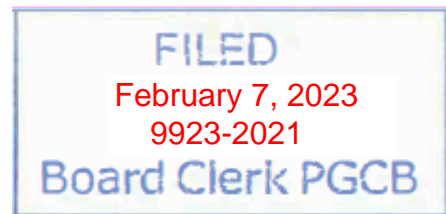


PENNSYLVANIA GAMING CONTROL BOARD



IN RE: :
:
Application of SC Gaming :
OpCo, LLC : OHA Docket # 9923-2021
:
Application for Category 4 :
Slot Machine License :

ADJUDICATION

This matter is before the Pennsylvania Gaming Control Board (“Board”) pursuant to an application by SC Gaming OpCo, LLC¹ (“SC Gaming”) for a Category 4 slot machine license in accordance with the Pennsylvania Race Horse Development and Gaming Act (“Gaming Act” and/or “The Act”), Act of July 5, 2004, P.L. 572, No. 72, as amended, 4 Pa.C.S. §§1101-1904 and Act 23 of 2020, (“Act 23”), which amended the Fiscal Code at 72 P.S. §1724.1-E to provide that the Board shall conduct an auction pursuant to 4 Pa.C.S. §1305.2(c)(12) of any Category 4 slot machine license for which the Board has denied the application filed by the winning bidder of an initial auction, subject to certain limitations.

In July 2004, after the Gaming Act was ratified, Pennsylvania began an expansive initiative to provide for legalized slot machine gaming at a limited number of licensed facilities in the Commonwealth. The primary expressed objective of the Gaming Act is to protect the public through regulating and policing of all activities involved in gaming. Other objectives include enhancing live horse racing and breeding programs; increasing entertainment and employment opportunities in the Commonwealth; establishing a significant source of income to the

¹ SC Gaming OpCo is a limited liability company that was formed on November 5, 2020, in the State of Delaware for the purpose of holding the Category 4 slot machine license and operating the casino facility proposed by and on behalf of Ira Lubert.

Commonwealth for tax relief; the creation of broad economic opportunities for Pennsylvania's citizens; and developing tourism. The amendments to the Gaming Act in 2017 specifically address Category 4 facilities, stating that it is the intent of the General Assembly to auction Category 4 locations and the right to apply for Category 4 locations in the Commonwealth to ensure the sustainability and competitiveness of the commercial gaming industry in locations in a manner to avoid the cannibalization of existing commercial locations. 4 Pa.C.S. §1102(12.5)

To meet these stated objectives, the Board is charged with strictly monitoring the licensing of specified locations, persons, associations, practices, and activities while considering the public interest of the citizens of the Commonwealth and the social effects of gaming when rendering decisions. Ultimately, the Board must maintain the integrity of the regulatory control of the industry. 4 Pa.C.S. §1102

The Act established the Board, which is comprised of three (3) gubernatorial and four (4) legislative appointee members. 4 Pa.C.S. §1201(b). The Board is vested with general jurisdiction over all gaming and related activities including, but not limited to, overseeing the acquisition and operation of slot machines, table games and other equipment, and issuing, approving, renewing, revoking, suspending, conditioning, and denying slot machine licenses. 4 Pa.C.S. §1202

Four categories of slot machine licenses have been authorized by the Gaming Act and its Amendments. The category at issue here is the Category 4 slot machine license authorized by 4 Pa.C.S. §1305.1, and for this particular license, Act 23 of 2020, amending §1724.1-E of the Fiscal Code, 72 P.S. § 1724-1E. The Fiscal Code Amendment directed that the Board conduct an auction pursuant to 4 Pa.C.S. §1305(c)(12) of the Gaming Act. This directive provided that eligible

bidders in the auction could include slot machine licensees in good standing with the Board or persons with an ownership interest in a slot machine licensee that holds a license in good standing with the Board.² Other eligibility requirements for a Category 4 license include the location of the proposed casino, 4 Pa.C.S. §1305.1(b); timely payment of the bid amount, 4 Pa.C.S. §1305.2(c)(7); and the timely submission of the Category 4 application, 4 Pa.C.S. §1305.2(c)(10).

The Gaming Act also imposes more general eligibility criteria on applicants for all categories of slot machine licenses, which include the development and implementation of a diversity plan to assure equal opportunity in employment and contracting, as well as a requirement that the applicant be found suitable, consistent with the laws of the Commonwealth, and are otherwise qualified for licensure. 4 Pa.C.S. § 1325.

Other sections of the Gaming Act impose further restrictions on who may be issued a license, including imposing good character, honesty, and integrity requirements upon applicants, requiring letters of reference from law enforcement and other casino jurisdictions where the applicant may be licensed, 4 Pa.C.S. § 1310, and imposing strict financial fitness requirements on the applicant to assure the financial and operation viability of the proposal, 4 Pa.C.S. § 1313, among others. In addition to the eligibility criteria, the Gaming Act also provides extensive guidance for the Board’s consideration in issuing licenses. 4 Pa.C.S. § 1325(c).³

In accordance with the second Fiscal Code Amendment, on September 2, 2020, at a public meeting of the Board, an auction was conducted for a Category 4 license previously applied for by Mt. Airy #1, LLC and subsequently denied by the Board. Ira Lubert (“Mr. Lubert”) submitted the

² This amendment to the Fiscal Code differs from the 2017 Gaming Act Amendment authorizing Category 4 slot machine licenses by permitting any person with an ownership interest in a slot machine licensee that holds a license in good standing with the Board to submit an auction bid. It also differs from a previous amendment to the Fiscal Code which required the auction process to restart and was subsequently halted after receiving no bids.

³ Section 1325(c) provides that the Board may take the listed factors into consideration when determining whether the grant of a license is in the public interest and in accordance with the objectives of the Act.

winning bid of \$10,000,101.00. This was one of two bids received at this auction. A second bid was submitted by Stadium Casino RE, LLC (“Stadium”). Mr. Lubert also secured a location for placement of a Category 4 casino within a 15-mile radius area with a center point in Unionville Borough in Centre County. Mr. Lubert timely paid the winning bid amount to the Pennsylvania Department of Revenue on September 3, 2020. After securing a Category 4 location, Mr. Lubert created SC Gaming OpCo, LLC, an entity owned wholly by himself, to apply for the Category 4 license and operate the casino.

