

BEFORE THE  
PENNSYLVANIA GAMING CONTROL BOARD

Re: Petition of Greenwood Gaming and :  
Entertainment, Inc. for the Necessary : Docket No. \_\_\_\_\_  
Approvals and Authority to Conduct :  
Sports Wagering at its South Philadelphia :  
Turf Club :

**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 the Necessary Approvals and Authority to Conduct Sports Wagering at its South Philadelphia Turf Club (the “Petition”) in the above-captioned matter. The Petition includes commercially sensitive information concerning GGE’s planned sports wagering operations at its South Philadelphia Turf Club. In addition, the Petition includes personal information of GGE’s employees as well as security plans and policies. Attached to the Petition is a confidential appendix providing detailed site plans identifying the proposed sports wagering area at the South Philadelphia Turf Club. 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 proprietary 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 the Necessary Approvals and Authority to Conduct Sports Wagering at its South Philadelphia Turf Club.

3. The Petition includes commercially sensitive information concerning GGE's planned sports wagering operations at its South Philadelphia Turf Club, including financial information, personal information of employees, anticipated spend on salaries and benefits associated with the positions created by sports wagering operations, and security information. Additionally, attached to the Petition is a confidential appendix providing detailed site plans identifying the proposed sports wagering area at the South Philadelphia Turf Club. The Petition also refers to and incorporates therein proprietary and commercially sensitive information that was provided in its Petition for a Certificate to Conduct Sports Wagering and all of the Necessary Approvals and Authority to Conduct Sports Wagering in the Commonwealth and attached appendices.

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 the Necessary Approvals and Authority to Conduct Sports Wagering at its South Philadelphia Turf Club, 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,

  
Mark S. Stewart, Esquire, ID No. 75958  
Sarah C. Stoner, ID No. 313793  
Eckert Seamans Cherin & Mellott LLC  
213 Market Street, 8<sup>th</sup> Fl.  
Harrisburg, PA 17101  
(717) 237-7191

Counsel for Greenwood Gaming &  
Entertainment, Inc.

# **EXHIBIT A**

**PUBLIC VERSION**

BEFORE THE  
PENNSYLVANIA GAMING CONTROL BOARD

Re: Petition of Greenwood Gaming and :  
Entertainment, Inc. for the Necessary : Docket No. \_\_\_\_\_  
Approvals and Authority to Conduct Sports :  
Wagering at its South Philadelphia Turf :  
Club :

**PETITION OF GREENWOOD GAMING AND ENTERTAINMENT, INC.  
FOR THE NECESSARY APPROVALS AND AUTHORITY TO CONDUCT  
SPORTS WAGERING AT ITS SOUTH PHILADELPHIA TURF CLUB**

Greenwood Gaming & Entertainment, Inc. d/b/a Parx Casino (“GGE” or “Petitioner”) respectfully submits this Petition, pursuant to 4 Pa. C.S. § 13C21, for the Necessary Approvals and Authority to Conduct Sports Wagering at its affiliated South Philadelphia Turf Club. Simultaneously with the filing of this Petition, GGE has filed a Petition for a Sports Wagering Certificate and all of the Necessary Approvals and Authority to Conduct Sports Wagering (“Certificate Petition”), in which it establishes its qualifications to conduct sports wagering in this Commonwealth, as well as a Petition to the State Horse Racing Commission for Approval to Renovate the South Philadelphia Turf Club to Accommodate Sports Wagering. Through this Petition, and consistent with Section 13C21(c)(1) of the Pennsylvania Race Horse Development and Gaming Act (“Gaming Act”), 4 Pa. C.S., GGE requests that the Pennsylvania Gaming Control Board (“PGCB” or “the Board”) grant all necessary approvals and authority to enable GGE to conduct sports wagering at its South Philadelphia Turf Club. Additionally, GGE respectfully requests that this Petition be considered in a timely fashion so that GGE may commence sports wagering at its licensed facility and its South Philadelphia Turf Club simultaneously.

In support of this Petition, GGE avers as follows:

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### **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. Act 42 of 2017 provides that certificate holders may conduct sports wagering at a licensed facility, a temporary facility authorized by the Board, and through an Internet-based system. In addition, the Act provides that the Board may approve a Category 1 slot machine licensee, which is also a licensed racing entity authorized to conduct pari-mutuel wagering at nonprimary locations, to conduct sports wagering at those nonprimary locations. 4 Pa. C.S. § 13C21(c)(1). The instant Petition seeks the Board's approval and authority to conduct sports wagering at one of the nonprimary locations affiliated with GGE, the South Philadelphia Turf Club.

