

**BEFORE THE  
PENNSYLVANIA GAMING CONTROL BOARD**

**In Re: Petition of Greenwood Gaming and Entertainment, Inc. for Approval of Authorization to Conduct Interactive Gaming and Issuance of an Interactive Gaming Certificate** :  
: **Docket No.** \_\_\_\_\_  
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:

**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 Approval of Authorization to Conduct Interactive Gaming and Issuance of Interactive Gaming Certificate (the “Petition”) in the above-captioned matter. The Petition includes commercially sensitive information concerning GGE’s planned interactive gaming operations and financial projections. Attached to the Petition are various confidential appendices that contain sensitive information such as internal and accounting controls, security plans and policies, equipment and usage protocols, and information that reveals competitive marketing 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 Approval of Authorization to Conduct Interactive Gaming and Issuance of an Interactive Gaming Certificate.

3. The Petition includes details regarding GGE's projected revenue and anticipated spend on salaries and benefits associated with positions created by its interactive gaming operation. The Petition also includes details regarding planned security procedures and systems to prevent threats to its interactive gaming system. Attached to the Petition are various confidential appendices that contain GGE's financial statement and report of independent auditors, security information, including risk prevention and disaster recovery plans, equipment and usage protocols, accounting systems, and contractual agreements with GAN plc ("GAN") for interactive gaming 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 obtained by the Board as part of an investigation related to a licensee is confidential, and shall be protected from public disclosure, if the information falls within certain enumerated categories of confidential information. Proprietary information, financial information, security information are types of information designated as confidential by 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 financial information, accounting and internal controls relating to interactive gaming, security information, anticipated equipment and usage protocols, and proprietary information regarding to its planned implementation of interactive gaming submitted in conjunction with its Petition. The financial data, security plans, anticipated equipment, and various internal and accounting controls consist

of information that the Board has regularly designated and treated as confidential in filings by slot machine licensees.

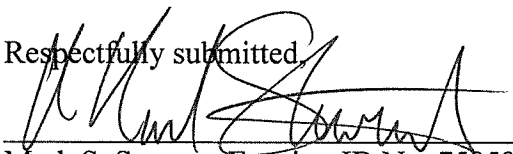
6. As such, this Motion has merit under the Gaming Act and the Board's regulations, and should be granted.

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 Approval of Authorization to Conduct Interactive Gaming and Issuance of an Interactive Gaming Certificate, 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: July 12, 2018

Respectfully submitted,  
  
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# **EXHIBIT A**

**BEFORE THE  
PENNSYLVANIA GAMING CONTROL BOARD**

<b>In Re: Petition of Greenwood Gaming and Entertainment, Inc. for Approval of Authorization to Conduct Interactive Gaming and Issuance of an Interactive Gaming Certificate</b>	:	
	:	<b>Docket No.</b>
	:	
	:	
	:	

**PUBLIC VERSION**

**PETITION OF GREENWOOD GAMING AND ENTERTAINMENT, INC.  
FOR APPROVAL OF AUTHORIZATION TO CONDUCT INTERACTIVE  
GAMING AND ISSUANCE OF AN INTERACTIVE GAMING CERTIFICATE**

Greenwood Gaming and Entertainment, Inc., d/b/a Parx Casino (“GGE” or “Parx Casino” or “Petitioner”) submits this Petition pursuant to Section 13B12 of the Pennsylvania Race Horse Development and Gaming Act (“Gaming Act”), 4 Pa. C.S. §13B12, requesting the Board to grant this Petition and issue an Interactive Gaming Certificate authorizing GGE to conduct interactive gaming. GGE intends to offer the following categories of interactive games: (1) peer-to-peer interactive games; (2) non-peer-to-peer interactive games which simulate slot machines; and (3) non-peer-to-peer interactive games which simulate table games. As set forth herein, GGE fully satisfies all of the statutory requirements for the award of an Interactive Gaming Certificate (“Certificate”), and the Certificate should be issued by the Board to GGE in a timely fashion.

**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 interactive gaming by Pennsylvania slot machine licensees. Under the Act, in order to conduct interactive gaming, 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.

GGE is eminently suitable and qualified to receive a Certificate, and its conduct of interactive gaming 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.

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 online pari-mutuel account wagering. As Pennsylvania's premier racing organization, GRI, through its affiliates, has conducted account wagering, telephonically and via the Internet, for decades. During this period, GRI has consistently generated 50% of the account wagering handle for the entire Commonwealth.

