

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: GREENWOOD GAMING AND ENTERTAINMENT, INC. -

CATEGORY 1 LICENSE RENEWAL

* * * * *

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Sean Logan

Dante Santoni, Jr.

Kathy M. Manderino

T. Mark Mustio

Merritt C. Reitzel

Obra S. Kernodle, IV

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jennifer Langan, Esquire, Designee,
Department of Treasury

Christin Heidingsfelder, Designee,
Department of Revenue

Jorge Augusto, Esquire, Designee,
Department of Agriculture

Reporter: Amy Distefano

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1 HEARING: Wednesday, May 15, 2019
2 LOCATION: Pennsylvania Gaming Control Board
3 Strawberry Square
4 2nd Floor
5 Harrisburg, PA 17101
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Counsel for Office of Enforcement Counsel

ALSO PRESENT:

JOHN DIXON, CHIEF OPERATING OFFICER, Greenwood

Racing, Inc.

THOMAS BONNER, CHIEF COUNSEL, Greenwood Racing, Inc.

BRYAN BARTLETT, CHIEF FINANCIAL OFFICER, Greenwood

Racing, Inc.

RON DAVIS, CHIEF DIVERSITY & INCLUSION OFFICER,

Greenwood Racing, Inc.

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*Confidential

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CHAIRMAN: Before we'd begin, I'd ask that everyone that's going to speak today, please state and spell your name for the court reporter prior to your presentation. Additionally, I'd ask all non-attorney witnesses to please stand at this time to be sworn.

WITNESSES SWORN EN MASSE

CHAIRMAN: Petitioners, you may begin.

ATTORNEY YOCUM: Good morning, Chairman Barasch, Members of the Board. My name is Susan Yocum. I am counsel to Greenwood Gaming and Entertainment.

We are here today regarding Greenwood Gaming and Entertainment's renewal of its Category 1 Slot Machine License. This is, in fact, its third renewal. And with that, I will actually turn it over to Tom Bonner, who is Chief Counsel to the Licensee.

Go ahead, Tom.

ATTORNEY BONNER: Thank you, Susan.

Good morning, Mr. Chairman. Good morning, Board Members. Thomas Bonner, B-O-N-N-E-R,

1 General Counsel for Greenwood Gaming.

2 It's a pleasure to be here today.
3 Most often my colleagues and I appear before you
4 relating to Consent Agreements and the imposition of
5 civil penalties with regulatory infractions.

6 But today we're here to have you
7 consider the renewal of the GGE Gaming License and the
8 related Certificates attached to it. And since all of
9 the reports prepared by BIE for the Licensee, its
10 entity, qualifiers, its Principals, its Key Employees,
11 find us suitable and recommend licensure, we look
12 forward to your positive action on our Renewal
13 Application.

14 I think you're aware of the recent
15 retirement of our CEO, Tony Ricci, after 26 years with
16 the company. And we wish him well in this new phase
17 of his life.

18 But in the wake of Tony's departure,
19 the Board of Directors has formed a Management
20 Committee to act as the ultimate executive authority,
21 pending the appointment of a new Chief Executive.

22 Three members of that committee are
23 here this morning. John Dixon, to my left, our Chief
24 Operating Officer, is now on his 30th year with our
25 companies.

1 Bryan Bartlett, behind me, our CFO,
2 has been with the company for six years. I, also, am
3 a member of the committee. And you've been seeing me
4 here for 13 years.

5 Ron Davis, to my right, really has
6 been with us since day one. He was the first employee
7 engaged for the casino operation.

8 My point is that although no CEO is
9 before you today, the people who are here to present
10 this application to you are the senior-most executives
11 of the company.

12 Mr. Dixon and I are also members of
13 the Board of Directors, so we appear in that capacity
14 as well.

15 I'd like to make just a few remarks
16 about some of the people who are not here today, but
17 who are key to the continuing success of the Greenwood
18 Racing and Gaming companies.

