps in the next
24 few weeks. I placed a number here as a placeholder

1 for outside counsel with a little bit less burn rate
2 than what we currently have assuming that we'll have
3 a staff lawyer at some point because we already are
4 hiring for that position. But also with our
5 consultants, we still need to figure out just how much
6 that number will be. So, this is still in a state
7 of flux.

8 CHAIRMAN CROSBY: Great. This is
9 really good to have.

10 I would just remind the public that we
11 are throwing some big numbers around, but none of
12 these is tax dollars. This money has been loaned to
13 us from the Rainy Day Fund and we will repay that loan
14 out of the licensing fees. And any other expenses
15 that we incur and money that we spend is money that
16 will be coming from the casino operators and casino
17 applicants, not the taxpayer. Okay. Anything else
18 on finance and budget?

19 COMMISSIONER ZUNIGA: Unless there's
20 other questions.

21 CHAIRMAN CROSBY: Public education
22 information.

23 COMMISSIONER ZUNIGA: I would ask for
24 a motion to approve the budget.

1 CHAIRMAN CROSBY: Why don't you frame
2 it?

3 COMMISSIONER ZUNIGA: Since I am the
4 one presenting it, I would like to ask for a motion
5 to accept and approve the budget as presented in this
6 memorandum of \$7,411,652 for fiscal year '13.

7 COMMISSIONER STEBBINS: Second.

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

10 COMMISSIONER ZUNIGA: Aye.

11 COMMISSIONER MCHUGH: Aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER STEBBINS: Aye.

14 CHAIRMAN CROSBY: It passes
15 unanimously.

16 COMMISSIONER ZUNIGA: Thank you.

17 CHAIRMAN CROSBY: Okay. Public
18 education information, community outreach responses
19 to requests. Nothing official, Commissioner
20 McHugh?

21 COMMISSIONER ZUNIGA: Mr. Chairman, I
22 have another finance --

23 CHAIRMAN CROSBY: Oh, I'm sorry. You
24 did have something else. You are right.

1 COMMISSIONER ZUNIGA: Sorry. These
2 are two extensions or two small contracts that I would
3 like to pose as a motion to approve.

4 The first one is executing a contract
5 for staff support and human resource support for the
6 search of a staff attorney for our current consultant
7 JuriStaff in which they will be essentially acting
8 as a screener of what is anticipated to be a large
9 volume of resumes. Their flat fee is anticipated at
10 \$15,000. Is there a motion or I can take them
11 separately, put them together?

12 CHAIRMAN CROSBY: Why don't you put
13 them together.

14 COMMISSIONER ZUNIGA: Second
15 recommendation would be to approve a contract with
16 Mr. Jack Derby of the Derby Management to contract
17 for services as a group trainer and facilitator for
18 facilitated sessions and quarterly follow-ups for
19 training of Commission and Commissioners. The
20 amount is anticipated not to exceed \$18,000.

21 COMMISSIONER MCHUGH: You moved, so I
22 second.

23 CHAIRMAN CROSBY: Any discussion?
24 All in favor, aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 CHAIRMAN CROSBY: It passes

6 unanimously.

7 COMMISSIONER ZUNIGA: Thank you.

8 CHAIRMAN CROSBY: Now community
9 outreach/responses to request for information.

10 COMMISSIONER MCHUGH: None.

11 CHAIRMAN CROSBY: Nothing formal.

12 COMMISSIONER STEBBINS: Do we want to
13 -- Commissioner McHugh mentioned the call we had with
14 the Town of Palmer.

15 COMMISSIONER MCHUGH: Surely.

16 COMMISSIONER STEBBINS: We had a --
17 Commissioner McHugh and I had a quick conversation
18 with the Town Manager of Palmer with respect to a
19 question that they had about inclusion of the fire
20 and water districts into what will eventually be a
21 host community agreement. And I think we shared with
22 them at that time that we would try to address that
23 in more of a policy format than necessarily a
24 regulatory response. It helped give them enough

1 direction to kind of keep moving ahead in the
2 direction they had planned to pursue.

3 COMMISSIONER MCHUGH: The issue just
4 succinctly is that there are fire and water districts
5 in Palmer as there are in other Western Massachusetts
6 towns that are separate governing bodies. They mine
7 the water and sell it to customers basically. They
8 have their own sort of political structure. And the
9 question is are they part of Palmer for the host
10 community provisions in our statute? Or are they
11 separate host communities of some kind with which a
12 developer has to negotiate and get some kind of
13 approval before they can bring the package to the
14 Commission for approval?

