

Alan C. Kohler  
717.237.7172  
akohler@eckertseamans.com

May 2, 2011

**VIA HAND DELIVERY**Susan Yocum, Assistant Chief Counsel  
Pennsylvania Gaming Control Board  
303 Walnut Street, Strawberry Square  
Verizon Tower, 5<sup>th</sup> Floor  
Harrisburg, PA 17106Re: Comments to Proposed Rulemaking No. 125-142; Credit

Dear Ms. Yocum:

Downs Racing, L.P. d/b/a Mohegan Sun at Pocono Downs ("MSPD") respectfully submits the following comments in response to the Pennsylvania Gaming Control Board's (the "Board") Proposed Rulemaking No. 125-142 regulating the issuance of credit by casino operators. MSPD takes this opportunity to raise genuine concerns under the Credit Regulations based on its experience and expertise in the gaming industry and desire to efficiently operate its facility.

**INTRODUCTION**

In an effort to make the temporary credit regulations permanent the Board proposes credit regulations under Chapter 609a. MSPD commends the Board's changes in the Proposed Rulemaking from the Temporary Rulemaking to allow flexibility in casino operations; however, MSPD proposes the following changes to Chapter 609a for additional flexibility and implementation of industry standards.

**COMMENTS TO CHAPTER 609a. CREDIT**

MSPD acknowledges the Board's efforts to add flexibility to the credit limit authorization process under 58 Pa. Code § 609a.4(b)(4) by permitting verbal authorizations for the approval of credit limits. MSPD requests that casino operators also be permitted to utilize email as a second method for authorization of credit limits. This additional method will supply operators with written documentation in electronic form and can also be recorded in the patron's credit file as are verbal authorizations.

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Section 609a5, concerning derogatory information and the reduction or suspension of credit, in subsection (d) provides that:

A patron having a check returned to any certificate holder unpaid by the patron's bank shall have his credit privileges suspended unless the return check was due to a bank error and the error is noted in the patron's credit file or until the return check has been paid in full.

58 Pa. Code § 609a.5(d). MSPD requests that the Board also except casino errors that result in a returned check to a patron. In fairness to its patrons MSPD seeks this amendment and points out that a patron should never be inconvenienced by having his or her credit privileges suspended as a result of a casino operator's error. MSPD believes this practice is consistent with that in New Jersey as a satisfactory explanation for the returned check and therefore should be adopted and implemented by the Board. See, e.g., N.J.A.C. § 19:45-1.27(j).

Under Section 609a.14 discussing the issuance and reconciliation of counter checks, subsection (c)(1)(ii) provides that "a Counter Check exchanged by a slot player for cash or gaming voucher at the cage" shall not only be verified by the cage cashier but the identity of the patron must also be verified by a cage supervisor. MSPD proposes that the cage representative authorizing the acceptance of the check, *i.e.*, the cage cashier or above authorizing acceptance of the check be permitted to sign the form attesting to the patron's identity rather than the cage supervisor. This proposed amendment will allow the process of exchanging counter checks to be more efficient and flow more smoothly.

Similarly under subsection (d) a slot supervisor is required to, among other things, obtain the amount of the requested counter check, verify the counter check, transport funds to the patron and present the original and all duplicates of the counter check to the slot patron for signature. MSPD proposes that the required participation of the slot supervisor in the verification process be amended to permit a slot representative, *i.e.*, slot attendant or above to act in the verification process for the reasons stated above.

## CONCLUSION

MSPD respectfully requests that the Board consider the above comments to Proposed Rulemaking No. 125-142 and amend the Proposed Rulemaking in accordance with these comments. The requested revisions to the Proposed Rulemaking are attached for your convenience as well as comments previously submitted to the Temporary Table Game Rulemaking No. 125-123 involving credit.

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Thank you for your consideration in this matter.

