



Mohegan Sun at Pocono Downs Gift Card Presentation

April 11, 2012

Gift Card Program Proposal Overview

- Discussions with OEC about proposed program
- Agree with a number of OEC parameters and requirements
- 2 categories of gift cards:
 - Gift Cards with no cash value
 - OEC's initial position is that Gift Cards should have no cash value. If adopted by the Board this would destroy the fabric of MSPD's current program and may eliminate customer demand to the point where MSPD would discontinue any program.
 - Gift Cards with cash value

Proposed Gift Certificate Internal Controls

Issue	Current	If GC have no cash value	If GC can be redeemed for cash*
Denomination	Dollar value of GC limited to \$200.00	maximum denomination for gift cards is \$2,500*	maximum denomination for gift cards is \$2,500*
Number of GC sold to single purchaser	Unlimited	No restrictions	Because of Title 31 concerns – Facility cannot sell more than \$2,500 of GC to a single customer w/in a 24 hour period; therefore name of recipient as well as purchaser must be tracked.
Requirements	GC lists name of purchaser and recipient Contains unique serial number Lists whether it was purchased with cash or credit	GC does not need to list the name of purchaser and recipient but facility must still verify purchaser using govt issued ID GC must contain unique serial number for tracking purposes GC must clearly indicate that it has no cash value and can only be redeemed for goods or services GC may not be reloadable	Facility must verify purchaser using govt issued ID GC must list both name of purchaser and recipient for tracking purposes GC must clearly indicate whether the GC was purchased using credit card or cash GC must contain unique serial number for tracking purposes Only GC purchased on credit must clearly indicate that it has no cash value GC may not be reloadable [if reloadable – may only be reloaded with initial means of purchase (ie credit on credit GC, cash on cash GC)]
Purchase by personal check		Treated same as a cash purchase	Same
Purchase by debit card		Treated same as credit card purchase - because over a certain dollar amount debit cards have an overdraft protection. Some debit cards have a line of credit and can be run either as a debit card, or a credit card where you don't need to enter a PIN number.	Same

<p>Redemption</p>	<p>GC can only be redeemed by the recipient Can be redeemed for cash at the cage or for goods or services Can be redeemed anywhere, even race track side or off GF ID of recipient must be verified When redeeming on race track side patron must make wager at mutual window; wager may be for less than face value- difference can be redeemed for cash GC purchased on racetrack side may be redeemed for cash at cage window</p>	<p><i>Because GC cannot be redeemed for cash there's no restriction on who redeems them</i> No matter if purchased with cash, debit, check or credit, GC can only be redeemed for goods or services GC purchased by debit or credit cards cannot be redeemed for chips § 13A27 If GC is used to make purchase for less than its full amount, facility must give recipient a GC for remaining balance</p>	<p>GC purchased by credit card can only be redeemed for goods or services and cannot be redeemed for cash or chips; must clearly state "no cash value" on GC If GC not purchased on credit is redeemed for cash, the ID of recipient must be verified using valid govt issue ID. GC not purchased on credit can only be redeemed for cash at cage (that way a licensed employee can track cash redemptions) If GC purchased on credit is used to make purchase for less than its full amount, facility must give recipient a GC for remaining balance If the purchaser or recipient returns GC purchased on credit, facility must put the money back on credit card from which it was originally purchased. Limit on redemption amount of GC purchased with cash is the same as personal checks (may not redeem GC which in the aggregate exceed \$2,500/within 24-hr period at entire facility – ie can't redeem \$2.5k at gift shop and \$2.5 at restaurant) § 465a.20(b)(6)</p>
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Tracking of Redemption	MSPD must track similar to the requirements set forth in § 465a.20 (Personal Check Cashing)	MS must have an Board-approved electronic tracking system that records the date/time/location where GC was sold, its serial number, name of purchaser, the initial value of GC, whether purchased w/cash/credit, check/debit, where all or portions of GC were redeemed Anyplace where the GC can be redeemed must track use (cage, retail stores and restaurants).	Same tracking as with no cash redemption but if Board allows cash redemption then MS must also track the name of recipient Anyplace where the GC can be redeemed must track use (cage, retail stores and restaurants). May need to license those employees who redeem GC
Limit on Number Redeemed	recipient may only redeem one GC per month at the cage (and GCs are limited to \$200)	No limit if no cash redemption	Limit on GC redeemed for cash - same as checks - \$2,500 total w/in 24 hour period
Where sold	Currently at retail store or at off track wagering facilities and teller windows	Same	Same
Training	Readily available for all employees and is part of training program for employees working at point of sale	All employees involved in the sale or redemption of GCs must have training	Same

