

## BEFORE THE NEVADA GAMING COMMISSION

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## NOVEMBER 2016 AGENDA

**NONRESTRICTED AGENDA**

**7. N16-0472**  
**WILLIAM HILL PLC**

THURSDAY, NOVEMBER 17, 2016

Nevada Gaming Control Board Offices  
Conference Room 2450  
555 East Washington Avenue  
Las Vegas, Nevada

Via videoconference to:

Nevada Gaming Control Board Offices  
Conference Room 100  
1919 College Parkway  
Carson City, Nevada

Reported by: ERIC V. NELSON, CCR #57, RPR, CM

SUNSHINE LITIGATION SERVICES (775) 323-3411

A P P E A R A N C E SCOMMISSION MEMBERS PRESENT

TONY ALAMO, M.D., CHAIRMAN  
JOHN T. MORAN, JR.  
RANDOLPH TOWNSEND  
PHILIP PRO (Telephonically)  
DEBORAH J. FEUTSCH

BOARD MEMBERS PRESENT

A.G. BURNETT, CHAIRMAN  
SHAWN R. REID  
TERRY JOHNSON

EXECUTIVE SECRETARY

MARIE BELL

DEPUTIES ATTORNEY GENERAL

DARLENE CARUSO  
JOHN MICHELA

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**LAS VEGAS AND CARSON CITY, NEVADA**

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**NONRESTRICTED AGENDA**

**7. N16-0472  
WILLIAM HILL PLC**

SECRETARY BELL: Nonrestricted No. 7 are the applications of Philip Hedley Bowcock for finding of suitability as an officer and director and for licensure as an officer and director and as a member of the board of managers for the multiple William Hill entities as noted on the agenda. The recommendation of the Gaming Control Board is for approval.

CHAIRMAN ALAMO: Great. State your name for the record.

MR. GUTWALD: Good morning. Dennis Gutwald with the law firm of Brownstein Hyatt Farber Schreck. With me is Philip Bowcock. He told you a little bit about himself at the Gaming Control Board meeting. And he is here to answer questions.

CHAIRMAN ALAMO: Very good. State your name.

MR. BOWCOCK: For the record, Philip Bowcock from William Hill.

CHAIRMAN ALAMO: First of all, let me start by saying thank you very much for flying back from

1 London, which I think you came twice. I don't know if  
2 you stayed the two weeks.

3 MR. BOWCOCK: No.

4 CHAIRMAN ALAMO: I appreciate that. And you  
5 have never been licensed before us, so I do like to get  
6 the Commission -- I had met you but they have not. So I  
7 think it is important that we know who you are and you  
8 know who we are.

9 I don't know if you have an affirmative  
10 regarding your situation in your company. I will say,  
11 you have been kind of in the news quite a bit. I'm just  
12 going -- these are no secrets, I pulled this out, I just  
13 Googled it. Three board members have been added, the  
14 previous CEO left, and kind of quickly, because I had met  
15 him on a Board meeting and then two days later he is no  
16 longer with the company. Didn't seem like he knew that  
17 was coming. I don't know.

18 You had a merger with 888 that fell through.  
19 And there is a couple more things, but that is not in our  
20 reading materials, that is out of the Internet.

21 Go ahead, what is going on with the company?

22 MR. BOWCOCK: I think the whole industry  
23 certainly in the U.K. is going through a consolidation  
24 event. So a lot of names have been put forward.  
25 Everybody talks to everybody, everybody wants to do a

1 deal. So you end up talking. Sometimes leads happen,  
2 sometimes people come at you.

3 And as a board, the board has to make a  
4 decision as to whether to do and to engage constructively  
5 or not in undertaking mergers or acquisitions.

6 I think we are going through that process and  
7 we have gone through that process. I think where the  
8 company is now, I think we have some clear water, we have  
9 got three new non-executive directors you referenced,  
10 they have all got relevant experience I believe in the  
11 digital world or in the gaming world. And I think the  
12 future is bright.