Board staff received SC Gaming’s timely Category 4 application on March 2, 2021, and the Bureau of Licensing (“BOL”) and the Bureau of Investigations and Enforcement (“BIE”) subsequently engaged in an extensive review and investigation of the applicant. On August 16, 2021, the Board held a Public Input Hearing at the Penn Stater Conference Center in State College Pennsylvania. During the Public Input Hearing, SC Gaming made a presentation and eleven (11) individuals spoke about the proposed project. In addition, a public comment period was established and subsequently extended until it closed on June 12, 2022, wherein the Board accepted, and made part of the record, written submissions by anyone who chose to provide the same. During the extended public comment period, the Board received 773 written comments regarding the SC Gaming project. Six hundred and seventy-two were opposed to the project, one hundred were in favor and one was neutral.⁴ The Board placed a large amount of information about the project on its website, as well as the written public comment and conducted a public Suitability Hearing for SC Gaming on January 25, 2023, in Harrisburg Pennsylvania.⁵

⁴ The Board also received two (2) petitions with signatures of individuals opposed to the project.

⁵ See: <http://www.gamingcontrolboard.pa.gov/?p=71&yr=202>

In addition to the eligibility criteria cited above, factors the Board took into consideration when reviewing this application are contained in Section 1325 of the Act. The Board fully considered all these factors to arrive at its decision on licensure based upon all of the evidence that comprises the evidentiary record in this case. The Board also had the opportunity on several occasions to question SC Gaming about its proposal.

Throughout the entire licensing and investigative process, BIE reached out to various federal, state and local law enforcement agencies, including the Federal Bureau of Investigation (“FBI”), the Pennsylvania State Police (“PSP”) and the Pennsylvania Attorney General, requesting any information in the possession of those agencies related to the suitability of SC Gaming. These agencies have not provided the Board with any information that would preclude SC Gaming from being found suitable for licensure.

Based upon each Board member’s comprehensive evaluation of all information obtained throughout the entire licensing process and contained in the evidentiary record, the Board collectively engaged in quasi-judicial deliberations in several executive sessions, during which it met to fully and frankly discuss the eligibility and suitability of this applicant and its proposed project.

On January 25, 2023, the Board met during a public meeting in accordance with the requirements of the Pennsylvania Sunshine Act, 65 Pa.C.S. Chapter 7, and Section 1206 of the Gaming Act, to consider and vote on the Category 4 slot machine application of SC Gaming. During the January 25, 2023, public meeting, the Board voted unanimously to grant SC Gaming a Category 4 license. The following Findings of Fact and Conclusions of Law set forth the Board’s rationale for this determination.

FINDINGS OF FACT

1. On October 30, 2017, Governor Wolf signed Act 42, creating a Category 4 slot machine license, and directing the Board to establish procedures by which auctions will be held to obtain both a Category 4 location and the right to apply for a Category 4 license.
2. Successful auctions were held on January 10, January 24, February 8, February 22, and April 4 of 2018. On April 18, 2018, the Board held an auction at which no bids were offered. The Board stopped the auction process at that point per their discretion in 4 Pa.C.S. §1305.2(b.1).
3. On June 28, 2019, Governor Wolf signed Act 20 which amended the Fiscal Code to, *inter alia*, require the Board to restart the auction process for the remaining five (5) Category 4 licenses with the stipulation that should an auction not receive a bid, the process would again halt.
4. On September 4, 2019, the Board held an auction pursuant to Act 20. No bids were offered.
5. On November 20, 2019, the Board denied the application for a Category 4 slot machine license that Mount Airy #1, LLC had won the right to submit after reserving a Category 4 Location in Big Beaver, PA, by successful bid on February 8, 2018.
6. On May 20, 2020, Governor Wolf signed Act 23 which amended the Fiscal Code a second time to, *inter alia*, require the Board to conduct another auction to re-auction any Category 4 license that it had previously denied. 72 P.S. § 1724.1-E(e).
7. Pursuant to Act 23, eligible bidders are defined as a slot machine licensee in good standing with the Board or any person with an ownership interest in a slot machine licensee that holds a license in good standing with the Board. 72 P.S. § 1724.1-E (e)(2)(iv).

8. On September 2, 2020, an auction was held pursuant to Act 23. There were two bids offered. Mr. Lubert won that auction with a bid of \$10,000,101. Unionville Borough, Centre County, was the center point of a fifteen-mile radius selected as the Category 4 Location. Stadium offered the second, and losing, bid.
9. At the time of the September 2, 2020 auction, Mr. Lubert was eligible to bid pursuant to 72 P.S. § 1724.1-E(e)(2)(iv)(B) as he held a 3.150% ownership interest in Holdings Acquisition Co., LP – a Category 2 slot machine licensee operating as Rivers Casino Pittsburgh. He also held a principal license in good standing with the Board.
10. The winning bidder was required to remit the bid amount within two business days of the auction, or the second highest bidder shall be awarded the right to select a Category 4 Location. 4 Pa.C.S. §1305.2(c)(7), (8).
11. Mr. Lubert timely paid his winning bid amount of \$10,000,101 to the Pennsylvania Department of Revenue on September 3, 2020, via wire from his personal account.
12. On November 5, 2020, in the state of Delaware, SC Gaming, a limited liability company, was formed for the purpose of holding the Category 4 slot machine license and operating the casino facility on behalf of Mr. Lubert.
13. A winning bidder was required to file an application for a Category 4 slot machine license within six (6) months of winning the bid or forfeit the right to apply for the license and the winning bid amount. 4 Pa.C.S. §1305.2(c)(10)(i), (ii).
14. After winning the auction and reserving the Category 4 location, SC Gaming filed a timely application for a Category 4 slot machine license on March 2, 2021.

15. Once an application is received, it is first reviewed by the BOL to ensure completeness and, if necessary, the applicant is provided with an opportunity to cure any deficiencies within the application. 58 Pa. Code §423a.4(a).
16. Upon an application being deemed complete by the BOL, it is transmitted to the BIE so they may “[i]nvestigate and review all applicants and applications for a license....”. 4 Pa.C.S. §1517(a.1)(2).
17. Certain information within that application is statutorily deemed to be confidential and cannot be disclosed by the Board. 4 Pa.C.S. §1206(f)(1).
18. Beyond what the statute specifically delineates, it is within the Board’s discretion to further restrict the release of information it deems, on its own, to be confidential. 4 Pa.C.S. §1207(2).
19. The Board may not require an applicant to waive confidentiality. 4 Pa.C.S. §1206(f)(5).
20. BIE shall enforce the provisions of the Act. 4 Pa.C.S. §1517(a.1)(1).
21. Within the BIE, the Office of Enforcement Counsel (“OEC”) is established to “[a]dvice the bureau on all matters, including the granting of licenses....”. 4 Pa.C.S. §1517(a.2)(1)(i).
22. BIE and OEC are the only entities statutorily enabled and authorized to investigate applications and enforce the Act. 4 Pa.C.S. §1101, *et seq.*
23. BIE and OEC have conducted an extensive investigation into the application, applicant, and proposed project and do not object to the Board’s award of this Category 4 slot machine license.
24. In their application, SC Gaming indicated that in addition to their slot machine license, they intended to also file Petitions to operate table games, interactive gaming, and sports wagering.

