

1 P-R-O-C-E-E-D-I-N-G-S

2 1:34 p.m.

3 CHAIRPERSON ANDERSON: Good afternoon.

4 We're back on the record. Our next case is a
5 fact finding hearing on Penn Social, License No.
6 86808. Would all parties -- welcome, and would
7 all parties please identify yourselves for the
8 record, please?

9 MR. O'BRIEN: I'll make the
10 introductions, Mr. Chair. I'm Stephen O'Brien,
11 counsel for Penn Social.

12 CHAIRPERSON ANDERSON: I'm sorry.
13 What, again, did you say your role is, Mr.
14 O'Brien?

15 MR. O'BRIEN: I'm sorry, sir?

16 CHAIRPERSON ANDERSON: I didn't hear
17 what you said your position was.

18 MR. O'BRIEN: Oh, I'm counsel for Penn
19 Social.

20 CHAIRPERSON ANDERSON: Okay. Thanks.
21 All right.

22 MR. O'BRIEN: Thank you. To my right
23 is Geoffrey Dawson who is the managing member of
24 the licensee, Penn Social. Geoffrey spelled with
25 a G. Sitting at the opposite side is what I

1 normally would be sitting at and simply because
2 this is not a contested case. But I want
3 interviews of the folks from Pace-O-Matic.

4 Immediately to left is Ryan Wood is
5 who vice president of Pace-O-Matic. Next to Ryan
6 is Kevin Anderson who's a compliance officer for
7 Pace-O-Matic in Virginia, a former Virginia ABC
8 agent. To Kevin's left is Nancy Bennett and to
9 her left is Chris Cummings. Nancy and Chris are
10 technical personnel with Pace-O-Matic and can
11 answer any questions anyone may have regarding
12 how the games work.

13 Thank you for seeing us. I do want to
14 make one correction. In my written submissions,
15 I referred to this as Dragon Ascent. It's
16 Dragon's, apostrophe S, Ascent.

17 CHAIRPERSON ANDERSON: Okay.

18 MR. O'BRIEN: Possessive.

19 CHAIRPERSON ANDERSON: Hold on, Mr.
20 O'Brien, before you start. All right. This
21 matter is a fact finding hearing granted at the
22 request of Penn Social, LLC, Penn Social, ABRA
23 License No. 086808.

24 Based on the request, the Board is
25 aware that the licensee is requesting permission

1 to install a new video game terminal in the
2 establishment. This request is unique because
3 the license and the manufacturer have
4 characterized the game as a game of skill that
5 gives out cash prizes and does not violate
6 District of Columbia law regarding gambling.

7 While the Board is not the primary
8 gambling regulator, the request potentially
9 implicates compliance with Title 25 of the D.C.
10 Official Code. Specifically, if the machine
11 qualifies as a gambling device, licensees may be
12 in violation of the District's gambling and
13 alcohol laws.

14 Furthermore, if these devices are not
15 gambling devices, they still may trigger the
16 substantial change statute which requires Board
17 approval before the installation and use of the
18 device in a licensed establishment.

19 Based on our review of the materials
20 provided by the license holder, we are aware that
21 Penn Social is requesting that the Board find
22 these devices in compliance with District law and
23 not deem the proposed installation a substantial
24 change requiring public notice and potential
25 protest.

1 With this being said, let's hear from
2 the license holder regarding the request and any
3 presentation they would like to make. And then
4 the Board will have some questions regarding what
5 was presented. So go ahead now, Mr. O'Brien.

6 MR. O'BRIEN: Thank you, Mr. Chair.
7 Let me address the two issues you've identified
8 in reverse. Let's talk about Penn Social first.
9 As we know, the substantial change statute and
10 regulations govern a laundry list, 15 or 16
11 examples of what might be deemed a substantial
12 change.

13 But in each case, the overriding issue
14 is whether the change would likely be of concern
15 to residents of the neighborhood. That's really
16 the determining factor. I'd like to say we could
17 put an identical sidewalk café at 14th and F or
18 on the corner of Wisconsin, M, and Georgetown.

19 The sidewalk café at 14th and F should
20 not be a substantial change. It's not going to
21 bother any residents because there are no
22 residents. Whereas the one at Georgetown would
23 probably be very much of interest to the
24 community based on the fear of noise and things
25 like that.

1 But Penn Social is at 8th and E. And
2 we chose Penn Social as a vehicle to present this
3 game to the Board because it already has -- we
4 counted about 20 entertainment -- mechanical or
5 electronic entertainment devices. So putting
6 another one in, adding one, or even substituting
7 this game for an existing one, it's not going to
8 qualify as a substantial change we submit under
9 Section 762(14) which talks about mechanical and
10 electronic games.

11 So that's the reason that we chose
12 Penn Social. We submit that given its location
13 and the nature of the existing business which is
14 not controversial that it should not be deemed a
15 substantial change. Having said that, subject to
16 any questions, I would now like to talk about the
17 game.

18 CHAIRPERSON ANDERSON: I think one of
19 the things you could talk about is that -- I've
20 never been to Penn Social so I'm not familiar.
21 So maybe you can tell us. You said that they
22 have 20 entertainment devices at this
23 establishment. So what -- can you just tell me
24 what are these 20 entertainment devices that they
25 have? And then maybe you can tell me, is there a

1 difference between what they have currently and
2 what's being proposed. Because I don't know what
3 these devices that they have there.

4 MR. O'BRIEN: Mr. Dawson can describe
5 them.

6 MR. DAWSON: So we're an entertainment
7 venue, and we rotate games in and out, pinball,
8 video games. We try to get the most current,
9 interesting game to keep customers there. I
10 mean, it's hard to get people to come through the
11 door. Once they're in there, you want to give
12 them something that's really special and
13 worthwhile.

14 So this game we think is cutting edge,
15 the newest, coolest thing on the block. And we
16 feel it would really help us maintain our
17 business and improve the amount of time that
18 people will stay there.

19 CHAIRPERSON ANDERSON: And I'm not
20 that archaic, but -- and I'm being very -- I've
21 never been there. And so the games that are
22 there, tell me about how is it that -- is there
23 money involved in the sense of the games that are
24 currently there?

25 MR. DAWSON: Only that people pay to

1 play. We have a lot of private parties. We do
2 corporate events. We do all sorts of events for
3 law firms and business groups downtown. And so
4 they'll come and sort of buy out the room. And
5 then there are people who will come and play the
6 games.

7 Or on a night, say, it is Sunday when
8 we have football games and Saturday, football
9 games, we have a lot of people there. In between
10 the games, they play video games. They sort of
11 branch off. It's an additional source of revenue
12 for us that really helps us stay in an
13 extraordinarily high rent district. And in this
14 day when everything is costing more, having every
15 single piece of competitive edge is really
16 important.

17 CHAIRPERSON ANDERSON: The games that
18 are there, you have to pay money to --

19 MR. DAWSON: Yes, and that's a --

20 CHAIRPERSON ANDERSON: -- utilize
21 these games?

22 MR. DAWSON: Yes, and that's a revenue
23 source for us. And the second part of that is
24 that people stay longer.

25 CHAIRPERSON ANDERSON: And also with

1 the current games that are there, the -- I guess
2 the person who plays the game, the satisfaction
3 they get in a sense of return is that, okay, I
4 beat the machine. Or you get satisfaction that
5 you're able to score.

6 MR. DAWSON: I do.

7 CHAIRPERSON ANDERSON: I'm asking you.
8 So you get satisfaction that --

9 MR. DAWSON: Yes.

10 CHAIRPERSON ANDERSON: -- you're able
11 to beat the score or whoever, if you're --

12 MR. DAWSON: Yes.

13 CHAIRPERSON ANDERSON: -- playing with
14 someone, that's the person's satisfaction. So --

15 MR. DAWSON: And a lot --

16 CHAIRPERSON ANDERSON: -- there's no
17 monetary exchange at least that the person
18 doesn't get anything back from that machine?

19 MR. DAWSON: Right. Now a lot of
20 times, it's a competition too. There are
21 multiple players on a given device. And so they
22 compete against each other. They can also
23 compete on the internet with other bars at other
24 places, so --

25 CHAIRPERSON ANDERSON: I'm coming back

1 to you. We're just talking about --

2 MR. DAWSON: I'm just painting a
3 picture.

4 CHAIRPERSON ANDERSON: And I'm asking
5 because I'm not familiar. So do we have any
6 other questions on that specific -- just on
7 currently the type of machines they have there?
8 Yes, Mr. Short.

