

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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FUSION ELECTRONIC TABLE GAME SYSTEM PRESENTATION

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
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Keith R. McCall, Commissioner
John J. McNally, III, Commissioner
David W. Woods, Commissioner
Anthony C. Moscato, Commissioner
Annamarie Kaiser, Commissioner
Eileen McNulty, Acting Ex-Officio Member
Fred R. Strathmeyer, Jr., Deputy Secretary,
Representing Russell Redding, Acting
Ex-Officio Member, State Treasurer
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Robert Coyne, Esquire

HEARING: Tuesday, March 31st, 2015

LOCATION: Pennsylvania Gaming Control Board
Strawberry Square Complex, Second Floor
Harrisburg, Pennsylvania 17101

WITNESSES: Nebiyu Bellete

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P R O C E E D I N G S

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CHAIRMAN:

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Today before we get into our regular agenda, we will have two informational presentations. First we have an informational presentation on the Fusion Electronic Table Game System, followed by a presentation on the Shaq-Jack Blackjack Electronic Table Game System. And I'm not saying that another time.

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Before we start these presentations, I just want to let everyone in attendance as well as anyone who may be watching this meeting online, know that the Board has asked for the creators and some potential casino purchasers of these games to come in today and provide an overview to the Board as to how this new technology works and how it might be used in a Pennsylvania Casino. So with that, I believe we are ready to begin.

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Because this is an informational presentation, I don't think there is a need to swear in any of the presenters. But as always, I would ask anyone speaking to remember that in the beginning state your name and spell your last name for the stenographer. And also, if you will state your

1 position with your firm. So, we'll begin with Fusion
2 Electronic Table Games Systems presentation. Ladies
3 and gentleman?

4 MR. JULIANO:

5 Good morning. My name is Mark Juliano,
6 J-U-L-I-A-N-O. And I am the President of Sands
7 Bethlehem. Good morning again, Chairman Ryan and
8 Commissioners. And thank you for this opportunity to
9 make this presentation this morning about electronic
10 table games.

11 Before we begin, allow me to introduce
12 my colleagues and associates with me today. Dennis
13 Dougherty, at the end of the table, is our Vice
14 President of Property Strategy and Optimization. To
15 my left, to his right, Kathy McCracken, Vice President
16 of Casino Marketing. And to my right, Jack Kennedy,
17 Director of Table Games. Also, with us today is
18 Colbie Harmon (phonetic), our Slot Operations Manager.
19 And two representatives from Bally Technology Shuffle
20 Master; Thomas O'Brien, the Senior Vice President of
21 Electronic Table Games --- or Table Systems; and
22 Dominick Fila, Account Executive.

23 In light of our history at Sands
24 Bethlehem, I'm proud to say as a leader in the table
25 games market share for Pennsylvania and our

1 demonstrative willingness to bring fresh and exciting
2 gaming and non-gaming products to the market place, I
3 want to thank you again for inviting us to speak here.
4 Live Dealer Electronic Table Games is something that
5 we're very excited about, something that I think will
6 benefit our property and reinforce it as a premiere
7 resort destination and benefit our employees and
8 consequently the State of Pennsylvania.

9 Live Dealer ETGs are operated exactly
10 the same way as traditional table games. There is a
11 dealer that deals the cards, spins the roulette wheel,
12 or shakes the Sic Bo dice cup. Gamblers can watch the
13 dealer in person or through live video shown on the
14 betting terminals and across various large screens
15 throughout the area. All the money transactions are
16 handled at electronic terminals. The gambler buys in,
17 places bets and cashes out at the betting terminal.

18 Live deal ETGs allow casinos to optimize
19 their casino floors by increasing capacity and
20 providing the ability to lower --- to offer lower
21 table games or rather, lower betting limits. They
22 provide a comfortable gaming environment that allows
23 customers to make smaller bets, pick their lucky
24 table, gain experience in a game and avoid what some
25 consider to be an intimidating environment of standard

1 table games.

2 Sands Bethlehem would like to build a
3 state-of-the-art, multimillion dollar, stadium style
4 ETG installation with 150 betting terminals. Live
5 Dealer ETGs provide a new market for us and represent
6 incremental revenue. We will not be decreasing our
7 slot or table games account from their current
8 configuration. There will be a significant hiring
9 associated with this project. Approximately 50
10 additional team members, including dealers,
11 supervisors, service technicians, ambassadors,
12 cocktail waitresses, security and PAD. These are
13 incremental positions and they will not salute the
14 current count of employees in other areas of the
15 casino.