15 And our discussion with them with the
16 Town Manager is that basically the statute talks
17 about a host community in very specific terms but
18 doesn't include these districts. And that we would
19 as we move forward into the Phase 2 process in our
20 regulatory ramp-up, address these kinds of issues to
21 provide some guidance to everybody as to how ideally
22 that relationship should be put together in the
23 package with which we are presented. That's how we
24 would --

1 CHAIRMAN CROSBY: Is that something
2 that maybe we ought to draft up just very simply and
3 put on the website. We are trying to put out answers
4 -- any questions that we answer, we are trying to give
5 out to everybody.

6 COMMISSIONER MCHUGH: That is
7 certainly one that we can. There are a series of them
8 that are on the burner that need to be addressed.
9 This could well be one of them, and probably would
10 be a helpful one to do.

11 CHAIRMAN CROSBY: Get our ombudsman as
12 fast as we can.

13 COMMISSIONER MCHUGH: Right. This
14 falls directly under.

15 CHAIRMAN CROSBY: Okay. Director
16 Driscoll?

17 MS. DRISCOLL: Good afternoon
18 everyone. I will go quickly but basically I updated
19 presentation materials because we have a long number
20 of speaking engagements over the course of the next
21 couple of months. I'll get into that a little bit
22 further down. I also completed with helpful input
23 and suggested edits from others a presentation for
24 the Executive Director position for them to look at

1 and learn a little bit more about MGC.

2 I issued a speakers bureau
3 announcement, which included a press release, social
4 media placement as well as an email blast to a
5 targeted list of chambers. Since that time, we've
6 secured approximately three speaking engagements
7 with several pending. The list of engagements
8 include the Metro South Chamber of Commerce in
9 Brockton, the Winthrop Chamber of Commerce, the
10 North-Central Mass. Chamber of Commerce, the Dedham
11 Rotary Club, North Shore Chamber of Commerce. And
12 then in the process of working out the logistics of
13 the Neponset Valley Chamber of Commerce, the
14 Merrimack Valley Chamber of Commerce and then also
15 the Massachusetts Association of Chambers and the
16 Massachusetts Economic Development Council. So, we
17 have a long list of speaking engagements in the next
18 couple of months.

19 CHAIRMAN CROSBY: And I am going to
20 Senator Pacheco's business group tomorrow morning.

21 MS. DRISCOLL: And possibly the
22 construction management one at Wentworth as well.
23 So, we need to talk about that.

24 Then also I have been working on

1 promoting the Western, Mass. forum. We have gotten
2 50 plus media hits on mentions for that.
3 Commissioner Stebbins has done two television
4 interviews, morning shows.

5 COMMISSIONER MCHUGH: Great
6 television interviews.

7 MS. DRISCOLL: And then he has a
8 third one tomorrow morning at 5:45, if everybody is
9 up to watch that.

10 CHAIRMAN CROSBY: I was really hoping
11 to do that one.

12 COMMISSIONER STEBBINS: Bring a can of
13 Red Bull too.

14 MS. DRISCOLL: And then also I have
15 been issuing a number of releases and doing social
16 media placement, strategic social media placements
17 on job positions and just completed the ad for the
18 Lawyers Weekly, which will be in next week, the staff
19 attorney position.

20 Then in addition, I worked with
21 Director Glovsky. She was very helpful in helping
22 me to issue an official RFR. She had a desire to
23 formalize the process for the branding, logo and
24 website. I think that ultimately that is the best

1 way to go.

2 It shouldn't slow it down too much
3 because the way we had it written will be taking a
4 vote on deciding on a company on September 4. So,
5 people who have already put in proposals will just
6 have to tweak them slightly to reissue them to meet
7 the standards of the RFR, which will then give us a
8 more formalized scoring process.

9 The good news and bad news is there's
10 many talented companies out there. We got a lot of
11 great proposals. It was actually very difficult to
12 decide. So, we opted to put it in a more formal
13 process. Like I said, I don't think it will push us
14 back that far.

15 CHAIRMAN CROSBY: Okay. Questions?
16 I think we might get Director Glovsky up here next
17 week.

18 COMMISSIONER MCHUGH: If I could say
19 this standard presentation I think is really good.
20 Are there plans to put that up so that people can see
21 it on the website when they come in, the standard
22 PowerPoint that you did?

