

BEFORE THE
 PENNSYLVANIA GAMING CONTROL BOARD

Re: Petition of Greenwood Gaming and Entertainment, Inc. for a Certificate to Conduct Sports Wagering and all of the Necessary Approvals and Authority to Conduct Sports Wagering in the Commonwealth :
 :
 : Docket No.
 :
 :
 :
 :

**MOTION OF GREENWOOD GAMING AND ENTERTAINMENT, INC.
 TO PROTECT CONFIDENTIAL INFORMATION**

Greenwood Gaming & Entertainment, Inc., d/b/a Parx Casino (“GGE”), pursuant to 58 Pa. Code § 493a.10a, respectfully submits this Motion to the Pennsylvania Gaming Control Board (“PGCB” or the “Board”) in order to protect confidential information contained in GGE’s Petition for a Certificate to Conduct Sports Wagering and all of the Necessary Approvals and Authority to Conduct Sports Wagering in the Commonwealth (the “Petition”) in the above-captioned matter. The Petition includes commercially sensitive information concerning GGE’s planned sports wagering operations and financial projections. Attached to the Petition are various confidential appendices that contain sensitive information, such as personal information of GGE’s principals and employees, financial information, security plans and policies, and information that reveals competitive strategies. Under Section 1206(f) of the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. § 1206(f) (the “Gaming Act”) and the Board’s regulations at 58 Pa. Code § 407a.3, such information is deemed confidential and protected from disclosure to the public. Consistent therewith, GGE files this Motion to ensure that its confidential information remains protected.

In further support of this Motion, GGE avers as follows:

1. GGE is a Category 1 slot machine licensee and certificate holder with a principal place of business located at 2999 Street Road, Bensalem, PA 19020.

2. GGE is simultaneously filing with the above captioned Motion a Petition for a Sports Wagering Certificate and all of the Necessary Approvals and Authority to Conduct Sports Wagering in the Commonwealth.

3. The Petition includes details regarding GGE's projected revenue and anticipated spend on salaries and benefits associated with positions created by its sports wagering operations. The Petition also includes financial information, a list of the sports wagering equipment, systems and services that will be utilized, and details regarding planned security procedures and systems to prevent threats to its sports wagering operation. Attached to the Petition are various confidential appendices that contain personal information of GGE's principals and employees, financial information, including GGE's financial statement and report of independent auditors, security plans and policies, a contractual agreement between GGE and Kambi subsidiary, Sports Information Services Limited, as well as agreements entered into by GGE and GAN plc for sports wagering services that reveal competitive marketing strategies.

4. Pursuant to Section 1206(f)(1) of the Gaming Act and Section 407a.3 of the Board's regulations, information submitted by a licensee pursuant to the sports wagering petition requirements shall be protected from public disclosure, if the information falls within certain enumerated categories of confidential information. Proprietary information, financial information, and security information are types of information designated as confidential by the General Assembly and the Board and are protected from disclosure. 4 Pa. C.S. § 1206(f)(1)(iii),(iv) and (viii); 58 Pa. Code § 407a.3(a)(2)-(3) and (5).

5. These provisions clearly afford protection to GGE's personal, financial, and security information, as well as proprietary information related to GGE's planned implementation of sports wagering submitted in conjunction with its Petition. Additionally, the Board has regularly designated and treated as confidential this information when provided in filings by slot machine licensees.

6. As such, this Motion has merit under the Gaming Act and the Board's regulations, and should be granted.

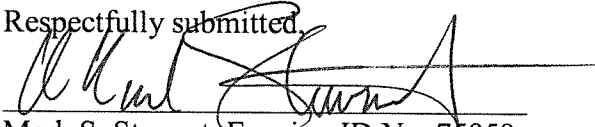
7. Attached to this Motion, as Exhibit A, is a copy of the Public Version of the Petition.

WHEREFORE, Greenwood Gaming and Entertainment, Inc. respectfully requests that the Board grant this Motion and protect the confidentiality of its Petition for a Sports Wagering Certificate to Conduct and all of the Necessary Approvals and Authority to Conduct Sports Wagering in the Commonwealth, including all appendices thereto, in the above-captioned matter.

