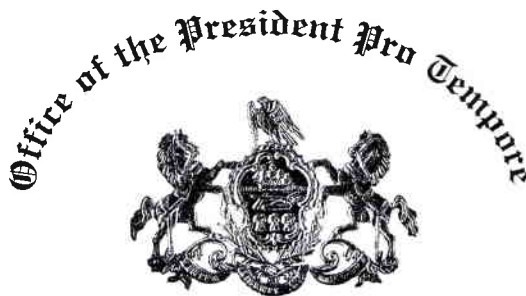


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**Senate of Pennsylvania**

July 17, 2008

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Mary DiGiacomo Colins, Chairman  
Pennsylvania Gaming Control Board  
5<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17101

Dear Chairman Colins:

I am in receipt of the letter from Frank Donaghue, Acting Executive Director, dated July 16, 2008, regarding the pending joint application presented by PITG Gaming LLC and Holdings Acquisition Co. I appreciate the nature in which it was written, however, I feel compelled to add my perspective.

It is encouraging that you and your fellow members of the Pennsylvania Gaming Control Board have pledged to fully vet the pending joint application, however, I urge the Board to open its entire deliberative process to the public for consideration and comment. The joint application, in my view, is not a modification of the current license, but rather a wholesale change of ownership thereby warranting public hearings and a comprehensive full review. Further, in light of the ownership change outlined in the application, the \$2.5 million fee set forth by the Board for actions under Section 1328 of the Gaming Act should not be reduced.

I offer one note concerning the timing of the pending application. While providing additional property tax relief to Pennsylvanians sooner rather than later is a laudable goal, this is not my primary concern. First and foremost, an application of this enormity must be subjected to the most rigorous of reviews so the public can be confident that it is not a back-door method to obtaining a license outside the regular statutory process.

There are many unanswered questions concerning this potential complex transaction, and in my view, the companies' application should not be expedited in any way. All documents directly or indirectly related to the application, including any financial paperwork submitted, should not be shielded from public view.

Mary DiGiacomo Colins, Chairman  
July 17, 2008  
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I request that you advise me in writing of the specific standards and procedures, mentioned generally in Mr. Donaghue's letter, that the Board will utilize in determining the suitability of the applicants and their submitted documentation.

Further, I am significantly troubled by today's *Pittsburgh-Post Gazette* article stating the following:

*"Negotiations shifted into overdrive Sunday and Monday, as the Principals were in conference calls with Gov. Ed Rendell and his chief of staff, state Rep. Dwight Evans, D-Philadelphia, Rep. Jake Wheatley, D-Hill District, Pennsylvania Gaming Control Board member Jeff Coy, and others, seeking guidance, input and assurances that the deal could pass muster with the state."*

It would, therefore, also be helpful to have a detailed written report outlining all conversations the Board Members or their employees have had with Don Barden, Neil Bluhm, Greg Carlin, or Ira Lubert or their representatives prior to the submission of final documents pertaining to this potential financial take-over.

It is unfortunate that the Board finds itself dealing with this application; however, full public disclosure is the only way to ensure that previous errors of judgment are not compounded in the future.

Sincerely,



Joe Scarnati  
President Pro Tempore

JBS/dc

cc: PA Gaming Board Members  
Mr. Frank Donaghue  
Senator Jane Clare Orié ✓  
Senator Jim Ferlo  
John Donnelly, Esquire