

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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HEARING

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BEFORE: DAVID BARASCH, CHAIR
Dante Santoni, Jr., Sean Logan, Richard G. Jewell, Anthony C. Moscato, William H. Ryan, Jr., Ahmeenah Young, Members, George Augusto, representing Russell Redding, Secretary of Agriculture; Jennifer Langan, representing Joseph M. Torsella, State Treasurer; Robert P. Coyne, representing Eileen H. McNulty, Secretary of Revenue

HEARING: Wednesday, March 22, 2017
10:01 a.m.

LOCATION: PA Gaming Bureau of Appeals
303 Walnut Street
Strawberry Square Complex
Harrisburg, PA 17101

Reporter: Rhonda K. Thorpe

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CHAIRMAN:

Today we have one scheduled hearing regarding Greenwood Gaming Entertainment seeking approval to modify the gaming floor at the Parx Casino.

Before we begin, I'd like to note one housekeeping matter. Specifically that the Board's Executive Director, Kevin O'Toole, was involved in discussions with Greenwood on this subject that is the matter of this petition. Therefore, Mr. O'Toole has --- had in no way been involved in any Board discussion or deliberation of this matter. In fact, during yesterday's Executive Session, when we were discussing this he left the room while the Board was discussing the item that was on the agenda.

Before we begin I'd ask everyone who's going to speak, please state and spell your name for the court reporter prior to your presentation. Additionally, I would ask any non-attorney witness to please stand to be sworn at the time they appear. Come forward, please.

Whoever is here on behalf of Greenwood, if you would identify yourselves and either be sworn

1 or not sworn as the case may be.

2 ATTORNEY STEWART:

3 Mr. Chairman, Commissioners, may it
4 please the Board. Good morning. My name is Mark
5 Stewart, that's, S-T-E-W-A-R-T, with Eckert Seamans on
6 behalf of Greenwood Gaming and Entertainment.

7 Joining us today who is unfortunately stuck on
8 some gridlock will also be Tom Bonner, Vice President,
9 Legal Chief Counsel for Greenwood Gaming and
10 Entertainment. With me as well is Brian Schroder.
11 Brian, I'll let you introduce yourself.

12 ATTORNEY SCHROEDER:

13 Good morning. Commissioner Brian
14 Schroder. Last name, S-C-H-R-O-E-D-E-R. I'm the Vice
15 President of Regulatory Affairs and Chief Compliance
16 Officer for Parx Casino.

17 MR. HAYES:

18 And I am Matt Hayes, H-A-Y-E-S. And I
19 am the Corporate Controller for Greenwood Gaming.

20 CHAIRMAN:

21 Thank you.

22 Will the two of you, if you perhaps are
23 going to be testifying, please stand to be sworn.

24 ATTORNEY STEWART:

25 Mr. Schroeder is an attorney, Mr.

1 Chairman.

2 CHAIRMAN:

3 Thank you.

4 ---

5 MATT HAYES,

6 CALLED AS WITNESS IN THE FOLLOWING PROCEEDING, AND

7 HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS

8 FOLLOWS:

9 ---

10 ATTORNEY STEWART:

11 Thank you very much. With that we will
12 proceed with our presentation and Mr. Schroeder will
13 begin.

14 ATTORNEY SCHROEDER:

15 Good morning, Commissioners. As you
16 have the slide presentation in front of you. The
17 purpose of today's presentation is Parx Casino's
18 Proposed OP-23.3 floor plan. It represents a solution
19 to an issue that has arisen in the last 90 days of
20 having our automated teller machines, ATM machines
21 removed from our casino floor and placed in non-gaming
22 space.

23 As you'll see throughout this slide, a
24 casino layout for each casino is unique. And the
25 layout and the plan to develop and design that casino

1 is unique for each property based on the business
2 decisions of that Licensee.

3 The locations of everything on the
4 casino floor, be it slot machines, table games, ticket
5 redemption machines even valet kiosk are thought out
6 and planned for the customer and to maximize the
7 experience in the building.

8 The specifics in regard to OP-23.3 is a
9 reduction in gaming floor space by approximately 6,214
10 square feet. That represents a reduction of a little
11 over three and a half percent. It's a modest
12 reduction, but it will allow us, Parx Casino, to
13 operate our ATMs where we had originally contemplated
14 them and where they had been for the last seven years.
15 With one location being two years old.

16 So, if we could just move on to the next
17 one I'll give you a quick summary. Currently there
18 are a little over 175,000 square feet of gaming space
19 at Parx Casino. We have over 3,400 slot machines, 120
20 banking tables, 55 poker tables, and then we have 48
21 electronic wagering terminals that are related to a
22 hybrid games. And finally we have 22 ticket
23 redemption machines throughout the property, and 14
24 ATMs.

25 Now in our request for OP-23.3, we're

1 not moving any slot machines, table games, or ticket
2 redemption machines. It's simply turning the --- we
3 hope to return the ATM machines back to their original
4 locations that were previously approved by this Board
5 in other OP Plans.

6 I want to stress that each location when
7 they were installed was tied to some type of other
8 gaming floor modification. Whether that be the
9 opening of our new facility in 2009, or an expansion
10 of table games, the increase of slot machines, or the
11 increase of square footage in the back of the casino.

12 The locations of the ATM and cash
13 centers in general were well thought out decisions.

14 I want to talk right now about our
15 current locations and give you a sense of where we
16 have them. So, we have two locations now as a result
17 of OEC's requirement that the ATMs be removed from the
18 gaming floor.

19 If you go to the next slide, Mark. This
20 is a floor plan. It's tough to see but if you have
21 the slide in front of you. You'll notice there's two
22 locations in blue boxes on the south eastern or bottom
23 left-hand corner of your page. And they are the two
24 locations that we have put the ATMs.

25 Location one is adjacent to our Chinese

1 Restaurant Bambu. There are 12 ATMs in that section.
2 And location number two is inside our Simulcast
3 Racebook. And they're the two locations. I want to
4 emphasize that on a daily basis we've received
5 complaints from our customers in terms of location of
6 those ATMs.

7 If you look at that floor plan, there's
8 not many --- there is no non-gaming space in the back
9 of our building. So, we designed the ATM locations
10 --- we spread them out, but now they're concentrated
11 in one area. So, it requires are older, other
12 customers to walk from one end of the casino to the
13 other.

14 And it has been an issue that they
15 receive daily complaints, both our Director of
16 Security, Director of Table Games, Director of Players
17 Services, as well as our General Manager.

18 Now, I would like to highlight the
19 actual specific request in OP-23.3. Specifically
20 there are six cash centers that we would like to
21 return to. And I broke the slides down to identify
22 each cash center so you can see how it's there, the
23 original gaming floor plan border, and the new gaming
24 border.

