

Levine, Staller, Sklar, Chan & Brown, P.A.
By: Michael D. Sklar, Esq. (Pa. Bar No. 76843)
3030 Atlantic Avenue
Atlantic City, New Jersey 08401
Phone: 609-348-1300
Fax: 609-345-2473
Attorneys for Mount Airy #1, LLC

**COMMONWEALTH OF PENNSYLVANIA
BEFORE THE PENNSYLVANIA GAMING CONTROL BOARD**

**IN RE: PETITION OF MOUNT AIRY #1,
LLC FOR THE ISSUANCE OF A
SPORTS WAGERING CERTIFICATE** :
: **LICENSE NO. F-1311**
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MOTION TO PROTECT CONFIDENTIAL INFORMATION

Mount Airy #1, LLC ("Mount Airy") through its counsel, respectfully submits this motion to the Pennsylvania Gaming Control Board ("Gaming Board") to deem certain information contained in Mount Airy's Petition for the Issuance of a Sports Wagering Certificate as confidential. In support of its motion, Mount Airy states:

1. Mt. Airy is the holder of a Category 2 Slot Machine License (License No. F-1311) which was issued on July 19, 2007 and most recently renewed by the Gaming Board on August 10, 2016.
2. On even date herewith, Mount Airy filed a Petition for the Issuance of a Sports Wagering Certificate (the "Petition").
3. 4 Pa. C.S. §1206(f) provides that certain "information submitted by an applicant, permittee, certificate holder, interactive gaming certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements), 1308(a.1) (relating to applications for license or permit), 13B12 (relating

to interactive gaming certificate required and content of petition), 13B14 (relating to interactive gaming operators), **13C12 (relating to petition requirements)** or 13F12 (relating to casino simulcasting permit) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure.” (emphasis added)

4. 4 Pa. C.S. §1206(f)(iii) provides that confidential information includes: “Information relating to proprietary information, trade secrets, patents or exclusive licenses, architectural and engineering plans and information relating to competitive marketing materials and strategies, which may include customer-identifying information or customer prospects for services subject to competition.” See also 58 Pa. Code § 407a.3(a)(2).

5. Based on these statutory provisions, certain information contained in the Appendices to the Petition is confidential, including information relating to business activities, proprietary data, financial information and competitive and strategic operational information.

6. 58 Pa. Code § 493a.10a. allows Petitioners to “designate information as confidential under §407a.3 (relating to confidential information) in any papers filed with the Clerk by filing a Motion to Protect Confidential Information.”

7. As detailed in the preceding paragraphs, the Petition contains information that is confidential pursuant to 4 Pa. C.S. §1206(f) and 58 Pa. Code § 407a.3. Counsel for Mount Airy has designated the portions of the Petition deemed confidential and a redacted copy of the Petition is attached hereto as Exhibit A.

WHEREFORE, for the foregoing reasons, Mount Airy respectfully requests that the Board issue a declaratory ruling that the redacted portions of the Petition as designated by Petitioner are confidential pursuant to 4 Pa. C.S. §1206(f) and 58 Pa. Code §§ 407a.3 and 493a.10a.

Respectfully submitted,



DATED: March 29, 2019

By: MICHAEL D. SKLAR, ESQUIRE
Pennsylvania Bar No. 76843

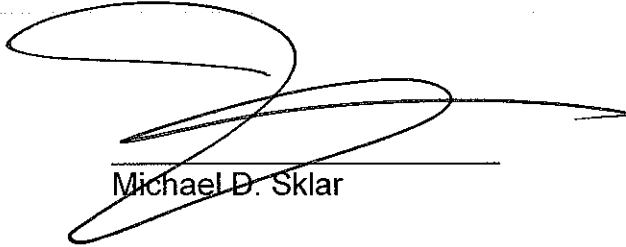
Levine, Staller, Sklar, Chan & Brown, P.A.
3030 Atlantic Avenue
Atlantic City, New Jersey 08401
Phone: 609-348-1300
Fax: 609-345-2473
Attorneys for Mount Airy #1, LLC

CERTIFICATE OF SERVICE

I certify that on March 29, 2019, I caused a copy of the attached Motion to

Protect Confidential Information of Mount Airy to be filed and served upon the following
by the indicated methods:

Via Electronic Filing
Pennsylvania Gaming Control Board
Clerk, Office of Hearings and Appeals
303 Walnut Street
2nd Floor, Strawberry Square
Harrisburg, PA 17101
boardclerk@pa.gov



Michael D. Sklar

Exhibit A

REDACTED

Levine, Staller, Sklar, Chan & Brown, P.A.
3030 Atlantic Avenue
Atlantic City, New Jersey 08401
Phone: 609-348-1300
Fax: 609-345-2473
Attorneys for Petitioner
Mount Airy #1, LLC

**COMMONWEALTH OF PENNSYLVANIA
BEFORE THE PENNSYLVANIA GAMING CONTROL BOARD**

IN RE: PETITION OF MOUNT AIRY #1, LLC FOR THE ISSUANCE OF A SPORTS WAGERING CERTIFICATE	:	LICENSE NO. F-1311
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**PETITION OF MOUNT AIRY #1, LLC FOR THE ISSUANCE
OF A SPORTS WAGERING CERTIFICATE
PURSUANT TO 4 Pa. C.S. §13C12 and 58 Pa. Code §1401.4**

NOW COMES, Mount Airy #1, LLC (hereinafter "Mount Airy"), a Category 2 Slot Machine licensee, having a place of business at 312 Woodland Road, Mount Pocono, Pennsylvania, by and through its attorneys, Levine, Staller, Sklar, Chan & Brown, P.A., by way of petition to the Pennsylvania Gaming Control Board (hereinafter "Board"), and submits this Petition pursuant to Section 13C12 of the Pennsylvania Race Horse Development and Gaming Act ("Gaming Act") and 58 Pa. Code §1401.4 and states:

1. Mount Airy is the holder of a Category 2 Slot Machine Operator License, License No. F-1311.
2. Pursuant to Section 13C12 of the Gaming Act and 58 Pa. Code §1401.4, a slot machine licensee may seek approval to conduct sports wagering by filing a petition for sports wagering certificate with the Board.

3. Section 1401.4 of the Board's Regulations requires a petitioner seeking authorization to conduct interactive gaming to address certain matters. All of the requirements are addressed herein as follows:

- a. The name, business address and contact information of the Petitioner is set forth in **Appendix 1**. See 58 Pa. Code §1401.4(b)(1).
- b. The name, business address and contact information of any affiliate, sports wagering operator or other person that will be party to an agreement with the Petitioner related to the operation of sports wagering on behalf of the Petitioner and a description of the services to be provided in **Appendix 2**. See 58 Pa. Code §1401.4(b)(2).
- c. The name and business address, job title and a photograph of each principal and key employee of the Petitioner who will be involved in the conduct of sports wagering and, whether or not the Principal or Key Employee is currently licensed by the Board, are set forth in **Appendix 3**. See 58 Pa. Code §1401.4(b)(3).
- d. A statement identifying what types of sports wagering the Petitioner intends to offer is set forth as **Appendix 4**. See 58 Pa. Code §1401.4(b)(4).
- e. A statement identifying whether the Petitioner intends to offer land-based sports wagering, mobile sports wagering, interactive sports wagering or a combination thereof is set forth in **Appendix 5**. See 58 Pa. Code §1401.4(b)(5).

- f. A statement identifying whether the Petitioner intends to utilize a temporary facility for its land-based sports wagering operations or system is set forth in **Appendix 6**. See 58 Pa. Code §1401.4(b)(6).
- g. If the Petitioner is a Category 1 slot machine licensee, a statement identifying whether the Petitioner intends to offer land-based sports wagering in a non-primary location is set forth in **Appendix 7**. See 58 Pa. Code §1401.4(b)(7).
- h. The estimated number of full-time and part-time employment positions that will be created as a result of sports wagering if a sports wagering certificate is issued is set forth in **Appendix 8**. See 58 Pa. Code §1401.4(b)(8).
- i. An updated hiring plan under section 1510(a) of the Pennsylvania Race Horse Development and Gaming Act, 4 Pa. C.S. §§ 1101, *et, seq.*, as amended (relating to hiring preferences), which outlines the Petitioner's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions is set forth in **Appendix 9**. See 58 Pa. Code §1401.4(b)(9).
- j. A brief description of the economic benefits expected to be realized by the Commonwealth if a sports wagering certificate is issued is set forth in **Appendix 10**. See 58 Pa. §1401.4(b)(10).
- k. The details of any financing obtained or that will be obtained to fund an expansion or modification of Petitioner's licensed facility to accommodate sports wagering and to otherwise fund the cost of

commencing sports wagering is set forth in **Appendix 11**. See 58 Pa. §1401.4(b)(11).