16 Live Dealer ETGs are already popular
17 around the world, including other Las Vegas Sands
18 properties in Singapore, Macao and Las Vegas. Several
19 of our neighboring states have also authorized them;
20 New Jersey, West Virginia and Ohio. However, the size
21 and scale of the Live Dealer ETG stadium that Sands
22 Bethlehem would build will be unique in the area and
23 provide a wonderful marketing opportunity to talk
24 about the new product and support our growth as a
25 resort destination. This is a significant investment

1 for us and we're very confident that it will succeed.

2 Dennis will proceed with the
3 presentation and go to slide number three. Slide
4 number two, which I think you have in front of you, is
5 really kind of a bullet point format of what I just
6 talked about. But slide number three will help you
7 see a little bit about what we're actually talking
8 about. If you're familiar with our floor, the primary
9 amount of floor space that we're looking at to put
10 this stadium style seating will be in front of our
11 Pieza (phonetic) Salon which is now occupied by a bar.
12 We have two other bars on the floor which is
13 sufficient to meet the needs of customers throughout
14 the gaming floor, so this really was an ideal
15 opportunity for us to consider what with think this
16 could be an optimization of it.

17 It'll be a multimillion dollar
18 construction project with, as I said, 150 betting
19 terminals and significant audio/visual installation to
20 create a really exciting area of the floor. If you're
21 familiar with the area of the floor now, the bar is
22 surrounded by large, almost floor to ceiling, orange
23 Plexiglas wall, which obscures the sightlines from
24 other parts of the casino. So, this will be --- like
25 I said, that will take the primary square footage that

1 we need for the stadium-style gaming and it will allow
2 us to use some really attractive signage from the
3 ceiling and from around the other casino floor --- the
4 rest of the casino floor.

5 As we said, it will be a hiring
6 opportunity for us. We think it will require 20 to 25
7 dealers, 6 service technicians, 6 supervisors, 15
8 ambassadors and additional support staff, including
9 cocktail waitresses, security and PAD.

10 And since we are able to relocate a few
11 --- we will have to go into part of the casino floor a
12 little bit. So, the bar area will not be quite big
13 enough. But the areas that we do need to encroach
14 upon existing gaming space, we're able to relocate
15 those slot machines and table games throughout the
16 floor. So, our table game and slot count will stay
17 where it is, so this 150 will be additional terminals.

18 The next part of the presentation I'm
19 going to turn over to Jack Kennedy who will walk
20 through the actual working of how these electronic
21 table games work. And then Kathy will walk through
22 some of the marketing and Dennis through some of the
23 examples of how this will help us optimize the floor.
24 Jack?

25 MR. KENNEDY:

1 Okay. Thank you, Mark. Jack Kennedy,
2 K-E-N-N-E-D-Y; Director of Table Games, Sands
3 Bethlehem, Las Vegas Sands Corporation. Chairman,
4 Council Members, thank you for entertaining our idea
5 here. I'll just go through a basic to basic working.

6 On this slide here, you'll see stadium
7 gaming is basically dealt traditionally the way all
8 the games are dealt. The dealers will deal the cards,
9 like Mark was talking earlier. The outcome is exactly
10 the same as a traditional game, with the exception
11 that the player himself gets to play individually on
12 his own terminal without having to deal with chips,
13 cash buy-ins or anything like that. The games
14 eliminate the fill and credit process or a lot of the
15 unnecessary paperwork. And it's operated with a TITO
16 ticket system.

17 So, what we got here is if you look at
18 that screen, that is what a terminal looks like,
19 that's in roulette mode. There's also --- on that
20 terminal, there could be a total of four games. If
21 you look to the each of the corners, you can set a Sic
22 Bo, there's a baccarat and another baccarat. Okay?
23 So, we can operate four games at one time. The
24 player's themselves have the options to play any one
25 game, two games, three games or four games if they

1 would like.

