

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

* * * * *

IN RE: SANDS BETHWORKS GAMING, LLC AND PCI GAMING
AUTHORITY - PROPOSED CHANGE OF CONTROL

* * * * *

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, Designee, Department of
Treasury

Christin Heidingsfelder, Designee,
Department of Revenue

HEARING: Wednesday, May 29, 2019

Reporter: Cynthia Piro Simpson

Any reproduction of this transcript is prohibited
without authorization by the certifying agency.

1 LOCATION: Pennsylvania Gaming Control Board
2 Strawberry Square Complex
3 2nd Floor
4 Harrisburg, PA 17101

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

LYNNE L. KAUFMAN, ESQUIRE

LLOYD D. LEVENSON, ESQUIRE

Cooper Levenson

1125 Atlantic Avenue

Atlantic City, NJ 08401

Counsels for PCI Gaming Authority and Poarch Band
of Creek Indians

J. SCOTT KRAMER, ESQUIRE

Duane Morris, LLP

30 South 17th Street

Philadelphia, PA 19103-4196

Counsel for PCI Gaming Authority and Poarch Band
of Creek Indians

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

MICHAEL ROLAND, ESQUIRE

Senior Enforcement Counsel

P.O. Box, 69060

Harrisburg, PA 17106-9060

Counsel for Office of Enforcement Counsel

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S (cont.)

ALSO PRESENT:

STEPHANIE BRYAN, Tribal Chair/PCI Chief Executive Officer

JAY DORRIS, PCIGA President/Chief Executive Officer

CATHERINE TIMMONS, PCIGA VP Human Resources

VENUS PRINCE, PCIGA Chief Compliance Officer

BRENT PINKSTON, PCIGA Chief Operating Officer

ARTHUR MOTHERSHED, PCIGA VP Business Development

BRIAN CARR, President and COO of Sands Bethlehem

I N D E X

1		
2		
3	DISCUSSION AMONG PARTIES	7 - 8
4	PRESENTATION	
5	By Attorney Kaufman	8 - 12
6	By Ms. Bryan	12 - 19
7	By Mr. Dorris	19 - 27
8	By Ms. Timmons	27 - 32
9	By Mr. Dorris	32 - 33
10	By Mr. Pinkston	33 - 37
11	QUESTIONS BY BOARD	37 - 47
12	PRESENTATION	
13	By Mr. Dorris	47 - 50
14	By Mr. Carr	50 - 57
15	By Ms. Prince	57 - 59
16	By Mr. Mothershed	59 - 70
17	By Mr. Dorris	70 - 76
18	By Ms. Bryan	76 - 77
19	QUESTIONS	
20	By Attorney Roland	77 - 106
21	QUESTIONS BY BOARD	106 - 120
22	PRESENTATION	
23	By Attorney Roland	121 - 123
24	DISCUSSION AMONG PARTIES	123 - 124
25		

E X H I B I T S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

<u>Number</u>	<u>Description</u>	<u>Page</u> <u>Offered</u>	<u>Page</u> <u>Admitted</u>
---------------	--------------------	-------------------------------	--------------------------------

NONE OFFERED

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRMAN: Today is a special meeting of the Board for the purpose of considering the Joint Petition for Change of Control relating to the Sands Bethworks Casino. And if the Board were to be so inclined, to approve the request, the licensure of PCI Gaming Authority and related entities.

Obviously these matters are related, so what we'll do now is start with the public hearing, which for the sake of expediency will cover both the change of control and any licensing-related matters.

Everybody is here and present. Before we begin, I would like that anybody who's going to speak, please state and spell your name for the court reporter before you do so.

Additionally, I'd ask for all nonattorney witnesses who might be testifying this morning, please - this afternoon, rather, please stand at this time and be sworn.

WITNESSES SWORN EN MASSE

CHAIRMAN: Thank you.

1 Petitioners, you can begin.

2 ATTORNEY KAUFMAN: Thank you.

3 Good afternoon, Chairman, members of
4 the Board. My name is Lynne Kaufman, L-Y-N-N-E,
5 K-A-U-F-M-A-N, with the Law Firm of Cooper Levenson.
6 And Mr. Lloyd Levenson, my partner, is with me today
7 as well. L-E-V-E-N-S-O-N.

8 We are appearing today on behalf of
9 PCI Gaming Authority and the Poarch Band of Creek
10 Indians, in connection with the Joint Petition for -
11 of Sands Bethworks Gaming, LLC and PCI Gaming
12 Authority, for as noted, change of control of a
13 Category 2 Licensee, and related relief that -.
14 Related relief includes approval of the transaction,
15 licensure of PCI Gaming Authority, Poarch Band of
16 Creek Indians and the individuals and entities
17 listed in the Suitability Report, as well as payment
18 of the required change of control fee.

19 Scott?

20 ATTORNEY KRAMER: Good afternoon, Mr.
21 Chairman, Commissioners. I'm Scott Kramer,
22 Co-Counsel for both Joint Petitioners. I'm with the
23 firm of Duane Morris.

24 CHAIRMAN: Thank you.

25 ATTORNEY KAUFMAN: PCI Gaming

1 Authority operates under the name Wind Creek
2 Hospitality. And so there's no confusion, we'll be
3 using PCI Gaming Authority and Wind Creek
4 Hospitality interchangeably throughout the course of
5 our presentation.

6 We want to thank the Board for
7 granting our special meeting request, and also the
8 staff, not only for their assistance in
9 accommodating this request, but their assistance
10 throughout this entire process, especially since we
11 know that there's nothing going on in gaming in
12 Pennsylvania, and they've just been sitting around.

13 CHAIRMAN: We didn't have enough to
14 do, Counsel.

15 ATTORNEY KAUFMAN: So, we very much
16 appreciate that.

17 I'm going to, briefly, lead off the
18 PowerPoint presentation, but I'd like to quickly
19 introduce our team that's here, many of whom will be
20 participating in the presentation, and some who are
21 excitedly and anxiously watching.

22 So we'll start with the table here, at
23 the end Brent Pinkston, the COO of Wind Creek
24 Hospitality. Jay Dorris, CEO Wind Creek
25 Hospitality. Stephanie Bryan, Tribal Council Chair,

1 Poarch Band of Creek Indians. Venus Prince, Chief
2 Compliance Office, Wind Creek Hospitality.
3 Catherine Timmons, Vice President Human Resources,
4 Wind Creek Hospitality.

5 Brian Carr, I think you know him.
6 Alannah Null, Vice President of Development, Wind
7 Creek Hospitality. Jeff Trattner, Assistant
8 Attorney General for the Tribe, and Counsel to Wind
9 Creek Hospitality. Tim Manning, Chairman of the PCI
10 Gaming Authority Board, and Joe Quinn, CFO Wind
11 Creek Hospitality.

12 And who did I forget? Oh, I'm going
13 to get in a lot of trouble for this later. Arthur
14 Mothershed, Vice President of Development, Wind
15 Creek Hospitality and Tribal Council member.

16 Okay.

17 For our presentation. On March 7th,
18 2018, announced on March 8th, 2018 -.

19 MR. LOGAN: Can you do me a favor?
20 Can you pull that microphone just closer to you a
21 little bit?

22 ATTORNEY KAUFMAN: Sure. Okay.

23 MR. LOGAN: Thanks.

24 ATTORNEY KAUFMAN: Of course.

25 CHAIRMAN: Yeah, I know you want to

1 stand, but then it's too much distance.

2 ATTORNEY KAUFMAN: I know.

3 CHAIRMAN: So, for all of you, we
4 understand - you don't need to stand. It's more
5 important to be closer to the microphone, so we can
6 record it.

7 Thank you.

8 ATTORNEY KAUFMAN: Thank you.

9 On March 7th, 2018, announced on March
10 8th, 2018, Wind Creek Hospitality entered into a
11 Purchase and Sale Agreement, whereby in closing it
12 was - it will become the owner of all of the equity
13 of Sands Bethworks Gaming, LLC, the Category 2
14 Licensee that owns and operates the Sands Casino
15 Resort Bethlehem.

16 As you will hear later in the
17 presentation, Wind Creek Hospitality has committed
18 funding of \$1.4 billion for the acquisition and -
19 including \$190 million towards expansion efforts,
20 which you will also see later. They also will be
21 using cash equity. The property will be rebranded
22 and called Wind Creek Bethlehem.

23 Before we discuss the acquisition, and
24 even before we introduce you in more depth to Wind
25 Creek Hospitality and its operations, we first want

1 to discuss why we're here, the reason we're here,
2 and that's because of the Poarch Band of Creek
3 Indians.

4 And with that, I turn the program over
5 to Tribal Council Chair, Stephanie Bryan.

6 MS. BRYAN: Thank you, Lynne.

7 Can you hear me?

8 CHAIRMAN: Let's see.

9 MS. MANDERINO: You have to get close.

10 MS. BRYAN: I'm short. I'm sorry.

11 CHAIRMAN: You have to get close.

12 MS. BRYAN: Thank you, Lynne.

13 Distinguished Chairman and Commissioners. Thank you
14 for this opportunity and your consideration to
15 transfer Sands Casino Resort Bethlehem to PCI Gaming
16 Authority, Wind Creek Hospitality.

17 I am Stephanie Bryan,
18 S-T-E-P-H-A-N-I-E, B-R-Y-A-N. I am the Tribal Chair
19 CEO for the Poarch Band of Creek Indians. A little
20 of my background, I served, from 2006 until 2014 as
21 the Vice Chair of our tribe. In 2014 I became the
22 first female Chair, CEO for the Poarch Band of Creek
23 Indians.

24 From 2006 to 2014, I served as a
25 Chairman of our Tribal Gaming Commission. So, I'm

1 very familiar with regulatory and protecting the
2 integrity of gaming. I'm very passionate about
3 that.

4 So, just to give you a little history
5 of the Poarch Band of Creek Indians. Our heritage
6 traces back to the Creeks. We are originally from
7 the Alabama, Georgia - occupied that territory. We
8 have almost 3,000 tribal members. That's the reason
9 why we are the Poarch Band of Creek Indians and the
10 only federally-recognized tribe in the State of
11 Alabama.

12 We are very progressive,
13 well-established diversified, and also very
14 financially-conservative. We own and operate a
15 variety of entities and we also employ thousands of
16 area residents.

17 Just to give you a little bit about
18 our leadership structure and how we operate as a
19 government, we have a legislative branch. We have
20 nine Tribal Council members. They're elected to
21 have staggered terms every three years. We
22 implement statutes, resolutions, ordinances and we
23 appropriate funding for all of our tribal entities
24 and our tribal government.

25 As

1 the CEO, myself, I oversee the tribal government,
2 which is Human Resources, fire protection, police
3 protection, family services, education, healthcare.
4 So, predominantly, I deal with that on a day-to-day
5 basis from the tribal government perspective. And I
6 also work with Jay Dorris, the President of PCI
7 Gaming Authority, as well as our other authorities
8 and entities.

9 We have a tribal court, it's a
10 judicial branch. And we do not - as leadership, we
11 do not interfere with the judicial branch, we just
12 strictly appoint. And the judicial branch of our
13 government, the lower court and Court of Appeals
14 adjudicate criminal, civil and other ordinances
15 related to activities that take place on our tribal
16 lands.

17 Just to share a little bit about the
18 PCI Gaming Authority and the structure there, the
19 Tribal Council passed an ordinance to incorporate
20 PCI Gaming Authority. It's an unincorporated
21 instrumentality of the Tribe established by the
22 Tribal Council to further the Tribe's gaming and
23 hospitality activities.

24 They operate and manage the casinos
25 that are under the PCI Gaming Authority. They

1 handle the day-to-day activities of our gaming
2 facilities. And as you can see on the slide, our
3 footprint goes much further than just Alabama.

4 The PCI Gaming Authority, it is made
5 of - made up of five members, who are appointed by
6 the Tribal Council leadership. They have three
7 years staggered terms as well. As I stated, they
8 oversee the operations of the casino.

9 Just a little bit about how the
10 ownership structure will take place. The Poarch
11 Band of Creek Indians federally recognized Tribe,
12 the General Council, we then have the Tribal
13 Council. PCI Gaming Authority Board of Directors,
14 PCI Gaming Authority doing business as Wind Creek
15 Hospitality, an unincorporated instrumentality of
16 the Tribe, and then it will be Wind Creek Bethlehem,
17 LLC.

18 Just a little bit about the Poarch
19 Band of Creek Indians and our community involvement
20 and what we do for our tribal members, the employees
21 of all of our tribal entities. I'll give a little
22 bit of history for the tribal government from an
23 operations perspective.

24 We provide police protection, fire
25 protection, education, healthcare, elder services.

1 We have a Boys and Girls Club. We have over 500
2 children that we service at our Boys and Girls Club,
3 which of ten percent are Tribal members.

4 We have housing, social services, and
5 of course, the most important thing is our Creek
6 heritage and the preservation of our Creek heritage.
7 That's the reason why we exist as the Poarch Band of
8 Creek Indians.

9 All of our Tribal entities for the
10 Poarch Band of Creek Indian - Indians, we have grown
11 tremendously by leaps and bounds. And from being a
12 part of the core community and seeing our community
13 grow and only having three to ten employees at one
14 time to now we've created 12,700 employment
15 opportunities, which includes more than 5,000 direct
16 jobs, and 7,600 indirect jobs.

17 So, we're about creating jobs and
18 creating opportunities. We've spent in excess of
19 \$200 million on payroll, which includes salaries,
20 wages, taxes and other benefits throughout all of
21 our entities.

22 Our community participation, we
23 believe in growing a strong safe community, where
24 there is opportunity for people to have great jobs,
25 great healthcare, as well as education. So, we have

1 - since 2013, the Poarch Band of Creek Indians has
2 made more than \$75 million in donations to various
3 educational institutes, hospitals, community
4 organizations, city and state MOUs that we have
5 developed.

6 Some of you may have watched on the
7 news the last national news article in reference to
8 the Poarch Band of Creek Indians is where the Tribe
9 - East Alabama experienced a devastating tornado,
10 and it took 23 peoples' lives in that area. And the
11 Poarch Band of Creek Indians paid for all of the
12 funeral expenses for those 23 individuals who lost
13 their lives.

14 So, we believe in helping. We believe
15 in giving back, because we know what it's like not
16 to have much. And so when we're there during those
17 devastating times of tornados, hurricane relief in
18 2018, over \$100,000 just to help with feeding people
19 in communities that had been struck by a
20 hurricane -. And just having some of our Wind Creek
21 Hospitality people there to feed individuals who had
22 just experienced some devastating weather
23 conditions, it goes a long way that we've been able
24 to give back.

25 We also support and - we care and we

1 support organizations with childcare cancer
2 awareness research, St. Jude's Children's Research
3 Hospital, Community Service for Vision
4 Rehabilitation.

5 So, the list goes on and on. And of
6 course we support the Boys and Girls Club of Alabama
7 and Florida, and we've really watched that grow.