25 So, we go to the first cash center.

1 Yeah --- well, looking at this slide you can actually
2 see as I describe the locations are spread out around
3 the building. In the front, the west entrance, the
4 back, as well as near the Chickie and Petes
5 Restaurant, and arcade. So, we have it fully spread
6 out of those six locations right there.

7 So, cash center number one is next to
8 our Chickie and Petes Restaurant outlet. And what
9 you'll see in that slide is originally the red line is
10 actually the current casino border. The blue line is
11 our suggested changes. It bumped out. And what that
12 allows is those ATMs to go back to that location.
13 There are two ATMs in that location.

14 And it's --- it will bump out that
15 follows the carpet change over right there. So, it
16 goes outside Chickie and Petes, around to the wall,
17 and it keeps continuing --- a continuous track as it
18 goes down from the wall and back around. And if you
19 go next --- the next slide you will see a picture of
20 that. You look there --- it's hard to see in this
21 picture, but I want to point out there are two gaps
22 between the other machines. These other machines are
23 ticket redemption machines.

24 So, the gaps in the middle are where the
25 ATMs would be. And you'll see it better in the other

1 pictures, but those spaces in between are not the same
2 size. What I mean by that is it's custom designed.
3 So, the gap for the ATMs are a certain measurement.
4 The TRMs would not fit into that space. So, we built
5 this to put the ATMs in there specifically.

6 And it's actually highlighted much
7 better in the next photo which is cash center number
8 two. This is important if you look at this slide on
9 the top left-hand side. That's our West Entrance as
10 our second major entrance into the facility. So, when
11 you walk in there and you hang a left, you'll see a
12 newly built cash center. It's approximately 18 months
13 old.

14 I think the next picture shows it very
15 well. So, that cash center has six TRMs. As well as
16 two ATMs that have been removed. And you can see the
17 blank wood, the hanging wood there that's in those
18 spaces. You can also see that the space got narrower
19 than some of the other spaces that exist and to the
20 far left are two lottery machines.

21 So, this was just recently built with
22 the addition of over 10,000 square feet of gaming
23 space about two years ago. It was Board approved and
24 improved that location.

25 The next one is going to be towards our

1 valet pick-up. There are actually two locations.
2 Cash center number three and number four. Number
3 three is our Xclusive Room which is our high limit
4 slot room. It's limited to just one ATM. And cash
5 center number four is our valet pick-up. People pick
6 up their cars to leave the building.

7 Wait. Go back, Mark, for one second.

8 And if you see, again, you'll see the
9 red line and the blue line are following the same
10 border until you get to the high limit room and just
11 bumps out to encompass a one ATM machine in our
12 Xclusive Room.

13 And then bumps out again to encompass
14 cash center four. And those three ATMs there. So, if
15 you go, Mark, to the next picture. This is cash
16 center number three and the bump out would occur on
17 that pillar to the right. It would bump out and go
18 back to the wall encompassing that TRM machine, a
19 valet kiosk, and the space that would hold an ATM.

20 For cash center number four we have a
21 --- I know some Commissioners maybe knew, we have a
22 full glass wall there. So, I apologize for the glare
23 from the sun coming in. You can see the three spaces
24 for the ATMs that are there. Again, custom built and
25 designed and provides --- we would just bump it out

1 where the far right you see a screen that's at a valet
2 kiosk. It would go across the other screen and back
3 in.

4 That leaves us at cash center number
5 five. Cash center number five is near our food outlet
6 Foodies, and also valet drop-off. That site has three
7 ATM machines and this is much easier to see the bump
8 out gaming floor space from the red line, which is the
9 exterior wall to the new space which is along the
10 border of the tile. And that gives a lot of
11 additional space, non-gaming space.

12 If you go to the next picture you can
13 see the large space that exists there, how we would
14 bump it back. And again, the three ATM spaces that
15 are missing. And again, we'll talk about later the
16 aesthetic that we're trying to build at the casino so
17 it's a clean line, high quality finishes and all this
18 was well planned out and built, designed that way.

19 And finally, cash center number six.
20 These are three ATM machines that are next to the
21 Racebook Simulcast Area. And actually we have --- two
22 of these machines have been moved into the Simulcast
23 Racebook Area. The other one was moved into the food
24 restaurant space, currently with 12 --- 11 other
25 machines. Again, the border continues to be the same

1 until it just bumps out at this one part, encompasses
2 those machines and TR machines that go back to the
3 wall.

4 In either picture you can see those are
5 the three spaces for the ATMs and where they belong.
6 And then it will just come back into the wall and go
7 around to our casino cage which is a restricted area.
8 Mark, do you want to handle this one?

9 ATTORNEY STEWART:

10 Sure. Picking up where Mr. Schroeder
11 left off. The proposed modifications really in their
12 essence simply bring in the perimeter of the gaming
13 floor off of the interior and the exterior walls. The
14 modifications would address OEC's concerns about ATMs
15 while ensuring compliance with the Gaming Act. They
16 would preserve the aesthetic of a casino as Mr.
17 Schroeder testified about. And they will avoid
18 material harm to the financial interests of both
19 Commonwealth and Parx.

20 In terms of compliance with the Gaming
21 Act, Parx is the entity that chose initially to design
22 its gaming floor so that it went all the way to the
23 interior and the exterior wall. As Mr. Schroeder
24 commented, each facility is unique. There is no
25 requirement in the Gaming Act or the Board's

1 Regulations that mandates that the gaming floor extend
2 all the way to those walls.

3 And I don't believe that that fact is
4 dispute based upon those OEC's answers. And initially
5 obviously subject to PGCB review Parx had the
6 discretion to set the boundaries and to design its
7 casino. It was designed and built to maximize the
8 customer experience.

9 Part of that is ensuring convenient
10 locations and access for patrons to their funds. And
11 of all the cash centers as have been mentioned have
12 gone through prior Board review.

13 Really in terms of the Act, the only
14 potentially applicable requirement here is the Board's
15 regulations at 465(a)29. And that regulation's
16 statement that ATMs that, quote unquote, offer credit
17 card cash advances may not be on the gaming floor.

18 At least our interpretation and I think
19 it was expressed or explicit from OEC's objections.
20 We believe they misapply sections 13A27 and 1504 of
21 the Gaming Act. To suggest that even ATMs off the
22 casino floor could be violative if they allow patrons
23 to access their cash either through credit cards or
24 debit cards to be used for gaming play.

25 If you look at those sections; however,

1 you will see that they apply to house credit. It is
2 credit that is extended or cash that is advanced by
3 the casino. For instance at its cage. And casinos
4 like Category 1 casinos, they have different rules for
5 what they can do at their racing outlets. And what
6 they can do at their cage.