25. Mr. Lubert has substantial experience successfully developing and running a casino. He states that he was the lead partner in the group that developed Valley Forge Casino Resort, a Category 3 licensee in good standing, and he intends to apply the same skills to the Category 4 project in State College.
26. SC Gaming's proposed facility will be located at the Nittany Mall, 2901 E. College Ave., Suite 200, State College, Pennsylvania, 16801, in the space formerly occupied by a Macy's department store.
27. The proposed facility will occupy 94,766 square feet of currently vacant space within the existing 550,000 square foot mall.
28. Of the 94,766 square feet of space, the gaming floor will occupy 36,192 square feet, while the retail sportsbook will occupy 830 square feet.
29. The total budget for the project is \$128 million.
30. The location is currently zoned in College Township's C-1 General Commercial Zoning which indicates that a gaming establishment is "use-by-right" and will not need any additional zoning compliance.
31. SC Gaming proposes to operate 750 slot machines and 30 table games at the commencement of operations, the most allowed under the Gaming Act for a Category 4 facility.
32. Per the provisions in 4 Pa.C.S. §1305.1(d)(3)(iii), SC Gaming indicated that it will file a Petition, and pay the \$10,000/machine fee, to operate each of its proposed 750 slot machines.
33. SC Gaming indicated that it will file a Petition, and pay the requisite \$2,500,000 fee, to operate the 30 table games as specified in 4 Pa.C.S. §13A11(b)(2.2)(i).

34. SC Gaming indicated in its application that it, or its appropriate affiliate, will Petition for a sports wagering certificate to operate both retail and interactive sports wagering.
35. SC Gaming further indicated that it, or its appropriate affiliate, will Petition to operate all three available forms of Interactive Gaming.
36. The proposed site plan also includes a sports themed restaurant and bar with a stage for live music and special events, as well as quick serve food and beverage outlets. Once commenced, construction is anticipated to take no longer than one (1) year.
37. The facility will have three entrances with one entrance into the mall space. The facility is planned to be a non-smoking facility.
38. At all casino entrances there will be security personnel checking the ID of any patron looking under the age of thirty and employing ID scanning and verification technology to confirm patron ages.
39. There will be 24/7 surveillance coverage of, among other areas, the casino floor, all public spaces where customers can circulate, as well as in the parking lots. The parking lots will have roving security patrols and constant roving patrol coverage during peak times.
40. SC Gaming's proposed location in the Nittany Mall is already well-suited to the kind of volume and traffic that a casino facility can bring. In total, it has over 2,000 parking spaces and, to ease traffic flow, six access points - three that are signalized and three that are not – to surrounding roads.
41. The proposed location is also less than two (2) miles from Interstate 99, as well as having easy access to Interstate 80 and US 322, which will open the primary market service area within 50 miles of the property.

42. SC Gaming anticipates creating jobs through both the initial construction and ongoing operations. They anticipate 350 construction jobs to last during the anticipated one-year construction timeline and averaging an annual salary of approximately \$46,000.
43. SC Gaming also avers that there will be about 350 full-time equivalent jobs to maintain operations upon opening and 400 full-time equivalent jobs once the facility stabilizes at an average annual salary of \$47,000. Employees will have benefits such as paid time off, a 401(k) plan, medical, dental and vision insurance, as well as other employee benefits offered.
44. All employees will be required to complete annual responsible gaming training to work on the casino floor, as well as responsible alcohol training.
45. In addition, SC Gaming anticipates 110 full-time equivalent indirect jobs during construction, 240 full-time equivalent indirect jobs upon opening, and 300 indirect jobs upon stabilization in other industries to support the facilities ongoing operations. These jobs will mostly be in healthcare and social assistance, retail, transportation and warehousing, finance and insurance, and accommodations and food services.
46. It is anticipated that these jobs, both direct and indirect, will be attainable to a wide range of people with backgrounds ranging from entry-level to senior management.
47. SC Gaming anticipates an increase in tourism to College Township and a revitalization of the Nittany Mall as a result of the project.
48. SC Gaming represents that it plans to recruit a workforce reflective of the diversity of Centre County based upon estimates provided by the U.S. Census Bureau.
49. SC Gaming further represents that its policies, work environment, and practices will mirror this commitment to diversity.

50. SC Gaming also commits to equality of opportunity in contracting by any contractors, subcontractors, assignees, lessees, agents, gaming service providers, and suppliers.
51. According to a local impact analysis, the project proposed by SC Gaming should negligibly impact street maintenance and will not require additional improvements to meet usage demands for sanitation, water, and sewer.
52. That same analysis suggests the project will not impact the capabilities of current police, fire, or EMS staffing or operations. SC Gaming representatives testified that if projected calls for these services are greater than anticipated, they will address new needs as they arise.
53. Because the location of the proposed facility is within an existing shopping mall, it is anticipated that current traffic patterns and infrastructure will not need any substantial improvements to meet any increased demand and is already capable of handling the volume. The only suggested improvement by College Township's engineer was to potentially adjust the timing of certain nearby traffic signals.
54. At SC Gaming's public input hearing held by the Board, former State Senator Jake Corman pointed out that while crafting the concept of the Category 4 slot machine license, the General Assembly contemplated a structure by which local municipalities could opt out if they did not want to participate in gaming. College Township did not choose to opt out.
55. Former Senator Corman also pointed out that Mr. Lubert is a local resident who will have a personal and vested interest in a high-quality facility.
56. The district manager for State Representative Kerry Benninghoff testified that he is encouraged by SC Gaming's chance to revitalize the Nittany Mall, which has become vacant.