23 MS. DRISCOLL: Yes. I would like to
24 add a few more things to it. Then we will be ready

1 to post it soon.

2 CHAIRMAN CROSBY: You are not talking
3 about her weekly presentation. You are talking
4 about the --

5 MS. DRISCOLL: The general PowerPoint
6 presentation.

7 COMMISSIONER MCHUGH: No, the general
8 PowerPoint, from the very beginning I've been hoping
9 we could come up with something like that. It really
10 takes people through what this is all about in a very
11 user-friendly form. So, I look forward to having
12 that available for on our website.

13 MS. DRISCOLL: Sure. It's almost
14 done. So, I just want a little bit more input and
15 then we can absolutely post it.

16 CHAIRMAN CROSBY: Great. Good.
17 Thank you. Western Mass. tomorrow, final comments?

18 COMMISSIONER STEBBINS: Just a quick
19 update. We are all set to go. I want to express my
20 thanks to the folks at Western New England University
21 and their Institute for Legislative and Governmental
22 Policy and Senator Candaras for helping us get this
23 organized.

24 I think at last count we had 88 official

1 registrants. So, it makes it the biggest crowd that
2 we've had at one of these forums. The panelists are
3 excited. I think we have shared an agenda around
4 with you.

5 Community mitigation will be the
6 biggest topic. And we have a tourism panel. We have
7 a gentleman coming in from Indiana who runs a
8 Convention and Visitors Bureau out there that is both
9 managed a region that saw an introduction of gaming
10 as well now gaming competition coming at them from
11 across the state line. But he also had experience
12 doing visitor and tourism marketing in Atlantic City.

13 Then the last piece is the job
14 workforce and training component. As I was putting
15 some of the finishing touches on the job training and
16 workforce development piece, and we have talked a lot
17 about the permanent jobs that we hope will be created
18 when a casino is licensed, everybody from the back
19 office people, the finance, auditing, IT people to
20 the dealers and obviously the folks on the
21 hospitality side.

22 But I think at some point in one of our
23 future business meetings, I think we need to get a
24 viewpoint on the job scenario from the construction

1 trades as well. I know there are some folks out in
2 Western Mass. who are worried about the size of the
3 project and how that may impact the contractor that
4 gets chosen.

5 I've talked about this a little bit
6 with Commissioner Zuniga. I had a meeting with
7 Secretary Goldstein last week and she was going to
8 make some outreach on my behalf to begin to connect
9 with the trades people. Obviously, that's a similar
10 huge impact for these construction projects. And
11 obviously making sure that Massachusetts employment
12 is maximized I think is our priority. So, we will
13 get those folks together around the table at a future
14 meeting.

15 CHAIRMAN CROSBY: Great. Also we
16 will be announcing, as I mentioned, the fact that we
17 are ready to start taking application fees. We will
18 release a two-page form that applicants -- anyone who
19 wants to be an applicant can submit along with their
20 check of \$400,000 and be off to the races, so to speak.

21 We will be announcing, I guess, for the
22 time being I'll serve the functional role of
23 ombudsman as described in the protocol for working
24 with developers and with municipalities until we get

1 an ombudsman. And we are waiting longer to get that
2 going, so, I'll take the calls for the time being.

3 COMMISSIONER MCHUGH: Could I, in
4 connection with the form that we are going to use and
5 release tomorrow, move that we approve the form in
6 the form that it is in the packet, because our
7 regulations that we are about to put out do refer to
8 a form approved by the Commission.

9 CHAIRMAN CROSBY: Yes. Sorry, thank
10 you for remembering that.

11 COMMISSIONER MCHUGH: That's all
12 right. I think we need to do that.

13 CHAIRMAN CROSBY: That's good. It is
14 in the package. It does say by enclosed certified
15 check payable, did we do that on purpose that we
16 cannot do wire transfers?

17 COMMISSIONER MCHUGH: No, that's a
18 good catch. We should change that.

19 COMMISSIONER ZUNIGA: The regulations
20 do speak that it could be both check or electronic
21 transfer.

22 CHAIRMAN CROSBY: Subject to that one
23 edit, does anyone else have?

24 COMMISSIONER ZUNIGA: I do have one

1 comment on number one the company intends to apply
2 to the Commission for category one or two but the
3 region, in the case of category two, they don't need
4 to specify the region.