8 We're very passionate about helping
9 our children, our elders and the opportunities that
10 they may have. We've recently given to the
11 University of Alabama, College of Human
12 Environmental Sciences to develop a certificate
13 program through the university and the hospitality
14 industry, which our tribal members as well as our
15 employees can take advantage of. The most important
16 thing to our tribe and the revenues is hospitality.
17 So, we find it's very important to do that.

18 We've also supported various
19 gatherings and fun activities, as you can see on the
20 presentation, just a lot of family-oriented
21 festivals we've donated to, sponsor to. And we
22 believe in participating in the communities and
23 being involved in the communities and building that
24 strong relationship and network with communities
25 where our operations are.

1 And we will definitely do that here in
2 Bethlehem. We like to grow the strong community and
3 give the members and the families opportunities for
4 employment.

5 So with that being said, it is my
6 honor now to introduce the President of PCI Gaming,
7 Jay Dorris.

8 MR. DORRIS: Thank you, Madam Chair.

9 J-A-Y, D-O-R-R-I-S. I want to thank
10 you, Mr. Chairman, and members of the Commission for
11 the special call meeting to hear our case for
12 acquisition.

13 And as Madam Chair said, our company
14 starts with being a part of the community. We're a
15 part of the Poarch Community and the surrounding
16 community also.

17 The company started - opened up a
18 first Bingo hall back in 1985, and that was paper
19 Bingo. And over a period of time, the business
20 grew. I joined the company - went to work for the
21 Tribe back in 2006.

22 And I started out on the development
23 arm. And at that point in time, the Tribe had made
24 the decision that they wanted to pursue casino
25 resorts. And they hired myself. And in turn we

1 hired other people who had experience with other
2 gaming operations that we could utilize that
3 experience to help the Tribe develop what we've
4 developed today.

5 In 2007, I moved into the operational
6 side, and ever since then we've been able to grow
7 year over year.

8 We have three Wind Creek properties.
9 They're our flagship properties currently. They're
10 in Atmore, Wetumpka and Montgomery.

11 In 2014, we made the decision that -
12 we worked with our Board of Directors, who worked
13 with the Tribal Council, and a decision was made
14 that we wanted to diversify and acquire quality
15 properties outside of Alabama.

16 We looked far and wide, and one of the
17 things we've discovered, particularly when it comes
18 to the U.S., the number of properties that are very
19 high quality triple - AAA Four Diamond Level
20 properties that are well-run that are actually
21 available for sale, there are not many of them at
22 all.

23 And it takes a while looking to be
24 able to come across them. When we found - when we
25 evaluated the Sands Bethlehem opportunity, it met

1 those check boxes for us. It's a very quality
2 property. It compares favorably to what we want to
3 offer, and it's also well-run. And it was available
4 for sale.

5 We do operate some smaller operations.
6 We have a small one out in Nevada. We have a horse
7 track in Florida, and we have two dog tracks, one in
8 Alabama and one in Florida.

9 In 2017, part of our diversification
10 we acquired the Renaissance Aruba and Renaissance
11 Curacao. And part of our promise to our customers
12 is an escape. And when we saw these properties, it
13 occurred to us, these are very much escapes and it's
14 something we can fit into our Rewards Program.

15 And in the past we've offered trips.
16 We've gone to Europe, we'd go to Alaska, we go
17 around the world, and Asia. But we thought it made
18 sense with our commitment to offering those escapes
19 to have an escape in our own brand.

20 And so we acquired those properties.
21 We'll show you some pictures later on, and they've
22 been incorporated into our Rewards Program.

23 I do note that when I'm in the airport
24 in Aruba and Curacao, I see a lot of flights out of
25 the northeast coming to those airports, and I think

1 there's a real opportunity to incorporate that into
2 Wind Creek Bethlehem and our Rewards Club.

3 Our company has grown tremendously.
4 Every year since we've been running the company,
5 we've been able to beat the prior year. And my
6 objective is to continue that for the foreseeable
7 future.

8 Since 2008, our revenues have
9 increased 500 percent. We've been able to increase
10 our EBITDA by more than that, 550 percent. And that
11 means we've been able to control our expenses.
12 We've been able to operate more efficiently as we've
13 grown, so that we drop more money to the bottom
14 line.

15 We've consistently had a very strong
16 balance sheet. And as we get through the
17 presentation, I think we'll continue to make points
18 about the strength of our balance sheet. It goes
19 back to being fiscally conservative. And that, in
20 turn, allows us to take advantage of expansion
21 opportunities when they present themselves.

22 It also positions us to be able to
23 counter competitive changes in our market. We have
24 resources available to market more when we need to.

25 We have borrowed money one other time,

1 and that was to build our Wind Creek Atmore
2 property, and we were out in the market in 2007, and
3 if you may recall, the financial markets crashed
4 during that time.

5 We had bigger plans at the time. We
6 were going to build Wind Creek Atmore and Wind Creek
7 Wetumpka. And we were seeking to raise \$500
8 million. We were literally sitting in our banker's
9 conference room in New York City, and our bankers
10 came out and said the market crashed, we can't get
11 the money.

12 It was a little bit concerning at the
13 time. But we were able to put together with them a
14 bank deal to get enough money to finish Wind Creek
15 Atmore. And at that point in time we were levered
16 three times. And in our company history, that's the
17 most we've ever been levered. And I'll come back to
18 this point again.

19 With this transaction, we will be less
20 levered with this transaction, even though it's more
21 money, than we were back in 2007 when we were
22 growing and trying to get our first Wind Creek
23 property.

24 Within two years we had repaid that
25 debt. We have a history of aggressively retiring

1 our debt, which in turn frees up cash flow to pursue
2 expansion and also to counter with marketing
3 opportunities when we need to.

4 We've grown into one of the stronger
5 regional gaming operators. When you compare us to
6 the other regional operators, we have - our leverage
7 ratio, I believe, is better than any other regional
8 operator you're going to see.

9 Our interest coverage ratio, which
10 means, the amount of money we have to pay the banks
11 what they're owed is higher than any other operator.
12 We've maintained a very strong balance sheet and we
13 maintain a very fiscally-conservative approach to
14 how we - how we handle our money.

15 Pictures, though the saying are worth
16 a thousand words, to give you an idea of our Wind
17 Creek properties, we included these pictures. And I
18 know you're familiar with the Sands Bethlehem. We
19 think our properties and Sands Bethlehem are very
20 complementary to one another. We think the AAA Four
21 Diamond status, that's our standard - minimum
22 standard that we want to offer.

23 Our Atmore, Wetumpka and Montgomery
24 properties all meet those standards. They're
25 amenitized. They cater to various different people,

1 and we're very proud of what we've been able to
2 build with those properties.

3 Perhaps more importantly than the
4 brick and mortar, and the investment in those brick
5 and mortar, it's also how we treat and how we work
6 with our employees. We expect every customer to
7 come through our door to feel like they were the
8 most important person that visited us that day.

9 And that when they leave, that they
10 were the most - they felt the most important, like
11 they belonged - that the sense of belonging was
12 greatest at our property.

13 In 2007 and '08 we developed an
14 employee system built around a core set of values,
15 which are reflected on this page. And it starts
16 with making those customers feel important and like
17 they belong. It starts with providing genuine
18 engagement to every individual customer when they
19 come through.

20 We talk about with our employees that
21 we want to do it right and be the best. And we like
22 to have fun. But to have our employees be able to
23 deliver that one-on-one engagement, they have to be
24 empowered. And so we have a number of programs that
25 we'll talk about a little more, where our employees

1 are empowered to engage with each customer who comes
2 through the door, to establish a relationship and to
3 make that customer feel like they're important to
4 us.

5 When they do that, well, it's
6 important to recognize employees. We have a number
7 of Recognition Programs. We actively seek out
8 employees who have responded very well to customers
9 and customers who mention them by name. And we
10 reach out to those employees to thank them for that.

11 Being fair is essential. If we're not
12 fair with our employees, they won't trust us. And
13 that's not the company we want to run. Our
14 employees are as important or more important than
15 the buildings. That's what delivers to our
16 customers.

17 Personal accountability is big. And
18 that starts with me. And it also goes to the Game
19 Attendant on the floor. We're each accountable for
20 what we do. How do we live our values? What do we
21 deliver to our customers?

22 Ultimately that's how we get to our
23 focus. And then finally that actually, we believe,
24 if we do all of these steps, yields the - our
25 ability to create wealth for the Tribe, which is our

1 ultimate goal.

2 The Tribe looks to us to create
3 wealth, so that the Tribal Council and the General
4 Council members can enjoy the benefits and offerings
5 that the Tribal Council is able to provide.

6 I talked about the importance of our
7 employees to us. And I want to turn it over to Ms.
8 Catherine Timmons, who is our VP of HR, and she can
9 go into a little more detail about some of our
10 employee programs.

11 MS. TIMMONS: Thank you, Jay.

12 Catherine, C-A-T-H-E-R-I-N-E, Timmons,
13 T-I-M-M-O-N-S.

14 Good afternoon. So, as Jay mentioned,
15 before I talk to you about what we offer our
16 employees in terms of rewards and recognitions, I
17 think it merits saying again that we want our
18 employees to be inspired and empowered to deliver
19 exceptional service. And we believe that when they
20 do that, they should be rewarded.

21 We offer competitive wages. How do we
22 do that? How do we know that they're competitive?
23 We use pay factors and comp analyst, both database
24 systems that allow us to price positions based
25 specifically on geographic location, revenues, FTEs,

1 education and years of experience.

2 This allows us to price jobs in
3 different markets. We have an Incentive
4 Compensation Program, and the majority of employees
5 participate in that program. It is a compensation
6 program that is paid quarterly, based on service
7 scores. So, in addition to an employee's base
8 salary, they are eligible to receive a quarterly
9 incentive check based on service scores.

10 When we talk about full-time
11 employment, the vast majority of positions that we
12 post are full-time positions. When we have a
13 part-time - when we have part-time employees and a
14 full-time position opens up, we would look for that
15 part-time employee to be able to fill that full-time
16 position.

17 We believe that full-time employees
18 are the most committed and the most motivated of
19 employees.

20 I want to talk to you a little bit
21 about training and development. It begins with our
22 New Hire Orientation Program. It's long. It's
23 three days, eight hours a day.

24 We believe it's really important for
25 employees to get all of the required and necessary

1 information, especially as it relates to our values
2 upfront before they begin working.

3 We have GED classes for those
4 employees who join us who may not have completed
5 their high school education. The GED Program is
6 free to employees and we actually bring the
7 instructor onsite. Employees can attend GED classes
8 at their own pace free of charge to receive their
9 GED.

10 We have five different types of guest
11 service training. We have supervisor training, we
12 have coaching training. We have leadership
13 training, we have management development, management
14 leadership. And we have a Management Development
15 and Mentorship Program, for which currently 240
16 employees have completed that program.

17 We also offer computer classes at
18 every level for all employees. We continue to
19 reward and recognize employees in additional ways.
20 We have quarterly employee celebrations. That's
21 where we have themed celebration days with food,
22 entertainment and prizes.

23 Employees will wander in and out of a
24 ballroom all day long, seeing if they've won a
25 raffle, eating food. Many times that food is served

1 by the management team. And each quarter the theme
2 is different.

3 We also have an internal currency,
4 it's called Wind dollars. And we use that for
5 recognition to employees for going above and beyond.
6 And we give them this internal currency, and they
7 can save it and they can go to the employee store.
8 They can buy gift cards, they can buy logo wear,
9 they can buy a variety of items.

10 And I would mention to you that not
11 only can they buy those items, but there's an
12 additional added value to that. We actually sell
13 them back at a reduced value.

14 As an example, with Wind dollars, you
15 could buy a hundred dollar Visa card for 75 Wind
16 dollars. So, there's added value for collecting,
17 saving and utilizing the Wind dollars.

18 We have the best of the best quarterly
19 Recognition Program. So, each quarter employees are
20 nominated in one of these four categories. Guest
21 service, inspired and empowered team members, do it
22 right, be the best and have fun and enthusiastic
23 commitment to the purpose.

24 Each quarter at each property, the
25 winner will win a \$500 gift card and dinner for two

1 at our steakhouse. At the end of the year, at each
2 property, there is an overall winner selected. The
3 overall winner each year wins \$10,000 - the taxes
4 are paid on that - and a trip for two to our - one
5 of our Caribbean properties.

6 We utilize the Wind Creek Word, which
7 is an employee-printed newsletter, to share
8 achievements, news, employee recognition, a variety
9 of things for employees to read.

10 We also have Wind Creek Connect, an
11 employee intranet service. There's a face page for
12 each property. Employees can post pictures about
13 what was going on in their department. They can
14 pose a question. And that's been very successful.

15 So those are some details regarding
16 our Rewards and Recognition Program. And it would
17 be our intent to roll these into the Bethlehem
18 property and integrate them into what existing
19 programs may exist today.

20 So, we talk about our employees being
21 our competitive advantage. We take a look at some
22 gender diversity statistics that would illustrate
23 that 62 percent of our overall workforce are
24 females, as compared to 43 percent in Pennsylvania.

25 Fifty-two (52) percent of females are

1 in supervisory positions at Wind Creek Hospitality.
2 Fifty-seven (57) percent of our workforce are
3 minorities, and 48 percent of those minorities hold
4 supervisory positions and above.

5 Wind Creek Hospitality (sic) - Wind
6 Creek Hospitality statistics outpaced those of the
7 Pennsylvania statewide statistics.

8 Now, I'll turn it back to Jay.

9 MR. DORRIS: Thank you, Catherine.
10 Catherine and her team do a wonderful job and have a
11 number of training opportunities for the - for all
12 our employees.

13 They've tried to train me. I'll just
14 tell you, I'm still a work in progress, so we'll
15 keep trying.

16 On page 16 and 17 are photos of our
17 executive team. And we have over 200 years of
18 combined experience in gaming. Over 85 years of
19 those are with PCI Gaming.

20 And one note I want to make about
21 these two pages. We have two who recently joined
22 us. Our CTO back in '17, he's on page 20, Pete
23 Anderson. And Ms. Venus Prince joined us this year.

24 Now, in reality, we worked with Venus
25 for quite a while, over a decade. And the point I

1 make about these two pages is that we've been
2 together for a decade or more. And we work together
3 well and we like working with each other.

4 And I always say, I hope today will be
5 another of those days. We do have occasions when we
6 have to work things out. But we've been able to
7 stick together. And that, in turn, has enabled our
8 success in living our values, working with our
9 employees and building this company that we've been
10 able to build.

11 I'm going to turn it over to Brent
12 Pinkston, our Chief Operating Officer, to talk more
13 about our properties that we have.

14 MR. PINKSTON: My name is Brent,
15 B-R-E-N-T, Pinkston, P-I-N-K-S-T-O-N. Good
16 afternoon, Mr. Chairman, Commissioners. Thank you
17 for your time.