- I. Information and documentation concerning financial background and resources to establish the financial stability, integrity and responsibility of Petitioner is set forth in **Appendix 12**. See 58 Pa. §1401.4(b)(12).
- m. Information and documentation concerning the terms of any agreement with a sports wagering operator is set forth in **Appendix 13**. See 58 Pa. §1401.4(b)(13).
- n. Information and documentation to establish that the petitioner has sufficient business ability and experience to conduct a successful sports wagering operation, including but not limited to petitioner's history in slot machine and table game operations, employment data and capital investment in casino operations is set forth in **Appendix 14**. See 58 Pa. §1401.4(b)(14).
- o. Information and documentation to establish that the petitioner has or will have the financial ability to pay the sports wagering authorization fee is set forth in **Appendix 15**. See 58 Pa. §1401.4(b)(15).
- p. A detailed site plan identifying the proposed sports wagering area and sports wagering restricted area, including security and surveillance plans and plans relative to compliance with the provisions of the Gaming Act of June 13, 2008 (P.L. 182, No. 27) (the Clean Indoor Air Act) is set forth in **Appendix 16**. See 58 Pa. §1401.4(b)(16).
- q. An overview of all of the following are set forth in **Appendix 17**:

- i. Petitioner's initial system of internal and accounting controls applicable to sports wagering including the areas described in 58 Pa. §1401.4(b)(16). See 58 Pa. §1401.4(b)(17)(i).
 - ii. Petitioner's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players. See 58 Pa. §1401.4(b)(17)(ii).
 - iii. The sports wagering devices and associated equipment and mobile sports wagering and/or interactive sports wagering system or systems, that the Petitioner plans to or will utilize to manage, administer or control its sports wagering operations or systems as well as the identity of any third parties providing such devices and associated equipment. See 58 Pa. §1401.4(b)(17)(iii).
- r. A detailed description of accounting systems, including, but not limited to, accounting systems for all of the following is attached as **Exhibit 18**:
- i. Sports wagering accounts.
 - ii. Per-wager charges, if applicable.
 - iii. Transparency and reporting to the board and the department.
 - iv. Ongoing auditing and internal control compliance reviews.
- See 58 Pa. §1401.4(b)(18).
- s. A description outlining the impact of Petitioner's plans will have on the number of slot machines and table games in operation at its licensed

facility is attached in **Appendix 19** attached hereto. See 58 Pa. §1401.4(b)(19).

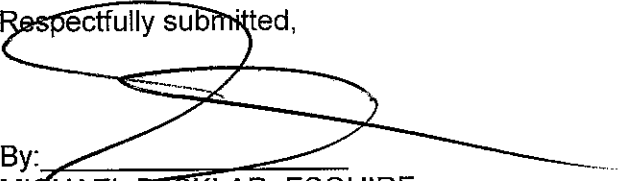
- t. An overview of any necessary additions to the Petitioner's Compulsive and Problem Gaming Plan necessitated by sports wagering is set forth in **Appendix 20** attached hereto. See 58 Pa. §1401.4(b)(20).

4. Based on the information contained herein and in the attached Appendices, and pursuant to 4 Pa. C. S. §13C12 and 58 Pa. §1401.4(b), Mount Airy requests that the Board issue a Sports Wagering Certificate to Mount Airy.

WHEREFORE, Mount Airy respectfully requests the Board to grant this Petition and issue a Sports Wagering Certificate to Mount Airy.