5 COMMISSIONER MCHUGH: Right.

6 COMMISSIONER ZUNIGA: So, they could
7 probably just leave that blank.

8 COMMISSIONER MCHUGH: Just leave that
9 blank. We could have two forms, I suppose.

10 COMMISSIONER ZUNIGA: Or we could have
11 category one in region blank, category two, check the
12 one that applies.

13 CHAIRMAN CROSBY: Do we need to know or
14 do we care at this point whether they are applying
15 for one or two? Do we need to know? Or do we care
16 about that - A. And B - Do we need to know or care
17 about what region they are applying for?

18 COMMISSIONER MCHUGH: It would be
19 helpful information for everybody it seems to me. Do
20 we need to know, I think the answer is no. In a purely
21 abstract sense, this is a qualifier divorced from a
22 site-specific plan. So, we don't need to know where
23 they want to go. On the other hand, this is the
24 beginning of a process and it seems to me it would

1 be helpful for everybody to know what their
2 intentions are.

3 COMMISSIONER ZUNIGA: I would be in
4 favor of not asking for the region or the license,
5 frankly, hoping that that would allow proponents --
6 if somebody is entertaining one region decides to
7 later change to another region that this process may
8 increase competition.

9 CHAIRMAN CROSBY: That is part of what
10 I was thinking too. I understand from scuttlebutt
11 that there are people that are nosing around that have
12 not identified their regions or their sites yet.

13 I am inclined to think that it would be
14 better not to get -- I would be very interested to
15 know, but I think it might be a little bit of a barrier
16 to people. Some people might not know yet region
17 which region. They might be thinking two regions,
18 if they lose the first one. I am inclined not to ask
19 that.

20 COMMISSIONER MCHUGH: The real reason
21 that we did this is as follows, and it ties into
22 paragraph five when you get a refund. This is a
23 nonrefundable deposit and yet, we have a refund
24 provision in paragraph five.

1 The refund is triggered by the
2 Commission's decision not to issue an RFA for a casino
3 in a particular region.

4 This was drafted with the thought in
5 mind that it may be that there are people in region
6 C who would like to, notwithstanding the current
7 status of the Tribal Gaming Compact, put in an
8 application to demonstrate their bona fides and to
9 go ahead and qualify in the event that sometime down
10 the road we do issue a RFA.

11 And if we decide not to issue an RFA,
12 the thinking was and we hadn't completed the
13 investigation and some of their money was left, they
14 ought to be entitled to a refund. That was the
15 primary reason for that thinking. That generated
16 the thought, not necessarily etched in stone, but
17 just to tell you where the thinking process was, that
18 it would be useful to tie these applications to a
19 regional process so that we could provide a mechanism
20 for refunding money in the event that we decided not
21 to issue. And still allow people who were in region
22 C particularly to come in with knowledge that if we
23 decide not to do anything they would get their money
24 back. There may be another way to handle that.

1 CHAIRMAN CROSBY: I think it's in the
2 regs. If you withdraw and there is any money left,
3 you can get it back, right?

4 COMMISSIONER MCHUGH: No.

5 CHAIRMAN CROSBY: It doesn't say that?

6 COMMISSIONER MCHUGH: No.

7 COMMISSIONER CAMERON: The other
8 reason I think it makes sense to have it in there is
9 another reason for taking these monies earlier is the
10 idea of working with state agencies. That is going
11 to be specific in what they need to work with. So,
12 I don't see the reason in not capturing the
13 information.

14 COMMISSIONER MCHUGH: Another way to
15 handle the concern about the region would be to add
16 a phrase at the end of paragraph one that says or some
17 other region. I intend to apply in region X or in
18 some other region, which would allow -- which would
19 mean that the applicant who paid us the \$400,000 was
20 not necessarily committed only to one place, or even
21 to give an either are.

22 CHAIRMAN CROSBY: I guess as I am
23 thinking about this, sort of what I think you were
24 saying, if you're not going to pay your -- the only

1 reason to pay the \$400,000 is so that you can start
2 negotiating with municipalities and the state
3 agencies.

4 COMMISSIONER MCHUGH: I'm not sure
5 that that is right, Mr. Chairman. It may be the main
6 reason. It may not be the only reason. It may not
7 be the only reason.

