

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: MOUNT AIRY #1, LLC -

PETITION FOR AN INTERACTIVE GAMING CERTIFICATE

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HEARING

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BEFORE: DAVID M. BARASCH, CHAIRMAN
Richard G. Jewell, Obra S. Kernodle, IV,
Sean Logan, Kathy M. Manderino,
Merritt C. Reitzel, Dante Santoni, Jr.,
Members
Jorge M. Augusto, representing Russell
Redding, Secretary, Department of
Agriculture; Jennifer Langan,
representing Joseph M. Torsella, State
Treasurer; Radee Skipworth, representing
Secretary of Revenue, C. Dan Hassell

HEARING: Wednesday, August 15, 2018
11:15 a.m.

LOCATION: Strawberry Square, 2nd Floor
Harrisburg, PA 17106

Reporter: Rhonda K. Thorpe

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Counsel for Mount Airy No. 1, LLC

ALSO PRESENT:

VINCENT JORDAN, VP of Marketing and Gaming Operations

MATT PRIMEAUX, Senior VP of U.S. Operations, The

Stars Group

MARIE JONES, ESQUIRE, The Stars Group

LLOYD LEVENSON, ESQUIRE, 888

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CHAIRMAN: Thank you. Next up,
Petition for an Interactive Gaming Certificate for
Mount Airy.

And I remind everyone, when you speak,
spell and state your name for the court reporter.
Nonattorney witnesses, stand to be sworn, please.

WITNESSES SWORN EN MASSE

CHAIRMAN: You may proceed.

ATTORNEY SKLAR: Thank you.

Good morning, Mr. Chairman, members of
the Board. Michael Sklar, S-K-L-A-R, on behalf of
Mount Airy No. 1, LLC.

On July 13, 2018, Mount Airy filed its
Petition for approval of an Interactive Gaming
Certificate. And we're here - happy to be here this
morning. We're extremely excited to be partnering
with two of the preeminent online gaming operators
really in the world, The Stars Group and 888.

With me this morning is Vincent Jordan
who is the Vice President and - of Marketing and
Operations at Mount Airy. Matt Primeaux, who is the

1 Senior Vice President of U.S. Operations at The Stars
2 Group. Marie Jones who is Counsel to Stars Group, and
3 also here is Lloyd Levenson who is Counsel to 888.
4 With Board approval, each of the online operators will
5 offer a full complement of slot games, table games and
6 Poker games.

7 And what we'd like to do this morning
8 is give a brief introduction to each the Stars and
9 888. With that, I'll turn it over to Matt.

10 MR. PRIMEAUX: Thank you very much for
11 having us. My name is Matt Primeaux, P-R-I-M-E-A-U-X.
12 I'm the Senior Vice President of Strategy and
13 Operations in the U.S.A. for The Stars Group.

14 So, - so, I first want to just
15 introduce you a little bit to The Stars Group. So, we
16 are the world's largest publicly listed online gaming
17 company, where we trade on both the NASDAQ and the
18 Toronto Stock Exchange.

19 We have a team of over 4,000 employees
20 in offices all over the world, including three here in
21 the U.S., and New Jersey, Florida and my home base out
22 of Austin, Texas.

23 Under The Stars Group umbrella are
24 some of the most recognized online gaming brands in
25 the world, including Poker Stars, PokerStars Casino,

1 Bet Stars, Full Tilt, Sky Betting & Gaming. And the
2 recently rebranded Australian subsidiary.

3 We're the world's most regulated
4 online gaming company, with licenses or operating
5 approvals in 19 different jurisdictions.

6 While we have a ton of exceptional
7 brands and assets, we're probably the most well-known
8 for our Poker Stars brand, which has dealt more than
9 172 billion poker hands. It pays out more than \$200
10 million in tournament - tournament prizes on a weekly
11 basis.

12 And as a fun little note, holds the
13 Guinness World Record for hosting the largest poker
14 tournament with more than 250 concurrent players.

15 On the back of our poker success, we
16 look to expand recently into other gaming verticals.

17 We have one of the fastest and largest
18 growing online casinos in our Poker Stars casino
19 brand. And earlier this year we acquired the sports
20 books Sky Betting and Gaming, out of the United
21 Kingdom, and crowned that at William Hill in
22 Australia. Again, recently rebranded.

23 This slide here provides a - a few
24 historical callouts. But in the interest of time and
25 brevity, I won't necessarily account for you every

1 year of our 17 years of operating history.

2 But what I would like to bring your
3 attention to are some of the amazing people and teams
4 that we have around the world. So we're widely
5 regarded as having the best customer support in the
6 industry.

7 We're over 400 staff, work 24/7, 365,
8 answering over 4 million e-mails a year in 19
9 different languages, with an average handling time of
10 around six minutes.

11 In addition, we have several teams
12 that work tirelessly to provide all of our customers
13 both an entertaining and safe environment in which to
14 play.

15 So, we employ more than 240 security
16 staff, 65 in Game Integrity Unit. We have a dedicated
17 responsible gaming team that's available at all hours,
18 24/7, 365, 25-plus Compliance Specialists that are
19 supported by 40-plus lawyers.

20 Lastly, I'll just quickly walk you
21 through our proposed offering for the Commonwealth of
22 Pennsylvania. So, the - starting with our - our most
23 famous operator, The Poker Stars brand, we hope to
24 allow players to compete against one another through
25 both our desktop and our mobile clients.