Respectfully submitted,

DATED: 3/29/2019

By: 
MICHAEL D. SKLAR, ESQUIRE
Pennsylvania Bar No. 76843

Levine, Staller, Sklar, Chan & Brown, P.A.
3030 Atlantic Avenue
Atlantic City, New Jersey 08401
Phone: 609-348-1300
Fax: 609-345-2473
Attorneys for Petitioner
Mount Airy #1, LLC

VERIFICATION

I, Michael Sklar, hereby state that the facts set forth in the foregoing Petition are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 P.C.S. §4904 (relating to unsworn falsification to authorities).

Date: March 29, 2019

A handwritten signature in black ink, appearing to be 'Michael D. Sklar', written over a horizontal line.

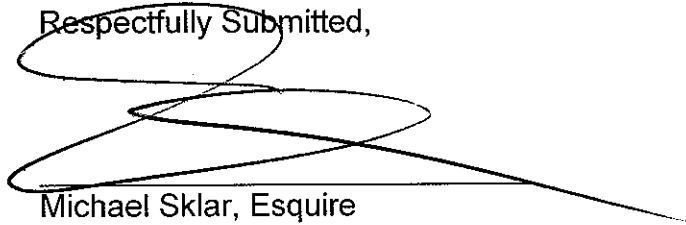
Michael D. Sklar

CERTIFICATION OF SERVICE

I hereby certify that on the 29th day of March, 2019, a true and accurate copy of the foregoing Petition was served upon the following by forwarding the same by e-mail:

Board Clerk
Office of the Clerk
Pennsylvania Gaming Control Board
2601 North 3rd Street, Suite 502
One Penn Center
Harrisburg, PA 17110-2060

Respectfully Submitted,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Michael Sklar, Esquire

Appendix 1

The name, business address and contact information of the Petitioner

Petitioner: Mount Airy #1, LLC

Category 2 Slot Operator License Number F-1311

Business Address: 312 Woodland Road

Mount Pocono, PA 18344

Contact Information: Vincent Jordan

Vice President of Marketing & Gaming Operations

Michael D. Sklar, Esquire

Gaming Counsel

Levine, Staller, Sklar, Chan & Brown, P.A.

3030 Atlantic Avenue

Atlantic City, NJ 08401

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████████████████████

Appendix 2

The name, business address and contact information of any affiliate, sports wagering operator or other person that will be a party to an agreement with the sports wagering certificate petitioner related to the operation of sports wagering on behalf of the sports wagering certificate petitioner and a description of the services to be provided.

TSG Interactive US Services Limited ("TSG US") is party to an agreement with Mount Airy #1, LLC d/b/a Mount Airy Casino Resort to the operation of interactive gaming and an interactive gaming system.

TSG US holds a license, granted by the Pennsylvania Gaming Control Board, as a Sports Wagering Operator.

TSG US business address is 1201 New Road, Suite 212, Linwood, NJ 08221.

TSG US is an indirect subsidiary of The Stars Group Inc., a leading provider of technology-based product offerings in the global gaming and interactive entertainment industries. The Stars Group's gaming business is its primary business and source of revenue and currently consists of the operations of Stars Interactive Holdings (IOM) Limited and its subsidiaries and affiliates (collectively, "Stars Interactive Group") the operations of Cyan Blue Topco Limited and its subsidiaries and affiliates (collectively, "Sky Betting & Gaming" or "SBG"), which it acquired in July 2018 (the "SBG Acquisition"), and the operations of TSG Australia Pty Ltd (formerly CrownBet Holdings Pty Limited) and its subsidiaries and affiliates.

The Stars Interactive Group is based in the Isle of Man and operates globally with certain exceptions; SBG is based in and primarily operates in the United Kingdom and BetEasy is based in and primarily operates in Australia.

Through its online betting and gaming businesses, The Stars Group owns and operates gaming and related interactive entertainment businesses, such as online real-money poker, casino and sports betting (also known as sportsbook) and play-money poker and casino, which are delivered through both mobile and desktop applications and web. The Stars Group offers these products directly or indirectly under several ultimately owned or licensed gaming and related consumer businesses and brands, including, among others, *PokerStars*, *PokerStars Casino*, *BetStars*, *Full Tilt*, *BetEasy*, *Sky Bet*, *Sky Vegas*, *Sky Casino*, *Sky Bingo*, *Sky Poker*, and *Oddschecker*, as well as live poker tour and events brands, including the *PokerStars Players No Limit Hold'em Championship*, *European Poker Tour*, *PokerStars Caribbean Adventure*, *Latin American Poker Tour*, *Asia Pacific Poker Tour*, *PokerStars Festival* and *PokerStars MEGASTACK* live poker tour and event brands.