8 There is litigation going on now that
9 we know about. And there may be other litigation
10 then to demonstrate your bona fides to demonstrate
11 that you really are serious, various people may want
12 to step up and say I am going to be an applicant. I
13 don't know.

14 CHAIRMAN CROSBY: That's a reason not
15 to get the information because you are doing it sort
16 of for a political purpose. You don't even have a
17 community in mind.

18 COMMISSIONER MCHUGH: I am again
19 focused on region C. Region C, there are a lot of
20 different issues percolating around region C. And
21 it seems to me that somebody in region C might want
22 for reasons not involving immediate access to
23 developers -- I mean to permitting authorities to say
24 I'm an applicant and here is my bona fides.

1 COMMISSIONER ZUNIGA: We could
2 certainly leave option out as you kind of suggested
3 with your amendments at the end of the sentence, to
4 leave the option out to the respondent to fill out
5 the region or not. If they want to signal, begin
6 negotiations with a host community, etc.

7 COMMISSIONER MCHUGH: We could make it
8 a multiple-choice kind of thing. Put down your
9 region or don't put down your region. If you don't
10 put down a region, you sort of skate yourself out of
11 the refund provisions of paragraph five.

12 CHAIRMAN CROSBY: That's a good point.

13 COMMISSIONER MCHUGH: Your choice.

14 CHAIRMAN CROSBY: So, put after region
15 just add the word optional?

16 COMMISSIONER MCHUGH: The company
17 intends to -- Thinking out loud, intends to apply to
18 the Massachusetts Gaming Commission subparagraph one
19 for a category X license in region Y or B - for a
20 category X gaming license in an unspecified region.

21 CHAIRMAN CROSBY: Well, however you do
22 it.

23 COMMISSIONER MCHUGH: Something along
24 those lines.

1 CHAIRMAN CROSBY: I guess technically
2 you might want to say gaming licenses with an S in
3 parentheses because somebody might be applying for
4 both.

5 COMMISSIONER MCHUGH: Yes.

6 CHAIRMAN CROSBY: So, we have three
7 amendments, the electronic deposit, licenses and
8 some structure to put in an option on the region.
9 With that --

10 COMMISSIONER ZUNIGA: One small one,
11 number five where it says the company understands and
12 agrees that the Commission may as opposed to will
13 would be my suggestion. Do you see that?

14 COMMISSIONER MCHUGH: Yes, I see. I
15 guess the idea was are we going to commit ourselves.
16 This is sort of an upfront (INAUDIBLE), again, having
17 in mind region C. Are we going to commit ourselves
18 to refunding the balance if we don't issue a RFA for
19 region C? Or do we want to leave it vague? That's
20 a policy decision. May or will is a policy decision.
21 Are we going to commit ourselves to do it or are we
22 going to say maybe we do it.

23 COMMISSIONER ZUNIGA: As a practical
24 matter, I believe that if we start investigations

1 just the way these investigations are so detailed
2 that the \$350,000 will be depleted very soon. The
3 question really becomes if we begin investigations
4 and start spending money then maybe no refund but
5 rather an assessment to be asked of the applicant.

6 CHAIRMAN CROSBY: But that doesn't
7 solve the problem if there is money left.

8 COMMISSIONER ZUNIGA: Let me ask the
9 following question: If we receive somebody for
10 region C who wants to be investigated for suitability
11 and would rather do it as soon as possible but with
12 all of the things going on in region C this is not
13 something that we could move eventually for Phase 2,
14 at that point it would have been essentially
15 depleted, I think for all intents and purposes.

16 COMMISSIONER MCHUGH: And if there is
17 nothing there, we can't refund it.

18 COMMISSIONER ZUNIGA: That's right.

19 COMMISSIONER MCHUGH: The question is
20 if you there is money left and we decide not to issue
21 an RFA are we going to commit ourselves and tell the
22 person upfront we will give you the money back?

23 CHAIRMAN CROSBY: I don't see why not.
24 If we don't ever even issue the RFA and there is money

1 left, why shouldn't they get their money back?

2 COMMISSIONER MCHUGH: That's my view.

3 COMMISSIONER CAMERON: So, we made the
4 firm decision to go ahead and start an RFA-1
5 investigation knowing that the law doesn't allow for
6 a commercial license in region C?

