

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: SUGARHOUSE HSP GAMING, LP

INFORMATIONAL UPDATE

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BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Obra S. Kernodle, IV

Sean Logan

Kathy M. Manderino

T. Mark Mustio

Merritt C. Reitzel

Dante Santoni, Jr.

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Christin Heidingsfelder, Designee,

Department of Revenue

Jennifer Langan, Designee, Department of

Treasury

Fred Strathmeyer, Jr., Designee,

Department of Agriculture

HEARING: Wednesday, June 12, 2019

Reporter: Candace R. Pratt

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PA GAMING CONTROL BOARD EXECUTIVE STAFF WHO APPEARED
BEFORE THE BOARD:

KEVIN O'TOOLE, Executive Director's Report

KEVIN KILE, Director of Sports Wagering - Benchmark
Report

DANETTE BIXLER-GEORGE, Director, Human Resources -
New Hires

R. DOUGLAS SHERMAN, Chief Counsel - Petitions

STEVE COOK, Deputy Chief Counsel -
Withdrawals/Surrenders and Report and
Recommendations

SUSAN HENSEL, Director, Bureau of Licensing

CYRUS PITRE, Chief Enforcement Counsel - Enforcement
Actions

OFFICE OF ENFORCEMENT COUNSEL - ALSO PRESENTING:

DUSTIN MILLER, Senior Enforcement Counsel

ASSISTANT ENFORCEMENT COUNSEL:

JOHN CROHE, BENJAMIN FERRELL, ASHLEY GABRIELLE,
SARAH KOLESAR, THOMAS MONAGHAN, DAVID TEPPER

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

OTHER ATTENDEES FOR MEETING AND/OR HEARING(S):

SUGARHOUSE HSP GAMING, LP:

ROB LONG, General Manager, SugarHouse Casino

LAURA MCALLISTER COX, ESQUIRE, Vice President of
Regulatory Compliance, Rush Street Gaming

JOE SCIBETTA, Vice President of Development &
Operations, Rush Street Gaming

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NONE OFFERED

P R O C E E D I N G S

PRESIDING OFFICER: Our first order of business today is a short presentation from SugarHouse. Do you guys want to come forward to give us an update?

Since we're not contemplating any action at this time, there's no need for anybody to be sworn, but I would ask that anybody that's going to speak to spell and - to state and spell your name for the court reporter.

Please begin.

ATTORNEY COX: Is the presentation up?

CHAIRMAN: It's up here. Okay.

ATTORNEY COX: Terrific.

Good morning, Chairman Barasch and Members of the Board, Mr. O'Toole and Members of staff. I am Laura McAllister Cox, Vice President of Regulatory Compliance, and Legal Counsel of Rush Street Gaming.

And with me this morning I have Joe Scibetta, our Vice President of Development and Operations from Rush Street Gaming. And also, I'm pleased to introduce Rob Long, General Manager of SugarHouse Casino.

1 Rob comes to us with a very diverse
2 background, having been in law enforcement, having
3 been a Gaming Regulator in Nevada and a long-time
4 member of the Rush Street Gaming family, working on
5 our projects in Mississippi and Upstate New York.
6 We're thrilled to have him as part of our team in
7 Philadelphia.

8 So, I'm sure it comes to no surprise
9 to you, there's never been a more exciting time in
10 gaming. With what's happening in Philadelphia is a
11 bright shining example of this. We appreciate your
12 busy agenda today and only want to take a few
13 minutes to make you aware of some important upcoming
14 events in Philadelphia.

15 So, I'm going to first turn it over to
16 Joe, to set the stage a bit.

17 MR. SCIBETTA: Good morning. Joe
18 Scibetta. I'll spell it, S as in Sam, C as in
19 Charlie, I as in India, B as in boy, E as in Edward,
20 T as in Tom, T as in Tom, A as in apple.

21 As Laura said, I'm the Vice President
22 of Development and Operations for Rush Street
23 Gaming. I joined in 2009, right after we broke
24 ground in Philadelphia on the Old Jack Frost site,
25 which is part of the reason why the name SugarHouse

1 was derived by the ownership group.

2 And the property has certainly been a
3 shining star in Fishtown and has done a great job at
4 really taking the gaming environment and the
5 entertainment to a new level in the area.

