

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: MOUNTAINVIEW THOROUGHBRED RACING
ASSOCIATION, LLC - CATEGORY 1 LICENSE RENEWAL

* * * * *

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Richard G. Jewell

Obra S. Kernodle, IV

Sean Logan

Kathy M. Manderino

Merritt C. Reitzel

Dante Santoni, Jr.

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jennifer Langan, Designee, Department of
Treasury

Fred Strathmeyer, Jr., Designee,
Department of Agriculture

Radee Skipworth, Designee,
Department of Revenue

Reporter: Lindsay Deann Richardson

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1 HEARING: Wednesday, November 28, 2018
2 LOCATION: Pennsylvania Gaming Control Board
3 Strawberry Square
4 2nd Floor
5 Harrisburg, PA 17101
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OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

MICHAEL ROLAND, ESQUIRE

Assistant Enforcement Counsel

PA Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control Board

ADRIAN R. KING, JR., ESQUIRE

Ballard Spahr, LLP

1735 Market Street

51st Floor

Philadelphia, PA 19103-7599

Counsel for Mountainview Thoroughbred Racing

Association, LLC

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A P P E A R A N C E S (cont.)

ALSO PRESENT:

- John Finamore, SVP Regional Operations
- Daniel Ihm, VP and General Manager
- Heather Nicarry, VP of Finance, CFO
- Endea Smith, VP of Human Resources
- Alex Hvizda, Director of Compliance

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CHAIRMAN: Next up Mountainview Thoroughbred Category 1 License Renewal. Petitioners can come forward, please.

Should we rent another hall for you guys? Everybody's here. Again, I'd ask that everyone who is going to speak today, to please state and spell your name for the court reporter prior to your presentation.

Additionally, can we have all nonattorney witnesses stand and be sworn at this time?

WITNESSES SWORN EN MASSE

CHAIRMAN: Thank you.

Petitioners may begin.

ATTORNEY KING: Great. Well, good morning, everyone. Adrian King from the Ballard Spahr Law Firm, here on behalf of Penn National Gaming, and in particular, for the purpose of this hearing, Mountainview Thoroughbred Racing Association, LLC.

As you know, we're here for the final hearing before the Board with respect to the renewal of Mountainview's Category 1 License.

1 We've brought a full slate of
2 witnesses to answer any questions you may have. Let
3 me just briefly introduce everyone.

4 Going from my right, John Finamore,
5 who is our Senior VP for Regional Operations. Dan
6 Ihm, who is the VP and General Manager of Hollywood
7 Casino. Heather Nicarry, who is our VP of Finance and
8 CFO with the property. Endea Smith, who is our VP of
9 Human Resources, and Alex Hvizda, who is the Director
10 of Compliance at the property.

11 So, without further ado, I'm going to
12 hand it over to John, and we'll get right into the
13 presentation.

14 MR. FINAMORE: Thank you.

15 Good morning. John Finamore, J-O-H-N,
16 F-I-N-A-M-O-R-E.

17 Mr. Chair, Commissioners and staff,
18 good morning. I think you've seen our presentation in
19 various forms several times over the last few weeks,
20 so I'm going to get through this pretty quickly. But
21 I think some of it is important to repeat this
22 morning.

23 As you know, we started in 1972 in
24 Grantville, Pennsylvania with what is now today
25 Hollywood Casino Penn National Race Course. But much

1 has changed over those years, as you - as you know the
2 story.

3 I think most significantly today some
4 updates to share with you for the company. Last time
5 we spoke the acquisition of Pinnacle Entertainment was
6 not complete yet. It has now been completed as of
7 October the 15th.

8 And that transaction made Penn
9 National the largest operator of regional casinos in
10 the country.

11 It's, at this point, a \$5 billion
12 company, in terms of revenue, with 40 casinos with
13 several others in the pipeline. We will be completing
14 a transaction for another casino in Louisiana,
15 Margaritaville in early January.

16 We just announced the acquisition of
17 Greektown Casino in Detroit last month. And of course
18 we've got the two Category 4 properties under
19 development in Pennsylvania.

20 That will take us to 44 properties.
21 And if all goes well, that will also make us a Fortune
22 500 Company, which we're very proud of.

23 And again, starting with the humble
24 beginnings in Pennsylvania, as you know, we remain the
25 only publicly-traded company - gaming company to be

1 headquartered in Pennsylvania. We still maintain our
2 corporate office in Wyomissing, Pennsylvania, with
3 approximately 150 team members at that location.

4 Back to Hollywood Casino at Penn
5 National, briefly, as you know, we just celebrated our
6 tenth anniversary in February of this year. And since
7 opening the property has paid over \$1.6 billion in
8 taxes to the Commonwealth. And we continue to employ
9 approximately 800 residents of the - of the
10 Commonwealth.

11 And looking forward, before I turn
12 this over to Dan, a lot of exciting things for the
13 company ahead. As part of the Pinnacle transaction,
14 the Meadows property joined our family in October, and
15 we're working with the management team there to
16 incorporate that property into the portfolio.

17 I believe several of you had a chance
18 yesterday to tour the sports betting operation at the
19 Grantville property. We're very pleased - and Dan
20 will give you an update on that - on how that startup
21 went.

22 And we certainly thank the staff for
23 working with us to get that done through some - some
24 challenges, but we're very pleased with the initial
25 results, as you saw yesterday.

1 I mentioned the Cat 4s that are under
2 development. Again, we're excited to work on those
3 two opportunities. Certainly iGaming is soon behind,
4 and we are also very busy working on VGTs at truck
5 stops in the Commonwealth.

6 So, again, exciting time for the
7 company. I appreciate your time, and let me turn the
8 presentation over to Dan Ihm, our General Manager.

9 MR. IHM: Okay. Thank you, John.

10 Dan Ihm, I-H-M. Good morning,
11 Chairman. Good morning, Board. And thank you, again,
12 for the opportunity to be here today.

13 Can you guys hear me okay, because we
14 got a lot of people up here?

15 CHAIRMAN: Just point it towards you.
16 It's real directional.

17 MR. IHM: There we go.

18 CHAIRMAN: There you go.

19 MR. IHM: Thank you. Technology.

20 So, this slide here is our Hollywood
21 Casino leadership team. We have a very seasoned team
22 with a lot of depth and experience.

23 So, just a few things I wanted to
24 point out on this slide. Seven of the executives on
25 this slide have been with the company since preopening

1 2008. In fact, Heather, who is sitting to my right,
2 was just recently promoted to Vice President and our
3 CFO.

4 We also have a gentleman, Fred Lipkin,
5 who is noteworthy. He's been with the property for 45
6 years, and he will be retiring at the end of this
7 year, but he's had a long - a long time with the
8 property.

9 We do have 50 team members who have
10 been with the property for 20-plus years, and actually
11 5 of those team members have been with the property
12 since 1972.

13 So, John indicated that Chairman and
14 some of the Board, you had an opportunity to visit the
15 property and also see the operations. We're very
16 excited to be the first in the Commonwealth to offer
17 sports wagering.