This collective past experience and success clearly renders GGE qualified to conduct interactive gaming. Based on its performance to date, there can be no doubt that the conduct of interactive gaming by Parx Casino 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 interactive gaming. [REDACTED]

[REDACTED]

GGE fully satisfies the requirements in the Gaming Act and the Board's temporary regulations for the award of a Certificate and respectfully urges the Board to grant its Certificate expeditiously.

## **II. SPECIFIC SUPPORT**

### **A. Petition Requirements**

Section 13B12 establishes the required contents of an interactive gaming petition.

Each of these requirements is set forth below.

- 1. Requirement # 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:

Mark Stewart, Esq.  
Eckert Seamans Cherin & Mellott, LLC  
213 Market St., 8th Fl.  
Harrisburg, PA 17101  
717.237.7191 (o)  
717.237.6019 (fax)  
[mstewart@eckertseamans.com](mailto:mstewart@eckertseamans.com)

2. **Requirement #2** – GGE has entered into an agreement with GAN plc (“GAN”) under which GAN would provide an interactive gaming system on behalf of GGE. The business address of GAN is 10801 W. Charleston Blvd., Suite 125, Summerlin, NV 89315. The contact person for GAN is as follows:

Stephen D. Schrier, Esq.  
Blank Rome LLP  
One Logan Square  
130 North 18th Street  
Philadelphia, PA 19103  
215.569.5651 (o)  
215.569.5555 (fax)  
[schrier@blankrome.com](mailto:schrier@blankrome.com)

3. **Requirement #3** – At this time, GGE has determined that the principals and employees identified in **CONFIDENTIAL** Appendix A will be involved in the conduct of interactive gaming. The first name, last name, job title, Board license number and business address of those principals and key employees is provided in Appendix A. The individuals’ photographs are already on file and submitted to the Bureau of Licensing in connection with their current Board licensure.

4. **Requirement #4** – The principals and employees of GAN identified in **CONFIDENTIAL** Appendix B will conduct an interactive gaming system on behalf of GGE. The first name, last name, job title and business address for these principal and key employees is provided in Appendix B. The individuals’ photographs will be included in GAN’s application for an interactive gaming operator license. The business address for GAN’s principals and employees is 10801 W. Charleston Blvd., Suite 125, Summerlin, NV 89315.

5. **Requirement #4.1** – GGE intends to offer the following categories of interactive games: (1) peer-to-peer interactive games; (2) non-peer-to-peer interactive games which simulate slot machines; and (3) non-peer-to-peer interactive games which simulate table games.



6. **Requirement #5** – An itemized list of the interactive games, identified by the Provider, Game Title and Device Availability that GGE plans to offer through its interactive gaming website for which authorization is being sought is attached hereto as **CONFIDENTIAL** Appendix C. This is a non-exhaustive list and represents the interactive games that GGE currently plans to offer. GGE reserves the right to supplement this list as more interactive games become available.

7. **Requirement #6** – GGE estimates that, excluding employees hired by GAN, [REDACTED] full-time and [REDACTED] part-time employment positions will be created in conjunction with its interactive gaming operations. A hiring plan, in compliance with 4 Pa. C.S. § 1510(a), is included in **CONFIDENTIAL** Appendix D.

8. **Requirement #7** – GGE’s interactive gaming operations will bring significant economic benefits to the Commonwealth. With regard to the new jobs specified in Appendix D, GGE anticipates spending [REDACTED] a year on salaries and benefits associated with the positions created by its interactive gaming operation. 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 five years and stimulating the local economy by increasing spending on various goods and services.

9. **Requirement #8** – [REDACTED]  
[REDACTED]  
[REDACTED]

10. **Requirement #9** – As is evident from its slot machine and table game operations, GGE has the financial stability, integrity and responsibility to conduct interactive gaming. Attached hereto as **CONFIDENTIAL** Appendix E is GGE’s most recent financial statement and

report of independent auditors which were 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.

11. GAN also has the requisite financial stability, integrity and responsibility to operate an interactive gaming system on behalf of GGE, as it continues to be at the forefront of innovation and growth in the gaming market. GAN is registered with the Board as a publicly traded gaming service provider, and is also licensed as a Casino Service Industry Enterprise in New Jersey. It is involved in operating two real money online casinos in Atlantic City. GAN has a mature model for handling client funds and has a standard set of system account reports. Attached in **CONFIDENTIAL** Appendix F is a copy of the following interactive gaming agreements entered into by GGE and GAN: (i) Short Form Agreement dated July 18, 2014; (ii) Terms and Conditions of Agreement dated November 14, 2014; (iii) Supplemental Agreement dated December 12, 2016; and (iv) a GAN Statement of Work that was executed in February 2018.