7 They cannot extend credit. They cannot
8 accept credit cards for advance's themselves. The
9 only provision that's applicable here in Section 13A27
10 is the last sentence of the section, which also states
11 that no credit card advance machine may be placed on
12 the floor.

13 The ATMs at Parx are on and operated by
14 third party providers and banks. They are not owned
15 and operated by Parx. And they do not constitute Parx
16 accepting credit cards or advancing cash. Other than
17 that last sentence of the 13A27, the sections simply
18 don't apply to the ATMs.

19 And the claims to the contrary, not only
20 being inconsistent, would be incredibly impractical.
21 And would have very significant consequences for the
22 gaming industry in Pennsylvania.

23 As Mr. Schroeder said, and I think as
24 all of you are aware who have been to Parx Casino,
25 considerable effort and thought and expense was put

1 into the building and the facility to ensure a modern,
2 clean and elegant aesthetic.

3 Both in 2009 and then subsequent updates
4 those designs were worked on, were thought out, were
5 presented to the Board, were approved, and then were
6 subsequently implemented and built. And you saw in
7 the pictures that there were custom millwork, not very
8 nice finishes around the cash centers, some of which
9 were actually just recently built as Mr. Schroeder
10 indicated.

11 Parx's view is that it should not be
12 required to resort to bad fits or kind of stuffing
13 these ATM machines in different parts of its facility.
14 Particularly where there's an alternative
15 like OP-23.3, which is fully compliant with the Act.

16 Moving on to the last goal that we have
17 with this plan is preventing material harm to the
18 economic interests of not only Parx but the
19 Commonwealth. As the Board is well aware,
20 Pennsylvania is a convenience gaming market where
21 patron convenience drives revenue.

22 Parx is very well versed in this
23 business model. We certainly understand that many
24 times when it's discussed it's discussed in the
25 context of patron drive time, and how close can they

1 live to the casino. Parx's experience as frankly the
2 top grossing casino in the State is that this model
3 and the convenience gaming market, it filters down
4 through their entire operations. And that the forced
5 consolidation of the ATMs into the current locations
6 is significantly less convenient for its patrons.

7 You heard about the testimony about the
8 complaints. You saw the floor plan of the current
9 locations, and how far certain patrons --- depending
10 on where they are on the floor --- have to walk to
11 access an ATM. And this loss of convenience has had a
12 negative impact on the financial aspects over the
13 subsequent days and months. And for that I will turn
14 this over to Matt Hayes to discuss some of those
15 statistics.

16 MR. HAYES:

17 What Brian and Mark already touched on
18 that inconvenience has definitely driven down
19 transactions. You can see that right there. Almost
20 16 percent fewer ATM transactions over the last three
21 months since we made this change. That's translated
22 into almost six percent less money being taken out of
23 those ATMs. And as you'd expect, our slot win and our
24 GTR is down about two and a half percent, almost \$2.5
25 million. So, I think those numbers speak for

1 themselves as to the impact this change has had on us.

2 ATTORNEY STEWART:

3 Finally, we wanted to address the issue
4 of credit card advance machines and OEC's position in
5 this matter. This is, you know --- to be frank this
6 is not a finding that you have to make in order to
7 grant OP-23. But we believe that the Board has the
8 digression to find that the ATM's in question are not
9 in fact, quote unquote, credit card advance machines.
10 That is a term that is used in Section 13A27. It is
11 not a term that's defined anywhere in the Gaming Act.

12 The evidence in this matter would
13 indicate that the ATMs here --- there's no signage,
14 there's no advertising, there's no indication in any
15 way that you can get a credit card advance from these
16 machines.

17 In fact, every public facing aspect of
18 these machines indicates exactly the opposite. The
19 credit card advance feature or option when you're
20 looking at the screen if you're a patron using the
21 ATM, you try and press it, it's disabled. You cannot
22 use it. You actually as a patron have to specifically
23 select withdraw from either your checking account or
24 savings account in order to access money from these
25 ATMs.

1 And the transactions themselves are
2 subject to debit transaction cash withdrawal
3 limitations. So, as a patron going to one of these
4 machines, there is nothing about it that would
5 indicate that you can get a credit card advance from
6 it.

7 Moving beyond what the patron see's even
8 from the systematic aspects of it. The operations of
9 the machines, the merchant category code --- the
10 transaction codes for these withdrawals code them as
11 ATM withdrawals not as credit card advances. And the
12 transactions are sent to the patron's issuing bank for
13 their card over the ATM debit payment network. And
14 not across the separate payment network that is
15 utilized for credit card cash advances.

16 So, and let just ask Mr. Hayes as
17 controller.

18 Are you familiar with these facts on
19 being applicable to the ATMs at Parx?

20 MR. HAYES:

21 Yes, I am.

22 ATTORNEY STEWART:

23 All of these facts we believe would form
24 a sufficient basis for the Board to interpret the Act
25 and find that ATMs with these characteristics are not

1 the type of credit card advance machines envisioned in
2 that section of the Act.

3 Nonetheless, as I said, you do not need
4 to make that finding today because OP-23 resolves this
5 matter by taking the ATMs off the gaming floor as
6 defined.

7 So, you know, in summary or in
8 conclusion, we'll simply state that OP-23.3 allows a
9 return to the previously Board approved status quo.
10 And with that we are available for questions or Cross
11 Examination as the Board directs.

12 CHAIRMAN:

13 Enforcement Counsel, do you have a
14 presentation or questions?

15 ATTORNEY MILLER:

16 I do have a presentation. I didn't know
17 if you wanted to do questions or wait until both
18 presentations?

19 CHAIRMAN:

20 I want to hear what you have to say
21 first and then we'll open it up.

22 ATTORNEY MILLER:

23 All right. Thank you.

24 Good morning, Chairman Barasch, members
25 of the Board. Dustin Miller on behalf of the Office

1 of Enforcement Counsel (OEC).

2 As you heard this morning, Parx seeks to
3 modify its Gaming Floor by reducing its Gaming Floor
4 by 3.36 percent to accommodate the placement of ATMs
5 around the gaming floor. This matter originated from
6 an investigation by Bureau of Investigations and
7 Enforcement (BIE) with assistance from the Bureau of
8 Casino Compliance, which revealed that ATMs on the
9 gaming floor at Parx Casino and other Pennsylvania
10 casinos were allowing the use of credit cards for an
11 advance of currency to play slot machines in violation
12 of the Act.

13 Furthermore, the ATM manufacturer
14 indicated to BIE and the OEC that there's nothing it
15 can do to prevent the use of credit card at its ATMs
16 to obtain cash. As a result, we ask that the ATMs be
17 moved to their current locations off the gaming floor.

