

BEFORE THE PENNSYLVANIA GAMING CONTROL BOARD

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In RE: Petition of Mountainview Thoroughbred :
Racing Association for Approval of Authorization : Docket No.
To Conduct Table Games and Issuance of a Table :
Games Operation Certificate :

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Board Clerk PGOB

**PETITION OF MOUNTAINVIEW THOROUGHbred RACING ASSOCIATION FOR APPROVAL
OF AUTHORIZATION TO CONDUCT TABLE GAMES AND ISSUANCE OF A TABLE GAMES
OPERATION CERTIFICATE**

Mountainview Thoroughbred Racing Association d/b/a Hollywood Casino at Penn National Race Course ("Hollywood") submits this petition pursuant to Section 1312A of the Pennsylvania Race Horse Development and Gaming Act as amended, requesting the Pennsylvania Gaming Control Board ("Board") to grant this Petition ("Petition") and issue a table games operation certificate ("Certificate") authorizing Hollywood to commence the conduct of table games at its licensed facility in Grantville, Pennsylvania. Hollywood is fully suitable and meets all of the statutory requirements for a table games operation Certificate, and the Certificate should be issued by the Board to Hollywood not later than 60 days after the date hereof as required by Section 1318A of the Gaming Act.

I. INTRODUCTION AND SUMMARY

On January 7, 2010, Governor Rendell signed Act No. 1 of 2010 into law which amended the Gaming Act to legalize the conduct of table games by Pennsylvania casinos. Under the Gaming Act, in order to commence the conduct of table games, a slot machine licensee must submit a Petition and qualify for issuance of a table games operations Certificate authorizing the conduct of table games. Pursuant to section 1312A of the Gaming Act, Hollywood is not subject to any prohibitions under Section 1313A of the Gaming Act and is therefore authorized to submit this Petition and, upon meeting the applicable standards, receive a Certificate.

Hollywood is duly qualified for table games authorization. Hollywood commenced operations as a Category 1 slot machine licensee in February 2008, and, as discussed, below, its

parent company, Penn National Gaming, Inc. (“Penn”) operates table games and tournaments throughout the United States and in Ontario, Canada.

Hollywood’s slot machine license is in good standing, and Hollywood has met all of its legal and regulatory obligations on a continuing basis. Recently, on January 8, 2010, the Board issued an Order renewing Hollywood’s slot machine license finding that all of the entities, individuals, principals and key employees associated with Hollywood were of “good character, honesty and integrity and are otherwise eligible and suitable for license renewal.” See *In RE: Application of Mountainview Thoroughbred Racing Association Category 1 Slot Machine License Renewal, Docket No. 1415 (January 11, 2010)*. The Board’s renewal of Hollywood’s slot machine license confirms Hollywood’s record of regulatory compliance.

Hollywood’s licensed facility in Grantville, Pennsylvania has been an unqualified success in its fully integrated racetrack and slot machine facility. Since it opened for business through the end of 2009, Hollywood has generated over \$408 million in gross terminal revenue, and has paid over \$235 million in taxes to the Commonwealth, including over \$49 million to horse racing. Hollywood has spent over \$287 million in capital investment at its site and employs over 1000 individuals.

Hollywood has contributed impressively to the local community. As noted in the Hearing Officer’s Renewal Report to the Board, Hollywood participated in numerous diversity events, expended significant sums of money for MBE/WBEs, and strongly supported community organizations. See *Report to the Board In Re: License Renewal Hearing of Mountainview Thoroughbred Racing Association d/b/a Hollywood Casino at Penn National Race Course a Category 1 License, Docket #1104-2009, filed December 23, 2009*.

Hollywood is eminently qualified to conduct table games at its licensed facility. As the Board is aware, Hollywood’s parent company, Penn, is a leading, diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties. Penn currently owns or operates nineteen facilities in fifteen jurisdictions in the United States and Canada, and is in the process of developing additional gaming facilities in the United States. Twelve of these facilities operate table games such that Penn operates over 400 table games company-wide. The Penn organization not only has extensive experience in operating table games and training table

games employees but it also has experienced personnel and programs dedicated to table game marketing , such as reward programs, promotions and tournaments.

Hollywood is clearly qualified to receive a table games operation Certificate. In specific support of its petition, Hollywood states as follows:

II. SPECIFIC SUPPORT

a. Petition Requirements

1. 4 Pa.C.S. §1312A established the required contents of a table games petition. Each of these requirements is met as set forth below and in the appendices (“Appendices”) attached hereto and made a part of this Petition. In addition to the information required by the express language of 4 Pa C.S. §1312A, the Appendices include items identified by the Board in its January 21, 2010 document entitled “Industry Meeting Regarding Implementation of Table Games S.B. 711”. These items, along with the items identified in the body of this Petition, are identified in the Appendices Table of Contents.

2. Requirement #1 – As provided in Appendix 1, the name and business address of the Petitioner is Mountainview Thoroughbred Racing Association d/b/a Hollywood Casino at Penn National Race Course. Hollywood’s address is 777 Hollywood Boulevard, Grantville, Dauphin County, Pennsylvania 17028. The contact persons for purposes of this petition are:

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Raymond A. Quaglia, Esq.
Ballard Spahr LLP
1735 Market Street
51st Floor
Philadelphia, PA 19103-7599
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kraussr@ballardspahr.com
Quaglia@ballardspahr.com

Attached to this Petition is a completed “Appendix Checklist” in the form issued by the Board’s staff on January 21, 2010. As noted therein and indicated by the responses below, there are no appendices on the Appendix Checklist that do not apply. Petitioner

further acknowledges and affirms its continuing duty to update the information provided in the Appendices.

3. Requirement #2 – At this time, Hollywood can identify four recently hired employees who will be involved in the conduct of table games, but who are not currently fully licensed by the Board. Those key employees are Anthony Ciallella, Director of Table Games, Brian (Jeffrey) Claycomb, Table Games Floor Person; Michael Kostrub, Table Games Shift Manager; and, Peter Vizzi, Table Games Shift manager. Mr. Ciallella has been issued a temporary license by the Board. The business address, job titles and photographs of these individuals are attached hereto as Appendix 2 along with a listing of currently licensed senior management personnel with extensive table game experience.

4. Requirement #3 - Hollywood is initially seeking authorization to conduct 52 table games, of which 40 are banked games and 12 are non-banked games. An itemized list of the number of gaming tables and types of table games for which authorization is being sought is attached hereto as Appendix 3.

5. Requirement #4 – The estimated number of full and part-time employment positions that will be created at Hollywood as well as a breakdown of the corresponding projected job titles is attached hereto as Appendix 4. An updated hiring plan in compliance with 4 Pa.C.S. §1510(a), as amended by Act No. 1 of 2010, is also included in Appendix 4-b.

6. Requirement #5 – A brief description of the economic benefits expected to be realized by the Commonwealth, its municipalities and its residents as a result of table games at Hollywood is attached hereto as Appendix 5. In addition to the new jobs specified in Appendix 4, Hollywood is providing its current projections for Gross Table Game Revenue and a breakdown of the distribution of those revenues to the Commonwealth and to local share. Furthermore, as a direct result of expansion of its gaming floor and other related activities pertaining to table games implementation, Hollywood has budgeted almost \$8.5 million in additional capital investment at the Hollywood site.

7. Requirement 6 – Hollywood has detailed plans, as provided in Appendix 10, to renovate and reconfigure its facility to add gaming floor space to accommodate both its slot machines and table games. The financing for all the costs associated with the table game expansion at Hollywood will be from funds provided by Penn. Appendix 6 contains a “Sources and Uses” statement covering the addition of table games.