12. **Requirement #10** – GGE clearly has the experience and industry capabilities to develop, maintain and grow a successful interactive gaming operation. Section 13B12(b)(10) of the Gaming Act explicitly states 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 interactive gaming. GGE's slot machine and table game operations at Parx Casino are among the very best in Pennsylvania, as its facility has consistently been a top performer in the state. Further, GRI's success with pari-mutuel account wagering provides additional evidence of its abilities in this space.

13. GGE's slots and table games experience is predictive of its future interactive gaming success. Parx's consistent record of success is reflective of the combined experience in the gaming industry of GGE's Chairman, Robert W. Green, and its President and Chief Executive Officer, Anthony Ricci. GGE recently hired Matthew Cullen as its Senior Vice President of Interactive Gaming & Sports. Mr. Cullen's experience in these areas are wide ranging. He was a Founder and Managing Director of Rock Sports & Gaming Advisors; the Chief Executive Officer for San Manuel Digital; the President and Chief Development Officer for RocketPlay; and the Vice President of Strategy & Business Development for Paddy Power Betfair. Moreover, GGE's operations are supported by managers and personnel with the necessary background and experience to support interactive gaming as needed.

14. Through strong leadership, GGE has made considerable investments in and improvements to its licensed facility, including the recent [REDACTED] expansion of non-gaming amenities at Parx Casino. This expansion included the opening of the Xcite Center, 23,000 square foot showroom that seats 1,500 people, as well as two high-end gourmet restaurants that seat an additional 360 patrons for meals. As mentioned above, GGE employs over 2,000 in its existing slot and table game operation and conducts hundreds of millions of dollars of business with vendors and related businesses. GGE has also been a good corporate citizen, having made significant philanthropic contributions to many notable beneficiaries since the commencement of gaming operations in 2006.

15. **Requirement #11** – [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED].

16. **Requirement #12** – GGE currently is developing [REDACTED]

[REDACTED]

[REDACTED] With approval of the Board, this [REDACTED] location would serve as the interactive gaming restricted area as defined and permitted by the Gaming Act. 4 Pa. C.S. § 13B (allowing a restricted area to be located at any location approved by the Board). When available, GGE will supplement its Petition with a detailed site plan for its restricted area. Should, for any reason, an alternative location become necessary, [REDACTED]

[REDACTED].

17. **Requirement #13** – Based upon the GAN platform, GGE’s initial system of internal and accounting controls applicable to interactive gaming are set forth in **CONFIDENTIAL** Appendix H in the following policy documents: Data Classification and Handling Policy, Risk Management Policy, Risk Management Process, Information Security Policy, Change Management Policy, and Disaster Recovery Policy. GGE will use standard Internet security measures to safeguard the privacy and security of its registered players. An overview of proposed security measures is described in GAN’s Security Review Policy and Security Incident Management and Monitoring Policy provided in **CONFIDENTIAL** Appendix I.

18. GGE has consistently taken steps to ensure its full compliance with applicable regulatory and legal responsibilities. Petitioner is committed to facilitating compliance with the requirements of Chapter 13B of Act 42 of 2017 and Section 802(a) of the Unlawful Internet

Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5362(10)(B)). Those requirements include, but are not limited to: (1) age, identity and location verification requirements; (2) appropriate data security standards to prevent unauthorized access by any person whose age, identity or location have not been verified or cannot be properly verified; and (3) generally, requiring that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively within the Commonwealth. A description of how GGE with the GAN platform plans to facilitate compliance with these requirements is provided in the PA Registration and Geolocation policy provided in **CONFIDENTIAL** Appendix J. The PA Registration and Geolocation policy also includes details regarding the procedures GGE proposes to use to: (1) register individuals as registered players; (2) block access to persons under 21 years of age and other persons excluded or prohibited from participating in interactive gaming; and (3) establish interactive gaming accounts for registered players.

19. GGE intends to offer all three categories of interactive games to registered players. An itemized list of the interactive games GGE intends to offer to registered players is set forth in **CONFIDENTIAL** Appendix C.

20. GGE and GAN anticipate using the service providers identified in **CONFIDENTIAL** Appendix K for work associated with the commencement of interactive gaming in the Commonwealth.

21. **Requirement #14** – A description of the interactive gaming devices and associated equipment, as well as the interactive gaming system that GGE plans to utilize to administer its interactive gaming operations, is provided in the GAN Platform Overview in **CONFIDENTIAL** Appendix L.

22. **Requirement #15** – A certification of GGE’s proposed interacting gaming devices and associated equipment, including interactive gaming software and hardware, by a Board – approved laboratory will be submitted to the Board prior to deployment.

