

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

IN RE: CHESTER DOWNS AND MARINA, LLC -  
PETITION FOR SPORTS WAGERING CERTIFICATE

\* \* \* \* \*

HEARING

\* \* \* \* \*

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Richard G. Jewell

Kathy M. Manderino (via telephone)

Merritt C. Reitzel

Obra S. Kernodle, IV

Dante Santoni, Jr.

Sean Logan

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jennifer Langan, Designee, Department of  
Treasury

Fred Strathmeyer, Designee,  
Department of Agriculture

Christin Heidingsfelder, Designee,  
Department of Revenue

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HEARING: Wednesday, October 31, 2018

LOCATION: Pennsylvania Gaming Control Board

Strawberry Square

2nd Floor

Harrisburg, PA 17101

Reporter: Bernadette M. Black

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Fox Rothschild, LLP

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Atlantic City, NJ 08401-7212

Counsel for Chester Downs &amp; Marina, LLC

ALSO PRESENT:Chris Albrecht, Senior Vice President and General  
Manager, Chester Downs and Marina, LLCChristina Herrera, Vice President of Gaming  
Operations, Chester Downs and Marina, LLCLynn Hughes, Vice President, Chief Legal Officer,  
Chester Downs and Marina, LLC

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A P P E A R A N C E S (cont'd)

ALSO PRESENT:

Tracey Witchko, Vice President and Assistant General  
Manager, Chester Downs and Marina, LLC

Zara Alayan, Vice President of Finance, Chester Downs  
and Marina, LLC

Marissa Stagg, Compliance Manager, Chester Downs and  
Marina, LLC

Joe Tyrrell, Vice President of Government Relations,  
Chester Downs and Marina, LLC

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NONE OFFERED

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

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3           CHAIRMAN: Next up Chester Downs and  
4 Marina, LLC, Petition for Sports Wagering Certificate.

5           And I'd request Counsel to make sure  
6 that we hear the names, spelling of everybody's name  
7 for the court reporter.

8           If everybody would please be  
9 identified.

10           ATTORNEY DOWNEY: Chairman, would you  
11 like to have our witnesses sworn in first?

12           CHAIRMAN: Well, give me your name -  
13 give me everybody's names and then we'll swear them  
14 in.

15           ATTORNEY DOWNEY: We'll do that.

16           William Downey, D-O-W-N-E-Y, with the  
17 firm Fox Rothschild, on behalf of Chester Downs and  
18 Marina, LLC, doing business as Harrah's Philadelphia  
19 Casino and Racetrack.

20           With me today at the dais are Chris  
21 Albrecht, is the Senior Vice President and General  
22 Manager of the property and Christina Herrera, who is  
23 the Vice President of Gaming Operations. They both  
24 should be sworn in.

25           CHAIRMAN: Okay. Please.

1 Stand.

2 ---

3 (WITNESSES SWORN EN MASSE)

4 ---

5 CHAIRMAN: Thank you.

6 You can begin.

7 ATTORNEY DOWNEY: Thank you, Mr.

8 Chairman.

9 If I might take a minute. In addition  
10 to the two at the dais with me today, we have a number  
11 of representatives in the house today that I'd like to  
12 introduce to you.

13 Also, with us today, are Tracey  
14 Witchko, who is our Vice President and Assistant  
15 General Manager.

16 Thank you.

17 Zara Alayan, our Vice President of  
18 Finance. Marissa Stagg, our Compliance Manager. Joe  
19 Tyrrell, Vice President of Government Relations. And  
20 in light of the season, our very own Glenda the Good  
21 Witch, Lynn Hughes, Vice President and Chief Legal  
22 Officer.

23 CHAIRMAN: I'm not going to touch  
24 that.

25 ATTORNEY DOWNEY: Mr. Chairman, we're

1 happy to be before you today in the matter of the  
2 application of Chester Downs and Marina, LLC for a  
3 Sports Wagering Certificate.

4 Chris Albrecht is going to take you  
5 through a very brief presentation, at the conclusion  
6 of which we'll do a couple of procedural matters, and  
7 answer any questions you might have.

