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STATE OF NEW JERSEY

CASINO CONTROL COMMISSION

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PUBLIC MEETING NO. 11-08-08

- - - - -

Monday, August 8, 2011

Atlantic City Commission Offices

Joseph P. Lordi Public Meeting Room - First Floor

Tennessee Avenue and Boardwalk

Atlantic City, New Jersey 08401

10:39 a.m. to 11:12 a.m.

Certified Court Reporter: Darlene Sillitoe

- - - - -

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1 B E F O R E :

2 CASINO CONTROL COMMISSION:

LINDA M. KASSEKERT, CHAIR

3 EDWARD J. FANELLE, VICE CHAIR

SHARON ANNE HARRINGTON, COMMISSIONER

4

5 PRESENT FOR THE CASINO CONTROL COMMISSION:

DARYL W. NANCE, ADMINISTRATIVE ANALYST

6 DANIEL J. HENEGHAN, PUBLIC INFORMATION OFFICER

7 OFFICE OF THE GENERAL COUNSEL:

DIANNA W. FAUNTLEROY, GENERAL COUNSEL/EXECUTIVE

8 SECRETARY

SANDRA DeLIA, LEGAL SUPPORT SPECIALIST

9

DIVISION OF GAMING ENFORCEMENT:

10 GEORGE N. ROVER, ASSISTANT ATTORNEY GENERAL

DEPUTY ATTORNEYS GENERAL

11 JOHN E. ADAMS, JR., DEPUTY ATTORNEY GENERAL

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AGENDA		
PUBLIC MEETING NO. 11-08-08		
AUGUST 8, 2011, 10:39 a.m.		
ITEM	PAGE	VOTE
1 Ratification of the minutes of the July 13, 2011, public meeting	8	8
2 Applications for casino key employee Licenses and/or for qualifications		
I Initial casino key employee license:	9	9
a) Keith H. Bartling		
b) George W. Brannen		
c) Susan M. Brown		
d) Elizabeth A. Farr		
e) Michael J. Harty		
f) Joseph J. Herling		
g) Christine McGrath		
h) Tyisha E. Jones		
i) Jason A. Wynegar		
II Resubmitted casino key employee license:	10	11
a) Joseph C. Anselmo		
b) Keith B. Aversa		
c) Christopher S. Boras		
d) Terence Braun		
e) Michelle R. Coleman-Robinson		
f) Corey M. Collins		
g) Mary B. Cox		
h) Jose R. Crespo		
i) John Disidori		
j) Bonita L. Edwards		
k) Blas F. Galang		
l) Joann T. Giovinetti		
m) Dann B. Glenn		
n) Linda J. Guntner		
o) Theodore J. Herzchel		
p) Curtis H. Kugel		
q) Dennis Lamond		
r) Joseph T. Lodise		
s) Jerome B. Manuel		
t) Brian F. McHugh		
u) Divakar Nethagani		
v) Trevis E. Parker		
w) Tisha T. Roberts		
x) William F. Rowe		
y) Luz M. Santos		
z) Lilliam Troche		
aa) Laura M. Tyson		
bb) Daniel L. Walling		

cc) Travis W. Watson

1	AGENDA		
	PUBLIC MEETING NO. 11-08-08		
2	AUGUST 8, 2011, 10:39 a.m.		
	ITEM	PAGE	VOTE
3	dd) James Weatherford	10	11
	ee) Clare E. Wooton		
4	III Applications for casino key employee licenses and for qualification		
5	a) John D. Smith	11	12
	b) Mark J. Tricano		
6	3 Petition of Boardwalk Regency Corporation (d/b/a Caesars Atlantic City Casino) for the issuance of a temporary casino key employee license to Patricia Nyenmoh-Jarpa pursuant to NJSA 5:12-89(e) (PRN 2031102)	13	14
7			
8	4 Petition of Showboat Atlantic City Operating Company, LLC (d/b/a Showboat Casino Hotel) for the issuance of a temporary casino key employee license to John Diamond pursuant to NJSA 5:12-89(e)	14	15
9			
10	5 Petition of Tropicana Atlantic City Corp. (d/b/a Tropicana Casino and Resort) for the issuance of a temporary casino key employee license to Michael Rodriguez pursuant to NJSA 5:12-89(e) and to permit him pursuant to NJAC 19:43-2.7(c) to assume the duties and exercise the powers of Senior Vice President Finance and Chief Financial Officer without having been found qualified (PRN 2071101)	15	16
11			
12	6 Consideration of the qualification of Jinlong Wang to serve as a member of the board of directors of Caesars Entertainment Corporation	17	18
13			
14	7 Joint petition of MGM Resorts International, Boyd Gaming Corporation and Marina District Development Company for approval of an extension of the divestiture period under a stipulation of settlement and related relief (PRN 2301101-dge)	19	41
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1                   (Public Meeting 11-08-08 was commenced  
2                   at 10:39 a.m.)

3                   MR. NANCE: Good morning. I'd like to  
4                   read an opening statement:

5                   This is to advise the general public  
6                   that in compliance with Chapter 231 of the  
7                   public law of 1975 entitled the "Open Public  
8                   Meeting Act," the New Jersey Casino Control  
9                   Commission on July 21st, 2011, filed with the  
10                  Secretary of State at the State House in  
11                  Trenton an annual meeting schedule. On July  
12                  21, copies were mailed to subscribers.