57. The district manager testified that Representative Benninghoff believes the facility can become a good community partner that will provide good, family-sustaining, and local jobs.
58. Local government, union, and Nittany Mall representatives further testified to what they believe are the merits of this project and the good they believe it will do for the local community.
59. Four local residents testified on behalf of the project at the public input hearing. One was in support, two were opposed, and one was neutral.
60. Supporters of the project cited the potential for economic revitalization, employment, and tourism.
61. Reasons for opposition included immorality, gambling addiction, proximity of the project to children, insufficient parking, and a vague plan.
62. In addition to testimony at the public input hearing, the record remained open until June 12, 2022, to accept written comments. One hundred people submitted written comments in support of the project and six hundred and seventy-two people submitted written comments in opposition to the project. Two petitions with signatures of those opposing the project were also provided to the Board.

CONCLUSIONS OF LAW AND DISCUSSION

The Board has the “sole regulatory authority over every aspect of the authorization, operation and play of slot machines, table games and interactive gaming devices and associated equipment” in Pennsylvania. 4 Pa.C.S. §1202(a)(1). Moreover, the Board has the “specific power and duty...at its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of slot machine licenses.” *Id.* § 1202(b)(12).

With this authority and duties in mind, as well as the objectives and criteria set forth in this adjudication, the Board has reviewed the entire evidentiary record for the SC Gaming application, as well as the filings related to the intervention of Stadium Casino. Based upon all of this information the Board concludes that SC Gaming is eligible and suitable for a Category 4 slot machine license and it would be in the best interest of the Commonwealth and its citizens to award such a license to SC Gaming. The Board's reasons and rationale supporting its decision follows.

I. Intervention of Stadium Casino RE, LLC

Procedural Background

On July 28, 2021, Stadium filed a Petition for Review in Commonwealth Court against the Board, SC Gaming and Mr. Lubert. As of this date, the Petition for Review remains pending. Specifically, the parties are awaiting a decision on preliminary objections filed by the Board.

On August 26, 2022, after an Order was filed by a Hearing Officer setting a deadline for any Petitions to Intervene in the SC Gaming application process before the Board, Stadium filed a Petition for Intervention ("Petition") raising the same issue presented in the Commonwealth Court, although now seeking discovery from the Board and the opportunity to present witnesses and testimony at SC Gaming's licensing hearing. After filing the Petition to Intervene, between August and October 2022, SC Gaming, Stadium and OEC filed several documents, including Answers, Replies and Briefs in support thereof.

On December 14, 2022, a public hearing was held wherein the Board granted Stadium intervenor status as a participant, but denied Stadium's discovery request and ordered that its participation in the proceedings be limited to:

a. Submission of the Petition to Intervene, all other subsequent filings on the docket at that time, and the transcript of the oral argument from the December 14, 2022, Board meeting.

No other testimony, witness statements or other evidence was to be accepted, absent a future Board ruling.⁶

b. Stadium Casino Re, LLC was permitted fifteen (15) minutes to address the Board in oral argument at the licensing hearing on the Category 4 Application of SC Gaming Op Co, LLC.

Summary of Intervention Issues

1. Intervention

The Board's regulations governing intervention in a licensing proceeding are found at 58 Pa. Code §441a.7(z). This subsection pertains exclusively to intervention in a licensing hearing. The right to intervene in a licensing hearing under this section is within the sole discretion of the Board. *Id.* The regulation provides that a person may file a petition to intervene under this subsection if the person has an interest in the proceeding which is substantial, direct, and immediate and if the interest is not adequately represented in a licensing hearing. *Id.* §441a.7(z)(2). The regulations also provide that, except when the Board determines that it is necessary to develop a comprehensive evidentiary record, the participation of a person granted the right to intervene in a licensing hearing will be limited to the presentation of evidence through the submission of written statements attested to under oath. *Id.* §441a.7(z)(6). The written statements shall be part of the evidentiary record. *Id.*

Stadium argued at the December 14, 2022, public hearing that as the losing bidder in the September 2020 auction, it has an interest that is substantial, direct, and immediate as required by the Regulations. Stadium also argued that its interests in the licensing proceeding would not be

⁶ On Monday January 23, 2023, later in the afternoon, Stadium filed a request seeking to supplement the record with additional expert witness testimony. This request to supplement the record was denied by Order dated January 24, 2023, due to the lateness of the filing and the lack of time for the other parties to respond to the supplemental filing.

adequately represented by either OEC/BIE or SC Gaming because neither would address the issues Stadium raised concerning the Board's statutory authority under the Gaming Act. Specifically, Stadium questioned whether the Board has the authority to consider SC Gaming's application because, Stadium asserts, it did not submit the application in the manner required by the Gaming Act.

OEC admitted in its September 6, 2022, Answer that it did not intend to challenge the Board's authority to consider SC Gaming's application. However, OEC did deny that OEC/BIE would not adequately represent Stadium's interests in the issue raised. OEC/BIE is charged with enforcement of the Act, which includes, among other responsibilities, protecting the citizens of the Commonwealth, including Stadium, and enforcing regulatory compliance with the Act. Furthermore, OEC/BIE is charged with investigating SC Gaming's application, including assessing whether Mr. Lubert and SC Gaming complied with the Gaming Act during the application process and to make reports, recommendations and objections to the Board based on their investigation and assessments. OEC/BIE averred that it would represent the interests of Stadium, as well as the general public, in discharging these duties when determining whether the application complied with the Gaming Act.

58 Pa. Code §441a.7(z), sets forth the rights of an intervener at a license hearing to submit written statements attested to under oath. Accordingly, Stadium requested in its filings that the Petition to Intervene and its other filings on the record serve as their written statement under oath, to which neither OEC nor SC Gaming objected, and which the Board ordered following the December 14, 2022, hearing.

2. Participant or Party

The Board also took up the issue of whether Stadium should be deemed to be a participant or a party to the matter for the purpose of intervention. At the December 14, 2022, public hearing the Board determined that Stadium should be granted intervenor status as a participant and not as a party.

The Board's regulations at Section 491a.2 provide the following definitions of Party and Intervenor (hereinafter "participant"):

Intervener--A person who petitioned to intervene in a proceeding and who was admitted by the Board as a participant to the proceeding.

Party--A person who is named in or admitted to a proceeding before the Board and who has a direct interest in the subject matter of the proceeding.

The Board determined that Stadium should be permitted to intervene as a participant for the following reasons and in accordance with the provisions of Section 441a.7(z): 1) the Board has the discretion, but not the obligation to permit Stadium to intervene in this matter; 2) the Regulations governing intervention allow for participant status only; 3) Board staff has all of the information it needs or has required from SC Gaming to undertake its investigation of the applicant, and there is no new factual information that Stadium could provide to the Board; and 4) it is not the duty of Stadium, but instead the duty of BIE/OEC, to review the applications, analyze the ownership structure and to advise the Board whether the application is compliant with the Act and Regulations.