8. Requirement #7 – Attached hereto in Appendix 7 is Penn’s Form 8-K Filed on February 9, 2010 containing the company’s recent earnings announcement for the 4th quarter of 2009 and the year ended on December 31, 2009. Also attached in Appendix 7 is Hollywood’s third quarter unaudited financial statements. Penn’s 2009 Form 10-K will be provided to the Board as soon as it is filed with the SEC. Hollywood’s 2009 audited financial statements will also be provided to the Board as soon as they are completed. Penn’s 2008 Form 10-K as filed with the Securities and Exchange Commission (“SEC”) on March 3, 2009 as well as additional documents filed with the SEC are available at Penn’s website at pngaming.com or through SEC’s EDGAR reporting websites. These documents provide clear and convincing evidence of the financial stability, integrity and responsibility of Hollywood and the Penn organization.

9. Requirement #8 – As generally described above, Hollywood and the Penn organization are obviously qualified and have more than sufficient business ability and experience to create and maintain a successful table game operation. Attached as Appendix 8 is information which details this experience.

10. Requirement #9 - The \$16.5 million table games authorization fee will be paid by funds obtained from Penn. Appendix 9 confirms that the authorization fee will be paid at one time and not in installments and is expected to be paid on or before June 1, 2010.

11. Requirement #10 – Attached as Appendix 10 hereto are detailed site plans identifying Hollywood’s proposed table game area.

12. Requirement #11 – Attached as Appendix 11 hereto is the Waiver Form executed and acknowledged by Frank Quigley, the Vice President/General Manager of Hollywood, and acknowledged by each of Hollywood’s licensed principals, waiving its right to a refund of the \$50 million slot machine licensing fee, or any portion thereof, under 4

Pa.C.S. §1209(f), as well as any right for the return of its licensing fee or any portion thereof.

13. This Petition also includes Appendix 12 which provides an outline of Hollywood's training and instruction plan for personnel that will be involved in table games and Appendix 13 which contains a breakdown of anticipated investment associated with table games as well as an estimate of the total payroll to be paid for temporary construction jobs. A preliminary Table Game Security Plan and Table Game Surveillance Plan are also attached as Appendix 14.

B. Standard for Review

14. The Board's standard for review of this Petition is provided at 4 Pa.C.S. §1315A and closely follows the statutory requirements applicable to this Petition.

15. As demonstrated herein and in the attached Appendices, it is submitted that Hollywood has met its burden by clear and convincing evidence.

16. Hollywood's slot machine license is in good standing as demonstrated by the Board's recent renewal of that license. The conduct of table games at Hollywood will generate millions of dollars for both the Commonwealth and local municipalities through tax dollars and community grants and will provide hundreds of new jobs, the majority of which will be filled by residents of the Commonwealth of Pennsylvania.

17. Hollywood and its parent, Penn, have anticipated and provided for the payment of all costs associated with table games expansion at Hollywood, including the \$16.5 million table games authorization fee and renovations to the licensed facility to accommodate both table games and slot machines.

18. Hollywood has financial stability, integrity and responsibility as demonstrated by the Board's recent renewals of its slot machine license. Also, as demonstrated herein, it has recognized business ability and experience to successfully operate table games through Penn's experience in the United States and Canada.

19. Detailed site plans identifying the Petitioner's proposed table game area for the licensed facility are attached as Appendix 10. Also attached hereto as Appendix 14 are

security and surveillance plans for table games, which demonstrate that security and surveillance will be more than adequate.

20. Hollywood agrees that it will not permanently reduce the 2377 slot machines in operation at Hollywood on October 1, 2009, in order to install table games. As demonstrated in the site plans, attached as Appendix 10, Hollywood plans to add 40 table games and 12 poker tables.

21. Furthermore, as indicated previously, Hollywood has executed the waiver required by Section 1312A(b)(11). Finally, Hollywood hereby undertakes to provide any further information requested by the Board in a timely fashion.

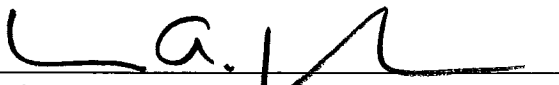
III. Summary

Hollywood's Petition fulfills all of the requirements of 4 Pa.C.S. §1312A. Furthermore, through this Petition and accompanying attachments, Hollywood has met the Board's standard of review for the Petition under 4 Pa.C.S. §1315A by clear and convincing evidence. Accordingly, this Petition has merit and should be granted and the Board should issue Hollywood a table game operation certificate not later than 60 days after the date hereof.

WHEREFORE, for all of the foregoing reasons, the Board should grant this Petition and issue a table games operation certificate to Hollywood.

Respectfully submitted:

Dated: February 26, 2010


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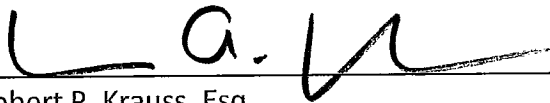
Attorneys for Mountainview Thoroughbred
Racing Association, d/b/a Hollywood Casino
at Penn National Race Course

CERTIFICATE OF SERVICE

I hereby certify that five copies of the foregoing petition and accompanying appendices are being served this date by hand delivery upon:

Kevin F. O'Toole, Executive Director
Pennsylvania Gaming Control Board
Verizon Tower, 5th Floor
Strawberry Square
Harrisburg, PA 17120

Dated: February 26, 2010



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Attorneys for Mountainview Thoroughbred
Racing Association, d/b/a Hollywood Casino at
Penn National Race Course

BEFORE THE PENNSYLVANIA GAMING CONTROL BOARD

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**INDEX OF APPENDICES TO PETITION OF MOUNTAINVIEW THOROUGHbred RACING
ASSOCIATION FOR APPROVAL OF AUTHORIZATION TO CONDUCT TABLE GAMES AND
ISSUANCE OF A TABLE GAMES OPERATION CERTIFICATE**

<u>Appendix #</u>	<u>Description of Appendix</u>
1	Petitioner's General Information including Contact Information for Petition
2	Principal and Key Employee Information and Photographs
3	Itemized List of the Number and Types of Table Games for which Authorization is Sought
4	Employment Positions – Full Time and Part-Time 4 a - Estimated New Employment Positions 4 b – Updated Hiring Plan
5	Description of Economic Benefits
6	Financing Information 6 a – Sources and Uses Statement
7	Financial Background and Resource Information 7 a – Fourth Quarter and Year End Earnings Statement 7 b – Unaudited Financial Statements
8	Business Experience and Ability 8 a – 2010 Projected Budget (MTRA)
9	Financial Ability to Pay Licensing Fee
10	Detailed Site Plans 10 a – Casino Layout (Table Games)
11	Waiver of Rights
12	Table Games Training Plan Overview
13	Anticipated Investment and Construction Jobs
14	Table Games Security and Surveillance Plan 14 a – Table Games Security Plan 14 b – Table Games Surveillance Plan

APPENDIX CHECKLIST

A PETITIONER SEEKING AUTHORIZATION TO CONDUCT TABLE GAMES SHALL INCLUDE THE FOLLOWING APPENDICES WITH THE PETITION. THE APPENDICES ARE DOCUMENTS THE PETITIONER MUST PROVIDE OR CREATE. THE PETITIONER HAS A CONTINUING DUTY TO UPDATE THIS INFORMATION. EACH APPENDIX SHALL BE PRESENTED IN A TABBED MANNER AND EACH TAB MUST INDICATE THE APPENDIX NUMBER AS LISTED BELOW. IF AN APPENDIX DOES NOT APPLY TO A PETITIONER, WRITE "DOES NOT APPLY" ON THE APPENDIX PAGE.