13                  Members of the press will be permitted  
14                  to take photographs. We ask that this be done  
15                  in a manner which is not destructive or  
16                  distracting to the Commission.

17                  The use of cell phones in the public  
18                  meeting room is prohibited.

19                  Any member of the public who wishes to  
20                  address the Commission will be given the  
21                  opportunity to do so before the Commission  
22                  adjourns for the day.

23                  Please stand for the Pledge of  
24                  Allegiance.

(The flag salute was recited.)

ITEM NO. 1-2

1 CHAIR KASSEKERT: Good morning.

2 MR. NANCE: Good morning.

3 The matters discussed in closed session

4 were: Employee license matters.

5 The Commission approved the July 13th,

6 2011, closed-session minutes.

7 And litigation update regarding Edwards

8 versus Adamar of New Jersey, Inc., et al.

9 Item No. 1, ratification of the minutes

10 of July 13th, 2011, public meeting.

11 COMMISSIONER HARRINGTON: I'll move that

12 we adopt the minutes.

13 VICE CHAIR FANELLE: Second.

14 CHAIR KASSEKERT: The motion has been

15 made and seconded. All in favor?

16 (Ayes.)

17 CHAIR KASSEKERT: Opposed?

18 (No response.)

19 CHAIR KASSEKERT: Motion carries.

20 MR. NANCE: Item No. 2, application for

21 casino key employee licenses and for

22 qualifications.

23 This agenda item will be entered as

24 Exhibit List 1, 2, and 3.

Exhibit List 1 consists of the following

ITEM NO. 2

1 eight applications for initial casino key  
2 employee licenses for: Keith Bartling, George  
3 Brannen, Susan Brown, Elizabeth Farr, Joseph  
4 Herling, Christine McGrath, Tyisha Jones, and  
5 Jason A. Wynegar.

6 The staff and the Division have  
7 recommended that these licenses be granted.

8 COMMISSIONER HARRINGTON: I'll move that  
9 we grant initial key applications.

10 VICE CHAIR FANELLE: Second.

11 CHAIR KASSEKERT: The motion has been  
12 made and seconded. All in favor?

13 (Ayes.)

14 CHAIR KASSEKERT: Opposed?

15 (No response.)

16 CHAIR KASSEKERT: Motion carries.

17 MR. NANCE: Also for your consideration  
18 is the casino key employee license application  
19 of Michael J. Harty.

20 The Division has objected to licensure.

21 COMMISSIONER HARRINGTON: I move we  
22 remand this application to a hearing.

23 VICE CHAIR FANELLE: Second.

24 CHAIR KASSEKERT: The motion has been

25

made and seconded. All in favor?

ITEM NO. 2

1 (Ayes.)

2 CHAIR KASSEKERT: Opposed?

3 (No response.)

4 CHAIR KASSEKERT: The motion carries.

5 MR. NANCE: Exhibit List 2 consists of  
6 the following 31 resubmitted casino key  
7 employee licenses for: Joseph C. Anselmo,  
8 Keith Aversa, Joseph Boras, Terence Braun,  
9 Michelle Coleman-Robinson, Corey Collins, Mary  
10 Cox, Jose Crespo, John Disidori, Bonita  
11 Edwards, Blas Galang, Joann Giovinetti, Dann  
12 Glenn, Linda Guntner, Theodore Herzchel, Curtis  
13 Kugel, Dennis Lamond, Joseph Lodise, Jerome  
14 Manuel, Brian McHugh, Divakar Nethagani, Trevis  
15 Parker, Tisha Roberts, William Rowe, Luz  
16 Santos, Lilliam Troche, Laura Tyson, Daniel  
17 Walling, Travis Watson, James Weatherford, and  
18 Clare Wooton.

19 CHAIR KASSEKERT: Just a correction to  
20 the record, Mr. Nance. I think you said  
21 "Joseph" Boras. It should be "Christopher"  
22 Boras.

23 MR. NANCE: Thank you.

24 CHAIR KASSEKERT: Just make that



ITEM NO. 2

1                   MR. NANCE: Staff and the Division have  
2 recommended that these licenses be granted.

3                   COMMISSIONER HARRINGTON: I'll move that  
4 we grant these resubmitted key licenses.

5                   VICE CHAIR FANELLE: Second.

6                   COMMISSIONER HARRINGTON: With that  
7 recommend -- with that modification.

8                   CHAIR KASSEKERT: Okay. And we have a  
9 second. Motion has been made and seconded.

10                   All in favor?

11                   (Ayes.)

12                   CHAIR KASSEKERT: Opposed?

13                   (No response.)

14                   CHAIR KASSEKERT: The motion carries.

15                   MR. NANCE: Exhibit List 3 consists of  
16 the following applications for casino key  
17 employee license and for qualification.

18                   Staff and the Division have recommended  
19 that these applications be granted for: John  
20 D. Smith, Senior Vice President and General  
21 Manager for Harrah's Atlantic City Operating  
22 Company, LLC.

23                   VICE CHAIR FANELLE: I'll move that we  
24 grant the following initial applications



ITEM NO. 2

1 qualification.

2 COMMISSIONER HARRINGTON: Second.

3 CHAIR KASSEKERT: The motion is made and  
4 seconded. This is a roll call vote.

5 MR. NANCE: Commissioner Harrington?

6 COMMISSIONER HARRINGTON: Yes.

7 MR. NANCE: Vice Chair Fanelle?

8 VICE CHAIR FANELLE: Yes.

9 MR. NANCE: Chair Kassekert?

10 CHAIR KASSEKERT: Yes.

11 MR. NANCE: The record will reflect that  
12 the motion is unanimous.

13 The next item is Mark J. Tricano, Vice  
14 President and Assistant General Manager for  
15 Showboat Atlantic City Operating Company, LLC.