19 Without the commitment of the very
20 substantial, financial and Human Resources that our
21 owners have made and continue to make available to us,
22 we wouldn't be here today, as the number one casino in
23 Pennsylvania, both in terms of gross gaming revenue
24 and in terms of the gaming taxes that we pay to the
25 state. And we're proud of that position.

1 Their continuing commitment to the
2 company's facilities and people is the difference that
3 keeps us on top.

4 Also, vital to our success is the
5 guidance provided by the members of our Board of
6 Directors, who play a very active role in providing
7 oversight and direction to our executive and
8 management teams.

9 Our new Management Committee structure
10 that I mentioned required that we designate a skill
11 and experienced professional to guide this new
12 committee in its interactions with Greenwood's owners
13 and Board of Directors. And that person is our Deputy
14 Chairman of the Board, Bill Hogwood, and he's been
15 with the company since its inception in 1990.

16 And finally, I bring greetings to you
17 from our Chairman of the Board, Bob Green, who is out
18 of the country attending to business and personal
19 matters.

20 It has been his custom to deliver
21 preliminary remarks at hearings such as this. And in
22 those remarks he would often extol the virtues and
23 vast experience and management skills of the senior
24 executives present, which we were - always were happy
25 to hear.

1 But today I'd like to turn the tables
2 and offer brief recognition of Mr. Green's invaluable
3 contribution, not only to Parx Casino and the
4 Greenwood family of companies, but also to the vital
5 role he has played in making gaming in Pennsylvania a
6 reality.

7 Without Mr. Green's vision, foresight,
8 perseverance and dedication to the process 20 years
9 ago and 15 years ago, and through today, we might not
10 be here today at all or we might not be here against
11 the backdrop of Pennsylvania Gaming, as the tremendous
12 model of success that it is.

13 And so we offer our thanks to Bob
14 Green in his absence today. And now, Mr. Chairman,
15 I'd like to turn the presentation over to my
16 colleagues. And John Dixon will lead the way.

17 MR. DIXON: Good morning, Chairman,
18 Commissioners. My name is John Dixon, D-I-X-O-N. As
19 you can see on the screen, a couple of very nice
20 photographs of Parx Casino. We're the number one
21 casino in Pennsylvania, which we're very proud of, and
22 it's been that way since we opened.

23 And we've invested more than \$700
24 million since 2006 in our casino property, creating
25 what I think you'll agree is a beautiful destination.

1 And our team delivers first-class service that
2 provides an exciting atmosphere for our guests every
3 day.

4 Parx was one of the only two casinos
5 to open in 2006, so we've been there since the very
6 beginning. And of course originally we had slot
7 machines in our Grandstand building and some limited
8 food and beverage operations. And then we built the
9 permanent casino that we have today, at least phase
10 one of it, which we opened in December of 2009,
11 creating Pennsylvania's number one gaming facility.

12 And at that time we had about 3,200
13 slot machines and then we added 57 tables when tables
14 were legalized in 2010.

15 Since our last renewal hearing, we
16 have continued to expand the business, and we've spent
17 an additional \$146 million in investments in the
18 casino, including \$27 million of new slot machines.
19 And we've expanded the gaming floor and added
20 additional restrooms, a gift shop, a lounge bar.

21 Recently we've added a new poker room.
22 We've upgraded our surveillance systems, and we
23 replaced all the carpets in the casino, too, last
24 year.

25 Our gaming floor is now up to over

1 180,000 feet, 3,200 slot machines and 140 table games.

2 In addition to those things, we've
3 also added some non-gaming amenities. We added a
4 1,500-seat multipurpose room, which is for live
5 entertainment but also for banquets and meetings and
6 things of that nature.

7 We added three new restaurants.
8 Oliveto, which is an Italian restaurant. Liberty Bell
9 Gastropub, and most recently a Beer Garden. And
10 together that was a \$16 million investment.

11 We've also reconstructed some of the
12 roads around the casino to improve access for our
13 customers to make it safer.

14 This is a picture of our Xcite Center,
15 and we're very pleased to have hosted some major acts
16 since we've opened just over a year ago. Of course
17 the most famous would be Sir Elton John, who was there
18 recently. We've had Reba McIntire, Chicago.
19 Comedians like Jay Leno. Later this year we'll be
20 having Toby Keith, Sammy Hagar, so really some very -
21 very high-end entertainment in our facility.