18 Parx seeks to return the ATMs to their
19 previous locations by designating these former
20 locations as non-gaming space.

21 Since the ATMs have been moved, the
22 Bureau of Casino Compliance received a number of
23 inquiries from patrons at Parx Casino asking the new
24 location of the ATMs, but has not received any
25 complaints about the new location of the ATMs.

1 The OEC feels that Parx's plan is
2 unnecessary as there is sufficient space in the casino
3 to accommodate the ATMs without reducing the gaming
4 floor space and is done merely to circumvent the
5 requirements under the Act.

6 Parx's purpose for the requested ATM
7 recollection is so patrons on the gaming floor have an
8 immediate access to ATM, debit card, and credit card
9 cash advances in order for those patrons to utilize
10 the funds to play slot machines and table games with
11 as little deterrence as possible.

12 Parx acknowledges in paragraph ten of
13 its Petition that a significant amount of cash
14 utilized to play slot machines originates from ATM
15 transactions in the casino. The question is not
16 whether the off the gaming floor placement of ATMs
17 that allow credit card and debit card transactions are
18 allowable.

19 The Act supported by Board Regulations
20 allows for the placement of these ATMs in the licensed
21 facility. The question is whether or not it is
22 allowable under the Act to allow such placement within
23 close proximity to slot machines and table games
24 around the gaming floor when Parx readily admits that
25 a significant amount of money used in slot machines

1 and table games originates from these ATMs.

2 Further, it is not in dispute that these
3 ATM machines allow patrons to use a credit card to
4 obtain cash. We've heard in Parx's presentation about
5 the definition of credit card advance machines. The
6 OEC feels that's just semantics. If you can submit or
7 insert a credit card into an ATM machine and obtain
8 cash, we feel that that's a credit card advance
9 machine.

10 Section 1504 of the Act provides that
11 Slot Machine Licensees such as Parx shall not accept
12 credit cards, charge cards, or debit cards from a
13 patron or player for advance of coins or currency to
14 be utilized by the player to play slot machine games.

15 Further, Section 13A27(a) of the Act
16 provides that a Certificate holder such as Parx shall
17 not accept credit cards, charge cards, or debit cards
18 from a patron or player for an advance of coins or
19 currency to be utilized by a player to play slot
20 machines or table games. And that no credit card
21 advance machines may be placed on the gaming floor.

22 Parx points out in its presentation that
23 the proposed location of the ATMs have been approved
24 in the past. However, at the time that those
25 locations were approved, there was no evidence that

1 patrons were able to use credit cards to obtain
2 currency. And there was no concrete evidence that
3 patrons were taking the money that they obtained at
4 ATMs and using it to play on the slot machines and
5 table games. With these facts now known and admitted
6 this has become a matter of first impression. Which
7 is right for Board interpretation and the applicable
8 sections of the Act.

9 The OEC believes that the manifest
10 intent of the legislature in this instance is clearly
11 to protect the public through the regulation and
12 policing of all activities involving gaming. It is
13 clear throughout the Act that the manifest intended
14 legislature is to combat issues related to problem and
15 compulsive gambling. And the Board has consistently
16 followed through from a regulatory perspective in that
17 regard.

18 The General Assembly does not intend as
19 a result --- does not intend a result that is absurd,
20 impossible of execution, or unreasonable. The General
21 Assembly intends for its statutes to be effective and
22 certain. And when in doubt favors the public interest
23 against any private interest.

24 As a result, it is clear that the
25 General Assembly did not intend to have credit card

1 advance machines on the game floor in any casino in
2 this Commonwealth. Additionally, it was also clear
3 that the General Assembly did not intend for Slot
4 Machine Licensees or Table Game Certificate Holders to
5 accept credit cards or debit cards in any manner for
6 the advance of coins or currency to be utilized by a
7 patron or player to play slot machines or table games.

8 This does not preclude the placement of
9 ATMs in non-gaming areas of the facility in order for
10 patrons to access funds for non-gaming related items
11 or services such as food, beverages, gifts,
12 entertainment, transportation, et cetera. It is not
13 the intention of the General Assembly to make it
14 convenient for individuals to drain their bank
15 accounts or increase their credit card balances for
16 purposes of playing slot machines or table games.

17 The request by Parx seeks to redesign
18 its gaming floor for this very purpose. When a gaming
19 floor is redesigned for the placement of ATMs, coupled
20 with ATM placement being solely related to advancing
21 currency through debit and credit card transactions so
22 that patrons may be advanced currency to play slot
23 machines and tables as depicted in Parx's Petition,
24 such redesign and placement should be denied.

25 It should be found contradictory to the

1 mandates of the Act and the manifest intent of the
2 General Assembly. Any placement of the ATMs in the
3 licensed facility should be sufficient to provide a
4 gaming patron or player a cooling off period when
5 utilizing the ATM by providing a sufficient space
6 between the ATM and the gaming floor.

7 The ATM placement should also allow some
8 distinction from gaming play. An ATM utilization to
9 maximize the chances or comfort that the funds are
10 being utilized for some purpose other than slot
11 machines or table game play. Such as pari-mutuel
12 wagering, entertainment, transportation, or food or
13 beverage purchases. Or to minimize the chances that
14 funds are utilized for slot or table game play.

15 We are not naïve and we know that
16 patrons will access funds through ATMs and use those
17 funds to play slot machines or table games. However,
18 that does not mean that we should be complicit or
19 approve these actions by ignoring the mandates of the
20 Act by making such access less burdensome and
21 convenient for the private benefit of Parx. Thank
22 you.

23 CHAIRMAN:

24 Thank you very much.

25 Other questions from people on the

1 Board?

2 MR. JEWELL:

3 I have a couple. Mr. Hayes, I have a
4 question on the diminution of gambling receipts, gross
5 gambling receipts and the 2.5 percent number I presume
6 over that 90 days.

7 Are there any other reasons, causes, or
8 rationalities that would support that diminution? Or
9 are you maintaining that it's exclusively because of
10 the relocation of these machines?

11 MR. HAYES:

12 I wouldn't say its exclusive, but I
13 would say the majority of it contributes to that
14 decline.

15 MR. JEWELL:

16 And how --- can you be more specific? I
17 mean, that's an opinion.

18 MR. HAYES:

19 We have not seen this kind of decrease
20 over the course of --- as long as we've been open.
21 So, the fact that this is dipping down, and we haven't
22 had any weather issues per se that would have caused
23 it. So, that leads us to believe that it's more in
24 line with the moving of the ATMs.

25 MR. JEWELL:

1 Okay.

2 Mr. Stewart, couple questions for you,
3 sir. First, is it your position that these machines
4 are only debit machines that someone who puts a card
5 in would not get a receipt back home 30 days later
6 that would show it to be a credit transaction?