Of Counsel:
Thomas C. Bonner
Vice President and General Counsel
Bryan Schroeder
Vice President of Regulatory Affairs
and Chief Compliance Officer
Parx Casino
2999 Street Road
Bensalem, PA 19020

Date: August 24, 2018

Respectfully submitted,



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Counsel for Greenwood Gaming &
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EXHIBIT A

PUBLIC VERSION

BEFORE THE
PENNSYLVANIA GAMING CONTROL BOARD

Re: Petition of Greenwood Gaming and :
Entertainment, Inc. for a Certificate to : Docket No.
Conduct Sports Wagering and all of the :
Necessary Approvals and Authority to :
Conduct Sports Wagering in the :
Commonwealth :

**PETITION OF GREENWOOD GAMING AND ENTERTAINMENT, INC.
FOR A SPORTS WAGERING CERTIFICATE AND ALL OF THE NECESSARY
APPROVALS AND AUTHORITY TO CONDUCT SPORTS WAGERING IN THE
COMMONWEALTH**

Pursuant to 4 Pa. C.S. § 13C12 and 58 Pa. Code § 1401.4, Greenwood Gaming & Entertainment, Inc. d/b/a Parx Casino (“GGE” or “Petitioner”) respectfully submits this Petition for a Sports Wagering Certificate and all of the Necessary Approvals and Authority to Conduct Sports Wagering in the Commonwealth (“Petition”). As set forth herein, GGE fully satisfies all of the statutory requirements for a Sports Wagering Certificate. In support of its Petition, GGE avers as follows:

I. INTRODUCTION AND SUMMARY

On October 30, 2017, Governor Wolf signed Act No. 42 of 2017 into law, which amends the Gaming Act to legalize the conduct of sports wagering by Pennsylvania slot machine licensees. Under the Act, in order to conduct sports wagering, a slot machine licensee must submit a petition and qualify for issuance of a Certificate. All slot machine licensees, including GGE, are authorized to submit a Petition and, upon meeting the operational standards, receive a Certificate.

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GGE is eminently suitable and qualified to receive a Certificate, and its conduct of sports wagering will provide substantial benefits to the public and the Commonwealth. GGE was one of the first licensed facilities in Pennsylvania to commence slot operations, and subsequently sought and received authorization to conduct table games. Since that time, GGE has maintained its license in good standing with the Board, consistently operated as the top performing and revenue generating casino in the Commonwealth, and created a vast array of jobs and economic opportunities for Pennsylvania residents and businesses. Most recently, GGE was also the first slot machine licensee to seek certification to conduct interactive gaming.

The success of GGE is demonstrative of its business experience and abilities within the gaming and wagering industries, and has resulted in substantial economic benefit to the Commonwealth and its citizens. GGE pays approximately \$250 million per annum in tax payments to state and local governments. GGE has benefited the local and state economies by employing over 2,000 people in its existing slot and table game operation and conducting hundreds of millions of dollars of business with vendors and related businesses. GGE has also made significant contributions to notable charitable and community efforts.

In addition, GGE's parent company, Greenwood Racing, Inc. ("GRI"), has substantial experience in pari-mutuel wagering, which is, essentially, a sports book. GRI, through its affiliates, has been operating live racing with pari-mutuel wagering since it purchased Philadelphia Park Racetrack in 1990. GRI's pari-mutuel wagering operations include on-track wagering, the operation of multiple Off Track Betting ("OTB") facilities, and online and telephone account wagering. As Pennsylvania's premier racing organization, GRI, through its affiliates, has consistently generated 50% of the pari-mutuel wagering handle for the entire Commonwealth.

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This collective past experience and success clearly renders GGE qualified to conduct sports wagering. Based on its performance to date, there can be no doubt that the conduct of sports wagering by GGE will significantly expand the positive economic impact the casino currently provides to the Commonwealth, its municipalities and residents. As detailed herein, GGE anticipates hiring approximately [REDACTED] new full-time employees and [REDACTED] part-time employees for the initial implementation effort.

As demonstrated by its ongoing success, GGE has the financial stability, integrity and responsibility to conduct sports wagering. [REDACTED]

[REDACTED]

GGE fully satisfies the requirements in the Gaming Act and the Board’s temporary regulations for the award of a Certificate. Finally, GGE respectfully urges the Board to review this Petition and grant its Certificate expeditiously so as to enable GGE to commence sports wagering in a timeframe that enables it to capture as much of the popular fall sports seasons and events as possible.