2 The screen as you can see is very user
3 friendly. It has a language button where you can put
4 it in up to seven or eight languages. Probably at the
5 Sands, we'll probably use Mandarin, English and
6 Spanish would probably be our three major ones in
7 there. We also have a tutorial. So, anybody who sits
8 down and doesn't really understand the nuances of the
9 game, they can sit down, hit the tutorial and it will
10 explain the game rules and how to play. The rest of
11 the buttons on this particular screen allow
12 denomination and then placement. It's all touch
13 screen, end screen, end screen. All right?

14 You have the next slide there? Here's
15 an example of the betting terminals. You can see we
16 have roulette, Sic Bo, baccarat. And on the bottom is
17 the screen in-screen versions. So, the player
18 themselves actually get to see the live action on
19 their monitor in front of them or monitors that are
20 placed strategically around the stadium.

21 The operation of the stadium gaming
22 would be the dealers function the same way traditional
23 games are dealt. They don't have to handle cash
24 buy-ins to dealers. They don't have to handle the
25 fills and credits. That mitigates a lot of mistakes

1 and errors and a better accounting for us as well.

2 There's a tip option which the dealers
3 showed concern when we was talking about the project
4 is how do we get tipped on this? And so there's an
5 option on there were --- when we get to a further
6 slide ---. As a matter of fact, the next one. Where
7 the patron could say, okay, I want to give the dealers
8 \$5. They hit the tip option, press the \$5 button
9 under the tip thing and then boom, it goes to what
10 they call a tip cup. And that's reconciled at the end
11 of the gaming day which is pretty good.

12 Supervisor functions, basically the
13 same. Make sure the game is dealt correctly. They'll
14 be watching these dealer podiums or stations. Making
15 sure the game is dealt correctly with integrity. We
16 have new tools; the cards are good, dice are good,
17 everything like that. And they'll handle any kind of
18 player dispute that arises.

19 The ambassador and service techs. As
20 always, you know, we pride ourselves on guest service.
21 We don't want any downtime on our device or
22 inconvenience to our guests. The technicians will be
23 there to solve any type of ticket cams, timeouts,
24 power failure or I wanted to bet this, but I couldn't
25 bet that and resolve any kind of malfunctions or

1 disputes if they arise. Ambassadors, the same way.
2 Just good willed, teach the players how to play the
3 game, make it a fun atmosphere for them.

4 And with that, we'll go to the next
5 slide. So, this here is an example slide of how they
6 tip the dealer. They'll hit the tip the dealer
7 button, the box will come up. They could place their
8 --- where it says place their chip there, they'll
9 touch what denomination at the bottom of their screen.
10 Just move it up to that and then verify and confirm
11 and the tip is done. So, it makes all of our dealers
12 very, very happy.

13 The next slide. Okay. This one here is
14 we have these ETGs throughout our company. In Marina
15 Bay Sands, we had like 435 units. In Sands China
16 Limited, which would be in Macao, we have over 756
17 units. And in Las Vegas, Venetian Palazzo, we have 24
18 units. The slide you're looking at is Venetian Macao.
19 And this is type of stadium atmosphere that we're
20 looking for. It's in the round with the pendulum
21 hanging down with the screens and the graphics. The
22 flank by additional screens including the ones that
23 are in the monitors.

24 Okay. The next slide. That's Venetian
25 Palazzo. That's their 24 unit stadium right there.

1 They call it Imperial Baccarat. We'll probably come
2 up with some kind of name for it or whatever.

3 Now, the last slide here, this is the
4 location of where we want to put the stadium itself.
5 The area that's surrounded in red on the slide is the
6 old Infusion Bar. That there is what the footprint is
7 going to look like for the stadium. When we put that
8 in, we're going to have to relocate 122 slot machines
9 but not reduce our count. If you look at the yellow
10 areas on the main casino floor is where those
11 relocations are for the machines.

12 MR. FAJT:

13 Jack, just to orient myself, where's the
14 main entrance in the parking garage?

15 MR. KENNEDY:

16 The main entrance would be the lower
17 left of that slide.

18 MR. FAJT:

19 Gotcha. Thank you.

20 MR. KENNEDY:

21 Okay. All right.

22 MR. JULIANO:

23 And to further orient yourself perhaps,
24 which makes it a little easier for me, straight ahead
25 of the stadium gaming against the far wall is where

1 out Pieza Salon is.