9 MEMBER SHORT: Well, I'm worried about
10 the -- well, concerned. What is the age group
11 now that you have coming in and out of Penn
12 Social?

13 MR. DAWSON: Twenty-one and older.

14 MEMBER SHORT: They have to be 21 to
15 come in?

16 MR. DAWSON: Yeah.

17 MEMBER SHORT: Okay. Thank you.
18 That's all I have, Mr. Chair.

19 CHAIRPERSON ANDERSON: Any other
20 questions? Okay. Go ahead.

21 MR. O'BRIEN: The questions the chair
22 asked really has set up, though, the distinction
23 between this game we're introducing and all the
24 games that exist. This game, one plays for money
25 and can and almost always will get money back.

1 That's the different between what is already
2 there and what we are introducing to you today.

3 CHAIRPERSON ANDERSON: So why -- and
4 I -- and the reason I'm asking you because you
5 said it's not a substantial change. So why would
6 you not -- and I've not made a decision. But why
7 would you not consider that a substantial change
8 if you've already -- there's a major distinction
9 in the sense that this is a person on a game in
10 the establishment that's going to give you back
11 your payback. So why would not say that's a
12 substantial change?

13 MR. O'BRIEN: Because it's not likely
14 to be of concern to residents of the
15 neighborhood, residents or businesses in the
16 neighborhood, which is the test for whether
17 something is a substantial change or not.

18 CHAIRPERSON ANDERSON: I -- okay. I
19 mean, and I know -- it's just I would think --
20 and I've not made a decision. So -- and I mean
21 this is something very novel for us. So it's
22 going to take a lot of thinking.

23 But I would've thought that if you're
24 now introducing a machine that you can get --
25 that's going to pay you a premium to play that

1 this would be of concern to the community, that
2 the people -- because maybe more people would
3 want to come because I'm no longer playing a
4 competition against either myself or a team. I'm
5 actually getting money.

6 So I would've thought that the
7 community would want to want to be aware of this.
8 But that's just me thinking aloud.

9 MR. O'BRIEN: Well, I don't think it
10 makes a difference or should make a difference to
11 the community whether one plays an electronic
12 game for the satisfaction of beating the game or
13 for getting a possible return on their play.

14 When we talk about the issues about
15 whether the likely concern to the community, the
16 concern in my experience is always disruption to
17 the neighborhood resulting from a change in
18 format. This is not a change in format I submit.

19 Typically, if we, for instance, asked
20 for a rooftop summer garden. Well, there's a
21 potential there that noise from the rooftop could
22 bother people residing a block away. That's a
23 substantial change.

24 But merely whether one gets, again,
25 the satisfaction from beating the game or gets

1 some, all, or in some cases, more than the money
2 that they put into the game back does not impact
3 the neighborhood tranquility or the quality of
4 life anywhere.

5 So I would submit that it should not
6 be a substantial change. The fact that something
7 is enumerated on that list in Section 762, it
8 was, like, 15, I think, and number 14.

9 Subsection 14 is the introduction of electronic
10 games. That doesn't mean that everything on that
11 list is, ipso facto, a substantial change. It's
12 examples of what might be deemed a substantial
13 change depending on the context.

14 CHAIRPERSON ANDERSON: Okay. Go
15 ahead.

16 MR. O'BRIEN: Pace-O-Matic is
17 represented by these four visitors, has been
18 specifically designed to comply. I'm sorry.
19 Pace-O-Matic designs its games of skill to comply
20 with local laws that prohibit gambling. A knee
21 jerk reaction sometimes is to simply say, well,
22 if you can play the game and win money, it's
23 gambling. But that's not the case. The law is
24 very clear on that we submit.

25 Gambling involves chance. The game

1 that we're introducing today is what we call pure
2 overriding skill. It's a practical matter. It's
3 100 percent skill gam. And that's what Pace-O-
4 Matic has spent years and years developing.

5 Indeed Pace-O-Matic has been in
6 business for 30 years, and it's a leader in the
7 industry -- in the electronic game industry. But
8 the salient point here is integrity.

9 We could have -- in a vacuum, we could
10 simply put this game into Penn Social and other
11 licensees without asking permission from anyone
12 because it is not gambling which, of course, is
13 prohibited. But Pace-O-Matic insists on having
14 the regulatory authorities in each jurisdiction
15 it comes into review and either consent or
16 approve to the installation of the game. We will
17 not install a game without running it by the
18 regulators first.

19 Pace-O-Matic in the jurisdictions in
20 which it operates employs retired law enforcement
21 personnel to act as compliance agents on the
22 street making sure that the licensees that
23 present the games are doing it correctly,
24 identifying illegal games that sometimes follow
25 the legal ones into a jurisdiction.

1 Kevin Anderson too to my left is a
2 former Virginia Alcoholic Beverage Control Board
3 agent, and he's director of compliance in
4 Virginia for Pace-O-Matic. And he has two full-
5 time deputies, I believe. A total of three
6 people in Virginia.

7 In Virginia, there's a game installed
8 by Pace-O-Matic in 2,500 different places in the
9 state of Virginia, a total of 62 or 63,000 games.
10 Now the games in Virginia -- and you may have
11 heard something about Pennsylvania also. The
12 games in Virginia and Pennsylvania have been
13 rules to be predominately games of skill, even
14 though there's an element of chance. The game
15 we're introducing to you today is again pure
16 overriding skill or, as a practical matter, 100
17 percent skill.

18 The Pace-O-Matic will limit the number
19 of games installed in any one venue meaning in
20 any one licensee to three games. The game comes
21 in two-person configuration which is a console
22 that stands up and you can pull a stool up and
23 play at the console. There's a four-game version
24 in development. But an eight-game version is
25 what we're introducing to you today.

1 This eight-game version, essentially
2 the exact same version, is operating now in
3 Texas, in -- help me, Ryan. Texas?

4 MR. WOOD: Florida.

5 MR. O'BRIEN: In Florida --

6 MR. WOOD: Nebraska.

7 MR. O'BRIEN: -- and Nebraska,
8 installed and operating this very game, the 100
9 percent skill game. And we expect to introduce
10 it in a couple weeks. We've already got the
11 approval in Kansas and we have the approval --
12 it's not quite installed yet -- in Honolulu.

13 Now in the game, what happens is there
14 are -- and I may have underestimated the number.
15 There are seven -- in this version, seven levels.
16 By level, we do not mean to suggest degrees of
17 difficulty. A better way to put it is seven
18 scenarios that play across the table. They do
19 not vary. It's repeated.

20 One, a skilled player and one with
21 enough time on their hands, and there are some,
22 can memorize one or more of the scenarios as they
23 go by and win the game very single time, meaning
24 get more money back than they put into it.
25 Someone who is so motivated could sit and watch

1 the game for weeks, whatever, ignore six of the
2 seven scenarios, just memorize that one.

3 And I liken it to probably all of us
4 knows someone who's seen the same movie so many
5 times that they can recite every single line in
6 that movie start to finish. That person can also
7 beat Dragon's Ascent every single time.

8 And what makes it a game of skill as
9 opposed to a game of chance is that it is void of
10 -- meaning there are no random number generators.
11 What's a random number generator? It's what
12 introduces the element of chance. I've heard --
13 I'm not a card player myself. But I've heard it
14 said that poker is a game of skill.

15 I could be the world's most skilled
16 poker player and Geoff here could be the world's
17 -- had never played poker before. But Geoff
18 could beat me on the next hand because of the
19 random number generator which is the cards that
20 are dealt. That's what makes poker, for
21 instance, a game of chance. Even with skill
22 involved, it still all depends on chance.

23 There's also no compensating
24 algorithms. A compensating algorithm is
25 something that would be, I think, embedded in

1 most slot machines. They change the chance of
2 winning based on who's just won. I liken it to
3 who's just won or who's just lost. It can
4 accelerate a payoff. I can postpone a payoff.

5 I liken it to shooting a basketball,
6 having them move the hoop while the ball is still
7 in the air. That's what a compensating algorithm
8 is. I'm getting approving nods from the table.
9 Thank you. I want to make sure I got that right.

10 So there's no compensating algorithms.
11 All elements of chance are eliminated. If you're
12 skilled, if you spend the time, you win every
13 single time. And it's been so certified by
14 national testing laboratories and legal analysis.
15 And I invite your attention to the attachments to
16 my letter of September 6 to the Board which have
17 those reprints there.

18 I'd like now to invite your attention
19 to a brief video.

20 (Video played.)

21 (Video ends.)

