

## NEWS RELEASE

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### **Supreme Court of Pennsylvania Appoints Special Master for Philadelphia Gaming Case**

**HARRISBURG, March, 24, 2009** — The Supreme Court of Pennsylvania today appointed a special master to settle disagreements over the development of HSP Gaming's proposed casino within the City of Philadelphia.

In addition, today's court order directs the City of Philadelphia to immediately issue a foundation permit to HSP without condition. HSP is the group of investors representing SugarHouse, a casino proposed for Philadelphia's riverfront area.

The court named the Hon. John W. Herron, a Philadelphia Common Pleas Court judge since 1988, as special master. Judge Herron is credited with helping launch Philadelphia's Commerce Court, and was honored by the Philadelphia Bar Association for reducing civil case backlog.

"The Master shall have full authority to consider and resolve disputes regarding the issuance of permits, approvals, licenses, or other authorizations or actions required by or from the City of Philadelphia for the construction, use and occupancy of HSP's licensed gaming facility," the court order says, "including such disputes that arise from the December 17, 2007 Tax Settlement and Development Agreement."

Under terms of the order, all disputes — including requests for attorneys' fees and costs — must be handled in an expeditious manner and the findings reported to the Supreme Court within 10 days of the proceedings.

HSP Gaming petitioned the Supreme Court in January to appoint a special master to mediate disputes with city agencies. The move came after the court approved a similar special master in October 2008 to mediate disputes over a separately proposed Philadelphia casino, Foxwoods. Foxwoods has not used that special master.

*(A copy of the court order can be found at:*

<http://www.pacourts.us/OpPosting/Supreme/out/179em2007.pdf>

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**IN THE SUPREME COURT OF PENNSYLVANIA  
EASTERN DISTRICT**

HSP GAMING, L.P.,	:	No. 179 EM 2007
	:	
Petitioner	:	
	:	
	:	
v.	:	
	:	
	:	
CITY COUNCIL FOR THE CITY OF	:	
PHILADELPHIA AND THE CITY OF	:	
PHILADELPHIA,	:	
	:	
Respondents	:	

**ORDER**

**PER CURIAM**

**AND NOW**, this 24<sup>th</sup> day of March, 2009, it is hereby ordered as follows:

(1) the City of Philadelphia is directed to issue the foundation permit to HSP forthwith, and without condition;

(2) in furtherance of this Court's December 3, 2007 Per Curiam Opinion and Order in HSP Gaming, L.P. v. City Council for the City of Philadelphia, 939 A.2d 272 (Pa. 2007), and pursuant to Section 1506 of the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §1506, the Honorable John W. Herron of the First Judicial District is hereby appointed as Master in the above-captioned matter. The Master shall have full authority to consider and resolve disputes regarding the issuance of permits, approvals, licenses, or other authorizations or actions required by or from the City of Philadelphia for the construction, use and occupancy of HSP's licensed gaming facility; including such

disputes that arise from the December 17, 2007 Tax Settlement and Development Agreement; and

(3) the Master shall address any such disputes, including requests for attorneys' fees and costs, in an expeditious manner and shall file a report with this Court setting forth the status and a summary of the proceedings within ten (10) days after completion of such proceedings.

The City of Philadelphia's Application for Leave to File a Supplemental Response is granted. The City of Philadelphia's Application for Oral Argument is denied.

Jurisdiction is retained.