16 Will Mr. Tricano want to be heard? Is  
17 he here or present today?

18 (No response.)

19 MR. NANCE: For Showboat Atlantic City  
20 Operating Company.

21 Staff and the Division have recommended  
22 that this application be granted.

23 CHAIR KASSEKERT: Thank you.

24 Good morning, Miss Hughes.

MS. HUGHES: Good morning. I'm sure Mr.

ITEM NO. 3

1 Tricano would have been here. I will certainly  
2 bring him around and introduce him to you.

3 And thank you very much.

4 CHAIR KASSEKERT: Thank you.

5 Any questions for Miss Hughes?

6 VICE CHAIR FANELLE: I'll move that we  
7 grant the following initial application for  
8 casino key employee licensure and  
9 qualification.

10 COMMISSIONER HARRINGTON: Second.

11 MR. NANCE: Commissioner Harrington?

12 COMMISSIONER HARRINGTON: Yes.

13 MR. NANCE: Vice Chair Fanelle?

14 VICE CHAIR FANELLE: Yes.

15 MR. NANCE: Chair Kassekert?

16 CHAIR KASSEKERT: Yes.

17 MR. NANCE: The record will reflect that  
18 the motion is unanimous.

19 Item No. 3, Petition No. 2031102 of  
20 Boardwalk Regency Corporation is requesting the  
21 issuance of a temporary casino key employee  
22 license to Patricia Nyenmoh-Jarpa pursuant to  
23 NJSA 5:12-89(e) to permit her to assume the  
24 duties of Supervisor, Cashier Casino.



ITEM NO. 4

1 COMMISSIONER HARRINGTON: No questions.

2 I'll move that we approve the petition  
3 and issue a temporary casino key employee  
4 license to Patricia Nyenmoh-Jarpa and to permit  
5 her to assume the duties of Supervisor, Cashier  
6 Casino for Boardwalk Regency Corporation  
7 pursuant to NJSA 5:12-89(e).

8 VICE CHAIR FANELLE: Second.

9 CHAIR KASSEKERT: The motion has been  
10 made and seconded. All in favor?

11 (Ayes.)

12 CHAIR KASSEKERT: Opposed?

13 (No response.)

14 CHAIR KASSEKERT: The motion carries.

15 MR. NANCE: Item No. 4, Petition No.  
16 2031103 of Showboat Atlantic City Operating  
17 Company, LLC, is requesting the issuance of a  
18 temporary casino key employee license to John  
19 Diamond pursuant to NJSA 5:12-89(e) to permit  
20 him to assume the duties of Casino Services  
21 Supervisor.

22 Is Mr. Diamond present or represented  
23 this morning?

24 (No response.)

MR. NANCE: Staff and the Division have

ITEM NO. 5

1 recommended that this petition be granted.

2 VICE CHAIR FANELLE: I'll move that we  
3 approve the petition and issue a temporary  
4 casino key employee license to John Diamond and  
5 permit him to assume the duties of Casino  
6 Services Supervisor for the Showboat Atlantic  
7 City Operating Company, LLC, pursuant to NJSA  
8 5:12-89(e).

9 COMMISSIONER HARRINGTON: Second.

10 CHAIR KASSEKERT: The motion has been  
11 made and seconded. All in favor?

12 (Ayes.)

13 CHAIR KASSEKERT: Opposed?

14 (No response.)

15 CHAIR KASSEKERT: Motion carries.

16 MR. NANCE: Item No. 5, Petition No.  
17 2071101 of Tropicana Atlantic City Corp. is  
18 requesting the issuance of a temporary key  
19 employee license to Michael Rodriguez pursuant  
20 to NJSA 5:12-89(e) and to permit him pursuant  
21 to NJAC 19:43-2.7(c) to assume the duties and  
22 exercise the powers of Senior Vice President  
23 Finance and Chief Financial Officer without  
24 having first been found qualified.

Is Mr. Rodriquez present or would like

ITEM NO. 5

1 to be heard?

2 MR. MUSKETT: Good morning, Madame  
3 Chair, Commissioners.

4 CHAIR KASSEKERT: Good morning.

5 MR. MUSKETT: My name is Joseph Muskett.  
6 I'm here on behalf of Tropicana.

7 We just ask that you grant the petition  
8 on behalf of Mr. Rodriquez.

9 CHAIR KASSEKERT: Thank you.

10 Any questions?

11 VICE CHAIR FANELLE: I'll move to  
12 approve the petition and issue a temporary  
13 casino key employee to Michael Rodriquez and  
14 permit him to assume the duties and exercise  
15 the powers of Senior Vice President, Finance  
16 and Chief Financial Officer for Tropicana  
17 Atlantic City Corp. without having first been  
18 found qualified.

19 COMMISSIONER HARRINGTON: Second.

20 CHAIR KASSEKERT: Motion has made and  
21 seconded. This is a roll call vote.

22 MR. NANCE: Commissioner Harrington?

23 COMMISSIONER HARRINGTON: Yes.

24 MR. NANCE: Vice Chair Fanelle?

VICE CHAIR FANELLE: Yes.