8 MR. ALBRECHT: And that's Albrecht,  
9 A-L-B-R-E-C-H-T.

10 Mr. Chairman, Members of the Board,  
11 very excited to be in front of you today to present  
12 our opportunity for our petition for sports wagering  
13 at Harrah's Philadelphia.

14 Just briefly about the organization.  
15 We plan to put together - Christina here is our Vice  
16 President of Gaming Operations, will be running our  
17 sportsbook at the property through our gaming  
18 operation, as obviously we believe there's a lot of  
19 synergies between our slots, tables, poker operation  
20 and the addition of sports betting.

21 While at the property we are,  
22 obviously, learning quickly about how to operate a  
23 sportsbook. Our company, Caesars Entertainment, has a  
24 long history of operating sportsbooks, primarily in  
25 Nevada, for a very long time. And most recently we've

1 been able to stand up new operations in both the New  
2 Jersey and Mississippi markets.

3                   And so obviously a lot of expertise we  
4 were able to leverage within our organization. And  
5 you can see some pictures there of existing books we  
6 operate already here in the United States.

7                   And then we have a partnership with  
8 Scientific Games that we've already set up again in  
9 New Jersey and Mississippi that we will also be  
10 continuing here in Pennsylvania. So, a lot of lessons  
11 learned, as we put together our sportsbook.

12                   And just to clarify today, we are very  
13 focused on the land-based sports betting operation, as  
14 we had been in front of you before, to discuss our  
15 online petition prior, so most of what you see today  
16 is around our physical book.

17                   Just a few details about the  
18 operation. So, it'll be an over 4,300 square foot  
19 space. It's an existing space in our facility, that  
20 will show you here in the next couple slides. Again,  
21 that partnership with Sci Games will be utilized for  
22 both the land-based technology as well as our online  
23 experience.

24                   Some of the features of the space  
25 obviously will have several locations where we'll be

1 placing the odds up on the boards. We're going to  
2 have 40-plus flat screen televisions around the room  
3 for our patrons to be able to watch all of the events.

4 We'll have six teller windows, where  
5 we'll have employees, obviously taking the bets from  
6 the customers. We plan on the addition of  
7 self-betting kiosks, both in the sportsbooks space,  
8 and likely other location throughout the facility for  
9 folks to be able to make bets.

10 We'll also be obviously leveraging our  
11 partnership with the horse betting we already have on  
12 property and placing two betting terminals within the  
13 physical book space.

14 We'll be changing a bit of the seating  
15 setup. And again, you'll see it in the next couple  
16 slides the space we're looking at. And we'll be  
17 utilizing all different packages to show all different  
18 games across all the sports people are taking bets on.

19 And just as a last note, again, to  
20 create those synergies amongst the other parts of the  
21 facilities, there is already an existing adjacent  
22 table games pit that we believe will be a big part of  
23 this sports betting experience.

24 So this is the physical layout.  
25 Again, this is an existing space in the back of our

1 facility right in front of our concert venue, the  
2 block in the back.

3                   Several members of PGC staff were able  
4 to visit a few weeks ago and get a look for the space.  
5 The beauty for us is this space was already decently  
6 built out to provide both gaming and entertainment in  
7 the back. And so we'll be making some adjustments to  
8 take on sports betting, but the bones for a good  
9 experience and space were already there for us.

10                   In the upper sort of - top of that  
11 chart is where the betting windows will go. And then  
12 to the left middle of that purple section is where the  
13 main TV display is. And again, you'll get a better  
14 sense for this in the next page.

15                   And then sort of seating there in the  
16 middle and behind, and then the adjacent pit is to the  
17 bottom right of that purple section.

18                   So a little more - a little nicer  
19 look. This is - is the space in the back. Again, a  
20 lot of this was built out prior. And you can see,  
21 we'll be adding some more televisions to the space.  
22 We'll be changing the seating up both in the top  
23 section and the seating around it, and sort of, again,  
24 add some excitement, energy, to that facility.

