

RECEIVED

MAY 26 2009

HOLLYWOOD
Casino

John deGrasse
Vice President, Legal & Business Affairs

at
PENN NATIONAL RACE COURSE

(717)469-3310
John.degrasse@pngaming.com

May 26, 2009

VIA E-MAIL AND U.S. MAIL

Richard Sandusky, Director of Regulatory Review
Pennsylvania Gaming Control Board
P.O. Box 69060
Harrisburg, PA 17106-9060
ATTN: Public Comment on Regulation 125-102

Dear Mr. Sandusky,

On behalf of Mountainview Thoroughbred Racing Association ("HCPN"), please accept for your consideration the following comments on the proposed rulemaking #125-102. Specifically, HCPN has comments on the following proposed changes:

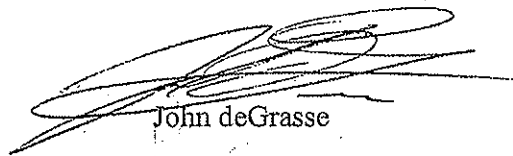
- §401a.3 (Complimentary service): HCPN seeks to confirm that the Board will continue to exclude from this definition service recovery measures that are provided to a patron in response to a complaint regarding a negative experience.
- §401a.3 (Key employee): HCPN seeks to confirm that – consistent with current practice - subsection (ii)(j) refers to the Casino Controller and not to the Financial Controller.
- §401a.3 (Key employee): HCPN seeks to confirm that subsection (vi) refers only to those employees authorized to exercise their discretion in approving or issuing credits for free slot play. Thus, when a patron redeems an offer for free slot play, the employee who activates the free slot play credits would not be considered a key employee because that employee is not exercising discretion in activating those credits. This would be consistent with the Board's current practice.
- §465a.7(a): HCPN opposes the requirement that its procedures for issuing comps be made part of the internal controls. The Board recently has represented that it desires to reduce the burden of unnecessary regulation. This is an example of where the opposite is occurring. The placement of procedures in the internal controls should be reserved for those areas where the licensee's failure (or perceived failure) to have adequate procedures will adversely affect the integrity of gaming. The integrity of gaming is not jeopardized by allowing the licensees to develop and subsequently amend comping procedures without the prior

approval of the Board. HCPN agrees that the Board has sufficient interest in comping procedures to warrant licensees making those procedures available to the Board. Clearly, if the Board has concerns regarding a comping policy or procedure it can notify the licensee and the matter will be resolved. In the interim, the integrity of gaming operations would not be damaged as this is merely an issue of a business extending benefits to a customer. So long as a comp is not provided to a minor, an excluded patron or a self-excluded patron (those prohibitions are included in HCPN's responsible gaming program) and so long as the policies and procedures comply with the specific requirements set forth in §465a.7, the Board should not have a concern with regard to the means by which such discretionary benefits are provided to customers.

- §465a.7(b)(3): This provision assumes that the authorization will be for a specific item or service rather than for a specific monetary amount. The licensee should be provided the option of identifying either the specific goods/services or the maximum authorized comping amount.
- §465a.7(b)(4): HCPN opposes the inclusion of any internal auditing procedures in the internal controls. Internal auditing procedures are established with the oversight of the corporate audit committee and may be deemed necessary as part of SOX compliance or as the result of a review by external auditors. The flexibility necessary for such audit protocols to change promptly should not be limited by the need for prior Board approval. As part of the licensing process, the audit committee members and the internal audit staff are required to be found suitable as key employees. It is HCPN's understanding that the extensive application and investigative process associated with key employees exists for the purpose of identify individuals who are of sufficient competence, independence and integrity to act on sensitive matters such as this. The Board should rely on those individuals who have been found suitable to exercise their judgment in overseeing, recommending or implementing auditing protocols.

Thank you for your consideration of these comments. Please contact me at 717.469.3310 if you have any questions regarding this submission.

Sincerely,



John deGrasse

