

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: VALLEY FORGE CONVENTION CENTER PARTNERS, LLC -  
PETITION FOR AN INTERACTIVE GAMING CERTIFICATE

\* \* \* \* \*

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Richard G. Jewell

Kathy M. Manderino

Merritt C. Reitzel

Obra S. Kernodle, IV

Dante Santoni, Jr.

Sean Logan

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jennifer Langan, Designee, Department of  
Treasury

Suzanne P. Leighton, Designee, Department  
of Revenue

Fred Strathmeyer, Jr., Designee, Department  
of Agriculture

HEARING: Wednesday, October 3, 2018

10:00 a.m.

Reporter: Cynthia Piro Simpson

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LOCATION: Pennsylvania Gaming Control Board  
Strawberry Square  
2nd Floor  
Harrisburg, PA 17101

## A P P E A R A N C E S

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COUNSEL FOR VALLEY FORGE CONVENTION CENTER

PARTNERS, LP

JOHN CROHE, ESQUIRE

Assistant Enforcement Counsel

P.O. Box 69060

Harrisburg, PA 17106

COUNSEL FOR OFFICE OF ENFORCEMENT COUNSEL

ALSO PRESENT:

Dave Zerfing, Chief Financial Officer, Valley Forge

Convention Center Partners, LP

Bill Wright, Sr. Vice President, Operations, Boyd

Corporation

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PRESENTATION

By Attorney King

6 - 13

PRESENTATION

By Attorney Crohe

13 - 14

DISCUSSION AMONG PARTIES

14 - 15

E X H I B I T S

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Exhibit 1	PowerPoint Presentation*	15	15

\*Exhibit Not Attached

## P R O C E E D I N G S

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CHAIRMAN: Next we will hear from  
Valley Forge Convention Center Partners, Petition for  
- for an Inter - excuse me, Petition for an  
Interactive Gaming Certificate.

Again, I'd remind everyone, if you're  
going to speak, please spell and state your name for  
the court reporter prior to presentation. And I would  
have all non-attorney witnesses be sworn at this time.

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WITNESSES SWORN EN MASSE

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CHAIRMAN: Good morning.

ATTORNEY KING: Good morning.

CHAIRMAN: Sorry for that sigh.

Petitioners, you may begin your  
presentation.

ATTORNEY KING: Good morning, Mr.  
Chairman, members of the Board, Adrian King, from the  
Ballard Spahr Firm, here today on behalf of Valley  
Forge Convention Center Partners, now an LLC, which is  
here on our Petition for an Interactive Gaming  
Certificate in all three categories.

With me today is Dave Zerfing. Dave

1 was for many years the Vice President of Finance for  
2 the property. And he has now assumed the title, with  
3 Eric Pearson's departure, of Vice President and  
4 General Manager of the property within the Boyd  
5 organization. Also Bill Wright, who's a Senior VP for  
6 Regional Operations for Boyd. And Bill has oversight  
7 responsibility for the property within Boyd.

8 I think, as you know, Boyd's tenure of  
9 ownership is in about, I believe, its third week since  
10 the close of the transaction. And so they are - they  
11 are pleased to be here. We will keep this short and  
12 efficient, tell you a little bit about how we're going  
13 to go forward here.

14 First we'll talk about the leadership  
15 team, organizational overview, the key partners that  
16 we'll be working with in marketing and technology, how  
17 we are going to use the Interactive Gaming Certificate  
18 with respect to cross marketing and convergence with  
19 the bricks-and-mortar premises, and then getting into  
20 some of the details on account creation, consumer  
21 protection, compliance to Gaming Control Board  
22 standards.

23 So, just briefly, with respect to the  
24 team that will be overseeing this initiative for  
25 Valley Forge, as I've mentioned, we have Dave here day

1 to day at the property. Bill - Blake Rampmaier, who  
2 is the Chief Information Officer for Boyd. Blake was  
3 actually in - I think it was the week that the  
4 transaction closed, in - along with our - the general  
5 counsel for Boyd. And did meet with Mr. O'Toole and  
6 his team, introducing themselves and actually  
7 specifically talking about interactive gaming. So,  
8 he's already been in to meet with your team.

9                   And then, as you'll see, there's going  
10 to be a partnership with the FanDuel Group. And there  
11 we have Tim Morrow, who's the CT - Chief Technology  
12 Officer. And FanDuel actually also attended the  
13 meeting that I referenced with Christian Genetski,  
14 their Chief Legal Officer.