18 We did have our testing, which
19 actually started on November 15th, which was a
20 Thursday. We had two successful days of testing, once
21 completed.

22 Our first official day was on Saturday
23 the 17th. It was a very interesting testing day.
24 Thursday also happened to be a first for the first
25 major snowstorm that hit Central Pennsylvania.

1 And I know John indicated we're very
2 thankful for the staff. And I also wanted to thank
3 Kevin O'Toole and all the staff, all their hard work
4 and dedication and the dedication that was
5 unbelievable as some of the staff members took three
6 hours to get to the property, to make sure that they
7 were there for our first testing day. So, we do
8 appreciate that.

9 John?

10 MR. FINAMORE: Just to give you an
11 update on the food court renovation we told you about
12 the last time we met, this is a \$3.5 million
13 renovation of the food court, which was original from
14 the opening ten years ago.

15 The company has partnered with Fabio
16 Viviani, who's a celebrity chef, to do three of these
17 eatery concepts; one in Charlestown, West Virginia,
18 one in Lawrenceburg, Indiana, and this one, most
19 importantly, in Grantville.

20 The renovated food court will open in
21 - on December 22nd. The one in Charlestown has
22 already opened, and I can tell you that we've seen
23 significant increases in cover counts. The average
24 check - the average check has gone up about 25
25 percent, and overall revenues have gone up about 35,

1 40 percent since we opened the facility.

2 So, really great food. This is a
3 great partner, and I think this is going to be an
4 exciting addition for the property opening, as I said,
5 December 22nd.

6 MR. IHM: So, the next slide is just
7 to talk a little bit about some of the marketing
8 initiatives. Obviously we spent a lot of resources
9 and dollars on marketing every month for the facility.
10 Some of those dollars are spent on broadcast, print,
11 social media.

12 Most of the monies that we spend are
13 concentrated within the central part of PA. We do
14 have secondary markets that expand beyond that. This
15 slide just shows a few of the promotional aspects -
16 these looked like they focus on October.

17 The Cash Progressive giveaway, it's
18 not - it did not go in October, so in - actually
19 tomorrow we have a drawing, so it's \$110,000. If it
20 does not go tomorrow, it will go to \$120,000 in
21 December. And we guarantee somebody will be a cash
22 winner of \$120,000 in December.

23 And then the other thing to note here
24 is the Harley giveaway. We do partner with a lot of
25 our community members regarding a lot of different

1 things. This happened to be a partnership with
2 Susquehanna Harley Davidson. We gave away a Harley.
3 That was in October.

4 That happened to be our highest
5 October drop in the last five years, for the month of
6 October. So, the promotion did very well for us.

7 Next slide is looking at slot casino
8 operations. So, on the left side, it looks like gross
9 terminal revenue. You can see we started in 2008.
10 2010 where you see the peak, that was when table games
11 were introduced to the market. And you can also see
12 on that slide, beginning in 2014, the market
13 stabilized for us, and we were running on average
14 around \$209 million per year.

15 We currently have 2,002 slot machines
16 on the floor, ranging from a penny to \$100 denoms.
17 Seventy (70) percent of our floor is penny denoms.
18 And \$34 million were invested in 2008. And that is in
19 new slot product and conversions on the gaming floor.

20 \$1.2 million, it says up here, was our
21 investment in 2018. However, we did decide to
22 allocate an additional \$570,000 in the fourth quarter
23 of this year, to spend for new slot product. So, that
24 number now for 2018 is \$1.77 million in capital spend.

25 Next slide, table games, casino ops.

1 As I indicated, 2010 was the first year of table
2 games, peaked at 2011. We saw the market stabilize
3 around 2014. And we've been running approximately
4 around \$35 million in table games revenue.

5 We have, currently, 251 jobs within
6 Table Games, which is our largest department, followed
7 by food and beverage.

8 And we have 75 table games, and you
9 can see 55 are banking, we have 17 Poker tables. And
10 on this note was a pretty significant amount. We
11 actually had a \$737,000 Bad Beat Jackpot, and two
12 months later we had another \$258,000 Bad Beat Jackpot.

13 So, it's currently gotten up to that
14 \$200,000-some again, so we'll have to see what happens
15 there.

16 Next slide is looking at some of our
17 branded facilities. John talked about the Eatery,
18 which we're very excited about. Once the Eatery is
19 up, we will have 12 different dining options at the
20 Hollywood Casino, and they'll range from casual to
21 high-end options.

22 And again, this is just the logos of
23 the brands. On the far left is the Eatery, the new
24 Eatery. The other outlets here are both casino, and
25 we also have trackside, different food amenities.

1 The H Lounge is where we offer our
2 free live entertainment on the weekends, Friday and
3 Saturdays.

4 Going, again, into dining and
5 entertainment, this just shows our Final Cut, which
6 we're very proud of. It's our high-end steakhouse.
7 It's received the Award of Excellence every year since
8 2010.

9 I did notice there's a mistake on the
10 slide. Actually, 2015 we did receive the Award of
11 Excellence as well, so we've had it every single year.

12 The Best of Award in 2018, that is
13 actually - we are the only restaurant in the area to
14 achieve that honor. So, we're very proud of that.

15 We do offer a little over 500
16 different varieties of wine within our Final Cut
17 steakhouse. It's a little over \$100,000 in terms of
18 inventory of wine.

19 And that -.

20 MS. NICARRY: Heather N-I-C-A-R-R-Y.

21 I would like to talk about the
22 positive economic impact Hollywood Casino has both
23 locally and throughout the Commonwealth.

24 We've paid \$1.6 billion in Gaming and
25 Racing taxes and associated fees since 2008. \$156

1 million has been generated by the local share
2 assessment, which directly benefits our local and
3 county governments.

4 We've paid \$258 million in salaries
5 and wages, and \$75 million in benefits on behalf of
6 our employees since 2008.

7 And we purchased \$13 million of goods
8 and services annually from vendors located within
9 Pennsylvania. \$4.9 million of those purchases are
10 made from vendors within Dauphin County.

11 Our Purchasing Department continually
12 seeks out local businesses, as well as minorities,
13 women, veteran, LGBT and disadvantaged owner business
14 enterprises. We spend \$1.2 million annually with
15 vendors classified as such.

16 We continue to reinvest in the
17 property. As we mentioned earlier, we have a major
18 project currently under way with the \$3 million sports
19 book - I'm sorry, Eatery project and the recently
20 completed sports book renovation.

21 We'll also be starting some restroom
22 renovation projects in 2019.

23 I'll turn the presentation over to
24 Endea.

25 MS. SMITH: Good morning. Endea

1 Smith, E-N-D-E-A, Smith.

2 So, this slide talks a little bit
3 about the individuals that we call our team members.
4 So, we still have approximately 900 team members on
5 board, 41 percent making up females, 19 percent racial
6 minority. Certainly highlighting that the majority of
7 our team members are, in fact, PA residents, and with
8 a very large portion directly living in Dauphin or
9 Lebanon Counties.