3. Discovery Request

Stadium averred in its Petition to Intervene that Mr. Lubert, after winning the auction bid, partnered with Bally's Corporation, which then obtained a majority equity interest in the partnership and formed multiple entities and sold ownership or controlling interests in those

entities to others who would not have been eligible to submit a bid at the auction in their own right. Stadium also alleged that Mr. Lubert did not pay the winning bid amount himself, with his own funds, but that others funded the bid amount. Stadium therefore sought discovery related to the persons and entities that they alleged have an ownership or control interest in SC Gaming or SC Gaming affiliates in support of their averments set forth above.

Ownership

Mr. Lubert, as the winning bidder for the Category 4 slot machine license, formed SC Gaming for the purpose of holding the Category 4 slot machine license. SC Gaming has been wholly owned by Mr. Lubert since its formation, including at the time it filed the application, submitted the appropriate license fee, and throughout the background investigation process. Mr. Lubert currently remains the sole owner of SC Gaming. SC Gaming has represented that a change in control of SC Gaming involving multiple investors - one of which is Bally's, the project's developer and manager - will be initiated shortly after the award of the Category 4 slot machine license. The change in control will require that: (1) SC Gaming file a petition with the Board requesting approval of the transaction(s); and (2) each individual and/or entity file the appropriate application, undergo background investigations, and independently qualify for licensure.

Confidential Information

Section 407a.3 of the Board's regulations, which governs confidential information and its release by the Board, is clear: the information sought by Stadium regarding the ownership structure of SC Gaming and its subsidiaries is confidential under the Act and the Board's regulations and, therefore, cannot be turned over to Stadium as discoverable information. The information Stadium seeks is contained in SC Gaming's Category 4 application. The

confidential information contained in the public version of the application was redacted pursuant to the confidentiality provisions found Section 407a.3. This information can only be released to the public, including Stadium, under very narrow circumstances, none of which were present in this matter. The Board is without authority to order disclosure of documents that are specifically required to be maintained and protected as confidential under the Act and Regulations, thus Stadium's request for discovery in this matter was denied.

4. Oral Argument

The Board has the discretion to allow Stadium to participate in the proceedings beyond what is provided for in 58 Pa. Code § 441a.7(z)(6), which limits the participation of an intervenor to the submission of written statements under oath. However, to have a full record for the Board to consider, the Board ordered that Stadium be given fifteen (15) minutes to present its oral argument prior to considering SC Gaming's application. Stadium presented its oral argument at the January 25, 2023, public hearing, prior to the Board making its determination in the matter of SC Gaming's application for a Category 4 license.

II. Eligibility of SC Gaming for a Category 4 slot machine license

As noted, Act 23 of 2020 amended the Fiscal Code to provide the following:

Notwithstanding 4 Pa.C.S. Pt. II or any other provision of law to the contrary, the following shall apply:

- (1) Within 90 days of the effective date of this subsection, the board shall conduct an auction pursuant to 4 Pa.C.S. § 1305.2(c)(12) of any Category 4 slot machine license for which the board has denied the application filed by the winning bidder of an initial auction, subject to the limitations under paragraphs (2), (3) and (4).
- (2) In conducting the auction under this subsection, the following shall apply:

- (i) The board shall conduct the auction according to the procedures under 4 Pa.C.S. § 1305.2(c).
 - (ii) The board shall set the date, time, and location of the auction at least two weeks prior to the auction and make auction information available on the board's publicly accessible Internet website.
 - (iii) If the auction fails to generate a bid, further auctions may not be conducted.
 - (iv) Eligible bidders must be one of the following:
 - a. A slot machine licensee as defined under 4 Pa.C.S. § 1103 that satisfies the following:
 - i. the slot machine licensee's license and table games operation certificate are in good standing with the board; and
 - ii. the slot machine licensee agrees to locate a Category 4 licensed facility as provided under 4 Pa.C.S. § 1305.1(b)(1), (3), (4), (5), (6) and (7).
 - b. A person with an ownership interest in a slot machine licensee as defined under 4 Pa.C.S. § 1103 that satisfies the following:
 - i. the person holds a license in good standing issued by the board;
 - ii. the person satisfies the requirements of 4 Pa.C.S. Part II and any criteria established by the board for licensure, including, but not limited to, financial and character suitability requirements, and has been approved by the board; and
 - iii. the person agrees to locate a Category 4 licensed facility as provided under 4 Pa.C.S. § 1305.1(b)(1), (3), (4), (5), (6) and (7).
- (3) A winning bidder's Category 4 location may not be located within 40 linear miles of a licensed facility, as defined under 4 Pa.C.S. § 1103, or a proposed Category 4 licensed facility.
- (4) A winning bidder that is not an existing slot machine licensee shall follow the procedures set forth under 4 Pa.C.S. § 1305.1(d)(3)(iii) by filing a petition with the board to operate slot machines and paying the authorization fee per authorized slot machine.

72 P.S. § 1724.1-E.

In accordance with this provision, the Board conducted an auction for the Category 4 slot machine license for which Mount Airy #1 LLC had unsuccessfully applied. The auction occurred at the Board's public meeting on September 2, 2020.

Mr. Lubert was eligible to submit a bid at the auction for the Category 4 slot machine license because he has an ownership interest in a slot machine licensee⁷ and holds a principal license that is in good standing with the Board. Mr. Lubert's winning bid amount of \$10,000,101 was one of two bids received, the other belonging to Stadium. Mr. Lubert also secured a location for the casino that complies with the Act and Regulations.

Pursuant to 4 Pa.C.S. § 1305.2(c), the winning bidder of a Category 4 auction is required to pay the bid amount within two business days following the auction and submit an application for the slot machine license within six months of the payment of the winning bid amount. If the winning bidder does not pay the bid amount within two business days, the second highest bidder is awarded the right to apply for the Category 4 slot machine license and choose a different location. Additionally, failure to submit an application within the required time results in forfeiture of the bidder's right to apply for the license and forfeiture of the winning bid amount.

Mr. Lubert timely paid the winning bid amount to the Pennsylvania Department of Revenue on September 3, 2020, via wire from his personal account, and timely submitted an application for a Category 4 slot machine license by way of his wholly owned entity, SC Gaming, on March 2, 2021.

The Board finds that SC Gaming has met the required eligibility criteria.