22 MR. O'BRIEN: I'd like to point out
23 that this, may have been clear, was a focus
24 group. These were not actors that were paid to
25 do this. It was a focus group or focus groups,

1 plural -- the composition we can see was
2 different -- who had not seen this game before
3 seeing it here on screen.

4 The way it works, I should point out
5 is that each player station has a slot into which
6 one can insert money and choose how much they
7 want to play. At any time, a player can just
8 cancel out and receive back what they haven't
9 used. And the way it works is when a player does
10 cash out, a ticket comes out from where the money
11 went in for a certain amount of money which the
12 play then goes to the bar and redeems for cash.

13 Our statistics show that over 90
14 percent -- I'm going to say 95 percent of money
15 played into the game is returned in winnings to
16 the players. Even the most unsophisticated
17 player, somebody like me, for instance, is going
18 to get something in the neighborhood of 60
19 percent back.

20 This is designed to make people want
21 to continue to play. It's not designed to take
22 money off the table. And I said 95 percent of
23 what is played is returned in winnings and the
24 manufacturer of the bar and the distributor, they
25 simply share that five percent.

1 Geoff Dawson alluded to getting people
2 into the seats and keeping them in the seats.
3 There's a lot of competition out there for the
4 entertainment dollars. We've got National Harbor
5 right across the river if somebody is looking for
6 some action. And this really is the wave of
7 what's coming as far as entertainment in bars.

8 Pace-O-Matic is way ahead of the
9 industry in that it's the only one that truly has
10 100 percent skill games. But it'll keep people
11 in their seats.

12 Anecdotally, I think Kevin told me
13 that venues in which they're installed in
14 Virginia are reporting 20 percent greater sales
15 of food and beverage before and after
16 installation of the game. Now that's not a
17 scientific study, but it's been reported by quite
18 a few, if I understand Kevin correctly, that
19 that's what they're seeing revenue.

20 Kevin and Nancy -- I'm sorry, not
21 Kevin. Chris and Nancy can answer any technical
22 questions about how it works. As I said, Kevin
23 can discuss how the integrity of the game is
24 maintained and we can demonstrate that a little
25 bit.

1 I should tell you -- as I said, Kevin
2 is one of -- is the chief of three enforcement
3 agents in Virginia. We've already interviewed
4 and are prepared to hire -- and I think here it's
5 retired deputy chief George Kucik of MPD and
6 Sergeant -- raise your hand, please -- and
7 Sergeant Delroy Burton who's just recently
8 retired from MPD to be compliance people here on
9 the street. They're not on the payroll yet
10 because we don't have the games installed yet.
11 But they've been through the whole process with
12 us and they're prepared to go.

13 At that point, I don't have a great
14 deal much to say unless the Board has questions.
15 But I'd like the Board to come down off the dais
16 and take a look.

17 CHAIRPERSON ANDERSON: You want us to
18 come down off our high horse --

19 (Laughter.)

20 CHAIRPERSON ANDERSON: -- to go look?
21 I think if I stand up, I'll be able to see when I
22 come out, so --

23 MR. O'BRIEN: Well, we have it set up
24 so you can see how -- come down and play with
25 them, see how it works.

1 CHAIRPERSON ANDERSON: Well, I guess,
2 yeah, we can. Sure.

3 (Pause.)

4 CHAIRPERSON ANDERSON: I had a
5 different impression of what the machine would
6 have been. So to try to decide if it's what it
7 is, it's a different twist. So it does present,
8 at least in the District, something very unique
9 to make a decision that whether or not it's -- is
10 it clearly a game of skill or a game of chance?

11 And as I said, I'm not into stuff like
12 that. So that's why I didn't -- that's just not
13 me. But I don't -- other folks, if they enjoy
14 it, I support it. But that's not me. That's
15 just my personal --

16 I guess what you raised earlier,
17 you're saying that approximately 95 percent of
18 folks, there's a 95 percent recovery. So with
19 three machines in an establishment with five
20 percent that's split three ways, I don't
21 understand how is it that it's profitable.
22 Because if that's clear because you're splitting
23 five percent as you say between three parties.

24 MR. O'BRIEN: Volume.

25 CHAIRPERSON ANDERSON: But typically,

1 how -- in the other jurisdictions, typically, how
2 long does a person sit at this machine?

3 MR. WOOD: I can't tell you the length
4 of time. It varies a little bit. But I will say
5 it's worse than that because it's not set at 95
6 percent. So depending on who's sitting around
7 the table, there might not be any money for the
8 guys that paid 15,000 dollars for the machine.

9 On average, he's right. The volume
10 and impatient players that don't want to execute
11 perfect skill over time that you are dealing with
12 a variance of between 80 all the way up to 110
13 percent.

14 CHAIRPERSON ANDERSON: I know that you
15 mentioned that you have the -- it's in Virginia.
16 And so there's significant --

17 MR. WOOD: This game is not currently
18 in Virginia.

19 CHAIRPERSON ANDERSON: Where is this
20 game? Is this game anywhere else in the country?

21 MR. WOOD: Sure. We have three test
22 locations, Texas, Florida, and Nebraska, that we
23 picked. And they are -- I mean, how many, 10, 15
24 machines?

25 MS. BENNETT: Fifteen.

1 MR. O'BRIEN: And Kansas and Honolulu

2 --

3 MR. WOOD: Don't have games in them in
4 yet, but --

5 MR. O'BRIEN: Don't yet but you have
6 the approval. So it's --

7 MR. WOOD: Correct.

8 MR. O'BRIEN: -- just a question of
9 getting the games there and plugging them in.

10 CHAIRPERSON ANDERSON: We're talking
11 about the same game, this specific game?

12 MR. O'BRIEN: This pure overriding
13 skill game with 100 percent skill. The ones in
14 Virginia have some elements of chance but are
15 approved in Virginia because they are
16 predominantly skill. But this game takes it to
17 the next level.

18 CHAIRPERSON ANDERSON: And so you're
19 saying this specific game will be in -- let me
20 see. Again, what states, I'm sorry, that
21 specific will be in?

22 MR. O'BRIEN: Already in Texas --

23 CHAIRPERSON ANDERSON: Texas, Florida,
24 and Nebraska?

25 MR. O'BRIEN: Nebraska and arriving --

1 it appeared, I believe, in weeks, if I'm correct.

2 CHAIRPERSON ANDERSON: And in Kansas
3 and --

4 MR. WOOD: Kansas and Honolulu.

5 CHAIRPERSON ANDERSON: -- and Hawaii?
6 Now -- and I'm not sure. I might be far afield.
7 Is gambling legal in Texas, Florida, and
8 Nebraska?

9 MR. WOOD: No.

10 CHAIRPERSON ANDERSON: No? And the
11 same with Kansas and Hawaii?

12 MR. WOOD: This machine would not play
13 nor earn in sitting beside a slot machine or in a
14 casino environment. It's just those are all
15 games of chance and people would just be pushing
16 the play button. And those aren't our players.

17 And I think it's important to mention
18 that we do have a successful project in Virginia.
19 And you asked why D.C. A lot of our operators
20 and our customers have accounts here, have bars
21 and establishments. And when they came to us,
22 they wanted to put their Virginia games here.

23 We've chosen this product because we
24 feel like it's a better fit for the District of
25 Columbia and it's more driven towards

1 millennials. And we're excited about the
2 project, and it's very new for us.

3 CHAIRPERSON ANDERSON: Now in Texas,
4 Florida, and -- and you'd get a cash prize from
5 this machine. Is that correct? And that's the
6 same for Texas, Florida, and Nebraska?

7 MR. WOOD: Yes.

8 CHAIRPERSON ANDERSON: And potential,
9 Kansas and Hawaii, that they're potential to get
10 a cash prize from this game? Okay. Are there --
11 are you aware of any similar games that's
12 currently on the market?

13 MR. WOOD: Mm-hmm.

14 CHAIRPERSON ANDERSON: What games and
15 where are they available?

16 MR. WOOD: Similar style is the way
17 they play. There's a group out of China and they
18 make what we call fish games or fish tables. And
19 instead of dragons, you see fish swimming around
20 the sea. Those games are 100 percent illegal,
21 and they have both random number generators and
22 compensating algorithms.

23 They have been confiscated in many
24 jurisdictions. And I know the manufacturer won't
25 even go to fight for them because he knows that

1 what they will find. So they just sell the
2 machine into jurisdictions and don't support it
3 and don't make sure -- and definitely do not make
4 sure it's legal.