10 On the right side of this slide you
11 see a host of benefits. Those are benefits that we
12 offer to all of our full-time employees. And then in
13 addition the majority of those are also offered
14 outside of the medical to all of our part-time team
15 members as well.

16 At the end of the slide there, you'll
17 see with the new sports betting we were able to hire
18 approximately 20 employees. That's directly with the
19 sports book and then indirect with other positions
20 that help support that function.

21 A very important component for us is
22 making sure that our team members are engaged. We're
23 very proud of the engagement scores that - that we
24 have at the property throughout Penn. We are all
25 evaluated on those scores.

1 We are very pleased in PA at PNRC. We
2 are the top Tier 1 property as far as our engagement
3 scores are, and the number three overall in all of the
4 Penn Enterprise.

5 So, you'll just see some of the fun
6 things. We have a very competitive team at PRNC, so
7 they like to do all kinds of fun stuff. So, roughly,
8 86 percent - sorry, 88.5 percent engagement score.

9 And then lastly, too, making sure that
10 we recognize our team members on a regular basis. But
11 this is a very special event that we host every year,
12 our Sammy Awards, recognizing the best of the best.
13 And you'll see some of the images there and the awards
14 that they receive for receiving their individual
15 awards.

16 Alex?

17 MR. HVIZDA: Alex Hvizda, A-L-E-X,
18 H-V-I-Z-D-A.

19 Good morning. I'm talking about
20 responsible gaming. So, with the passage of the
21 expanded gaming last year, we are now transitioning
22 over to the 1-800 GAMBLER number, across our property
23 and all of our advertisements.

24 With respect to responsible gaming,
25 even before you get hired with our company, you hear

1 about responsible gaming. So, everybody, no matter
2 what position you are applying for, whether it's a VP
3 position, a cook position, a housekeeping position,
4 you go through, as part of your interview process and
5 being a team member of the Executive Leadership Team,
6 who talk to you specifically about responsible gaming
7 and customer service, and how important those two are
8 to us.

9 Then you get training on responsible
10 gaming in your onboarding during your orientation.
11 You get training during your preshifts every day. I
12 do quarterly knowledge checks with a random sample of
13 team members who we pull out. And I question them on
14 our standards, sort of like a pop quick. And then we
15 do annual retraining, where we bring in an individual
16 from the Council of Compulsive Gambling of
17 Pennsylvania for that.

18 We also, whenever there's a
19 responsible gaming issue that comes before the Board
20 and results in an action by Office of Enforcement
21 Counsel (OEC), we also share those with our team
22 members, to show that these things don't happen in a
23 bubble, that they have real world consequences.

24 About a year ago, beginning of
25 November of 2017, we improved our ID verification

1 system with Veridocs, so you can see how many ID
2 checks we did there in 2017. And you can see the
3 number of minors that were denied entry. That's been
4 declining each year.

5 We believe, as part of both the
6 Board's efforts and the industry's efforts, to make
7 clear to the public that what will happen to you if
8 you come to a casino and you're underage and that you
9 can't even walk across the floor in a casino.

10 The statewide Self-Exclusion List is -
11 interfaces with the Veridocs, as does our own property
12 Self-Exclusion List. And at the bottom there for our
13 Security Department, because they're our first line of
14 defense against underage individuals, for every
15 hundred days that they go without having an underage
16 on the floor, everybody in the Security Department
17 gets a hundred dollars. I'm not going to jinx it, but
18 later that week, hopefully that number will be going
19 up.

20 Next slide. So, we also are very
21 involved with our charities. As you can see on the
22 left there, over the last couple years - so since 2008
23 we've donated \$1.3 million to the local and regional
24 charities. But over the last three years, we've
25 increased our charitable contributions significantly.

1 One of the things we've done is
2 focused more on core charities and charities that can
3 spread the donations amongst other worthy charities.
4 So, for example, the Pennsylvania Veterans Foundation
5 makes other grants to other charities that support
6 veterans. It's easier and more effective for us to
7 funnel it into these main charities.

8 And then of course at the bottom, the
9 IBD Research Center at Penn State Milton Hershey,
10 that's something we support every year. We run the
11 tournament that Penn National - that Penn National
12 hosts. And that has raised over \$3.75 million for IBD
13 research.

14 So, our last slide here, our main
15 charity is the American Cancer Society's Relay for
16 Life. So Penn National CEO, Tim Wilmott is on the
17 CEOs Against Cancer. And a couple years ago,
18 corporate made it a competition amongst all the Penn
19 properties to see who can raise the most money
20 throughout the year for Relay for Life.

21 As Endea told you, we're very, very
22 competitive, so you can see we've gone up
23 significantly. So, in 2017 our property raised
24 \$32,000. And we came in third amongst all the Penn
25 properties.

1 This past year we raised \$48,000, came
2 in second. End of 2019 we'll be first. I'm just
3 going to guarantee that on the record here.

4 But this year you can see that we did
5 a Star Wars theme, fitting with - and this is
6 something our entire property - we have events going
7 on for team members, events that customers can
8 participate in. And it's something we do literally
9 all year long every month. And it's been a great
10 engagement activity for our property as well.

11 So, with that, we will turn it over
12 for any questions.

13 CHAIRMAN: Enforcement Counsel,
14 questions or comments?

15 ATTORNEY ROLAND: Good morning, Mr.
16 Chairman and Members of the Board. Michael Roland,
17 R-O-L-A-N-D, with the OEC. We do have a couple
18 questions for the Hollywood representatives, if that's
19 okay.

20 Starting on slides eight and nine you
21 state that Hollywood has 2,002 slot machines and 75
22 table games. And on one of those slides, I believe it
23 is slide nine, you reference June 30th, 2018 for some
24 of the information that's provided.

25 Just to be a hundred percent clear,

1 today those numbers of slots and table games represent
2 the actual number on the floor, as we sit here right
3 now?

4 MR. IHM: That's correct.

5 ATTORNEY ROLAND: And then turning to
6 slide 14, you present that Hollywood had 907 employees
7 also on June 30th of 2018.

8 Is that number still accurate?

9 MR. IHM: We currently have a little
10 over 880 current team members. We do have 35 that
11 have been offered positions as of yesterday. We had a
12 job fair, so hopefully by - by the end of today, we'll
13 be right closer to that 900 number.

14 ATTORNEY ROLAND: Okay.

15 And beyond those additional 35
16 offerings you just mentioned, do you foresee any
17 changes to the number of employees at Hollywood in the
18 near future?

19 MR. IHM: We do not foresee any
20 changes in the number of team members that we have
21 going into 2019. However, with that said, we know
22 there's a lot of things happening within 2019 with
23 iGaming as well as Category 4s coming online. So, we
24 are - we'll continue to watch that.

25 ATTORNEY ROLAND: And regarding your

1 benefit packages, which include healthcare, which you
2 also reflect on slide 14, do all full-time positions
3 have the opportunity to take advantage of those
4 benefits?