2 MR. KENNEDY:

3 All right. With that I'm going to
4 introduce Dennis Dougherty, our Vice President of
5 Strategy and Optimization.

6 MR. JULIANO:

7 And Dennis is new to the company. And
8 let me point out that Colbie, Kathy and Jack are
9 original members of Sands Bethlehem. They were that
10 at opening. Dennis and I are newcomers. But Dennis'
11 role really is to take a look at our casino floor, but
12 also take a look at the whole property and try to
13 optimize where the opportunities are for us to take
14 non-performing square footage and turn it in to
15 performing square footage. This clearly is
16 non-performing if you compare it to the rest of the
17 casino floor. And Dennis will walk through a little
18 of the details of that and how we came to that
19 conclusion.

20 MR. DOUGHERTY:

21 Good morning. My name's Dennis
22 Dougherty, D-O-U-G-H-E-R-T-Y. I'm Vice President of
23 Property Strategies and Optimization. I have been at
24 Sands Bethlehem for about three months now. But I was
25 with Las Vegas Sands in Las Vegas for about seven

1 years before that. So, I've been part of the company
2 for a while, but new to this area.

3 What I'm going to talk about a little
4 bit today is just some of the benefits that we're
5 going to get from optimizing our casino floor, which
6 is essentially what Mark said. We're taking the bar
7 that's not doing very well and we're going to put a
8 gaming option there that we think is going to do very
9 well and it's going to attract new customers to our
10 property.

11 The first main benefit is that we're
12 going to be able to offer lower table minimums. So,
13 Sands Bethlehem has been very successful at table
14 games over the years, but a side effect to that is
15 table minimums have gotten a little higher. And that
16 means that there's a segment of customers that
17 basically would like to bet a smaller amount, but they
18 can't always find a table that offers that limit.
19 Live Dealer ETGs offer us --- make it feasible for us
20 to offer lower table minimums, which means the
21 customer who wants to bet a \$5 bet on baccarat for
22 example is going to be able to easily find a seat.

23 CHAIRMAN:

24 Sir, just try to keep your voice up. I
25 know it's ---.

1 MR. DOUGHERTY:

2 If I scoot this thing over a little ---
3 okay. The second benefit is that players are actually
4 going to get to be able to spend more time playing the
5 game. So, people come to us and they come to gamble
6 and play the game. Unfortunately when they play
7 traditional table games a lot of time gets taken up
8 when the dealer has to buy customers in, pay out on
9 winning wagers or cash customers out. But in ETGs,
10 all the dealer has to do is worry about dealing the
11 game and really all the player has to do is play the
12 game. And that's what they come to do.

13 The third main benefit is that customers
14 will be able to follow multiple games from the same
15 seat. So, they can follow trends on different games,
16 they can identify their lucky table, which roulette
17 table has a string of red outcomes or whatever they're
18 looking for, and they can place their bets however
19 they like, where and when they want.

20 The fourth main benefit is that this is
21 really a comfortable gaming environment. So, a lot of
22 the players for this type of gaming arrangement are
23 new to table games. They might be a little
24 intimidating by traditional tables. And this offers
25 an opportunity for them to sit really in a comfortable

1 seat, to watch the action live on their monitor or on
2 the many TV screens that are going to be interspersed
3 throughout the area. They can bet when they want.
4 They can sit out a hand if they want. It's an easy
5 thing to learn a table game and it's a comfortable
6 environment for them. We're also going to provide
7 ambassadors and easy to understand pop-up instructions
8 on the monitor to help them understand the game.

9 The fifth benefit is that this provides
10 increased capacity. So, Sands Bethlehem has been very
11 successful. And if you go there on a Saturday night,
12 lots of times, there's not a lot of table seats
13 available on the floor. This is going to add 150
14 seats to the casino and it's going to provide
15 increased capacity which will help us at really busy
16 times. And the sixth benefit is that there's not
17 going to be any payout errors. As Jack mentioned all
18 of the buy-ins, the payouts on winning wagers and cash
19 out transactions have been automatically on the
20 electronic betting tables.

21 So, in light of all of those benefits,
22 we think this is going to be a great thing both for
23 the players and for the casino. And we're very
24 confident it's going to be successful at Sands
25 Bethlehem.

1 MR. JULIANO:

2 Kathy McCracken will talk a little bit
3 about the marketing of it. Although it is a familiar
4 product with a lot of customers and is offered in
5 other locations as we said, we still feel that anytime
6 we make a significant change like that, it has to be
7 supported by a robust marketing plan.