13 CHAIRMAN ALAMO: Are you happy with your U.S.  
14 holdings as opposed to other? We had a conversation, it  
15 was before the election, now after post election, where  
16 do you see the country going? Do you see PASBA, Wire Act  
17 changing? What is your thinking on the pulse?

18 MR. BOWCOCK: The election cost me quite a  
19 lot of money.

20 CHAIRMAN ALAMO: You booked it.

21 MR. BOWCOCK: I think it is an interesting  
22 time. And I think -- I mean, Joe Asher clearly keeps me  
23 up to date on a regular basis to what's going on. What I  
24 would say for the record is we are very pleased with the  
25 business that we have here, and I think Joe is doing a

1       fantastic job. I think you see that as well.

2               I think on a wider context, all it is going  
3       to do is raise in the news whether regulation or not is  
4       going to take place, outside of the four states it is  
5       regulated in, you can't undertake sports betting.  
6       Governor Christie, what's going to happen there, you know  
7       far better than I do. But I just see let's keep our hand  
8       on the pulse and we will see what plays out.

9               CHAIRMAN ALAMO: I'm curious, how did you  
10      list the election?

11              MR. BOWCOCK: We had Hillary as favored.

12              CHAIRMAN ALAMO: By how much?

13              MR. BOWCOCK: She was about 7 to 10 likely to  
14      win.

15              CHAIRMAN ALAMO: What was it?

16              MR. BOWCOCK: About 77 likely to win. Cost  
17      us a million dollars.

18              CHAIRMAN ALAMO: But you had minus 7 a  
19      hundred? How did you have it on the board? You had a  
20      percentage?

21              MR. BOWCOCK: We have a percentage.  
22      Percentage likelihood of winning was 70. I think Trump's  
23      percentage was 30 percent. We got Brexit wrong as well.

24              CHAIRMAN ALAMO: Any further questions.

25              COMMISSIONER TOWNSEND: I do.

1                   CHAIRMAN ALAMO: Go ahead, Senator.

2                   COMMISSIONER TOWNSEND: You touched on it. I  
3 happened to be there during the Brexit time, and it was  
4 very interesting because there was a lot of  
5 stratification that was obvious on who voted which way.  
6 Very interesting. I asked one of the people over there  
7 with whom I do business, I said, how did it go in the  
8 company? And it was very interesting when he said, this  
9 group voted yes, this group voted no.

10                   Now that it's behind you and your new Prime  
11 Minister is trying to get her arms around their new  
12 responsibilities and without overreacting so that the  
13 U.K. can calmly move through this process, relative to  
14 your business, how do you see the effects of this and  
15 trade agreements that have to be now perhaps done one by  
16 one, how do you see it affecting your business?

17                   MR. BOWCOCK: I think our business on its  
18 own, very little because we do most of our business  
19 within the U.K. We actually don't do very much business  
20 into Europe.

21                   I think there is a broader macro economic  
22 piece here where I think the U.K. is going to get to some  
23 troubled times, because there is a lot of water to go  
24 under the bridge, as to how we actually go from where we  
25 are now actually to a place of exiting. And I think that

1 is going to be a drawn out process of a number of years.

2 I think for our business, for me, it is more  
3 a concern about the macro economic piece as to whether we  
4 are going to go through a recession period or not.  
5 Clearly, if we go through a recessionary period, there is  
6 less dollars effectively in people's pockets, therefore,  
7 they gamble less. That is where my concern is.

8 COMMISSIONER TOWNSEND: The requirements in  
9 your physical establishments in the U.K., you are as  
10 ubiquitous there as Starbucks now. I have no idea why  
11 U.K. citizens have any interest in Starbucks. I have no  
12 clue. One of the reasons I like it there is your tea is  
13 the best in the world, but that is just a personal aside.  
14 You are on every corner.

15 MR. BOWCOCK: Yes.

16 COMMISSIONER TOWNSEND: And the point of this  
17 question is to have a better understanding of why and how  
18 you operate the way you do. You are small shops but you  
19 are allowed to have certain devices in your shops.

20 MR. BOWCOCK: Yes.

21 COMMISSIONER TOWNSEND: One of the reasons  
22 you have so many is you can only have so many devices in  
23 each shop; is that correct?