25                   This is a closer look of where the

1 betting windows will be. Over, again, in that corner  
2 we'll be livening it up a bit. We're still working  
3 through our designs to make this space look as best as  
4 possible.

5                   This will give you a good look of sort  
6 of how the operation will work functionally. And  
7 we'll continue to refine as we getting close to  
8 building this out.

9                   And then last but certainly not least,  
10 again, our organization is very dedicated to  
11 responsible gaming. That will continue to move  
12 forward as we build out this sportsbook.

13                   We not only follow the guidelines here  
14 within Pennsylvania, but anyone within our entire  
15 Caesars network that chooses, through responsible  
16 gaming, self-exclusion, we honor that at our facility  
17 here. And that will continue to be the case as we  
18 operate this sportsbook and add sports betting.

19                   With that, that concludes our formal  
20 presentation.

21                   CHAIRMAN: Thank you.

22                   Questions or comments from Enforcement  
23 Counsel?

24                   ATTORNEY ROLAND: Good morning, Mr.  
25 Chairman and Members of the Board. Michael Roland,

1 R-O-L-A-N-D, with the Office of Enforcement Counsel  
2 (OEC).

3 We don't have any questions or formal  
4 presentation. We'd simply ask just to put a brief  
5 statement on the record.

6 CHAIRMAN: Please do.

7 ATTORNEY ROLAND: The OEC, along with  
8 the Bureau of Casino Compliance, the Bureau of Gaming  
9 Operations, the Bureau of Investigations and  
10 Enforcement (BIE), the Bureau of Gaming Laboratory  
11 Operations, the Bureau of Licensing, the Office of  
12 Diversity and the Office of Compulsive and Problem  
13 Gambling have reviewed and consulted extensively on  
14 the petition and the appendices filed by Chester Downs  
15 and Marina, LLC, doing business as Harrah's  
16 Philadelphia Casino and Racetrack to conduct sports  
17 wagering and for the issuance of a Sports Wagering  
18 Certificate.

19 OEC filed an Answer in this matter  
20 requesting that the Board order the implementation of  
21 certain listed conditions if it was so inclined to  
22 grand the relief requested in the petition.

23 As a result, the OEC has no objection  
24 to the approval of the Harrah's Philadelphia Petition  
25 to Conduct Sports Wagering and to the issuance of a

1 Sports Wagering Certificate to Harrah's Philadelphia,  
2 subject to the proposed conditions outlined in OEC's  
3 Answer, which was filed on October 19th, 2018 and any  
4 additional conditions imposed by the Board.

5                   The OEC is available for any questions  
6 you have.

7                   CHAIRMAN: Thank you.

8                   Are there any questions or comments  
9 from the Board?

10                   Hearing none - you have no formal  
11 presentation, obviously.

12                   ATTORNEY ROLAND: No presentation.

13                   CHAIRMAN: Any further comment from  
14 the Petitioners?

15                   ATTORNEY DOWNEY: Yes, Mr. Chairman.  
16 Just to note, we have no objection to the conditions,  
17 as proposed by OEC.

18                   We ask that the PowerPoint be moved  
19 into the record -

20                   CHAIRMAN: So moved.

21                   ATTORNEY DOWNEY: - and for the Board's  
22 consideration of our Motion to Protect Confidential  
23 Information.

24                   CHAIRMAN: We'll deal with that later  
25 this morning, -

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ATTORNEY DOWNEY: Thank you.

CHAIRMAN: - the second matter.

Hearing nothing else, this matter will  
be voted later in the General Council Session.

MR. ALBRECHT: Thank you.

ATTORNEY DOWNEY: Thank you, Mr.  
Chairman.

CHAIRMAN: Thank you for coming.

\* \* \* \* \*

HEARING CONCLUDED

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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before the Pennsylvania Gaming Control Board, was reported by me on 10-31-18 and that I, Bernadette M. Black, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 27th day of November, 2018

*Bernadette M. Black*

\_\_\_\_\_  
Bernadette M. Black,  
Court Reporter