7 ATTORNEY STEWART:

8 We acknowledge that the nature of a
9 transaction is ultimately determined by the patrons
10 issuing bank on their card. So, it is possible that,
11 you know, --- I'll say that how it has been reported
12 by OEC we acknowledge that machines can be overridden.
13 That the safeguards on some of these machines that
14 were discussed, can be overridden and the transaction
15 can be treated as a credit card transaction if that is
16 how the bank --- the patron's bank treats the
17 transaction when it reaches the bank or wherever that
18 is.

19 MR. JEWELL:

20 This is for the panel. Have you had
21 discussions with the provider of these machines and
22 the banks behind them about software that would
23 absolutely and positively stop a credit transaction.

24 MR. HAYES:

25 Yes, we have with Ebery, is our ATM

1 provider. They're working on software. It's rather
2 complicated and they are --- it's in research right
3 now.

4 MR. JEWELL:

5 So, it's not a question of cost. It's
6 the question of it can't be done technically at this
7 point in time?

8 MR. HAYES:

9 That's right.

10 MR. JEWELL:

11 Is that your testimony?

12 MR. HAYES:

13 That's right.

14 MR. JEWELL:

15 Okay.

16 And Mr. Stewart, back to redrawing the
17 lines. If I took an ATM machine and put it directly
18 in the middle of the gaming floor, directly in the
19 middle, assuming there's nothing physically there
20 obviously, I place it there, and then draw a line
21 around it and say that's not the gaming floor.

22 Using your logic, would that be
23 permissible.

24 ATTORNEY STEWART:

25 Well, we have not proposed that type of

1 gaming floor change. If the Board approved that type
2 of gaming floor change then, yes, it would be
3 permissible. But we have not suggested that. OEC
4 early on stated that if gaming floor changes were
5 going to be considered they did not want to see
6 islands, like the one you just described, created.

7 We don't believe that our proposal
8 creates such islands. And you know, I would say two
9 additional things. One, you heard it described ---
10 our proposed floor plan change. You heard it
11 described by OEC as unnecessary.

12 We would respectfully submit that that
13 is a decision that's within the business competence
14 and discretion of the Licensee. Even as the Chairman
15 certainly knows, there's many cases out there that
16 talk about how regulatory agencies, even ones with
17 expansive powers like the Board are not super Board of
18 Directors.

19 But certainly in terms of deciding
20 what's necessary we think that there should be
21 discretion afforded to the Licensee when it's
22 consistent with the law, and we believe it is here.

23 The second thing is --- that I wanted to
24 mention is just that in terms of that kind of intent
25 of the law. You know there's --- there would be

1 really no difference if we bumped out the wall three
2 feet. Is that somehow more consistent with the ---
3 and then put the ATMs there. Is that somehow more
4 consistent with the spirit of the Act than simply
5 moving the gaming floor line off the interior wall.

6 It's not a requirement that it go to the
7 wall. Other casinos have it off of the wall. And
8 some of these instances it even follows the tile or
9 the carpet patterns. And I think, Mr. Schroeder,
10 there was a comment about proximity. I don't know if
11 you wanted to comment on that.

12 ATTORNEY SCHROEDER:

13 If the Commissioners could go to slide
14 eight. That's our current location for the Simulcast
15 Racebook. There are --- you'll see two ATMs that were
16 approved by the Executive Director there. If you look
17 closely ---.

18 MR. JEWELL:

19 Back up for a second until we get the
20 slide up, please.

21 ATTORNEY SCHROEDER:

22 I'm sorry. So, in this slide you'll see
23 these two machines are approved by the Executive
24 Director, and the gaming floor --- actually
25 serendipitously to describe this is the carpet change.

1 You see the carpet get changes.

2 So, those machines are approximately two
3 feet off gaming floor. And you can also a little bit
4 further to the left a slot machine right there. That
5 machine is --- approximately the back of the machine
6 is probably feet, to the ATMs it's probably four feet
7 to the seat of the chair. Four and a half feet to
8 that chair.

9 So, proximity is --- this was allowed 90
10 days ago. In addition I guess, just for background,
11 where this camera is located, if you look directly
12 below this camera there are two cash advance machines
13 for Simulcast Racebook that had been approved and
14 located in the Racebook since day one when we opened
15 in 2009.

16 And those machines when they were
17 originally put in the Racebook were approximately ---
18 because I remember having measuring tape out --- were
19 exactly 12 inches off the gaming floor. They're now
20 about four feet. And you don't see them in the
21 picture.

22 But they actually give cash advances.
23 It says cash advance. That's what they're designed to
24 do for the Simulcast wagering and clientele. So,
25 they're okay right there. They're not visible in the

1 picture but they are there.

2 MR. JEWELL:

3 Thank you very much. Mr. Chairman.

4 MR. MOSCATO:

5 Thank you, Mr. Chairman. A question is
6 for Mr. Hayes with regard to the decrease in revenue.
7 Would it be possible for you to maybe dive down a
8 little deeper or as my predecessor would have said,
9 peel the layers of the onion away? And break that
10 down, instead of being a 90 day period could you
11 perhaps do it either by month, give us three months of
12 how that revenue is falling off or perhaps increased
13 over the three months or maybe even weekly?

14 MR. HAYES:

15 I think we've seen it pretty steady over
16 that period of time.

17 MR. MOSCATO:

18 Okay.

19 MR. HAYES:

20 It wasn't dramatic changes. We
21 certainly had fluctuations which was normal.

22 MR. MOSCATO:

23 So, there wasn't a big drop off after
24 you moved them initially in December and then it has
25 gotten less and less as we went --- moved towards

1 March as people got used to where the machines were.

2 MR. HAYES:

3 As Brian is showing me here, we did
4 start off closer to 20 percent drop in transactions.

5 MR. MOSCATO:

6 In December?

7 MR. HAYES:

8 That's right.

9 And then it leveled off more to the 15s.

10 MR. MOSCATO:

11 Okay.

12 And a question for Mr. Miller.

13 Have any of the other casinos put
14 machines in that have fixed the credit card advance
15 issue?

16 ATTORNEY MILLER:

17 No.

18 We're not aware of any.

19 MR. MOSCATO:

20 Thank you.

21 CHAIRMAN:

22 Other questions?

23 MR. RYAN:

24 Yes, if I can. Gentlemen, the problem
25 here apparently is not just at Parx, but at a lot of

1 other casinos. ATM machines were put in that did
2 allow individuals to get --- to make credit card cash
3 transactions.

4 Would that be correct, Mr. Stewart?

5 ATTORNEY STEWART:

6 Yes.

7 MR. RYAN:

8 That's the sum of the issue here. If
9 these were straight ATMs with no --- that is debit
10 card machines with no chance, no possibility of
11 withdrawing on a credit card, we wouldn't be here.