22 As well as live music and comedy, we
23 also host boxing and mixed martial arts fights in this
24 room as well. As well as variety shows and other
25 cultural entertainment. In addition, as I mentioned,

1 we can convert the room for banquets and special
2 events. And this weekend we have our first annual
3 Bucks County Food and Wine Festival that we're quite
4 excited about.

5 This is a picture of our XLounge,
6 which is just outside the Xcite Center, designed as a
7 prefunction space for our showroom. It serves an
8 array of craft beer, wines by the glass and specialty
9 cocktails.

10 This is a picture of our Liberty Bell
11 Pub. We have a 33-seat bar. We have 28 draft beers,
12 mostly local beers and a large selection of wines by
13 the glass. We used a lot of reclaimed materials in
14 building the bar, the ceiling. The bar itself is all
15 made from reclaimed barn wood from Central
16 Pennsylvania.

17 Multiple flat-screen TVs, including a
18 very large jumbo TV that you can't see in this
19 picture, so we can watch sports in the bar.

20 The pub also features a rotisserie
21 that has two top of the range Rotisol rotisserie
22 units. And we feature local free range chicken,
23 grass-fed prime rib, in addition to gourmet burgers
24 and pub favorite foods, like fish and chips and
25 bangers and mash. They're our signature, guys.

1 This is a picture of Oliveto, which is
2 our Italian restaurant. New York, kind of Little
3 Italy style Italian restaurant with a focus on
4 Neapolitan pizza and classic American dishes.

5 The room features a cooper ceiling and
6 a custom mosaic floor.

7 And in the bar in Oliveto, beer is -
8 I'm sorry, the bar in Oliveto has a focus on Italian
9 wines by the glass and European draft beers.

10 And this is our latest edition, which
11 is our Beer Garden. The focal points is the craft
12 beer wall, that you can see here underneath the
13 screen, where we serve 24 locally-sourced beers that
14 change pretty much every week.

15 Beer Garden has two of these large
16 screens for sporting events. And we've also added
17 some sports betting kiosks in this place, so customers
18 can also now enjoy sports wagering as well.

19 And the Beer Garden has a fully
20 retractable roof and accordion doors that allow the
21 space to be fully open air when the weather permits.
22 And in addition there's outdoor spaces where we have a
23 custom fire pit and some outdoor games for people to
24 enjoy.

25 And the last picture, this is our new

1 poker room. It's been open just over a year. We have
2 48 tables, multiple large screens to show - again, to
3 show sports. And again we added recently sports -
4 betting terminals for our poker room customers.

5 Now, I'm going to hand over to Bryan
6 Bartlett.

7 MR. BARTLETT: Good morning. My name
8 is Bryan Bartlett, B-R-Y-A-N, B-A-R-T-L-E-T-T.

9 So, after seeing all that, it's not
10 only been good for our community, it's been providing
11 substantial benefits to the Commonwealth.

12 As the highest revenue generator in
13 the state we provided \$2.6 billion in taxes since our
14 opening in 2006. \$2.4 billion of that comes from
15 slots, a little bit less than \$200 million comes from
16 table games. And most recently about a million from
17 retail sports wagering that just started in January.

18 We've also honored our commitment to
19 racing. This is now this team's 30th year as the
20 owner and operator of Parx Racing. Since 1990 the
21 team has worked together with the Horsemen to
22 establish one of the premier thoroughbred racing
23 operations in the country.

24 And just in the last ten years we've
25 invested \$43 million in investments and repairs to the

1 backstretch. That includes repairing all of our
2 barns, building 29 new barns, refurbishing 12
3 dormitories, implementing an industry-leading access
4 control system for the restricted racing areas that
5 maximizes the safety and security of personnel and
6 horses and other various improvements.

7 In addition, just last year we paid
8 nearly \$49 million in purses, which translates into a
9 daily average of \$309,000.