ITEM NO. 6

1 MR. NANCE: Chair Kassekert?

2 CHAIR KASSEKERT: Yes.

3 MR. NANCE: The record will reflect that  
4 the motion is unanimous.

5 CHAIR KASSEKERT: Thank you.

6 MR. MUSKETT: Thank you. Have a good  
7 day.

8 CHAIR KASSEKERT: Yeah.

9 MR. NANCE: Item No. 6, consideration of  
10 the qualification of Jinlong Wang to serve as a  
11 member of the board of directors of Caesars  
12 Entertainment Corporation.

13 Miss DeLia?

14 MS. DeLIA: Good morning.

15 Jinlong Wang was found temporarily  
16 qualified on November the 10th, 2010, by the  
17 Commission.

18 A copy of the draft resolution has been  
19 circulated, and you have a copy of the  
20 resolution.

21 Lynne Hughes is here on behalf of the  
22 petitioner, and Jack Adams is here on behalf of  
23 the Division.

24 CHAIR KASSEKERT: Good morning again,



ITEM NO. 6

1 MS. HUGHES: Good morning.

2 I have read over the draft resolution  
3 and have no objections. Would ask that you  
4 adopt it.

5 Thank you.

6 CHAIR KASSEKERT: Thank you.

7 Mr. Adams?

8 MR. ADAMS: Good morning, Madame Chair  
9 and Commissioners.

10 You have our letter report. I don't  
11 oppose it.

12 And I've looked at the draft resolution.  
13 It looks fine.

14 CHAIR KASSEKERT: Thank you.

15 Any questions?

16 COMMISSIONER HARRINGTON: No questions.

17 I'll move that we adopt the draft  
18 resolution and find Jinlong Wang qualified to  
19 serve as a member of the board of directors of  
20 Caesars Entertainment Corporation in accordance  
21 with NJSA 5:12-85.1c and d and 89b(1) and (2).

22 VICE CHAIR FANELLE: Second.

23 CHAIR KASSEKERT: Motion is made and  
24 seconded. This is a roll call vote.

MR. NANCE: Commissioner Harrington?

ITEM NO. 7

1 COMMISSIONER HARRINGTON: Yes.

2 MR. NANCE: Vice Chair Fanelle?

3 VICE CHAIR FANELLE: Yes.

4 MR. NANCE: Chair Kassekert?

5 CHAIR KASSEKERT: Yes.

6 MR. NANCE: The record will reflect that

7 the motion is unanimous.

8 CHAIR KASSEKERT: Thank you,

9 MS. HUGHES: Thank you.

10 MS. DeLIA: Thank you.

11 MR. NANCE: Item No. 7, joint petition

12 of the MGM Resorts International, Boyd Gaming

13 Corporation, and Marina District Development

14 Company for approval of an extension of the

15 divestiture period under a stipulation of

16 settlement and related relief.

17 Miss Fauntleroy,

18 MS. FAUNTLEROY: Sure. Good morning,

19 Commissioners.

20 On behalf of the joint petitioners, MGM

21 Resorts International, is Nick Casiello and

22 Patrick Madamba of Fox Rothschild.

23 On behalf of Borgata, Joe Corbo.

24 Boyd is a joint Petitioner but does not

have counsel present for these proceedings.

ITEM NO. 7

1 And for the Division, George Rover.

2 MR. ROVER: Good morning.

3 CHAIR KASSEKERT: Good morning.

4 Mr. -- Corbo.

5 MR. CORBO: I would just say I'm also  
6 here on behalf of Boyd Gaming.

7 MR. FAUNTLEROY: Okay. Thank you.

8 CHAIR KASSEKERT: Very good.

9 Mr. Casiello? This is your petition.

10 MR. CASIELLO: Good morning, Madame  
11 Chair, Commissioners.

12 Before I get into my substantive  
13 comments, I'd like to offer into evidence as  
14 P-1 the joint petition of MGM Resorts  
15 International, Boyd Gaming Corporation, and  
16 Marina District Development Company. The  
17 petition bears Reference No. 2301101. And we  
18 have made a sealing request by letter dated  
19 July 22 with respect to that petition.

20 I'd also like to offer into evidence as  
21 P-2 the First Amendment to the Stipulation of  
22 Settlement. That document is dated on the  
23 signature lines July 21 and 22.

24 And as P-3, the First Amendment to the



ITEM NO. 7

1 CHAIR KASSEKERT: Thank you.

2 Let me first entertain the request for  
3 sealing request and ask if the Division has any  
4 objection?

5 MR. ROVER: The Division has reviewed  
6 the request for sealing with respect to one  
7 paragraph -- one sentence in Paragraph 6, and  
8 we have no objection.

9 CHAIR KASSEKERT: Thank you.

10 Let me ask if there's a motion to accept  
11 that sealing request, and then we'll move to  
12 the rest --

13 COMMISSIONER HARRINGTON: I move that we  
14 accept that.

15 VICE CHAIR FANELLE: Second.

16 CHAIR KASSEKERT: The motion has been  
17 made and seconded. All in favor?

18 (Ayes.)

19 CHAIR KASSEKERT: Opposed?

20 (No response.)

21 CHAIR KASSEKERT: The sealing request is  
22 granted.

23 Does the Division have an exhibit it  
24 would like to have moved into evidence?

MR. ROVER: Yes, we do, Chair.