⁷ Mr. Lubert holds 3.150% net ownership interest in Holdings Acquisition Co, LP, a Category 2 slot machine licensee (Rivers Casino Pittsburgh).

II. Suitability of SC Gaming for a Category 4 slot machine license

Pursuant to 4 Pa.C.S. § 1325(c), in addition to the eligibility criteria provided above, the Board may also consider the following factors when reviewing an application for a slot machine license:

1. The location and quality of the proposed facility, including, but not limited to, road and transit access, parking, and centrality to market service area.
2. The potential for new job creation and economic development which will result from granting a license to the applicant.
3. The applicant's good faith plan to recruit, train and upgrade diversity in all employment classifications in the facility.
4. The applicant's good faith plan for enhancing the representation of diverse groups in the operation of its facility through the ownership and operation of business enterprises associated with or utilized by its facility or through the provision of goods or services utilized by its facility and through the participation in the ownership of the applicant.
5. The applicant's good faith effort to assure that all persons are accorded equality of opportunity in employment and contracting by it and any contractors, subcontractors, assignees, lessees, agents, gaming service providers and suppliers it may employ directly or indirectly.
6. The history and success of the applicant in developing tourism facilities ancillary to gaming development, if applicable to the applicant.
7. The degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living-wage jobs, and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular.
8. The record of the applicant and its developer in meeting commitments to local agencies, community-based organizations, and employees in other locations.
9. The degree to which potential adverse effects which might result from the project, including costs of meeting the increased demand for public health care, childcare, public transportation, affordable housing, and social services, will be mitigated.
10. The record of the applicant and its developer regarding compliance with:

- (i) Federal, state, and local discrimination, wage and hour, disability and occupational and environmental health and safety laws; and
- (ii) State and local labor relations and employment laws.

11. The applicant's record in dealing with its employees and their representatives at other locations.

The Board notes that SC Gaming provided detailed information relating to these factors in its application for the Category 4 license and at the public input and suitability hearings before the Board.

Location

The proposed casino location is 2901 East College Avenue, which is the Nittany Mall located along Benner Pike (S.R. 1050) and College Avenue (S.R. 0026) in College Township, Centre County, Pennsylvania. This is a prominent retail location with several anchor stores and additional retail outlets. The Nittany Mall, located in the existing College Township Commercial District, is an ideal location which is already an established and well-designed location for a high-volume consumer-oriented retail business such as SC Gaming's proposed Category 4 casino. It is highly visible in the surrounding area. The site will offer over 2,000 parking spaces with six access points to the Nittany Mall complex. The proposed facility will be located just over one (1) mile from Interstate 99 and will also be close to Interstate 80 and US-322, giving the facility access to local and interstate traffic and serving the casino's primary service area, which encompasses a fifty (50) mile radius around the property. This location has ample road and transit access, providing for ease of ingress and egress.

Currently, the Nittany Mall is not fully occupied due to the nationwide trend of decreased retail shopping in physical locations, as online shopping has become more popular. Re-use of this roughly 94,000 square feet of space will create and encourage revitalization opportunities at the under-utilized mall.

According to SC Gaming's application, there are two places of worship, one adult development center, two charitable institutions, one daycare center, and one family entertainment facility within a 1,500-foot radius (about ¼ of a mile) of the proposed facility. There are no hospitals, parks or zoos that would be frequented by the public within this 1,500-foot radius.

Based upon these factors, the Board concludes that SC Gaming's proposed location is suitable for a Category 4 slot machine facility.

Traffic

Road and transit access, also referred to simply as traffic, is a factor which the Board may take into account when considering an application. While neither SC Gaming nor OEC anticipate that the casino will create additional traffic problems due to its location in an established mall, concerns about traffic should not be ignored. The concern is based upon two things. First, traffic congestion is detrimental to a casino's success since people may refrain from patronizing the casino if access is difficult. Second, significant additional traffic congestion is detrimental to the interests of those living in the surrounding communities who may use the road network for other purposes, including patronizing other tenants at the Nittany Mall.

The Nittany Mall location has six (6) points of access, of which three (3) contain traffic signals and three (3) do not. The traffic impact study provided by David E. Wooster and Associates, Inc. ("Wooster") indicated that these access points will not change as the result of this project. Trip generation research done by Wooster indicates that the number of weekday PM peak trips to a mini casino will be very similar to the number of trips that would be generated if the space was occupied by the prior tenant, Macy's. The number of Saturday midday peak hour trips will be less than the number of trips that Macy's generated.

The Wooster traffic report does note that, currently, the Nittany Mall is not fully occupied and not operating at its full trip generation potential. Based on current trends it is highly unlikely it will ever return to its full trip generation potential. However, the access configuration and infrastructure surrounding the mall was designed to support the full trip generation potential of the mall. Therefore, it is safe to conclude that the site and surrounding roadway infrastructure as currently designed, are more than adequate to support the proposed Category 4 casino.

Finally, during the Board's suitability hearing, SC Gaming testified that it has committed to conducting a post-opening traffic study one year after the casino is open to the public to determine if any additional traffic mitigation is necessary to ease any possible traffic issues. This commitment is also a condition of the Board awarding the Category 4 license to SC Gaming.

Quality of Facility

The proposed casino will use the existing structure and infrastructure, about 94,000 square feet, to provide a full 750 slot machine complement, 30 live table games, a sportsbook and sports restaurant and bar, as well as live entertainment. Once construction commences, SC Gaming anticipates that it will be completed within one year.

While the "quality of the facility" factor is not easy to quantify in any objective way, the Board has reviewed all aspects of SC Gaming's architectural presentations, plans, testimony, and other evidence and has, in its discretion determined that the proposed Category 4 casino is appropriate for gaming and will serve as a high-quality conduit to deliver the benefits of gaming to the Commonwealth.

Potential for Job Creation, Economic Development and Revenue Generation

SC Gaming and its Consultant, Econsult Solutions, provided financial projections in its application. Included in these projections were its anticipated EBITDA at stabilization (10 years)

of \$18,382,008, with an estimated win per unit per day of \$1,673 for 30 table games and \$326 for 750 slot machines.

Per the Board's Financial Task Force the one-time economic impact of the proposed casino's construction on the Pennsylvania economy is estimated to be \$73.3 million, which is projected to support approximately 520 full-time equivalent (FTE) jobs. Construction is projected to also generate approximately \$1,061,000 in tax revenues for the Commonwealth. While the construction-related benefits of the development are temporary in nature, over the course of construction, the project is projected to support an estimated 350 direct construction jobs and 170 additional indirect and induced jobs in Pennsylvania.