6 The building was built in an interim
7 phase because of the great recession. And following
8 our opening in 2010, we came and did a \$164 million
9 expansion, where we added an event center, a parking
10 garage, more restaurants and more gaming positions
11 to the property. That has been very well received.
12 We've done a great job.

13 We've followed since with our
14 temporary Sportsbook, which opened up first in the
15 Commonwealth, in Philadelphia, along with our sister
16 property in Pittsburgh. We were very successful
17 there. And the online gaming has now launched for
18 the sports mobile betting with PlaySugarHouse.com.

19 So, the history of the property has
20 been very well received.

21 At the same time Rush Street has
22 really grown as a company and really grown the
23 Rivers' brand. After we opened SugarHouse, we
24 opened Rivers Casino in Des Plaines, which has been
25 very successful. And we took the name from

1 Pittsburgh, because we want to start building a
2 brand.

3 We then won a casino license in
4 Upstate New York, and we continued to keep the
5 Rivers' brand alive and really started to grow it as
6 a brand. And ownership felt it was time to take all
7 the good stuff that has been happening in
8 Philadelphia and bring Philadelphia into the fold of
9 the Rivers' brand.

10 ATTORNEY COX: We'll turn it over to
11 Rob.

12 MR. LONG: So, we are rebranding to
13 Rivers Casino Philadelphia. As you know,
14 continuously, improving customer experiences is a
15 shared goal of the PGCB and Rush Street.

16 As gaming now becomes a 360-degree
17 experience, land-based, mobile and online, the
18 unified brand for Rush Street's Pennsylvania
19 properties will best serve the Commonwealth, most
20 communities, our guests and our team members.

21 Our long-term plan is to establish
22 continuity across Rush Street's Pennsylvania
23 properties, Sportsbooks, iGaming and guest Rewards
24 Programs. This rebranding represents a \$15 million
25 reinvestment in the property, and all changes to the

1 facility will be completed by local companies and
2 contractors.

3 The evolution of this rebranding will
4 appear - will rule out in phases, proactive
5 communications to our team, which will begin after
6 we return from the meeting here today. Then the
7 physical transformation of the property, signage,
8 logos, et cetera, redesign of gaming pieces, meaning
9 chips, cards and dice.

10 Additional consideration of select
11 modification of Rivers Casino Pittsburgh brand to
12 include the city designation, so as not to have the
13 two confused, and updated internal controls pending
14 PGCB review and approval.

15 The timeline for this is today we are
16 announcing the intention to rebrand. In early
17 summer the property transformation begins, including
18 internal controls, gaming items and that sort of
19 thing. In midsummer we planned a lunch. Igaming -
20 by the end of summer will launch an expanded
21 permanent Sportsbook that will be built this summer.
22 And in - this fall we'll do the formal ceremonial
23 Rivers Casino Philadelphia launch.

24 ATTORNEY COX: And so there you have
25 it, our standardized Rivers Casino brand across the

1 Rush Street properties. And if you have any
2 questions, we're happy to answer.

3 CHAIRMAN: Thank you.

4 At the moment, are there any questions
5 from the Board at this time?

6 Enforcement Counsel have any comments
7 or questions?

8 ATTORNEY PITRE: Anything that helps
9 the industry is good for me.

10 CHAIRMAN: Okay.

11 Thank you very much for being here
12 this morning.

13 ATTORNEY COX: Thank you very much.
14 Next we have two Public Hearings
15 scheduled.

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17 PRESENTATION CONCLUDED

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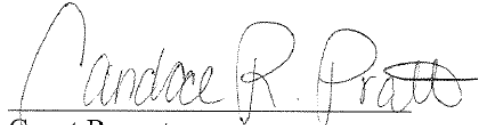
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I hereby certify that the foregoing proceedings, hearing held before David M. Barasch, was reported by me on 06/12/19 and that I, Candace R. Pratt, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 11th day of July, 2019

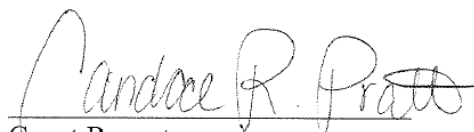

Court Reporter
Candace R. Pratt

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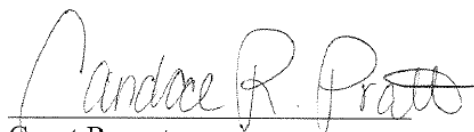

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