Respectfully submitted,



Alan C. Kohler

Enclosures

Annex A  
Title 58. RECREATION  
PART VII. GAMING CONTROL BOARD  
Subpart K. TABLE GAMES

CHAPTER 609a. CREDIT

- § 609a.1. Definitions.
- § 609a.2. Internal control requirements.
- § 609a.3. Application and verification procedures for granting credit.
- § 609a.4. Approval of credit limits.
- § 609a.5. Derogatory information; reduction or suspension of credit.
- § 609a.6. Additional reverification requirements.
- § 609a.7. Patron credit transactions.
- § 609a.8. Recordkeeping requirements.
- § 609a.9. Voluntary credit suspension list.
- § 609a.10. Request for voluntary credit suspension.
- § 609a.11. Reinstatement of credit and removal from the voluntary credit suspension list.
- § 609a.12. Duties of certificate holders.
- § 609a.13. Requirements for Counter Checks.
- § 609a.14. Issuance and reconciliation of Counter Checks.
- § 609a.15. Redemption of Counter Checks.
- § 609a.16. Substitution of Counter Checks.
- § 609a.17. Deposit of Counter Checks and personal checks substituted for Counter Checks.
- § 609a.18. Collection of returned checks.

\* \* \*

- § 609a.4. Approval of credit limits.

\* \* \*

- (b) The approval of credit shall be recorded in the patron's credit file and include:

\* \* \*

(4) The signatures of the employees approving the credit limit, together with the date and time of the authorization, shall be recorded before any actual extension of credit is tendered. A certificate holder may obtain verbal or email authorization from one of the employees required to approve credit limits provided that the date and time that the verbal or email authorization was given is noted in the patron's credit file and a copy of the email authorization is placed in the patron's credit file. Upon arrival at the licensed facility, the employee who verbally or electronically approved a patron's credit limit shall sign and date the patron's credit file.

\* \* \*

- § 609a.5. Derogatory information; reduction or suspension of credit.

\* \* \*

(d) A patron having a check returned to any certificate holder unpaid by the patron's bank shall have his credit privileges suspended unless the returned check was due to a bank or casino error and the error is noted in the patron's credit file or until the returned check has been paid in full.

\* \* \*

§ 609a.14. Issuance and reconciliation of Counter Checks.

\* \* \*

(c) For a Counter Check exchanged by a slot player for cash or gaming voucher at the cage, a cage cashier shall:

(1) Verify the patron's identity by either:

\* \* \*

(ii) Obtaining the attestation of a cage [supervisor] cashier or above as to the identity of the patron. The cage [supervisor] representative shall record his Board credential number and sign a form or the Counter Check attesting to the patron's identity. If the form is used, it shall be attached to the accounting copy of the Counter Check exchanged by the patron prior to forwarding it to the accounting department.

\* \* \*

(d) A certificate holder may also issue a Counter Check to a slot patron directly at a slot machine, provided the procedures and requirements of this paragraph are followed:

(1) A slot [supervisor] attendant or above shall obtain the amount of the requested Counter Check and the patron's signature on a two-part Counter Check Request Form and transport both copies of the Counter Check Request Form directly to the cage cashier. The cage cashier shall verify the slot patron's signature in accordance with subsection (c)(1)(i).

\* \* \*

(3) The cage cashier shall sign the Counter Check as the preparer of the Counter Check and shall present the original and all duplicate copies of the Counter Check, the original and duplicate copy of the request form and the cash or gaming voucher in the amount of the Counter Check to the slot [supervisor] representative.

(4) The slot [supervisor] representative shall verify the cash or gaming voucher against the amount recorded on the Counter Check and the request form. If in agreement, the slot [supervisor] representative shall sign the original and duplicate copy of the request form and return the duplicate copy of the request form to the cage cashier.

(5) The cage cashier shall retain the duplicate copy of the request form as evidence of the slot [supervisor's] representative's receipt of the Counter Check and the cash or gaming voucher.

(6) Once the cash or gaming voucher has been verified, the funds shall be transported, along with the original request form and the original and all copies of the Counter Check, to the slot patron by the slot [supervisor] representative in the presence of a security department employee.

(7) The slot [supervisor] representative shall present the original and all duplicate copies of the Counter Check to the slot patron for signature.

\* \* \*

(9) Once the slot patron has received the cash or gaming voucher, the security department employee shall sign the back of the accounting copy of the Counter Check as a witness to the transfer of funds to the slot patron in exchange for the signed Counter Check from the patron. The accounting copy of the Counter Check shall be maintained and controlled by the slot [supervisor] representative until forwarded to the accounting department as required under subsection (g).

\* \* \*

(e) The cage cashier designated to act as the check bank cashier shall sign and time stamp the acknowledgement copy of the Counter Check and expeditiously return it to the pit clerk or slot [supervisor] representative via a security department employee or to the cage cashier. The check bank cashier shall maintain the original and redemption copies of the Counter Check.