12 Would you agree with that, Cyrus?

13 ATTORNEY PITRE:

14 What I would agree with is that we were
15 unable to distinguish that. The only way we found out
16 was that patrons started to complain that they were
17 able to do this, somebody stole my money after I
18 accessed the machine. I think we would like an
19 interpretation for the Board with regard to the debit
20 card transaction. And whether or not that is
21 allowable under the Act.

22 Because this has been an issue for some
23 time. I've received reports in the past patrons are
24 able to get debit card transactions and take that
25 money and go play slot machines. Well, in order for

1 me to prove that, I would have to say --- be able to
2 track the money that game out of that machine that
3 that patron used and used to play table games and slot
4 machines.

5 I'm not going to say it's impossible,
6 but it's very, very --- a very complicated scheme just
7 to determine that. So, I think Parx's Petition allows
8 us to answer, you know, twofold question. If the ATM
9 is only a debit related ATM, is the Board comfortable
10 with those machines being on the floor and patrons
11 being able to --- allowed to access those debit funds
12 through their debit card to play slot machines and
13 table games.

14 That is the main interpretation I'm
15 looking for. It's clear that credit card advance
16 machines cannot be on the floor.

17 MR. RYAN:

18 So, your inquiry goes even deeper than I
19 thought.

20 ATTORNEY PITRE:

21 Yes.

22 MR. RYAN:

23 You're even questioning the policy that
24 the Board has permitted since day one?

25 ATTORNEY PITRE:

1 Yes.

2 MR. RYAN:

3 Didn't know that.

4 ATTORNEY PITRE:

5 It's not so much the policy that the
6 Board permitted. It's whether or not --- I mean, we
7 know the ATMs are on the floor, if they could only do
8 a debit card transaction. But if a patron uses those
9 funds, is that considered an advance of currency by
10 the casino operator who has a contract with the ATM
11 provider and receives fees for every transaction that
12 occurs from those debit card transactions.

13 MR. RYAN:

14 Even if it's not a credit transaction?

15 ATTORNEY PITRE:

16 Even if it's not a credit card
17 transaction.

18 Is the Board comfortable with those ---
19 a patron accessing those funds, and then utilizing
20 that to play slot machines or table games?

21 Is that considered an advance of cash or
22 currency by the casino considering that the casino has
23 a contract with the ATM provider and receives a fee
24 for a transaction?

25 That's by big question.

1 MR. RYAN:

2 Well, that's --- I have to tell you
3 Cyrus, that makes me really confused because I thought
4 that was settled here in Pennsylvania that if it's a
5 debit transaction, a machine that does debit
6 transactions they're allowed on the casino floor.
7 That's what the statute says.

8 ATTORNEY PITRE:

9 Uh-huh (yes).

10 They're allowed on the floor.

11 MR. RYAN:

12 What right do we have to say, well,
13 okay, we're not going to allow them anyway?

14 ATTORNEY PITRE:

15 Well, it's not so much allowed on the
16 floor. It's what the money is used for that is taken
17 from those machines. Is it ---?

18 MR. RYAN:

19 You have to assume it's going to be used
20 for gamble.

21 Right?

22 ATTORNEY PITRE:

23 Well, I don't know --- well, you can
24 assume it can be used to gamble. You can assume that
25 it's being used to eat at a restaurant. You can

1 assume that it's going to be used to get a taxi ride
2 home. You can assume a lot of things. Based on what
3 the Act is saying is saying that cash or currency
4 cannot be advanced for the play of slot machine table
5 games when you use a debit card. So that's ---.

6 CHAIRMAN:

7 Excuse me. Yes, sir, you have ---.

8 ATTORNEY STEWART:

9 Yeah, I mean, I just --- I think you're
10 right on point. It has been decided in Pennsylvania
11 from day one. It is in the actual verbiage of the
12 statute where it says the certificate holder shall not
13 extend or advance the cash. And the Slot Licensee
14 shall not extend the cash.

15 Parx does not --- and no casino in
16 Pennsylvania actually pays their cash, extends it to
17 them. OEC's position is trying to essentially get to
18 the ATMs through a contractual relationship or a lease
19 of the space for the machines. Not only would their
20 position take ATMs off the floor, they would take them
21 out of the entire building. And that has never been
22 an interpretation of the statute by anybody that I'm
23 familiar with from the advent of its passage in 2004.

24 ATTORNEY PITRE:

25 And I completely disagree with Mr.

1 Stewart's status as to what I'm saying okay. What I'm
2 saying --- first of all, the Board has never made an
3 interpretation with regard to money advance using a
4 debit card on an ATM to play slot machines or table
5 games. And that's all I'm simply looking for.

6 Okay.

7 Can a Casino Licensee use a third party
8 to do what it can't do on its own? So, yes ATMs ---
9 there's no question that ATMs are allowed anywhere in
10 the facility except on the gaming floor if they allow
11 credit card transactions. Barring that they're
12 allowed anywhere in the facility. If it's an ATM that
13 only does debit card transactions, yes, it's allowed
14 anywhere.

15 MR. RYAN:

16 You don't think it should be?

17 ATTORNEY PITRE:

18 No, no. I'm not saying that. What I'm
19 saying is that when the purpose is getting that money
20 from the ATM to play slot machines and table games, is
21 that okay under the Act?

22 That's the interpretation I'm looking
23 for. The only way to get to an answer with regard to
24 this is for us to put forth that argument, and this
25 Board to make that decision.

1 MR. LOGAN:

2 But that happens now; no? At every
3 casino.

4 ATTORNEY PITRE:

5 Well, we can't prove that. You see ---
6 in order for me to prove --- if you're asking me --- I
7 assume yes it happens. It happens every day. I
8 assume that is happening at Parx right now that a
9 person goes to an ATM off the gaming floor, gets a
10 credit card or cash advance, or gets a debit card
11 advance, and then goes and plays the slot machine, or
12 goes and plays table games.

13 Can I prove that? In order for me to
14 prove that I have to say that the money taken from
15 this machine during this transaction ended up on the
16 gaming floor. I can't prove that. I mean, it's
17 virtually impossible for me to prove that.

18 MR. RYAN:

19 But if somebody, Cyrus, who is as
20 experienced as you are in the industry and in
21 regulating it, you have to reach the determination
22 that yes, if not 80 percent, 50 to 60 percent of this
23 money is probably being used to gamble.

24 ATTORNEY PITRE:

25 I can't reach that determination because

1 I didn't have any proof of that. I think --- first of
2 all, I think that Parx is --- what Parx has said is
3 that this is what happens. And I'm okay with that,
4 but I need an interpretation from the Board.