8 And of course, the objective whenever
9 you introduce a new amenity like this is not just to
10 redirect your existing customers, but how do you build
11 new customers out of this? How do you reach markets a
12 little bit further than where you're going now? So,
13 we will and we have put a lot of thought into that.
14 But Kathy will go through that marketing plan with
15 you.

16 MS. MCCRACKEN:

17 My name's Kathy McCracken. Spelling of
18 last name is M-C-C-R-A-C-K-E-N. As we already spoke,
19 I think one of the benefits to this is that we ---
20 we're going after a lower limit table player, which
21 we're not always able to bring in based on our limits
22 currently. So, with that, our market will focus on
23 acquiring new table players from the North Jersey and
24 New York area, so we can spread it a little bit and
25 kind of fish where the fish are, if you will.

1 Our initiatives probably will not begin
2 until about two or three months out from when the
3 product is in because we really don't like to start
4 announcing something that --- you know, usually when
5 you start putting things on billboards, people think
6 it's there. So, we don't want to disappoint anybody
7 by saying it's coming soon and then it not be there
8 when they arrive on property. We'll utilize
9 billboards, print ads, radio, audio, all in New York
10 and North Jersey areas, as we said.

11 Internally, our branding, too, can show
12 up on ---. We have 104 monitors around our property,
13 so it's pretty expansive. So, we'll start putting the
14 information on that as well. We have, at our
15 entrances which are very busy, we can put static
16 boards up there. And then there's always in-room
17 channels that we could use as well.

18 Our creative execution, we typically go
19 after the ---. We kind of profile and target a
20 certain market, so this is the younger male 25 to 35.
21 We actually even named him. It's Mike we go after
22 here. So, we can give him a little bit of a
23 personality. And we studied how he receives his
24 information, which is really pretty wide ranging. It
25 goes from all the platforms; TV, audio, digital,

1 mobile, print and out of home, so in subways as well
2 billboards --- typical billboards. So, we need to
3 cast a pretty wide net for this particular gamer.

4 We will also support it with grand
5 opening. We'll probably have some sort of celebration
6 to grand opening of that, as well as our PR efforts
7 will back that up as well. And then on our floor as
8 well, we'll use the floor ambassadors as well as other
9 employees to introduce the games, explain them and
10 just create some excitement around it.

11 So, that's really basically our plan to
12 date. Of course, we'll get more details as this gets
13 approved and through the process.

14 MR. JULIANO:

15 Obviously the objective here is to
16 continue to evolve the casino floor into something
17 that is exciting, something that people will know that
18 we are constantly looking at new ways to offer new
19 product to keep the casino exciting. And the
20 objective will be to introduce people to the casino
21 that either weren't comfortable or didn't think they
22 could afford to play these games, get them comfortable
23 we these games and then have them move up into your
24 traditional table games.

25 So, it's just I think a general

1 evolution of continuing to optimize the floor,
2 offering new and exciting product and maintain our
3 position as really the, I like to think the number one
4 casino resort destination in Pennsylvania. Thank you
5 for your time and we're available for questions.

6 CHAIRMAN:

7 Thank you. Questions from the Board?
8 Greg?

9 MR. FAJT:

10 Thank you, Mr. Chairman. First of all,
11 I'm happy to hear that new employees will be added and
12 also that there's no reduction in the current table
13 game or slot machine count. That helps us as a Board.
14 One quick question. The ETGs, and if you said this
15 and I missed it, I apologize, but will they be
16 connected to the central computer system?

17 MR. KENNEDY:

18 As far as that, you mean central
19 computers as like our ACSC?

20 MR. JULIANO:

21 ACSC.

22 MR. FAJT:

23 I'm thinking --- no, our central
24 computer system with the Department of Revenue.

25 MR. KENNEDY:

1 Oh. Yeah, well, you guys --- and we
2 were talking about it, I think you're going to use
3 GTECH, the same as the slot machines, so it will be
4 connected.

5 MR. FAJT:

6 It will be connected to the central
7 computer systems?

8 MR. KENNEDY:

9 Yeah. And this is if they marry each
10 other. I know what you guys are working on in the
11 backend. But GTECH has been brought up to me by the
12 Control Board as an accounting part of this thing.

