



*Philip C. Nolan  
President & CEO*

Suffolk Regional Off-Track Betting Co.  
425 Oser Avenue Suite #2  
Hauppauge, NY 11788  
(631)853-1000



*Anthony Pancella III  
Vice President & COO*

**TESTIMONY BEFORE  
THE NEW YORK SENATE STANDING COMMITTEE ON  
RACING, GAMING AND WAGERING ON  
SPORTS BETTING IN NEW YORK STATE**

On behalf of Suffolk Regional Off-Track Betting Corp., President Phil Nolan, our Board Of Directors and our dedicated staff, I'd like to thank Senator Addabbo and the Senate Gaming Committee for allowing me the opportunity to speak to you today and present a perspective that not only encompasses Suffolk Regional OTB and Jake's 58 Casino, but the other New York State Regional OTBs, the New York State horsemen, many of our licensed Commercial Casinos, most if not all of the State's VLT operators, and most importantly, the interests of New York taxpayers. □ □

As you know, in November of 2013, the legislature gave New York State voters the opportunity to decide on casino gambling and produced a referendum which was overwhelmingly approved by the electorate. □ □

As a result of that referendum, Suffolk OTB is a great success story of a Public Benefit Corporation that has utilized the support of New York State to thrive and benefit our community. Because of your legislation that granted us a VLT license for 1,000 machines which are located at Jake's 58, we were able to save 150 New York jobs, create 200 additional New York jobs, and in the past year, contributed approximately \$100 million for our schools, \$10 million to the Horsemen Industry, and millions of dollars to Suffolk County and our host municipality in the Village of Islandia, all while paying back our creditors 100 cents on the dollar. □ □



*Philip C. Nolan  
President & CEO*

Suffolk Regional Off-Track Betting Co.  
425 Oser Avenue Suite #2  
Hauppauge, NY 11788  
(631)853-1000



*Anthony Pancella III  
Vice President & COO*

One of the primary reasons New Yorkers voted to expand gaming was to keep jobs and revenue in New York State, creating opportunities, rather than see our dollars go elsewhere. This brings us to the subject of sports gaming. □ □

As a result of the United States Supreme Court's decision to overturn the Professional and Amateur Sports Protection Act of 1992, there is an opportunity for the gaming industry in New York State to build on our track record of success and generate much needed revenue and good jobs by sanctioning and establishing regulations for sports gaming, capturing revenue from bets which are currently either placed illegally or increasingly, out-of-state. □ □

The New York State gaming industry stands ready to work quickly and cooperatively to establish a framework for sports gaming that will benefit New York State taxpayers. Last year, following the Supreme Court ruling, the gaming industry joined together and drafted an MOU that was signed by three licensed Commercial Casinos, 4 Regional OTBs (representing 56 of New York's 62 counties), and 3 NYS VLT facilities. Additional entities were conceptually in agreement but had specific reasons for not being able to sign. □ □

This MOU which was presented to the Executive Chamber and Legislature had agreed upon language, rates, and an affiliate program. □ □

While legislation was not able to move in 2018, that cooperative spirit still exists, and it is our hope that we can work together in the current session to afford Suffolk County Regional Off-Track Betting, Jake's 58 as well as the other Regional OTBs and VLT facilities across the state the opportunity to join with the Commercial Casinos as we embark on a revenue-generating, job-creating endeavor, that will benefit the New York taxpayers.



*Philip C. Nolan  
President & CEO*

Suffolk Regional Off-Track Betting Co.  
425 Oser Avenue Suite #2  
Hauppauge, NY 11788  
(631)853-1000



*Anthony Pancella III  
Vice President & COO*

This type of regulatory modifications has precedent. When legislation was passed in the 1970s allowing OTBs to operate in NY State, there initially was no simulcasting of races allowed, then changes were made that allowed us to simulcast. Initially, no franchises were allowed, then regulatory changes allowed OTB regions to open franchises in bars, restaurants, and even card shops. I can speak from firsthand experience about the positive impact of these modifications. In Suffolk OTB, since President Phil Nolan and I realized in 2012 that we needed to grow our more lucrative franchise business, we have grown from 13 to 46 locations, which brought great benefits to our bottom line while generating new customers in a new demographic. Sports gaming can become the next part of an ongoing process to have a strong regulatory framework and reclaim revenue and jobs in New York State from business now being conducted in neighboring states.

□□ We urge the NYS Senate, Assembly, and the Governor to allow the affiliate program contemplated during last year's legislative session, and give the entire NY State Gaming industry the opportunity to benefit and prosper from sports gaming. If mobile sign-ups are not permitted, then the state needs our VLT facilities and OTBs to be the distribution network for legal sports gaming. If mobile sign-ups and wagering are allowed, then allow these same facilities the opportunity to have an on-site sign-up period prior to the enactment of mobile wagering so that each of us can generate a customer base that can be built upon.

□□ Thank you again for the opportunity to speak, and for informational purposes, I have provided each of the Committee members a copy of last year's Memorandum of Understanding for their perusal.