II. SPECIFIC SUPPORT

A. Petition Requirements

The Gaming Act at 4 Pa. C.S. § 13C12 and the Board’s regulations at 58 Pa. Code § 1401.4 establish the required contents of a sports wagering petition. Each of these requirements is set forth below.

1. The name of the Petitioner is Greenwood Gaming and Entertainment, Inc., d/b/a Parx Casino. GGE’s business address is 2999 Street Road, Bensalem, PA 19020. The contact person for purposes of this Petition is:

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ECKERT SEAMANS CHERIN & MELLOTT, LLC
213 Market Street, 8th Floor
Harrisburg, Pennsylvania 17101
Telephone: 717.237.6000
Fax: 717.237.6019

2. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. At this time, GGE has determined that the principals and employees identified in **CONFIDENTIAL** Appendix A will be involved in the conduct of sports wagering. The names, business addresses, job titles, and an indication of whether or not these principals and key employees are currently licensed by the Board is provided in Appendix A. The individuals'

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photographs are already on file and submitted to the Bureau of Licensing in connection with their current Board licensure.

5. GGE intends to offer all types of sports wagering, as permitted by Pennsylvania law and the Board's regulations.

6. GGE intends to offer a combination of land-based, mobile, and interactive sports wagering.

7. Petitioner does not intend to utilize a temporary facility for its land-based sports wagering operations or system.

8. GGE intends to offer land-based sports wagering at the South Philadelphia Turf Club [REDACTED]

[REDACTED] Along with this Petition, GGE is filing a separate Petition seeking authorization of sports wagering at the South Philadelphia Turf Club, [REDACTED]

9. GGE estimates that [REDACTED] full-time and [REDACTED] part-time employment positions will be created in conjunction with its sports wagering operations.

10. A hiring plan, in compliance with 4 Pa. C.S. § 1510(a), is included in **CONFIDENTIAL** Appendix B.

11. GGE's sports wagering operations will bring significant economic benefits to the Commonwealth. With regard to the new jobs specified Paragraph 9, GGE anticipates spending over [REDACTED] a year on salaries and benefits associated with the positions created by its sports wagering operation. In addition to job creation, GGE anticipates long-term economic benefits such as generating approximately [REDACTED] in tax revenue for the Commonwealth

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over the next five years and stimulating the local economy by increasing spending on various goods and services.

12. [REDACTED]
[REDACTED]
[REDACTED].

13. As is evident from its slot machine and table game operations, GGE has the financial stability, integrity and responsibility to conduct sports wagering. Attached hereto as **CONFIDENTIAL** Appendix C is GGE's most recent audited financial statement and report of independent auditors which were previously submitted to the Board pursuant to GGE's slot machine license annual reporting requirements. These documents provide clear and convincing evidence of the financial stability and responsibility of GGE.

14. Attached hereto as **CONFIDENTIAL** Appendix D is a copy of the [REDACTED]
[REDACTED]
[REDACTED].

15. GGE clearly has the experience and industry capabilities to develop, maintain and grow a successful sports wagering operation. The Gaming Act at 4 Pa. C.S. § 13C12 and the Board's regulations at 58 Pa. Code § 1401.4 explicitly state that the Board may consider the results of a petitioner's slot machine and table game operations in determining that the petitioner has the experience and ability required to conduct sports wagering. GGE's slot machine and table game operations at GGE Casino are among the very best in Pennsylvania, as its facility has consistently been a top performer in the state. Further, as noted above, GRI's decades of experience and success with racing-related pari-mutuel sports wagering operations provides additional evidence of its abilities in this area.

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16. [REDACTED]

17. Detailed site plans identifying the proposed sports wagering area and sports wagering restricted area, security and surveillance plans, and plans for compliance with the Clean Indoor Air Act will be provided as a supplement to the Petition and prior to the commencement of sports wagering operations.