1 And then quickly on to our casino
2 Stars or Poker Stars casino brand, which comes in an
3 array of both in-house and third-party table games and
4 - and slots. We also have the option for a live
5 dealer offering, which would bridge the real and
6 online gaming worlds.

7 So with that, I thank you very much
8 for letting me introduce you to The Stars Group. And
9 we hopefully look forward to working with everyone
10 here in Pennsylvania for many years to come.

11 CHAIRMAN: Thank you.

12 MR. JORDAN: Vincent Jordan,
13 V-I-N-C-E-N-T, Jordan, J-O-R-D-A-N. I'm Vice
14 President of Marketing and Gaming Operations for Mount
15 Airy Casinos and Resort.

16 COURT REPORTER: Can you talk in your
17 mic?

18 MR. JORDAN: Is that better?

19 COURT REPORTER: Yes.

20 MR. JORDAN: Again, briefly here as
21 Matt outlined for TSG's Petition with Mount Airy, I
22 would like to also like to edict the relationship as
23 well.

24 First, I'd like to just briefly say
25 that, you know, we believe that extending the

1 traditional on-property experience with online gaming
2 is the natural next step for Mount Airy.

3 CHAIRMAN: Mr. Jordan, it looks like
4 we're having trouble hearing you.

5 MS. JORDAN: Okay. Sorry.

6 We believe that extending the
7 traditional on-property experience with online gaming
8 offers the next substantial step for Mount Airy.

9 We have embraced the opportunity with
10 guests and all of PA casino patrons to provide a
11 superb online gaming operation which will complement
12 our excellent gaming on the property -.

13 Conversion between the online and land
14 - land-based offerings will enable us to increase the
15 engagement of existing patrons, while appealing to new
16 audiences with a new and improved proposition.

17 In terms of partnership, we are
18 currently a reputable, globally recognized, locally
19 experienced gaming operators, being operated as 888
20 and Poker Stars.

21 888 was founded in 1996. It employs
22 approximately 2,000 employees online in six global
23 locations. It's listed on the London Stock Exchange
24 in - as online gaming licenses in 11 territories.

25 888 is also a B2B - I'm sorry, B2C in

1 poker and the casino -. From a revenue standpoint, it
2 has maintained a healthy and stable revenue.

3 This is further represented in terms
4 of experience. They are - they're active in all three
5 states for online gaming, B2C and B2B in New Jersey,
6 B2B only in Delaware and B2B in Nevada. Other key
7 jurisdictions are in Europe as well, so the UK and the
8 like.

9 Equally as TSG, they're also one of
10 the largest casino brands in the world.

11 From a Poker standpoint, 888 Poker
12 corporate share liquidity with Nevada, Delaware and
13 New Jersey. From a customer support standpoint in New
14 Jersey, it'll be servicing customers on the New Jersey
15 brands operating under the 888 platform. It also will
16 be looking to respond to the customer service calls in
17 a time - very timely manner.

18 In terms of - in terms of customer and
19 site protection, Mount Airy, 888 and TSG are committed
20 to complying with all regulations, adhering to the
21 highest online gaming operation standards. Offer the
22 most advanced responsible gaming operations, respect
23 the privacy and protect the security of our customers.
24 And provide customers with the best possible online
25 gaming experience as possible.

1 That's all I have. Thank you.

2 CHAIRMAN: Thank you.

3 Enforcement Counsel have a
4 presentation today?

5 ATTORNEY MANIFESTO: No, we do not,
6 but if we could please make a brief statement? Thank
7 you.

8 The OEC, along with the Bureau of
9 Gaming Operations, BIE, Bureau of Gaming Laboratory
10 Operations, Bureau of Licensing, Office of Diversity
11 and the Office of Compulsive and Problem Gambling have
12 reviewed and consulted extensively on the Petition and
13 the appendices filed by Mount Airy to conduct
14 interacting gaming. And for the issuance of an
15 Interactive Gaming Certificate, after which OEC has
16 filed an Answer in this matter requesting that the
17 Board order the implementation of certain listed
18 conditions, if it was so inclined to grant Mount
19 Airy's petition.

20 As a result, the OEC has no objection
21 to the approval of Mount Airy's Petition to conduct
22 interactive gaming, and to the issuance of an
23 Interactive Gaming Certificate to Mount Airy, subject
24 to the proposed conditions outlined in the OEC's
25 Answer, which was filed on August 7th, 2018, and any

1 other conditions imposed by the Board.

2 The OEC is available for any questions
3 you may have.

4 CHAIRMAN: Are there any questions or
5 comments from the Board on this petition?

6 Hearing none, unless you wish to -?

7 ATTORNEY SKLAR: Just briefly. As
8 with the other presenters, I would ask that the
9 PowerPoint presentation be moved into evidence and we
10 also have a motion for confidentiality.

11 CHAIRMAN: So moved.

12 Thank you again.

13 * * * * *

14 HEARING CONCLUDED AT 11:29 A.M.

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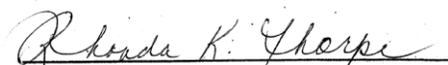
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CERTIFICATE

I hereby certify that the foregoing proceedings, held before Chairman Barasch, was reported by me on 08-15-18 and that I, Rhonda K. Thorpe, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 12th day of September, 2018



Court Reporter

Rhonda K. Thorpe