As set forth in the Certificate Petition, GGE is eminently suitable and qualified to conduct sports wagering, and its sports wagering operations will provide substantial benefits to the public and the Commonwealth. Specifically as to the operation of nonprimary locations and the conduct of sports wagering in such facilities, GGE's parent company, Greenwood Racing, Inc. ("GRI"), is a leader in the North American wagering industry, owning and operating both thoroughbred and harness racetracks, off-track betting ("OTB") facilities and account wagering systems. GRI has top-notch facilities and equipment supporting its operations and highly experienced managers prepared to oversee sports wagering operations. 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 OTB facilities (including its South Philadelphia Turf Club),

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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.

A subsidiary of GRI, Keystone Turf Club, Inc. ("KTC"), is licensed by the State Horse Racing Commission under Act 114 of 2016 (3 Pa. C.S. Ch. 93) ("Act 114") to conduct pari-mutuel wagering at the South Philadelphia Turf Club, as well as certain other nonprimary locations. KTC intends to renovate the South Philadelphia Turf Club to accommodate sports wagering, and is seeking the State Horse Racing Commission's approval to make those renovations.

The South Philadelphia Turf Club, which is located in the heart of Philadelphia's major league sports complex, will be an ideal location for the conducting of sports wagering. The South Philadelphia Turf Club is situated in close proximity to Citizens Bank Park, home of the Philadelphia Phillies; Lincoln Financial Field, where the Philadelphia Eagles play; and just blocks from the Wells Fargo Center, home of the Philadelphia Flyers and the Philadelphia 76ers. The facility opened in July 1994 and underwent a 9,500 square foot expansion in July 2000. The 37,000 square foot South Philadelphia Turf Club offers high definition digital monitors. Located off of the Packer Avenue exits of both I-95 and I-76, the facility is ideally suited for a sports wagering operation as it is easily accessible to sports fans and travelers.

The primary consideration under the Gaming Act in authorizing the conduct of sports wagering at a nonprimary location is determining that such facility is equipped with adequate security and surveillance so as to ensure the integrity of sports wagering. 4 Pa. C.S. § 13C21(c)(2). As demonstrated herein, GGE's plans for implementing sports wagering at the South Philadelphia Turf Club fully satisfy this requirement. Finally, GGE respectfully urges the

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Board to review this Petition and grant the necessary approvals and authority so as to permit GGE to commence sports wagering at its South Philadelphia Turf Club simultaneously with the start of sports wagering operations at Parx Casino.

**II. SPECIFIC SUPPORT**

1. The Gaming Act, at 4 Pa. C.S. § 13C21(c)(1), provides that the Board may, in consultation with the State Horse Racing Commission, determine the suitability of a Category 1 licensed gaming entity that is also a licensed racing entity authorized to conduct pari-mutuel wagering at nonprimary locations to conduct sports wagering at those nonprimary locations.

2. Simultaneous with the submission of this Petition, GGE has filed with the Board its Certificate Petition, which fully addresses and substantiates GGE's suitability to conduct sports wagering under Chapter 13C of the Gaming Act, including conducting such wagering at all of the locations permitted under the Act. To the extent necessary, GGE incorporates herein by reference the averments in and exhibits to the Certificate Petition.

3. The scope of the instant Petition pertains only to the conduct of sports wagering at the South Philadelphia Turf Club. GGE has the ability, subject to State Horse Racing Commission approval, to operate and conduct pari-mutual wagering at six (6) nonprimary locations [REDACTED]

[REDACTED]

[REDACTED]

4. Currently, GGE employs [REDACTED] persons in a full or part-time capacity at the South Philadelphia Turf Club. Attached as **CONFIDENTIAL** Appendix A is a listing of positions currently maintained at the Turf Club, with a designation identifying those positions for which GGE proposes to seek cross licensure with the PGCB and the State Horse Racing Commission.



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5. GGE estimates that [REDACTED] full-time and [REDACTED] part-time employment positions will be created in conjunction with its sports wagering operations at the South Philadelphia Turf Club. A hiring plan is provided in **CONFIDENTIAL** Appendix B to GGE’s Certificate Petition.