The statewide total economic impact of ongoing operations is projected to be \$146.6 million in the first year of operations and \$185.9 million per year after 10 years, along with the concurrent creation of an estimated 710 jobs in the first year and over 850 at stabilization (10 years). The proposed casino's activities will also generate more than \$2 million annually in income, sales, and business taxes to the Commonwealth.

At stabilization, the economic impact of the casino is expected to represent approximately:

- \$121.6 million in annual economic impact within the College Township economy, supporting 480 jobs and \$22.5 million in earnings,
- \$164.0 million annual economic impact within Centre County, supporting 740 jobs and \$34.1 million in earnings, and
- \$185.9 million in annual economic impact within the Commonwealth economy, supporting 850 jobs and \$39.4 million in earnings.

Revenue generation is of critical concern, as the success of the applicant in generating revenue is directly related to the economic benefit to the Commonwealth through the receipt

of tax revenues for the benefit of Pennsylvania citizens. Based upon both the Board's Financial Task Force's careful investigation and credible calculations, and the credible calculations made by SC Gaming and its Consultant, Econsult Solutions, in its economic impact study, the Board is satisfied that SC Gaming is likely to maintain a financially successful, viable and efficient business operation and will maintain a steady level and growth of revenue.

Diversity Plan

As part of its application, SC Gaming represented that it recognizes an environment that welcomes diverse perspectives, regardless of race, religion, gender, ethnicity, sexual orientation, or disability, leads to success in business. Although it is a newly formed company presently without any active business operations or employees, SC Gaming represented that it plans to recruit a diverse workforce reflective of the diversity of Centre County as a whole, based on estimates provided by the U.S. Census Bureau.

SC Gaming represented that diversity and inclusion will be key components of SC Gaming's business and that it will carefully analyze its diversity practices and initiatives in an effort to achieve the following core objectives:

- A diverse workforce and diverse business partners that reflect the diversity of the surrounding community;
- A diverse work environment with policies, procedures and systems that support and encourage the principles of diversity;
- A diverse workforce where different cultures, capabilities, genders, and ages are respected and cultivated as a strength;
- Improved patron relations through better understanding of varying backgrounds and presenting positive business practices;
- Increased cooperation, collaboration and team building amongst workforce members;
- Improved profitability through a stronger work environment; and

- Enhancing our surrounding communities through inclusion of all cultures.

To further facilitate an open and welcome environment for all, SC Gaming represented that it is committed to diversity and inclusion with the central goal of equal opportunity in all aspects of business, which includes internal recruitment and external procurement of vendors.

The Board finds that SC Gaming has committed to meeting the required diversity criteria.

Developing Tourism Facilities Ancillary to Gaming

While SC Gaming is newly formed and does not have a history of developing tourism facilities, Mr. Lubert and Mr. Pearson, the proposed Chief Executive Officer/General Manager, each have a demonstrated record of success with the development and operation of other facilities within Pennsylvania. Mr. Lubert has an extensive track record of financial wherewithal as the principal financial backer for the Valley Forge Casino Resort project as well as being a minority investor in Rivers Casino Pittsburgh. He is also a highly successful businessman with more than 35 years of private equity and real estate investing experience. Mr. Pearson has more than 20 years of successful history working in the casino industry and was responsible for the development, operations, and financial performance for the Valley Forge Casino Resort for almost two years. The Board concludes that the success of these individuals in the casino industry, real estate and other business and investment experience bodes well as an indicator of their potential success as operators in State College, Pennsylvania.

Record of Applicant in Meeting Community Commitments

Being a newly formed limited liability company in connection with its application for a Category 4 licensed facility, SC Gaming does not yet have a record of meeting community commitments. SC Gaming's Consultant, Econsult Solutions, in its Economic impact study,

states that they anticipate the regional market draw of the casino is expected to have a net-positive impact on College Township tourism, helping to revitalize the Nittany Mall and attract other retail and hospitality operators to the area.

The economic impact study that was submitted by SC Gaming, as well as testimony from the Borough Manager of the College Township Council during the public input hearings, detail that this casino project will easily fit in with the Township's existing infrastructure and will serve as a complimentary piece to the efforts to revitalize the Nittany Mall and the surrounding area.

As to prior history with casino commitments in this Commonwealth, under Mr. Lubert's then-ownership and leadership, Valley Forge Casino Resort voluntarily continued paying host fees to Upper Merion Township in December 2016 during the period when the collection of local host fees in the Gaming Act were enjoined from enforcement by the Supreme Court of Pennsylvania. Despite the Court's determination that such fees were unconstitutional, Mr. Lubert and Valley Forge valued their collaborative relationship with the township.

Record of Applicant Complying with Employment and Wage Laws

Based upon the record before it, the Board concludes that SC Gaming and its principals have favorable records of compliance with Federal, state, and local discrimination, wage and hour, disability, occupational, environmental, health, and safety laws, as well as state and local labor relations and employment laws. The Board also concludes that SC Gaming has a favorable record of dealing with its employees and their representatives. There has been no evidence presented to cause the Board to conclude that SC Gaming will not conduct itself in a similar manner at this proposed facility.

Potential Adverse Effects

A public input hearing for SC Gaming's Category 4 license was held on August 16, 2021, at the Penn Stater Conference Center, 215 Innovation Boulevard, State College, Pennsylvania. In addition to testimony from SC Gaming regarding its project, as well as testimony from state and local government officials and several community group members, the Board heard statements from four individuals. Of these four individuals, two spoke in opposition to the project, one spoke in favor of the project, and one individual neither supported nor opposed the project.

Those who were unable to attend the hearing were encouraged to send written comments to the Board. As of June 12, 2022, of the 773 written comments that were received, 12.94% supported the project, 86.93% opposed the project, and 0.13% were neutral.

Support of the Project

Several state legislators and representatives from the local community government testified in support of the SC Gaming casino at the public hearing. These included The Honorable Jake Corman, Senate of Pennsylvania (34th District including Centre County and College Township), Mark A. Long, District Manager, Office of State Representative Kerry Benninghoff (171st District including part of Centre County), and L. Eric Bernier, Council Member, College Township. In summary, the above government officials testified that they applaud the effort to repurpose the currently vacant space in the Nittany Mall and to make it more vibrant, while finding ways to keep local people employed and the local economy moving ahead. They commended the proposed development plan in its effort to be conscientious in the design of the facility and how it will be incorporated into the existing structure. They also testified that they believe that this facility can become a good community partner, provide good family-sustaining jobs with benefits and the opportunity for advancement. They stated that an additional hospitality business and other

downstream service economy sector jobs will only help grow the local economy and ensure that diverse jobs remain and continue to grow in number. They further stated that this major investment will create a strong anchor tenant for the Nittany Mall, which will in turn serve as a significant catalyst for economic growth and bring more people back to Centre County.