ITEM NO. 7

1                   We would like to move into evidence D-1,  
2                   which is a the Division of Gaming Enforcement's  
3                   letter report dated August 1st, 2011.

4                   CHAIR KASSEKERT: Any objection?

5                   MR. CASIELLO: No objection, Madame  
6                   Chair.

7                   CHAIR KASSEKERT: Okay. Any objection  
8                   to the petitioner's exhibit request?

9                   MR. ROVER: No objection to the  
10                  petitioners.

11                  CHAIR KASSEKERT: Okay. I'll,  
12                  therefore, move those into evidence.

13                  Do you have any other petitions you need  
14                  to bring before us, Mr. Casiello?

15                  MR. CASIELLO: No, Madame Chair.

16                  CHAIR KASSEKERT: Okay. You may  
17                  continue, then.

18                  MR. CASIELLO: Thank you.

19                  This is the joint petition of MGM Boyd  
20                  and Borgata requesting CCC approval of a -- of  
21                  one change to a stipulation of settlement in a  
22                  related trust agreement that were entered into  
23                  with the DGE and approved by this Commission on  
24                  March 17, 2010.



ITEM NO. 7

1           that MGM has to be responsible for its sale of  
2           its interest in Borgata by an additional 18  
3           months to March 24, 2013. The reasons for the  
4           request are set forth at length in the  
5           petition, so I will not repeat them at length  
6           here. Suffice to say that MGM has financial  
7           advisors engaged in a comprehensive effort to  
8           sell MGM's interest in Borgata.

9                         MGM was successful in selling the land  
10           that is leased to Borgata to Vornado Realty.  
11           MGM has also faithfully complied with all terms  
12           of the Stipulation and Trust Agreement.

13                        MGM further believes that many of the  
14           impediments that prevented a sale from  
15           occurring have abated or will abate during the  
16           extension period if our request is granted.  
17           Those include improvement in the national  
18           economy, improvement in the Atlantic City  
19           market, minimal further expansion of gaming in  
20           this geographical area, completion of the  
21           Borgata refinancing, and the Revel financing.

22                        In addition, there are several positive  
23           factors which we think also support the request  
24           for an extension. Regulatory reform, creation



ITEM NO. 7

1 recommendation by the governor of the  
2 importance of Atlantic City to the state should  
3 also encourage investors to consider purchasing  
4 this asset.

5 In sum, MGM believes that the requested  
6 extension is not in its best interests but that  
7 of the state, Atlantic City, and Borgata.

8 In our original March 2010 petition, we  
9 requested that the authority to approve  
10 communication request and certain other matters  
11 be delegated to the Chair. That request was  
12 deferred, and we also ask that you consider it  
13 today in approving.

14 We've also had an opportunity to review  
15 the draft resolution, and that is acceptable to  
16 us in form and substance.

17 With that, I'll be pleased to answer any  
18 questions you have.

19 CHAIR KASSEKERT: Thank you.

20 Let me just ask. Mr. Corbo, do you have  
21 any remarks to make? And Mr. Rover? I think  
22 perhaps we should get all the introductory  
23 remarks on the record and then allow the  
24 Commissioners to ask questions.

MR. CORBO: I have no remarks, Chair.

ITEM NO. 7

1 CHAIR KASSEKERT: Thank you.

2 Mr. Rover?

3 MR. ROVER: Madame Chair, Commissioners,  
4 I've reviewed the joint petition and the  
5 requested relief therein on behalf of the  
6 Division.

7 As set forth in our written response, we  
8 do not object to the extension of the  
9 divestiture period by 18 months.

10 For the record, in evaluating that  
11 request, our primary concern was whether or not  
12 this would affect the integrity or credibility  
13 of the regulatory process or casino gaming  
14 operations. We believe it does not simply  
15 because the economic interest held by MGM is a  
16 passive interest. They're not involved in the  
17 operation or control or daily management of the  
18 casino itself.

19 In addition, pursuant to the  
20 Stipulation, they are not permitted to converse  
21 or otherwise communicate with anyone at Boyd or  
22 Borgata relating to that property without prior  
23 permission of the Division or the Commission.

24 And we would also note that, to date,

MGM has complied with all aspects of the

ITEM NO. 7

1 Stipulation not just with respect to  
2 communication but in all other aspects, also.

3 We would also note from the Division's  
4 standpoint a significant factor in not opposing  
5 the request for relief because the fact that it  
6 was a joint petition filed by Boyd and MDDC.  
7 Obviously, they believe that it's in their best  
8 interest and the best interests of Atlantic  
9 City, we presume and, therefore, is a market  
10 leader in Atlantic City and one of our -- one  
11 of our casinos here that is doing fairly well  
12 in tough economic times. We weighed that  
13 heavily in making a determination as to whether  
14 or not the relief was appropriate.

15 We do want to stress, however, that our  
16 decision not to oppose this relief is no way  
17 reflects any reevaluation of any of the  
18 findings or the conclusions in the special  
19 report that we issued with respect to the Macau  
20 venture. We want to make sure that people  
21 understand we're not -- nothing has changed our  
22 opinions expressed in that report.

23 We've covered the sealing request.

24 We also note that the Division also does

not oppose MGM's request for a delegation to

ITEM NO. 7

1 the Chair or her designee of the authority to  
2 act on the Commission's behalf as to certain  
3 matters in the Trust Agreement nunc pro tunc to  
4 March 17th, 2010.

5 I have reviewed both the form and  
6 substance of the proposed resolution, and I  
7 have no objection on behalf of the Division to  
8 its entry.