7 CHAIRMAN CROSBY: I don't think we've
8 crossed that bridge yet. If you get an applicant,
9 we might at least set that aside in terms of
10 priorities so we can speed through the other things.

11 COMMISSIONER MCHUGH: I think we would
12 call the person up and say, look, we haven't made this
13 decision. Do you want us to go ahead and spend your
14 money investigating you?

15 CHAIRMAN CROSBY: We haven't decided
16 for sure.

17 COMMISSIONER CAMERON: It'll be the
18 person's choice?

19 CHAIRMAN CROSBY: I don't think we
20 know yet what we'll do. We just don't know yet for
21 sure. So, if everybody's okay with giving the money
22 back if we don't issue an RFA? There is also a timing
23 of how long to wait if the RFA could happen eight years
24 from now. It doesn't matter much.

1 COMMISSIONER MCHUGH: We may be in
2 effect legislating at the margin and probably are.

3 COMMISSIONER CAMERON: Yes. And a
4 suitability investigation now won't mean anything
5 many, many years from now.

6 COMMISSIONER MCHUGH: The alternative
7 is to say we are not going to take any applications
8 from region C.

9 COMMISSIONER CAMERON: Correct, that
10 is the alternative other than the other category
11 which can be anywhere in the State.

12 COMMISSIONER ZUNIGA: We can take them
13 but do not act on them.

14 COMMISSIONER MCHUGH: They can't
15 participate in this process That's the alternative.

16 CHAIRMAN CROSBY: This is turning into
17 something we haven't thought about yet, at least I
18 haven't thought about it. That region C situation
19 is so complicated, I'd have to -- I need to think about
20 this one.

21 I don't think we need to resolve -- I
22 don't think we need to determine whether or not we
23 are going to accept applications for region C right
24 at the moment.

1 We can either refund the money or not.
2 It doesn't make any difference, if people feel
3 strongly either way. I think to me, we ought to leave
4 it in there. It's a perfectly nice little thing to
5 have in there if we don't ever do one. If you
6 disagree, I don't care one way or the other.

7 COMMISSIONER MCHUGH: I would say we
8 leave it the way it is and cross that bridge when we
9 come to it and figure it out what we do at that point.

10 CHAIRMAN CROSBY: Who is in favor of
11 leaving it in the way it is?

12 COMMISSIONER ZUNIGA: The will?

13 CHAIRMAN CROSBY: Yes, will.

14 COMMISSIONER ZUNIGA: Yes, I am.

15 CHAIRMAN CROSBY: All right, so we
16 will leave it in, but you've got the other three
17 edits.

18 COMMISSIONER MCHUGH: Yes, right.

19 CHAIRMAN CROSBY: Don't bring up any
20 more wills or mays.

21 COMMISSIONER MCHUGH: It was a good
22 point.

23 CHAIRMAN CROSBY: Yes, it was. It is
24 a good point. The whole region C thing is we are

1 going to have to have our own meeting, I think, a
2 separate meeting. Do you want to have a motion?

3 COMMISSIONER MCHUGH: Please. So, I
4 move that the Commission accept with the three
5 corrections here for specified this certificate as
6 the certificate approved by the Commission for
7 purposes of accepting application deposits in
8 advance of promulgating RFA-1.

9 CHAIRMAN CROSBY: Second?

10 COMMISSIONER ZUNIGA: Second.

11 CHAIRMAN CROSBY: Any further
12 discussion? All in favor, aye.

13 COMMISSIONER ZUNIGA: Aye.

14 COMMISSIONER MCHUGH: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 CHAIRMAN CROSBY: It is unanimously
18 accepted. Just a couple of more things. I sent you
19 around notes from the meeting, the diversity
20 brainstorming session I had with a whole range of
21 people about diversity in employment and diversity
22 in vendor relationships. And you saw the comments
23 that came from there.

24 One of the suggestions -- I raised the

1 question, do you think it would be useful to have an
2 educational forum on these issues as we have on other
3 things? Would it be better just to brainstorm?
4 Would it be better to have a panel, whatever? There
5 was a consensus they thought it would be great to have
6 a forum.

7 Like anything else, these kinds of
8 issues can be done well and they can be done badly.
9 So, we got that proposal from the Governor's office
10 of Access and Opportunity to put on a forum. They
11 are proposing September 17. It doesn't have to be
12 that date but are you all comfortable with going
13 ahead? I think it would be a good thing to do.