*may be subject to Bank Secrecy Act FinCEN requirements if over \$2,000

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Gift Cards With Cash Value

- **Reasons Important:**

- Fundamental to gift card program
- Customers want to give gift cards for gaming because many of their intended recipients want to use them for gaming
- Gift cards with the Mohegan Sun logo are more personal and exciting than simply giving cash
- Provides ultimate flexibility for the best guest experience:

Buy retail items, dine and/or game

Gift Cards With Cash Value

- Agree with most requirements:
 - Maximum denomination of \$2,000 (lowered from \$2,500)
 - Limit of \$2,000 of gift card sales within a 24 hour period to a single person (lowered from \$2,500)
 - Must verify identification of purchaser
 - Gift card must name purchaser and recipient
 - Gift card must have a unique serial number
 - Gift card may not be reloadable
 - Gift cards purchased with check treated same as cash
 - Gift cards purchased with debit treated as credit card

Gift Cards With Cash Value

- Agree with most requirements:
 - For gift cards not purchased on credit that are redeemed for cash, the recipient's identification must be verified
 - Gift cards not purchased on credit that are redeemed for cash, must be redeemed at the cage
 - Gift cards used to make purchases for less than the full amount must retain balance
 - Gift cards that are purchased with a credit card and are returned must have money returned to the same credit card
 - Gift cards purchased with cash cannot be redeemed in excess of \$2,500 within a 24 hour period

Gift Cards With Cash Value

- Agree with most requirements:
 - Sold at retail store and OTW facilities
 - All employees must be trained

Gift Cards With Cash Value

- Issues:

1. Requirement to have an electronic tracking system that records the date/time/location where the gift cards are sold, the serial number, name of purchaser, the initial value of the gift card, whether purchased with cash/credit/check/debit and where all portions of the gift card are redeemed. Cash redemption must also track the name of the recipient

- *Willing to accept to the extent that the requirements of this standard are typical of usual, customary and commercially available gift card software / systems*

Gift Cards With Cash Value

- Issues:

2. Anyplace where the gift card can be redeemed must track use.

- *Tenant restaurants and retail shops are independent.*

Remove this requirement and impose a standard typical of usual, customary and commercially available software / systems

3. Name of recipient and purchaser must be tracked.

- *Since purchaser and recipient are identified on the card, tracking is not necessary*

Gift Cards With Cash Value

- Issues:

4. Employees who redeem gift cards may be required to be licensed

- *Agree to the extent this applies only to Cage employees.*

Gift Cards With Cash Value

- Issues:
 5. Gift cards must indicate whether the gift card was purchased using a credit card or cash
 6. Gift cards purchased by credit card can only be redeemed for goods or services and cannot be redeemed for cash or chips
 7. Gift cards purchased with credit cards must clearly indicate that it has no cash value
 - *Since we request the same treatment of gift cards regardless of whether purchased with a credit card or cash we request removal of this requirement*

Gift Cards With Cash Value



Prohibiting gift cards purchased with a credit card from having cash value is a customer inconvenience, not a safeguard, because customers can get cash advances from an ATM using a credit card and then purchase a gift card with the cash