10 We're quite happy that our annual PA
11 Derby was elevated this year to a Grade 1 Stakes Race.
12 That combined with our already Grade 1 Cotillion
13 Stakes Race, which is run on the same day in
14 September, each has a million dollar purse and
15 attracts the best thoroughbreds in the world.

16 In addition, we make an annual
17 donation of \$50,000 to the Turning for Home for the
18 humane care of retired thoroughbred racehorses. Our
19 total is up to \$550,000.

20 So, we've had a very successful run in
21 the last 12-plus years, but I'm happy to say that the
22 future remains bright. We have many opportunities
23 that face us and we're prepared to take advantage of
24 them.

25 We've taken a leading position in

1 sports wagering, with operations now underway at the
2 casino, at South Philadelphia and at Oaks. And we've
3 taken our existing 360 Bar and created a temporary
4 sports wagering book at the casino. But currently
5 we're working on a permanent one that will house
6 10,000 square feet world-class sportsbook. And we
7 should be ready by the opening of the NFL season.

8 Lastly, and in addition, we intend to
9 bring our first-class casino to a new market in 2020.
10 We've identified Shippensburg Township in Cumberland
11 County as the site of our Cat 4 Casino. Meanwhile,
12 we're gearing up for the launch of interactive sports
13 wagering, that we - should be ready in early June.
14 And we're developing, soon thereafter, our online
15 casino gaming product that we expect to be ready by
16 the middle of July.

17 So, we've got a lot going on, and we
18 are planning to capitalize as much as we can on this.

19 Now, I am going to turn it over to Ron
20 Davis, our Director of Diversity and Community
21 Development.

22 MR. DAVIS: Good morning, Mr. Chair
23 and Board. And Ron Davis, R-O-N, D-A-V-I-S. I am
24 just - just have a few remarks before going through
25 the slides.

1 My whole passion, and the passion of
2 our great team has been to share our success with the
3 community. So, it's not only me, but others in our -
4 on our staff that go out and do the things that we do,
5 as you'll see in these slides.

6 I also want to recognize Mozelle
7 Daniels for her outstanding inclusion and engagement,
8 keeping us accountable in all of the other areas at
9 diversity and inclusion. In fact, today, we're having
10 a job fair. And we have, next week, an e-conference
11 where Mozelle will appear. So, I want to thank her.

12 We have had 52 consecutive meetings
13 each quarter since I've started. So, I'm very proud
14 of that. So, we're - our ear is to the ground as we
15 go forward.

16 Our workforce summary, as of December
17 2018, 2,100 employees, 402 employees in the racing
18 operation, 2,200 employees, 82 percent, are
19 Pennsylvania residents. Forty-two (42) percent of our
20 employees are from - are representatives of various
21 historically-underrepresented groups and that compares
22 to local MSA of ten percent.

23 Forty-one (41) percent of our
24 employees are women.

25 Workforce highlights. When we started

1 this operation, it continued to move forward in the
2 creation of 287 full-time permanent executive
3 managerial and professional positions.

4 Seventy-four (74) percent of all
5 advancement of opportunities are filled internally and
6 new casino professions, and we see those listed there,
7 83 percent of our executive managerial workforce
8 resides in Pennsylvania, which is very key to us.

9 Diversity in construction and vendor
10 purchasing, 27 percent of our expenditures for the
11 initial Parx Casino construction were allocated to
12 MBE/WBEs, which is extremely important.

13 Local business enterprise, which we
14 really emphasize, the local business must survive as
15 an economic engine to make our casino have the impact
16 that it should have on our community.

17 Local business, you see expenditures
18 from 2006 to 2018 where \$810 million out of \$1.7
19 billion spent, is 48 percent, which is impressive.

20 Total MBE/WBE expenditures \$60.5
21 million for a period of 2009 to 2018. And we
22 specialize in how to do business at Parx. We want
23 people to know that Parx is out looking for business,
24 that we're engaged with the community, that we're
25 passionate of the community. Actually our 31st will

1 be next week at the Parx east.

2 Over 1,100 outreach meetings - and we
3 maintain memberships, because we feel strongly
4 partnerships are the way that we help the community
5 succeed.