13 MR. FAJT:

14 Okay.

15 MR. KENNEDY:

16 So, a GTECH would probably be handled
17 --- it would be handled the same way as the slot would
18 be where, you know, it would tell us how much we owe
19 the state ---

20 MR. FAJT:

21 Right.

22 MR. KENNEDY:

23 --- and how much we've met. Yeah.

24 MR. FAJT:

25 That's where I'm going with this. And

1 maybe, Mr. Chairman, if we can get Mike Cruise
2 (phonetic) to --- and it doesn't have to be now, to
3 weigh in with us to make sure that's going to happen.
4 That's important to me.

5 MR. JULIANO:

6 And to us, too. Transparency and
7 accountability are --- have to be part of the whole
8 process.

9 MR. FAJT:

10 Great. Thank you.

11 CHAIRMAN:

12 Annmarie?

13 MS. KAISER:

14 (Indicates no.)

15 CHAIRMAN:

16 Tony?

17 MR. MOSCATO:

18 Yes. Thank you, Mr. Chairman. Just a
19 couple points. Mr. Kennedy, you mentioned that there
20 would be a tutorial.

21 MR. KENNEDY:

22 Uh-huh (yes.)

23 MR. MOSCATO:

24 Is the tutorial audio, visual or both?

25 MR. KENNEDY:

1 It would be visual.

2 MR. MOSCATO:

3 Visual.

4 MR. KENNEDY:

5 Yes, it's a pop up. It would be most
6 likely in the language that they've chosen and easy to
7 read. The monitors themselves are pretty big and the
8 tutorial will come up in a nice way. So, we won't
9 have any problems as far as low vision feature or
10 anything like that.

11 MR. MOSCATO:

12 Okay. You also mentioned something
13 about power failure.

14 MR. KENNEDY:

15 Uh-huh (yes.)

16 MR. MOSCATO:

17 Will these units have their own battery
18 backup or ---?

19 MR. KENNEDY:

20 Yeah. Everything we do is we put the
21 battery backup, like the slot floor, same thing.

22 MR. MOSCATO:

23 And my last question for you, you said
24 that one of your properties in Vegas has 24 of these?

25 MR. KENNEDY:

1 Yes.

2 MR. MOSCATO:

3 Why only 24?

4 MR. KENNEDY:

5 Because they just started out. The
6 product is new in the Americas. I mean, it's starting
7 to catch on as --- I think they have the machines that
8 played in like Ohio, Las Vegas now, some in California
9 and Maryland. So, it's just something we're going
10 into. They started with 8 units or 12 units and now
11 they're at 24. And they're starting to see one per
12 unit on them now, which is good.

13 MR. JULIANO:

14 And I think another thing to point out
15 there is that Las Vegas is traditionally still a
16 tourist market, whereas we are much more of a local
17 market where people come actually to play something.
18 And that's why we're going to start with a much bigger
19 scale.

20 MR. MOSCATO:

21 Okay. Thank you.

22 CHAIRMAN:

23 Keith?

24 MR. MCCALL:

25 Thank you, Mr. Chairman. It's a great

1 concept. I think it's something exciting to add to
2 the betting public, especially the lower betting
3 limits. That's one thing that we hear often,
4 especially from some of our seniors. They don't feel
5 like they're able to sit at some of the games because
6 the price is too high for them. So, I think it's a
7 great idea. That's just a little editorial comment.
8 There's four games at once, so there's going to be
9 four separate dealers for each one of those games?

10 MR. KENNEDY:

11 Yeah, what we would hope to do is we
12 want to put four to eight terminals, that would be
13 eight dealers, on our peak times. We want to yield
14 the floor of course. We want to see which particular
15 game works. So, we want to have the option to be able
16 to change. Like if baccarat is good, we could put
17 four baccarat games on say 50 of the terminals. We
18 could put two roulette and a Sic Bo and a baccarat on
19 50 of the terminals.

20 MR. MCCALL:

21 And they would have separate dealers?

22 MR. KENNEDY:

23 And they would all have separate
24 dealers. And yeah, each station is dealt
25 independently of each other and, you know, there's a

1 time sequence to the games.

2 MR. MCCALL:

3 Now, would there be a pit boss --- or a
4 supervisor on each one of those dealers or would it be
5 one supervisor for all?

