

June 15, 2010

VIA HAND DELIVERY

Richard Sandusky
Director of Regulatory Review
Pennsylvania Gaming Control Board
303 Walnut Street, Strawberry Square
Verizon Tower, 5th Floor
Harrisburg, PA 17106

Re: Joint Comments to Temporary Table Game Rulemaking No. 125-120

Dear Mr. Sandusky:

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 Board's Temporary Table Game Rulemaking No. 125-120. Similar to the submission of Joint Comments in previous temporary table game rulemakings, the Operators have pooled together their comments, concerns and recommendations to Rulemaking No. 125-120 based on their collective experience in the gaming industry and their future outlook for the operation of table games in Pennsylvania.¹

INTRODUCTION

Rulemaking No. 125-120 addresses operational requirements which are to be complied with once the conduct of table games commences, and specifically focuses on internal control requirements applicable to table game inventories.² As in the past, the Joint Comments

¹ In these Joint Comments, the Meadows, for the first time, has joined in with MSPD, GGE, Penn and Sands and the Meadows plans to participate with this group in submitting future joint comments to temporary table game rulemakings. The Operators submit these Joint Comments in order to promote 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.

² Joint Comments are not being submitted to Temporary Table Game Rulemaking Nos. 125-117, 125-118 and 125-119 and the Operators commend the Board for building in flexibility to its minimum staffing requirements by providing for the option of submitting an Alternate Minimum Staffing Plan (125-117), and by making helpful amendments to previously issued temporary regulations – many in response to the Joint Comments of this group (125-119).

advocate the need for additional flexibility and clarity in some of the rulemaking requirements and also point out areas where requirements appear to be outdated given current technology employed by Operators on the gaming floor.

COMMENTS

§ 525.8(h) – This subsection requires that a discrepancy of greater than \$10 between the Table Game Inventory of a live table and the Table Inventory Slip be investigated by casino security within 24 hours. However, from the Operators' perspective such an investigation should be handled by casino surveillance, not casino security. Only the surveillance department is in a position to track the transportation of the Table Game Inventory from the cashier's cage to the gaming table as well as observe the count of the inventory at the table. Accordingly, the subsection should be modified to reflect the proper assignment of this investigative responsibility.

§ 525.10(c) – This subsection establishes the procedures for preparation of a Credit Request Slip and maintenance of that Credit Request Slip at the gaming table when chips, coins and/or plaques are being removed from a gaming table to a chip bank. The procedures contained in the subsection are completely appropriate when the request for a Credit Slip from the chip bank is submitted manually. However, on the modern casino floor, and depending on the technology utilized, requests for credit by the floorperson/supervisor for a gaming table are usually transmitted electronically, not manually, and there is no paper Credit Request Slip prepared by the floorperson/supervisor. The Operators request that the subsection be expanded to establish procedures for an electronic credit request. In other jurisdictions, instead of maintaining a copy of the Credit Request Slip in plain view on the table until a Credit Slip is received from the chip bank, for an electronic request, the floorperson/supervisor places and maintains Lammer Buttons on the table in plain view of surveillance in the amount of the requested credit. Once the Credit Slip arrives from the cashier's cage or chip bank, the amount reflected by the Lammer Buttons is verified by the floorperson/supervisor as equaling the amount on the Credit Slip, and that amount is removed from the game. The Operators recommend that the Board issue a supplemental amendment to this subsection adjusting the above-described processes for electronic credit requests.

§ 525.10(l) – Following up on the previous Comment to section 525.10(c), subsection (l) does include some minimal procedures pertaining to instances when the Credit Request is transmitted electronically to the chip bank by the floorperson/supervisor. However, the procedures in subsection (l), which appear to presume that the Credit Slip will be delivered to the gaming table **after** the chips, coins and plaques have been removed, does not adequately protect the integrity of the gaming table. As explained above, in instances in which the credit request is transmitted to the chip bank electronically, Lammer Buttons should be utilized at the gaming table to document the amount of the pending Credit Request, and the Credit Slip should be delivered to

the gaming table **before**, not after, the chips, coins and plaques are removed. This procedure assures that, at all times, it is documented that a Credit Slip is owed to the gaming table.

§ 525.13(a) – This subsection requires the dealer or boxperson to count the remaining coins, chips or plaques in the table inventory or float before the table is dropped. The regulation is unclear and therefore requires clarification. From the Operators’ perspective, “the count” referred to in this provision should be carried out by the dealer by preparing the float and marking off all chip denominations in stacks of 20 with the odd chips (less than 20) also marked. This will enable the count team to conduct an accurate count and verify the amount in the chip inventory without actually removing the chips, plaques and coins from the inventory. This procedure is routine in casinos around the country and should be adopted here. It is neither timely nor practical to require every chip, plaque and coin to be physically removed from the inventory to be counted one-by-one. Such a process adds nothing to the accuracy of the count, but only wastes time – significantly decreasing hands per hour at the table.

§ 525.13(c) and (d) – These subsections require the count to be verified by the signature of dealers or boxpersons and a supervisor on a Table Inventory Slip, with an original and duplicate of the Table Inventory Slip then required to be deposited into the gaming table’s drop box before it is removed as part of the drop. This manual process required by these subsections is antiquated and outdated. The Operators expect that all Pennsylvania casinos will utilize a Casino Management System (“CMS”) which verifies the count through an automated system (like with fills and credits) and not through a manual paper process. Furthermore, if manual back-up to the CMS is required, it should be provided through use of a Master Game Inventory for each individual pit, rather than a Table Inventory Slip for each individual gaming table within a given pit. This Master Game Inventory is then dropped into a designated drop box (as designated in the certificate holder’s internal controls) so that the soft count is subject to closing inventories at the time of the count. This process is far more effective than that included in the regulation, and is equally reliable and proficient, as demonstrated by the routine utilization of these processes by casinos around the country. Accordingly, the Operators request that subsection (c) be modified consistent with this Joint Comment. Finally, and in any case, even if the Board were to insist on the use of Table Inventory Slips, it should not require that both copies of the Slip be dropped into the same drop box prior to the drop. Instead, the original of the Slip should be dropped as the game closer and the duplicate of the Slip should be dropped into the next day’s drop box as the game opener.

§ 525.14(d) – This subsection establishes procedures for closing a table game. However, read in conjunction with the procedures for opening a table (Section 525.13), the regulation presumes that a gaming table that is being closed will not be reopened until the following day. What is missing from these provisions are procedures for treatment of table inventories when a table game is being opened and closed on the same gaming day. For example, a game could be closed at 7:00 a.m., reopened at Noon and closed again at 3:00 a.m. – all on the same gaming day. Without specific procedures for this frequent scenario, multiple inventories will be dropped

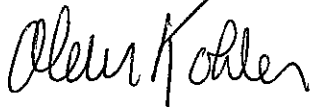
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into the table's drop box resulting in a breakdown of opening/closing procedures. The Operators request that the regulation be amended to add a supplement to address this scenario.

CONCLUSION

The Operators respectfully request that the Board consider the above Joint Comments to Temporary Table Game Rulemaking No. 125-120, 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)