<input checked="" type="checkbox"/>	APPENDIX 1: THE NAME, BUSINESS ADDRESS, AND CONTACT INFORMATION OF THE PETITIONER.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 2: IF KNOWN, THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE PETITIONER WHO WILL BE INVOLVED IN THE CONDUCT OF TABLE GAMES AND IS NOT CURRENTLY LICENSED BY THE BOARD.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 3: AN ITEMIZED LIST OF THE NUMBER AND TYPES OF TABLE GAMES FOR WHICH AUTHORIZATION IS SOUGHT.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 4: THE ESTIMATED NUMBER OF FULL-TIME AND PART-TIME EMPLOYMENT POSITIONS THAT WILL BE CREATED AT THE LICENSED FACILITY IF TABLE GAMES ARE AUTHORIZED AND AN UPDATED HIRING PLAN PURSUANT TO SECTION 1510 (RELATING TO LABOR HIRING PREFERENCES) WHICH OUTLINES THE PETITIONER'S PLAN TO PROMOTE THE REPRESENTATION OF DIVERSE GROUPS AND COMMONWEALTH RESIDENTS IN THE NEW EMPLOYMENT POSITIONS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 5: A BRIEF DESCRIPTION OF THE ECONOMIC BENEFITS EXPECTED TO BE REALIZED BY THE COMMONWEALTH, ITS POLITICAL SUBDIVISIONS, AND ITS RESIDENTS IF TABLE GAMES ARE AUTHORIZED.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 6: THE DETAILS OF ANY FINANCING OBTAINED OR THAT WILL BE OBTAINED TO FUND AN EXPANSION OR MODIFICATION OF THE LICENSED FACILITY TO ACCOMMODATE TABLE GAMES.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 7: INFORMATION AND DOCUMENTATION CONCERNING FINANCIAL BACKGROUND AND RESOURCES; TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE OF THE FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY OF THE PETITIONER.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 8: INFORMATION AND DOCUMENTATION TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT THE PETITIONER HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE TO CREATE AND MAINTAIN A SUCCESSFUL TABLE GAME OPERATION. IN MAKING THIS DETERMINATION, THE BOARD MAY CONSIDER THE RESULTS OF THE PETITIONER'S SLOT MACHINE OPERATION, INCLUDING FINANCIAL INFORMATION, EMPLOYMENT FIGURES AND CAPITAL INVESTMENT.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 9: INFORMATION AND DOCUMENTATION TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT THE PETITIONER HAS THE FINANCIAL ABILITY TO PAY THE AUTHORIZATION FEE UNDER SECTION 1361A (RELATING TO TABLE GAME AUTHORIZATION FEE).	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 10: DETAILED SITE PLANS IDENTIFYING THE PETITIONER'S PROPOSED TABLE GAME AREA, INCLUDING RESTRICTED AREAS ASSOCIATED WITH TABLE GAMES OPERATIONS WITHIN THE LICENSED FACILITY OR ANY PROPOSED TEMPORARY FACILITY.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 11: IF THE PETITIONER IS A CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSEE, THE SIGNED WAIVER OF RIGHTS FORM REQUIRED BY SECTIONS 1312A(11) AND 1315A(8).	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 12: A DESCRIPTION OF THE LICENSEE'S PLAN TO PROVIDE TRAINING AND INSTRUCTION, OR EQUIVALENT, FOR PERSONNEL THAT WILL BE INVOLVED IN TABLE GAMES.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 13: TOTAL ANTICIPATED INVESTMENT BY THE LICENSEE ASSOCIATED WITH TABLE GAMES (CONSTRUCTION, RENOVATIONS, ETC.) AND THE APPROXIMATE NUMBER OF CONSTRUCTION JOBS INVOLVED.	MANDATORY

APPENDIX 1

The name, business address and contact information of the petitioner.

Mountainview Thoroughbred Racing Association d/b/a/ Hollywood Casino at Penn
National Race Course
777 Hollywood Blvd.
Grantville, PA 17028
Ph: 717-469-2211

Frank Quigley – Vice President/General Manager
frank.quigley@pngaming.com

The contact persons for purposes of this petition are:

Robert P. Krauss, Esq.
Raymond A. Quaglia, Esq.
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1735 Market Street
51st Floor
Philadelphia, PA 19103-7599
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Quaglia@ballardspahr.com

APPENDIX 2

The name and business address, job title and a photograph of each principal and key employee of the petitioner who will be involved in the conduct of table games and who is not currently licensed by the board, if known.

As of February 16, 2010, the following key employee who will be involved in the conduct of table games, has been recruited:

- Anthony Ciallella - Director of Table Games (a temporary license has been issued by PGCB)

The following persons who will not be principals or key employees but who will be involved in the conduct of table games have also been recruited as of February 16, 2010:

- Brian (Jeffrey) Claycomb - Table Games Floor Person
- Michael Kostrub - Table Games Shift Manager (start date of February 18th)
- Peter Vizzi - Table Games Shift Manager (start date of February 16th)

In addition to these recent management additions for table games, the property currently has several senior executives and managers with extensive table games experience from prior work in other jurisdictions that are currently licensed by the Board. They are:

- Frank Quigley – VP/General Manager
- Laura Palazzo – VP of Finance
- Javon White – Security Manager
- Joanne Rogers – Controller
- John Newman – VP Slot Operations
- Luann Fetcho – VP Marketing

See **Appendix 8** for table game qualifications.

All of these individuals have a business address of:

777 Hollywood Blvd.
Grantville, PA 17028
Ph: 717-469-2211

Pictures are attached hereto.

Mountainview Thoroughbred Racing Association – Petition to Conduct Table Games



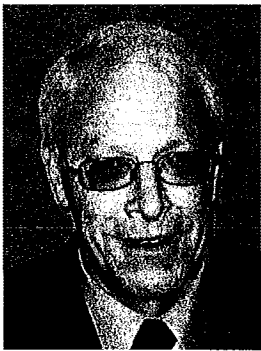
Anthony Ciallella



Peter Vizzi



Michael Kostrub



Brian (Jeffrey) Claycomb



Frank Quigley



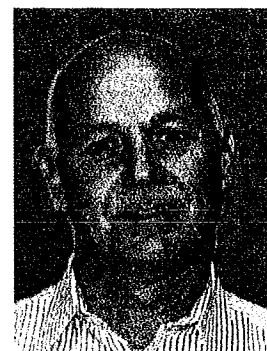
Laura Palazzo



Javon (Jay) White



Joanne Rogers



John Newman



Luann Fetcho

APPENDIX 3

An itemized list of the number of gaming tables and types of table games for which authorization is being sought.

The Petitioner plans to initially install a total of forty (40) table games and twelve (12) live poker games broken out as follows:

<u>House Banked</u>		<u>Qty</u>
Craps	-	4
Black Jack	-	20
Roulette	-	4
4 Card Poker	-	1
3 Card Poker	-	4
Mini-Baccarat	-	2
Pai Gow Poker	-	2
Let It Ride	-	2
Spanish 21	-	1
<u>Non- Banked (Live Poker)</u>		<u>Qty</u>
Texas Hold'em/Stud	-	12
<u>Total</u>	-	<u>52</u>

At the current time we expect all of these table games will be “traditional” table games.