6 We maintain an active membership with
7 Women's Business Enterprise Council.

8 As you can see with the active
9 memberships, we are members of various Boards, and we
10 feel passionate about that, so passionate that many of
11 our employees or some of our employees serve on
12 Boards. I know I'm on three or four of these Boards
13 of Directors. So, you have to listen to the
14 community.

15 From 2014 to 2018 we have contributed
16 more than 2. - \$2 million through Pennsylvania's
17 Educational Improvement Tax Credit and Opportunity
18 Scholarship Tax Credit, OSTC. Those programs are very
19 key, again, to connect with the community.

20 Diversity and community highlights.
21 And this highlights some of the things that we do that
22 are unusual. Our scholarship, we have given over a
23 hundred thousand dollars in scholarships for 150
24 college-bound students. The schools listed, that you
25 see there, that are really close to our community.

1 We have regular meetings with the
2 Bensalem Gaming Advisory Board, because we listen. We
3 want to listen to the community and get feedback of
4 what we're doing right and what we're doing wrong and
5 what the challenges are.

6 We serve on - as I had mentioned, the
7 Boards of Directors -. And I have the honor of
8 serving on a national American Red Cross Board, along
9 with the local Red Cross Board, but all these Boards
10 and connections are through partnerships.

11 The partnerships are very important to
12 us. And we even have an Addiction Treatment Program
13 partnership for those with gambling addiction through
14 Livengrin Corporate. I'm on that Board also.

15 Compulsive and problem gambling. You
16 see the commitment and we've always had the commitment
17 to those who are having issues with problem gambling.
18 Our yearly contributions are listed. Again, the
19 Livengrin Gambling Addiction Program we think it's a
20 solid way of moving forward to help those who need
21 that help.

22 Since 2006, we have made very
23 substantial donations to and established meaningful
24 sponsorships with over 800 organizations. Donations
25 are made to international, national, local groups that

1 support many varied causes. And there are many that -
2 and all of these are certainly important, but I'm
3 proud of a couple that we really do things that are
4 just outstanding.

5 Veterans Outreach Programs, we have a
6 program called Tour of Honor, where we take 400 -
7 along with an organization - veterans from Vietnam and
8 World War II, to Washington. They see all the
9 monuments, we bring them back. We host them, we have
10 volunteers and then we're cheering when they come
11 back. And the Tour of Honor is just an outstanding
12 representative of what we do.

13 Along with other donations to the
14 American Red Cross for national and international
15 emergencies, those are the two real highlights. And
16 our Habitat - we purchase houses - help purchase
17 houses for those in need and we actually build. And
18 people come off the gaming floor and go to those
19 houses and build. So, again, our team is outstanding
20 in those ways and many more.

21 Our community involvement has - we've
22 been blessed with awards, both nationally and
23 internationally and locally. And again, our award is
24 - basically for me is sharing our success, but of all
25 the awards that are there, we get a reward from people

1 who write letters and get many letters of thanks for
2 the things that we do.

3 We do - we're an unusual company, and
4 our outreach, we are members, for instance, of a
5 corporate NAACP organization. We're members and we're
6 included in a lot of the affinity groups that give us
7 the - the underpinning of what we do.

8 So, these awards, nationally,
9 regionally and locally are awards that we really are
10 proud of. But more than that, it's the people in our
11 community that we're proud of.

12 Now I'm going to turn it back over to
13 John, who will give our summary.

14 MR. DIXON: Thanks, Ron.

15 So, I think just in closing, we'd like
16 to say that we've delivered on our promises and our
17 commitments that we made when we first came here way
18 back in 2006. We've created many jobs. We generated
19 new business for local suppliers, as Ron just
20 mentioned.

21 We recaptured dollars that were
22 leaving the state and being gambled elsewhere. We
23 brought that back to Pennsylvania.

24 Creating significant tax benefits for
25 the state. We've improved racing. We've improved the

1 facilities we have for racing. We care very much
2 about diversity and inclusion. And Ron does a great
3 job in the community to work with our local community
4 very closely.