15                   In terms of key partners, and I know  
16 that you've already heard of some of these folks  
17 through the other presentations that you have had the  
18 pleasure of hearing so far from other operators on a  
19 platform, it will be IGT. With account it will be  
20 GAN, Game Account Network, geofencing with GeoComply.  
21 And then with know your customer and client identity  
22 there's a company called Aristotle.

23                   Quickly, on behalf of FanDuel Group,  
24 I'll just give you a little bit of an introduction.  
25 They are the number one U.S. online operator. They

1 already, I believe, are licensed here in Pennsylvania  
2 with respect to Fantasy. They have an application in  
3 with respect to this project.

4                   On horseracing, their brands are TVG  
5 and Betfair Exchange. And online casino, Betfair.  
6 They're in 45 states. They have 8,000,000 customers  
7 and \$265 million in revenue.

8                   FanDuel is the U.S. subsidiary of two  
9 companies that merged together, Paddy Power from  
10 Ireland and Betfair, which I believe is out of the  
11 U.K. As you can see, they have a worldwide footprint,  
12 with a customer operation center in Portland, Oregon.  
13 They're already up and running in New Jersey with  
14 Golden Nugget. They have a FanDuel headquarters  
15 operation in New York.

16                   On the horseracing side, TVG is in Los  
17 Angeles. They have headquarter functions in Dublin,  
18 Ireland, in London. There's an IT group in Scotland.  
19 And they are in many other countries in Europe and  
20 also in Australia. 7,000 employees total, 1,300  
21 product developers, 350 personnel on risk and trading  
22 and 200 - over 200 people with respect to marketing.

23                   Drilling down a little bit with  
24 respect to interactive gaming, with respect to FanDuel  
25 as the Valley Forge Boyd partner, we have already been

1 working via Betfair alongside Golden Nugget in New  
2 Jersey. Also working with New Jersey Sports and  
3 Exposition Authority with respect to Monmouth Park and  
4 Meadowlands Racetrack.

5           They are working on a similar  
6 relationship with the Greenbrier in West Virginia.  
7 When I say similar, meaning the relationship that they  
8 are proposing to establish with Valley Forge. And  
9 Pennsylvania is the next market that they would like  
10 to enter into with Valley Forge and Boyd.

11           I mentioned they're licensed in  
12 multiple U.S. jurisdictions for racing, gaming and  
13 daily fantasy sports. Betfair Interactive holds a  
14 Casino Service Industry License from the New Jersey  
15 Department - or I'm sorry, Division of Gaming  
16 Enforcement. And they have or they will be filing an  
17 Enterprise Entity Application and a disclosure form  
18 here with the Pennsylvania Gaming Control Board.  
19 They'll be bringing a database with them, television  
20 and digital marketing experience and their global  
21 capabilities to help make this initiative a success.

22           With respect to branding, first off,  
23 this petition is for all three categories of  
24 certificates. So, we have slots, online table games,  
25 table games with live Dealers, peer-to-peer with

1 poker. There will be race and sports initiatives to  
2 come through separate applications and a petition with  
3 respect to a Sports Betting Certificate.

4           With respect to cross marketing, the  
5 current URL that we use is vfcasino.com, but they'll  
6 be adding subdomain interactive. And everything will  
7 be tied, as required under the statute and the regs,  
8 to the Valley Forge brand.

9           Further, on the convergence of the  
10 online presence with on-premises, want to mirror, to  
11 some degree, the customer experience from - from the  
12 land base to online. And want to drive traffic back  
13 to the brick-and-mortar casino using the Customer  
14 Loyalty Data Program and the various loyalty program  
15 components with respect to gaming offers,  
16 entertainment offers, dining, hotel and other  
17 promotional items.

18           This slide and the next are just  
19 mock-ups that we're just showing that are used  
20 currently by Betfair in New Jersey on this, on online  
21 account registration, a typical registration setup  
22 that you would see online, various security features  
23 with passwords, security questions, things that you  
24 would expect to run a secure website.

25           Second, with respect to responsible

1 gaming and self-limits, I just want to point out all  
2 the standard features that you would expect. And in  
3 particular, with respect to deposit limits, wager  
4 limits, time limits and things of - of that nature,  
5 which I know are important to the Board.

6           Finally, with respect to compliance to  
7 Gaming Control Board standards, we'll be using the  
8 experience with FanDuel - and also, I should mention  
9 that Boyd, with respect to its history, has been in  
10 the interactive space before, specifically in New  
11 Jersey, when it was a part owner of the Borgata.