5 CHAIRPERSON ANDERSON: Now currently
6 the prizes that would be offered would be cash.
7 That's all --

8 MR. WOOD: Yes.

9 CHAIRPERSON ANDERSON: -- that would
10 be offered from the machine? Do you have any
11 statistics or are you aware -- since these
12 machines are operating in Texas, Florida, and
13 Nebraska, are the operators -- are they -- is
14 there a money making proposition, I mean,
15 breaking even? Or what's going on with these in
16 these other states where this machine is
17 operating?

18 MR. CUMMINGS: They're earning.
19 They're not earning through the roof. There's a
20 lot of volume going through the machines and not
21 a lot of profit. It's really driven as an
22 entertainment device, so it does have to make a
23 whole lot of money. It's geared more towards
24 entertainment.

25 CHAIRPERSON ANDERSON: Now this is for

1 you, Mr. O'Brien. How confident are you that
2 your device comply with the Federal Johnson Act
3 and other federal laws regarding gambling?

4 MR. O'BRIEN: And we do have District
5 of Columbia statute and regulation also
6 governing, prohibiting games of chance. I know
7 the chair referred to the D.C. Code. But there's
8 also a DCMR provision.

9 I am very comfortable because the test
10 is, is it substantially a game of skill? The
11 test under the cases of the Johnson Act, is it
12 substantially a game of skill or predominately a
13 game of skill? But this is a whole new level
14 above. This is purely skill, pure overriding
15 skill.

16 So I am very confident that it does
17 not run afoul of District's gambling laws or the
18 Johnson Act.

19 CHAIRPERSON ANDERSON: No, I know that
20 -- in Penn Social, though, if you're -- is it
21 only -- can someone younger than 18 go to Penn
22 Social?

23 MR. DAWSON: We do not let people come
24 in, in our day-to-day business under the age of
25 21.

1 CHAIRPERSON ANDERSON: I'm sorry,
2 yeah, 21, yeah.

3 MR. DAWSON: Because we serve a lot of
4 alcohol, and it's just not worth the danger of
5 serving an underage person. If we have a party
6 and people are going to bring people underage in,
7 we cover up bars if we're not using them. We
8 would cover up a game like this. We don't do
9 that very often because it's just not our core
10 business.

11 CHAIRPERSON ANDERSON: So you're
12 basically -- I guess the reason why you're saying
13 that this machine is only available 21 or older
14 is because the -- at least at Penn Social, it's
15 only 21 or older for the most part who are
16 allowed in?

17 MR. DAWSON: We would treat this like
18 serving a drink which is a very important part of
19 what we do. And we treat that privilege very
20 careful and we protect it. We would do the same
21 with this because there's no reason for us to
22 endanger our license or our good standing for one
23 small piece of the larger business.

24 CHAIRPERSON ANDERSON: This machine is
25 not in -- as you say, it's not in operation in

1 Virginia. Is that correct?

2 MR. O'BRIEN: That's correct.

3 CHAIRPERSON ANDERSON: All right.

4 This machine -- all right. Now what control, if
5 any, of the device does the retailer have? So
6 the machines is at Penn Social. So what control,
7 if any, does this particular retailer have over
8 the machine?

9 MR. CUMMINGS: They can unplug it.

10 CHAIRPERSON ANDERSON: But that's --
11 basically that's to unplug the machine?
12 Everything else is operated by a central by the
13 distributor?

14 MR. O'BRIEN: The distributor and our
15 compliance team on the street.

16 CHAIRPERSON ANDERSON: Now there's a
17 technical issue. There's a follow up. So all
18 right. I believe I should get a different payout
19 or my money gets lost in the machine. So how is
20 that handled?

21 MR. WOOD: Service call to the local
22 D.C. distributor here would be out there as soon
23 as he received the call.

24 MR. O'BRIEN: Do we experience that at
25 all?

1 MR. WOOD: Sure.

2 MR. CUMMINGS: I mean, every once in
3 a while it does happen. But these are very
4 reliable peripherals that we chose.

5 MR. DAWSON: And in real time if a
6 customer has an issue, if it's a small issue, we
7 always favor the customer. And then we would
8 take it up with our distributor and we would say,
9 on this day, we had an issue. We get 20 bucks
10 back or whatever. Everything is good. They're a
11 happy and returning customer. That's what we
12 want.

13 We have a longstanding relationship
14 with our distributor that I don't see changing.
15 It's a very good relationship and there's a lot
16 of trust and a lot of goodwill there in terms of
17 servicing machines, in terms of providing
18 opportunities for new machines. It's great for
19 us and great for business.

20 CHAIRPERSON ANDERSON: Now you stated
21 that you made a presentation to the Office of
22 Attorney General. Is there any other District
23 agency outside of ABRA that you've made
24 presentations to regarding the operation of this
25 machine?

1 MR. O'BRIEN: No, we will discuss this
2 with the U.S. Attorney's Office which is the
3 criminal prosecutor to make sure that they don't
4 have any issues with it. But because we intend
5 to put this in licensees seemed to us and still
6 seems to us that in the first instance we should
7 make sure that the Board doesn't have any issue.

8 CHAIRPERSON ANDERSON: Any other Board
9 members have any questions that are as a result
10 of the conversation that we had? Mr. O'Brien, do
11 you want to make any final statements to wrap up?

12 MR. O'BRIEN: I don't think that's
13 necessary, Mr. Chair.

14 CHAIRPERSON ANDERSON: So what is it
15 again you're asking the Board to do?

16 MR. O'BRIEN: We're asking the Board
17 to approve the installation of this game at Penn
18 Social. Penn Social is the vehicle which we've
19 used to put it before the Board. Obviously, for
20 the Board to approve the installation of this at
21 Penn Social, the Board has to at a minimum say
22 that it doesn't have a problem with the game,
23 that the game is not offensive to the Board. And
24 not only subjectively offensive. I mean, that
25 the Board doesn't believe it's gambling.

1 CHAIRPERSON ANDERSON: Well, I stated
2 before, we're not the body that can make that
3 determination whether or not this is a game of --
4 you've told us that it's a game of skill rather
5 than a game of chance. And that's not our call,
6 per se, for us to make that determination whether
7 or not we agree with your interpretation of the
8 statute.

9 And the easier question for me that's
10 easier to make is whether or not that's a
11 substantial change. And to me, that's an easier
12 question. I'm not saying that we're making that
13 decision now. But that's elementary. I mean,
14 the reason that people can determine whether can
15 agree or disagree that's a substantial change.
16 But is this truly a game of skill versus a game
17 of chance? That's --

18 MR. O'BRIEN: I know the Virginia ABC
19 Board did make that call.

20 CHAIRPERSON ANDERSON: I was told the
21 Virginia ABC Board did make that call. And one
22 of the reasons why I didn't specifically ask you
23 about Virginia because you have told me that this
24 machine is not in operation in Virginia.

25 Because if you had told me this -- I

1 had some questions to ask you about because it's
2 my understanding that in Charlottesville, I
3 think, that they have asked that all of the
4 machines be removed. But since it's a different
5 machine, that's why I didn't really ask you about
6 it.

7 MR. O'BRIEN: Well, I've got two
8 things I'd like to say then, Mr. Chair. Number
9 one, this is a different machine only in that it
10 is 100 percent skill instead of predominantly
11 skill. So if the game in Virginia is okay in
12 Virginia, this clearly would be okay in Virginia.

13 CHAIRPERSON ANDERSON: But it's also
14 my understanding too that either the ABC Board in
15 Virginia is now in the hot seat because lottery
16 or some other entity is complaining about the
17 impact that this game has had.

18 So therefore for us making this
19 decision, if we need to take -- it's going to
20 take some analysis to make sure that whatever
21 decision that this Board makes that this Board is
22 comfortable in moving forward. Because as you
23 know, if the Board decides that's a game of
24 skill, then every other establishment will come
25 and apply for one.

1 And so therefore although you're
2 saying that it's only going to be three per
3 establishment, then I'm not quite sure how many
4 people would apply for it. But then before you
5 realize, we could have a couple hundred of these
6 machines in the District.

7 So this is a first. So whatever
8 decision is being made --

9 MR. O'BRIEN: I'm not suggesting, Mr.
10 Chair, that what the Board decides forecloses any
11 other agency of D.C. from checking itself or
12 asserting its position. But the flip side of
13 this is let us say that there was a clearly
14 illegal game of chance operating in some part
15 here in D.C., a fishing game. If the Board found
16 out about that, I believe the Board would take
17 enforcement action --

18 CHAIRPERSON ANDERSON: Only if it's an
19 --

20 MR. O'BRIEN: -- on the premises.

21 CHAIRPERSON ANDERSON: Only if it's an
22 ABC establishment, yes, of course.

23 CHAIRPERSON ANDERSON: Yes, only an
24 ABC establishment, correct. But I'm saying the
25 flip side of that is the Board in this case is

1 presented with what we submit is 100 percent pure
2 skill game. And thus the Board passing judgment
3 in its own view as to whether this offends any
4 Board statutes or regulations is all we're asking
5 for.