6 MR. KENNEDY:

7 The supervision would follow what's
8 mandated by the state. We're at staffing plan that
9 we've put in place. So, I mean, if we have eight, we
10 can watch six, that'll be two supervisors to watch the
11 eight games, so yeah.

12 MR. MCCALL:

13 I see. And a timeline to get approval
14 for this, to get this up and running ASAP?

15 MR. KENNEDY:

16 Yeah, I mean, once we get the approvals,
17 the capital has already been allocated in Las Vegas,
18 so we would be ready to go. I would say, you know,
19 getting started hopefully by the end of the year.

20 MR. MCCALL:

21 And what about the Las Vegas experience?
22 Has it gone over well?

23 MR. KENNEDY:

24 Their ETGs have taken off. As a matter
25 of fact, they have four or five players that actually

1 ---- being it's a tourist market, will come to fly
2 there just to play those now, which is good. So,
3 they're in the market for that particular type of
4 gaming instrument with a player who prefers to play on
5 their own machine, maybe not deal with other
6 customers, or, you know, the dealer face to face. So,
7 pretty interesting.

8 MR. MCCALL:

9 Thank you very much. Thank you, Mr.
10 Chairman.

11 CHAIRMAN:

12 John?

13 MR. MCNALLY:

14 Just a couple quick questions. Do you
15 have a separate or a new dispute resolution system as
16 a result of the ETGs?

17 MR. KENNEDY:

18 I would say that the disputes and
19 resolutions will probably be handled sort of like we
20 do our other mechanicals that we have in place right
21 now, our ---. We have to see if there's anything that
22 we have to bridge between the actual live part and the
23 ETG. But we'll follow whatever we need to do to make
24 sure that the customers taken care of and that the
25 casino assets are also looked after.

1 MR. MCNALLY:

2 So, would these be backed up a certain
3 way that you can go back and ---?

4 MR. KENNEDY:

5 I would probably defer that question to
6 Shuffle Master right now. I'm pretty sure --- like in
7 other words, if a guy puts money in the bill
8 validator, we could back it up to see if he put the
9 bill in or not, that type of thing. The TITO part of
10 it I'm sure will be operated the same exact way. As
11 far as being able to back up a game, there is data
12 that will be printed out for that. And we have
13 surveillance footage just like we do on a normal table
14 game that we could also support with.

15 MR. MCNALLY:

16 And with regard to the fact that it's
17 faster gaming, is that necessarily a good thing? Is
18 faster gaming fair gaming?

19 MR. KENNEDY:

20 Faster gaming, what it is, we put a time
21 on each --- the way each game is dealt in between
22 games that would go with the pace of what crowd we
23 have. So, it wouldn't be forcing the player to make
24 it --- oh, I got to make a bet before, you know,
25 before the thing happens. And there will be ample

1 time for a bet, you know. Somebody might get froze
2 out, can't say they won't. But it won't be like okay,
3 bet, okay, bet. Like you watch people hit the slot
4 machines, it's ba, ba, ba, ba, ba. This is more of a
5 social-type pace, you know. It's just a nice, you
6 know, 30, 40 seconds between each type of event. And
7 they'll have plenty of time to bet. And the screen is
8 very, very friendly as far as them to be able to find
9 out what they want, so ---.

10 MR. JULIANO:

11 And I think another aspect of that is
12 faster gaming --- and this is even fairer than on a
13 real game because sometimes dealers feel pressured to
14 deal faster and they make mistakes that they won't
15 make here.

16 MR. MCNALLY:

17 Uh-huh (yes). Yeah, so your dealer is
18 more focused?

19 MR. JULIANO:

20 Yeah.

21 MR. MCNALLY:

22 And also it --- doesn't it also cut down
23 on the possibility of past posting, capping?

24 MR. JULIANO:

25 Uh-huh (yes). That's right.

1 MR. KENNEDY:

2 Correct. All of that, yep.

3 MR. MCNALLY:

4 All of the cheating and --- well, not
5 all of it, but most of it would be eliminated.

6 MR. JULIANO:

7 (Indicated yes).

8 MR. MCNALLY:

9 Okay. Great. That's all the
10 questions ---

11 CHAIRMAN:

12 Dave?

13 MR. MCNALLY:

14 --- I have.

