

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: HOLDING ACQUISITIONS COMPANY, LP -
PETITION FOR SPORTS WAGERING CERTIFICATE

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HEARING

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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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LAURA MCALLISTER COX, ESQUIRE

Rush Street Gaming

900 Michigan Avenue

Suite 1600

Chicago, IL 60611

Counsel for Holdings Acquisition Company, LP,

d/b/a Rivers Casino

ALSO PRESENT:

Joe Scibetta, Vice President of Development and

Operations, Rush Street Gaming

Andre Barnabei, Vice President of Slot Operations,

Rivers Casino

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CHAIRMAN: Next public hearing is
Holding Acquisitions Company, LLP - LP rather.
Petition for Sports Wagering Certificate.

If the Petitioners would come forward.

As we begin, I'd ask whoever is going
to speak today, please state and spell your name for
the court reporter at this time, and then we'll swear
in non-attorney witnesses.

ATTORNEY COX: Good morning, Mr.

Chairman and Members of the Board. I'm Laura
McAllister Cox, Vice President of Regulatory
Compliance and Legal Counsel for Rush Street Gaming.

And that's, M-C-A-L-L-I-S-T-E-R,
C-O-X. I'm here today on behalf of Holdings
Acquisition Company, LP, doing business as Rivers
Casino, and I am joined to my immediate left by Joe
Scibetta, Vice President of Development and Operations
for Rush Street Gaming. And then to Joe's left, Andre
Barnabei, Vice President of Slot Operations for Rivers
Casino.

We look forward to bringing you a
brief presentation of what we have planned in
Pittsburgh for the opening of our sportsbook

1 operations.

2 CHAIRMAN: Let's have them stand and
3 be sworn now.

4 ---

5 (WITNESES WERE SWORN EN MASSE)

6 ---

7 CHAIRMAN: You can proceed.

8 ATTORNEY COX: Thank you very much.

9 All right.

10 So first I'm going to turn it over to
11 Andre, to give a little explanation of what we have
12 planned in Pittsburgh.

13 MR. BARNABEI:

14 Good morning, Mr. Chairman, Members of
15 the Board. We are very excited as we enter our tenth
16 year in operation here in PA, to pursue the expansion
17 of a sportsbook.

18 As you know, we are neighbored by
19 Heinz Field and PNC Park, two staples in the
20 Pittsburgh community, and our facility is currently
21 used often for parking during their home events.

22 We contribute seven and one half
23 million dollars annually to the Sports and Exhibition
24 Authority for Pittsburgh Penguins Home Ice Arena. And
25 we have a longstanding marketing and community

1 partnership with all local professional franchises.

2 We've had some unique events, like
3 Heinz Ward's retirement party. A partnership with
4 Mario Lemieux Foundation for our test-night and their
5 fantasy camp dinner sponsor.

6 Essentially sports are in our DNA at
7 the property here in Pittsburgh.

8 We're going to present to you today
9 some short-term and long-term plans for our sports
10 betting operation. Our temporary location will be at
11 the Southern end of our gaming floor near our
12 high-limit areas, across from an unutilized prebuild
13 existing cashier cage.

14 We plan to offer an onsite sportsbook
15 with sports cashiers with self-service kiosks. Our
16 construction and activation is currently in the
17 development phase, with a target launch date of
18 December the 1st, subject, of course, to PGCB
19 approval.

20 Our permanent location will be at the
21 center of our gaming floor, in an area currently
22 labeled as Levels Lounge.

23 We're very proud that this will be an
24 area that's a showcase area for the property as we
25 continue to expand. There we will also offer the

1 onsite sportsbook, sports cashiers, as well as a
2 self-service kiosk. And we plan to be ready with an
3 online solution in early 2019.

4 Our construction and activation for
5 this space is also in the development process, and we
6 have an anticipated completion date in spring of 2019.

7 And I'd like to turn it over to Joe
8 Scibetta, to give you some more details on the
9 location and the outline.

10 MR. SCIBETTA: Good morning, Mr.
11 Chairman and Members of the Board. My name is Joe
12 Scibetta, Vice President of Development Operations for
13 Rush Street Gaming. That's spelled, S-C-I, B as in
14 Boy, E-T-T-A.

15 And what you see up on the screen
16 right now is where we're beginning to develop the
17 plans for the permanent space. We're about 90 percent
18 there. We're trying to just make sure it's the right
19 space in the middle of the casino.

20 But we like the space. It's going to
21 be over 3,000 square feet. We'll have more video
22 walls than we would have in our temporary space, which
23 I'll be showing you next. And this will allow us to
24 add VIP seating, club lounge seating and table seating
25 for food and beverage. We'll also have an expanded

1 bar that will be video poker.

2 So very excited about developing this
3 space and getting going on that.

4 Next I'd like to show you the
5 permanent - or the temporary space, excuse me. And as
6 Andre said, the goal here is to get up and running by
7 December 1st. I want to create a comfortable space
8 that makes a great guest experience. Recognizing that
9 something bigger and better is coming in the future.

10 This location is a unique space. It
11 provides us with plenty of wall space for our video
12 wall as well as additional TV monitors. It also
13 utilizes a currently unused cage, which allows us to
14 have a betting counter relatively quickly, that has
15 the camera coverage and the drawers that we need in
16 order to take the bets at the term - with the betting
17 terminal.

