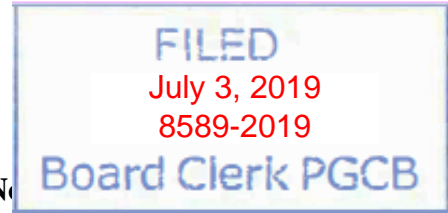


COMMONWEALTH OF PENNSYLVANIA
GAMING CONTROL BOARD



IN RE: WASHINGTON TROTTING
ASSOCIATION, LLC

OHA Dkt. No.

PETITION FOR SPORTS WAGERING
CERTIFICATE

PETITION FOR SPORTS WAGERING CERTIFICATE

Petitioner, WASHINGTON TROTTING ASSOCIATION, LLC (“WTA”), a wholly-owned subsidiary of PENN NATIONAL GAMING, INC. (“Penn”), by way of the instant petition to the Pennsylvania Gaming Control Board (“Board”), by and through its undersigned counsel, respectfully petitions the Board, pursuant to 4 Pa. C.S. §13C12 and 58 Pa. Code Ch. 1401, for WTA to be approved for a sports wagering certificate. In support hereof, Petitioner avers as follows.

I. Introduction and Background

Following the U.S. Supreme Court’s decision in *Murphy v. NCAA* striking down the Professional and Amateur Sports Protection Act as unconstitutional, the regulatory landscape for sports wagering in the United States has evolved dramatically. U.S. jurisdictions that have recently legalized sports wagering in addition to the Commonwealth include Arkansas, the District of Columbia, Illinois, Indiana, Iowa, Mississippi, Montana, New Jersey, Oregon, Rhode Island, Tennessee, and West Virginia.

This expansion of sports wagering across the country has particular importance for Penn as the leading U.S. regional gaming operator with 42 properties in 19 U.S. jurisdictions, several of which have legalized sports wagering or are considering legislation to legalize sports wagering. Accordingly, Penn has developed a national sports wagering business strategy whereby [REDACTED]

[REDACTED]

1 [REDACTED]

2 MTRA's Category 4 slot machine license application for Hollywood Casino Morgantown was granted on June 12, 2019 while its application for Hollywood Casino York remains pending and awaiting the submission by MTRA of certain additional information requested by the Office of Enforcement Counsel.

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

4. The business address and point of contact for [REDACTED]
[REDACTED]. 58 Pa. Code § 1401.4(b)(2).
5. At this time, WTA has determined that the principals and key employees identified in Exhibit “A” will be involved in the conduct of sports wagering. 4 Pa. C.S. § 13C12(b)(2); 58 Pa. Code § 1401.4(b)(3).
6. A description of the types of sports wagering that WTA intends to offer is in Confidential Exhibit “B”. 58 Pa. Code § 1401.4(b)(4).
7. WTA intends to offer land-based sports wagering, mobile sports wagering, and interactive sports wagering. 58 Pa. Code § 1401.4(b)(5).
8. WTA does not intend to use a temporary facility for its sports wagering operations on site at the Meadows. Depending on the final construction schedule, WTA may use a temporary location near the permanent location to accommodate light construction in the permanent location. 58 Pa. Code § 1401.4(b)(6).
9. At this time, WTA has not made a final determination with respect to sports wagering at its non-primary locations. 58 Pa. Code § 1401.4(b)(7).
10. WTA estimates that sports wagering at the Meadows will create approximately [REDACTED]
[REDACTED] at the Meadows. 58 Pa. Code § 1401.4(b)(8).
11. An updated hiring plan for the Meadows pursuant to 4 Pa. C.S. § 1510(a) is attached hereto as Confidential Exhibit “C”. 58 Pa. Code § 1401.4(b)(9).
12. A brief description of the economic benefits expected to be realized by the Commonwealth, its municipalities and its residents as a result of WTA’s sports wagering operations is in Confidential Exhibit “D”. 4 Pa. C.S. § 13C12(b)(3); 58 Pa. Code § 1401.4(b)(10).

13. A description of the financing for modifications to WTA's licensed facility to accommodate sports wagering is in Confidential Exhibit "E". 4 Pa. C.S. § 13C12(b)(4); 58 Pa. Code § 1401.4(b)(11).

14. Information concerning WTA's financial background and resources is in Confidential Exhibit "F". 4 Pa. C.S. § 13C12(b)(5); 58 Pa. Code § 1401.4(b)(12).

15. A copy of the WTA's written agreement with [REDACTED] will be supplied in a supplemental filing. 58 Pa. Code § 1401.4(b)(13).

16. Information concerning WTA's business ability and experience to conduct a successful sports wagering operation is in Confidential Exhibit "H". 4 Pa. C.S. § 13C12(b)(6); 58 Pa. Code § 1401.4(b)(14).

17. A demonstration of WTA's ability to pay the sports wagering authorization fee is in Confidential Exhibit "I". 4 Pa. C.S. § 13C12(b)(7); 58 Pa. Code § 1401.4(b)(15).

18. Site plans identifying the proposed sports wagering area at the Meadows where sports wagering operations will be managed, administered or controlled are attached hereto as Confidential Exhibit "J". 4 Pa. C.S. § 13C12(b)(8); 58 Pa. Code § 1401.4(b)(16).

19. An overview of WTA's initial system of internal and accounting controls relative to sports wagering, proposed standards to protect the privacy and security of registered players, and sports wagering devices and associated equipment and mobile sports wagering and/or interactive sports wagering system or systems is in Confidential Exhibit "K". 58 Pa. Code § 1401.4(b)(17).

20. A description of WTA's accounting systems applicable to sports wagering is in Confidential Exhibit "L". 58 Pa. Code § 1401.4(b)(18).