12           And so they - they bring that  
13 experience, but converging all of that experience  
14 together to engage in best practices and obviously be  
15 in compliance with any of the PGCB standards or  
16 requirements.

17           One last point, through the platform  
18 operator, we will, of course, comply and make  
19 available to the Board 24/7 oversight access to  
20 whatever's going on within the interactive space. And  
21 then finally, we'll be ensuring that everything that  
22 we do online complies with all federal and state  
23 standards with respect to customer privacy, personal  
24 identifying information and the like.

25           So with that, I will open it up,

1 invite any questions you may have for Bill, Dave?

2 CHAIRMAN: Enforcement Counsel?

3 ATTORNEY CROHE: Good morning,  
4 Chairman, members of the Board. John Crohe,  
5 C-R-O-H-E, Assistant Enforcement Counsel for the  
6 Office of Enforcement Counsel (OEC).

7 The OEC, along with the Bureau of  
8 Gaming Operations, Bureau of Investigations and  
9 Enforcement (BIE), Bureau of Gaming Laboratory  
10 Operations, Bureau of Licensing, Office of Diversity  
11 and the Office of Impulsive and Problem Gambling have  
12 reviewed and consulted extensively on the petitions  
13 and appendices filed by Valley Forge Convention Center  
14 Partners, LLC, to conduct interactive gaming and for  
15 the issuance of an Interactive Gaming Certificate.

16 CHAIRMAN: Excuse me.

17 I should have said, did you have any  
18 questions for them before you proceed?

19 ATTORNEY CROHE: We have no questions  
20 at this time.

21 CHAIRMAN: You may now proceed.

22 ATTORNEY PITRE: Do you want him to  
23 start over, Mr. Chairman? I think you should make him  
24 start over.

25 CHAIRMAN: I think so, too.

1                    ATTORNEY CROHE:    Would you like me to  
2 start at the beginning?

3                    CHAIRMAN:    I'm kidding.    I'm kidding.

4                    ATTORNEY CROHE:    You're kidding, yes.  
5 For the issuance of an Interactive Gaming Certificate,  
6 after which the OEC filed an Answer in this matter  
7 requesting that the Board order the implementation of  
8 certain listed conditions, if it was so inclined to  
9 grant the relief requested in the petition.

10                    As a result, the OEC has no objection  
11 to the approval of Valley Forge Convention Center  
12 Partners, LLC's Petition to Conduct Interactive Gaming  
13 and to the issuance of an Interactive Gaming  
14 Certificate to Valley Forge Convention Center  
15 Partners, LLC, subject to the proposed conditions  
16 outlined in the OEC's Answer filed on August 29th,  
17 2018 and any conditions imposed by the Board.

18                    The OEC is available for any questions  
19 that you may have in this matter.

20                    CHAIRMAN:    We kind of went out of  
21 order.    I should have asked whether there were  
22 questions or comments from the Board for Petitioners  
23 or for OEC?    Any questions up here?

24                    Okay.

25                    Does Petitioners have any questions

1 for OEC?

2 ATTORNEY KING: No questions. We  
3 obviously understand that this is a - if approved by  
4 the Board, this will be a conditional approval. We  
5 look forward to working with OEC and the rest of the  
6 Gaming Control Board staff to satisfy the conditions.  
7 There are 22 set forth in the proposed order. And we  
8 look forward to getting to work.

9 CHAIRMAN: Thank you very much.  
10 This matter will also be on the Agenda  
11 for later today.

12 ATTORNEY KING: And if I could - if I  
13 could just move to incorporate our presentation into  
14 the record and -.

15 CHAIRMAN: With no objection, we  
16 consider it moved.

17 ---  
18 (Whereupon, Exhibit 1, PowerPoint Presentation,  
19 was marked for identification and admitted.)

20 ---  
21 ATTORNEY KING: And we seek your  
22 approval. Thank you.

23 CHAIRMAN: Thank you very much.

24 \* \* \* \* \*

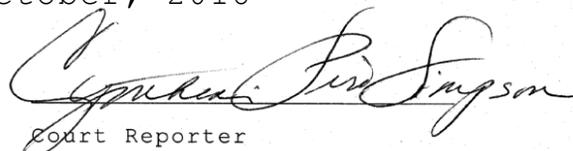
25 HEARING CONCLUDED AT 10:30 A.M.

CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before David Barasch, was reported by me on 10-03-18 and that I, Cynthia Piro Simpson, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 27th day of October, 2018



Court Reporter

Cynthia Piro Simpson