18 I'm going to give you a brief overview
19 of five of our properties and one other of our
20 assets that we think is quite important.

21 The first property that is displayed
22 is Wind Creek Wetumpka. It went through almost a
23 quarter billion expansion renovation in 2013, has
24 283 hotel rooms, an occupancy of over 91 - over 90
25 percent. And mostly serves the high-end markets

1 from Atlanta and Birmingham.

2 Of all these five properties that I'm
3 going to go over, as Jay mentioned, they're all Four
4 Diamond properties. So, that will give you an
5 example - these are examples of what we - what we
6 look for in our properties in maintenance and
7 upkeep.

8 It has five restaurants. It also has
9 a concert venue that holds over 1,200 people. This
10 year alone we're going to put nine-and-a-half
11 million dollars into re-renovating our rooms to keep
12 the product fresh. And we're also adding a spa,
13 which we're going to invest \$7 million, so this
14 property can compete with the competition that has -
15 that has very nice spas through Atlanta.

16 One important note -.

17 MR. LOGAN: Can I just - you have nine
18 properties, though.

19 Right?

20 MR. PINKSTON: Correct. I'm going to
21 go over five.

22 MR. LOGAN: And how did you pick these
23 five?

24 MR. PINKSTON: They're largest - our
25 largest five. The other four are small property in

1 Nevada and then the parimutuel facilities.

2 MR. LOGAN: Okay. Thanks.

3 MR. PINKSTON: You're welcome.

4 One thing to note, in the center of
5 this property and the center of our - resides a
6 16,000 gallon shark tank. It's been - it's on the
7 TV show Tanked, if you want to YouTube it. I
8 haven't been thrown in there yet, so I was able to
9 present today. This property is located just
10 outside of Montgomery, Alabama.

11 Down the road in Montgomery is Wind
12 Creek Montgomery. We went through a \$65 million
13 expansion renovation in 2015. We added a 123-room
14 hotel. It has about 2,200 games and we also
15 third-partied our food and beverage to BB Kings,
16 Incorporated, which has the BB King Blues Club and a
17 fine-dining restaurant called Itta Bena. This
18 mostly serves locals in the Montgomery market.

19 Two hours southwest of Montgomery is
20 Wind Creek Atmore. It's about an hour north of
21 Pensacola, Florida and about an hour northeast of
22 Mobile, Alabama. It's - for Alabama it's our resort
23 property. It has the most amenities. The last
24 expansion - major expansion was in 2009, when we
25 added the 236 hotel room. And then in 2013 we also

1 added an entertainment center that has bowling
2 alley, movie theater, an arcade.

3 Also on this property we have a spa
4 and a culinary studio, where our guests meet with
5 one of our chefs, who teaches them how to cook. We
6 generally say they don't learn very much, but they
7 do enjoy wine, and everything's pre - pre-prepped,
8 so they just basically put it in a bowl and mix it
9 up and they made a nice dinner.

10 It also an amphitheater that seats
11 2,700 patrons.

12 So moving to our escape properties,
13 our Caribbean properties, first is the Aruba
14 Renaissance. The - it's really branded as one
15 resort, but it's really two operations. It has two
16 hotels, has two shopping malls that have very high
17 end to medium name brands. Louis Vuitton, Gucci,
18 Prada.

19 It has a marina. And it has,
20 obviously, multiple food and beverage outlets.
21 We're getting ready to put \$40 million in capital in
22 the next couple years, room renovations and some
23 other upgrades to this property, so we'll make it
24 even more appealing to our customers that are
25 traveling there from, hopefully, the northeast as

1 well as Alabama.

2 One thing that's unique about this
3 property, it has its own private island, which is
4 the picture shown. It's probably one of the most
5 desirable Instagram photos in the Caribbean. If you
6 look it up, you'll see guests taking pictures with
7 flamingos. So, it's quite an interesting little
8 dynamic. It's definitely a piece of - piece of the
9 world you definitely should visit.

10 Yes, sir?

11 CHAIRMAN: It's called a hotel and
12 casino. I don't see any mention in the bullet
13 points of what kinds of casino games -.

14 MR. PINKSTON: Oh, it has Sportsbook,
15 table games, slots.

16 CHAIRMAN: But other times, you gave
17 us 1,700, 2,000 - you told us the number of -

18 MR. PINKSTON: Sure.

19 CHAIRMAN: - games. I don't see that
20 here.

21 MR. PINKSTON: Well, it has over - it
22 has over 600 slot machines. Now, it's closer to 700
23 slot machines. It has over -.

24 CHAIRMAN: It has over 20 table games.

25 MR. LOGAN: The numbers that you just

1 gave, are you just specifically talking about the
2 Aruba Renaissance?

3 MR. PINKSTON: Just the Aruba
4 Renaissance. Yes, sir.

5 CHAIRMAN: Okay.

6 So -.

7 MR. LOGAN: You said the number, and
8 maybe I didn't hear it, 600 or 700?

9 MR. PINKSTON: It's closer to 700. We
10 just went through a renovation.

11 MR. LOGAN: 700 slot machines?

12 CHAIRMAN: Those are the slot
13 machines?

14 MR. PINKSTON: Yes.

15 And it has tables, over 20 tables.

16 CHAIRMAN: Okay.

17 MR. PINKSTON: We have a Sportsbook as
18 well.

19 CHAIRMAN: Okay. Thank you.

20 MS. MANDERINO: And since you stopped.

21 MR. LOGAN: Well, wait. Go ahead.

22 MS. MANDERINO: The shopping malls are
23 all under your control as well?

24 MR. PINKSTON: We lease them out.

25 CHAIRMAN: Sean?

1 MR. LOGAN: Okay.

2 I was going to wait, but since we're
3 here, I want to be clear on the number of table
4 games that you run -

5 MR. PINKSTON: Sure.

6 MR. LOGAN: - all through your
7 properties.

8 MR. PINKSTON: Through all of them?

9 MR. LOGAN: So, you just said at the
10 Aruba Renaissance -

11 MR. PINKSTON: We'll get you the
12 exact -.

13 MR. LOGAN: - over 20 - on page 26 of
14 one of your filings, I'll get it, it's 20. So, is
15 it 20 or over 20?

16 MR. PINKSTON: We'll get you the - I'm
17 going to get you the tables for both properties, the
18 exact numbers.

19 MR. LOGAN: I'm going to ask you, so
20 whoever's getting it, I'm going to need it for every
21 property.

22 MR. PINKSTON: Okay.

23 In our Alabama properties, there are
24 no tables. They're all class II electronic Bingo
25 machines.

1 MR. LOGAN: So, at - okay.

2 So, at the first three that you
3 mentioned, there are no tables?

4 MR. PINKSTON: That's correct.

5 MR. LOGAN: The fourth that you
6 mentioned, roughly, 20, but you're going to give me
7 that number?

8 MR. PINKSTON: I'm going to get the
9 exact numbers for both properties. We've been going
10 through renovations -.

11 MR. LOGAN: Page 26 said 20.

12 MR. DORRIS: What page are you on for
13 the 20?

14 MR. LOGAN: Page 26 of your May 3rd
15 memorandum.

16 MR. PINKSTON: We'll get you the exact
17 number here in a moment.

18 CHAIRMAN: I'm sorry, I didn't mean
19 to -.

20 MR. LOGAN: I don't mean to be curt,
21 but somebody should have that like that.

22 MR. PINKSTON: Because we've been
23 going through renovations, so we're trying - wind,
24 they're changing out tables, the active tables.

25 You just want to - I want to make sure

1 we give you the correct information. I don't want
2 to give you the wrong information.

3 MR. LOGAN: Okay.

4 CHAIRMAN: Why don't you -?

5 MR. LOGAN: This is your memo.

6 MR. PINKSTON: Okay.

7 CHAIRMAN: Okay.

8 Just continue with your summary.

9 MR. PINKSTON: Okay. Thank you.

10 CHAIRMAN: I want to get the overall
11 picture, and then we can get to more detailed
12 questions.

13 MR. PINKSTON: Sure.

14 CHAIRMAN: Thank you.

15 MR. PINKSTON: You're welcome.

16 Our other Caribbean property is the
17 Curacao Renaissance. And I do want to note, both of
18 these properties in the Caribbean are going to be
19 Wind Creek branded casinos.

20 We use the Renaissance name to use the
21 Starwoods Rewards Program, so we get many customers
22 from all over the United States using the rewards
23 points for these locations.

24 We acquired this in 2017, has 237
25 rooms. Both of the Aruba property and the Curacao

1 property are located right in front of the cruise
2 terminals on both islands. It has a shopping mall,
3 which we control as well. And it has 15 - we're
4 putting \$15 million into this property as well, to
5 renovate the rooms and create other enhancements.

6 The last asset that we're going to
7 describe is our Wind Creek .com -.

8 MR. LOGAN: And I hate to - I hate to
9 pause you, but tell me the Chairman's question about
10 the Aruba Renaissance, what type of gaming do you
11 have at the fifth property, the Curacao?

12 MR. PINKSTON: The Curacao we have
13 slots, tables. We do not have Sportsbook, though
14 we're looking into putting in a Sportsbook.

15 So it's Class III -.

16 MR. LOGAN: Okay.

17 How many tables?

18 MR. PINKSTON: He's getting them right
19 now. I want to make sure we have the exact ones.

20 So we have 20 in Aruba, so I was
21 accurate there. And we have 14 in Curacao. So, we
22 have ten Blackjack, two Caribbean Stud, two
23 Three-Card Poker, five Roulette. We do see a lot
24 more Roulette, because there's an influence of South
25 American customers that come to the Caribbean.

1 And then in Curacao, we have five
2 Blackjack, two Caribbean Stud, one Three-Card Poker
3 and six Roulette.

4 CHAIRMAN: Thank you.

5 MR. PINKSTON: And the last asset is
6 Windcreek.com. This is more - it's our social site
7 that we use for marketing. And with that we tried
8 to drive engagement to customers when they're not on
9 property.

10 Because when they're off property,
11 they're obviously getting bombarded from
12 competitors. So, we like to use our engagement
13 tools online to have them earn points, earn comps to
14 redeem - and bring - drive trips back on property.

15 Currently we have over 13,000 unique
16 users per day. We're fully staffed and we support
17 this 24 hours, 7 days a week, 365 days a year. And
18 we're looking to utilize this site from a social
19 perspective and get customers in the northeast used
20 to our brand and engage with our brand before we
21 actually even rebrand the property.

22 So, we will be using this, you'll see,
23 in our opening campaigns, our rebranding campaigns.
24 When we do get - hopefully we get approved, that
25 we'll use to drive trips to the property.

1 Now, to go into - yes, ma'am?

2 MS. MANDERINO: This is publicity,
3 this has nothing to do with online gaming?

4 MR. PINKSTON: That's true.

5 MS. MANDERINO: These aren't games I'm
6 seeing, this is just -.

7 MR. PINKSTON: They are games, but
8 they - there's no money -.

9 MS. MANDERINO: They're not gambling.

10 MR. PINKSTON: It's not real money
11 gaming. It's social, free to play games.

12 MS. MANDERINO: Okay. Gotcha.
13 Gotcha. Okay.

14 MR. PINKSTON: Now, to go out - in
15 summary, I think that the Wind Creek Bethlehem
16 property would make a great addition to our
17 portfolio. I hope we displayed that the look and
18 feel of our property and the operation of our
19 property will complement what you already have in
20 Pennsylvania. And we look forward to bringing it
21 and making this a great transition.

22 I'll turn it back over to Jay to
23 discuss more.

24 MR. DORRIS: Thank you, Brent.

25 MR. LOGAN: Can we pause and before

1 you move on to the acquisition - I just -?

2 MR. DORRIS: Sure.

3 MR. LOGAN: Let's just kind of recap a
4 little bit. Of your properties, the five of the
5 nine that you mentioned, the Wind Creek Montgomery
6 has no tables?

7 MR. DORRIS: That's correct.

8 MR. LOGAN: No slots?

9 MR. PINKSTON: It has electronic Bingo
10 machines.

11 MR. LOGAN: Okay.

12 And that's in terms of gaming?

13 MR. PINKSTON: Yes. That's correct.

14 MR. LOGAN: The Wind Creek - and I
15 apologize if I'm mispronouncing - Wetumpka?

16 MR. PINKSTON: Wetumpka.

17 MR. LOGAN: Slots?

18 MR. PINKSTON: Electronic Bingo
19 machines.

20 MR. LOGAN: Electronic Bingo machines.
21 No tables?

22 MR. PINKSTON: That's correct.

23 MR. LOGAN: No other gaming?

24 MR. PINKSTON: No, that's correct.

25 MR. LOGAN: The third one that you

1 mentioned, the Wind Creek Casino and Hotel in
2 Atmore, electronic Bingo machines?

3 MR. PINKSTON: That's correct.

4 MR. LOGAN: No tables?

5 MR. PINKSTON: No tables.

6 MR. DORRIS: Correct.

7 MR. LOGAN: The Aruba Renaissance,
8 slot machines, Bingo and 20 tables?

9 MR. PINKSTON: No, not Bingo. We do
10 play Bingo, but not - it's more promotional-based
11 Bingo. We do - they're slot machines and tables and
12 Sportsbook.

13 MR. LOGAN: And then the fifth
14 property, the Curacao, electronic Bingo machines or
15 slot -?

16 MR. PINKSTON: Last three, slot
17 machines.

18 MR. LOGAN: Okay.

19 And tables?

20 MR. PINKSTON: Fourteen (14) tables.

21 MR. LOGAN: Fourteen (14) tables.

22 The Pensacola - and you didn't - these
23 were not the five of the nine, but Pensacola
24 Greyhound racing -.

25 MR. PINKSTON: Poker tables and

1 simulcast.

2 MR. LOGAN: Twenty (20) Poker?

3 MR. PINKSTON: Yes.

4 MR. LOGAN: Creek Entertainment
5 Grenta, Florida -

6 MR. PINKSTON: Poker tables.

7 MR. LOGAN: - horse and Poker.

8 MR. PINKSTON: Horse racing, simulcast
9 and Poker.

10 MR. LOGAN: Fifteen (15) Poker there?

11 MR. PINKSTON: Yes.

12 MR. LOGAN: And then - I apologize if
13 I'm pronouncing it wrong, Wa She Shu in
14 Gardnerville, Slot Machines?

15 MR. PINKSTON: Slot machines, Class
16 III slot machines. Two table machines, Sportsbook.

17 MR. LOGAN: Two as in two? Is that
18 what you said?

19 MR. PINKSTON: Two.

20 MR. LOGAN: For - a total of tables in
21 your nine properties, the total is 71?

22 MR. PINKSTON: Yes. Including Poker,
23 yes.

24 MR. LOGAN: Okay. Okay.

25 MR. DORRIS: I want to talk a little

1 bit about the strategic opportunity that we see with
2 this acquisition. As I mentioned earlier, we looked
3 for properties that are very high quality to begin
4 with and more importantly have an operating team
5 that has been very successful.