Appendix 3

The name and business address, job title and a photograph of each principal and key employee of the sports wagering petitioner who will be involved in the conduct of sports wagering and, whether or not the principal or key employee is currently licensed by the board.

Please see Exhibits 3A and 3B attached hereto.

Appendix 4

A statement identifying what types of sports wagering the sports wagering certificate petitioner intends to offer.

Petitioner intends to offer all types of Sports wagering, as permitted by the Board.

Appendix 5

A statement identifying whether the sports wagering petitioner intends to offer land-based sports wagering, mobile sports wagering, interactive sports wagering or a combination thereof.

Petitioner, Mount Airy #1, LLC, d/b/a Mount Airy Casino, intends to offer all three categories of sports wagering, to wit: (1) land-based sports wagering; (2) mobile based sports wagering; and (3) interactive sports wagering.

Appendix 6

A statement identifying whether the sports wagering petitioner intends to utilize a temporary facility for its land-based sports wagering operations or system.

Petitioner intends to offer sports wagering at Mount Airy Resort Casino through self-service kiosks located on the gaming floor in areas depicted on Exhibit 16.

Appendix 7

If the petitioner is a Category 1 slot machine licensee, a statement identifying whether the sports wagering petitioner intends to offer land-based sports wagering in a non-primary location.

Petitioner holds a Category 2 license, so this question is not applicable.

Appendix 8

The estimated number of full-time and part-time employment positions that will be created as a result of sports wagering if a sports wagering certificate is issued.

Please see Exhibits 8A and 8B attached hereto.

Appendix 9

An updated hiring plan under section 1510(a) of the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §§ 1101, *et seq.*, as amended (related to labor hiring preferences), which outlines the sports wagering certificate petitioners plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

Attached hereto as Exhibits 9A and 9B, respectively, are Mount Airy's updated Hiring Plan and TSG's Equality and Diversity Policy.

Appendix 10

A brief description of the economic benefits expected to be realized by the Commonwealth if a sport wagering certificate is issued.

It is anticipated that the addition of sports wagering will enhance the Mt. Airy facility, increasing its competitiveness in the regional gaming market by providing a significant amenity for gaming patrons. Mt. Airy will endeavor to market to the online sports wagering customers in order to drive additional traffic to the land-based facility.

If sports wagering is authorized at the Mt. Airy facility, significant economic benefits will be realized by the Commonwealth and Commonwealth residents, including increased tax revenue for the commonwealth and the resulting reduction of taxes on the Commonwealth's citizens. The projected tax revenue to be generated by land-based and mobile sports wagering in a mature market, which we expect to take approximately 3 years to reach, is estimated at [REDACTED]. See Exhibit 10 attached hereto.

Appendix 11

The details of any financing obtained or that will be obtained to fund an expansion or modification of the sports wagering certificate petitioner's licensed facility to accommodate sports wagering and to otherwise fund the cost of commencing sports wagering.

[REDACTED]

Appendix 12

Information and documentation concerning background and resources to establish the financial stability, integrity and responsibility of the sports wagering petitioner

On or about [REDACTED], Mount Airy's 2018 Audited Financial Statements were provided to the Board.

Please refer to The Stars Group Inc.'s Financial Statements filed with the Toronto Stock Exchange and NASDAQ, and previously filed with the Board and available at <http://www.starsgroup.com/the-stars-group/investor-relations/financial-and-corporate-information>.

Appendix 13

Information and documentation concerning the terms of any agreement with a sports wagering operator.

[REDACTED]

Appendix 14

Information and documentation to establish that the sports wagering certificate petitioner has sufficient business ability and experience to conduct a successful sports wagering operation, including but not limited to, the sports wagering certificate petitioner's history in slot machine and table game operations, employment data and capital investment in casino operations.