APPENDIX 4

The estimated number of full-time and part-time employment positions that will be created at the licensed facility if table games are authorized and an updated hiring plan pursuant to section 1510(a) (relating to labor hiring preferences) which outlines the petitioner's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

The Petitioner estimates that it will need a total of 439 new employees to operate the planned 52 table games. Of these, 331 are expected to be full time and 108 are expected to be part time which will equal approximately 368 new full time equivalent positions. A breakdown of these positions is listed in **Appendix 4-a**.

An updated hiring plan pursuant to Section 1510(a) is included as **Appendix 4-b**.

APPENDIX 4-a

ESTIMATED NEW POSITIONS DUE TO TABLE GAMES
 Broken out by Full-Time, Part-Time and Full Time Equivalent (FTE) Positions

	Estimated	Estimated Employees	
	Full Time Equivalents	Full Time	Part Time
Table Games Administration:			
Director of Table Games	1.0	1	
Administrator	2.0	2	
Table Games:			
Shift Games Manager	4.0	4	
Floorperson	60.0	67	
Dealer	174.0	132	88
Poker:			
Room Manager	1.0	1	
Room Supervisor	8.0	9	
Dealer	40.0	30	20
Food and Beverage:			
Service Bartender	3.0	3	
Cocktail Servers	17.0	19	
Finance:			
Auditing Clerk	2.0	2	
Count Team	4.0	4	
Director of Cage/Credit	1.0	1	
Credit Clerk	4.0	4	
Cage Cashier	15.0	17	
Security and Surveillance:			
Security - Guard	12.0	13	
Surveillance Agent	8.0	9	
Bld Maint./Housekeeping/Wardrobe:			
Building Maintenance - Upholster	1.0	1	
Building Maintenance - Gen Tech	1.0	1	
Environmental Services (EVS) Attendant	5.0	6	
Heavy Duty EVS Attendant	2.0	2	
Marketing			
Players Club Manager	1.0	1	
Players Club Rep	2.0	2	
Total	368.0	331.0	108.0

APPENDIX 4-b

UPDATED HIRING PLAN

Hollywood Casino at Penn National Race Course (Hollywood) is committed to recruiting, developing and retaining the best employees regardless of race, color, religion, sex, age, disability or national origin. Moreover, we strive to create a diverse work environment that fully capitalizes on the abilities, skills and potential of the regional labor pool and of our existing employees. We ensure competitive wages and benefits for all employees and provide opportunities for advancement through continuous evaluation and development programs.

At Hollywood, we seek to attract the most qualified candidates that reflect the community from which we get the majority of our customers, that have the skills and work ethic to ensure productivity and who have the personality to ensure guest satisfaction in this hospitality based business.. Promotion from within is important to Hollywood; therefore, we post internal job openings to give qualified internal candidates the opportunity to progress in their career. We manage our turnover through quarterly monitoring and take those actions necessary to maximize the retention of productive and friendly team members. Building relationships with outside contacts is just one of the ways we manage to attract a qualified and diverse workforce and to demonstrate a positive perception of Hollywood as a great place to work. We actively recruit in our communities to ensure the diverse local Pennsylvania work force is reflected in the Hollywood employee base. This recruitment area includes Harrisburg which has a large minority population. When necessary, Hollywood will run advertisements with local newspapers, virtual sources, radio programs, television and will post flyers in the community. We encourage walk-in applicants from 10 am – 2 pm Monday through Friday.

We manage our recruiting efforts and applicants through our planned recruiting calendar, recruiting contacts, Logix online applicant system and analysis of diversity reports. We track our success in attracting qualified and diverse job applicants for each recruiting source we use (job fairs, media, networking events, etc). We engage in sharing information with the PGCB through weekly, monthly and quarterly reporting methods to enhance communications and illustrate commitment to reporting staffing updates and engaging in diversity events.

Hollywood Management is dedicated to creating a supportive environment through celebrating special dates and holidays of importance to its diverse workforce. Existing Team Members actively participate and recruit at job fairs and other special recruiting activities so as to give potential recruits a realistic idea as to what it is like to work at a casino. As a team, we understand the importance of managing our Logix system effectively, from developing candid job descriptions and qualification requirements that reflect the actual demands of positions to

developing appropriate prescreening questions to ensure a good fit between applicant and position.

In regards to our proposed table games operation, we will strive to fill as many entry level positions as possible from our current employee base. In order to educate our current team members about table games, we are hosting informational sessions to answer questions they may have regarding careers in table games, including the rigorous training requirements. A list of available Hollywood positions is updated weekly and made available to our employees. In addition to jobs within the table games department itself, additional table games support positions will need to be filled in cashiering, surveillance, security and other areas, as outlined in **Appendix 4-a**. We are certain that many existing team members will opt to move into the newly created positions in the table games department. The vacated positions created by these promotions will in turn need to be filled by new locally recruited employees.

The initial staffing for supervisory level positions in the table games department and new surveillance positions will most likely be filled by candidates from other gaming jurisdictions because of the experiential requirements of the positions; however, in the future, as the table games operation matures, it is expected that the majority of those positions will be filled by promotions from within.

While appropriately qualified internal candidates will be given preference for table game positions, with so many new jobs being created, it is likely that a large percentage of these new positions will have to be filled with local outside recruits. To that end, we will be hosting a community leader luncheon in March 2010 to inform our contact base of Hollywood's table game initiatives and how this will increase employment opportunities for the general community. On February 18th, we held our first on-site job fair; open to both our internal candidates and the general public, geared specifically to table games. This initial job fair will be followed by a series of monthly on-site table game (and associated position) job fairs until we reach our targeted staffing goals.

As we continue to recruit for the positions created by the approval of table games operations, we will strive to maintain or increase the diversity levels throughout our workforce, which, as of December 31, 2009, consisted of 12% minority team members, and 49% female team members. Census figures indicate that 9% of the population within a 1 hour drive of the property are from minority groups. The property's current 12% minority workforce exceeds the minority population base of the region and we expect this will continue once all new positions are filled.

Our professional recruiting efforts consists of screening and evaluation any unsolicited resumes that are received, placing advertisements in casino and professional centered publications and websites and participation in, internal, local college and professional job fairs. We strive to

Mountainview Thoroughbred Racing Association – Petition to Conduct Table Games

attract goal driven applicants from the student base at local colleges who will be beneficiaries of our promote-from-within activities.

Newspaper print is used to reach other communities within and outside our recruiting contact area. Newspaper print has been very successful for us and cost efficient. We have virtual recruiting sources to reach a broader area of applicants. Currently, each time we place newsprint, we receive virtual recruiting as a bonus. Our radio ads are used for more specific recruiting needs. This source is more costly but will be used as needed to ensure we receive to keep flexibility in our advertisement strategy. In an effort to gain maximum coverage in the surrounding community spanning 45 minutes from our location; we will network with local TV stations and newspapers. The property has and will continue to work with local news organizations (TV, Radio, Print) to promote table game employment opportunities as a news event in an effort to pull in a flow of applicants from the local community.

Hollywood engages in local efforts to develop and ensure its supply of qualified workers in the future. Such efforts include participation in Junior Achievement activities, mock interview sessions, soft skill presentations, career presentations, red carpet tours and on site job fairs. The special recruiting efforts have proven to be beneficial to attracting the most qualified candidates and increasing Hollywood's involvement in the community. Currently, the County of Lebanon Transit (COLT) buses provide transportation to and from the Casino, which is utilized by many of our team members and assists us with recruiting from this area.

APPENDIX 5

A brief description of the economic benefits expected to be realized by the Commonwealth, its municipalities and its residents if table games are authorized at the petitioner's licensed facility.