6 And we find that with this property -.

7 CHAIRMAN: Can you please - try to
8 keep your voice up. It's getting hard -.

9 MR. DORRIS: Yes, sir.

10 CHAIRMAN: It's partially where the
11 microphone is, I think.

12 MR. DORRIS: Okay.

13 This property has an experienced
14 management team. They've been running the property,
15 they're the ones that have built the program that is
16 established as the number one table game operations
17 in the state.

18 They're all remaining. They are the
19 ones who have created the culture and environment
20 that we think is compatible with our company culture
21 and values that we can move forward very
22 successfully together.

23 All nine members of the team have been
24 assigned to employment contracts and committed to
25 stay with us. The property is commensurate with the

1 level of property we want to offer.

2 And one of the advantages that we see
3 in acquiring a property that's already top class is
4 that rather than put money into an old tired
5 facility to bring it up, we're able to take money
6 and expand it and make it better from the outset.

7 For instance, as soon as we got Atmore
8 paid for, we immediately added on the entertainment
9 center. Our Aruba acquisition, we got 40 or 45
10 million of cap ex that we're putting into that
11 property to make it better. We look for a long-term
12 play. And our objective is to set these properties
13 up so we can capitalize on what's there now, make
14 them even more attractive and bring more people to
15 them.

16 That's worked for us and will work for
17 us going forward. The property has been fairly
18 consistent in its performance and operation. And
19 that's certainly appealing as an investor looking
20 for acquisition opportunities.

21 So, the property being of top class,
22 of having a management and employment team that's
23 been very successful, we're bringing them into our
24 family home. And the very people who have created
25 this incredible operation, who have marketed very

1 successfully to the point, it's the number one table
2 game operation in the state are all remaining and
3 will continue to be there and continue to do that.

4 I'd like to introduce the management
5 team. Assuming we get your approval to complete
6 this acquisition, that will be the Wind Creek
7 Bethlehem management team.

8 I'd like to introduce Mr. Brian Carr.

9 MR. CARR: Good afternoon.

10 I'm Brian Carr, B-R-I-A-N, C-A-R-R.
11 I'm President and Chief Operating Officer of Sands
12 Bethlehem.

13 I've had the privilege of appearing
14 before you numerous times over the last four years,
15 but today is by far the most excited I've ever been.
16 This is a tremendous opportunity for us.

17 And before I start, I'd like to note
18 one thing. If my senior team could please rise, so
19 we can recognize -. My entire team is here. Since
20 this announcement of this merger more than 14 months
21 ago, we have lost absolutely zero members of my
22 team.

23 We are fully committed to this
24 transaction and we're excited about what this means,
25 not only for us, but for our team members, for the

1 Greater City of Bethlehem, what it means for the
2 Lehigh Valley and eventually what it means for the
3 Commonwealth.

4 This is, by far - I've been in the
5 industry 18 years in ten different properties in six
6 different jurisdictions. This is the best senior
7 team I have ever worked with. I wouldn't change any
8 of them out for anything. And for us to be able to
9 stay together means a lot to us.

10 Wind Creek has ponied up and said, we
11 want to sign you to multiyear deals and we want to
12 make a commitment to you. It's a known fact that
13 this property has been for sale for a long time.
14 I've given a lot of investor tours, I've given a lot
15 of tours to people that were looking at coming in to
16 kick the tires.

17 The one thing about Wind Creek that
18 made me committed to them from day one before we
19 were even signed to a deal was this. The first
20 question they asked me was, why does your team stay
21 here? We talked about family, we talked about a
22 sense of community. We talked about what it meant
23 to bring back the Bethlehem Steel site to a
24 meaningless - to a meaningful part of the community.

25 The other thing that they said after

1 that is, if this deal goes through, would you stay?
2 And when I went back to my team - look, I've been
3 through these things before, where we've gone
4 through these. It's natural for people to kind of
5 say, you know what, it's time for me to step out,
6 there's this other thing.

7 Again, we haven't lost a single
8 member. I've had frontline team members stop me
9 when I walk the floor and ask me, what does this
10 mean for us? And I say nothing but good things.

11 We all, more than ten years ago, when
12 this very Board granted the license to us and Sands
13 and said, go forward, we've built a lot. We have a
14 lot to be proud of. But a lot of the promise that
15 we talked about what this would mean to that 125
16 acres that's sitting there is about to be realized,
17 if we can get this deal done.

18 This is a team that came in right from
19 the get-go and said, tell us what you need, tell us
20 how you become part of this group.

21 When I went down to Alabama the very
22 first time, it was the greatest eye-opening
23 experience I've ever had. Jay said it himself, AAA
24 Four Diamond Resorts, everything done first class.

25 CHAIRMAN: Should we let them sit

1 down?

2 MR. LOGAN: No.

3 CHAIRMAN: Since you're such a family.

4 MR. CARR: I'll get there in a second.

5 CHAIRMAN: Okay.

6 MR. CARR: They're used to me. And
7 they'll back me on this, for the record, this is my
8 short-winded speech.

9 CHAIRMAN: I want the record to show
10 that I was willing to let them sit down.

11 MR. CARR: For you, they can sit.

12 CHAIRMAN: Go ahead.

13 MR. CARR: Thank you, sir.

14 The tremendous opportunity what this
15 means, if you look at that team back there, they
16 average 25 years' experience. They've been running
17 this property. That's the group that built the
18 programs, that created the bus programs. They
19 created the marketing programs.

20 A lot of people misunderstand exactly
21 how much Las Vegas Sands Corporate was involved with
22 this property. We are, of all the properties I've
23 ever been at, the most self-contained, the most
24 self-supporting group, hands down.

25 When you say what's going to happen

1 with tables? Or what about the experience with
2 tables? We're the group that runs 189 table games
3 in the Commonwealth in Pennsylvania. We're the
4 group that has led you 89 months in a row in table
5 games revenues. We're the ones that have been -
6 that were number one in the state for 93 of the 106
7 months that this Commonwealth has had table games,
8 not that I'm counting.

9 But the excitement of what this means
10 to us, the excitement of what it means to the rest,
11 it's a real honor for me to appear today and to make
12 this request on our behalf.

13 With that, I'll cross to the next
14 page, where we'll talk a little bit about another
15 thing you're going to get out of maintaining the
16 management team is our commitment to all the things
17 that we know that this Board holds important.

18 The first and foremost being our
19 commitment to responsible gaming. So, every single
20 year we file our Compulsive and Problem Gaming Plan.
21 We will continue to do that. We will continue to
22 give dedicated training to all new team members when
23 they join us. We will continue to give annual
24 refresher classes to all of our employees, every
25 single year, conducted by the Executive Director of

1 the Council for Compulsive Gaming in Pennsylvania.

2 We will continue to maintain the
3 Responsible Gaming Committee, which is made up of
4 several of my leadership team, to make sure that
5 we're following procedures, that we're identifying
6 problems, that we're working with these
7 organizations that the Commonwealth has made
8 available to us, to make sure that we are always on
9 the cutting edge of how we continue to grow these
10 revenues responsibly and in conjunction with the
11 State.

12 Wind Creek, in my conversations with
13 them, has remained committed to maintaining these
14 plans and continuing to move them forward. I look
15 forward to working with Venus Prince, as we go
16 through this and continue to evolve these even
17 further.

18 Moving on to underage gaming. I've
19 appeared numerous times in front of this Gaming
20 Board to address the things that we're doing to
21 continue to address issue of minors gaining access
22 to the floor.

23 You'll remember that we put fencing
24 up. We've installed Veridocs. And we're cutting
25 edge of that. We're working right now on getting

1 facial recognition Veridocs and getting them
2 implemented. I'm hoping to have that trialed later
3 this summer.

4 We've seen significant improvements in
5 that time, where we've seen a 30 percent reduction
6 in the number of instances.

7 But I'll be perfectly blunt, we have
8 11 colleges and universities very close to our
9 property. We see over nine million visitors a year.

10 Last year alone I identified -
11 requested identification for 830,000 people when
12 they walked in our door. That's over 2,100 people a
13 day. We're going to fail from that point.

14 But our goal - and I think we've
15 committed to it over the course of the four years,
16 when I've been here for you, is we will remain
17 tenacious and continue to work at it.

18 Wind Creek has worked with me. And
19 the first thing we're bringing in is the next level
20 of the facial recognition for Veridocs. And believe
21 me, I'm the first person to beat Veridocs up
22 constantly about what's the next thing?

23 We're the - we're the beta site for
24 this technology they got coming out. I'm already
25 hitting them up about what the next thing is. So,

1 I'm very excited about that.

2 And with that, I'll turn it over to
3 Venus Prince, the Chief Compliance Officer for the
4 Tribe.

5 CHAIRMAN: Thank you.

6 MS. PRINCE: I'm hoping you can hear
7 me. I'm trying to get close to one of these mics.

8 My name is Venus Prince. I am Wind
9 Creek's new Chief Compliance Officer. V-E-N-U-S,
10 P-R-I-N-C-E.

11 Today's actually my one-month
12 anniversary on the job. So, it's been an active -
13 active one month.

14 Although I am the newest member of the
15 team, I did serve as the Tribe's Attorney General
16 from 2006 to 2013, during the time that PCI Gaming
17 was developing the Wind Creek Hospitality brand and
18 developing the three Alabama Flagship Properties.

19 As Attorney General, I had the
20 opportunity to help the Tribe in developing its -
21 many of its internal regulatory structures and also
22 help Wind Creek with developing many of its internal
23 controls of policies and procedures.

24 I left - left the Tribe back in 2013
25 to work as Deputy Solicitor at the Department of

1 Interior, where I got to oversee a lot of Indian
2 gaming, as well as working with the National Indian
3 Gaming Commission and some other federal regulatory
4 agencies there.

5 I spent the past three years in
6 private practice working with Tribal clients across
7 the country who have gaming and other regulatory
8 issues as well.

9 And one reason that I came back to
10 serve in this capacity is because I truly believe
11 and know, based on my personal experience and
12 observation of this team, that they are very
13 committed to the values that Jay was mentioning
14 earlier and the value system that the employees
15 developed early on right after Jay started.

16 And one of those is to do it right,
17 and Wind Creek Hospitality is fully committed to
18 continuing the efforts that I know Sands Bethlehem
19 has been making with respect to its responsible
20 gaming and underage access issues.

21 And we really - I spent yesterday with
22 the Sands compliance team. And I - I know they feel
23 the same about how they want to conduct themselves
24 for the operations to take its social responsibility
25 very seriously.

1 And I look forward to working with the
2 Board and with your staff, and - assuming that you
3 approve our Petition today.

4 And with that, two of our other values
5 are to be the best and to grow our opportunity. So,
6 I'll turn that over to Arthur Mothershed, who is our
7 Vice President of Strategic Development.

8 MR. MOTHERSHED: We'll play musical
9 chairs or something to get this right.

10 Arthur Mothershed, A-R-T-H-U-R,
11 M-O-T-H-E-R-S-H-E-D. As Venus said, one of my
12 responsibilities is to go out and look for growth
13 opportunities for the Tribe.

14 You know, when this opportunity
15 presented itself, I think Jay mentioned - checked a
16 ton of boxes for us. You know, mainly the
17 management team and the team members there, as well
18 as the physical structure met all of the
19 requirements, or was up to the standards that we
20 would typically see in a property that we would like
21 to own and operate.

22 There are also some other
23 opportunities that came associated with this - this
24 venture. The Interactive Gaming License, which I'm
25 sure you guys are aware that as part of our Purchase

1 Agreement, Sands or LVS and the Tribe agreed to go
2 ahead and get the - or pay the license fee for the
3 Interactive Gaming License.

4 In part, you heard Brent Pinkston
5 about our online social platform. We believe that
6 these two together will marry up - or make a nice
7 marriage. Using the online social platform to get
8 people introduced to our brand and then also
9 participating in the real money gaming portion of
10 that.

11 We're actively working with a couple
12 providers to become a partner with us, so that we
13 can launch that almost immediately after closing.
14 And immediately, maybe, you know, three months or
15 so, let me clarify. Immediately would not mean the
16 minute after closing.

17 But as soon as we possibly can. It's
18 very important to us, as I'm sure it is to the
19 Commonwealth. As far as sports betting, we're not
20 quite as far along in the negotiations there,
21 although we have identified a couple of prominent
22 providers that we think that would help us in that
23 arena.

24 So, we are negotiating with some
25 sports-betting providers and we're analyzing, you

1 know, sort of the revenues that we believe will come
2 from that. And try to work out an amicable
3 agreement between us and them and hope to identify
4 one fairly soon after closing.

5 The satellite casino, I don't think
6 it's any secret that, you know, LVS - and we were
7 already talking with LVS whenever the site that they
8 were particularly interested in was ultimately
9 disqualified. That doesn't mean that we're not
10 interested in looking at some of the other Category
11 4 sites that are available and that are out there.

12 We'll continue to look at those. You
13 know, we believe that the Category 4 License don't
14 necessarily pose a risk to the revenues of Bethlehem
15 and Parx because of that radius restriction that
16 disqualified the one site that was selected. And
17 then of course, to, you know, our east side, we're
18 protected by the state line of New York, which is a
19 very big market for Sands Bethlehem.

20 Some other opportunities that we
21 identified. I mean, Jay talked about how
22 conservative the Tribe and the Chairlady talked
23 about how conservative we are.

24 So, imagine my surprise whenever we
25 say, hey, we want to go purchase Sands Bethlehem for

1 \$1.3 billion, and oh, by the way, we want to go
2 ahead and start adding additional hundreds of
3 millions of dollars into that. And they said, okay.
4 It wasn't quite that easy. I wish it was.

5 But if you'll look up - you know,
6 you'll see the casino site, parking structure. And
7 to the left, as I'm looking at the plan, maybe not
8 necessarily east, west, north, south, as you would
9 typically see it, but to the left you see the retail
10 mall. And then to the top of that you see two
11 shaded areas, one red, one blue.

12 The red shaded area would indicate
13 where we plan a 276, give or take, room hotel
14 expansion. And to the right of that would be some
15 additional convention space.

16 And then the lightly-shaded box, that
17 I'm sure you're all familiar with Machine Shop II,
18 we believe it's a very important historical part of
19 the site. But we also believe it brings some good
20 economic development opportunities that the Tribe
21 and PCI Gaming would like to pursue.

22 To delve into those a little bit more,
23 you know, we believe the hotel expansion is almost
24 an immediate need, when you start looking at some of
25 the numbers that are generated out of Sands

1 Bethlehem.

2 You know, the occupancy is north of 90
3 percent, which is really great for a hotel. The ADR
4 is really good, but in particular the gaming the
5 per occupied room is extremely high for that
6 property. We think it's north of a thousand
7 dollars.