15 CHAIRMAN:

16 Oh, I'm sorry. Dave?

17 MR. WOODS:

18 This proposal is for a stadium concept
19 that you're proposing in this old bar area, but the
20 applicability certainly would be for an individual
21 player to be anywhere on the floor as long as there is
22 a monitor. It could be in the restaurant, it could be
23 anywhere that would legally be allowed to be placed.
24 Why the stadium concept?

25 MR. JULIANO:

1 Well, first of all, visually the stadium
2 concept is more exciting. It allows you to envelop
3 the whole environment with the monitors and the
4 marketing. And people still --- even though this is
5 not quite as social as a real table game, they do like
6 to be around people who are playing what they're
7 playing.

8 We could piece it off into other
9 locations throughout the casino floor, but we haven't
10 seen that work anywhere else. They've always been
11 massed together so that the synergy between existing
12 games happens. And like I said earlier, that the
13 environment that we create is that this is a special
14 place, this is what's happening here. And it just
15 seems to work better that way.

16 MR. WOODS:

17 It seems to be a foray though into more
18 of an individual type of a game. I know your
19 corporate position on online gaming, but it seems that
20 the applicability would be to online gaming. It would
21 be able to be played similarly on this in the future.
22 I didn't know if this technology is being used that
23 way anywhere ---?

24 MR. JULIANO:

25 Not to my knowledge is it being used

1 anywhere and it certainly is, as you alluded, you know
2 what our company's position is on it. It would not be
3 any precursory to us considering that for sure.

4 MR. WOODS:

5 Thank you.

6 CHAIRMAN:

7 Keith?

8 MR. MCCALL:

9 Just one more question, I'm sorry.

10 Let's just assume that's going to be a \$5 minimum.
11 Would it be a \$5 minimum be on each game or would it
12 be by --- could it be an aggregate bet, say \$2 on
13 blackjack and \$3 on roulette?

14 MR. KENNEDY:

15 No, it would be \$5 per game type. But
16 of course, in the game of roulette, they could
17 probably break that up into five \$1 bets.

18 MR. MCCALL:

19 Sure.

20 MR. KENNEDY:

21 So, they have the option to spread them
22 out on the board and get different numbers and stuff
23 like that.

24 MR. MCCALL:

25 Very good.

1 CHAIRMAN:

2 If I may --- and this is a toss-up
3 question, I guess. Among the many purposes for this,
4 is one specific purpose to attract people who are now
5 playing slots to this type of gaming?

6 MR. KENNEDY:

7 We would think that --- I would think
8 they're the table --- it would reverse that. I think
9 it would migrate a table player who was devout into
10 the electronic world. So, I think it would probably
11 --- would we pull some slot players? Probably. But I
12 think the reverse would happen. I actually do. It's
13 my opinion just looking at the Gaming industry for the
14 past 30 years. You know, table players are usually
15 table players; slot players are usually slot players.
16 In this instance, we have what they call a hybrid,
17 which would attract probably both sides, but I think
18 it would attract the table players more.

19 CHAIRMAN:

20 Bottom line is though, I gather you
21 expect this to attract people to your property who are
22 not now coming to your property?

23 MR. JULIANO:

24 That's what we hope.

25 MR. KENNEDY:

1 Yeah, that's correct.

2 MR. JULIANO:

3 And at the end of the day, the
4 marketplace will tell us what's working, you know,
5 And Saturday night, it was --- just this past Saturday
6 night, it was really apparent that, you know, we had
7 just about every slot machine full. And so, the
8 market is telling us that that's what's working right
9 now. And we'll just follow the trends of this and see
10 if that continues.

11 CHAIRMAN:

12 Ex-officio, questions? Anymore
13 questions from the Board? Thank you very much, ladies
14 and gentlemen.

15 MR. JULIANO:

16 Thank you.

17 MR. KENNEDY:

18 Thank you.

19 CHAIRMAN:

20 Appreciate the information very much.

21 * * * * *

22 PRESENTATION CONCLUDED

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CERTIFICATE

I hereby certify that the foregoing proceedings,
hearing held before Chairman Ryan was reported by me
on 03/31/2015 and that, I Derrick Ferree, read this
transcript and that I attest that this transcript is a
true and accurate record of the proceeding.



Court Reporter

Derrick Ferree