The economic benefits of adding table games to the existing slot mix to Hollywood Casino at Penn National will be many. In addition to creating both temporary construction jobs and many permanent casino positions, the casino operation itself will garner an increased share of the regional casino market as people who used to play outside of Pennsylvania will play here instead.

New Jobs

Construction – We estimate that the renovations required install table games at Hollywood casino will generate approximately \$2 million in construction related payroll.

Permanent - We expect to hire approximately 439 new employees (see **Appendix 4-a**) due to table games. Of these, 331 are expected to be full time and 108 are expected to be part time which translates into approximately 368 new full time equivalent positions (FTEs). We estimate these employees will earn approximately **REDACTED** in total salaries and wages. The majority of these employees will be full time and eligible for full benefits, including medical, dental, and discretionary 401(k) match. In addition, we estimate that the primary tipped positions in this group (dealers, bartenders and cocktail waitresses) will earn several million dollars more in cumulative annual tip income. With the exception of the initial table game supervisory and managerial positions and surveillance positions, we expect to the majority of these new positions will be filled by area residents.

Casino Revenue and Table Game Taxes

REDACTED

While it is difficult to quantify, we also expect the addition of table games to the Hollywood Casino will have a net positive effect on slot revenue as we expect some side slot play from patrons who are primarily table game players and formerly would have played at out of state casinos. Also, we expect friends, spouses and family members of table players who like slots but currently play at out of state casinos to accommodate the table player will now play slots at Hollywood.

Regional and Community Impact

The addition of 439 new jobs (368 FTEs) to the area with a combined payroll of over **REDACTED** will have a multiplier effect on local business activity. These new employees will buy new cars and houses, will shop at local stores and pay local sales, real estate and payroll taxes. All of this will benefit other area businesses and will increase local and state tax receipts.

Better Competitive Position

Besides competing among themselves, Pennsylvania casinos also compete against casinos in nearby jurisdictions as well as with destination markets such as Las Vegas and Atlantic City. Table games are or will soon be available in the neighboring states of West Virginia, Delaware, and Ohio and are available in all destination casino jurisdictions. The implementation of table games at Hollywood will not only allow the company to maintain its competitive edge against facilities in neighboring states that offer or will soon offer table games, but it will have a major competitive advantage against the states of Maryland and New York that do not allow table games. Even more importantly, area residents who previously would go to Atlantic City or Las Vegas for the “full” casino experience will now be more likely to stay and play in Pennsylvania. The result of all this will be to take casino market share away from competing jurisdictions resulting in increased Hollywood casino revenue, which leads to increased employment and increased tax revenue.

APPENDIX 6

The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate table games and to otherwise fund the cost of commencing table game operations.

The costs of the table game expansion and the \$16.5 million table game authorization fee will not require Hollywood to obtain any new outside financing. These costs will be financed by the Petitioner's parent company, Penn National Gaming, Inc. (Penn). The Petitioner will obtain funding for the necessary amount from Penn. Penn will obtain the funds from either existing cash resources or through a drawdown on its existing revolving credit facility. As of February 16, 2010, Penn's \$1 billion revolving credit facility had over \$700 million in available borrowing capacity.

The Petitioner reserves the right to obtain new project debt financing for some or all of the costs associated with the table expansion project subject to any necessary approvals from Pennsylvania regulatory authorities. The Petitioner wishes to emphasize however, that its table game project is not contingent on obtaining any such new debt financing.

See **Appendix 6-a** for the Sources and Uses Statement.

APPENDIX 6-a

SOURCES AND USES STATEMENT

REDACTED

[Faint, illegible text, likely a signature or stamp, possibly containing the name "MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION"]

APPENDIX 7

Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the petitioner.

In 2009, the Petitioner, Mountainview Thoroughbred Racing Association d/b/a/ Hollywood Casino at Penn National Race Course (“Hollywood”), had earnings before interest, income taxes, depreciation and amortization (EBITDA)¹ of \$50.8 million.

The Petitioner’s immediate parent company, Penn National Gaming Inc., (Penn) has over \$700 million in available borrowing capacity. In 2009, Penn had over \$565.8 million in EBITDA. In its most recent guidance, Penn has forecast \$563 million in EBITDA for calendar year 2010 (See **Appendix 7-a**; SEC Form 8-K Filed on February 9, 2010).

See **Appendix 7-b** for Third Quarter 2009 unaudited financial statements of Hollywood

The 2009 audited financial statements will be delivered to the Board when they are completed.

¹ EBITDA is income (loss) from operations, excluding charges for stock compensation, impairment losses, Empress Casino Hotel fire, depreciation and amortization, and gain or loss on disposal of assets, and is inclusive of loss from joint venture. A reconciliation of net income (loss) attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries per accounting principles generally accepted in the United States of America (“GAAP”) to EBITDA, as well as income (loss) from operations per GAAP to EBITDA, is included in the accompanying financial schedules. See Appendix 7-a pages 8 to 10 to Exhibit 99.1 in the form 8-K for a reconciliation of EBITDA to GAAP.

APPENDIX 7-a

PENN FINANCIAL RESULTS FOR THE THREE AND TWELVE MONTHS ENDED

DECEMBER 31, 2009

SEC Form 8-K Filed on February 9, 2010

Morningstar[®] Document ResearchSM

FORM 8-K

PENN NATIONAL GAMING INC - PENN

Filed: February 09, 2010 (period: February 04, 2010)

Report of unscheduled material events or corporate changes.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934

Date of Report — February 4, 2010
(Date of earliest event reported)

PENN NATIONAL GAMING, INC.
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

0-24206
(Commission File Number)

23-2234473
(IRS Employer
Identification
Number)

825 Berkshire Blvd., Suite 200, Wyomissing, PA 19610
(Address of principal executive offices) (Zip Code)

Area Code (610) 373-2400
(Registrant's telephone number)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 to Form 8-K):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02 **Results of Operations and Financial Condition.**

On February 4, 2010, Penn National Gaming, Inc. (the “Company”) issued a press release announcing its financial results for the three and twelve months ended December 31, 2009. The full text of the press release is attached as Exhibit 99.1 and incorporated herein by reference.

The information in Item 2.02 of this Form 8-K and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 **Financial Statements and Exhibits.**

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press release, dated February 4, 2010, issued by Penn National Gaming, Inc. announcing its financial results for the three and twelve months ended December 31, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 9, 2010

PENN NATIONAL GAMING, INC.

By: /s/ Robert S. Ippolito
Robert S. Ippolito
Vice President, Secretary and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release, dated February 4, 2010, issued by Penn National Gaming, Inc. announcing its financial results for the three and twelve months ended December 31, 2009.