18. [REDACTED] will provide integrity and risk management services to assist in identifying suspicious or illegal sports wagering activities. [REDACTED] proposed standards to protect the privacy and security of registered players are set forth in the [REDACTED] provided in **CONFIDENTIAL** Appendix F. [REDACTED]

CONFIDENTIAL Appendix G.

19. The sports wagering devices/equipment that will be utilized to manage, administer or control sports wagering operations or systems, as well as the identity of any third parties providing such devices/equipment, are as follows: [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

20. GGE will implement system and physical controls to ensure that all sports betting transactions are properly recorded and accounted. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]. GGE will certify daily as to the sports betting gross win. Gaming taxes will be paid to the Commonwealth via wire or ACH transfer on the frequency required by the Department of Revenue. The Board and Department of Revenue will have the ability to audit the system and reported revenues upon demand.

21. The commencement of sports wagering will not have any negative impact on the slot machine and table game counts at Parx.

22. The Board's Office of Compulsive and Problem Gambling ("OCPG") approved GGE's latest Compulsive & Problem Gambling ("CPG") Plan on February 1, 2018. With the implementation of sports wagering, GGE agrees to update certain aspects of its CPG Plan to encompass sports wagering, including its training program and its policies to prevent underage gambling and excluded, self-excluded and intoxicated persons from gambling. The preceding modifications will involve the addition of sports wagering employees in the responsible training program, as well as sports wagering personnel being aware of protocols to prevent underage gaming or gambling by excluded, self-excluded or intoxicated patrons. GGE will also need to provide additional locations for its treatment materials and information about problem gambling. GGE will submit these amendments to its CPG Plan prior to implementing sports wagering at Parx Casino.

B. Standard for Review

23. Section 13C13 of Act 42 of 2017 and the Board's temporary regulations at 58 Pa. Code § 1401.4 require that petitioners provide clear and convincing evidence that various requirements are met.

24. As demonstrated herein and in the accompanying appendices, GGE has met its burden.

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25. GGE is in good standing with the Board. The conduct of sports wagering by GGE will generate [REDACTED] dollars for the Commonwealth. GGE's conduct of sport wagering will result in [REDACTED] new jobs, most of which will be filled by Pennsylvania residents, and will result in substantial new economic activity.

26. [REDACTED]

[REDACTED]

[REDACTED]. Further, GGE's proposed surveillance and security measures will adequately protect the public and GGE's wagering operations.

27. Finally, as is evident from the ongoing success of GGE's slot, table game and racing operations, GGE has the financial stability, integrity and responsibility, as well as the experience and industry capabilities to conduct a vibrant sports wagering operation.

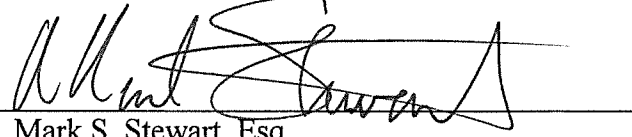
III. CONCLUSION

28. GGE's Petition fulfills all of the requirements of 4 Pa. C.S. § 13C12 and 58 Pa. Code § 1401.4. Furthermore, through this Petition and accompanying appendices, GGE has demonstrated by clear and convincing evidence that the relief requested in this Petition should be granted and that the Board should issue it a sports wagering certificate in a timely fashion.

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WHEREFORE, GGE respectfully requests that the Board grant this Petition, issue a Sports Wagering Certificate, and authorize it to conduct sports wagering in the Commonwealth.

Respectfully submitted,



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Bensalem, PA 19020

Attorneys for Greenwood Gaming and
Entertainment, Inc., d/b/a Parx Casino

Date: August 24, 2018

CERTIFICATE OF SERVICE

The undersigned counsel for Greenwood Gaming and Entertainment, Inc. hereby certifies that a true and correct copy of the foregoing document was served this date via first class mail, addressed as follows:

Cyrus Pitre, Chief Enforcement Counsel
Pennsylvania Gaming Control Board
303 Walnut Street/Strawberry Square
Verizon Tower, 5th Fl.
Harrisburg, PA 17101
cpitre@pa.gov

A handwritten signature in black ink, appearing to read "Mark S. Stewart", written over a horizontal line.

Mark S. Stewart, Esquire
Attorney for Greenwood Gaming
and Entertainment, Inc.

Dated: August 24, 2018