5 We hire local businesses as much as we
6 possibly can. We partner with educational
7 institutions in our community. We have open
8 communication with our community, and we support
9 compulsive gambling programs as well.

10 And that's the end of our
11 presentation. I thank you very much for your time and
12 we'd be happy to answer any questions that the Board
13 may have.

14 CHAIRMAN: Thank you.

15 Questions or comments from Enforcement
16 Counsel?

17 ATTORNEY ARMSTRONG: A few, Chairman.

18 James Armstrong for the Office of
19 Enforcement Counsel (OEC), A-R-M-S-T-R-O-N-G.

20 Can I draw your attention to slide six
21 of the presentation, Industry Leader Continuing to
22 Move Forward?

23 At the public hearing in February,
24 Parx reported casino square footage at 174,864 and 29
25 self-service sports-wagering kiosks. In today's

1 presentation, Parx is reporting 183,818 square footage
2 and 52 self-serving sports-wagering kiosks.

3 Now, could you explain where the
4 nearly 10,000 increase in square footage came from?

5 MR. DIXON: Yes. In this slide we've
6 included the recent addition of the gaming square
7 footage in our two racing sportsbooks where we've -
8 the racing sportsbook in South Philly racing
9 sportsbook and we've added self-service gaming
10 terminals in both of those locations.

11 So, they fall under part of our
12 terminal square footage.

13 ATTORNEY ARMSTRONG: Okay. Thank you.

14 And can you explain the increase of 23
15 self-service sports-wagering kiosks?

16 MR. DIXON: That's the ones we added
17 in the two racing sportsbooks.

18 ATTORNEY ARMSTRONG: Since the
19 February presentation?

20 MR. DIXON: Since February, yes. Yes.

21 ATTORNEY ARMSTRONG: And that, I think
22 I overheard earlier that there are some in the new
23 pub. Are they all - are most of them in the temporary
24 sportsbook in the 360 Bar?

25 MR. DIXON: Yes, most of them are.

1 Since we opened that, we added three more in there as
2 well, so that's part of that additional number.

3 ATTORNEY ARMSTRONG: Okay. Thank you.

4 Can I draw your attention to slide
5 seven of the presentation? Can you provide more
6 information on what the \$2 million in mechanical
7 electrical upgrades were?

8 MR. BARTLETT: A generator.

9 MR. DIXON: We added a third generator
10 to the property, so that our entire property is
11 covered by generators. So, if we lose power from
12 PECO, we can continue to operate.

13 And as we've grown the building, we
14 needed to add another generator. The bulk of it was
15 that. The rest of it was some upgrades to - we added
16 a casino central air system and a couple minor
17 upgrades to our ventilation system.

18 ATTORNEY ARMSTRONG: Okay. Thank you.

19 And could you provide more
20 information, what was involved in the construction of
21 the intersection of Mechanicsville and Byberry Road?

22 MR. DIXON: Yes. PennDOT required us
23 to widen Mechanicsville and Byberry Roads and provide
24 left turn lanes. And then they resigaled the
25 intersection as well, to improve safety for our people

1 turning left off of both of those roads into our
2 property.

3 ATTORNEY ARMSTRONG: Thank you.

4 Can I draw your attention to slide 18
5 of the presentation Benefits to the Commonwealth.

6 Taxes from sports betting rose from .8
7 million at the public hearing on February 28th to 1.2
8 million in today's presentation, a .4 million
9 increase.

10 Correct?

11 MR. BARTLETT: Yes. For the extra
12 time.

13 ATTORNEY ARMSTRONG: What was the
14 cutoff date that determined that figure?

15 MR. BARTLETT: For the old one or for
16 this one?

17 ATTORNEY ARMSTRONG: For this one, for
18 the presentation.

19 MR. BARTLETT: This is through March.

20 ATTORNEY ARMSTRONG: The sportsbook
21 got started in January, that's correct.

22 Right?

23 MR. BARTLETT: Yes.

24 ATTORNEY ARMSTRONG: And at the end of
25 February and that presentation, you reported a .8

1 million in tax revenue was collected for January and
2 February, according to the presentation in February?