23. **Requirement #16** – An initial draft of GGE’s accounting systems are set forth in **CONFIDENTIAL** Appendix M, which systems cover accounting for interactive gaming accounts, per-hand 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. [REDACTED]

[REDACTED]

[REDACTED] Detailed internal controls will be in place to reconcile recorded transactions from the system reports to GGE’s bank account, including an overall reconciliation of customer account balances and cumulative winnings/losses. These detailed operating procedures and controls will ensure that transactions are properly credited to customer accounts, disputes are appropriately resolved to ensure the integrity of the system. Journal entries will be supported by system reports with regular reconciliations to financial reporting and the system.

24. **Requirement #17** – GGE is committed to utilizing state-of-the art security systems to protect its interactive gaming website from internal and external breaches and threats. GGE will employ the following technologies to ensure the security of its interactive gaming platform: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] In addition, GGE will undertake [REDACTED]

[REDACTED] Detailed information on GAN's anticipated security systems is provided in the GameAccount Network Employee Policies, IT Operations Policy, Security Incident Management and Monitoring Policy and Access Control Policy contained in **CONFIDENTIAL** Appendix N.

25. As of October 30, 2017, Parx Casino offered for play 3,384 slot machines, 124 banking table games, 55 poker tables and 10 hybrid table games to its licensed facility.<sup>1</sup> GGE agrees that it will not reduce its complement of slot machines and table games below those levels as a result of interactive gaming.

**B. Standard for Review**

26. Section 13B12 of Act 42 of 2017 and the Board's temporary regulations, at 58 Pa. Code § 802.2, require that petitioners provide clear and convincing evidence that various requirements are met.

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

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

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<sup>1</sup> From June 22, 2018 to date, Parx Casino has operated the following forms of gaming at its licensed facility: 3,329 slot machines, 132 banking table games, 48 poker tables and 10 hybrid table games.

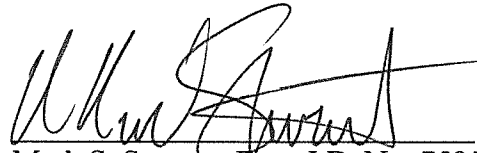
29. As is evident from the ongoing success of GGE's slot and table game operations, GGE has the financial stability, integrity and responsibility, as well as the experience and industry capabilities to conduct a vibrant interactive gaming operation.

**III. CONCLUSION**

30. GGE's Petition fulfills all of the requirements of Section 13B12 of Act 42 of 2017. 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 an interactive gaming certificate in a timely fashion.

**WHEREFORE**, for all of the foregoing reasons, the Board should grant this Petition and issue an interactive gaming certificate to GGE.

Respectfully submitted



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Dated: July 12, 2018

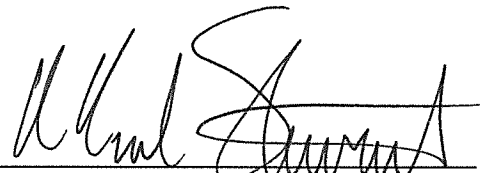
Attorneys for Greenwood Gaming and  
Entertainment, Inc. d/b/a Parx Casino



**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  
Office of Enforcement Counsel  
Pennsylvania Gaming Control Board  
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Commonwealth Tower / 10<sup>th</sup> Floor  
Harrisburg, PA 17101



Mark S. Stewart, Esquire

*Counsel for Greenwood Gaming and  
Entertainment, Inc.*

Dated: July 12, 2018

# **APPENDIX A**

**CONFIDENTIAL**

# **APPENDIX B**

**CONFIDENTIAL**

# **APPENDIX C**

**CONFIDENTIAL**

# **APPENDIX D**

**CONFIDENTIAL**

# **APPENDIX E**

**CONFIDENTIAL**

# **APPENDIX F**

**CONFIDENTIAL**

# **APPENDIX G**

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# **APPENDIX H**

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# **APPENDIX I**

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# **APPENDIX J**

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# **APPENDIX K**

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# **APPENDIX L**

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# **APPENDIX M**

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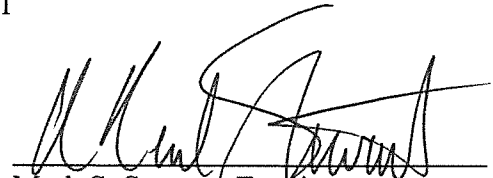
# **APPENDIX N**

**CONFIDENTIAL**

**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:

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Mark S. Stewart, Esquire  
Attorney for Greenwood Gaming  
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Dated: July 12, 2018