Representatives from local community groups also testified at the public hearing and testified, in summary, that they believe that the casino will be a tremendous opportunity for the area of State College and the union carpenters that represent the area. Additional testimony provided that one of the many positives the casino would bring include new retail and leasing opportunities, as the Nittany Mall has already had numerous inquiries from retail and restaurant owners, and that more retailers could possibly bring in a younger demographic to shop at a brick-and-mortar establishment. Additional testimony supported that this would be an evolutionary use of the Nittany Mall property and would bring in jobs that are high in number and in quality, and that there is a positive economic energy around the mall area that will support the casino and any new retailers or restaurants. They also stated that the addition of a mini casino will assist in efforts to grow leisure traveler visitation, the group tour market, meeting market, and the image or sports markets. They believe that a mini casino will provide greater job opportunities to the regional work force, strengthen the local tax base, help revitalize the Nittany Mall, potentially attract new entertainment options to the area and enhance efforts to grow visitation and visitor spending, generating positive impacts for the entire community.

One hundred people submitted written comments in support of the licensing of SC Gaming's proposed casino. They cited reasons such as: the creation of a good source of local revenue; economic growth; increased tax revenue; the contribution to a diverse economy; the creation of skilled jobs and careers; the revitalization of the Nittany Mall; the potential return of

retail business to the local community; progressive movement for the town; the creation of more consistent revenue during periods of low local activity; increased tree planting and space recovery; the addition of new entertainment attractions; the lack of any change to the beauty or safety of the community; the much needed economic boost to the community; the possibility that growth in the hospitality industry could strengthen the employment base in the community; and the creation of an additional attraction that can be promoted for tourism.

Opposition to the Project

At the public hearing, two individuals testified in opposition of the project. In summary, they provided the following reasons for their opposition: the casino will not provide subsistence to the poor; the potential degradation of the quality of life for Centre County; gambling addiction; the possibility that the community's poor will experience the greatest loss; the claim that gambling is a menace to society, morally, socioeconomically and spiritually; the assertion that parking at the Nittany Mall is inadequate; the close proximity of the casino to children who visit the mall; the belief that gambling in any form to support children and youth sports organizations is wrong; and the belief that not enough specifics were provided about the positive and negative financial impacts on College Township and Centre County.

Six hundred and seventy-two people submitted written comments in opposition of the licensing of SC Gaming's casino license. Additionally, four petitions with 7,335 total signatures opposing the casino were submitted. Some of these individuals may have also individually spoken at the hearing and/or submitted written comments.

Reasons cited for their opposition fell into many categories, including the following: people oppose a casino in their community because they believe a casino does not fit with the family friendly culture and value of the community; the fear that a casino will drain money from

Pennsylvania residents; the fear for the safety of families and children; the fear of a negative impact on families, such as domestic violence, child neglect, abuse and financial strain, divorce, bankruptcy and suicide; an increase in traffic; the fear a casino will put the youth of the community at risk to drugs, alcohol and gambling; the fear of an increase in crime; the possibility that the casino could harm property values; the potential detriment to the well-being of students at the local university, who may be susceptible to over-spending and gambling addiction; the risk that the casino will have a negative economic impact on State College and the prestige of the world-renowned Penn State University; the potential to draw business and the work force away from local establishments; the risk that the casino will strain the already extreme shortage of workers available in the community; the increased burden and demand on police, fire and EMS resources; the potential increase in costs and strain on social services that comes with an increased need for those services; and the assertion that tax revenue generated by the casino for the county and/or township could be negligible.

By legalizing gaming in 2004, the Legislature determined that gaming in Pennsylvania would benefit its citizens through job creation, an increase in tourism, and generation of tax revenue, among other benefits. It has tasked the Board with the duty to license casino operators, regulate legalized gaming in Pennsylvania, and keep the public safe from any potential adverse effects of legalized gaming.

The Board is aware of and recognizes the potential adverse effects gaming may bring to any community that hosts a casino in Pennsylvania. Issues such as those cited above raised by those opposing this casino project may arise no matter who the licensee is or where the project is located. Therefore, the Board believes that the most appropriate way to deal with any potential adverse effects is through strong enforcement of the Gaming Act and the Board's regulations, the

monitoring of SC Gaming's compulsive and responsible gaming plan to assure compliance, the encouragement of SC Gaming to build strong relationships with community groups and service providers, such as police, fire and EMS providers, to ensure the safety of the community members as well as casino patrons, and to monitor traffic and require SC Gaming to conduct a traffic study after one year of operation to ensure that any traffic issues will be addressed, among other efforts to mitigate any adverse effects that may arise.

Finally, while the Board also recognizes that even with all the above measures in place potential adverse effects may still exist at any facility. However, the Board finds that SC Gaming's proposed facility will provide substantial benefits to the surrounding communities in terms of job creation, tax revenue, infusion of tourism dollars and monies, among other benefits to the community and to Pennsylvanians in general. In sum, the Board believes, based upon the evidence presented, that a balance can be achieved in which the benefits to the public from legalized gaming in the community will offset and compensate for any negative effects that the SC Gaming facility may have on State College and its surrounding communities.

CONCLUSION

Based upon the findings of fact, conclusions of law and discussion set forth above, which are supported by substantial evidence in the evidentiary record, the Board finds that SC Gaming has satisfied the eligibility and suitability requirement of the Gaming Act for a Category 4 license and that it is in the best interest of the public and the Commonwealth that SC Gaming be granted a Category 4 slot machine license. In addition, the Board has considered the additional factors set forth in Section 1325 of the Act and finds that pursuant to same, SC Gaming is appropriate for licensure.

The grant and issuance of a Category 4 license does not give SC Gaming a property right and the Board may, at its discretion, revoke or suspend the license of SC Gaming if the Board finds that SC Gaming, its officers, employee or agents have not complied with the conditions of the license, provisions of the Gaming Act, and the Board's Regulations and that it would be in the best interest of the public to revoke or suspend its license.

BY AND ON BEHALF OF THE
PENNSYLVANIA GAMING CONTROL BOARD:

DATE: 2/7/2023



DENISE J. SMYLER, CHAIR