News Announcement



Conference Call: Today, February 4, 2010 at 10:00 a.m. ET
Dial-in number: 212/231-2909
Webcast: www.pngaming.com

Replay information provided below

CONTACT:

William J. Clifford
 Chief Financial Officer
 610/373-2400

Joseph N. Jaffoni, Richard Land
 Jaffoni & Collins Incorporated
 212/835-8500 or penn@jcir.com

FOR IMMEDIATE RELEASE

**PENN NATIONAL GAMING REPORTS FOURTH
 QUARTER REVENUE OF \$555.8 MILLION**

**- Fourth Quarter Net Loss Attributable to Shareholders of \$355.4 Million, Reflecting
 Non-Cash Impairment Charge of \$520.6 Million -**

- Fourth Quarter EBITDA of \$120.9 Million -

- Establishes 2010 First Quarter and Full Year Guidance -

Wyomissing, Penn., (February 4, 2010) — Penn National Gaming, Inc. (PENN: Nasdaq) today reported fourth quarter operating results for the three and twelve months ended December 31, 2009, as summarized below:

Summary of Fourth Quarter and Full Year Results

(in millions, except per share data)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2009 Actual	2009 Guidance (2)	2008 Actual	2009 Actual	2009 Guidance (2)	2008 Actual
Net revenues	\$ 555.8	\$ 577.2	\$ 571.1	\$ 2,369.3	\$ 2,390.6	\$ 2,423.1
EBITDA (1)	120.9	130.2	119.2	565.8	575.1	595.4
Less charges for stock compensation, impairment losses, Empress Casino Hotel fire, depreciation and amortization, loss on disposal of assets, interest expense - net, income taxes, loss on early extinguishment of debt, merger termination settlement fees, net of related expenses, and other expenses	(478.8)	(112.7)	(497.8)	(833.2)	(467.2)	(748.7)
Less net loss attributable to noncontrolling interests	(2.5)	—	—	(2.5)	—	—
Net (loss) income attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries	\$ (355.4)	\$ 17.5	\$ (378.6)	\$ (264.9)	\$ 107.9	\$ (153.3)
Diluted (loss) earnings per	\$ (4.54)	\$ 0.16	\$ (4.77)	\$ (3.39)	\$ 1.01	\$ (1.81)

**common share
attributable to the
shareholders of Penn
National Gaming, Inc.
and subsidiaries**

**Diluted weighted-average
common shares
outstanding (3)**

78,351	107,225	79,319	78,122	107,006	84,536
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-
- (1) EBITDA is income (loss) from operations, excluding charges for stock compensation, impairment losses, Empress Casino Hotel fire, depreciation and amortization, and gain or loss on disposal of assets, and is inclusive of loss from joint venture. A reconciliation of net income (loss) attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries per accounting principles generally accepted in the United States of America ("GAAP") to EBITDA, as well as income (loss) from operations per GAAP to EBITDA, is included in the accompanying financial schedules.

-more-

- (2) The figures in these columns present the guidance Penn National Gaming provided on October 21, 2009 for the three and twelve months ended December 31, 2009.
- (3) Since the Company reported a loss from operations for the three and twelve months ended December 31, 2009 and 2008, it was required by GAAP to use basic weighted-average common shares outstanding, rather than diluted weighted-average common shares outstanding, when calculating diluted loss per common share attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries.

Reconciliation of Fourth Quarter 2009 Results to Guidance

(in millions)	Three Months Ended December 31, 2009 - Pre-tax	
EBITDA per guidance (1)	\$	130.2
Ohio lobbying in excess of guidance		(2.0)
Property results		(7.3)
Subtotal		(9.3)
EBITDA as reported	\$	120.9

(in millions)	Three Months Ended December 31, 2009	
Net income per guidance (1)	\$	17.5
Income taxes		17.5
Net income before income taxes per guidance		35.0
Impairment losses, pre-tax		(520.6)
EBITDA variance described above, pre-tax		(9.3)
Depreciation, pre-tax		(2.5)
Other, pre-tax		(1.3)
Loss from operations before income taxes as reported	\$	(498.7)

- (1) The figures in these rows present the guidance Penn National Gaming provided on October 21, 2009 for the three and twelve months ended December 31, 2009.

Peter M. Carlino, Chairman and Chief Executive Officer of Penn National Gaming commented, "While we are disappointed with fourth quarter net revenue and EBITDA levels which continue to reflect the impact of the economy, we believe the fourth quarter of 2009 could be the Company's most successful quarter ever from a future development and expansion perspective. We had positive election outcomes in Ohio and West Virginia, our joint venture with International Speedway Corporation was selected by the Kansas Lottery Gaming Facility Review Board to develop and operate a casino at Kansas Speedway, and we were selected by the Maryland Video Lottery Location Commission to develop and manage a video lottery terminal facility in Cecil County, Maryland. In addition, in early 2010, the Pennsylvania Legislature approved table games. It is evident from our fourth quarter progress that we have well-developed strategies to create new long-term value for shareholders by deploying Penn National's strong balance sheet and facility development skills to operate in new jurisdictions. New facilities in Maryland, Ohio and Kansas — all of which will be opened within the next two to three years — will further diversify our geographical reach, expand our current base of slot machines by approximately 20% and position the Company to be less susceptible to cannibalization from future gaming expansion.

“Unfortunately, we have limited control over how consumers are continuing to respond to economic pressures and as a result, the gaming industry experienced revenue compression again in the fourth quarter. Penn National’s fourth quarter operating results reflect reductions in consumer spending in almost every market and while customer visit levels are off only modestly, we’re continuing to see less spend per visit. We have undertaken extensive analysis of gaming trends, which indicate that regional gaming spending declines are slowing. However, at this time, these trends generally do not support expectations of 2010 revenues exceeding 2009 levels and these expectations are reflected in our guidance.

“Fourth quarter and full year GAAP net loss reflects a fourth quarter pre-tax impairment charge of \$520.5 million, as a portion of the value of the goodwill and other intangible assets associated with the original purchase of the Lawrenceburg facility was determined to be impaired as a result of the anticipated impact of gaming expansion in Ohio. GAAP requires that this evaluation be performed on each individual property and, therefore, even though we believe the November election outcome in Ohio will, on a net basis, eventually add significant incremental shareholder value for Penn National, the accounting rules do not provide for evaluating goodwill and intangible impairments against the Company’s entire portfolio and development pipeline.”

Growth Pipeline Update

Mr. Carlino continued, “In Maryland, following approval by the Maryland Video Lottery Location Commission, we have commenced construction on one of the state’s first gaming operations, a \$97.5 million Hollywood-themed facility with 75,000 square feet of gaming space, 1,500 video lottery terminals, food and beverage offerings and parking for over 1,600 vehicles. Based on construction progress to date, the facility is expected to open to the public in late 2010, which will likely result in historically high returns on capital before other facilities in the state come on line.

“In a statewide election last November, Ohio voters approved the Issue 3 constitutional ballot initiative authorizing casino gaming at specified sites in Cincinnati, Cleveland, Columbus and Toledo. As a result, Penn National has begun to develop the Toledo and Columbus facilities, with planned investments of approximately \$300 million and \$400 million, respectively, and targeted opening dates in late 2012. We have already completed the acquisition of the 44-acre Toledo site and approximately 24 acres in the Columbus Arena District. In addition, as announced last month, we are also working closely with Columbus community leaders on the parallel pursuit of an alternative Columbus site. We recently entered into an option to purchase the 123-acre site of the former Delphi Automotive plant on Columbus’ West Side as an alternate location for our planned development of Hollywood Casino Columbus. Our selection of the Delphi site is based on support from the community and ease of customer access. In addition, its status as a brownfield site fits well with our original vision of urban revitalization. On January 27, 2010, the Ohio Legislature approved the language for a Constitutional amendment changing the designated casino location in Columbus to the Delphi site. The issue is now scheduled to appear on the statewide ballot in May 2010. Given the uncertain outcome in the legislature and at the ballot, we are pursuing development at both Columbus sites simultaneously.

“During the fourth quarter, Penn National and its partner, International Speedway Corporation were selected by the Kansas Lottery Gaming Facility Review Board to develop and operate a Hollywood-themed entertainment destination facility overlooking Turn 2 at Kansas Speedway in Kansas City. Subject to background investigations and licensing by the Kansas Racing and Gaming Commission, which are expected to be completed in early 2010, the Penn National/ISC joint venture will begin construction in the second half of this year with a planned opening in early 2012. With an overall budget of approximately \$410 million inclusive of land and licensing, this facility will feature a 100,000-square-foot casino floor with capacity for 2,300 slot machines and 86 table games, a high-energy lounge and a variety of dining and entertainment options. We estimate that Penn National Gaming’s share of the future cash expenditures will be approximately \$155 million.

