



CHURCHILL DOWNS
INCORPORATED

Pennsylvania Gaming Control Board

Petition for Interactive Gaming Certificate - Public Hearing

Licensee: Presque Isle Downs, Inc., Eldorado Resorts, Inc.,

Applicant/Partner: Churchill Downs Incorporated, and PID, LLC

October 31, 2018

How we arrived here today

- ❑ On February 28, 2018, Eldorado Resorts, Inc., and Churchill Downs announced that they had entered into a definitive agreement for Churchill Downs to acquire Presque Isle Downs & Casino, Inc. from Eldorado Resorts, Inc. (Transaction)
- ❑ Churchill Downs thereafter timely filed its application materials with the PGCB for investigation, and the parties jointly petitioned the PGCB for Preliminary Approval of the Change of Control of Presque Isle Downs.
- ❑ The PGCB granted The Amended Joint Petition of Presque Isle Downs, Inc., Eldorado Resorts, Inc., Churchill Downs Incorporated and PID, LLC for Preliminary Approval of Change of Control Pursuant to 4 Pa.C.S. § 1328 and 58 Pa. Code § 441a.17 with respect to the proposed transaction on August 15, 2018.
- ❑ Presque Isle Downs, Inc. submitted its petition for an Interactive Gaming Certificate on August 10, 2018.
- ❑ Because of the impending Transaction with Churchill Downs, Inc., the licensee's Petition and i-Gaming offering are intertwined with its i-Gaming supplier, and acquirer, Churchill Downs, Inc.
- ❑ Presque Isle Downs anticipates that this transaction will close very soon, and in furtherance of their joint agreement, Presque Isle Downs is relying on Churchill Downs as its partner for the i-Gaming platform and operations.
- ❑ In the event that the Transaction has not closed by the time the launch of i-Gaming in the Commonwealth begins, Presque Isle Downs will utilize the Churchill platform until closing, to assure ease of transition.

Churchill Downs is an industry-leading entertainment company



Racing – namesake, Churchill Downs hosts the longest continuously held annual sporting event in the U.S., **The Kentucky Derby** (since 1875)



Casinos – seven casinos¹ & three hotels with ~8,000 gaming positions² located in six states



TwinSpires – the largest³, legal online wagering platform for horseracing in the U.S., **TwinSpires.com**

¹ Includes MVG, 50% owned Ohio joint venture

² Includes MVG; Includes slots, video poker and table games at owned properties

³ Based on annual / quarterly figures released by Oregon Racing Commission for 6/30/18

I-Gaming is managed by CDIG (wholly owned by Churchill Downs Incorporated)

Churchill Downs Interactive Gaming, LLC (CDIG) Management Leadership Team

Ian Williams,
President

**Sean
Phinney,**
VP
Marketing

**Alan
Stremel,**
VP
Sportsbook

**Richard
Sagman,**
VP
Product

**Justin
Hurt,**
VP Business
Development

**Shirl
McConville,**
Sr. Director
Operations

Churchill Downs Inc.