18 Here are a few images of the space
19 that you can see. You'll notice the big video wall in
20 the middle of the - in the middle of the rendering on
21 the top right side, along with the table seating that
22 we're going to use for restaurant-type food and
23 beverage offering.

24 And in the lower left, you can also
25 see the betting kiosks and the soft seating that we're

1 hoping to provide for a more comfortable environment
2 for folks that want to stick around for an extended
3 period of time.

4 And finally, here are some stats on
5 what we are proposing to do for the temporary space.
6 It's approximately 3,000 square feet as well. It has
7 a luxury sports lounge design. We have seating for
8 approximately 98 people.

9 Again, we're introducing a
10 state-of-the art 14 by 7 - 14 foot by 7 foot LED video
11 wall, and an additional 15 flat screen high definition
12 TV monitors. And we'll have food and beverage
13 available for all of our customers.

14 Partnering with Kambi to offer these
15 sports bets, we'll be taking bets on everything from
16 the NFL to - it's Premier League Soccer in England.
17 We'll be offering straight bets, round robin bets,
18 parlays. And we'll all be marketing fixed odds, money
19 line bets, point spreads, run lines, prop bets and
20 popular in-game betting, which is really popular right
21 now.

22 I'd like to turn it over to Laura, to
23 speak more about our partners.

24 ATTORNEY COX: Thanks, Joe.

25 So, we are partnering with Rush Street

1 Interactive. And I had the pleasure of speaking to
2 the Board about six weeks or so ago on the Interactive
3 Petition for SugarHouse, where we introduce Rush
4 Street Interactive. It was part of the Rush Street
5 family.

6 Rush Street Interactive currently runs
7 sports wagering in New Jersey and in South America, in
8 Columbia. And they have partnered with Kambi out of
9 the UK to provide those services in the other
10 regulated jurisdictions where they operate. And we're
11 pleased to be bringing that tried-and-true group into
12 Rivers to be providing the platform and the
13 integrity-monitoring services for the product.

14 Andre, if you could speak on the
15 responsible gaming piece?

16 MR. BARNABEI: Responsible gaming is
17 something that we take very seriously at Rivers. All
18 of our current Team Members take Responsible Gaming
19 upon hire, and then annually thereafter. It will be
20 the same for all of our Team Members that work in the
21 sportsbook operation.

22 And we will be modifying our existing
23 Compulsive Gambling Program to amend it to include
24 sports betting.

25 Training, again, will be ongoing for

1 items like age verification and self-exclusion. And
2 our facility currently is only accessible to those
3 that are 21 years of age and older. So, when you come
4 onto our gaming floor space you must be 21 or older.

5 And then all of our marketing, we will
6 continue to use the 1-800-GAMBLER as our line for that
7 program.

8 ATTORNEY COX: And that concludes our
9 presentation.

10 CHAIRMAN: Okay.

11 ATTORNEY COX: Happy to entertain any
12 questions you may have.

13 CHAIRMAN: Thank you.

14 Questions, comments from Enforcement
15 Counsel.

16 ATTORNEY PITRE: I have one question.

17 With regard to the temporary area, my
18 understanding is that you're going to be removing some
19 slot machines from that area?

20 MR. BARNABEI: That is correct. We
21 have a letter in to the Board for review for our plan.
22 We would have to temporarily remove and permanently
23 remove - we would temporarily remove 58 machines,
24 permanently remove 55 machines.

25 ATTORNEY PITRE: That's the only thing

1 I wanted to clarify.

2 CHAIRMAN: Thank you.

3 ATTORNEY TEPPER: Good morning,
4 Chairman Barasch, Members of the Board. David Tepper,
5 T-E-P-P-E-R, on behalf of the Office of Enforcement
6 Counsel (OEC).

7 The OEC has no formal presentation,
8 but would just like to make a brief statement.

9 The OEC, along with the Bureau of
10 Casino Compliance, the Bureau of Gaming Operations,
11 Bureau of Investigations and Enforcement (BIE), Bureau
12 of Gaming Laboratory Operations, Bureau of Licensing,
13 Office of Diversity and the Office of Compulsive and
14 Problem Gaming have reviewed and consulted extensively
15 on the petition and appendices filed by Holdings
16 Acquisition Company, LP, doing business as Rivers
17 Casino, to conduct sports wagering and for the
18 issuance of a Sports Wagering Certificate.

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

24 As a result, the OEC has no objection
25 to the approval of Rivers Casino's Petition to Conduct

1 Sports Wagering and to the issuance of a Sports
2 Wagering Certificate to Rivers Casino, subject to the
3 proposed conditions outlined in OEC's Answer filed on
4 October 19th, 2018 and any additional conditions
5 imposed by the Board.

6 The OEC is available to answer any
7 questions you may have.

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

10 Hearing none, does Petitioner have
11 anything else?

12 ATTORNEY COX: We have no objections
13 to the conditions that have been set forth by the
14 Board.

15 I would like to move our presentation
16 into evidence.

17 CHAIRMAN: So moved.

18 ATTORNEY COX: And we have a Motion
19 for Confidentiality pending with regard to our
20 Petition as well, and would ask you consideration of
21 that.

22 CHAIRMAN: That will be taken up when
23 we rule on this matter under the OCC's part of it at
24 the end.

25 Thanks so much. Thanks for coming.

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MR. BARNABEI: Thank you.

MR. SCIBETTA: Thank you.

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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