

BEFORE THE  
PENNSYLVANIA GAMING CONTROL BOARD

In Re: Petition of Stadium Casino LLC :  
for Approval of Authorization to Conduct : Docket No.  
Interactive Gaming and Issuance :  
of an Interactive Gaming Certificate :

**PETITION OF STADIUM CASINO LLC  
FOR APPROVAL OF AUTHORIZATION TO CONDUCT INTERACTIVE  
GAMING AND ISSUANCE OF AN INTERACTIVE GAMING CERTIFICATE**

Stadium Casino LLC (“Stadium” 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 Stadium to conduct interactive gaming. Stadium seeks authorization 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, Stadium fully satisfies, or will satisfy through supplementation of this Petition, all of the statutory requirements for the award of an Interactive Gaming Certificate (“Certificate”). Further, as explained below and to the extent necessary, Stadium consents to a general extension of the timing requirements on the Board’s consideration of this Petition set forth in Section 13B16 of the Gaming Act.

**I. INTRODUCTION AND SUMMARY**

With the enactment of Act 42 of 2017, the Commonwealth authorized the conduct of interactive gaming by Pennsylvania slot machine licensees. 4 Pa. C.S. § 13B11. Under the Act, a slot machine licensee must submit a petition and qualify for issuance of a Certificate. All slot machine licensees, including Stadium, are authorized to submit a petition and, upon satisfying the standards in Section 13B13 of the Gaming Act, receive a Certificate.

Stadium Casino, however, faces a unique conundrum as it relates to the interactive gaming petition process. Unlike any other existing slot machine licensee, Stadium does not yet actually operate a licensed facility. As the Pennsylvania Gaming Control Board (“PGCB” or “the Board”) is well aware, despite the Board’s award of a slot machine license to Stadium in 2014, the appellate challenges to that award did not end until late 2017, with the Board issuing Stadium its slot machine license in December 2017.

Stadium’s current status and lack of an operating casino is so material because it renders Stadium a square peg to the interactive gaming petition process’ round hole, and deprives Stadium – presently – of the ability to provide various items of required information. For example, Stadium does not currently have any employees and, as such, cannot identify those which will be involved in the conduct of interactive gaming, identify how many employees will be hired for such purposes, or provide an updated hiring plan. Likewise, without an operating casino, Stadium is unable to provide detailed site plans of its planned interactive gaming restricted area or to rely on its record of operation in satisfying other elements of the petition requirements.

Despite the ramifications of its lack of a licensed facility, under Section 13B12(a.1) of the Gaming Act, Stadium *must* petition the Board for its Certificate *now* or lose its opportunity to *ever* have the ability to conduct interactive gaming, as its Certificates will become available for qualified gaming entities to obtain after August 14, 2018. Given the longstanding practice and precedent of the Board to allow the supplementation of applications and petitions for licensure or certification, as well as the obvious, common sense reason and need for such supplementation in this scenario, Stadium Casino’s current status should not impede its ability to receive a Certificate. Stadium has satisfied its obligation to file its Petition within the timeframe stated in

Section 13B13(a.1)(1), and it will supplement this Petition as the required information becomes available.

Nor is the 90 day period for Board action on the Petition identified in Section 13B16 of the Gaming Act an obstacle to Stadium's certification. Pennsylvania law is clear that such timing provisions, when applied to an adjudicative body, including an administrative agency, are directory, as opposed to mandatory. *Public Service Water Company v. Pennsylvania Public Utility Com'n.*, 645 A.2d 423, 429-30 (Pa. Cmwlth. 1994) (provision requiring PUC to rule within 90 days on exceptions to administrative law judge's decision is directory only and does not divest PUC of jurisdiction); *West Penn Power Company v. Pennsylvania Public Utility Com'n.*, 521 A.2d 75, 78 (Pa. Cmwlth. 1987) (holding that statutory provisions directing that certain proceedings be done at a certain time, such as requiring an administrative law judge to rule within 90 days, are directory and not mandatory); *Prichard v. School Dist. of Willistown Tp.*, 147 A. 380, 384-85 (Pa. 1959) ("When a statute directs certain proceedings to be done in a certain way, or at a certain time, the law will be regarded as directory, and the proceedings under it will be held valid, though the command of the statute as to form and time has not been strictly obeyed"). Moreover, to the extent deemed necessary, Stadium consents to a general extension of the time requirement in Section 13B16. As the time limit imposed is for the Petitioner's benefit, Stadium should be entitled to waive or extend compliance with the same.

## **II. SPECIFIC SUPPORT**

### **A. Petition Requirements**

Section 13B12(b) establishes the required contents of an interactive gaming petition. Each of these requirements is addressed, in order, below.

1. **Requirement # 1. Identification of Petitioner --** The name of the Petitioner is Stadium Casino LLC. Stadium's business address is 601 East Pratt Street, Baltimore, MD 21202. The contact person for purposes of this Petition is:

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2. **Requirement #2. Identification of Interactive Gaming Operator –** This requirement is premature as applied to Stadium. Stadium will supplement its Petition when a determination is made as to whether an interactive gaming operator (“IGO”) will be engaged and, if so, will provide the required information regarding that entity.

3. **Requirement #3. Petitioner's Principals and Key Employees –** At this time, Stadium does not have any key employees or other operational personnel. Stadium will supplement its Petition upon the identification of principals and key employees that will be involved in the conduct of interactive gaming.