“While we are intent on deploying our strong capital base for return focused growth opportunities, we will continue to exercise extreme diligence and discipline in capital allocation decisions. Accordingly, while we had a well developed plan to create value from the bankrupt Las Vegas Fontainebleau project, and in November submitted a proposal to become the stalking horse bidder in the auction process, another bidder emerged who was willing to pay, on a relative basis, more than what we believe the unfinished asset is worth given the cost to complete the project.

“While it is difficult to gauge the pace of an economic recovery, we are confident that the Company’s facility development skills, strong liquidity position and capital structure, committed management and personnel, prudent management of our property base and exercising appropriate risk management disciplines will generate long-term shareholder value and that Penn National will be well-positioned to benefit from healthier levels of consumer spending as they occur.”

Development and Expansion Projects

The table below summarizes Penn National Gaming's current facility development projects:

Project/Scope	New Gaming Positions	Planned Total Budget	Penn's Share of Planned Total Budget (in millions)	Amount Expended through December 31, 2009	Expected Opening Date
Hollywood Casino					
Lawrenceburg (IN) -					
Amenities - Meeting space and kitchen on the vessel lower level, new steakhouse/lounge, mid-priced restaurant/bar and coffee venue on the gaming-entry level of the landside pavilion.	—	\$ 14	\$ 14	\$ 1.2	Meeting Space - 1st Quarter 2010 Steakhouse/Lounge & Bar - 2nd Quarter 2010 Mid-Priced Restaurant/Bar/Coffee - 3rd Quarter 2010
Perryville, Cecil County (MD) -					
Construction has begun on the new facility with 75,000 square feet of gaming space on a 36-acre parcel of land in Perryville, MD adjacent to Interstate 95. The Hollywood-themed structure will include 1,500 video lottery terminals along with food and beverage offerings and extensive parking.	1,500	\$ 98	\$ 98	\$ 29.3	4th Quarter 2010
Empress Casino Hotel (IL) -					
Construction of an 1,100 space parking garage, new pavilion containing restaurants and public areas, Phase II gaming vessel upgrades, VIP amenities and Phase II outdoor landscaping.	—	\$ 81(1)	\$ 81(1)	\$ 12.1(1)	Parking Deck - Opened February 2010 Land-Based Pavilion - 4th Quarter 2010 Phase II Vessel Upgrades - 1st Quarter 2011
Charles Town (WV) - The residents of Jefferson County, WV approved table games in a referendum in December 2009. Project scope and budget are still under review, with an estimated addition of 85 table games, 27 poker tables and the addition of a steakhouse/lounge and Hollywood on the Roof entertainment lounge.					
	865	\$ 40	\$ 40	\$ 0.4	Table Games/Poker/Entertainment Lounge - 3rd Quarter 2010 Steakhouse/Lounge - 4th Quarter 2010
Hollywood Casino Grantville (PA) - With the legalization of table games in Pennsylvania in January 2010, project scope and budgets are presently under review. Phase I includes an estimated 40 table games and 12 poker tables within the existing facility.					
	400	\$ 25	\$ 25	\$ 0.3	Phase I - 4th Quarter 2010
Hollywood Casino Toledo (OH) - With the passage of Issue 3 in November 2009 authorizing					
	3,760	\$ 300(2)	\$ 270(2)	\$ 2.5	Second Half 2012

casinos in Toledo, Columbus, Cincinnati and Cleveland, project scope and budgets are in development for the Toledo site, with a 125,000 square foot casino with up to 3,000 slot machines, 80 table games and 20 poker tables, a 2,500 space parking garage, plus food and beverage outlets and entertainment lounge.

Hollywood Casino Columbus

(OH) - With the passage of Issue 3 in November 2009 authorizing casinos in Columbus, Toledo, Cincinnati and Cleveland, project scope and budgets are in development for the Columbus 180,000 square foot casino with up to 4,000 slot machines at opening, up to 100 table games and 25 poker tables, a 4,000 space parking garage, plus food and beverage outlets and entertainment lounge.

4,950 \$ 400(2)\$ 360(2) — Second Half 2012

Kansas Motor Speedway (KS) -

The Kansas Gaming Facility Review Board approved the 50/50 joint venture project proposed by a subsidiary of Penn National Gaming and a subsidiary of International Speedway Corp. in December 2009. Project design is currently underway with Kansas Lottery Commission approval for an 100,000 square foot casino, with a minimum of 2,300 slot machines, 61 table games and 25 poker tables, a 1,500 space parking deck, plus a variety of dining and entertainment options.

2,977 \$ 410(3)\$ 155(3)\$ 12.9 1st Quarter 2012

- (1) Net of amounts received from insurance proceeds.
- (2) Issue 3 requires a total minimum initial investment of at least \$250 million per facility in addition to the \$50 million initial license fee. The noncontrolling interest contribution for Toledo and Columbus is \$30 million and \$40 million, respectively.
- (3) The planned total budget, including land and licensing, is \$410 million. Initial project design budget with market cost estimates anticipated by early 2nd Quarter 2010.

Financial Guidance

The table below sets forth current guidance targets for financial results for the 2010 first quarter and full year, based on the following assumptions:

- Economic conditions do not deteriorate any further;
- Six months of West Virginia table game results;
- Excludes any results for Pennsylvania table games;
- Excludes any results for Hollywood Casino Perryville;
- Includes \$8.8 million of preopening expenses for West Virginia table games, Hollywood Casino Perryville, Pennsylvania table games, Ohio (excluding expenses recaptured from non-controlling interests), and Empress Casino Hotel;
- Excludes expected gain from insurance proceeds related to Empress Casino Hotel fire which destroyed the casino's land side entertainment pavilion;
- Depreciation and amortization charges in 2010 of \$207.4 million, with \$51.7 million projected to be incurred in the first quarter of 2010;
- Loss on disposal of assets of \$1.7 million for 2010, with \$0.4 million of the loss projected to be incurred in the first quarter of 2010;
- Estimated non-cash stock compensation expenses of \$26.7 million for 2010, with \$6.8 million of the cost incurred in the first quarter of 2010;
- LIBOR is based on the forward curve;
- Blended income tax rate of 45.0%;
- No further impairment charges;
- A diluted share count of approximately 108.0 million shares; and
- There will be no material changes in applicable legislation or regulation, world events, weather, economic conditions, or other circumstances beyond our control that may adversely affect the Company's results of operations.

(in millions, except per share data)	Three Months Ending March 31,		Full Year Ending December 31,	
	2010 Guidance	2009 Actual	2010 Guidance	2009 Actual
Net revenues	\$ 596.7	\$ 612.2	\$ 2,433.2	\$ 2,369.3
EBITDA (1)	137.9	158.9	563.0	565.8
Less charges for stock compensation, impairment losses, Empress Casino Hotel fire, depreciation and amortization, loss on disposal of assets, interest expense - net, income taxes, loss on early extinguishment of debt, merger termination settlement fees, net of related expenses, and other expenses	(113.0)	(118.2)	(455.3)	(833.2)
Less net loss attributable to noncontrolling interests	—	—	—	(2.5)
Net income (loss) attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries	\$ 24.9	\$ 40.7	\$ 107.7	\$ (264.9)
Diluted earnings (loss) per common share attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries	\$ 0.23	\$ 0.38	\$ 1.00	\$ (3.39)

(1) EBITDA is income (loss) from operations, excluding charges for stock compensation, impairment losses, Empress Casino Hotel fire, depreciation and amortization, and gain or loss on disposal of assets, and is inclusive of loss from joint venture.

