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Via Email and First Class Mail

Chad W. Zimmermann
 Assistant Chief Counsel
 Pennsylvania Gaming Control Board
 P.O. Box. 69060
 Harrisburg, PA 17106-9060
cwzimmerma@pa.gov

RE: Proposed Permanent Regulations on Sports Wagering (Regulation #125-234)

Dear Mr. Zimmerman:

Greenwood Gaming and Entertainment, Inc. d/b/a Parx Casino ("GGE") respectfully submits these comments to the proposed permanent sports wagering regulations of the Pennsylvania Gaming Control Board ("Board").

I. *The Board should clarify Section 1407a.4(e)(12).*

The Board's proposed regulations provide that wagering devices shall be capable of recording, among other things, the date, time, amount and description of the settlement of a sports wager. Section 1407a.4(e)(12). GGE seeks clarification of the term "description of the settlement" as used in this Section. GGE submits that it is unclear what information the Board is seeking. This term is not defined in the Board's regulations, nor is it defined in Chapter 13C (pertaining to Sports Wagering) of the Pennsylvania Race Horse Development and Gaming Act, 4 Pa. C.S. §§ 1101 et seq. ("Gaming Act"). GGE requests that the Board clarify the meaning of this term. With the uncertainty about the term "description of settlement," GGE submits that when sports wagers are placed at any of its retail locations, information pertaining to the settlement is not included on the sports wagering ticket. The sports wagering kiosks display this information upon settlement, and this information is recorded through the sports wagering platform. GGE seeks clarification from the Board that this regulation does not require wagering devices to automatically provide this written information to patrons, such as on a wagering ticket. Further, GGE urges the Board to modify this Section to provide that it is only applicable if the specified settlement information is not recorded through the sports wagering platform.

II. *The Board should provide clarification of Section 1407a.4(g).*

Section 1407a.4(g) of the Board's proposed regulations provides: "When a sports wager is voided or cancelled, the system shall clearly indicate that the sports wagering ticket is voided or

cancelled, render it nonredeemable, and make an entry in the system indicating the void or cancellation and identify the cashier or automated process.” GGE seeks clarification on what is meant by “nonredeemable.” A patron seeking to “cash-out” on a voided ticket would be able to “redeem” the value of his or her original bet. GGE respectfully requests that the Board clarify in this Section that holders of voided tickets are entitled to a refund in the amount of their bet.

III. *The Board should recognize that wagering devices cannot automatically prevent the posting, voiding and cancellation of wagers without human intervention.*

Under the Board’s proposed regulations, wagering devices must be able to prevent “past posting of wagers and the voiding or cancellation of wagers after the outcome of the event is known.” Section 1407a.4(h). Compliance with this proposed requirement is not feasible. GGE submits that the wagering devices are not designed to automatically meet this requirement. The posting, voiding, and cancellation of wagers are connected with the sports wagering platform and most likely require human intervention. Of course, GGE, along with its sports wagering platform provider, will make all reasonable efforts to prevent the past posting of wagers and the voiding or cancellation of wagers after the outcome of the event is known. As explained, however, this requirement may entail human involvement. As such, GGE respectfully requests that the Board eliminate this proposed requirement.

IV. *The Board should eliminate the requirement in Section 1407a.4(i), as the implementation of this requirement is not feasible at retail locations, would be unduly burdensome, and creates the risk for potential abuse.*

GGE also urges the Board to eliminate the proposed requirement for a sports wagering certificate holder to cancel a wager and return refunds in the event a patron has a pending sports wager and then is excluded or self-excludes. Section 1407a.4(i). It is not feasible to meet this requirement when sports bets are placed at retail locations. A sports wager placed at any of GGE’s retail locations may be placed anonymously. As such, GGE would not know whether a patron that anonymously placed a wager is excluded or self-excluded after placing the anonymous wager, making compliance with the proposed requirement infeasible. Imposing the proposed requirement in Section 1407a.4(i) on sports wagers placed online would be unduly burdensome for sports wagering certificate holders. Due to challenges presented by the timing of the exclusion or self-exclusion and the outcome of the sport event, the proposed requirement would require certificate holders to adopt costly, complicated procedures. The proposed requirement also opens the door for potential abuse by patrons who may seek to evade a financial loss if their wagered outcome is not looking favorable. As such, GGE requests that the Board eliminate this requirement and mandate that all persons, who self-exclude or the Board excludes, forfeit any pending sports wagers.

V. *The Board should clarify the term “ticket overrides” in Section 1407a.6(g)(2).*

The Board’s proposed regulations provide that a certificate holder’s internal controls include, among other things, “[t]he policies and procedures for paying and/or writing tickets that are over the set limits, voiding tickets, issuing corrections to tickets and ticket overrides.” Section 1407a.6(g)(2). GGE submits that it is unclear what the Board intended by the term “ticket overrides.” This term is not defined in the Board’s regulations, nor is it defined in Chapter 13C of the Gaming Act. GGE respectfully requests that the Board provide clarification and/or provide a definition of this term.