**Bryson
Tomsky,**
Sr. Director
HR, CDI

**Whitney
Stephens,**
Sr. Director
Finance, CDI

**Cathy
Beeding,**
Sr. Counsel
Corporate
Compliance
Officer, CDI

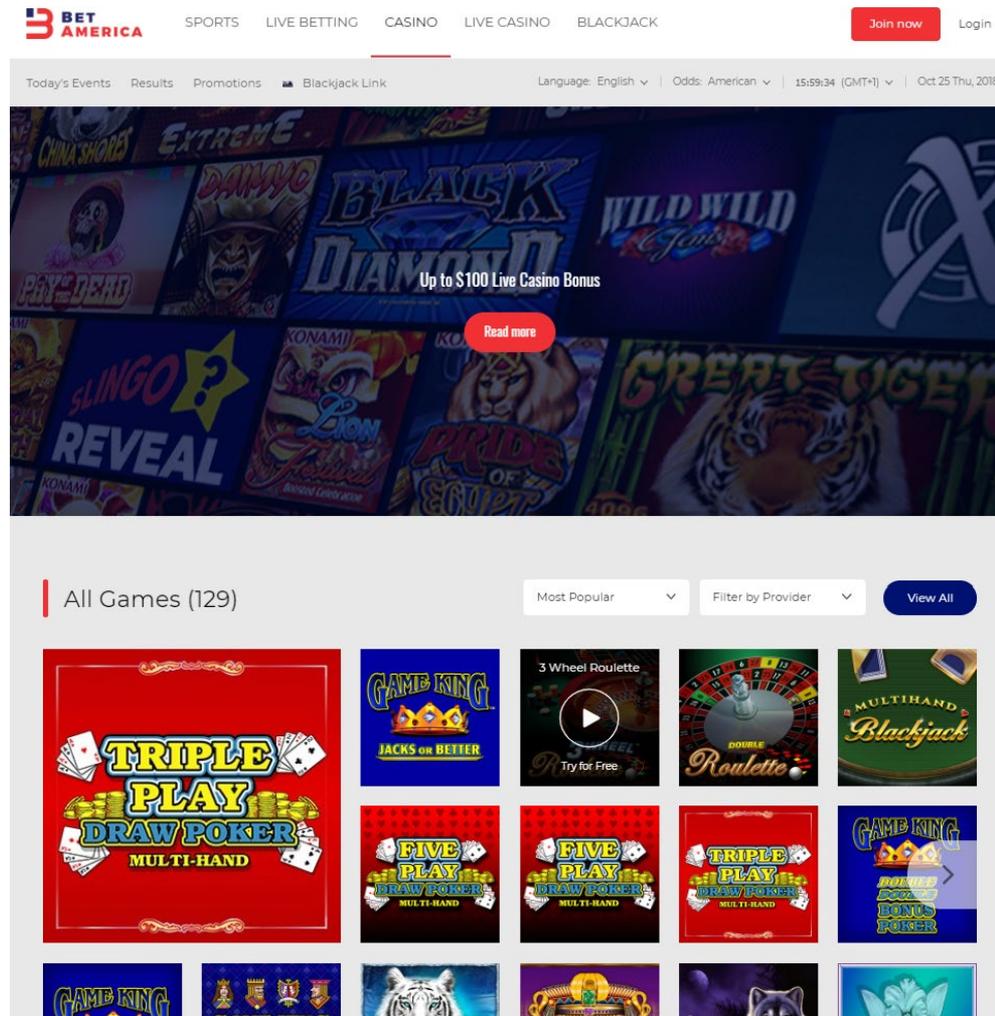
**Carter
Vance,**
VP - Legal,
CDI

Interactive Gaming Overview

- ❑ On August 10, 2018, Presque Isle Downs filed a petition for authorization to conduct interactive gaming for non-peer-to-peer interactive games which simulate slot machines and table games
- ❑ Interactive gaming is a natural progression of our existing online wagering business and on May 16, 2018, we announced an agreement with Golden Nugget Atlantic City to enter the New Jersey online gaming and sports betting markets
- ❑ Churchill Downs Incorporated brings a decade of experience operating regulated online wagering on horseracing in the US while demonstrating the willingness to make substantial investments to market, develop and improve its online products
- ❑ Churchill Downs will operate Pennsylvania interactive gaming under the brand **BetAmerica**
- ❑ **SBTech** will be providing our Pennsylvania online casino platform
 - SBtech is a leading B2B online gaming platform provider, currently operating in 15 regulated markets



The BetAmerica platform offers a full-spectrum online gaming experience



- iOS and Android apps
- Responsive website
- Variety of slots and table games
- Live Dealer
- Player rewards