21. WTA's sports wagering operations are not expected to have an impact on the number of slot machines or table games in operation at its licensed facility. 58 Pa. Code § 1401.4(b)(19).⁵

22. An overview of the necessary additions to WTA's Compulsive and Problem Gambling Plan necessitated by sports wagering is in Confidential Exhibit "M". 58 Pa. Code § 1401.4(b)(20).

23. Accompanying this Petition is a check in the amount of \$5,000 for the deposit towards the costs of investigations and proceedings associated with receipt of, processing, review and investigation of this *Petition*.

WHEREFORE, based on the foregoing, Petitioner respectfully requests that the Board (i) GRANT this *Petition*, subject to customary conditions, (ii) APPROVE WTA for a sports wagering certificate to offer sports wagering as described herein, (iii) MARK the *Petition* as containing confidential information and (iv) ORDER that the confidential information be PROTECTED FROM DISCLOSURE under 4 Pa. C.S. § 1206(f)(1) in accordance with Joint Petitioners' *Motion to Protect Confidential Information*; and (iv) grant such other relief as the Board may deem appropriate.

⁵ Independent of WTA's plans to add sports wagering at the Meadows, WTA recognizes that it presently supplies substantially more slot machines on its gaming floor than necessary or appropriate to serve customer demand. This excess supply of slot machines is costly to maintain and power. As such, WTA filed a petition to reduce the number of slot machines on its gaming floor to better meet customer demand, save unnecessary expense and improve the customer experience by removing congestion on the gaming floor and further separating the smoking and non-smoking areas of the gaming floor.

Respectfully submitted,

Dated: July 3, 2019

/s/ Michael D. Fabius

Adrian R. King, Jr. (PA ID No. 69315)

Michael D. Fabius (PA ID No. 206393)

Ballard Spahr LLP

1735 Market Street, 51st Floor

Philadelphia, PA 19073

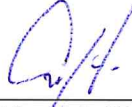
(215) 665-8500

Counsel for Petitioner

VERIFICATION

I, Alex M. Hvizda, hereby state that I am Director of Compliance for Petitioner, that I have read the foregoing Petition, that the factual statements made therein are true and correct to the best of my knowledge, information and belief, and that false statements made herein are subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

Dated: July 3, 2019



Alex M. Hvizda

CERTIFICATE OF SERVICE

I, Michael D. Fabius, hereby certify that on July 3, 2019, I caused a true and correct copy of the foregoing petition, to be served by electronic mail upon the following:

Pennsylvania Gaming Control Board
Bureau of Hearings and Appeals
Office of the Board Clerk
Strawberry Square Complex, 2nd Floor
P. O. Box 69060
Harrisburg, Pennsylvania 17101
boardclerk@pa.gov

Cyrus Pitre, Chief Enforcement Counsel
Pennsylvania Gaming Control Board
303 Walnut Street/Strawberry Square
Commonwealth Tower/10th Floor
Harrisburg, PA 17101
cpitre@pa.gov

/s/ Michael D. Fabius
Michael D. Fabius (PA ID No. 206393)
Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19073
(215) 665-8500

**COMMONWEALTH OF PENNSYLVANIA
GAMING CONTROL BOARD**

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	:	OHA Dkt. No. # _____
	:	
PETITION FOR SPORTS WAGERING CERTIFICATE	:	
	:	
	:	

ORDER

AND NOW, this _____ day of _____, 2019, it is hereby ORDERED that the above-referenced *Petition* is GRANTED, Washington Trotting Association, LLC is APPROVED for a sports wagering certificate to offer sports wagering as described in the above-referenced *Petition*, the above-referenced *Petition* is MARKED as containing confidential information and the confidential information is PROTECTED FROM DISCLOSURE under 4 Pa. C.S. § 1206(f)(1);

BY THE BOARD:

David M. Barasch
Chairperson

CONFIDENTIAL ATTACHMENT AND EXHIBITS

	<u>STATUTORY REFERENCE</u>	<u>REGULATORY REFERENCE</u>
A	4 Pa. C.S. §13C12(b)(2)	58 Pa. Code §1401.4(b)(3)
B	N/A	58 Pa. Code §1401.4(b)(4)
C	N/A	58 Pa. Code §1401.4(b)(9)
D	4 Pa. C.S. §13C12(b)(3)	58 Pa. Code §1401.4(b)(10)
E	4 Pa. C.S. §13C12(b)(4)	58 Pa. Code §1401.4(b)(11)
F	4 Pa. C.S. §13C12(b)(5)	58 Pa. Code §1401.4(b)(12)
G	N/A	58 Pa. Code §1401.4(b)(13)
H	4 Pa. C.S. §13C12(b)(6)	58 Pa. Code §1401.4(b)(14)
I	4 Pa. C.S. §13C12(b)(7)	58 Pa. Code §1401.4(b)(15)
J	4 Pa. C.S. §13C12(b)(8)	58 Pa. Code §1401.4(b)(16)
K	N/A	58 Pa. Code §1401.4(b)(17)
L	N/A	58 Pa. Code §1401.4(b)(18)
M	N/A	58 Pa. Code §1401.4(b)(20)

EXHIBIT "A"

4 Pa. C.S. §13C12(b)(2)
58 Pa. Code §1401.4(b)(3)

Identified Principals and Key Employees

For Penn and its affiliates, Petitioners have identified the following individuals as principals and key employees involved in sports wagering.

Jon Kaplowitz	Head of Penn Interactive
Scot McClintic	VP, Head of Sportsbook
Erich Zimny	Head of Retail Sportsbook Ops
Josh Pearl	Head of Interactive Sportsbook Ops

*Existing principals and key employees of WTA are omitted from this list.

WTA's interactive sports wagering operator has or will identify its principals and key employee's to the Board's Bureau of Licensing.