5 MR. IHM: Yes. All full-time team
6 members are eligible for all of the benefits that we
7 listed on that slide, as well as our part-time team
8 members do receive those benefits, with the exception
9 of -.

10 CHAIRMAN: What was the last thing?

11 MR. JEWELL: Yeah, the microphone
12 coughed when you said that.

13 MR. IHM: Yeah, so -.

14 CHAIRMAN: With the exception of what?

15 MR. IHM: Health insurance. So,
16 part-time team members do - if you see that slide on
17 that far right side, they do receive all those
18 benefits, with the exception of dental, vision and
19 medical.

20 ATTORNEY ROLAND: Okay.

21 One more question on slide 14. You
22 indicate that there were 209 new hires. How many of
23 those positions were actually new versus how many of
24 those positions were filling previously vacated
25 positions?

1 MR. IHM: Approximately - pretty close
2 to a hundred percent were filling vacant positions.

3 ATTORNEY ROLAND: Okay.

4 And you also indicated that sports
5 betting would add approximately 20 jobs to the
6 facility. And now that sports betting is under way,
7 do you still believe that number's going to be
8 adequate?

9 MR. IHM: Yes.

10 We currently have 18 team members that
11 are on board that's - servicing directly to sports
12 wagering.

13 We also do have some other ancillary
14 positions, like security and food and beverage that
15 we've had to add, to support the sports book. But
16 right now we're currently at 18.

17 ATTORNEY ROLAND: Slide 17 you provide
18 information about responsible gaming and the
19 prevention of underage patrons regarding the
20 transition to 1-800 GAMBLER. Is that now, in your
21 opinion, complete? And if not, when do you anticipate
22 full transition?

23 MR. IHM: So, it's largely complete,
24 so most - so almost all of the advertising - outside
25 advertising that we do, we've changed over to that

1 number. There is some onsite signage that we are
2 still looking at changing.

3 We do expect to be in full compliance
4 by October of 2020.

5 ATTORNEY ROLAND: And regarding your
6 identification verification system, which I believe
7 you said is Veridocs, when was that system fully in
8 place, and what are some of the benefits of using it?

9 MR. HVIZDA: So, that we installed the
10 first week of November of 2017. The benefits are,
11 number one, it can scan a much wider array of forms of
12 identification. And it uses a three-part system to
13 scan the identification. Optical reading of the print
14 on the ID, looking at the 2D barcode, looking at the
15 mag stripe. So, it's a lot more sensitive than
16 previous versions.

17 ATTORNEY ROLAND: And you present that
18 261,000-plus identification checks were completed, 445
19 minors were denied entry in 2017. So far how does
20 2018 compare?

21 MR. HVIZDA: So, comparing 2018 year
22 to date versus 2017, same time period, we've scanned
23 12 percent more IDs in 2018 than 2017.

24 And the number of minors trying to
25 enter the casino has dropped in that same time period

1 year to date down to 28 percent.

2 Both of which is - that's in line with
3 what we've been seeing more broadly over the last
4 couple years as gaming matures in the state.

5 ATTORNEY ROLAND: Okay.

6 Looking towards future growth, what's
7 Hollywood's position on the number of slot machines,
8 table games, the size of your gaming floor? Do you
9 anticipate changing any of those?

10 MR. IHM: So, I would say we've
11 right-sized the property, so I think - I don't
12 foresee any additional machines outside of the 2,002
13 or the 75 tables. But as I indicated earlier, we are
14 spending a significant amount of money in capital,
15 purchasing new slot product.

16 Next year we're looking at a \$3.8
17 million purchase of slot product versus this past
18 year. I mentioned the \$1.7 million. So, we are
19 putting a lot of emphasis into driving new product.

20 ATTORNEY ROLAND: And do you have any
21 plans to add or amend any of the amenities at the
22 facility?

23 MR. IHM: Not - no, not to remove
24 anything. In fact, we just spent the \$3.5 million on
25 the new Eatery, so we're excited about that.

1 ATTORNEY ROLAND: We have no further
2 questions. Thank you.

3 CHAIRMAN: Any questions or comments
4 from the Board at this time? Go ahead.

5 MR. JEWELL: Yes. Mr. Hvizda, I have
6 a question. Of the 445 minors that were denied entry,
7 was that mostly catching fake IDs or how would you
8 categorize that group?

9 MR. HVIZDA: A lot of it was just
10 people that show up with their family or they come
11 from another state and they just didn't know. And we
12 have giant signs that say stop, must be 21.

13 There are some fake IDs that we do
14 get. And whenever we get a fake ID and the minor is
15 turned away, our procedure is that Security notifies
16 surveillance and puts it over the Security radio so
17 that if that person were to try to go out and come in
18 another entrance, everybody's got eyes on this person
19 to make sure they don't get on the floor.

20 MR. JEWELL: So, the majority of these
21 folks, it was kind of informational confusion as
22 opposed to fake IDs?

23 MR. HVIZDA: Correct.

24 MR. JEWELL: Is that a fair way of
25 putting it?

1 MR. HVIZDA: Correct.

2 MR. JEWELL: Thank you.

3 CHAIRMAN: Kathy?

4 MS. MANDERINO: My question's going to
5 kind of a financial health and the financial outlook.
6 And I'm going to try to, in my inarticulate way, put
7 together three pieces of information that you present
8 and hopefully you'll see where I'm going with this
9 question.

10 So, Penn National is publicly traded.

11 MR. FINAMORE: Right.

12 MS. MANDERINO: So, I know from that
13 that there's always pressure when you have
14 stockholders for continued growth. You showed me -
15 showed us a slide of kind of the mature market that
16 you've reached in Pennsylvania since 2014, that kind
17 of shows steady but flat revenue, so to speak.

18 And then you also talked about outside
19 of this property, but it goes to the financial health
20 of the company, but you've been expanding by having
21 more properties, and you're up to 40.

22 So, putting all those pieces together,
23 can you give me an assessment of your - your market in
24 Pennsylvania, your longevity, your health in
25 Pennsylvania, given the kind of maturity and flatness

1 of the Pennsylvania property, vis-à-vis all those
2 other factors.

3 Do you see where I'm going?

4 MR. FINAMORE: Sure. I'll try and
5 answer that.

6 First of all, the property is very
7 successful, and it has been for the ten years we've
8 been operating. The cash-on-cash returns, the even
9 margins, any yardstick that industry individuals look
10 at, the property has performed extremely well.

11 So, we remain very pleased with the
12 property's performance. Yeah, you're correct, the
13 market has flattened out. You know, the Pennsylvania
14 market, in general, has flattened out, with some
15 exceptions.

16 There's a lot of competition. There's
17 competition from other states, as you know, new
18 offerings that don't affect us in New York, but in
19 Maryland, certainly. It's an arm's race always. West
20 Virginia gets sports betting, Pennsylvania gets sports
21 betting.