Sports wagering can be seamlessly integrated into the BetAmerica platform

The screenshot displays the BetAmerica website interface. At the top, there are navigation links for SPORTS, LIVE BETTING, CASINO, LIVE CASINO, and BLACKJACK, along with a 'Join now' button and a 'Login' link. Below the navigation, there are sections for 'Today's Events', 'Results', 'Promotions', and 'Blackjack Link'. The main content area features a '30% RELOAD BONUS' promotion, a 'BET ON GET 200\$ TO' promotion, and a 'BET SLIP' section with a message: 'Your bet slip is empty. Click on any price to add a bet.' There is also a 'PROMOTIONS' section for 'SCOTT SHAPIRO'S NFL 4-PACK' and a 'Scully NFL Week 8 Picks' section. The 'TENNIS' section is currently selected, showing a list of matches with odds.

Match	Team 1	Team 2	Odds
ITF Women Sa...	Robin A. Today	Jessika P...	+155 / -230
ITF Women Sa...	Dasha L. Today	Manon Ar...	-425 / +260
ATP Basel	Alexei Po... Today	Alexander Zverev	+675 / -1075
ATP Vienna	Dominic ... Today	Sam Querrey	-225 / +185
ITF Women Ma...	Veronica Ceped...	Ulrikke Eikeri	-230 / +155
ITF Women Sa...	Hobgarski / Hus...	Ce / Plai	-120 / -120
ITF Germany F16	Arthur R... Today	Louis Wiesels	+230 / -365
ITF Women Ma...	Danielle Lao	Louisa Chirico	-490 / +290
ITF Women Ma...	Marie Bouzkova	Sesil Karantanch...	-170 / +120
ITF Women Ma...	Sophie C... Today	Allie Kllick	+415 / -635
ATP Basel Dou...	Rojer / Tecau	Zverev / Zverev	

- ❑ In August 2018, we launched BetAmerica sports wagering via retail kiosks in our two Mississippi casinos
- ❑ We are planning to launch in New Jersey by the end of the year
- ❑ SBTech provides an industry leading sports betting system and 10+ years of modeling and pricing experience to manage risk
- ❑ BetAmerica is designed to allow instant activation of sports wagering in Pennsylvania should a license be granted

Account registration is user-friendly and validates players

- ❑ LexisNexis provides KYC services to verify players' age (21+) and identity
- ❑ GeoComply provides geolocation validation

3 BET AMERICA Login Sign Up

< Register now and get extra 100\$ as a bonus

1 / 2 / 3

Personal Information

Mr Ms

First Name

Last Name

Date Of Birth

Month Day Year

Last 4 of SSN

Email

Next

SSL Secure Registration

3 BET AMERICA Login Sign Up

< Register now and get extra 100\$ as a bonus

✓ / 2 / 3

Contact Information

United States

+1 Cell Phone

Address

City

State

Zip Code

Next

SSL Secure Registration

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< Register now and get extra 100\$ as a bonus

✓ / ✓ / 3

Account Information

Username

Password

Offer Code

I am 21 or older and accept these Terms & Conditions.

I am not prohibited from wagering in any wagering, casino or simulcasting casino or a key casino employee in New Jersey.

Create account

SSL Secure Registration

We take security and responsible gaming seriously

- ❑ Robust security measures are in place to protect our players and system components:
 - Account information is encrypted by SSL
 - Strong authentication available for players
 - Numerous secure deposit/withdrawal options
 - All data transmitted via secure protocols
- ❑ Our responsible gaming features provide numerous options for players to manage their gaming activity, including:
 - Deposit Limits (player can set daily, weekly, monthly limits)
 - Wager Limits (player can set daily, weekly, monthly limits)
 - Time Limits (player can set daily limits)
 - Reality Checks (pop up reminders on duration of playing session)
 - Time-out / Cooling off period
 - Self-Exclusion / PGCB Exclusion
- ❑ Customer support will be available via telephone, chat, and email.