6 Again, each agency has its own rules
7 and tests and things like that. And we chose to
8 come to the Board early because all our
9 prospective venues are licensees.

10 MEMBER SHORT: How many are there?

11 MR. O'BRIEN: Prospective venues?

12 MEMBER SHORT: Yes.

13 MR. O'BRIEN: I can speculate. The
14 issue in a lot of places is simply space. How
15 many places could take up the space to put an
16 eight-player game in? I would say hundreds,
17 hundreds of locations. Some of them might only
18 be able to accommodate a two-person console. You
19 saw that on the video, two people sitting on
20 stools there. But yes, hundreds.

21 Certainly, it's not the intention to
22 put this in Penn Social and then leave town. The
23 intention is to market in D.C. Again, Penn
24 Social, for the reason that we believe, it is not
25 even arguably a substantial change, was selected

1 as a stalking horse, if you will.

2 And that and the fact that Mr. Dawson
3 expressed, a business interest in getting
4 something like this in, in order to get those
5 customers in the door, keep them in their seats
6 longer, generate greater sales of food and
7 beverage and consequently greater sales tax
8 revenues.

9 CHAIRPERSON ANDERSON: Thank you, Mr.
10 O'Brien. I do understand why you chose Penn
11 Social because based on the explanation that you
12 provided today of what they offer, it would
13 appear that it fits into what they're doing. But
14 I've not made a decision. The Board will take
15 that under advisement.

16 And one other thing that I'll just
17 say. I want to thank you today for your
18 presentation. One of the -- one thing that I
19 really enjoy when I come here on Wednesdays is
20 that it's a fascinating area, fascinating
21 practice.

22 And it appears that we in D.C. are on
23 the cutting edge in making type of decisions that
24 -- and I enjoy the opportunity. And it's a
25 challenge and I look forward to continuing this.

1 And so I want to thank you for your presentation
2 today. And although I'm not a machine player,
3 per se, but I was actually fascinated by the
4 process. So thank you. And the Board will take
5 this matter under advisement.

6 MR. DAWSON: Thank you very much.

7 MR. O'BRIEN: Thank you.

8 CHAIRPERSON ANDERSON: All right.

9 Have a good day. All right.

10 So the Board is therefore in recess
11 until our 3:30 hearing. Thank you.

12 (Whereupon, the above-entitled matter
13 went off the record at 2:50 p.m.)

14

15

16

17

18

19

20

21

22

23

24

25

A

ABC 3:7 33:18,21 34:14
35:22,24
able 9:5,10 21:21 36:18
above-entitled 38:12
ABRA 3:22 31:23
accelerate 18:4
accommodate 36:18
accounts 25:20
act 14:21 28:2,11,18
action 20:6 35:17
actors 18:24
adding 6:6
additional 8:11
address 5:7
advisement 37:15 38:5
afield 25:6
afoul 28:17
afternoon 2:3
age 10:10 28:24
agency 31:23 35:11
36:6
agent 3:8 15:3
agents 14:21 21:3
agree 33:7,15
ahead 5:5 10:20 13:15
20:8
air 18:7
alcohol 4:13 29:4
Alcoholic 1:2,14,14
15:2
algorithm 17:24 18:7
algorithms 17:24 18:10
26:22
ALIYA 1:19
allowed 29:16
alluded 20:1
aloud 12:8
amount 7:17 19:11
analysis 18:14 34:20
ANC 1:7
Anderson 1:16,18,23
2:3,12,16,20 3:6,17
3:19 6:18 7:19 8:17
8:20,25 9:7,10,13,16
9:25 10:4,19 11:3,18
13:14 15:1 21:17,20
22:1,4,25 23:14,19
24:10,18,23 25:2,5,10
26:3,8,14 27:5,9,25
28:19 29:1,11,24 30:3
30:10,16 31:20 32:8
32:14 33:1,20 34:13
35:18,21,23 37:9 38:8
Anecdotally 20:12
answer 3:11 20:21
apostrophe 3:16
appear 37:13

appeared 25:1
appears 37:22
APPLICANT 1:22,25
apply 34:25 35:4
approval 4:17 16:11,11
24:6
approve 14:16 32:17,20
approved 24:15
approving 18:8
approximately 22:17
archaic 7:20
area 37:20
arguably 36:25
arriving 24:25
Ascent 1:9 3:15,16 17:7
asked 10:22 12:19
25:19 34:3
asking 9:7 10:4 11:4
14:11 32:15,16 36:4
asserting 35:12
attachments 18:15
attention 18:15,18
Attorney 31:22
Attorney's 32:2
authorities 14:14
available 26:15 29:13
average 23:9
aware 3:25 4:20 12:7
26:11 27:11

B

back 2:4 9:18,25 10:25
11:10 13:2 16:24 19:8
19:19 31:10
ball 18:6
bar 19:12,24
bars 9:23 20:7 25:20
29:7
based 3:24 4:19 5:24
18:2 37:11
basically 29:12 30:11
basketball 18:5
beat 9:4,11 17:7,18
beating 12:12,25
believe 15:5 25:1 30:18
32:25 35:16 36:24
Bennett 1:23 3:8 23:25
better 16:17 25:24
beverage 1:2,14,14
15:2 20:15 37:7
bit 20:25 23:4
block 7:15 12:22
Board 1:2,14 3:24 4:7
4:16,21 5:4 6:3 15:2
18:16 21:14,15 32:7,8
32:15,16,19,20,21,23
32:25 33:19,21 34:14
34:21,21,23 35:10,15

35:16,25 36:2,4,8
37:14 38:4,10
BOBBY 1:19
body 33:2
bother 5:21 12:22
branch 8:11
breaking 27:15
brief 18:19
bring 29:6
bucks 31:9
Building 1:15
Burton 21:7
business 6:13 7:17 8:3
14:6 28:24 29:10,23
31:19 37:3
businesses 11:15
button 25:16
buy 8:4

C

café 5:17,19
call 14:1 26:18 30:21,23
33:5,19,21
cancel 19:8
card 17:13
cards 17:19
careful 29:20
case 2:4 3:2 5:13 13:23
35:25
cases 13:1 28:11
cash 4:5 19:10,12 26:4
26:10 27:6
casino 25:14
CATO 1:19
central 30:12
certain 19:11
Certainly 36:21
certified 18:13
chair 2:10 5:6 10:18,21
28:7 32:13 34:8 35:10
Chairperson 1:15,18
2:3,12,16,20 3:17,19
6:18 7:19 8:17,20,25
9:7,10,13,16,25 10:4
10:19 11:3,18 13:14
21:17,20 22:1,4,25
23:14,19 24:10,18,23
25:2,5,10 26:3,8,14
27:5,9,25 28:19 29:1
29:11,24 30:3,10,16
31:20 32:8,14 33:1,20
34:13 35:18,21,23
37:9 38:8
challenge 37:25
chance 13:25 15:14
17:9,12,21,22 18:1,11
22:10 24:14 25:15
28:6 33:5,17 35:14

change 4:16,24 5:9,12
5:14,20 6:8,15 11:5,7
11:12,17 12:17,18,23
13:6,11,13 18:1 33:11
33:15 36:25
changing 31:14
characterized 4:4
Charlottesville 34:2
checking 35:11
chief 21:2,5
China 26:17
choose 19:6
chose 6:2,11 31:4 36:7
37:10
chosen 25:23
Chris 1:24 3:9,9 20:21
clear 13:24 18:23 22:22
clearly 22:10 34:12
35:13
Code 4:10 28:7
Columbia 1:1 4:6 25:25
28:5
come 7:10 8:4,5 10:15
12:3 21:15,18,22,24
28:23 34:24 36:8
37:19
comes 14:15 15:20
19:10
comfortable 28:9 34:22
coming 9:25 10:11 20:7
community 5:24 12:1,7
12:11,15
compensating 17:23
17:24 18:7,10 26:22
compete 9:22,23
competition 9:20 12:4
20:3
competitive 8:15
complaining 34:16
compliance 1:23 3:6
4:9,22 14:21 15:3
21:8 30:15
comply 13:18,19 28:2
composition 19:1
concern 5:14 11:14
12:1,15,16
concerned 10:10
confident 28:1,16
configuration 15:21
confiscated 26:23
consent 14:15
consequently 37:7
consider 11:7
console 15:21,23 36:18
contested 3:2
context 13:13
continue 19:21
continuing 37:25

control 1:2,14,14 15:2
30:4,6
controversial 6:14
conversation 32:10
coolest 7:15
core 29:9
corner 5:18
corporate 8:2
correct 24:7 25:1 26:5
30:1,2 35:24
correction 3:14
correctly 14:23 20:18
costing 8:14
counsel 1:22 2:11,18
counted 6:4
country 23:20
couple 16:10 35:5
course 14:12 35:22
cover 29:7,8
criminal 32:3
CROCKETT 1:19
Cummings 1:24 3:9
27:18 30:9 31:2
current 7:8 9:1
currently 7:1,24 10:7
23:17 26:12 27:5
customer 31:6,7,11
customers 7:9 25:20
37:5
cutting 7:14 37:23
CX 1:7