22 Historically, that was the case with
23 tables, of course. And to the Commonwealth's credit,
24 they've stayed ahead or with the competition
25 throughout. So, we're getting competition from other

1 states. Frankly, we're also getting a lot of
2 competition from within the Commonwealth, as you well
3 know.

4 It's not - you know, the core
5 business, operating a casino, has - is certainly under
6 competitive pressures within the Commonwealth as well.

7 Having said all that, the financial
8 performance of the property remains very - very
9 satisfactory, very strong. The returns continue to
10 be, you know, very acceptable. We're very pleased.

11 We're reinvesting in the properties.
12 We've talked a lot about with food and beverage
13 offerings, with additional slot product. Certainly
14 with sports betting, to keep the property fresh, to
15 keep the property competitive with other casinos
16 within the Commonwealth and others in the - in the
17 mid-Atlantic region.

18 So, we'll continue to do that. We
19 haven't been shy to do that over the years. And you
20 know, we have some other thoughts about opportunities
21 for reinvestment in the property over the - over the
22 coming years as well.

23 MS. MANDERINO: So, - let's see if I
24 can put it -. So, would it be fair for me, for
25 somebody looking at the legalized gaming industry to

1 conclude, unlike a manufacturing plant that could -
2 there's still a demand for automobiles, for example,
3 but they could be built anyway, if there is still a
4 demand for legalized gaming, you need to be where the
5 customers are.

6 So, - I'm kind of looking at not only
7 the mature market view, but, you know, kind of the
8 maxed out potentially, whether we're at the maxed, so
9 a question there, the maxed-out potential of
10 Pennsylvania customers.

11 But is it fair for me to assume that
12 that customer demand is what drives whether you're
13 here versus whether you're in some other jurisdiction?

14 MR. FINAMORE: Well, to be clear,
15 we're not going anywhere. We're very pleased with the
16 operation. That's our home base, you know. It talks
17 about the fact that we're the only publicly-traded
18 company based in Pennsylvania.

19 We're committed to that property.
20 Sure, it's competitive, but that's typical. You know,
21 we operate in 19 - I believe it's 19 jurisdictions.
22 There are no layoffs in any of these jurisdictions.
23 They're all tough competitive markets. We operate and
24 compete against a lot of other good companies.

25 We all have the same slot machines.

1 We have to differentiate ourselves. So, we look at
2 ways to do that through partnering with Fabio Viviani,
3 for instance, who is, I think, going to be a great
4 partner for us.

5 Through team member engagement, which
6 Endea talked a lot about. So, differentiating
7 ourselves on service.

8 Certainly reinvestment in the property
9 is important, but we're going to - we're going to
10 stay, you know, competitive in this market, and you
11 know, throughout the country.

12 Part of the strength of this company
13 is that we have tremendous geographic diversity or
14 diversification. And we're - so, if one area of the
15 country has an economic downturn, Chevrolet announced
16 plant closings this week, as you know.

17 MS. MANDERINO: That's what I was
18 thinking of.

19 MR. FINAMORE: One of them is in -
20 near our property in Youngstown, Ohio. That's not
21 going to be great for us there. But we're a big
22 company with 40 other properties that can weather if
23 one property has a bad year or a bad stretch.

24 So, that's the strength of the
25 company. We have deep pockets. We have access to the

1 capital markets. We can spend \$3 million on slot
2 product, you know. Some of our competitors can't do
3 that.

4 So, the commitment to the property, to
5 the Commonwealth, as you know, with The Meadows, with
6 the Cat 4s, trucks stops, with sports betting,
7 iGaming, we're here to stay.

8 This is our home base. And as I said
9 earlier, we're very, very excited to continue to do
10 business here.

11 MS. MANDERINO: Thank you.

12 Thank you, Mr. Chairman.

13 CHAIRMAN: Sean?

14 MR. LOGAN: Oh, sure. Thank you.

15 So, I'm not sure who would answer.

16 Does your Marketing Department ever push out a text,
17 an e-mail, some communication to customers, whatever
18 level, come in within the hour, five hours, ten hours,
19 receive X free play, a toaster, a free haircut, any -

20 ATTORNEY KING: Yes.

21 MR. LOGAN: - any announcement that -?

22 ATTORNEY KING: I think the reason
23 we're looking at each other is, we have to be very
24 careful with e-mail and text. And the reason for that
25 is -.

1 MR. LOGAN: Don't get hung up - don't
2 get - I don't want to ask something specific that
3 you're going to answer to that specific term. So,
4 don't - don't use Marketing Department inhouse -.

5 ATTORNEY KING: I think -.

6 MR. LOGAN: Let me finish.

7 ATTORNEY KING: Sure.

8 MR. LOGAN: In-house advertising,
9 outside advertising within your facility or not, does
10 any notification go out to a customer, a potential
11 customer, an existing customer of, come in, in a
12 certain time frame and receive something of value?

13 MR. IHM: Well, the short answer is
14 yes. So, if we have a gift giveaway or something
15 else, we do - we do utilize e-marketing or social
16 aspects to market and notify the customers that there
17 is a potential opportunity or there is a marketing
18 program that they can take advantage of.

19 ATTORNEY KING: I just add one item,
20 because I think this is something that I think you're
21 going to see, and I think staff is going to need to
22 engage with the industry, generally.

23 But with the advent of internet
24 gaming, be it straight casino games or sports
25 wagering, I think it becomes more and more important

1 to use e-mails, perhaps texts as tools. And we are
2 all sort of wrestling with how do we do that, yet not
3 run afoul of marketing to folks who are on the
4 restricted list or Self-Excluded List.

5 Because the problem I think that we're
6 seeing - and literally this is something that's being
7 worked on, real time, at least internally on our
8 property, is with respect to excluded gaming, those
9 data points are not always collected right now. It's
10 more names and things of that nature in terms of
11 identifiers.

12 So, I just want to sort of lay that -
13 put that overlay on to you that, at least on gaming
14 marketing, it's a challenge that we're all going to
15 have work through and be very careful with.

16 MR. LOGAN: Is your organization
17 global? Again, all the factors that I mentioned, ever
18 sent out a communication in a text? Again, all those
19 - all those factors that I mentioned for free slot
20 play. So, come in within a certain amount of time and
21 receive free slot play?

22 MR. IHM: So, I would say - not that
23 I'm aware of. The majority of what we send in free
24 slot play comes from our DM, our database, direct
25 mail.

1 So, we do -.

2 MR. FINAMORE: No, go ahead.

3 MR. IHM: And when we do send these to
4 our players, these are players that have, I guess,
5 opted in, that part of our database. So, if somebody
6 were to be excluded, they would be excluded from the
7 database, so would their e-mail.

8 So, we do not - as a property here, we
9 don't go out and purchase - purchase just lists,
10 e-mail lists from outside.

11 MR. LOGAN: No, I understand that they
12 opted in. My question is, if I opted in, would I ever
13 receive a text that says, come in within a certain
14 amount of time and receive free slot play or something
15 of value? So, can I see it?