9 CHAIR KASSEKERT: Thank you, Mr. Rover.

10 MR. ROVER: That's it.

11 CHAIR KASSEKERT: Any questions --

12 MR. FAUNTLEROY: Madame Chair, with the  
13 Commissioners' approval, I did want to note Mr.  
14 Casiello has brought to my attention that the  
15 attorney for the Trustee, Ken Oettle, is  
16 present.

17 You want to make your appearance on the  
18 record and note the Trustee's position with  
19 respect to continuing to serve in that  
20 capacity.

21 MR. OETTLE: Good morning, Madame Chair.  
22 Kenneth F. Oettle from the firm of Sills Cummis  
23 for the divestiture trustee, the Trustee has no  
24 objection to the relief sought today.

CHAIR KASSEKERT: Thank you.

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1                   We'll move to questions from the  
2                   Commissioners?

3                   COMMISSIONER HARRINGTON: Mr. Casiello,  
4                   good morning.

5                   MR. CASIELLO: Good morning.

6                   COMMISSIONER HARRINGTON: So you  
7                   think -- or MGM thinks -- that 18 months is  
8                   sufficient time to market this property?

9                   MR. CASIELLO: Yes, we do.

10                  COMMISSIONER HARRINGTON: And I heard  
11                  you say clearly that all of the circumstances  
12                  surrounding that time frame are optimistic.  
13                  And I think I share that, you know, we hope the  
14                  economy turns around. We're confident that the  
15                  commitment to Atlantic City and to the tourism  
16                  district and to the changes in this area are  
17                  really going to be positive, so.

18                  MR. CASIELLO: I certainly believe that.  
19                  It's very -- we're very optimistic that all of  
20                  the changes that have been implemented in the  
21                  last six months or so will be very helpful.

22                  COMMISSIONER HARRINGTON: Thank you.

23                  CHAIR KASSEKERT: Maybe you could talk,  
24                  Mr. Casiello, about the efforts to date to

market the property and put that on the record.

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1 MR. CASIELLO: Sure.

2 Even before the Stipulation of  
3 Settlement and Trust Agreement were approved by  
4 this Commission, MGM retained the investment  
5 banking firm of Citi to market the property in  
6 anticipation of the settlement being approved.

7 Citi has a lot of experience in  
8 activities such as this. I don't want to list  
9 what they were, but it has significant amount  
10 of experience. And if this petition is granted  
11 today, Citi will remain as our financial  
12 advisor.

13 The process is a multi-faceted one. It  
14 starts with preparation of due diligence  
15 materials. They have to prepare what's called  
16 a confidential information memorandum that  
17 would go to the prospective purchasers. That  
18 requires getting a lot of information from both  
19 MGM and also from Boyd and Borgata in this case  
20 about the operations of the property.

21 Once that book is put together, then the  
22 Citi Center identified potential purchasers.  
23 Those potential purchasers fell into two  
24 different categories. One I'll call financial

investors. People who are not in the casino

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1 industry but private investment funds, private  
2 equity funds, hedge funds, people like that.  
3 And the other category are companies that are  
4 already involved in the casino industry.

5 My recollection is that they identified  
6 about 60 different companies, sent out the  
7 books to those companies after they signed a  
8 confidentiality agreement or a nondisclosure  
9 agreement and received some responses back.  
10 And our intent would be that, you know, we  
11 would have to go through that process again,  
12 that is, update the confidential information  
13 memorandum with more current information and go  
14 back out to the industry and potential  
15 investors.

16 As to whether -- I'll just add this,  
17 too. You know, with the changes in the law  
18 that have occurred, the reform legislation, the  
19 creation of the tourism district, those are  
20 factors which I think will encourage people who  
21 are not currently involved here, people who  
22 were not previously interested in Atlantic City  
23 in taking a look at this asset.

24 CHAIR KASSEKERT: Thank you.

So you would include in this next

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1 confidential -- I guess presentation, for want  
2 of a better word -- that information with the  
3 hopes that that would encourage people in terms  
4 of an interest?

5 MR. CASIELLO: Absolutely.

6 CHAIR KASSEKERT: And a good offer.

7 MR. CASIELLO: Yes. Those are all good  
8 factors for us to help market the property.

9 CHAIR KASSEKERT: Okay. And can you  
10 tell us a little bit -- and I know Mr. Oettle  
11 is here representing the Trustee. How has the  
12 relationship with the Trustee throughout this  
13 process been?

14 MR. CASIELLO: Well, two things. One,  
15 of course, I've never personally spoken to the  
16 Trustee since that is not permitted. I will  
17 say that I have asked Ken to express to the  
18 Trustee my thanks for his level of cooperation  
19 and availability. For example, the Trustee was  
20 on vacation when it was time for the documents  
21 to be signed.

22 CHAIR KASSEKERT: Uh-hum.

23 MR. CASIELLO: He was still available,  
24 able to sign the documents, and fax them back

25

to us.

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1                   Working with Ken Oettle has been a  
2                   pleasure. He is very cooperative, very  
3                   understanding. And I don't even have a problem  
4                   with his bills.

5                   (Laughter.)

6                   COMMISSIONER HARRINGTON: That's on the  
7                   record?

8                   (Laughter.)

9                   MR. CASIELLO: I know. That's why I  
10                  hesitated.

11                  CHAIR KASSEKERT: Mr. Oettle, would you  
12                  care to make any comment? Just want to make  
13                  sure that there's a good relationship on both  
14                  sides.