8 So, we immediately thought that, you
9 know, this is an immediate need for the Sands. Even
10 with the planned expansion, we'll be basically
11 doubling the hotel size from 282 rooms to roughly
12 558 rooms. And the meeting space will be more than
13 double, from about 27,000 square feet to 42,000
14 square feet.

15 And from the gaming side, even though
16 we would be almost doubling it, we don't see that
17 the gaming per occupied room would necessarily be
18 cut in half. We see it going more, you know, in the
19 mid 600s, maybe 650 range.

20 So, we believe that adds incremental
21 gaming revenue to the site, because in our
22 experience, you know, an overnight stay does create
23 additional gaming revenue.

24 You know, most times gaming is a
25 factor of one or two things. It's either, you know,

1 how much money do I have? And when I spent my
2 disposable income, I get up and leave. Or how much
3 time do I have?

4 So, we believe that the folks that
5 have the time, we should accommodate them, and
6 adding additional hotel rooms does that.

7 Also, in talking to the team, you
8 know, one of the things that they told us, they
9 declined \$7 million in bids. Now, that doesn't mean
10 they would have gotten all \$7 million worth of
11 business and convention and events that they
12 declined. But because they didn't have the space,
13 they couldn't even - they couldn't even make a bid
14 on it.

15 So, you know, adding this additional
16 space, you know, I think Brian has said, would make
17 us probably one of the largest in the state, if not
18 the largest meeting space in the state. It gets us
19 to about 70,000 square feet.

20 So we will be able to accommodate
21 that. And one of the things we think that makes
22 that so exciting is this is a lot of people that are
23 outside of the state coming to the area to spend
24 their money, which is important.

25 A big factor is operations, the

1 ongoing operations, as we contemplate these
2 renovations and expansions. The way it's laid out,
3 you know, on the previous slide, the way it's laid
4 out, there would be minimal to no disruption of
5 operations.

6 So, we'll be able to bring these two
7 opportunities online with minimal disruption to the
8 operation.

9 The other side of the page talks about
10 a little more complex development. And that's the
11 development of Machine Shop II. You know, the
12 reason I just mentioned, total development cost, we
13 believe is in or around \$250 million. The reason I
14 say that is because we've allocated a hundred
15 million through this financing and through the
16 Tribe's money to kick off that.

17 Because our intent is to partner with
18 some developers, to yet be identified or determined,
19 to help us with that site, because we believe we'll
20 be able to bring that online much more quickly if
21 we're able to identify some partners to help us with
22 that.

23 But currently, you know, the plan is
24 we would add an additional 400 room keys. The study
25 we did said a minimum of 400 additional keys, just

1 to support what we would like to see in that site.
2 And what we're contemplating or what was being
3 proposed is a 300,000 square foot, we'll call it an
4 adventure park.

5 About a hundred thousand square feet
6 of that would be in water type amusement rides. But
7 then also some zip lines, rock climbing, ropes
8 courses and those other things that you would like
9 to see in an adventure park. Also, multiple family
10 oriented F&B outlets, that would sort of round out
11 the experience.

12 But it's very complementary with what
13 we want to do. Because one of the goals is, we
14 believe we're in the process of acquiring a great
15 casino resort. And what we would like to end up
16 with is a great resort destination.

17 The casino is obviously going to be a
18 great part of that and always will be. We want it
19 to be a resort destination that attracts people from
20 all walks of life.

21 I believe that will take - or will
22 attract about another 1.4 million visitors annually
23 to the roughly 10 million or so that already come
24 into the area currently.

25 Well-positioned, because within a

1 two-hour drive, you have about 30 million people.
2 And it's always good to have that kind of population
3 when you're talking about doing something of that
4 magnitude.

5 So, we believe it just strengthens,
6 you know, the resort for, you know, what may come in
7 the future. And Jay's going to talk about that more
8 in a little bit.

9 But we know that competition,
10 especially in New York is - is on everyone's mind.
11 We understood that New York had contemplated, in the
12 past, legislation to legalize casinos in Manhattan
13 and the area. So, we knew that going in, and we
14 knew that we would need to be planning some things
15 to mitigate and make this a property that would
16 withstand the storm.

17 I do have a couple pictures to
18 complement, hopefully, what was less than a thousand
19 words. This is a picture of the hotel expansion
20 that - again, this would be the immediate need.

21 And if you're looking at this, the
22 river would be to your back. The machine shop will
23 be kind of to your right.

24 And you'll see sort of an open deck
25 pool area that would open into some of the

1 prefunction area rooms. So, we think that makes it
2 a really nice addition to the property.

3 Secondly, the reason we included this
4 is because we do think one of the things that is
5 lacking there is the hotel check-in experience. And
6 the new lobby area will service both towers and just
7 give us a much better hotel lobby check-in
8 experience.

9 You know, first impressions are very
10 important.

11 And then moving on, you'll see a
12 couple slides, where we see the annex building
13 currently being redeveloped into the 400, give or
14 take, additional hotel keys to support the outdoor -
15 or the indoor, excuse me, adventure park.

16 And then to the left you'll see some
17 renderings of what that would look like from the
18 outside. And then the next two pages just kind of
19 give you a couple other different views.

20 And again, we're in the early
21 schematic design process of this. We do - we did
22 retain the architect record that LVS had - I'm
23 sorry.

24 MS. MANDERINO: Can you go back one
25 slide?

1 MR. MOTHERSHED: Sure. Absolutely.

2 MS. MANDERINO: The park structure, is
3 that public space or is that your land? Yeah, this
4 slide, you see - there's the walkway that goes along
5 what used to be old abandoned rail tracks and then
6 it comes down to a grassy area.

7 MR. MOTHERSHED: I'm going to defer to
8 Brian.

9 MS. MANDERINO: Is that - Brian, is
10 that part of the existing property, or is that
11 public -?

12 MR. CARR: So, the walkway that you're
13 talking about is the trestle, which currently ends
14 further down -.

15 CHAIRMAN: No, but below the trestle.

16 MR. CARR: And then below the trestle,
17 that's actually a parking lot right now. That's
18 artistic license to make it look pretty.

19 CHAIRMAN: But is that -?

20 MR. CARR: There's not a park there.

21 MS. MANDERINO: Oh, there is not a
22 park there?

23 MR. CARR: No. There's parking spots.

24 CHAIRMAN: You were asking -.

25 MS. MANDERINO: I was asking, is that

1 your property?

2 MR. CARR: It is our property, yes.

3 MS. MANDERINO: Okay.

4 MR. CARR: It's all part of the 125
5 undeveloped acres to the west of us.

6 MS. MANDERINO: Gotcha. Okay. Thank
7 you.

8 MR. MOTHERSHED: So, with that, I'm
9 going to turn it back over to Jay, so he can kind of
10 summarize everything. And thank you for your time.

11 MR. DORRIS: Thank you, Arthur.

12 We're proud of the company we built
13 and what we offer the properties, we offer what our
14 employees are able to do. And you know, we've tried
15 to convey that to you.

16 One of the things we found when we
17 back out to raise financing for this transaction is
18 that between 2007, when we went out for Atmore,
19 until today, we received a lot different reaction
20 and reception from the financial community.

21 We were very well-received. We held
22 our bank meetings, talked to many, many different
23 investors.

24 Or loan was oversubscribed
25 substantially. We, in our bank book, expect to have

1 a hundred different investors wanting to
2 participate. They're signed up waiting approval to
3 be able to make this loan to us.

4 I've been told by our lead bank that
5 many of them - they are first-time investors into a
6 tribal loaned gaming company. And I think that
7 speaks well to their belief and what we're able to
8 do, what we've accomplished and what we can do with
9 this property.

10 And again, even with this loan, we're
11 going to be levered less than two-and-a-half times.
12 And that's important, because it means we're paying
13 less on interest costs and financing, so that we
14 have money available to react to what may come.

15 We had to be rated by Moody's and S&P
16 for this transaction, our loan. And our company was
17 rated. And our ratings, according to S&P, we will
18 be the - have the highest financial rating of any
19 operator of the Commonwealth, should you approve us.

20 According to Moody's, in this chart,
21 there are two companies that have higher ratings
22 than us, although I would note that one of them is
23 no longer active in the Commonwealth.

24 So, if you combine - if you look at
25 Moody's and S&P, according to these rating agencies,

1 there will be one company in the Commonwealth that
2 has a better financial rating than us, if you are to
3 approve us.

4 CHAIRMAN: And who - just clarify
5 that, which one is the higher one?

6 MS. MANDERINO: Penn National.

7 MR. DORRIS: If you'll look, Penn
8 National - under Moody's, Penn National and Eldorado
9 had a higher rating than we did.

10 CHAIRMAN: Got it.

11 MR. DORRIS: One of the things that's,
12 I think, very important, for our company, Wind Creek
13 Bethlehem will be 20 percent of our EBIDTA. It will
14 have our attention. It is the location that we want
15 to make our next investment and expansion in.

16 We are committed to seeing the
17 property and its team reach the potential that's
18 available at that site. As starting with the Tribal
19 Chair and with further conversation, we worked with
20 our community. We want to be a part of the
21 community.

22 I mentioned earlier that I believe
23 that the Tribe is going to hold on to this asset for
24 a very long time.

25 Well, the way for us to be successful

1 is for the community to be successful and for people
2 to want to live in the community, to visit the
3 community.

4 So that plays an important role in how
5 we approach our responsibilities. And we look
6 forward to working with you, the regulatory body.

7 The integrity of the gaming is number
8 one priority. The customers and our public must
9 believe that it's fair. And we want to work with
10 you guys to assure that that perception is always
11 top of mind, that our customers know that we're
12 running a fair operation and that they are taken
13 care of.

14 Arthur mentioned, you know, future
15 competition. As we evaluated this, we're well-aware
16 there are talks that New York City may offer
17 casinos. North of New Jersey may offer casinos.

18 This is nothing new for us. For the
19 last ten years there's always been talk for us that
20 Alabama is going to expand gaming, Georgia is going
21 to expand gaming, Florida is going to expand gaming.

22 We've looked at other states. It's
23 always, they're going to do it. Now, a lot of times
24 I think that's our lobbyist telling us that, so
25 we'll sign up for one more year.

1 But the reality is, we've looked at
2 this. And you know what, we look at it, okay, New
3 York City will get a casino at some point in time.

4 Geographic advantage, I don't care who
5 the operator is, there's geographic advantage. But
6 what we're looking at is a long term. We think that
7 if that happens, it's a number of years in the
8 future.

9 In the meantime we want to act
10 immediately to make this property into a resort
11 destination, build its appeal. And will be able to
12 try and retain some of those customers that will
13 have a geographic closer property. That's what we
14 can do today.

15 The other point I make is that by
16 being financially-conservative, if and when that
17 happens, we're positioned to counter with marketing
18 programs that other companies are going to be
19 spending on interest payments.

20 We're trying to stay financially-
21 conservative but aggressive in our expansion, so
22 that we're positioned for a very
23 long-term success.

24 We're a growth and quality-oriented
25 company. I'll stack our properties up against

1 anybody's. And we're willing to put, every year,
2 maintenance cap ex into them, and maintain their
3 level of excellence.

4 We invest in our employees. We expect
5 our employees to give every individual customer who
6 comes through every day genuine engagement and make
7 them feel like they were the most important person
8 to visit us that day.

9 Our executive team has been together a
10 very long time. And that's given us stability and
11 allowed us to build this company. We are - it's not
12 just me or us telling you about this. Again, we
13 were very well-received by the financial community.
14 And we received - were very pleased with the ratings
15 we received.

16 A little bit disappointed. I was
17 hoping we would reach investment grade. They laid
18 that out to us and what we've got to do. And that's
19 certainly something we look forward to achieving.

20 Our balance sheet is conservative, and
21 we're ready to face competition. And at the end of
22 the day, when we talked to Brian and his team, our
23 expectation for this property is that it will be the
24 number one resort destination in the northeast.
25 We're going to put money to make that happen, we're

1 going to work with Brian and our employees to make
2 that happen, and that's our expectation for this
3 property.

4 I'd like to turn it back over to our
5 Tribal Chair to wrap it up.

6 MS. BRYAN: Thank you, Jay.

7 Once again, distinguished Chairman and
8 Commissioners, we appreciate your time and
9 consideration of the transfer of Sands Bethlehem to
10 PCI Gaming Authority.

11 On behalf of myself the Tribal Chair,
12 CEO of the Poarch Band of Creek Indians and its
13 members, we do appreciate the work that you guys do
14 here. We look forward to the opportunity to expand
15 our footprint in the Pennsylvania area and in the
16 Sands Bethlehem community.

17 So, once again, we appreciate your
18 consideration for the transfer of the license from
19 Sands Bethlehem to the PCI Gaming Authority, Wind
20 Creek Hospitality. I think we've exemplified here
21 today our executive team and their astounding
22 executives at PCI Gaming Authority, as well as Sands
23 Bethlehem. And we look forward to working with you
24 all and the continued growth in the Commonwealth
25 area.

1 CHAIRMAN: Thank you very much. Thank
2 you very much.

3 Questions or comments from Enforcement
4 Counsel?

5 ATTORNEY ROLAND: Good afternoon,
6 Chairman. Michael Roland, R-O-L-A-N-D, with the
7 Office of Enforcement Counsel (OEC). We actually
8 have several questions for Wind Creek.

9 CHAIRMAN: Okay.

10 ATTORNEY ROLAND: I'd like to start
11 with some general questions, and then maybe we're
12 going to move into a few specific areas.

13 But generally speaking, if approved by
14 the Board today, how quickly do you anticipate
15 closing the transaction?

16 MR. DORRIS: Should the Board approve
17 our acquisition, our intention is to close the
18 transaction up Friday.

19 ATTORNEY ROLAND: This Friday?

20 MR. DORRIS: Yes.

21 ATTORNEY ROLAND: And assuming you
22 close Friday, assuming the Board approves it, how
23 quickly do you believe Wind Creek will actually take
24 complete management control of the property?

25 MR. DORRIS: Well, the management

1 control of the property remains. So, I guess I
2 could say that we will take immediate control,
3 because at that time the senior management team
4 which is on staff becomes Wind Creek employees.

5 ATTORNEY ROLAND: Is there some type
6 of Transition Services Plan or Shared Services
7 Agreement in place with Sands to help support all of
8 the systems during a transition?

9 MR. DORRIS: No, sir. We have a
10 transition plan, and we - in our own plan we are
11 planning to make the system changes and the brand
12 changes that we have to make.

13 ATTORNEY ROLAND: I guess what I'm
14 getting at is, during the transition phase, however
15 short of time or long of a time that would be, there
16 would be loss of any type of services or amenities
17 to customers?