16 MR. FINAMORE: First of all, we
17 generally, we don't use texting for that function.

18 MR. LOGAN: Any communication?

19 MR. FINAMORE: I'm not aware.

20 MR. LOGAN: Any text, any e-mail, any
21 Twitter?

22 MR. FINAMORE: Yes. So, a significant
23 amount of our database, customers have indicated they
24 would prefer us to communicate them via e-mail.

25 MR. LOGAN: You're missing my point.

1 MR. FINAMORE: Okay.

2 I'm trying to answer.

3 MR. LOGAN: Regardless - I opted in.

4 I opted in to some mode of communication.

5 MR. FINAMORE: Yes.

6 MR. LOGAN: Again, don't - don't get
7 caught up on terms that I'm using, because I don't -

8 MR. FINAMORE: I understand.

9 MR. LOGAN: - want to not use a term
10 and you answer negatively.

11 Any communication -

12 MR. FINAMORE: Sure.

13 MR. LOGAN: - to an existing customer
14 or a potential customer, whether they opted in or not
15 that says come in within a certain amount of time, an
16 hour, two hours, five hours -

17 MR. FINAMORE: No.

18 MR. LOGAN: - and receive free slot
19 play or something of value?

20 MR. FINAMORE: There may be an offer -
21 to try to answer your question, there may be an offer
22 that says come in next Tuesday and receive a buffet
23 offer, or a two for one or a free buffet.

24 There may be an e-mail communication
25 that says, here is your monthly free slot play offer.

1 But to your question about a specific time, yes, maybe
2 the food offer is Tuesday at lunch, maybe the free
3 slot play offer is for the month of December or the
4 week of the 3rd through the 10th.

5 But as to come in between 11:00 and
6 noon, no, I don't - I don't think we do that in - in
7 any of our properties.

8 MR. LOGAN: Okay.

9 CHAIRMAN: If I could follow up? I'm
10 not talking about Penn National, just generally.
11 There's a concern on this Board in the area of minors
12 being left in cars and such things.

13 Where we have some anecdotal
14 information that some of these people who are pulling
15 in the parking lot, going into the casino for an hour
16 or two, leaving minors unattended, or people that are
17 responding to a request like get a free set of
18 sunglasses, \$100 of free play.

19 So, it's kind of a spontaneous
20 decision that some parent is making that results of
21 children being left - I'm getting right to the heart
22 of it, I think.

23 You may have had other things on your
24 mind.

25 MR. LOGAN: No, you're right. You're

1 right.

2 CHAIRMAN: But this is a great concern
3 to this Board. It's one thing to be doing promotional
4 stuff, but some of this is running the risk of
5 encouraging people to engage in really irresponsible
6 behavior.

7 I'm not saying you've done it. It's
8 kind of just like a warning shot. This is something
9 that the Board has been talking about and is very
10 concerned about.

11 That's - Sean was setting the base for
12 what's - what's underneath the question. And I don't
13 know if you have any comments about this, but it's
14 something of great concern to us, whether you haven't
15 had much of it, that's wonderful.

16 But a big warning that this is
17 encouraging certain kind of behavior that is really
18 troublesome.

19 MR. FINAMORE: Mr. Chair, we take that
20 issue very seriously. You know, it's in part of our
21 Responsible Gaming Program at all of our properties.
22 So, that starts with security patrols of the parking
23 garage and the parking lots, looking for all kinds of
24 things. But that certainly is one of the things we
25 look for is unattended children left in the car, or

1 even on the - on the property. So, we - our Security
2 Department surveillance, it's a significant priority
3 for them.

4 No one - we don't want that. That
5 doesn't reflect well on the industry, certainly. And
6 we take great steps to identify that if it is going
7 on. And when we find the parent guilty of such a -
8 such a thing, pretty severe action is taken up to and
9 including, in most cases, a ban - a lifetime ban or a
10 significant ban from the property.

11 CHAIRMAN: I have no doubt that would
12 be your motivation.

13 MR. FINAMORE: Sure.

14 CHAIRMAN: What I'm trying to do on
15 behalf of the Board is raise a concern that may not be
16 apparent. Which is you've got a Security Department
17 looking in the parking lot, and you got a Promotional
18 Department trying to get people to come.

19 And to think about how those two
20 things fit together, whether you thought about it or
21 not, is something we're starting to see that we're
22 very concerned about. That some of the promotional
23 activities that some of our casinos are doing, whether
24 by design or not, have a negative consequence,
25 intended or unintended, to encourage very

1 irresponsible behavior.

2 MR. FINAMORE: I want to get to - I
3 want to get to your answer, but I do have to give you
4 a little more detail, because I want to get it right
5 for you.

6 So, as a company I sit on the
7 company's Corporate Compliance Committee and
8 Responsible Gaming Committee. And every month - or
9 sorry, every quarter we go through a significant
10 amount of data from all of the properties, looking at
11 such issues.

12 I got to say, we have instances of bad
13 parenting, unfortunately, on occasion at our
14 properties, but I can honestly tell you that, first of
15 all, as a company we don't tend to - as I said
16 earlier, we don't tend to send offers out that say
17 come in between this time to get something. It's more
18 of a week or a day or a meal period. So, that's
19 number one.

20 Number two, as I look of the data of
21 every quarter where we have had examples of bad
22 parenting, unfortunately, I can honestly tell you, I
23 don't see it written up that this parent came in to
24 collect their - what did you say, their free haircut
25 or their -?

1 CHAIRMAN: Sunglasses, giveaways.

2 MR. JEWELL: Nobody wants a haircut at
3 a casino.

4 MR. FINAMORE: But they're coming in -
5 they made a bad decision to come in and gamble. And
6 it wasn't a particular event that drove them in, it
7 was just a bad decision.

8 So, I hope that - I hope that helps.

9 CHAIRMAN: Just so you know, because
10 we have seen such cases.

11 MR. FINAMORE: Okay. All right.

12 CHAIRMAN: In the time I've been here,
13 we have had those cases, where somebody said, I just
14 ran in, because I was going in, because I had to pick
15 up my sunglasses or whatever. And then, oh, there's
16 the slot machine, and an hour later the three-year-old
17 is found in the car. Okay? That's not good for
18 anybody here. Okay?

19 And it's more of like say a warning.
20 I'm trying to say think about the interconnections
21 between your promotional activities and some of the
22 security activities, which may not be apparent in any
23 organization that silos, well, we caught the guy in
24 the parking lot.

25 Well, maybe the guy's kids are in the

1 parking lot because there's something your Promotional
2 Department did. That's really what's on our mind.

3 MR. IHM: And now that I understand
4 exactly what you're - you're looking for, so at the
5 Hollywood Casino Penn National, we - we do not send
6 out a text or an e-mail saying, if you come in within
7 the next hour or the next, you know, whatever - you
8 know, we don't do that.