15                  MR. CASIELLO: You mean no comment  
16                  besides ordering the transcript?

17                  (Laughter.)

18                  MR. OETTLE: Thank you for the  
19                  opportunity, Madame Chair.

20                  We have found working with Nick, and  
21                  thus indirectly with MGM, to be easy. He  
22                  provides information as I may need it. We  
23                  speak only on those matters where the  
24                  Commission and the Division have permitted --



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1                   MR. OETTLE: -- communications, as well  
2                   as minor administrative matters such as the  
3                   pushing of paper and so forth.

4                   I have no complaints from the point of  
5                   view of the Trustee.

6                   And, oh. And we're showing respect not  
7                   only by MGM but by Borgata as well, I should  
8                   mention. Joe has been very cooperative, and we  
9                   get what we need when we need it. We're  
10                  included in communications, the Borgata  
11                  communications, so that we know what's going on  
12                  in the property and, thus, we are able to  
13                  function smoothly.

14                  CHAIR KASSEKERT: Very good.

15                  MR. OETTLE: We're most appreciative of  
16                  both the entities, both MGM and Borgata.

17                  CHAIR KASSEKERT: Thank you.

18                  Commissioner Fanelle, any questions?

19                  VICE CHAIR FANELLE: I just have a  
20                  financial question.

21                  In light of the economic woes of this  
22                  region and in light of us approving and  
23                  refinancing of the Borgata last year from 880  
24                  million to 1.45 billion, I believe. Has that

made it less appealing for potential investors

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1 to come forward?

2 MR. CASIELLO: I don't think it's made  
3 it less appealing. I think that potential  
4 investors had to know what the debt structure  
5 was going to be before they could decide how  
6 much to offer for the property, basically. I  
7 mean, it's one thing if you're willing to pay,  
8 you know, let's say, a billion and a half  
9 dollars and it was only \$800 million worth of  
10 debt. You're not going to pay \$1.5 billion if  
11 there's \$1.1 billion worth of debt. So that  
12 was the uncertainty in the financing, the  
13 refinancing aspect that basically resulted in a  
14 delay of the sales process for that period of  
15 time.

16 VICE CHAIR FANELLE: So you're telling  
17 me that 700 million didn't make a difference in  
18 the appeal to that property?

19 MR. CASIELLO: Well, under the -- the  
20 refinancing also resulted in a distribution.  
21 Okay? So while the price that we can get for  
22 the property is less, we've already received a  
23 distribution from the refinancing that has gone  
24 into the trust. So that sort of makes up for

it to a certain extent.

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1                   VICE CHAIR FANELLE: Okay. I don't have  
2 any other questions.

3                   CHAIR KASSEKERT: Any other questions?

4                   COMMISSIONER HARRINGTON: So just to be  
5 clear, that money is in the Trust as well as  
6 the proceeds of this sale of the property?

7                   MR. CASIELLO: The sale of the property,  
8 the real estate to Vornado. Yes.

9                   COMMISSIONER HARRINGTON: Yes.

10                  MR. CASIELLO: It's all in the Trust,  
11 and it doesn't come out of the Trust until all  
12 the assets are sold.

13                  CHAIR KASSEKERT: Thank you.

14                  COMMISSIONER HARRINGTON: Thank you.

15                  CHAIR KASSEKERT: Mr. Rover? Anything  
16 else?

17                  MR. ROVER: I have nothing further.

18                  CHAIR KASSEKERT: Okay. Are there any  
19 other matters that need to be brought to our  
20 attention?

21                  MR. CASIELLO: No, Madame Chair.

22                  CHAIR KASSEKERT: Okay. Thank you.

23                  MR. ROVER: No.

24                  CHAIR KASSEKERT: In March of 2010 the



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1 Agreement entered into by the Division of  
2 Gaming Enforcement and MGM Mirage now known as  
3 MGM Resorts International and Marina District  
4 Development Company, better known as the  
5 Borgata.

6 That Stipulation and Trust Agreement  
7 required MGM to divest its ownership interests  
8 in Borgata, resolving the Borgata's reopened  
9 2005 casino license renewal proceeding.

10 The casino license reopening was  
11 prompted by issues raised in the Division's May  
12 2009 special report concerning MGM's joint  
13 venture project in Macau. Rather than litigate  
14 the issues presented by the special report, the  
15 parties elected to settle the matter, and we  
16 approved the resulting Stipulation and Trust  
17 Agreement.

18 By the terms of the Stipulation and  
19 Trust Agreement, MGM placed all of its  
20 ownership interest in a trust which is  
21 administered by former State Supreme Court  
22 Chief Justice James Zazzali whom we qualified  
23 as a trustee and who continues to serve in that  
24 capacity.

The Trust is to be disposed of within 30

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1 months of he becoming effective, and the  
2 effective date of the Trust was March 24th  
3 2010. For the first 18 -- 18 of those months,  
4 MGM has the right to market and direct the  
5 Trustee to either sell all or part of the Trust  
6 property. Other than marketing its interest  
7 during the first 18 months, MGM relinquished  
8 all rights incident to the property, including  
9 any ability to influence or control the affairs  
10 of Borgata. By the terms of the current  
11 Stipulation and Trust Agreement, MGM's 18-month  
12 divestiture period would end on September 24th  
13 of 2011.

