

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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SHAQ-JACK BLACKJACK PRESENTATION

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
Gregory C. Fajt, Commissioner
Keith R. McCall, Commissioner
John J. McNally, III, Commissioner
David W. Woods, Commissioner
Anthony C. Moscato, Commissioner
Annamarie Kaiser, Commissioner
Eileen McNulty, Acting Ex-Officio Member
Fred R. Strathmeyer, Jr., Deputy Secretary,
Representing Russell Redding, Acting
Ex-Officio Member, State Treasurer
Jennifer Langan, Esquire
Robert Coyne, Esquire

HEARING: Tuesday, March 31st, 2015

LOCATION: Pennsylvania Gaming Control Board
Strawberry Square Complex, Second Floor
Harrisburg, Pennsylvania 17101

WITNESSES: Nebiyu Bellete

Reporter: Derrick Ferree
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PRESENTATION

By Mr. Levenson

6 - 7

QUESTION BY BOARD

7 - 12

E X H I B I T S

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<u>Number</u>	<u>Description</u>	<u>Page</u> <u>Offered</u>	<u>Page</u> <u>Admitted</u>
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NONE OFFERED

P R O C E E D I N G S

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CHAIRMAN:

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Okay. We will next hear from the Shaq-Jack Blackjack people.

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MR. FAJT:

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I thought you weren't going to say that.

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CHAIRMAN:

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I didn't say all of it. I cut out three or four words. Okay. Gentlemen, you may begin.

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MR. LEVENSON:

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Thank you, Chairman Ryan, members of the Board. My name's Lloyd Levenson, L-E-V-E-N-S-O-N. I have been assisting Mr. Charles Barksdale who is the President and Founder of Dynamic Gaming Systems and the creator of this game. Where'd he go? Oh, Chris Barrs (phonetic) is the CFO of the company. To my left, I'm sure he needs no introduction, Tom Bonner who is the general counsel for Parx Casino.

And I guess there's a detriment and a benefit of going second. You've heard probably 95 percent of what you would need to hear from us if we had gone first. So, we thought we'd liven this up a little. Not that it's not lively. We'll liven this up a little bit. We have a video I think that you'll

1 get a kick out of. And it's also entertaining, but
2 it's informational. So, if we can play that and then
3 we can go into questions from that I think will be
4 helpful.

5 VIDEO PLAYED

6 MR. LEVENSON:

7 So, that's really an overview of what
8 the game is about. Obviously different from the last
9 presentation. This is just blackjack. This is not a
10 choice of games. You just play blackjack. And as I
11 said, Mr. Barksdale is here, Tom Bonner's here from
12 the casino. Any questions you have? We don't want to
13 repeat. We have a PowerPoint that --- 80 percent is
14 the same as what you just heard. So, we're going to
15 avoid that unless you want us to go through that. But
16 we thought we'd open up with the questions based on
17 what you'd just seen on the video.

18 CHAIRMAN:

19 Greg?

20 MR. FAJT:

21 Thank you, Mr. Chairman. Mr. Bonner,
22 how many of these games do you plan on deploying and
23 what would be the impact on your current configuration
24 of table games and slot machines?

25 ATTORNEY BONNER:

1 Commissioner, we have a contract to
2 start out with up to 25 terminals. We're going to
3 start small as did Sands in Las Vegas. See how the
4 game is accepted by the gaming public and we can take
5 it from there. We've always viewed the possible
6 implementation of Shaq-Jack as part of our ongoing
7 casino expansion project. We expect that to be up and
8 running by the end of the year. So, in conjunction
9 with that expansion we will be adding tables, adding
10 slots and these will be some of the tables that we'll
11 add with that.

12 We expect no reduction in slot machines.
13 In fact, we think we'll be adding about 300 slots to
14 our existing count in conjunction with that expansion.
15 We expect no deduction in table games, with one
16 exception. We have four fully automated electronic
17 table games on the floor now that frankly aren't
18 performing very well. So, we think this will be an
19 opportunity to introduce a new product that might be
20 better received and produce greater revenue. And
21 we'll probably take those four units off the floor
22 when we do that.

23 We anticipate no staff reduction. In
24 fact, as Sands had indicated, certainly in the
25 technical support area we will grow staff. As we

1 bring the additional traditional slot machines on,
2 we'll need more staff for that. Because it's a small
3 compliment than Sands is planning, I don't know that
4 there will be a specific labor increase with respect
5 to this particular instillation. But overall, jobs
6 will grow as a result of the implementation of the
7 game.

8 I think the last piece to talk about,
9 again, is an issue that Sands had emphasized. And we
10 think they're right on the money. We do think this is
11 an opportunity for incremental revenue growth because
12 it introduces table games in a less intimidating
13 environment. It allows us to offer lower minimums
14 that we can afford to offer now given the labor
15 component. And we think there's a market for that.
16 We, too, think that it's the younger demographic that
17 who can target. We think the mix of the table game
18 with the basketball theme might be attractive to a
19 younger male audience. So, we think that's where the
20 opportunity lies.

21 MR. FAJT:

22 Thank you.

23 CHAIRMAN:

24 Keith?

25 MR. MCCALL:

1 Just two questions. It's probably a
2 little redundant. You are going to have lower betting
3 limits? That's the goal of this?

4 ATTORNEY BONNER:

5 That's the plan, Commissioner, yes, it
6 is.

7 MR. MCCALL:

8 And what about supervision? I noticed
9 there wasn't any supervision over the dealer. Will
10 there be a pit boss or supervisor over that dealer as
11 they deal the game?

12 ATTORNEY BONNER:

13 Well, as Sands has indicated, we think
14 this will be governed by existing staffing, a plan has
15 been approved by the Board. So, depending on the
16 number of dealers who are there, appropriate
17 supervision will be required and will be there.

18 MR. MCCALL:

19 Okay. Thank you.

20 CHAIRMAN:

21 Tony?

22 MR. MOSCATO:

23 No, sir.

24 CHAIRMAN:

25 Annmarie?

1 MS. KAISER:

2 (Indicates no).

3 CHAIRMAN:

4 Dave?

5 MR. WOODS:

6 Just the optimum number of terminals per
7 dealer, what do you foresee that as being?

8 ATTORNEY BONNER:

9 We haven't frankly got that far,
10 Commissioner, in our planning. We know what the
11 current requirements are for live table games. And
12 the expectation is that we're going to have to work
13 that out with staff. We haven't gotten that far yet.

14 MR. WOODS:

15 Thank you.

16 CHAIRMAN:

17 John?

18 MR. MCNALLY:

19 No.

20 CHAIRMAN:

21 Ex-officio members? Well, we thank you,
22 gentlemen, for your presentation.

23 ATTORNEY BONNER:

24 Thank you.

25 CHAIRMAN:

1 Anything further?

2 ATTORNEY BONNER:

3 (Indicates no).

4 CHAIRMAN:

5 And we certainly thank you for the
6 information that's provided.

7 ATTORNEY BONNER:

8 Thank you for the opportunity.

9 ATTORNEY PITRE:

10 I can say that Shaquille O'Neill has
11 eaten at my mother's house on previous occasions,
12 numerous times while he was in college, and he will do
13 anything for attention, so ---.

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15 PRESENTATION CONCLUDED

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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Ryan was reported by me on 03/31/2015 and that, I Derrick Ferree, read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.



Court Reporter

Derrick Ferree