9 So, as John indicated, our e-mails are
10 really intended to get out in front of the consumer
11 ahead of time so they can plan their calendar, so they
12 know that there's a giveaway next Wednesday that they
13 can choose to come in. But yeah, we do not - we do
14 not do that, so -.

15 MR. HVIKZA: Yeah. And I could just
16 add from a regulatory standpoint, all of our
17 promotions are submitted to the Board for review at
18 least 48 hours prior to the promotion.

19 So, we couldn't even do one of these
20 flash e-mail sale type things.

21 CHAIRMAN: Okay.

22 Are there other questions?

23 MR. STRATHMEYER: So, I'm going to
24 take a turn from a different direction. So, you
25 talked about the properties and the upkeep and the

1 expansions and all the glitz and glamour.

2 But one of the reasons - I'm from the
3 Department of Ag, one of the reasons you exist is
4 because of the horseracing on the backside.

5 And so really my question is, is just
6 as a kind of overview is, what type of conversations
7 do you have about the racetracks, the upkeep and that
8 sort of thing that continues to, you know, keep your
9 whole operation in place? Because that's where you
10 become that Category 1, was because of horseracing.

11 And so my real question is - and I
12 realize that this is the Gaming Control Board, but
13 just as a property, how do you look to maintain and
14 upkeep, and even from the standpoint of, you know, the
15 horses, the jockeys and so on -?

16 Do you have those kinds of
17 conversations in your meetings when you're talking
18 about property and property assessment?

19 MR. FINAMORE: I'll start and you can
20 jump in. As I'm sure you know, we committed, when we
21 built the property, to spend \$10 million on the
22 backside, making backside improvements. And it was a
23 multi-year plan.

24 And the - the input as to how to spend
25 that money came from the Horseman's Group, from the

1 HBPA. And we worked with them over the years to
2 determine where that money went. And as you know, the
3 vast majority of that money went to new barns and
4 repair of barns, but mostly new barns.

5 But we addressed a lot of issues on
6 the backside. So, you know, there's never enough
7 money to fix the backside, as you know. It's an
8 ongoing challenge to keep up with the infrastructure
9 back there, but we have made a significant commitment.

10 Dan and his team meet with the HBPA on
11 a regular basis. We talk about subjects such as track
12 conditions, safety for the horses and for the jockeys.
13 And also backside, you know, what else can we do to
14 continue put money on the backside?

15 So, there is a process there. There's
16 a regular dialogue. Do we always agree? Absolutely
17 not. And you know, we try to balance the business
18 part of it with doing the right thing back there.

19 I don't know if you want to add
20 anything.

21 MR. IHM: No, I think that's good,
22 John. But yeah, matter of fact, we just met with - we
23 just met with the Horsemen's Association. It was two
24 weeks ago, and had a nice roundtable. And we actually
25 had the discussion that we probably need to increase

1 the amount of times that we meet, whether we have
2 issues or not, but just as a general conversation.

3 But in general, we feel - at the
4 property we feel like we have a very solid, very close
5 relationship. And we communicate back and forth. And
6 as John said, we don't always agree, but most of the
7 time we do, so -.

8 ATTORNEY KING: I think, also, if I
9 could just quickly put on the record, last month, as
10 you know, we were in front of the Horseracing
11 Commission to specifically talk about the integration
12 of the sports book onto the horseracing side of the
13 property, which, quite frankly, was - although it was
14 a good decision for us, was also consistent with, I
15 believe, what the Commission and Secretary Redding
16 wanted to see.

17 So, we fully integrated it onto that
18 side, we made that investment. And I think Alex could
19 offer, just a quick snapshot. We've already seen some
20 uptake in terms of horseracing wagers.

21 So, we've - we have directly seen the
22 certain symbiotic relationship, as I think it was
23 described, in some correspondence from the Secretary,
24 which directly benefits the horseracing operation.

25 MR. HVIZDA: Yeah. So, since we

1 opened on the 15th, unfortunately that weekend with
2 the snow, we were unable to do live racing. But when
3 we came back this past week, there's just a lot more
4 energy, activity and life up in that sports book
5 simulcast theater. And you're just naturally having
6 people cross over who are there to place sports bets
7 and maybe never came to the property before, they'll
8 place a horse wager as well and vice versa.

9 We did see some good numbers last
10 Friday night. And then we're just watching it for
11 now, because again, it's only been a couple of days.
12 But as you saw when you toured last night, there's
13 just a new vitality up there in that area.

14 MR. JEWELL: Mr. Ihm, just very
15 quickly, something I thought I picked up last night,
16 there were some presentations that folks made and then
17 a lot of informal conversation. It was a very
18 interesting visit and view.

19 And that is the profile of your sports
20 betters versus the profile of the historical folks
21 that have come there for table games and for slots.

22 Can you differentiate, and is one
23 simpatico with the other? Alex said, might stop off
24 and bet on a horse - or you know, tell me just a
25 little bit about that.

1 MR. IHM: Yeah, I think, generally,
2 overall, most of the simulcast folks are - were
3 pleased because of the additions that we made. We
4 have more food offerings now available to everybody.
5 We have enhanced televisions, et cetera. And they
6 have options as well.

7 So, we have the options for the entire
8 fourth level for simulcast as well. So, the
9 interactions have worked well, I think, which was -
10 what is the most interesting component in that room,
11 is that the demographic.

12 So, there is a little bit of a younger
13 skewed demographic that's coming into that room, which
14 is actually really nice to see.

15 And on Saturday night, you know, if
16 you're in the sports book on a Saturday night, there's
17 a lot of cheering and - so things that you normally
18 would -.

19 MR. JEWELL: Some groaning.

20 MR. IHM: That's right. And some of
21 that, too, yes.

22 MR. JEWELL: It is entertainment.

23 MR. IHM: Yes, it is.

24 MR. JEWELL: But definitely a
25 different -.

1 MR. IHM: But definitely a little bit
2 younger.

3 MR. JEWELL: And so they're not folks
4 who kind of been customers you see before, they were
5 downstairs and playing slots or -.

6 MR. IHM: No.

7 MR. JEWELL: So, it's a -.

8 MR. IHM: It's a completely new
9 customer base.

10 MR. JEWELL: Sure. Okay.

11 That's good to know and good to hear.

12 CHAIRMAN: Commissioner Logan, did you
13 have another question?

14 MR. LOGAN: Just to follow up on the
15 sports book.

16 What I saw last night, it's a room
17 this size, and I saw that you had kind of half the
18 seats smoking, half not smoking. But if I'm smoking
19 here, you know, Max, Stan and Paul smell it over there
20 in the non-smoking.

21 Any plan to improve the air-quality
22 system or just - it was - no matter what section you
23 went into, you smelled it, and there was only one - I
24 think one person smoking in there last night. Just
25 such a confined space.

1 MR. IHM: Yeah. So, we'll always look
2 into that situation. We're very aware of that. You
3 know, we've made some - some changes. For example, we
4 did not allow cigar smoking in that area, which was
5 very common at one time.