3 MR. BARTLETT: Yeah, there were two
4 open in January.

5 ATTORNEY ARMSTRONG: Okay.

6 MR. BARTLETT: And one was added in
7 March.

8 ATTORNEY ARMSTRONG: Okay.

9 So, my question is not going where I
10 thought it would go. So, the - in March you had a .4
11 million in taxes, in tax revenue?

12 MR. BARTLETT: Yeah, it's the only -
13 we only updated it for an extra month.

14 ATTORNEY ARMSTRONG: Okay.

15 So, it wasn't - April wasn't included
16 in it? Okay.

17 So, are you averaging, then, .4
18 million in tax revenue from the sportsbook?

19 MR. BARTLETT: Yes, but obviously it's
20 up and down, depending on winnings and all that.

21 ATTORNEY ARMSTRONG: Okay.

22 But was it -

23 MR. BARTLETT: The average.

24 ATTORNEY ARMSTRONG: - .4 -

25 MR. BARTLETT: Yeah.

1 ATTORNEY ARMSTRONG: - thereabouts in
2 January, February and March? Making it 1.2 million
3 today?

4 MR. BARTLETT: Yeah. I mean, that
5 would be the average, yes.

6 ATTORNEY ARMSTRONG: Okay. Thank you.
7 And can I draw your attention to slide
8 18, the future remains bright. In your presentation
9 in February, you spoke of opening a sportsbook at
10 Valley Forge Turf Club in March of 2019. I - your
11 presentation today, you refer to operating racing
12 sportsbooks at two turf clubs in South Philadelphia
13 Race and Sportsbook and Oaks Race and Sportsbook.

14 Is the Oaks Race and Sports Book the
15 Valley Forge Turf Club you refer to in the first
16 presentation?

17 MR. BARTLETT: Correct. We renamed
18 it.

19 ATTORNEY ARMSTRONG: And why was it
20 renamed?

21 MR. BARTLETT: Well, Valley Forge
22 Casino has a sportsbook, and to avoid confusion.

23 ATTORNEY ARMSTRONG: Okay.

24 MR. BARTLETT: And ours is located in
25 Oaks, PA.

1 ATTORNEY ARMSTRONG: And are there
2 plans for any more sportsbooks at Turf Clubs?

3 MR. DIXON: We're actually looking at
4 opportunities, yes. So, we have four more OTB
5 licenses that we could relocate. And we're actively
6 working on that now.

7 ATTORNEY ARMSTRONG: Okay.
8 Anything planned for the very near
9 future?

10 MR. DIXON: Nothing in the next - it
11 will probably be a number of months before anything
12 was ready to go.

13 ATTORNEY ARMSTRONG: Okay. Thank you.
14 I have no further questions.

15 CHAIRMAN: Questions or comments from
16 the Board?

17 MS. MANDERINO: Just one quick.

18 CHAIRMAN: Please.

19 MS. MANDERINO: Just one quick
20 clarifying - picking up on Enforcement Counsel.
21 Explain again - I'm sorry, just - I guess I was
22 distracted by what page it was on and my thoughts.
23 But Mr. Bartlett, in your presentation, you talked
24 about something being ready to open in June of '19.
25 Was that the Oaks Sportsbook?

1 MR. BARTLETT: No. That's our online
2 sports-wagering offering. Online.

3 MS. MANDERINO: Oh, okay. Got you.

4 MR. BARTLETT: Yeah, all the things
5 we've been talking about are retail -.

6 MS. MANDERINO: Okay.

7 So, the online sports wagering, June,
8 the permanent sportsbook physical summer before NFL
9 season.

10 MR. BARTLETT: Correct.

11 MS. MANDERINO: Okay.

12 That was where I got confused.

13 MS. REITZEL: So, you open some of
14 your sportsbook in January, and it's been increasing
15 ever since then. Have you noticed an increase in
16 casino play with the sportsbook, because we're seeing
17 a different customer in that area or is that even a
18 consideration when you guys were considering this?