18 MR. DORRIS: No, sir. We do not
19 expect that. We expect to be able to transition
20 from Sands to Wind Creek.

21 ATTORNEY ROLAND: And at this time,
22 does Wind Creek contemplate any changes to the
23 gaming floor?

24 MR. DORRIS: Not at this time, no,
25 sir.

1 ATTORNEY ROLAND: Okay.

2 I'm going to draw your attention to
3 page 11 of your presentation, please.

4 And on page 11, under the
5 financially-conservative heading, you state that
6 both the Alabama expansion and the Caribbean
7 acquisition were funded from cash flow. That means
8 there was no need to finance any portion of those
9 efforts.

10 Correct?

11 MR. DORRIS: Correct.

12 ATTORNEY ROLAND: And then, I'm going
13 to draw your attention to pages 19 through 23.

14 And on these slides, you provide
15 information regarding the first three pages, anyhow,
16 your three Alabama properties. And you state that
17 the hotels at these properties operate at a 91, 89
18 and 85 percent occupancy.

19 Is that a daily average or the highest
20 occupancy during some given time frame?

21 MR. DORRIS: That's an average over -
22 for the year. Twelve (12) months.

23 ATTORNEY ROLAND: Okay.

24 And you also indicate on these slides,
25 that being pages 19 through 23, that there's

1 64-and-a-half-million dollars in upgrades, which are
2 planned for the Wetumpka, the Aruba and the Curacao
3 properties.

4 Will this have any impact on the
5 resources available for use at the Bethlehem
6 property?

7 MR. DORRIS: No, sir.

8 ATTORNEY ROLAND: Will these upgrades
9 be funded through cash flow?

10 MR. DORRIS: They have been funded
11 through cash flow. And they are projects that have
12 been approved, either through this fiscal year or
13 prior fiscal years and we're getting them completed.

14 ATTORNEY ROLAND: Okay.

15 So, you said they have been funded
16 through cash flow. So, there's no chance that any
17 of the cash flow from Bethlehem, Pennsylvania will
18 go towards the improvements of those properties?

19 MR. DORRIS: No, sir.

20 ATTORNEY ROLAND: Okay.

21 Some of the properties that weren't
22 highlighted - you highlighted five - but the other
23 ones, where are they located, again, please?

24 MR. DORRIS: Okay.

25 The Wa She Shu facility is in Nevada,

1 Gardnerville. We have the - we have a majority
2 interest in the Mobile, Greyhound track, which is
3 Mobile, Alabama. Pensacola Greyhound Racing, which
4 is Pensacola, Florida. And the Creek Entertainment,
5 Gretna, which is Gretna, Florida. That's 20 minutes
6 west of Tallahassee.

7 ATTORNEY ROLAND: Okay.

8 And at least a few of these properties
9 have Greyhound racing.

10 Right?

11 MR. DORRIS: Pensacola and Mobile,
12 although Florida there's no longer Greyhound racing.

13 ATTORNEY ROLAND: Because that was put
14 up to a public vote -

15 MR. DORRIS: It was.

16 ATTORNEY ROLAND: - and people decided
17 they didn't want -.

18 MR. DORRIS: It was. And we actually
19 reached agreement with the kennels in Mobile that we
20 no longer offer dog racing there either.

21 ATTORNEY ROLAND: Okay.

22 Is the Poker room still open there?

23 MR. DORRIS: There's not a Poker room
24 in Mobile, there is a Poker room in -

25 ATTORNEY ROLAND: Pensacola?

1 MR. DORRIS: - Pensacola, yes.

2 ATTORNEY ROLAND: And just to go back
3 to the Greyhound - what was the cutoff date for that
4 to stop, do you know?

5 MR. PINKSTON: 2021.

6 ATTORNEY ROLAND: And the Poker room
7 will stay open after that?

8 MR. PINKSTON: Yes.

9 MR. DORRIS: Yes, sir.

10 MS. MANDERINO: I'm sorry, could
11 somebody repeat what those answers were?

12 MR. DORRIS: The Poker room will
13 remain open. The cutoff date was 2021.

14 MR. MANDERINO: For the racing?

15 MR. DORRIS: Greyhound racing. Yes,
16 ma'am.

17 MS. MANDERINO: Okay.

18 MR. LOGAN: And why - I'm sorry, why
19 was the Greyhound racing - why was the termination?

20 MR. DORRIS: In Florida there was a
21 statewide referendum that actually said we will no
22 longer provide Greyhound racing.

23 MR. MUSTIO: Are you able to replace
24 that with something else?

25 MR. DORRIS: The Poker room will

1 remain open.

2 MR. MUSTIO: That's it?

3 MR. DORRIS: Yes, sir.

4 ATTORNEY ROLAND: And with the loss of
5 Greyhound racing, will that impact the Bethlehem
6 property in any way?

7 MR. DORRIS: No, sir.

8 ATTORNEY ROLAND: I'd like to focus a
9 little bit on gaming expansion now, start with
10 interactive gaming.

11 MR. DORRIS: Uh-huh (yes).

12 ATTORNEY ROLAND: At the October 3rd,
13 2018 public Board meeting, Sands advised the Board
14 that it was applying for an Interactive Gaming
15 Certificate solely because of the pending sale with
16 Wind Creek.

17 How quickly does Wind Creek anticipate
18 moving forward with this endeavor?

19 MR. DORRIS: They've acquired the
20 license for us. We are in active negotiations with
21 platform providers. We know that they need to be
22 approved and meet your criteria.

23 That's ongoing. And in the midst of
24 the transition of Wind Creek, our intention is to
25 activate the online RNG component as quickly as we

1 can.

2 ATTORNEY ROLAND: So, I think the
3 answer is, you're working on it right now.

4 Correct?

5 MR. DORRIS: Yes.

6 Assuming the Board approves this to go
7 forward.

8 ATTORNEY KAUFMAN: Well, just in case,
9 we are working on it now.

10 ATTORNEY ROLAND: And did I hear
11 correctly you say during the course of the
12 presentation, assuming everything goes according to
13 planned, that possibly interactive gaming could
14 launch within three months or 90 days?

15 Did I hear that correctly?

16 MR. DORRIS: Did you say that?

17 MR. MOTHERSHED: I did.

18 MR. DORRIS: Okay.

19 Yes.

20 ATTORNEY KAUFMAN: So, obviously,
21 subject to all regulatory approvals and submissions
22 and all the like.

23 ATTORNEY ROLAND: And in its Petition
24 for Interactive Gaming Certificates, Sands requests
25 that - to offer all three types of interactive

1 gaming, which include casino-type games,
2 slot-machine type games and peer-to-peer, is that
3 the intention of Wind Creek also?

4 MR. DORRIS: Yes.

5 ATTORNEY ROLAND: And the Interactive
6 Gaming Certificate was granted by the Board, but it
7 was made subject to 22 conditions.

8 Wind Creek understands that if the
9 Board approves this, they are also bound by those 22
10 conditions?

11 MR. DORRIS: Yes, sir.

12 ATTORNEY ROLAND: Let's talk about
13 sports wagering. We kind of glazed over that a
14 little bit.

15 What kind of experience does Wind
16 Creek have operating sports wagering? And is there
17 an intention to enter the marketplace for it in
18 Pennsylvania?

19 MR. DORRIS: We have experience - we
20 have a Sportsbook, as indicated in Nevada, Wa She
21 Shu. In the Caribbean we offer it.

22 We are evaluating these sports betting
23 - we're watching the market, we're talking to
24 different providers today, to see what we can work
25 out and what we could potentially bring forward.

1 We have committed \$190 million,
2 speaking with expansion, that we think are going to
3 generate substantial gaming revenue also. And we're
4 actively pursuing those.

5 ATTORNEY ROLAND: So, at this point it
6 would be premature to ask for a timeline on sports
7 wagering?

8 MR. DORRIS: Yes.

9 ATTORNEY ROLAND: And -.

10 MR. LOGAN: If I may, I'm sorry, so
11 you have Sportsbook at - again, I apologize if I'm
12 mispronouncing it wrong, Wa She Shu?

13 MR. DORRIS: Yes, sir.

14 MR. LOGAN: And then did you mention
15 some other -?

16 MR. DORRIS: Aruba.

17 MR. LOGAN: Okay.

18 ATTORNEY ROLAND: And the Category 4
19 Licenses also came up. You stated in the
20 presentation that Wind Creek continues to monitor
21 Category 4 License status.

22 If the Category 4 bidding process were
23 to reopen sometime in the future, Wind Creek would
24 have an interest in obtaining one of those licenses?

25 MR. MOTHERSHED: Yeah, so like when we

1 were working with LVS, I mean, there was a side
2 identified, which is ultimately disqualified. At
3 that point LVS was not interested in looking
4 further, so -.

5 And when I say we were continuing to
6 monitor it, yes, if the license were opened back up
7 for bid, we would certainly reengage and start
8 looking at other locations that are of particular
9 interest to us.

10 ATTORNEY ROLAND: I'd like to look at
11 the property development a little bit.

12 I'm going to draw your attention to
13 what's been marked, I guess, as page 35. And you
14 provide on this slide that the occupancy rate of
15 Sands currently is about 93 percent.

16 And since a significant portion of
17 Wind Creek's additions to the Bethlehem Category 2
18 facility involve future hotel expansion, what do you
19 anticipate the occupancy rate of the hotels at the
20 Bethlehem property will be after your addition of
21 the second hotel tower, and the expansions, the
22 space expansion?

23 MR. DORRIS: I think we may have a
24 different operating philosophy when it comes to the
25 hotel. We comp our hotels a great deal, and that

1 helps drive that occupancy rate.

2 When we get to Sands Bethlehem, or
3 Wind Creek Bethlehem, that philosophy will follow
4 us, and we will look to put rooms into customers'
5 hands, as many as we can.

6 We'll seek to drive the occupancy rate
7 up, provided we can find qualified gaming customers
8 to put in those rooms.

9 ATTORNEY ROLAND: Okay.

10 But when you say drive the occupancy
11 rate up, you mean after - with 558, approximately,
12 rooms are in place, you believe you will still be
13 north of 93 percent occupancy?

14 MR. DORRIS: So, yeah, we modeled
15 around 85 percent.

16 ATTORNEY ROLAND: Eighty-five (85)
17 percent.

18 MR. DORRIS: Yeah.

19 ATTORNEY ROLAND: And do you have an
20 anticipated begin and end date for the construction
21 regarding the second hotel tower and the event space
22 expansion?

23 MR. DORRIS: So, I want to tell you
24 our target and ask that if we run a little slow,
25 please bear with us. Our target is to start as soon

1 as we get approval.

2 We would like to be in it within two
3 years. Development sometimes takes a little longer,
4 but that is our objective and our goal.

5 ATTORNEY ROLAND: This may be
6 premature, but what do you anticipate the occupancy
7 rate of the hotels of Bethlehem would be after the
8 addition of a possible third hotel and an adventure
9 park or a water park, depending upon what people
10 refer to it as.

11 MR. MOTHERSHED: So, we kind of looked
12 at them as two different things, so we didn't blend
13 the occupancy, because the two - the current tower
14 and the new expansion, we believe, supports the
15 casino operations, the 400 additional rooms were
16 sort of looked at as separate project.

17 We model that around - between 78, 80
18 - I think it was 78 percent. I can get you the
19 exact number, but it was between 75 and 80 percent
20 was what we modeled the occupancy on.

21 ATTORNEY ROLAND: And is there an
22 anticipated begin or end date for the construction
23 regarding that third hotel or third portion of a
24 hotel and the adventure park?

25 MR. MOTHERSHED: As I said, one of the

1 things we're wanting to do is attract partners help
2 us develop that portion of the development. We have
3 a hundred million that we would like to commit to
4 the project immediately.

5 We've already begun the design phase.
6 We have an architect on record, and we've already
7 released him to go in past schematics into design
8 development.

9 So, we believe - we believe we will
10 have a package - an attractive package that we can
11 present to partners - potential partners as shortly
12 after the close as possible. That is a process that
13 I can't necessarily put a timeline on.

14 ATTORNEY ROLAND: So, on the
15 right-hand side, just to be clear, the right-hand
16 side of page 35 -.

17 CHAIRMAN: Mr. Roland, just to
18 clarify, -

19 ATTORNEY ROLAND: Absolutely.

20 CHAIRMAN: - make sure I understand
21 that last answer.

22 So, you don't envision a third hotel
23 as necessarily requiring the second hotel and the
24 other expansion to be already up and running before
25 you'd make that commitment? So, you'll be moving

1 down that road long before you necessarily complete
2 the second hotel and the expansion of convention
3 space?

4 MR. MOTHERSHED: Yes. We're just
5 further along on the second tower, than we are -
6 because we're fully committed to financing for -.

7 CHAIRMAN: But you're not waiting -
8 it's not your notion to not come to a conclusion
9 about the third hotel until you see how things
10 develop with the second?

11 MR. MOTHERSHED: No, we're not looking
12 at the performance of the second one to start the
13 third, no.

14 CHAIRMAN: Thank you.

15 ATTORNEY ROLAND: So, on the
16 right-hand side of page 35, you list the plan
17 development of Machine Shop II. And I think we've
18 settled this, but to be clear, that's where the
19 adventure park and the additional 400 room -
20 approximate 400-room hotel would be located.

21 Right?

22 What studies and research have been
23 completed that helped you conclude that the
24 geographic location and the setting would sustain an
25 expansion like an adventure park?

1 MR. MOTHERSHED: We work with an
2 innovation group quite frequently. So, we engage
3 them to do a market study on the best use of that
4 particular part of the property. We'll also be
5 working with them to look at other alternative
6 plans, if that one doesn't work for us.

7 But we currently believe, through our
8 own internal diligence, and that of the innovation
9 group, that that is the best use of the property,
10 Machine Shop II.

11 ATTORNEY ROLAND: Was the community or
12 community input any part of that assessment?

13 MR. DORRIS: Yeah. The question was,
14 was the community involved? We've had a little bit
15 of a chicken-and-egg situation. We recognize we're
16 dependent on your approval, before we get fully
17 committed with our community partner.

18 With that said, we have met up with
19 the Mayor, and they are aware of what we're talking
20 about at this time.

21 ATTORNEY ROLAND: And this has already
22 been discussed, but on the slide, you indicate that
23 there's an intent to attract partners for this
24 development.

25 What happens to the project if a

1 partner isn't secured?

2 MR. DORRIS: Well, first, I'll say we
3 believe in the project or we wouldn't be talking
4 about putting, you know, a hundred million into the
5 \$250 million estimate. We think that makes it very
6 attractive, and think that the return that we'll be
7 able to - or the projected returns will make it
8 attractive.

9 If we're not able to secure partners,
10 it could, you know, potentially delay the start of
11 construction. We will continue to work through the
12 design and the development documents for the
13 project, but it could delay anything that we're able
14 to do as far as getting started.

15 MS. REITZEL: Am I right that that
16 tract was not part of what was submitted to the
17 Condo Act? It's not part of the condominium.