14 So, I'll just go ahead and coordinate
15 this one and put it together with them sometime in
16 September. Okay.

17 COMMISSIONER ZUNIGA: That's fine.

18 CHAIRMAN CROSBY: We are going to not
19 talk yet about the industry conferences. It now
20 turns out there are three. There is the NCRG, the
21 National Council on Responsible Gaming Conference in
22 Las Vegas that starts the 30th, I think. Then there
23 is the big regulatory conference in Vegas, which
24 starts two days after that. Then there is the

1 Singapore regulatory international conference which
2 happens later in the month. For all of our planning
3 purposes, we do need to think about this. But we want
4 to gather a little more information before we talk
5 about that.

6 On the research, a couple of things.
7 In my absence, when I couldn't object, we decided that
8 we would to be on the safe side we would issue an RFI
9 to see who is interested and how they would go about
10 doing a research proposal. And if out of that comes
11 so many interesting expressions of interest and
12 suggestions of how to do it that we need an RFP, then
13 we will do that.

14 If not, if there is as we think there
15 may be very limited numbers of people that are
16 interested in doing this, the wherewithal to do it,
17 then we could just pick from that to do it.

18 Commissioner Zuniga is going to get me
19 the RFI draft quickly.

20 COMMISSIONER ZUNIGA: Yes.

21 CHAIRMAN CROSBY: And we will put it
22 out from two to four weeks. So, it is going to slow
23 us down a little bit. But in the meantime, people
24 that are interested in this are doing a lot of work

1 on it.

2 I did also meet with Marlene Wilson
3 From the Council on Compulsive Gambling. And she is
4 very interested in getting involved and is going to
5 start talking to some of the people that are
6 interested in this.

7 And I have communicated with Secretary
8 Bigby and Public Health Commissioner Auerbach that
9 I want to get together with them and talk about it
10 because she is the trustee of the public health trust
11 fund, which will be the source of the money to pay
12 for this project. And they will want to be involved.
13 I'm sure they will think it's great because it is a
14 really exciting idea. But they will want to be
15 involved in the design of it, so I am probably going
16 to meet with them in the next couple weeks.

17 Any other business? Do I have a motion
18 to adjourn?

19 COMMISSIONER MCHUGH: So moved.

20 COMMISSIONER CAMERON: Second.

21 CHAIRMAN CROSBY: All in favor, aye.

22 COMMISSIONER ZUNIGA: Aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER CAMERON: Aye.

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COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: Thank you all.

Thank you all very much.

(Meeting adjourned at 4:20 p.m.)

1 ATTACHMENTS:

2

3 Attachment 1, Agenda

4 Attachment 2, July 17, 2012 Meeting Minutes of

5 Massachusetts Gaming Commission

6 Attachment 3, July 17, 2012 Meeting Minutes of

7 Massachusetts Gaming Commission (Special Meeting)

8 Attachment 4, July 26, 2012 Meeting Minutes of

9 Massachusetts Gaming Commission

10 Attachment 5, Massachusetts Gaming Commission Possible

11 Executive Director Search Scenarios

12 Attachment 6, Position Description: Director of Racing

13 Attachment 7, Draft Phase 1 Regulations

14 Attachment 8, August 6, 2012 Memorandum regarding

15 Recommendation to Execution Certain Contracts

16 Attachment 9, August 3, 2012 Memorandum regarding

17 Recommendation to Approve Fiscal Year 2013 Budget

18 Attachment 10, Massachusetts Gaming Commission applicant

19 deposit certificate

20 Attachment 11, Sketch of Gaming Commission Diversity and

21 Inclusion Educational Forum

22

23

24

1 SPEAKERS:

2 Stephen Anderson, Anderson Kreiger

3 Robert Carroll, Michael & Carroll

4 Guy Michael, Michael & Carroll

5 Steven Ingis, Spectrum Gaming

6 James Larosa, JuriStaff (via telephone)

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8 Elaine Driscoll, Director Communication)

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1 C E R T I F I C A T E

2 I, Laurie J. Jordan, an Approved Court Reporter, do hereby
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4 transcript from the record of the proceedings.

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19 Court Reporter for Office Solutions Plus, LLC

20 My commission expires: May 11, 2018

21
22 //Elizabeth Tice// Date: August 8, 2012

23 Elizabeth Tice, President, Office Solutions Plus, LLC

24 My commission expires: August 26, 2016