5 I get reports all the time that, you
6 know, --- a complaint all the time that somebody used
7 a debit card and drained our bank account to go in and
8 play slot machines and table games, how can this be
9 allowed. Or I get complaints of --- or reports saying
10 that this --- people were able to access debit --- use
11 debit cards on the gaming floor to play slot machines.

12 Well, I can't prove that. I'm assuming
13 that's what happens though. I need an interpretation
14 of the Act to say that this is okay. This is never
15 --- this issue has never come before the Board because
16 there was never any proof that this was occurring.

17 Now that Parx has admitted this is
18 occurring, this is the perfect time for the Board to
19 interpret that statute. And that's all I'm looking
20 for, an interpretation.

21 MR. RYAN:

22 Okay.

23 Cyrus, so let me ask you this then. It
24 would seem to me that Counsel for Parx is saying ---
25 and I think it's probably accurate in saying that,

1 assume back at the beginning when they built the place
2 instead of using the walls ---

3 ATTORNEY PITRE:

4 Uh-huh (yes).

5 MR. RYAN:

6 --- knowing somehow that well people
7 will be able to use credit cards in these machines.
8 Then we're going to put them where they are then we're
9 going to have to put the boarder for gaming floor over
10 where they want to do it now. I would assume as
11 Counsel for Parx is assuming that the Board would have
12 approved that.

13 ATTORNEY PITRE:

14 Yeah.

15 That would be subject to Board approval.
16 And I assume the same.

17 MR. RYAN:

18 So your issue really isn't with the
19 re-boarder here. Your issue is really fundamentally
20 with whether or not these machines should be there at
21 all. Even if they're just debit machines?

22 ATTORNEY PITRE:

23 Not whether or not they should be there.
24 Whether or not it's allowable for people to use those
25 machines to get an advance of cash or currency to play

1 slot machines and table games.

2 MR. RYAN:

3 And if we say okay, we think it is ---

4 ATTORNEY PITRE:

5 Then I'm fine.

6 MR. RYAN:

7 --- you then don't have a problem with
8 what they're trying to do?

9 ATTORNEY PITRE:

10 No.

11 I just need an interpretation.

12 CHAIRMAN:

13 Commission Santoni, do you have a
14 question?

15 MR. SANTONI:

16 No.

17 CHAIRMAN:

18 I've got a couple questions. When you
19 look at the fact that your revenues apparently
20 decreased for three months, do you know the breakdown
21 of the nature of the withdrawals that were being made
22 from those ATM machines?

23 MR. HAYES:

24 What do you mean by nature?

25 CHAIRMAN:

1 How much of it were debit transactions
2 versus credit transactions before and after the move.

3 MR. HAYES:

4 We only see them as --- I think Brian
5 and Mark already touched on, we only see them as ATM
6 withdrawals.

7 CHAIRMAN:

8 You don't have the data that can
9 distinguish?

10 MR. HAYES:

11 We don't have the data.

12 ATTORNEY PITRE:

13 Chairman Barasch, I can tell you that
14 the ATM providers have told me that they can't
15 distinguish the transactions.

16 CHAIRMAN:

17 Okay. That's fine

18 I have to come back to a comment that
19 Mr. Stewart made that troubles me.

20 ATTORNEY STEWART:

21 I hate those comments.

22 CHAIRMAN:

23 Commissioner Jewell asked you a question
24 about, you know, what would stop anybody --- instead
25 of cutting a carve out to just place the ATMs,

1 whatever you want to call them, right in the middle of
2 the gaming floor and just draw a little line around it
3 and say that's not gaming floor. And I'll give you
4 another chance. I don't really --- what I thought I
5 heard you say and I don't want to characterize what
6 you said. You're basically saying that if the Board
7 said that was okay that would be okay. That's what I
8 thought you said.

9 ATTORNEY STEWART:

10 Well, first of all, ATMs themselves by
11 Board Regulation can be on the gaming floor.

12 CHAIRMAN:

13 We understand what we're talking about.
14 We're talking about machines where you can get a
15 credit advance. Let's just cut through the
16 gobbledygook here. I thought I heard you say that if
17 this was a situation where --- basically instead of
18 doing what you did, if you said, you know what I'm
19 going to do, I'm going to put ATM machines more
20 centrally located. We're going to spread them all
21 over the casino floor generally but we're going to
22 create little like islands around every one of them
23 and say that's not a gaming floor. And I think you
24 said, that would be permissible by the Act if we
25 approved it. I thought you said that. Now, if you

1 didn't I want to give you a chance to clarify that.

2 ATTORNEY STEWART:

3 Well, clearly I didn't say that. I
4 mean, all I'm commenting on is that the sentence in
5 the statute is credit card advance machines cannot be
6 on the gaming floor. I believe no credit card advance
7 machine may be placed on the gaming floor.

8 CHAIRMAN:

9 I heard that. I heard that. But I'm
10 asking you if instead of moving the way you did ---?

11 ATTORNEY STEWART:

12 I would say that that type of island
13 created --- certainly the Board would have ample
14 authority to deny that request.

15 CHAIRMAN:

16 They have ample authority. You think
17 that granting that request would be consistent with
18 the statute?

19 ATTORNEY STEWEART:

20 You could reach the conclusion that it
21 would --- inconsistent with that sentence of the
22 statute that it would put form over substance and it
23 would essentially violate that sentence.

24 CHAIRMAN:

25 You could argue that is what you're

1 saying.

2 ATTORNEY STEWART:

3 You could certainly make that finding.

4 ATTORNEY SCHROEDER:

5 I understand --- maybe just to tweak the
6 language a little bit. When we were evaluating this,
7 we thought the request we were making was reasonable
8 based on the way the wall's built and the boarder.
9 Because as Mr. Stewart said, we could blow a --- we
10 could try --- I don't think it's possible --- blow a
11 hole in the wall and drop it back three feet.

12 I would say that an island as you're
13 describing of four or five slot machines in the middle
14 of the floor cut out with nothing related may be an
15 unreasonable extension --- may be an unreasonable
16 interpretation of that. Because I don't think --- I
17 would have a problem coming and arguing those four
18 build the island. I think you have the authority to
19 approve that as Mark was saying, a hundred percent.

20 But I believe --- I believe it's a much
21 harder sell because of the reasonableness of it.
22 Matt, that's why we --- that's why we made this
23 request. Because the way we designed the building,
24 and the walls and the structures and the carpet gave
25 us the opportunity to explain why we think it's a

1 reasonable request, well within the purview of the
2 Board and us as business operator and to have you look
3 at it.

4 And that was before Cyrus's comments in
5 terms of the General Act and what the ATM machines
6 were. We thought it was a reasonable request. And we
7 think that because we could --- we think it's an
8 option --- it's a complete option we have.