D

D.C 1:15 4:9 25:19 28:7
30:22 35:11,15 36:23
37:22
dais 21:15
danger 29:4
Dawson 1:25 2:23 7:4,6
7:25 8:19,22 9:6,9,12
9:15,19 10:2,13,16
20:1 28:23 29:3,17
31:5 37:2 38:6
day 8:14 31:9 38:9
day-to-day 28:24
DCMR 28:8
deal 21:14
dealing 23:11
dealt 17:20
decide 22:6
decides 34:23 35:10
decision 11:6,20 22:9
33:13 34:19,21 35:8
37:14
decisions 37:23
deem 4:23
deemed 5:11 6:14
13:12

definitely 27:3
degrees 16:16
Delroy 21:7
demonstrate 20:24
depending 13:13 23:6
depends 17:22
deputies 15:5
deputy 21:5
describe 7:4
designed 13:18 19:20
19:21
designs 13:19
determination 33:3,6
determine 33:14
determining 5:16
developing 14:4
development 15:24
device 4:11,18 9:21
27:22 28:2 30:5
devices 4:14,15,22 6:5
6:22,24 7:3
difference 7:1 12:10,10
different 11:1 15:8 19:2
22:5,7 30:18 34:4,9
difficulty 16:17
director 15:3
disagree 33:15
discuss 20:23 32:1
disruption 12:16
distinction 10:22 11:8
distributor 19:24 30:13
30:14,22 31:8,14
district 1:1 4:6,22 8:13
22:8 25:24 28:4 31:22
35:6
District's 4:12 28:17
doing 14:23 37:13
dollars 20:4 23:8
Donovan 1:16,18
door 7:11 37:5
downtown 8:3
Dragon 1:9 3:15
Dragon's 3:16 17:7
dragons 26:19
drink 29:18
driven 25:25 27:21

E

E 1:7 6:1
earlier 22:16
early 36:8
earn 25:13
earning 27:18,19
easier 33:9,10,11
edge 7:14 8:15 37:23
eight-game 15:24 16:1
eight-player 36:16
either 12:4 14:15 34:14

electronic 1:9 6:5,10
12:11 13:9 14:7
element 15:14 17:12
elementary 33:13
elements 18:11 24:14
eliminated 18:11
embedded 17:25
employs 14:20
endanger 29:22
ends 18:21
enforcement 14:20
21:2 35:17
enjoy 22:13 37:19,24
entertainment 6:4,5,22
6:24 7:6 20:4,7 27:22
27:24
entity 34:16
enumerated 13:7
environment 25:14
essentially 16:1
establishment 4:2,18
6:23 11:10 22:19
34:24 35:3,22,24
establishments 25:21
events 8:2,2
exact 16:2
examples 5:11 13:12
exchange 9:17
excited 26:1
execute 23:10
exist 10:24
existing 6:7,13
expect 16:9
experience 12:16 30:24
explanation 37:11
expressed 37:3
extraordinarily 8:13

F

F 5:17,19
fact 1:7 2:5 3:21 13:6
37:2
facto 13:11
factor 5:16
familiar 6:20 10:5
far 20:7 25:6
fascinated 38:3
fascinating 37:20,20
favor 31:7
fear 5:24
federal 28:2,3
feel 7:16 25:24
Fifteen 23:25
fight 26:25
final 32:11
find 4:21 27:1
finding 1:7 2:5 3:21
finish 17:6

firms 8:3
first 5:8 14:18 32:6 35:7
fish 26:18,18,19
fishing 35:15
fit 25:24
fits 37:13
five 19:25 22:19,23
flip 35:12,25
Florida 16:4,5 23:22
24:23 25:7 26:4,6
27:12
focus 18:23,25,25
folks 3:3 22:13,18
follow 14:24 30:17
food 20:15 37:6
football 8:8,8
forecloses 35:10
format 12:18,18
former 3:7 15:2
forward 34:22 37:25
found 35:15
four 13:17
four-game 15:23
full- 15:4
Furthermore 4:14

G

G 2:25
gam 14:3
gambling 4:6,8,11,12
4:15 13:20,23,25
14:12 25:7 28:3,17
32:25
game 1:10 4:1,4,4 6:3,7
6:17 7:9,14 9:2 10:23
10:24 11:9 12:12,12
12:25 13:2,22,25 14:7
14:10,16,17 15:7,14
15:20 16:8,9,13,23
17:1,8,9,14,21 19:2
19:15 20:16,23 22:10
22:10 23:17,20,20
24:11,11,13,16,19
26:10 28:10,12,13
29:8 32:17,22,23 33:3
33:4,5,16,16 34:11,17
34:23 35:14,15 36:2
36:16
games 3:12 6:10 7:7,8
7:21,23 8:6,8,9,10,10
8:17,21 9:1 10:24
13:10,19 14:23,24
15:9,10,12,13,19,20
20:10 21:10 24:3,9
25:15,22 26:11,14,18
26:20 28:6
garden 12:20
geared 27:23

General 31:22
generate 37:6
generator 17:11,19
generators 17:10 26:21
Geoff 17:16,17 20:1
Geoffrey 1:25 2:23,24
George 21:5
Georgetown 5:18,22
getting 12:5,13 18:8
 20:1 24:9 37:3
give 7:11 11:10
given 6:12 9:21
gives 4:5
goodwill 31:16
govern 5:10
governing 28:6
granted 3:21
greater 20:14 37:6,7
group 10:10 18:24,25
 26:17
groups 8:3 18:25
guess 9:1 22:1,16
 29:12

H

hand 17:18 21:6
handled 30:20
hands 16:21
happen 31:3
happens 16:13
happy 31:11
Harbor 20:4
hard 7:10
Hawaii 25:5,11 26:9
hear 2:16 5:1
heard 15:11 17:12,13
hearing 1:7,14 2:5 3:21
 38:11
help 7:16 16:3
helps 8:12
high 8:13 21:18
hire 21:4
Hold 3:10
holder 4:20 5:2
Honolulu 16:12 24:1
 25:4
hoop 18:6
horse 21:18 37:1
hot 34:15
hundred 35:5
hundreds 36:16,17,20

I

identical 5:17
identified 5:7
identify 2:7
identifying 14:24
ignore 17:1

illegal 14:24 26:20
 35:14
Immediately 3:4
impact 13:2 34:17
impatient 23:10
implicates 4:9
important 8:16 25:17
 29:18
impression 22:5
improve 7:17
industry 14:7,7 20:9
insert 19:6
insists 14:13
install 1:9 4:1 14:17
installation 4:17,23
 14:16 20:16 32:17,20
installed 15:7,19 16:8
 16:12 20:13 21:10
instance 12:19 17:21
 19:17 32:6
integrity 14:8 20:23
intend 32:4
intention 36:21,23
interest 5:23 37:3
interesting 7:9
internet 9:23
interpretation 33:7
interviewed 21:3
interviews 3:3
introduce 16:9
introduces 17:12
introducing 10:23 11:2
 11:24 14:1 15:15,25
introduction 13:9
introductions 2:10
invite 18:15,18
involved 7:23 17:22
involves 13:25
ipso 13:11
issue 5:13 30:17 31:6,6
 31:9 32:7 36:14
issues 5:7 12:14 32:4
it'll 20:10

J

JAMES 1:20
jerk 13:21
Johnson 28:2,11,18
JR 1:19,20
judgment 36:2
jurisdiction 14:14,25
jurisdictions 14:19
 23:1 26:24 27:2