18 ATTORNEY KAUFMAN: Yeah, it's a single
19 property.

20 MS. REITZEL: It's separate from the
21 condominium, okay.

22 ATTORNEY ROLAND: If a partner is not
23 secured, are there alternative plans for the hundred
24 million dollars?

25 MR. MOTHERSHED: Not currently.

1 ATTORNEY ROLAND: Not currently.

2 The Creek Indian Enterprises
3 Development authority, which is a non-gaming
4 economic arm of the Poarch Band of Creek Indians is
5 currently involved in a water park expansion of the
6 amusement park in Foley, Alabama.

7 Would the Creek Indian Enterprises
8 Development Authority be a potential partner for
9 Machine Shop II expansion?

10 MR. MOTHERSHED: No, that hasn't been
11 contemplated. They're actually - they're utilizing
12 other management companies to come in and manage
13 that. So, they own that development, but they're
14 not necessarily managing it.

15 ATTORNEY ROLAND: Are you willing to
16 commit today on the record to build a second hotel
17 tower, an event space expansion and development of
18 Machine Shop II, as indicated, which would be a
19 third hotel and a water park or adventure park?

20 MR. MOTHERSHED: Yeah. So today we
21 know we have funding to - committed funding to
22 finish the hotel and the event space. We are
23 committed to continuing the design of the - of the
24 Machine Shop II development.

25 We believe that's a very important

1 part of the site, as evidenced by our willingness to
2 contribute another hundred million dollars to that
3 development. So, we can commit to - we can commit
4 today that we will build the second tower, and that
5 we will continue to look for partners to help us
6 finalize the \$250 million.

7 If we can't find the partners, then we
8 will have to find an alternate plan to get that
9 done. And that's something I can't fully commit to
10 today.

11 MR. DORRIS: But we could - we - in
12 addition, we can commit to keep the Board apprised
13 of our efforts and where we are with the process.

14 CHAIRMAN: Thank you.

15 ATTORNEY ROLAND: Sands presently
16 operates a gift shop, Sands & Company, off the main
17 lobby of the facility. They sell Sands branded
18 items at that location.

19 Does Wind Creek have a plan on how
20 they're going to utilize this space?

21 MR. DORRIS: Yes. It would become our
22 - our essential shop, our branded logo shop.

23 ATTORNEY ROLAND: And the outlets is a
24 200,000 square shopping center located on the
25 property.

1 Does Wind Creek intend to maintain
2 this venue? And are there any plans to expand or
3 add additional retailers?

4 MR. DORRIS: The retail outlet will
5 continue to operate as it is. We operate retail
6 outlets in the Caribbean. The practical reality is
7 that brands sometimes come and go, but our objective
8 is to keep the retail offering full and available to
9 the customers who come.

10 ATTORNEY ROLAND: Sands helped to
11 create the Steelworks Archives, to preserve the
12 history of Bethlehem Steel, and it was relocated
13 into the outlets in 2016.

14 Does Wind Creek intend to keep this
15 attraction? And are there any plans to improve it
16 in the future?

17 MR. DORRIS: We certainly intend to
18 keep it. And we will work with them to see what we
19 can do.

20 Again, we're trying to make the entire
21 site more attractive to more people. So, anything
22 that we can do to work with other people that can
23 improve the attraction of the site is something we
24 will try to do.

25 ATTORNEY ROLAND: Okay.

1 I'd like to talk about community
2 inclusion a little bit. I'm going to draw your
3 attention to page seven of the presentation, please.

4 And in the bottom box, you have
5 labeled community participation. And under that
6 heading you state that since 2013 the Poarch Band of
7 Creek Indians made more than \$75 million in
8 donations.

9 Does that \$75 million include
10 distributions to tribal members, or is the totality
11 of the \$75 million to nontribal entities and
12 persons?

13 MS. BRYAN: That does not. That just
14 strictly includes the donations that we've made to
15 hospitals, schools, local schools within the state,
16 within our communities, as well as MOUs, with the
17 counties where we have our three properties located.

18 It includes community organizations,
19 charitable organizations who actually approached the
20 Tribe for assistance to grow their organization.

21 So, a lot of that funding was actually
22 donated to predominantly schools for education
23 purposes, budget shortfalls and to those counties.

24 ATTORNEY ROLAND: Does Wind Creek
25 intend to make similar community donations in

1 Pennsylvania?

2 MS. BRYAN: Certainly.

3 ATTORNEY ROLAND: Sands has supported
4 local nonprofits with local fundraising events, food
5 drives, volunteer food services and city clean-up
6 events. They've also sponsored things like
7 ArtsQuest, Donegan Elementary School, music fest
8 events and the Southside Arts District, just to name
9 a few.

10 Does Wind Creek intend to preserve,
11 not only these, but all community relationships, and
12 honor the agreements and/or contracts presently in
13 place with each community group?

14 MS. BRYAN: Yes, we do.

15 As I stated, you know, we're about
16 building stronger communities and community
17 involvement. Because we think, you know, when you
18 build - when you have safer communities, where there
19 are opportunities for employment, you can also grow
20 those communities.

21 ATTORNEY ROLAND: Sands also entered
22 into a Permanent Easement Agreement with the
23 Redevelopment Authority of Bethlehem in September of
24 2013, and that was regarding the Hoover-Mason
25 Trestle.

1 The Redevelopment Authority invested
2 approximately \$14 million to preserve and create
3 public areas and walkways in that space. The space
4 opened to the public in the spring of 2015.

5 Does Wind Creek intend to respect that
6 easement and to allow the area to operate as it
7 presently exists?

8 MR. DORRIS: Yes.

9 CHAIRMAN: In February of 2017, Sands
10 opened an in-house Dealer school, where classes are
11 free to participants.

12 Does Wind Creek plan on maintaining
13 that program?

14 MR. DORRIS: Yes.

15 ATTORNEY ROLAND: I'd like to talk a
16 little bit about employment now.

17 I'm going to draw your attention to
18 page 14 of the presentation. And on page 14, your
19 fourth bullet point, you state that you train and
20 promote from within your company.

21 Since the current complement of Sands
22 employees is not yet part of the company, does Wind
23 Creek intend to keep all of the employees presently
24 employed at Sands?

25 MR. DORRIS: We intend to keep all who

1 are willing to stay with us.

2 ATTORNEY ROLAND: Outside of those
3 that may not wish to stay, do you anticipate any
4 changes, either increases or decreases in the
5 overall complement of employees there?

6 MR. DORRIS: No. No. Normal course
7 of business notwithstanding, we intend to keep the
8 people who have made this property successful.

9 ATTORNEY ROLAND: Does Wind Creek
10 anticipate any changes to employee benefit plans?
11 And if so, what might they be?

12 MR. DORRIS: So, we want to keep the
13 employees whole through the transition. And as we
14 get our feet on the ground, there are certain
15 programs that we offered, some of which Catherine
16 talked about that we would start folding into Wind
17 Creek Bethlehem.

18 ATTORNEY ROLAND: And those would be
19 available to all the employees?

20 MR. DORRIS: Yes.

21 ATTORNEY ROLAND: Okay.

22 Page 26 of the presentation, please.

23 And in the first box on this page you
24 provide that nine members of the senior team at
25 Sands have been provided three-year contracts. I

1 believe we discussed this already.

2 Are those the same individuals who
3 appear on the next page or the next slide, where you
4 have labeled at the top our Wind Creek Bethlehem
5 team?

6 MR. DORRIS: We have one extra on the
7 next page. So, I'm not sure who - Lam joined
8 recently. Right? Yeah. So, yes.

9 ATTORNEY ROLAND: Okay.

10 I'd like to talk a little bit about
11 underage gaming.

12 At the Sands April 15th, 2018 license
13 renewal hearing, Sands advised the Board that on
14 average the gaming floor received approximately
15 25,000 visits, or patrons a day.

16 Since underage gaming and minors on
17 the gaming floor have been an area of concern for
18 the property, how does Wind Creek plan to combat
19 that concern, given the high flow of patrons?

20 MR. DORRIS: We're going to continue
21 with the plans and programs that Brian and his team
22 have implemented. And we will support and
23 supplement that as it's appropriate.

24 ATTORNEY ROLAND: Two of the
25 improvements that you mentioned in the presentation

1 are the facial-recognition software, which I believe
2 is part of Veridocs, and the BOSS System.

3 Can you give us a little bit more
4 information about those, what they do?

5 MR. DORRIS: Sure.

6 You want to handle Veridocs, and -.

7 MR. CARR: I can do Veridocs. Sure.

8 So the Veridocs, there's a beta site,
9 or there's a beta program they've got, which
10 utilizes a small camera that we will put at the
11 entry points that just basically scans the ID and
12 also scans your face. And it gives a recognition of
13 yes or no, whether this - there's a high correlation
14 in this.

15 Still in the early stages of it.
16 we're just getting approvals now. We hope to be
17 live with the test for it 90 days later this summer,
18 and that will be a free trial that we've got with
19 Veridocs. And they'll be onsite to assist as we
20 kind of work out the kinks of it.

21 MR. DORRIS: BOSS is a package that
22 goes with the - at the game level. It allows
23 patrons to place drink orders while they're at the
24 game. It also allows us to better track how much
25 they've been served, who they are and our

1 responsible - it allows us to be a responsible
2 vendor and monitor what we're doing, to make sure
3 that we don't overserve.

4 ATTORNEY ROLAND: Now, it sounds like
5 the Facial-Recognition Program with Veridocs since
6 it's in its beta phase, is relatively new.

7 But does Wind Creek use facial
8 recognition or BOSS in any of its other properties
9 in the portfolio?

10 MR. DORRIS: We have not used
11 Veridocs, we do use BOSS. It's deployed at our
12 properties.

13 ATTORNEY ROLAND: How soon would you
14 anticipate that BOSS would be implemented if the
15 Board were to approve the change of control?

16 MR. DORRIS: So, the system - we do
17 anticipate a system change. We will be converting
18 the systems at Sands, Bethlehem is on now to the
19 systems we utilize, which is Bally CMP STS
20 environment.

21 We're looking at roughly 90 days to
22 get all of that done.

23 ATTORNEY ROLAND: Okay.

24 I'd like to turn to responsible
25 gaming.

1 On page 29 of the presentation, you
2 address items related to responsible gaming plans.

3 On page 29 all these procedures are
4 already in place and used by Sands.

5 Is that correct?

6 MR. CARR: Yes.

7 ATTORNEY ROLAND: So, you're just
8 maintaining, or you're vowing to maintain those in
9 the future?

10 MR. DORRIS: Yes.

11 ATTORNEY ROLAND: Does Wind Creek
12 offer responsible gaming training to any of its
13 properties - other properties in the portfolio?

14 MR. DORRIS: We have a Self-Ban
15 Program and we - any customers who request to be -
16 to ban themselves, or they're banned for - it
17 depends on what length of time they request.

18 And once that goes in place, they do
19 not come back. It could be lifetime, it could be
20 five years. It could be different periods of time.

21 ATTORNEY ROLAND: Okay.

22 But there's no other training or
23 anything in place that you're aware of, any other
24 properties?

25 MR. DORRIS: In that form, no, sir.

1 ATTORNEY ROLAND: And you indicate on
2 the slide that Wind Creek will explore ways to
3 improve responsible gaming.

4 Are there any changes regarding
5 responsible gaming that Wind Creek would implement
6 immediately at the Sands property, at the Bethlehem
7 property?

8 MR. DORRIS: I'd think we'd want to
9 get our feet on the ground and work with Brian and
10 his team. And if there are changes that make sense,
11 that will improve our responsible gaming efforts,
12 then that's what we would do.

13 ATTORNEY ROLAND: And Sands has
14 provided problem gambling treatment training for the
15 community through the Pennsylvania Council on
16 Compulsive Gambling each year since 2006. Over
17 3,500 people have received continuing educational
18 credits from these trainings.

19 Does Wind Creek intend to continue to
20 provide the community training?

21 MR. DORRIS: We do. We work with
22 Alabama Council on Compulsive Gaming, which is the
23 counterpart to the Pennsylvania chapter you
24 mentioned.

25 Had phone conversations with Mr.

1 Eckell, and look forward to meeting with him. It
2 didn't work out this trip, but we're going to sit
3 down with them very soon and see how we can continue
4 that and improve it.

5 ATTORNEY ROLAND: Mr. Chairman, I
6 believe that's the only questions we have at this
7 point.

8 CHAIRMAN: Thank you. Thank you very
9 much.

10 And I want to compliment OEC for a
11 very thorough background and good questioning. I
12 think, hopefully, that will answer a number of the
13 questions that the panel up here might have.

14 Thank you very much.

15 At this point, I turn to my fellow
16 Board members. Are there questions from anybody?

17 Jen, let's start there.

18 ATTORNEY LANGAN: So, I have a few
19 questions from the Board. I represent the
20 Pennsylvania Treasury Department, who's the
21 custodian of all gaming funds.

22 CHAIRMAN: Jen, we got to do something
23 with the microphone.

24 ATTORNEY LANGAN: So, I represent the
25 Treasury Department on the Board, and the Treasurer

1 is the custodian of all gaming funds, all the funds
2 that the money goes into.

3 So, my questions will be kind of
4 directed to both you and Enforcement Counsel, along
5 that vein. Some will be for the casino and some
6 will be for Enforcement Counsel.

7 Sands is obviously the second biggest
8 revenue producer of casinos in the Commonwealth,
9 aside from Parx, and as far as gross terminal
10 revenue is concerned.

11 I was wondering what - clearly Wind
12 Creek does not have - does not have - the slot
13 number of slot machines that the Sands has worldwide
14 or the number of table games.

15 How do you propose to be able to run
16 the Sands when you don't have an experience on that
17 level? And I mean, accepting that the Sands team is
18 staying, I understand that, but -.

19 MR. DORRIS: Yes, ma'am. Well, first
20 off, the team that built it is remaining.

21 And second off, not to be
22 argumentative, but I've operated a Class II and
23 Class III. I can tell you that our electronic Bingo
24 games are every bit as competitive as a Class III
25 Slot Machine.

1 If you look at what we've been able to
2 offer at our Alabama properties and you look at
3 what's going on with the Biloxi market, they've been
4 in a slow decline over time. We've been on the
5 uptake. And I believe we're taking customers from
6 those properties.

7 So, I would beg to agree to disagree
8 if that's the point.

9 Our Class II Bingo games are every bit
10 as competitive as a slot machine.

11 ATTORNEY LANGAN: The Bingo games and
12 your slot machines in Alabama - not the ones out of
13 the country, but in Alabama and Nevada, do they have
14 to be put into a central control computer system as
15 well?

16 MR. DORRIS: So, one difference with
17 Class II is it is server-based. It's actually
18 network-based.

19 ATTORNEY LANGAN: So, does that report
20 to the - I guess -.

21 MR. DORRIS: Well, your question is
22 does it directly report back. I'm talking about the
23 context of the game itself, it's server-based
24 gaming.

