

DRAFT/UNOFFICIAL – MINUTES

These minutes are DRAFT minutes and are posted here to comply with RSA 91-A:2. The Board has not voted to accept them. Changes may/may not be made prior to their adoption at the next Board meeting.

**NEW HAMPSHIRE GAMING REGULATORY OVERSIGHT AUTHORITY
APPROVED - Minutes of Meeting – November 23, 2010**

Member Attendance:

Tom Ferrini, CHAIR (Mayor, City of Portsmouth)
John Barthelmes, Commissioner, Dept of Safety
Paul Kelley, Director, NH Racing & Charitable Gaming Commission
Debra Douglas, Chairman/Commissioner, NH Lottery Commission
Michael Delaney, Attorney General, State of NH
David Bailey, Chief of Police, Bedford NH
William Graham, NH State Police

Additional Attendees: see Exhibit A

Meeting called to order by Chair, Tom Ferrini

Minutes of October 28 and November 9 have been accepted.

Ayes - 7, Nays – 0

Three (3) proposals have been received; Christiansen Capital Advisors LLC, Spectrum Gaming Group, and Catania Consulting Group, Inc.

Given the short turnaround time, Christiansen and Catania were not able to send representation.

Discussed reviewing and/or deliberating proposals at this time.

Reviewed scope of services requested:

- Statutory scheme – an analysis of each state’s scheme.
 - Number of casino operators and site locations
 - Public policy goals
 - Methods of taxation

An outline that was fairly comprehensive in terms of asking them to apply with regards to licensing, background investigations, how they do that

- Regulatory structure
 - How the agency would be organized
- Enforcement Scheme
- How quickly can they turn this around
- What are the charges for their services

Letters were sent to Christiansen Capital Advisors, LLC, UHY Advisors (12 offices the closest being in NY), Spectrum Gaming Group, Attorney Cabot (Lewis & Roca, Las Vegas), Attorney Stocker (Dickinson Wright PLLC), Frank Miller (Miller, Malone & Tellefson), and Catania Gaming Consultants. Some of these attorneys are lawyers to act in a different function and not provide the same kind of work we’re discussing.

Catania Consulting Group, Inc.: Executive summary organization structure that we have been provided by Catania is primarily a recitation of experience and qualifications of individuals. Under compensation they indicate their compensation could be structured in various ways and would like to discuss it further. However, they proposed a fee cap of \$55,000 with an initial retainer of \$20,000. Commission feels Catania doesn’t address what was requested of them. Their resumes indicate they are certainly qualified.

Christiansen Capital Advisors, LLC: Christiansen Capital operates out of Maine and New York. They have indicated their qualifications in their letter as well. Their engagement letter speaks specifically to the questions that were

asked of them. The proposal outlines what it is they would do and it appears to be responsive to our inquiry. Item 6 on page 3 indicates their findings could be delivered to you by December 31, 2010. They require a \$15,000 deposit upfront. Item 7 indicates they will require approximately \$45,000, but there is no fee cap listed.

Spectrum Gaming Group: Verify that you are looking at the proposal which is different from the draft proposal. The fee to complete this engagement is \$40,000. A deposit of \$12,000 is required upon acceptance of proposal, with a balance due of \$28,000 within 30 calendar days of receipt of invoice. Spectrum believes this fee would cover all aspects of the engagement. If a significant number of additional unbudgeted hours are required they will inform the client and request approval to charge for additional hours. Hourly rates were listed in the proposal.

November 15 is the deadline for submitting items for the Agenda of the next G&C meeting.. Attorney General Delaney confirmed that tomorrow is the official deadline for distribution of items. General Delaney showed concern that we have one out of two proposals that have at least expressed an interest in appearing before us and haven't had the opportunity to do that. There are two options. The first option we have is to submit late items and still get on the Agenda. The second option is to extend an invitation to the vendor that showed interest but due to schedule conflict wasn't able to attend the meeting. Invite the vendor to present at our next meeting with the understanding that we will then be submitting an item at one of the first meetings of the new executive council in January. That unquestionably would delay us.

Two meetings are scheduled for the month of December, 14th and 28th. Does it make sense to have a meeting on December 28? If we're going to have someone present on the 14th, are we going to be ready or should we be ready to deliberate at that point? Tom feels we should be ready to deliberate.

After a consultant is chosen, we request a response to the proposal on a fairly short turnaround time. It may not happen prior to Xmas but it should be shortly thereafter. Expect the next G&C meeting to be scheduled for mid January. This is a new Executive Council - this will be their first meeting.

Should members of the commission be present at the Executive Council's first orientation meeting? General Delaney replied that the Agenda for the first orientation meeting would most likely not allow for that kind of access. We have been given a specific task, and an appropriation to further that task.

Is it reasonable to assume that we have a consensus that we would solicit and receive a proposal so that we would get whoever else wanted to show up on the 14th, try and deliberate on the 14th, and perhaps consider not having a meeting on the 28th. We need to look at January's schedule. This probably gives us another opportunity to meet prior to a G&C meeting if we need to tune up our presentation proposal. Is there a consensus to proceed with this course of action?

Committee members showed concern that Catania and Christiansen did not have representation at this meeting. Next scheduled meeting is December 14. Tom Ferrini will extend an invitation for Catania and Christiansen to attend the next meeting. If neither vendor attend the Dec. 14 meeting, we will start deliberations.

If January 11 is the next meeting, this gives us time to hone a final proposal. General Delaney suggests we keep the meeting of the 28th there for now and take it off on the 14th. If we look at the time frame we're talking about the 28th would at least be a date where we could get together and all collectively view, finalize, and endorse whatever paperwork would be submitted for consideration by the Council. The Council would have the paperwork well in advance and have time to react to it.

General Delaney believes the statute authorizing this authority to undertake this work contemplated some form of a preliminary report on December 15. Feel confident that the general court had an expectation that we would be getting our work in July when they issued that provision. The law does contemplate a preliminary report. Without in any way getting into the substance of recommendations should we put together a narrow interim preliminary report as a good faith effort to recognize that date was given to us and at least provide some context to where we are at and where we are heading. Tom Ferrini will prepare a draft to have ready for distribution at the next meeting. Tom will prepare a draft of what that interim report will be, what we've done, where we are, what are

timetable is like going forward so that they have advance notice. There is a very good chance we will have a report by the end of January/early February.

We then have to get it turned around in 2-3 weeks. We have to vet it and make sure that we have vendors to ask further questions. Next we'd make a decision as to whether or not we want the advice of an attorney, such as Attorney Stocker (or one of the other attorneys that we've sent this to). We have time to make that decision. When we report out to the legislature we will have both the vetted report and whatever group we select plus perhaps a legal opinion and other opinions of an independent attorney so we have two different takes on it. Make sure we understand the operational questions that the legislature will have.

Meeting Adjourned

GAMING REGULATORY OVERSIGHT AUTHORITY
EXHIBIT A
November 23, 2010

ATTENDEES:

Steven Ingis, Spectrum Gaming Group
Ted Connors, NH Racing and Charitable Gaming
Jim Demers, The Demers Group
Bob Clegg, Legislative Solutions
Ed Callahan, Rockingham Park
Sudhir Naik, NH Racing and Charitable Gaming
George Roberts, Seabrook Park, Seabrook NH
Dick Bouley, Dennehy/Bouley, Concord NH
Brian Hawkins, SEA, SEIU Local 1984
James C. VanDongen, Dept of Safety
William Ellis, Western New England harness Horseman Association
Chuck Saia, NH Racing and Charitable Gaming
Elizabeth Sargent, Sheehan Phinney Capitol Group (esargent@sheehan.com)