K

Kansas 16:11 24:1 25:2
 25:4,11 26:9
keep 7:9 20:10 37:5

keeping 20:2
Kevin 1:23 3:6 15:1
 20:12,18,20,21,22
 21:1
Kevin's 3:8
knee 13:20
knows 17:4 26:25
Kucik 21:5

L

laboratories 18:14
larger 29:23
Laughter 21:19
laundry 5:10
law 4:6,22 8:3 13:23
 14:20
laws 4:13 13:20 28:3,17
leader 14:6
leave 36:22
left 3:4,8,9 15:1
legal 14:25 18:14 25:7
 27:4
length 23:3
let's 5:1,8
letter 18:16
level 16:16 24:17 28:13
levels 16:15
license 1:8 2:5 3:23 4:3
 4:20 5:2 29:22
licensed 4:18
licensee 2:24 3:25
 15:20
licensees 4:11 14:11,22
 32:5 36:9
life 13:4
liken 17:3 18:2,5
limit 15:18
line 17:5
list 5:10 13:7,11
little 20:24 23:4
LLC 1:6 3:22
local 13:20 30:21
location 6:12
locations 23:22 36:17
long 23:2
longer 8:24 12:3 37:6
longstanding 31:13
look 21:16,20 37:25
looking 20:5
lost 18:3 30:19
lot 8:1,9 9:15,19 11:22
 20:3 25:19 27:20,21
 27:23 29:3 31:15,16
 36:14
lottery 34:15

M

M 5:18

machine 4:10 9:4,18
 11:24 22:5 23:2,8
 25:12,13 26:5 27:2,10
 27:16 29:13,24 30:4,8
 30:11,19 31:25 33:24
 34:5,9 38:2
machines 10:7 18:1
 22:19 23:24 27:12,20
 30:6 31:17,18 34:4
 35:6
maintain 7:16
maintained 20:24
major 11:8
making 14:22 27:14
 33:12 34:18 37:23
managing 2:23
manufacturer 4:3 19:24
 26:24
market 26:12 36:23
materials 4:19
Matic 14:4
matter 1:5 3:21 14:2
 15:16 38:5,12
mean 7:10 11:19,20
 13:10 16:16 23:23
 27:14 31:2 32:24
 33:13
meaning 15:19 16:23
 17:10
mechanical 6:4,9
MEETING 1:3
member 1:19,19,20
 2:23 10:9,14,17 36:10
 36:12
members 32:9
memorize 16:22 17:2
mention 25:17
mentioned 23:15
merely 12:24
met 1:14
millennials 26:1
minimum 32:21
monetary 9:17
money 7:23 8:18 10:24
 10:25 12:5 13:1,22
 16:24 19:6,10,11,14
 19:22 23:7 27:14,23
 30:19
motivated 16:25
move 18:6
movie 17:4,6
moving 34:22
MPD 21:5,8
multiple 9:21

N

N.W 1:15
Nancy 1:23 3:8,9 20:20

20:21
national 18:14 20:4
nature 6:13
Nebraska 16:6,7 23:22
 24:24,25 25:8 26:6
 27:13
necessary 32:13
need 34:19
neighborhood 5:15
 11:15,16 12:17 13:3
 19:18
never 6:20 7:21 17:17
new 4:1 26:2 28:13
 31:18
newest 7:15
night 8:7
nods 18:8
noise 5:24 12:21
normally 3:1
notice 4:24
novel 11:21
number 13:8 15:18
 16:14 17:10,11,19
 26:21 34:8
NW 1:7

O

O'Brien 1:22 2:9,10,14
 2:15,18,22 3:18,20
 5:5,6 7:4 10:21 11:13
 12:9 13:16 16:5,7
 18:22 21:23 22:24
 24:1,5,8,12,22,25
 28:1,4 30:2,14,24
 32:1,10,12,16 33:18
 34:7 35:9,20 36:11,13
 37:10 38:7
Obviously 32:19
October 1:12
offends 36:3
offensive 32:23,24
offer 37:12
offered 27:6,10
Office 31:21 32:2
officer 1:23 3:6
Official 4:10
older 10:13 29:13,15
once 7:11 31:2
ones 14:25 24:13
operated 30:12
operates 14:20
operating 16:2,8 27:12
 27:17 35:14
operation 29:25 31:24
 33:24
operators 25:19 27:13
opportunities 31:18
opportunity 37:24

opposed 17:9
opposite 2:25
order 37:4
outside 31:23
overriding 5:13 14:2
 15:16 24:12 28:14

P

P-R-O-C-E-E-D-I-N-G-S
 2:1
p.m 2:2 38:13
Pace-O- 14:3
Pace-O-Matic 1:22,23
 1:23,24 3:3,5,7,10
 13:16,19 14:5,13,19
 15:4,8,18 20:8
paid 18:24 23:8
painting 10:2
part 8:23 29:15,18
 35:14
particular 30:7
parties 2:6,7 8:1 22:23
party 29:5
passing 36:2
Pause 22:3
pay 7:25 8:18 11:25
payback 11:11
payoff 18:4,4
payout 30:18
payroll 21:9
Penn 1:6,6 2:5,11,18,24
 3:22,22 4:21 5:8 6:1,2
 6:12,20 10:11 14:10
 28:20,21 29:14 30:6
 32:17,18,21 36:22,23
 37:10
Pennsylvania 15:11,12
people 7:10,18,25 8:5,9
 8:24 12:2,2,22 15:6
 19:20 20:1,10 21:8
 25:15 28:23 29:6,6
 33:14 35:4 36:19
percent 14:3 15:17 16:9
 19:14,14,19,22,25
 20:10,14 22:17,18,20
 22:23 23:6,13 24:13
 26:20 34:10 36:1
perfect 23:11
peripherals 31:4
permission 3:25 14:11
person 9:2,17 11:9 17:6
 23:2 29:5
person's 9:14
personal 22:15
personnel 3:10 14:21
picked 23:23
picture 10:3
piece 8:15 29:23

pinball 7:7
places 9:24 15:8 36:14
 36:15
play 8:1,5,10 11:25
 12:13 13:22 15:23
 16:18 19:7,12,21
 21:24 25:12,16 26:17
played 17:17 18:20
 19:15,23
player 16:20 17:13,16
 19:5,7,9,17 38:2
players 9:21 19:16
 23:10 25:16
playing 9:13 12:3
plays 9:2 10:24 12:11
please 2:7,8 21:6
plugging 24:9
plural 19:1
point 14:8 18:22 19:4
 21:13
poker 17:14,16,17,20
position 2:17 35:12
Possessive 3:18
possible 12:13
postpone 18:4
potential 4:24 12:21
 26:8,9
potentially 4:8
practical 14:2 15:16
practice 37:21
predominantly 24:16
 34:10
predominately 15:13
 28:12
premises 1:10 35:20
premium 11:25
prepared 21:4,12
present 1:17,21 6:2
 14:23 22:7
presentation 5:3 31:21
 37:18 38:1
presentations 31:24
presented 5:5 36:1
president 3:5
presiding 1:16
primary 4:7
private 8:1
privilege 29:19
prize 26:4,10
prizes 4:5 27:6
probably 5:23 17:3
problem 32:22
process 21:11 38:4
product 25:23
profit 27:21
profitable 22:21
prohibit 13:20
prohibited 14:13

prohibiting 28:6
project 25:18 26:2
proposed 4:23 7:2
proposition 27:14
prosecutor 32:3
prospective 36:9,11
protect 29:20
protest 4:25
provided 4:20 37:12
providing 31:17
provision 28:8
public 4:24
pull 15:22
pure 14:1 15:15 24:12
 28:14 36:1
purely 28:14
pushing 25:15
put 5:17 13:2 14:10
 16:17,24 25:22 32:5
 32:19 36:15,22
putting 6:5

Q

qualifies 4:11
qualify 6:8
quality 13:3
question 24:8 33:9,12
questions 3:11 5:4 6:16
 10:6,20,21 20:22
 21:14 32:9 34:1
quite 16:12 20:17 35:3