9 CHAIRMAN:

10 Another question is, at the time when
11 you designed this thing, I presume, as every other
12 casino knew, you were going to have cash --- I'm using
13 the term generically --- cash advance machines whether
14 you want to play games about whether it's a debit or
15 credit transaction, skip that. You knew you were
16 going to have them on the floor, casinos all over the
17 country have them. I shouldn't say on the floor, in
18 the building.

19 Okay?

20 At the time when you were doing this,
21 did you know that these debit machines could actually
22 advance credit?

23 MR. HAYES:

24 No.

25 CHAIRMAN:

1 And had you known that would that have
2 changed the way you designed your floor?

3 MR. HAYES:

4 Yes.

5 ATTORNEY SCHROEDER:

6 Yes.

7 CHAIRMAN:

8 Okay.

9 That's it.

10 MR. JEWELL:

11 I have a couple more questions.

12 There are some inferences here we're
13 dealing with. Cashes fundable and we're trying to
14 figure out inferences, and I hear Cyrus's discussion
15 there. I want to go to the inferences of human nature
16 and that is I wonder if 90 days is long enough? By
17 that I mean, you have your regulars, and you have your
18 first time callers. And your regulars now realize
19 there's been a change. In life there's changes of
20 ATMs or whatever different --- once closed,
21 something's open somewhere else. You got to go
22 further for it. And you --- you know, you make your
23 adjustments accordingly.

24 You come into the floor and you say all
25 right, ATMs are where, restrooms are where, there's

1 certain things you want to know about or need to know
2 about if you're thinking strategically how you're
3 going to be spending your time and your money. So, I
4 wonder, is 90 days sufficient? Do we need a longer
5 period of time to study this and understand it better?
6 And why don't people make those adjustments. Because
7 we do that --- I mean, you do that life all the time.

8 Don't we? When we move things around
9 and ---.

10 MR HAYES:

11 I think our customers have. The average
12 withdrawal has gone up, but it certainly hasn't gone
13 up enough to cover what they had been playing in the
14 past.

15 ATTORNEY SCHROEDER:

16 And I would follow-up with just a couple
17 comments in regard to that. In talking with our
18 Operations staff about customer complaints about the
19 location, our Director of Table Games, but more
20 importantly our Director of Player Services, I believe
21 stressed to me the regulars as you've talked about.

22 There is a large complaint for the first
23 month. And those regulars have complained less. Now
24 we have the first time people visiting on a Friday,
25 Saturday, Sunday. And they're upset that they can't

1 get to the machines.

2 So, it's transitioned to your point the
3 people who play more consistently know where they're
4 at, and can think strategically, but all new customers
5 we're trying to attract are kind of upset that if they
6 come in --- if they park their car on the west
7 entrance, they come in and they have to walk across
8 the building to get to the ATM. And they don't know
9 --- they know that when they see a sign. They don't
10 know that coming in the building.

11 And second, casino players are somewhat
12 fickle. If they like a particular game they're going
13 to play on that game. And that game might be across
14 the casino floor. Could they play a game closer to
15 the ATM? Absolutely. But that might not be the game
16 that they like. And that becomes a problem.

17 MR. JEWELL:

18 Okay.

19 Thank you.

20 MR. RYAN:

21 If I can, Mr. Chairman? Cyrus,
22 obviously the statute says that cash advance machines
23 can't be on the floor. But there is no prescribed
24 distance that's clear.

25 Right?

1 ATTORNEY PITRE:

2 That's correct.

3 MR. RYAN:

4 In fact, from slide eight it's also
5 clear that approved machines are very close to the
6 floor at Parx. And I have seen schematics of other
7 casinos and it's clear to me that those machines are
8 also very close to the floors of other casinos.

9 Would you agree with that?

10 ATTORNEY PITRE:

11 Yeah.

12 That is in the simulcast area and I
13 believe you can use those advances, correct me if I'm
14 wrong --- to play to simulcast wages. So ---.

15 MR. RYAN:

16 So, that's pretty well uniform
17 throughout the Commonwealth if you look at the
18 location of these machines.

19 ATTORNEY PITRE:

20 As long as it's not ---.

21 MR. RYAN:

22 They are very close to the floor.

23 ATTORNEY PITRE:

24 As long as it's not gaming floor space
25 they can be smack up against it.

1 MR. RYAN:

2 Thank you, sir.

3 MR. LOGAN:

4 Can I, Mr. Chairman, just for clarity?
5 So if you get this modification, it's the same
6 machines?

7 ATTORNEY SCHROEDER:

8 We would simply move the machines that
9 are located back to their spots.

10 MR. LOGAN:

11 There's still the problem. I mean, you
12 can put them on the roof and people are still going to
13 be able to take cash out and there's an outrageous
14 interest charge on it.

15 ATTORNEY PITRE:

16 Yeah.

17 MR. LOGAN:

18 I mean, we haven't solved your
19 problem ---

20 ATTORNEY PITRE:

21 Yeah, that's ---.

22 MR. LOGAN:

23 --- we're just moving the problem
24 around.

25 ATTORNEY PITRE:

1 Yeah.

2 MR. LOGAN:

3 The machine --- the technology isn't
4 changing?

5 ATTORNEY PITRE:

6 Well, I mean, I think ---.

7 MR. LOGAN:

8 It's the same machine.

9 ATTORNEY PITRE:

10 Yeah, it's the same machine. It's going
11 to be --- that part of the floor will be designated
12 non-gaming floor space. So it would be a non-gaming
13 area. And I guess --- I go back to what I'm looking
14 for, an interpretation with regards to those funds.
15 And can they be utilized --- can they be utilized to
16 play slot machines and table games.

17 MR. LOGAN:

18 I'm finished, Mr. Chairman. Thank you.

19 CHAIRMAN:

20 If there's no other questions the Board
21 will take a brief recess to ---.

22 ATTORNEY MILLER:

23 Just a matter of housekeeping, Chairman.
24 We have a set of pictures of ten exhibits. We
25 provided them to Parx previously. We'd like these

1 admitted into the record.

2 CHAIRMAN:

3 That's fine.

4 ATTORNEY STEWART:

5 And may we have our presentation
6 admitted?

7 CHAIRMAN:

8 Yes. Thank you very much. We're
9 adjourned.

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11 HEARING CONCLUDED

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CERTIFICATE

1
2 I hereby certify that the foregoing proceedings,
3 hearing held before Chairman Barasch was reported by
4 me on 03/22/2017 and that I, Rhonda K. Thorpe, read
5 this transcript, and that I attest that this
6 transcript is a true and accurate record of the
7 proceeding.

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9 

10 **Court Reporter**

11 Rhonda K. Thorpe
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