

Pennsylvania Gaming Control Board  
Valley View Downs Public Input Hearing  
May 15, 2008

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On behalf of the Pennsylvania State Harness Racing Commission, I am submitting the following written statement to provide the Gaming Control Board with a written chronology detailing the Harness Commission's due diligence, background investigation and subsequent awarding of the last remaining pari-mutuel standardbred horse racing license to Valley View Downs.

The Commission's investigation of Valley View Downs L.P. began with Valley View Downs' submission of its initial Racetrack License Application on December 27, 2002, and ultimately concluded on September 5, 2007, with the Harness Racing Commission awarding Valley View Downs a license to conduct harness horse racing with pari-mutuel wagering. While this matter took nearly 5 years to reach a conclusion, the Commission firmly believes that the Valley View Downs' facility in Mahoning Township – with the first-ever “one-mile harness racetrack” – is clearly in the “best interests of harness racing” and of this Commonwealth.

At the time the Commission commenced its investigation of the Valley View Downs application on December 27, 2002, the Commission was also reviewing three other proposed harness racetrack applications, including the now open and thriving Chester Downs Facility. Pending the Commission's background checks and due diligence, the Race Horse Development and Gaming Act (Act 71) was signed by Governor Rendell. As a result of the passage of Act 71, on October 8, 2004, Valley View Downs submitted what was deemed the “Phase 2 Submission Amended Racetrack Application” (5 Binders – with gaming related information) for its proposed Beaver County location. Valley View Downs' Phase 2 Submission detailed the new “racino” concept.

During the course of the Valley View Downs investigation the Commission conducted:

- ◆ A Local Impact/Public Comment Hearing
- ◆ (2) Pre-hearing Conferences
- ◆ 6 Evidentiary Administrative Hearings (just for VVD)

On November 3, 2005, the Commission denied Valley View Downs' License Application as a result of issues relating to the proposed physical racetrack layout at the Beaver County location. As you know, the Commission's Order and Adjudication was appealed to the Commonwealth Court by Valley View Downs and Bedford Downs. On June 19, 2006, the Commonwealth Court affirmed the Commission's order denying the Valley View Downs license application, but reversed the Commission's Order denying Bedford Downs' license application. The Commission and the parties filed a Petition for Allowance of Appeal to the Pennsylvania Supreme Court, which ultimately granted the respective Petitions on January 19, 2007. (It is important to note that the Justices were very cognizant of the statutory time period set forth in the Gaming Act for the awarding of the final Category One slot license.)

On July 2, 2007, the Pennsylvania Supreme Court issued an opinion affirming the Commission's November 3, 2005, license denial of Valley View and Bedford Downs Applications for their respective locations. However, given the language in the Court's Opinion, the Commission firmly believed that the Court intended for the Commission to provide both Valley View Downs and Bedford Downs another opportunity in the application process.

Accordingly, on July 19, 2007, based upon the Commission Counsel's analysis, the Commission granted Valley View and Bedford Downs leave to file an "Amended Application" by August 3, 2007. Both parties met that deadline. Additionally, as a result of extensive negotiations between the parties, a subsequent Settlement Agreement was reached and Valley View Downs filed a concurrent Amended Application for the Lawrence County (formally Bedford Downs' site) location.

Based upon a review of the updated licensing/application information, the criteria set forth Section 209 of the Racing Act and the proposed Settlement Agreement of the parties, the Commission issued an Order and Adjudication on September 5, 2007, granting Valley View Downs the last

remaining harness horse license with pari-mutuel wagering. The Commission believes that the Valley View Downs facility will have a positive and significant economic impact on the harness racing industry, the local and surrounding communities and the entire Commonwealth in general.

It is significant to note that by September 2007, the Commission's "administrative-evidentiary record" contained approximately 10,000 pages of Applications, post application filings, investigative records, reports, and pleadings.

The Commission has already provided a significant number of its public records and documents to the Gaming Control Board's BIE to assist it in its review and investigation of the Valley View Downs proposed Category One Slot Machine License. Over the past 4 years, our respective enforcement offices have worked cooperatively in this matter and I pledge, on behalf of the Chairman and his fellow Commissioners, to continue to provide whatever documentation, information and support you deem necessary and appropriate.

Thank you for your time and consideration in this matter.