VI. *The Board should provide clarification of Section 1408a.3(j).*

Section 1408a.3(j) provides, in pertinent part: “A sports wagering certificate holder or sports wagering operator shall submit for approval any revision to the Catalog of Events and Wagers at least 72 hours in advance of implementation of these changes.” GGE understands this provision to mean that sports wagering certificate holders can implement any revisions to the Catalog of Events and Wagers 72 hours after submitting the revisions to the Board. Another interpretation of this provision, however, is that a sports wagering certificate holder would have to wait until Board approval to implement any revisions. GGE respectfully requests that the Board clarify this provision, consistent with GGE’s understanding.

VII. *The Board should enable sports wagering certificate holders to cancel wagers at their discretion if the Board approves certain cancellation criteria.*

Section 1408a.3(k) refers to the Board’s right to order the cancellation or discontinuance of wagering on any event which may have an impact on the public or the integrity of sports wagering operations. Section 1408a.8(b)(10) requires internal controls to include a “description of the policies and procedures to be followed in the event that an error occurs in the offering of an event or wager, including cancellation of the wagers placed due to error, which shall be subject to Board approval.” While GGE does not have any specific concerns with these provisions, GGE submits that sports wagering certificate holders should have the ability to submit to the Board for approval criteria wherein sports wagering certificate holders would be permitted to cancel wagers, at their discretion, if the pre-approved criteria is met. Under this proposal, the sports wagering certificate holder would notify the Board immediately before the wager is canceled.

Providing this flexibility to sports wagering certificate holders is extremely important, particularly in situations where an error occurs in the offering of an event or wager. If sports wagering certificate holders are required to receive Board approval prior to cancelling a wager, there is a high likelihood that an event will conclude and settle prior to receiving Board approval. Sports wagering platforms are global, so the platform provider will forward any winnings to patrons, automatically, at the conclusion of events. At this point, sports wagering certificate

holders will suffer the financial loss that occurs as a result of the error. As such, GGE urges the Board to permit certificate holders to cancel wagers at their discretion so long as pre-approved criteria are met.

VIII. *The Board should modify the language in Section 1408a.3(o).*

Section 1408a.3(o) provides: “Winning sports wagering tickets shall be redeemed through the sports wagering system, and a ticket writer or self-service kiosk shall cause the winning ticket to be cancelled in the sports wagering system upon redemption.” (Emphasis added). GGE submits that the term “cancelled” is confusing. For clarification purposes, GGE recommends that the Board modify this provision as follows: “Winning sports wagering tickets shall be redeemed through the sports wagering system, and a ticket writer or self-service kiosk shall cause the winning ticket to be ~~cancelled~~ reflected as claimed [or redeemed] in the sports wagering system upon redemption.”

IX. *The Board should provide leniency in waiving regulations, upon request, as applied to nonprimary locations.*

GGE submits that the Board should memorialize its flexibility in its sports wagering regulations for nonprimary locations. More specifically, GGE recommends that the Board memorialize its process that permits Category 1 slot machine licensees with a sports wagering certificate to file a written request of the Board’s Executive Director to utilize sports wagering devices and implement operations at a nonprimary location that are inconsistent with the Board’s sports wagering regulations. As described below, the proposed sports wagering regulations present challenges for nonprimary locations and could be construed to require operations that do not allow for full integration of sports wagering and horse racing operations.

For example, Section 1401a.9(b) provides: “A sports wagering area shall be a single area of dedicated public space with clearly established walls or defined borders.” Further, Section 1401a.9(c) requires, among other things, sports wagering areas to include restricted areas for conducting sports wagering transactions and further requires one or more ticket writer windows, which are to be fully enclosed and designed to prevent direct access to the materials and activities therein. These provisions are of concern, as nonprimary locations should have the flexibility to effectively and efficiently integrate wagering on horse racing and sporting events. Certificate holders should be permitted to use a single space and writer window for conducting both activities. In order for a nonprimary location to effectively and efficiently integrate racing and sporting events, GGE recommends that the Board continue its flexible approach in the area of nonprimary locations. Finally, to the extent the Board has already approved sports wagering devices at nonprimary locations, there should be some flexibility in allowing the continued use of those devices.

GGE greatly appreciates the opportunity to provide comments on the Board's proposed permanent regulations, and we thank you for your consideration of GGE's positions on these important matters. Should you have any questions on these comments, please feel free to contact me.

Respectfully submitted,

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cc: Robert Green