19 And do you expect that in like your
20 gaming experience, to see a customer kind of
21 transition maybe into more traditional casino play?

22 MR. DIXON: I think since we've opened
23 the sportsbook in the casino, we have seen a new
24 customer for sports wagering. We have seen some
25 crossover between - particularly between poker and

1 sports betting. So, our poker players are also - seem
2 to be interested in sports betting.

3 And at South Philadelphia, in
4 particular, we've also seen an increase in racing
5 business, I think because we've maybe brought some
6 people back who used to be racing fans. And they've
7 come back for sports. And they remember, yeah, I used
8 to like betting on racing, and we've seen a good
9 uptake in racing wagering as well. So, it's been
10 positive all around.

11 CHAIRMAN: Any other questions?
12 Enforcement Counsel have a presentation to make?

13 ATTORNEY ARMSTRONG: Not a
14 presentation, per se, but we would like to enter some
15 exhibits into evidence in the record.

16 CHAIRMAN: Proceed.

17 ATTORNEY ARMSTRONG: Chairman,
18 Commissioners, the OEC wishes to enter three new
19 exhibits into the record that will update exhibits
20 entered into the record at the Public Renewal Hearing
21 on February 28th.

22 These new exhibits have been provided
23 to the Board and to Parx Casino. The first is the
24 Pennsylvania State Police have provided OEC with an
25 updated - up-to-date Uniform Crime Reporting System

1 Report on May 3rd, for the period of January 1st, 2019
2 through April 30th, 2019, addressing incidents at Parx
3 Casino since January. The Uniform Crime Reporting
4 System Report is Exhibit 1.

5 On May 1st, 2019, the Bureau of Liquor
6 Control Enforcement issued a letter to OEC stating
7 that there has been one new investigation opened at
8 Parx Casino since it reported to OEC on January 11th,
9 2019. The Bureau of Liquor Control Enforcement's
10 letter is Exhibit 2.

11 Finally, OEC conducted one additional
12 Compliance Conference at Parx Casino's facility that
13 was not included at the time of Parx Casino's Public
14 Renewal Hearing on February 28th. The Compliance
15 Conference Memorandum and Parx Casino's letter
16 response are Exhibit 3.

17 OEC would ask that Exhibit 3 be kept
18 confidential. And OEC requests that Exhibits 1
19 through 3 be admitted into the record with the
20 additional request that Exhibit 3 be kept
21 confidential.

22

23 (Whereupon, OEC Exhibit 1, Uniform Crime
24 Reporting System Report, was marked for
25 identification.)

1 (Whereupon, OEC Exhibit 2, 5/1/19 Letter, was
2 marked for identification.)

3 (Whereupon, OEC Exhibit 3, Compliance Conference
4 Memorandum, was marked for identification.)

5 ---

6 CHAIRMAN: So moved.

7 ---

8 (Whereupon, OEC Exhibit 1, Uniform Crime
9 Reporting System Report, was admitted.)

10 (Whereupon, OEC Exhibit 2, 5/1/19 Letter, was
11 admitted.)

12 (Whereupon, OEC Exhibit 3, Compliance Conference
13 Memorandum, was admitted.)

14 ---

15 ATTORNEY ARMSTRONG: Thank you.

16 CHAIRMAN: Any response or comments
17 from Petitioners?

18 ATTORNEY YOCUM: We have no objection.

19 CHAIRMAN: Okay.

20 ATTORNEY YOCUM: We would ask that our
21 presentation also be made part of the record.

22 CHAIRMAN: So moved.

23 Any other questions or comments from
24 the Board at this time? Hearing none, this matter
25 will be voted on later today during the Bureau of

1 Licensing's portion of the Agenda. Thank you very
2 much for coming.

3 * * * * *

4 HEARING CONCLUDED

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CERTIFICATE

I hereby certify that the foregoing proceedings,
hearing held before Mr. Barasch, was reported by me on
05/15/19 and that I, Amy N. Distefano, read this
transcript, and that I attest that this transcript is
a true and accurate record of the proceeding.

Dated the 17th day of June, 2019



Amy N. Distefano,

Court Reporter