Mt. Airy Resort & Casino

Mt. Airy has a seasoned and experienced management team that has developed and operated a first class gaming destination resort in Mount Pocono, Pennsylvania. Attached as **Exhibit 14** is a spreadsheet containing employment data as of December 31, 2018. Since commencing operations in October 2007 through December 31, 2018, Mt. Airy has generated approximately \$1.67 billion in Gross Terminal Revenue and approximately \$361 million in Gross Table Revenue. Mt. Airy has paid over \$1.03 billion in state gaming taxes and over \$143 million in local share assessment taxes. Mt. Airy has invested approximately \$375 million in capital in its property and operation.

TSG

The Stars Group is a leading provider of technology-based product offerings in the global online gaming industry. The Group's gaming business is its primary source of revenue and currently consists of the operations of Stars Interactive Holdings and CrownBet Holdings Pty Limited, in which it acquired a majority equity interest in February 2018. Additionally, in July 2018 The Stars Group acquired Sky Betting & Gaming, one of the United Kingdom's leading online sportsbooks and gaming providers, a transformative transaction.

With \$2.4bn in pro forma revenues for 2017, and a dual listing in the Toronto Stock Exchange as well as in NASDAQ, The Stars Group is the world's largest publicly traded online gaming company by revenue. The corporation employs over 4,000 staff spread across multiple offices in seven different countries. The Group is a big proponent of online gaming regulation around the world, and a key component of its global corporate strategy is to work with relevant stakeholders in order to create successful regulated markets. With gaming licenses or operating approvals in 18 jurisdictions around the globe, the Group takes great pride in being the world's most regulated online gaming company.

Through its brand portfolio, the Group has proven competencies in online poker, online casino and online sports betting. The group's main online poker brand, PokerStars, is estimated to hold circa 70% of the global market share of global poker liquidity. The group's main online casino brand is amongst the largest casinos in the world when measured by active players, and, with the acquisition of Sky Betting and Gaming, the group will include a leading online sportsbook in the world's largest online gaming in its offering. All of the group's main brands have been recognized multiple times as top performers by industry peers as well as customers.

In the United States, the Group offers interactive gaming to patrons physically present in New Jersey through an agreement entered into with Resorts Casino Hotel in Atlantic City, New Jersey and Resorts Digital Gaming, LLC, the interactive affiliate of Resorts Casino Hotel. The Group launched its New Jersey offering in March of 2016 after the New Jersey Division of Gaming Enforcement issued it a transactional waiver to commence operations. NJDGE transactional waivers are renewable every six months.

Appendix 15

Information and documentation that the sports wagering certificate petitioner has or will have the financial ability to pay the sports wagering authorization fee.

[REDACTED]

Appendix 16

Detailed site plans identifying the proposed sports wagering area and sports wagering restricted area, including security and surveillance plans and plans relative to compliance with the provisions of the act of June 13, 2008 (the Clean Indoor Air Act).



Appendix 17

An overview of the following:

Appendix 17(i)

The sports wagering certificate petitioner's initial system of internal and accounting controls applicable to sports wagering including the areas described in 58 Pa. Code §1401.4(b)(16).

Please see Exhibit 17A.

Appendix 17(ii)

The sports wagering certificate petitioner's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

Please see Exhibit 17B.

Appendix 17(iii)

The sports wagering devices and associated equipment and mobile sports wagering and/or interactive sports wagering system or systems, that the sports wagering certificate petitioner plans to or will utilize to manage, administer or control its sports wagering operations or systems as well as the identity of any third parties provided such devices and associated equipment.

Please see Exhibit 17C.

Appendix 18

A description of accounting systems, including, but not limited to, accounting systems for all the following:

■ [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

■ [REDACTED]

[REDACTED]

■ [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

■ [REDACTED]

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Appendix 19

A description outlining the impact of sports wagering petitioner's plans will have on the number of slot machines and table games in operation at its licensed facility.

None.

Appendix 20

An overview of any necessary additions to the petitioner's Compulsive and Problem Gaming Plan necessitated by sports wagering.

Please see Exhibit 20 attached hereto.