24 MR. BOWCOCK: Yes, you can have up to three  
25 devices. You can have up to three gaming machines in a



1 shop. Those gaming machines will do anything from what  
2 you term slots to roulette all the way through.

3 Effectively they make up roughly half of our  
4 revenue, and then sports betting will make up the other  
5 half of the revenue. Those machines, gaming machines,  
6 have only been sort of introduced in the last 20 years.  
7 Up until that point it was all sports betting. And it  
8 was for recreational purposes, and it was also a social  
9 place where people went to discuss sport, what was going  
10 on. So it was a social event as well.

11 COMMISSIONER TOWNSEND: When I was there in I  
12 believe August, I spent time in one of my trips with  
13 Jenni Williams, who was one of your regulators, and she  
14 was walking me through it, because you just see what's  
15 there, and you go in and you kind of say why would you  
16 have a little shop here, a little shop there. So she  
17 walked me through that structure, and I said, have you  
18 ever thought about maybe that is not practical? And like  
19 we do here, there are so many things that are tradition  
20 and historic. I said, do you think that will ever  
21 evolve?

22 And she said, not in her lifetime. It is a  
23 very unique way to approach it. Because as you know,  
24 between the Ritz and Crawfords and some of your other  
25 gaming establishments are slightly different than what we

1 have here. Is that a fair characterization?

2 MR. BOWCOCK: That is fair. And if you  
3 rewind back about 10 years ago, there was a push to have  
4 some big casinos, and that was turned down. And I can't  
5 see that being resurrected.

6 COMMISSIONER TOWNSEND: You have one new  
7 fully integrated resort in -- is it Birmingham?

8 MR. BOWCOCK: There is one coming through, I  
9 think it is in Birmingham.

10 COMMISSIONER TOWNSEND: It is a full blown.  
11 That was kind of unique because you don't have any of  
12 those.

13 MR. BOWCOCK: No.

14 COMMISSIONER TOWNSEND: Well, I appreciate  
15 the insight and welcome. Thank you for coming back. We  
16 rolled out a little colder, windier weather for you to  
17 make you feel a little more at home.

18 CHAIRMAN ALAMO: Any other questions?

19 So Chairman Burnett asked, I'm going to ask  
20 as well, are you interim, are we in the game here?

21 MR. BOWCOCK: I think the board, the white  
22 board will make a decision by the end of the year whether  
23 I play or not. Who knows.

24 CHAIRMAN ALAMO: I'm routing for you. Very  
25 good. I have no further questions. It is in proper form

1 for a motion. Senator.

2 COMMISSIONER TOWNSEND: Commissioner Feutsch.

3 COMMISSIONER FEUTSCH: Mr. Chairman, I move  
4 for approval of agenda Nonrestricted Item No. 7 as  
5 recommended by the Gaming Control Board.

6 CHAIRMAN ALAMO: There is a motion. Any  
7 further discussion? All in favor say aye. Any opposed?

8 The motion carries unanimously.

9 (The motion was put to a vote and carried  
10 unanimously as indicated below:)

11	MS. FEUTSCH:	Aye.
12	MR. TOWNSEND:	Aye.
13	MR. MORAN:	Aye.
14	DR. ALAMO:	Aye.

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16 CHAIRMAN ALAMO: Safe travels. Thank you.

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1       STATE OF NEVADA,            )  
2                                    )     ss.  
3       COUNTY OF WASHOE.        )

4  
5                   I, ERIC V. NELSON, Certified Court Reporter  
6       and a notary public in and for the County of Washoe,  
7       State of Nevada, do hereby certify:

8                   That I was present at the meeting of the  
9       NEVADA GAMING COMMISSION on Thursday, November 17, 2016,  
10      and thereafter took stenotype notes of the proceedings,  
11      and thereafter transcribed the same into typewriting as  
12      herein appears;

13                   That the foregoing transcript is a full,  
14      true and correct transcription of my stenotype notes of  
15      said proceedings.

16                   Dated at Reno, Nevada, this 26th day of  
17      November 2016.

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22                   ERIC V. NELSON, CCR #57  
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