(f) The acknowledgement copy of the Counter Check returned to the pit clerk, slot [supervisor] representative or the cage cashier shall be reconciled with the accounting copy and maintained and controlled by the pit clerk, slot [supervisor] representative or cage cashier until forwarded to the accounting department as required under subsection (g).

(g) At the end of each gaming day the following procedures and requirements shall be observed:

\* \* \*

(2) The accounting and acknowledgement copies of Counter Checks retained by the pit clerk, slot [supervisor] representative or cage cashier shall be forwarded to the accounting department for agreement with the issuance copy of the Counter Check removed from the drop box or cage cashier's impress fund.



Eckert Seamans Cherin & Mellott, LLC  
213 Market Street - 8th Floor  
Harrisburg, PA 17101

TEL 717 237 6000  
FAX 717 237 6019  
www.eckertseamans.com

Alan C. Kohler  
717.237.7172  
akohler@eckertseamans.com

July 26, 2010

**VIA HAND DELIVERY**

Susan Yocum  
Director of Regulatory Review  
Pennsylvania Gaming Control Board  
303 Walnut Street, Strawberry Square  
Verizon Tower, 5<sup>th</sup> Floor  
Harrisburg, PA 17106

Re: Joint Comments to Temporary Table Game Rulemaking No. 125-123

Dear Ms. Yocum:

Downs Racing, L.P. d/b/a Mohegan Sun at Pocono Downs ("MSPD"), Greenwood Gaming and Entertainment, Inc. d/b/a Parx Casino ("GGE"), Penn National Gaming, Inc. d/b/a Hollywood Casino at Penn National Race Course ("Penn"), Sands Bethworks Gaming d/b/a Sands Casino Resort/Bethlehem ("Sands"), and Washington Trotting Association, Inc. d/b/a The Meadows Racetrack & Casino ("Meadows") (collectively referred to as the "Operators") respectfully submit the following Joint Comments in response to the Pennsylvania Gaming Control Board's (the "Board") Temporary Table Game Rulemaking No. 125-123 regulating the issuance of credit by operators.<sup>1</sup> Based on their experience in the gaming industry and expertise, the Operators have compiled their concerns and recommendations for consideration by the Board into these Joint Comments.<sup>2</sup>

**INTRODUCTION**

These Joint Comments, as in previous instances, are being submitted to the Board for consideration of amendments that promote operator flexibility and implementation of industry standards. The rules in Chapter 526 address, among other things, credit application procedures, the credit verification process, operators' duty to maintain patron credit files, and the

<sup>1</sup> Joint Comments are not being submitted to Temporary Table Game Rulemaking Nos. 125-124 (Ultimate Texas Hold 'Em Poker) and 125-125 (Table game taxes and gross table game revenue).

<sup>2</sup> The Operators reiterate that these Joint Comments are being submitted in order to promote their common regulatory positions before the Board consistent with Board established processes. The submission of Joint Comments does not represent a coordination of the Operators internal business practices or business conduct.

recordkeeping of Counter Checks and personal checks. Operators propose the following changes to Chapter 526.

### **COMMENTS TO CHAPTER 526. CREDIT.**

Section 526.1, where *Credit clerk* is defined, Operators recommend that the Board add flexibility to the definition by broadening its coverage as follows:

Any credit department executive, dual rate credit employee or cage cashier may also function as a credit clerk for any credit application for which they are not exercising the authority to grant credit or credit limit increases.

Operators suggest that the new language be inserted at the end of the definition of *Credit clerk*. This additional language will clarify that supervisors or employees may act as credit clerks for credit applications for which they will not be making the credit decision (even though those employees may have such authority generally). This is common practice in other jurisdictions including New Jersey and provides operators with additional and important staffing flexibility. See N.J.A.C. § 19:45-1.27.