R

RAFI 1:19
raise 21:6
raised 22:16
random 17:10,11,19
 26:21
reaction 13:21
real 31:5
realize 35:5
reason 6:11 11:4 29:12
 29:21 33:14 36:24
reasons 33:22
receive 19:8
received 30:23
recess 38:10
recite 17:5
record 2:4,8 38:13
recovery 22:18
redeems 19:12
Reeves 1:15
referred 3:15 28:7
regarding 3:11 4:6 5:2
 5:4 28:3 31:24
regulation 28:5
regulations 5:10 36:4
regulator 4:8

regulators 14:18
regulatory 14:14
relationship 31:13,15
reliable 31:4
removed 34:4
rent 8:13
repeated 16:19
reported 20:17
reporting 20:14
represented 13:17
reprints 18:17
request 1:9 3:22,24 4:2
 4:8 5:2
requesting 3:25 4:21
requires 4:16
requiring 4:24
residents 5:15,21,22
 11:14,15
residing 12:22
result 32:9
resulting 12:17
retailer 1:7 30:5,7
retired 14:20 21:5,8
return 9:3 12:13
returned 19:15,23
returning 31:11
revenue 8:11,22 20:19
revenues 37:8
reverse 5:8
review 4:19 14:15
river 20:5
role 2:13
roof 27:19
rooftop 12:20,21
room 1:15 8:4
rotate 7:7
rules 15:13 36:6
run 28:17
running 14:17
Ryan 1:22 3:4,5 16:3

S

S 3:16
sales 20:14 37:6,7
salient 14:8
satisfaction 9:2,4,8,14
 12:12,25
Saturday 8:8
saw 36:19
saying 22:17 24:19
 29:12 33:12 35:2,24
scenarios 16:18,22
 17:2
scientific 20:17
score 9:5,11
screen 19:3
se 33:6 38:3
sea 26:20

seat 34:15
seats 20:2,2,11 37:5
second 8:23
Section 6:9 13:7
seeing 3:13 19:3 20:19
seen 17:4 19:2
selected 36:25
sell 27:1
sense 7:23 9:3 11:9
September 18:16
Sergeant 21:6,7
serve 29:3
Service 30:21
servicing 31:17
serving 29:5,18
set 10:22 21:23 23:5
seven 16:15,15,17 17:2
share 19:25
shooting 18:5
Short 1:20 10:8,9,14,17
 36:10,12
show 19:13
side 2:25 35:12,25
sidewalk 5:17,19
significant 23:16
similar 26:11,16
simply 3:1 13:21 14:10
 19:25 36:14
single 8:15 16:23 17:5
 17:7 18:13
sir 2:15
sit 16:25 23:2
sitting 2:25 3:1 23:6
 25:13 36:19
six 17:1
skill 1:10 4:4 13:19 14:2
 14:3 15:13,16,17 16:9
 17:8,14,21 20:10
 22:10 23:11 24:13,13
 24:16 28:10,12,13,14
 28:15 33:4,16 34:10
 34:11,24 36:2
skilled 16:20 17:15
 18:12
slot 18:1 19:5 25:13
small 29:23 31:6
Social 1:6,6 2:5,11,19
 2:24 3:22,22 4:21 5:8
 6:1,2,12,20 10:12
 14:10 28:20,22 29:14
 30:6 32:18,18,21
 36:22,24 37:11
somebody 19:17 20:5
soon 30:22
sorry 2:12,15 13:18
 20:20 24:20 29:1
sort 8:4,10
sea 26:20
sorts 8:2

source 8:11,23
space 36:14,15
special 7:12
specific 10:6 24:11,19
 24:21
specifically 4:10 13:18
 33:22
speculate 36:13
spelled 2:24
spend 18:12
spent 14:4
split 22:20
splitting 22:22
stalking 37:1
stand 21:21
standing 29:22
stands 15:22
start 3:20 17:6
state 15:9
stated 31:20 33:1
statements 32:11
states 24:20 27:16
station 19:5
statistics 19:13 27:11
statute 4:16 5:9 28:5
 33:8
statutes 36:4
stay 7:18 8:12,24
Stephen 1:22 2:10
stool 15:22
stools 36:20
street 1:7,15 14:22 21:9
 30:15
study 20:17
stuff 22:11
style 26:16
subject 6:15
subjectively 32:24
submissions 3:14
submit 6:8,12 12:18
 13:5,24 36:1
Subsection 13:9
substantial 4:16,23 5:9
 5:11,20 6:8,15 11:5,7
 11:12,17 12:23 13:6
 13:11,12 33:11,15
 36:25
substantially 28:10,12
substituting 6:6
successful 25:18
suggest 16:16
suggesting 35:9
Suite 1:15
summer 12:20
Sunday 8:7
support 22:14 27:2
swimming 26:19

T

t/a 1:6
table 16:18 18:8 19:22
 23:7
tables 26:18
takes 24:16
talk 5:8 6:16,19 12:14
talking 10:1 24:10
talks 6:9
tax 37:7
team 12:4 30:15
technical 3:10 20:21
 30:17
tell 6:21,23,25 7:22 21:1
 23:3
terminal 4:1
terms 31:16,17
test 11:16 23:21 28:9
 28:11
testing 18:14
tests 36:7
Texas 16:3,3 23:22
 24:22,23 25:7 26:3,6
 27:12
thank 2:22 3:13 5:6
 10:17 18:9 37:9,17
 38:1,4,6,7,11
Thanks 2:20
things 5:24 6:19 34:8
 36:7
thought 11:23 12:6
three 15:5,20 21:2
 22:19,20,23 23:21
 35:2
ticket 19:10
times 9:20 17:5
Title 4:9
today 11:2 14:1 15:15
 15:25 37:12,17 38:2
told 20:12 33:4,20,23
 33:25
total 15:5,9
town 36:22
tranquility 13:3
treat 29:17,19
trigger 4:15
truly 20:9 33:16
trust 31:16
try 7:8 22:6
Twenty-one 10:13
twist 22:7
two 5:7 15:4 34:7 36:19
two-person 15:21
 36:18
type 10:7 37:23
typically 12:19 22:25
 23:1

U		4
U.S 32:2	Wisconsin 5:18	400S 1:15
underage 29:5,6	won 18:2,3	5
underestimated 16:14	Wood 1:22 3:4 16:4,6	6
understand 20:18	23:3,17,21 24:3,7	6 18:16
22:21 37:10	25:4,9,12 26:7,13,16	60 19:18
understanding 34:2,14	27:8 30:21 31:1	62 15:9
unique 4:2 22:8	work 3:12	63,000 15:9
unplug 30:9,11	works 19:4,9 20:22	7
unsophisticated 19:16	21:25	762 13:7
use 4:17	world's 17:15,16	762(14) 6:9
utilize 8:20	worried 10:9	8
V	worse 23:5	80 23:12
vacuum 14:9	worth 29:4	801 1:7
variance 23:12	worthwhile 7:13	86808 1:8 2:6
varies 23:4	would've 11:23 12:6	8th 6:1
vary 16:19	wrap 32:11	9
vehicle 6:2 32:18	written 3:14	9 1:12
venue 7:7 15:19	X	90 19:13
venues 20:13 36:9,11	Y	95 19:14,22 22:17,18
version 15:23,24 16:1,2	years 14:4,4,6	23:5
16:15	younger 28:21	
versus 33:16	Z	
vice 3:5	0	
video 4:1 7:8 8:10	086808 3:23	
18:19,20,21 36:19	1	
view 36:3	1:34 2:2	
violate 4:5	10 23:23	
violation 4:12	100 14:3 15:16 16:8	
Virginia 3:7,7 15:2,4,6,7	20:10 24:13 26:20	
15:9,10,12 20:14 21:3	34:10 36:1	
23:15,18 24:14,15	110 23:12	
25:18,22 30:1 33:18	14 13:8,9	
33:21,23,24 34:11,12	14th 1:15 5:17,19	
34:12,15	15 5:10 13:8 23:23	
visitors 13:17	15,000 23:8	
void 17:9	16 5:10	
volume 22:24 23:9	18 28:21	
27:20	2	
W	2,500 15:8	
W 1:16,18	2:50 38:13	
wanted 25:22	20 6:4,22,24 20:14 31:9	
Washington 1:15	2000 1:15	
watch 16:25	20009 1:15	
wave 20:6	2019 1:12	
way 16:17 19:4,9 20:8	21 10:14 28:25 29:2,13	
23:12 26:16	29:15	
ways 22:20	25 4:9	
Wednesday 1:12	2C 1:7	
Wednesdays 37:19	3	
weeks 16:10 17:1 25:1	3:30 38:11	
welcome 2:6	30 14:6	
went 19:11 38:13		
win 13:22 16:23 18:12		
winning 18:2		
winnings 19:15,23		

C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Penn Social

Before: DCABRA

Date: 10-09-19

Place: Washington, DC

was duly recorded and accurately transcribed under
my direction; further, that said transcript is a
true and accurate record of the proceedings.

Neal R Gross

Court Reporter

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701