25 From time to time I'll see some of the

1 Class III vendors talking about trying to offer,
2 actually, server-based gaming.

3 But I think your question is there a
4 statewide or tribal-wide system that it comes into?
5 It's not set up that way, no, ma'am.

6 ATTORNEY LANGAN: Okay.

7 And of your larger facilities that
8 would not be on tribal lands, would they be the ones
9 that are out of the country, Aruba and Curacao?

10 MS. BRYAN: (Indicates yes).

11 ATTORNEY LANGAN: As far as - and I
12 don't know if you can tell me this, what is your
13 gross terminal revenue out of your other properties,
14 just an average across the board?

15 MR. DORRIS: I think that was
16 submitted in our confidential submittal.

17 ATTORNEY LANGAN: Okay. That's fine.

18 MR. DORRIS: Is that accurate?

19 ATTORNEY KAUFMAN: That's correct.

20 ATTORNEY LANGAN: Okay.

21 And I don't know if this is for Lynne
22 or Stephanie, obviously being a tribal authority,
23 you have to have a - you have to have immunity in
24 different places.

25 Are you fully ready to commit to

1 submitting to the jurisdiction of the Gaming Board?

2 MS. BRYAN: We actually passed a
3 resolution 2019-003, it was a unanimous vote by the
4 tribal leadership to waive our sovereign immunity.
5 So, this is a commercial -

6 ATTORNEY LANGAN: Transaction?

7 MS. BRYAN: - investment.

8 ATTORNEY LANGAN: And that would be,
9 also, for your expansion projects, like DEP and all
10 that, you would be submitted to the jurisdiction of
11 Pennsylvania?

12 MS. BRYAN: Yes. We have waived our
13 Sovereign immunity.

14 ATTORNEY LANGAN: Okay.

15 ATTORNEY KAUFMAN: And the form of
16 Sovereign immunity waiver was after speaking with
17 staff. And the staff okayed us to have the
18 resolution signed.

19 ATTORNEY LANGAN: And just from a
20 numbers perspective, if we can go back, because I
21 think it got a little confusing.

22 So, for the casino purchase, you're
23 getting a loan for, I think, it's 1.3 or 1.4?

24 MR. DORRIS: \$1.3 billion, and there's
25 a hundred million dollar revolving credit facility

1 that's part of it, but that we don't anticipating
2 drawing from.

3 ATTORNEY LANGAN: Okay.

4 And then for the hotel expansion,
5 you're going to pay - basically pay for that with
6 the \$90 million? Is that what -?

7 MR. DORRIS: The \$90 million is part
8 of that - is built into the overall sources and
9 uses, yes.

10 ATTORNEY LANGAN: Okay.

11 And then as far as the suggested
12 expansion to the water park, is that going to be
13 completely separate?

14 MR. DORRIS: No. We have a hundred
15 million that we're committing to that project as
16 part of this financing effort.

17 ATTORNEY LANGAN: Okay.

18 And you said you're going to be -
19 based on all of this, you'll be less - you'll be
20 less than, 2.5 times leveraged.

21 Correct?

22 MR. DORRIS: Yes.

23 ATTORNEY LANGAN: For Cyrus, based on
24 the amount of leverage, are you comfortable with the
25 amount of leverage being 2.5, a little bit less

1 than -?

2 ATTORNEY PITRE: Yes. Yes, we've
3 reviewed those numbers and we're comfortable with
4 them.

5 ATTORNEY LANGAN: And do you believe
6 that the Applicant has the sufficient financial
7 resources to maintain the casino in its present
8 form, considering its revenue producing status?

9 ATTORNEY PITRE: Absolutely. Based on
10 the amount of debt leverage that they have and what
11 they've committed to so far for the development, I
12 think that puts them in a good position moving
13 forward.

14 I would like to see Machine Shop II
15 developed, hopefully before New York City comes
16 online and those projects are developed there. And
17 as indicated, that is some time off, but I think we
18 need a full development in order to combat what will
19 occur in New York City.

20 ATTORNEY LANGAN: Are you suggesting
21 milestones in the Order - in whatever Order,
22 whatever compliance you have?

23 ATTORNEY PITRE: And we would - we are
24 going to present that later. But one of the things
25 I am recommending is that we make the hotel tower

1 and the event space expansion part of a special
2 condition or part of the Board Order to have them
3 complete that. I think they said two years. Three
4 years is fine with me.

5 ATTORNEY LANGAN: Okay.

6 ATTORNEY PITRE: As far as Machine
7 Shop II, we would like to receive monthly reports.
8 Those can come directly to me, with regard to the
9 progress of that development. Because I believe
10 that development is crucial to ensure that we can
11 combat ourselves against future New York City
12 development.

13 ATTORNEY LANGAN: And as far as - are
14 you going to have revenue milestones, as far as the
15 Sands is concerned, or as far as this is concerned,
16 to maintain revenue markers or not really?

17 ATTORNEY PITRE: No, we're not going
18 to have any revenue milestones, because revenue can
19 change for any variable - variety of reasons. So, I
20 am very hesitant to do that.

21 I think that the fact that they're
22 keeping the team on board, the fact that they're
23 going to maintain those bus trips, the fact that
24 they are committed to building a hotel tower, an
25 event space expansion. And committed to do some

1 sort of development in Machine Shop II, those are
2 going to be the revenue producers. That's what's
3 going to drive people to that property.

4 So, I'm hoping that the revenues will
5 increase over the years. And if not, at least be
6 sustained. But like I said, it's hard to put a
7 revenue cap or revenue - or goals on a particular
8 property.

9 ATTORNEY LANGAN: Are you confident
10 that, based on the waiver of Sovereign immunity,
11 that they've fully subjected themselves to our
12 jurisdiction?

13 ATTORNEY PITRE: Yes.

14 ATTORNEY LANGAN: Okay.

15 And has the Applicant disclosed
16 whatever lobbying or public firms they've hired for
17 lobbying efforts to you, as they're required under
18 the law or no?

19 ATTORNEY PITRE: No, not at this time,
20 because I don't - I don't think you guys have been
21 doing any lobbying in Pennsylvania; have you?

22 ATTORNEY LANGAN: Okay.

23 ATTORNEY PITRE: No.

24 ATTORNEY LANGAN: And as far as
25 political contributions, do they have to be

1 disclosed now under the new law?

2 ATTORNEY PITRE: Political
3 contributions, we check as part of the background
4 investigation.

5 ATTORNEY LANGAN: Okay.

6 ATTORNEY PITRE: So, - and we did
7 check with regard to those individuals. So, there
8 have been no violations of the Act.

9 ATTORNEY LANGAN: Brian, I just have
10 one question for you. Since I know they're closing
11 - they're attempting to close Friday if this deal is
12 approved.

13 As far as - I'm sure there's maybe a
14 new benefits package or whatever, what it is the
15 phase-in for employees? Obviously they can't be
16 expected to pick up a new benefits package Monday.

17 Is there a phase-in period for their
18 co-policies?

19 Mr. CARR: We're maintaining the
20 benefits. Everything stays the same. So, they have
21 issued new cards that are tentative based on if the
22 deal goes through and everybody keeps - the package
23 stays the same.

24 There's one change to 401(k), who the
25 provider is, but the calculation for how matches are

1 done and everything is exactly the same. So, other
2 than getting new cards, it's actually very painless.

3 ATTORNEY LANGAN: Okay.

4 Those are all the questions I have.

5 CHAIRMAN: Thank you.

6 Questions from the Board?

7 MR. MUSTIO: Thank you, Mr. Chairman.

8 Have you had a relationship with
9 Credit Suisse in the past or is this the first -?

10 MR. DORRIS: This is the first time.
11 Last time it was a different bank.

12 MR. MUSTIO: And I would imagine it
13 was a pretty thorough examination and a lot of the
14 questions that were asked today were asked.

15 And were some of the - some of the
16 things that you placed, like the contracts with
17 employees, were they some of the requirements for
18 the loans as well?

19 MR. DORRIS: They weren't necessarily
20 requirements. But when we were presenting to the
21 different investors, it was certainly a very strong
22 selling point from their perspective to address
23 concerns they may have.

24 MR. MUSTIO: And did I hear or
25 understand correctly that the - they might be

1 fronting it, but there's also a lot of other
2 institutions that are going to be coming in?

3 MR. DORRIS: Yes, sir.

4 MR. MUSTIO: Okay.

5 MR. DORRIS: Credit Suisse is the lead
6 arranger. And they go out and package with many
7 other investors.

8 MR. MUSTIO: Thank you.

9 CHAIRMAN: Other questions from the
10 Board?

11 Go ahead, Kathy.

12 MS. MANDERINO: When we looked at your
13 existing properties, and when I looked at your
14 growth in the confidential slides that you gave us,
15 one thing that wasn't clear to me, how many of your
16 existing properties, your expansion over the years,
17 were acquisitions of other already-established
18 companies like we're talking about here, or were
19 they all?

20 MR. DORRIS: It's a combination. The
21 Alabama properties actually started out very
22 modestly. And with the development of Wind Creek
23 Atmore, that was the first of what you see in the
24 pictures. Prior to that, it's a metal building.

25 Using those cash flows, we were able

1 to transform Wetumpka and Montgomery along a similar
2 path.

3 The Renaissance in Aruba and Curacao
4 were up and running established businesses that we
5 acquired.

6 MS. MANDERINO: Okay.

7 So a few of you started kind of from
8 the ground up, the two resorts you acquired?

9 MR. DORRIS: Yes.

10 MS. MANDERINO: There was an
11 interesting discussion with our Enforcement Counsel
12 with regard to the development of the Machine Shop
13 II. So, I do understand your desires as well as the
14 need for investors and the competition and all that
15 kind of stuff.

16 But I am assuming - but I want to kind
17 of put it on the record that - that even in a
18 worst-case scenario that the development of the
19 Machine Shop II doesn't come to fruition, or doesn't
20 come to fruition any time soon, that you found this
21 Pennsylvania market one in which you can do good
22 business irrespective of that development?

23 MR. DORRIS: Yes, ma'am.

24 MS. MANDERINO: And further, none of
25 the - partners isn't the right word. None of the

1 endorsements of good will of folks who are favorably
2 inclined to your purchase of the Sands property are
3 contingent upon thinking that that phase of the
4 project is a done deal or is a definite happening.

5 So whether it's, we talked to the
6 Mayor or we talked to our elected officials or we
7 talked to the community or we talked to the current
8 management team, no one is kind of basing their
9 excitement, endorsement or whatever imprimatur of
10 good will on that part of the project?

11 MR. DORRIS: Ma'am, I'm not going to
12 speak for the Mayor. He happens to be here.

13 MS. MANDERINO: Okay.

14 That was not - that was - well, let me
15 ask it a different way.

16 No one's been guaranteed that is I
17 think what I'm trying to get to. Thank you, Mr.
18 Chairman.

19 MR. DORRIS: No, that was not our
20 intention.

21 MS. MANDERINO: Thank you.

22 MS. REITZEL: I just had a point of
23 clarification, I think, of something Mr. Pinkston
24 said when Commissioner Logan was tallying up the
25 number of tables. You, I think you said table

1 machines.

2 Is that correct?

3 Did you say table machines? There
4 were table machines at -?

5 ATTORNEY KAUFMAN: I think he
6 misspoke.

7 MS. REITZEL: He just misspoke? Okay.
8 I wasn't sure if -.

9 CHAIRMAN: Any other questions down
10 here?

11 MR. LOGAN: I do. I just want to be
12 clear, because I think I heard what you said and I
13 have a document that contradicts it.

14 At Aruba Renaissance Resort and
15 Casino, is there Sportsbook?

16 MR. PINKSTON: Yes. In Aruba there is
17 a Sportsbook.

18 MR. LOGAN: Okay.

19 CHAIRMAN: Anything else?

20 What I'd like to do now, Enforcement
21 Counsel - in a sense we jumped the gun, I want to
22 hear if you have a presentation or anything to say
23 at this time.

24 And I know there were some questions
25 kind of directed to Enforcement Counsel, it sounds

1 like this is the perfect opportunity, if you have
2 follow-up at OEC, this would be the time to do that.

3 But if you would start, please.

4 ATTORNEY ROLAND: Okay.

5 The OEC doesn't have a public
6 presentation. However, we respectfully request that
7 should the Board grant the Sands Bethworks Gaming,
8 LLC and PCI Gaming Authority's Joint Petition for
9 Change of Control, that the approval be made subject
10 to those conditions set forth in OEC's March 22nd,
11 2019 Answer that have not yet been satisfied.

12 The OEC is satisfied with Petitioner's
13 responses to the issues presented in OEC's Answer in
14 New Matter. As a result, we consider any conditions
15 associated with the new matter satisfied.

16 Additionally, Sands has complied with
17 all preclosing conditions as requested. As such,
18 the remaining conditions are post-closing conditions
19 that we request be imposed should the Board approve
20 the change of control.

21 Just to be clear, in the conditions of
22 March 22nd, 2019, the conditions that remain are 1
23 through 6, 8, 9 and 11 through 14. All of the
24 others have been satisfied.

25 Additionally, we are satisfied that

1 the second and third requested special conditions of
2 licensure requested in the background investigation
3 reports for PCI Gaming Authority and Poarch Band of
4 Creek Indians, have been satisfied in our opinion,
5 and we would only request updates should either of
6 those situations change.

7 Furthermore, PCI Gaming Authority and
8 the Poarch Band of Creek Indians has agreed to
9 comply with the first requested special condition of
10 licensure, which is the formation of an Audit
11 Compliance Committee.

12 The OEC would further request that the
13 commitments made on the record today pertaining to
14 the additional hotels, water park or adventure park
15 development and construction, the event space,
16 expansion, upgrades to Veridocs, facial recognition,
17 and implementation of the BOSS be added as special
18 conditions of licensure or placed in the Board's
19 Order, should the change of control be approved
20 today.

21 The OEC has submitted the Background
22 Investigation Reports to the Board, which were based
23 upon the suitability and financial fitness
24 investigations conducted by the Bureau of
25 Investigation and Enforcement (BIE).

1 move something into evidence?

2 ATTORNEY KAUFMAN: Yes, good idea.
3 Yes, I'd like to move the presentation into
4 evidence. And then there are two slides that were
5 submitted confidentially, and I'd like to move that
6 as well.

7 CHAIRMAN: So moved.

8 ATTORNEY KAUFMAN: Thank you.

9 * * * * *

10 HEARING CONCLUDED

11 * * * * *

12

13

14

15

16

17

18

19

20

21

22

23

24

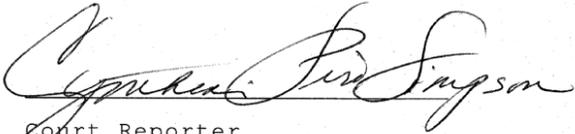
25

CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I hereby certify that the foregoing proceedings, hearing held before David M. Barasch, was reported by me on 05/29/19 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 24th day of June, 2019


Court Reporter
Cynthia Piro Simpson