6 But again, that area was a simulcast
7 area at first. And it was always set up smoking and
8 nonsmoking. So, one of the things we wanted to do
9 when we first came into this, obviously, we didn't
10 want to upset the folks that have been utilizing that
11 room for several years.

12 So, I think it's to your point it's
13 just something we need to be monitoring and just
14 watching and see how that room evolves.

15 CHAIRMAN: Okay.

16 Other questions? I do have one area
17 that you touched on twice.

18 I just need to be publicly educated,
19 but you made several references to truck stops and
20 VGTs. Would you talk a little bit about what you're
21 doing there?

22 MR. IHM: Sure. Yeah.

23 So, I'm not sure where to start, but
24 we are involved in the VGT business, and the company
25 is Marquee by Penn.

1 So, we are currently - currently we
2 have applications from some of the partner
3 establishments that we've been able to have contracts
4 with. And those are - so far right now the terms are
5 five-year terms with the partners that we have.

6 So, we're looking at - based on PGCB
7 and approval of the establishments, the hope is, is
8 that sometime in the first quarter of next year we can
9 start seeing some of these VGT, these truck stops,
10 which have five slot machines at each location.

11 We are partnering with them as it
12 relates to providing the slot product, providing the
13 surveillance, working with Pennsylvania Gaming Control
14 Board. Again, they will - I can't speak for them, but
15 I understand that they will go out and do a site
16 visit, to make sure each establishment meets the
17 requirements to be a licensed VGT operator.

18 So, that's kind of where we're at.
19 So, we're kind of in the infancy stage, where we're
20 still trying to get more applications.

21 CHAIRMAN: At this time, how many - I
22 mean, I know I can find this elsewhere, but I also
23 think it's also useful putting it on the public
24 record.

25 MR. IHM: Yeah.

1 CHAIRMAN: How many different truck
2 stops are you either in contract with or close to
3 being in contract with the state right now?

4 MR. IHM: Wow. So, -.

5 CHAIRMAN: That's why I phrased it
6 that way.

7 MR. IHM: Yeah, I know. So, I can say
8 we're anywhere between -.

9 ATTORNEY KING: I think just for
10 plainly a competitive position, would you care very
11 much if we submitted that separately, not in the
12 public forum yet?

13 CHAIRMAN: Some of it I would take
14 separately. But there must be parts of this that is
15 already a matter of public record. And if you can
16 tell me that, that would be useful.

17 MR. IHM: Yeah, I don't think any of
18 it is public record, because the - the two
19 establishments that we actually have contracts with, I
20 do not believe that they have filed an application
21 into the State. So, that's why it's probably not
22 public record at this time.

23 CHAIRMAN: Okay.

24 Now, let me rephrase the question a
25 little bit and see whether Adrian thinks this is okay,

1 in terms of your competitive concerns.

2 You have a budget or a projection of
3 what you're trying to accomplish in 2019, what's a
4 goal or something? Something so I know whether this
5 is bigger than a breadbox, more than a house sort of
6 thing. That's what I'm trying to understand.

7 MR. FINAMORE: We have some very
8 preliminary thoughts. This is very, very early on.
9 It's very hard to do projections without knowing how
10 many of these entities we're going to partnering with.
11 So, I mean, it's - the answer really is no, -

12 CHAIRMAN: Okay.

13 MR. FINAMORE: - as far as financial
14 projections. I mean, I think we understand what each
15 one of these entities can do for us, but we don't -.

16 CHAIRMAN: Just to help you, I'm not
17 looking for the financial projections. A much more
18 basic thing, which is - if it's inappropriate or you
19 have no idea, those are fine answers.

20 But we'll be expecting that by the end
21 of the year you're going to have 20 truck stops, three
22 truck stops, 300 truck stops?

23 MR. FINAMORE: Honestly, we don't
24 know. It's dependent on signing agreements with the -
25 with the owners and them getting licensed, and that's

1 a big if. So, we honestly don't know.

2 This is not like opening a Cat 4 or a
3 - you know, a sports book, which is some certainty
4 involved with it. This is very, very uncertain to us
5 as it evolves.

6 CHAIRMAN: Okay. I'll leave it at
7 that.

8 Enforcement Counsel, comments,
9 questions?

10 ATTORNEY ROLAND: The OEC doesn't have
11 a public presentation. However, at this time OEC
12 would like to amend its exhibit list to introduce into
13 the record, in addition to OEC Exhibit 1, which is the
14 Uniform Crime Reporting System Report for Hollywood
15 Casino.

16 That amendment includes the statistics
17 for September and October of 2018. And secondly would
18 be the addition to OEC Exhibit Number 8, which is a
19 copy of the OEC warning letters issued to Hollywood,
20 along with the responses submitted.

21 The amendment includes one additional
22 warning letter with a submitted response, and it's
23 been marked as confidential, pursuant to 4 Pa C.S.
24 Section 1206(f)(1).

25 Finally, Mountainview Thoroughbred

1 Racing Association, LLC, doing business as Hollywood
2 Casino, along with its affiliates and Principals filed
3 Renewal Applications with the Board.

4 The Bureau of Investigations and
5 Enforcement (BIE) has completed its background
6 investigation related to these applications.

7 Hollywood fully cooperated with BIE
8 during the course of the background investigation.
9 BIE did not identify any information that would
10 preclude a finding of suitability or financial fitness
11 for Hollywood, its Principals or its affiliates.

12 The Background Investigation Reports
13 have been submitted as part of the Suitability Report
14 to the Board for consideration, and the OEC will be
15 happy to answer any questions you might have.

16 ---

17 (Whereupon, OEC Exhibit 1, Uniform Crime
18 Reporting System Report, was marked for
19 identification.)

20 (Whereupon, OEC Exhibit 8, OEC Warning Letters,
21 was marked for identification.)

22 ---

23 CHAIRMAN: Thank you.

24 Any further questions from the Board?

25 Any response?

1 ATTORNEY KING: I just thank you
2 administratively. We'd like to move into the record
3 our PowerPoint for today's presentation and thank
4 everyone for their time and the efforts of the staff
5 on this Renewal Application. And respectfully request
6 that our Renewal Application be granted.

7 So, thank you for the -.

8 CHAIRMAN: Did you ask to move
9 something into the record - did you?

10 ATTORNEY KING: Yes, just the
11 presentation.

12 CHAIRMAN: So moved.

13 Well, thank you all for coming. And
14 nice to know that you decided that you'd like to
15 continue to have your license.

16 You could have come in here and said
17 you've had enough.

18 MR. IHM: Yeah, we could have just
19 said that.

20 Right?

21 CHAIRMAN: That's right. A much
22 shorter hearing.

23 Okay. Thank you very much.

24 * * * * *

25 HEARING CONCLUDED

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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Commonwealth of Pennsylvania Gaming Control Board, was reported by me on 11-28-18 and that I, Lindsey Deann Richardson, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 20th day of December, 2018



Lindsey Deann Richardson,
Court Reporter