4. **Requirement #4. IGO Principals and Key Employees –** This requirement is premature as applied to Stadium. If an IGO is utilized, Stadium will provide the required information.

5. **Requirement #4.1. Certificates Requested –** Stadium 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. Interactive Games** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information once it becomes available.

7. **Requirement #6. Job Creation** – This requirement is premature as applied to Stadium. As noted, presently, Stadium has no employees and is not in a position to determine the numbers of full and part-time employees it will hire in relation to its interactive gaming operations. Stadium will supplement this Petition with the required information once it becomes available. In addition, Stadium will provide an updated hiring plan in compliance with 4 Pa. C.S. § 1510(a).

8. **Requirement #7. Economic Impact** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information once it becomes available. Certainly, Stadium anticipates that its interactive gaming operations will bring significant economic benefits to the Commonwealth, including the creation of new jobs tied to interactive gaming, the economic impact of the salaries and benefits associated with such jobs, the generation of interactive gaming tax revenue for the Commonwealth, and positive economic contributions to the local economy as a result of the purchase of various goods and services related to interactive gaming operations.

9. **Requirement #8. Financing of Interactive Gaming** – At this time, Stadium has not determined the specific manner by which it will finance the implementation of interactive gaming, including payment of the certification fee. However, there is no doubt about Stadium's ability to finance such costs. The Board has found both members of Stadium Casino LLC, Stadium Casino Investors LLC and Stadium Casino Baltimore Investors, LLC, to be financially suitable and to have the financial wherewithal, both from an equity and an access to capital

perspective, to undertake and finance the development of Stadium's gaming operations, and such suitability is presently being reconfirmed via the renewal proceeding for Stadium's Category 2 slot machine license.

10. **Requirement #9. Financial Suitability of Petitioner and its IGO** – As noted in response to Requirement No. 8, the Board has already determined that Stadium Casino LLC is financially suitable. Should Stadium determine to utilize an IGO to conduct its interactive gaming operations, this Petition will be supplemented to provide information establishing the financial suitability and responsibility of said IGO.

11. **Requirement #10. Petitioner's Business Ability and Experience** – Similar to Requirement No. 9, in granting a slot machine license to Stadium, the Board has already determined that Stadium, through its principals related to Greenwood Racing, Inc. and The Cordish Companies, have a strong record of business ability, experience and achievement in the conduct of gaming operations. While 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, and while Stadium does not yet have a functioning casino with direct experience to cite, the Board has, can and should look to the performance and success of the gaming operations at Parx Casino and Maryland Live! to satisfy any requirement related to Petitioner's business ability and experience. Stadium will supplement this Petition with additional information concerning the gaming operations at Stadium Casino when available.

12. **Requirement #11. Petitioner's Ability to Pay Certificate Fee** – *See*, response to Requirement Nos. 8 and 9.

13. **Requirement #12. Site Plans for Restricted Area** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information once it becomes available.

14. **Requirement #13. Operating Policies, Procedures and Controls** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information once it becomes available.

15. **Requirement #14. Interactive Gaming Systems, Devices and Associated Equipment** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information as to the interactive gaming systems, devices and associated equipment it intends to utilize in the conduct of its interactive gaming operations once such information becomes available.

16. **Requirement #15. Certification of Interactive Gaming Equipment** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information once it becomes available.

17. **Requirement #16. Accounting Systems** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information once it becomes available.

18. **Requirement #17. Security Systems** – This requirement is premature as applied to Stadium. Stadium will supplement this Petition with the required information once it becomes available.

19. While Stadium Casino did not operate any slot machines or table games as of October 30, 2017, Stadium will agree that, in the future, it will not reduce its complement of slot machines or table games as a result or because of its conduct of interactive gaming.

**B. Standard for Review**

20. Section 13B12 of the Gaming Act 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.

21. The information provided in this Petition, where applicable, satisfies this burden as to the subject requirements. Upon the supplementation of this Petition in the normal and reasonable course of the development of Stadium Casino, Petitioner will have provided the necessary information to satisfy its burden on the remaining elements.

22. Stadium is in good standing with the Board. The conduct of interactive gaming by Stadium, once commenced, will generate millions of dollars for the Commonwealth, result in the creation of new jobs for Pennsylvania residents, and generate substantial new economic activity.

23. Stadium, through its principals, has the financial stability, integrity and responsibility, as well as the experience and industry capabilities, to conduct a vibrant interactive gaming operation.

**III. CONCLUSION**

24. Given an appropriate and reasonable opportunity, Stadium will, through this Petition and all supplements thereto, fulfill all of the requirements of Section 13B12 and satisfy all of the elements of Section 13B13 of the Gaming Act for the issuance of an Interactive Gaming Certificate.

25. As explained above, the 90 day timeline set forth in Section 13B16 for action by the Board is directory, and not mandatory. As such, and given the unique circumstances facing Stadium, the Board should consider the timeline directory and consider this Petition in the normal course. To the extent it is deemed necessary, Stadium, as the beneficiary of the provision



in Section 13B16, consents to a general extension of the time period in which the Board is to consider this Petition.

**WHEREFORE**, for all of the foregoing reasons, and after full supplementation, the Board should grant this Petition and issue an Interactive Gaming Certificate to Stadium Casino LLC.

Respectfully submitted,



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Dated: July 13, 2018

Counsel for Stadium Casino, LLC

**CERTIFICATE OF SERVICE**

The undersigned counsel for Stadium Casino LLC 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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Dated: July 13, 2018