Section 526.3 describes the credit application procedure for patrons and the verification process for operators. It also requires credit clerks to create a confidential credit file for each applicant. Subsection 526.3(c)(4)(iv) requires a credit clerk to verify the average balance of the applicant's personal checking account for the last 12 months. Operators propose an amendment that the applicant's personal checking account balance be verified "if available" since not all banks are willing to or capable of providing a 12 month average balance.<sup>3</sup> The proposed amendment would insert "if available or for the longest period provided by the patron's bank" after the phrase "for the last 12 months." Adopting this suggestion will give operators flexibility in the event a 12 month average balance is unavailable, and would not discriminate against patrons who happen to use a bank for which 12 month average bank balances are not available.<sup>4</sup>

In regards to credit limit increases, Operators recommend the Board to allow for a temporary increase known as a "TTO" which stands for "this trip only" in subsection 526.4(c). Temporary increases are the industry standard as they are offered in all gaming jurisdictions. See, e.g.,

<sup>3</sup> This too is common practice in other jurisdictions including New Jersey. See N.J.A.C. § 19:45-1.27(c)(4)(iv).

<sup>4</sup> There is some question whether a requirement to check average bank balances for credit applicants is consistent with the legislative intent. Various versions of table game bills considered prior to the enactment of Act 1 of 2010 included an express requirement that average bank balances be considered in determining a patron's credit-worthiness. However, this provision was deleted through the legislative process and Act 1 includes no such requirement.



N.J.A.C. § 19:45-1.27(h). The procedure for a TTO does not require the patron's credit information to be re-verified.

Under Section 526.5 addressing additional re-verification requirements, Operators propose the option to reinstate a patron's credit privileges under subsection (d) when a return item is outstanding under circumstances where an operator can give a satisfactory explanation, *i.e.*, operator error or bank error. Operators submit that this is common practice in all jurisdictions and thus should be adopted in Pennsylvania. See, e.g., N.J.A.C. § 19:45-1.27(j).

The voluntary credit suspension list described by the Board in Sections 526.9 through 526.11 places a heavy burden on operators to the extent operators are required to maintain the list and administer the addition and removal of individuals to and from the list and more so because operators will have to take steps to make sure their player database corresponds with the list. It is very likely that there will be individuals on the list who are not in an operator's database and will require the creation of a new account in order to track whether the individual attempts to request credit while on the list. Further, individuals can request suspension/reinstatement as often as they wish potentially causing more work for operators. Operators suggest that the Board strongly consider revising these provisions to place some responsibility on the individual and less on operators.

Specifically in Section 526.10, Operators recommend the following new subparagraph (d) be inserted:

The requirements of this subsection (10) shall not apply to an individual who wishes to close his or her credit account at just one Pennsylvania gaming facility without suspending the right to credit at other facilities or the right to engage in gaming at the facility where credit has been previously extended.

This provision clarifies that accounts may be closed voluntarily for purposes unrelated to problem gambling, for example, by those moving from one part of the Commonwealth to another, without triggering the self-exclusion from engaging in gaming or receiving credit at other facilities.

Operators propose an amendment to Section 526.13 that would give patron's the option to consolidate all of their outstanding Counter Checks as is the practice in all other gaming jurisdictions. See, e.g., N.J.A.C. § 19:45-1.26.

Under Section 526.15(b) the Board expressly excepts personal checks substituted for Counter Checks from the \$2500 per day limitation on the *cashing* of personal checks set forth in Section 465a.20(b)(6). Operators request clarification on whether this exception extends to personal checks deposited under Section 465a.23(a). Deposits made under Section 465a.23(a) are held by

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operators in customer deposit accounts and patrons are permitted to wager against those accounts. It is proposed that operators be permitted to accept customer deposits made by personal check without limitation. This practice is similar to the substitution of personal checks for Counter Checks and therefore should be treated the same.

Finally, the maximum allowable time periods for depositing Counter Checks are set forth in Section 526.16. Checks of \$5000 or more may be held for an additional 15 days beyond the date specified by an operator in its internal controls for good cause. 58 Pa. Code § 526.16(c). Operators request that the rule in subsection (c) be extended to checks for less than \$5000 in order to help reduce operators' exposure to returns.

### CONCLUSION

The Operators respectfully request that the Board consider the above Joint Comments to Temporary Table Game Rulemaking No. 125-123, and issue amendments to the Temporary Regulation to address our concerns.

Respectfully submitted,



Alan C. Kohler

cc: Robert DeSalvio (Sands)  
Robert Green (GGE)  
Robert Soper (MSPD)  
Mike Bean (MSPD)  
Tom Bonner (GGE)  
Holly Eicher (Sands)  
Rick Robb (Penn)  
Lance Young (Meadows)