14 The Commission is considering today  
15 whether to approve the joint request of MGM,  
16 Boyd Gaming Corporation, and Borgata, for an  
17 extension of the divestiture period by an  
18 additional 18 months and to approve the First  
19 Amendment to the Stipulation and the First  
20 Amendment to the Trust Agreement which would  
21 implement the extension.

22 If approved, MGM would be permitted to  
23 continue to direct the marketing and sale of  
24 its interest in Borgata until March 24th of

2013. The Trustee's divestiture period would

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1 remain unchanged, but instead would not  
2 commence until March 24th of 2013.

3 I remarked during the Commission's  
4 consideration of the Stipulation and Trust  
5 Agreement that the proffered outcome to the  
6 reopened license proceeding and the issues  
7 raised in the Division's special report may  
8 have not been a perfect solution, but it was a  
9 compromised outcome put forth by the Division,  
10 MGM, and Borgata which satisfied the essential  
11 purposes and policies of the Casino Control Act  
12 yet afforded an outcome that recognized the  
13 practicalities of the situation as they existed  
14 at that time. I believe that the  
15 practicalities of the circumstances as they  
16 exist now warrants approval of the extension  
17 request.

18 While not required for our consideration  
19 of MGM's extension request, it bears noting  
20 that Boyd Gaming Corporation has joined in  
21 MGM's request in its entirety. The joint  
22 petition admitted into evidence and extensively  
23 relied upon to support the relief requested  
24 provides significant detail of the efforts made

by MGM during the past year, plus to divest

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1           itself of its interest in Borgata. The  
2           petition also details the circumstances and  
3           market conditions which existed during its  
4           exclusive sale period, including but not  
5           limited to a depressed national economy and a  
6           regional and local economy in flux.

7                         Notwithstanding these potential  
8           barriers, early on in the divestiture period,  
9           MGM did find a buyer for a portion of the trust  
10          property. In October of last year, the  
11          Commission approved the sale of certain land  
12          parcels associated with the Borgata and the  
13          leases encumbering each of those parcels were  
14          \$73.18 million. Those sale proceeds remain in  
15          trust with the Trustee and will not be subject  
16          to distribution until the Trust is approved for  
17          final dissolution -- yeah. Dissolution.

18                        Achieving fair market value for the  
19          remainder of MGM's interest in Borgata is  
20          obviously a goal of MGM. However, I believe  
21          that the realization of fair market value in  
22          this instance also serves the greater interest  
23          of the State as well as the City as they  
24          reposition themselves as market leaders in the



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1                   The requested amendment to the  
2                   Stipulation of Trust Agreement is a limited  
3                   one. In all other respects, including MGM's  
4                   relinquishment of all its rights in Borgata,  
5                   which includes the ability to influence or  
6                   control the affairs of Borgata, the terms of  
7                   the Stipulation and the Trust Agreement remain  
8                   unchanged.

9                   In addition, the Division has thoroughly  
10                  reviewed and considered the petitioners'  
11                  request and indicates that it has no objection  
12                  to the relief requested.

13                  I'm convinced that the petitioners have  
14                  set forth ample basis for their request for an  
15                  extension of the divestiture period and that  
16                  the extension should be approved. Therefore, I  
17                  would move that the Commission adopt the  
18                  proposed resolution approving the extension of  
19                  the divestiture period and the First Amendment  
20                  to the Stipulation and First Amendment to the  
21                  Trust Agreement and granting the other relief  
22                  specified in the resolution in accordance with  
23                  the findings and rulings set forth in the  
24                  proposed resolution. And I therefor move.



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1 VICE CHAIR FANELLE: Second.

2 COMMISSIONER HARRINGTON: Second.

3 CHAIR KASSEKERT: The motion has been  
4 made and seconded. This is a roll call vote.

5 MR. NANCE: Commissioner Harrington?

6 COMMISSIONER HARRINGTON: Yes.

7 MR. NANCE: Vice Chair Fanelle?

8 VICE CHAIR FANELLE: Yes.

9 MR. NANCE: Chair Kassekert?

10 CHAIR KASSEKERT: Yes.

11 MR. NANCE: The record will reflect that  
12 the motion is unanimous.

13 CHAIR KASSEKERT: Thank you.

14 MR. CASIELLO: Thank you, Commissioners.

15 MR. NANCE: In accordance with  
16 Resolution No. 11-04-06-03, the next closed  
17 session of the Commission shall be held on  
18 Wednesday, September 14th, 2011, at 9:30 a.m.  
19 in the Commission offices.

20 It is now time for the public  
21 participation portion of the meeting.

22 CHAIR KASSEKERT: Is there anyone from  
23 the public that wishes to be heard?

24 (No response.)

CHAIR KASSEKERT: Seeing no one, I'll

1 declare this portion of the meeting closed and  
2 entertain a motion to adjourn.

3 COMMISSIONER HARRINGTON: So moved.

4 VICE CHAIR FANELLE: Second.

5 CHAIR KASSEKERT: The motion has been  
6 made and seconded. All in favor?

7 (Ayes.)

8 CHAIR KASSEKERT: Opposed?

9 (No response.)

10 CHAIR KASSEKERT: The motion carries.

11 (Public Meeting 11-08-08 was adjourned  
12 at 11:12 a.m.)

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DARLENE SILLITOE CCR

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License No XI01023

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Dated: August 9, 2011  
My Notary Commission Expires  
July 22, 2014  
ID No 2062871

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