6. Sports wagering operations at the South Philadelphia Turf Club will benefit not only the local economy, but also the Commonwealth. With regard to the new jobs specified in Paragraph 5, GGE anticipates spending over [REDACTED] a year on salaries and benefits associated with the positions created by its sports wagering operation at the South Philadelphia Turf Club. In addition to job creation, GGE anticipates long-term economic benefits, such as generating approximately [REDACTED] in tax revenue for the Commonwealth over the next 5 years, and stimulating the local economy by increasing spending on various goods and services.

7. [REDACTED]  
[REDACTED]  
[REDACTED] In **CONFIDENTIAL** Appendix C to its Certificate Petition, GGE provided the Board its 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.

8. Pursuant to Section 13C21(c)(2) of the Gaming Act, sports wagering may not be authorized in a nonprimary location unless the areas of the facility where sports wagering will be conducted are equipped with adequate security and surveillance equipment to ensure the integrity of the sports wagering.

9. A detailed site plan identifying the proposed sports wagering area at the South Philadelphia Turf Club is provided in **CONFIDENTIAL** Appendix B. The site plan identifies planned horse racing areas in blue and sports wagering areas in yellow. Nonetheless, no barriers

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or restrictions are planned, and patrons will be able to flow freely throughout both areas of the facility.

10. GGE will supplement the site plan to identify proposed camera locations for the new surveillance system that will be installed at the South Philadelphia Turf Club. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] These security officers will enforce the new admission policy, and engage in other measures to protect the public and ensure the integrity of the sports wagering and pari-mutuel wagering operations at the Turf Club.

11. Surveillance of the South Philadelphia Turf Club will be monitored by and at the [REDACTED] GGE will develop, and submit for approval to the Board prior to the commencement of sports wagering operations, detailed protocols and internal controls addressing how matters identified by the [REDACTED]

[REDACTED] As part of those protocols, GGE intends to [REDACTED]

[REDACTED]

[REDACTED].

12. GGE intends to install [REDACTED]

[REDACTED]. These devices, and all of equipment proposed to be utilized in GGE's sports wagering operations, are fully addressed in its Certificate Petition and the appendices thereto.

13. GGE will be altering the admission policies for the South Philadelphia Turf Club such that only persons age 21 or older may enter the nonprimary location.

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14. GGE will use the same accounting systems throughout the Commonwealth to account for sports wagering accounts, per-wager charges, transparency and reporting to the Board and the Pennsylvania Department of Revenue, distribution of revenue to the Commonwealth and winnings to registered players, and ongoing auditing and internal control compliance reviews. *See* **CONFIDENTIAL** Paragraph 20 and **CONFIDENTIAL** Appendices F and G to the Certificate Petition.

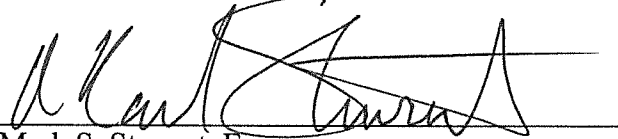
### III. CONCLUSION

15. GGE's plan for sports wagering operations at the South Philadelphia Turf Club provides for ample security and surveillance measures, will ensure appropriate operations that are consistent with the integrity of gaming in the Commonwealth, and will generate substantial economic benefits for the public and the Commonwealth. As such, this Petition satisfies the requirements set forth in 4 Pa. C.S. § 13C21(c)(1)-(2), and demonstrates that the relief requested in this Petition should be granted and that the Board should grant GGE the necessary approvals and authority to conduct sports wagering at its South Philadelphia Turf Club.

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**WHEREFORE**, GGE respectfully requests: (a) that the Board grant this Petition and approve and authorize GGE to conduct sports wagering at its South Philadelphia Turf Club, and (b) that the Petition be considered in a manner that permits GGE to commence sports wagering at its licensed facility and its South Philadelphia Turf Club simultaneously.

Respectfully submitted,



Mark S. Stewart, Esq.

(I.D. No. 75958)

Sarah C. Stoner, Esq.

(I.D. No. 313793)

Kristine E. Marsilio, Esq.

(I.D. No. 316479)

ECKERT SEAMANS CHERIN &

MELLOTT, LLC

213 Market Street, 8<sup>th</sup> Floor

Harrisburg, PA 17101

Telephone: 717.237.6000

Fax: 717.237.6019

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

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

**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, 5<sup>th</sup> Fl.  
Harrisburg, PA 17101  
[cpitre@pa.gov](mailto:cpitre@pa.gov)



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

Dated: August 24, 2018