PENN NATIONAL GAMING, INC. AND SUBSIDIARIES

Property Information — Operations

(in thousands) (unaudited)

	NET REVENUES		EBITDA (1)	
	Three Months Ended December 31,		Three Months Ended December 31,	
	2009	2008	2009	2008
Charles Town Entertainment Complex	\$ 99,392	\$ 109,083	\$ 27,081	\$ 31,476
Hollywood Casino Lawrenceburg	105,858	97,509	32,894	27,163
Hollywood Casino at Penn National Race Course	69,109	58,677	11,967	10,419
Hollywood Casino Aurora	40,296	45,313	11,821	16,581
Empress Casino Hotel	31,936	36,444	6,248	8,509
Argosy Casino Riverside	46,481	46,720	15,176	16,055
Hollywood Casino Baton Rouge	27,110	33,546	9,580	14,215
Argosy Casino Alton	17,382	18,884	4,185	3,481
Hollywood Casino Tunica	20,971	19,523	3,295	4,028
Hollywood Casino Bay St. Louis	20,255	25,668	2,754	5,179
Argosy Casino Sioux City	13,099	12,706	4,609	4,480
Boomtown Biloxi	16,686	18,082	3,560	4,531
Hollywood Slots Hotel and Raceway	16,273	14,507	2,594	2,197
Bullwhackers	4,678	4,499	(306)	(665)
Black Gold Casino at Zia Park	19,758	23,840	5,618	7,567
Casino Rama management service contract	3,841	3,148	3,586	2,865
Raceway Park	1,353	1,467	(267)	(294)
Sanford-Orlando Kennel Club	1,328	1,470	(280)	(205)
Earnings from Pennwood Racing, Inc.	—	—	(366)	(476)
Corporate overhead	—	—	(22,831)	(37,921)
Total	\$ 555,806	\$ 571,086	\$ 120,918	\$ 119,185

	NET REVENUES		EBITDA (1)	
	Twelve Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Charles Town Entertainment Complex	\$ 455,350	\$ 477,032	\$ 127,622	\$ 137,945
Hollywood Casino Lawrenceburg	422,015	432,082	128,475	136,062
Hollywood Casino at Penn National Race Course (2)	292,670	224,935	50,828	34,371
Hollywood Casino Aurora	184,776	198,693	56,895	64,516
Empress Casino Hotel (3)	107,058	168,663	23,717	41,094
Argosy Casino Riverside	193,785	186,132	66,006	63,533
Hollywood Casino Baton Rouge	122,994	131,013	47,964	53,690
Argosy Casino Alton	78,230	84,040	18,762	19,829
Hollywood Casino Tunica	92,896	88,540	21,265	21,390
Hollywood Casino Bay St. Louis	95,060	101,997	19,592	21,665
Argosy Casino Sioux City	53,927	54,774	19,444	19,078
Boomtown Biloxi	73,881	75,701	19,826	21,063
Hollywood Slots Hotel and Raceway	67,176	55,780	11,807	10,724
Bullwhackers	19,658	22,128	23	(783)
Black Gold Casino at Zia Park	81,743	90,255	26,317	32,452
Casino Rama management service contract	14,787	16,725	13,395	15,183
Raceway Park	6,963	7,549	(812)	(995)
Sanford-Orlando Kennel Club	6,306	7,014	(110)	(131)
Earnings from Pennwood Racing, Inc.	—	—	(1,121)	(1,526)
Corporate overhead	—	—	(84,046)	(93,782)
Total	\$ 2,369,275	\$ 2,423,053	\$ 565,849	\$ 595,378

- (1) EBITDA is income (loss) from operations, excluding charges for stock compensation, impairment losses, Empress Casino Hotel fire, depreciation and amortization, and gain or loss on disposal of assets, and is inclusive of loss from joint venture. A reconciliation of net income (loss) attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries per GAAP to EBITDA, as well as income (loss) from operations per GAAP to EBITDA, is included in the accompanying financial schedules.
- (2) Hollywood Casino at Penn National Race Course includes the results of our Pennsylvania casino that opened on February 12, 2008, as well as the Penn National Race Course and four off-track wagering facilities.

(3) Empress Casino Hotel was closed from March 20, 2009 until June 25, 2009 due to a fire.

Reconciliation of EBITDA to Net Loss attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries (GAAP)

PENN NATIONAL GAMING, INC. AND SUBSIDIARIES
(in thousands) (unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
EBITDA	\$ 120,918	\$ 119,185	\$ 565,849	\$ 595,378
Loss from joint venture	366	476	1,121	1,526
Depreciation and amortization	(53,009)	(44,347)	(194,436)	(173,545)
Charge for stock compensation	(6,456)	(8,338)	(28,360)	(26,857)
Impairment losses	(520,568)	(481,333)	(532,377)	(481,333)
Empress Casino Hotel fire	(121)	—	(6,063)	—
Loss on disposal of assets	(672)	(611)	(332)	(1,610)
Loss from operations	\$ (459,542)	\$ (414,968)	\$ (194,598)	\$ (86,441)
Interest expense	(37,110)	(40,196)	(134,984)	(169,827)
Interest income	872	6,406	6,522	8,362
Loss from joint venture	(366)	(476)	(1,121)	(1,526)
Merger termination settlement fees, net of related expenses	—	(45)	—	195,426
Loss on early extinguishment of debt	(1,194)	—	(4,793)	—
Other	(1,326)	4,901	1,093	6,421
Taxes on income	140,761	65,805	60,468	(105,738)
Net loss including noncontrolling interests	(357,905)	(378,573)	(267,413)	(153,323)
Less: Net loss attributable to noncontrolling interests	(2,465)	—	(2,465)	—
Net loss attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries	\$ (355,440)	\$ (378,573)	\$ (264,948)	\$ (153,323)

Reconciliation of Loss from Operations (GAAP) to EBITDA

PENN NATIONAL GAMING, INC. AND SUBSIDIARIES Property Information Including Corporate Overhead (in thousands) (unaudited)

Three Months Ended December 31, 2009

	Income (loss) from operations	Charge for stock compensation	Impairment losses	Empress Casino Hotel Fire	Depreciation and amortization	(Gain) loss on disposal of assets	Loss from joint venture	EBITDA
Charles Town Entertainment Complex	\$ 21,086	\$ —	\$ —	\$ —	\$ 6,374	\$ (379)	\$ —	\$ 27,081
Hollywood Casino Lawrenceburg	(497,168)	—	520,568	—	9,494	—	—	32,894
Hollywood Casino at Penn National Race Course	1,407	—	—	—	10,244	316	—	11,967
Hollywood Casino Aurora	9,980	—	—	—	1,841	—	—	11,821
Empress Casino Hotel	3,359	—	—	121	2,571	197	—	6,248
Argosy Casino Riverside	11,624	—	—	—	3,040	512	—	15,176
Hollywood Casino Baton Rouge	7,298	—	—	—	2,275	7	—	9,580
Argosy Casino Alton	2,774	—	—	—	1,411	—	—	4,185
Hollywood Casino Tunica	1,702	—	—	—	1,603	(10)	—	3,295
Hollywood Casino Bay St. Louis	(780)	—	—	—	3,523	11	—	2,754
Argosy Casino Sioux City	3,553	—	—	—	1,046	10	—	4,609
Boomtown Biloxi	522	—	—	—	3,023	15	—	3,560
Hollywood Slots Hotel and Raceway	(842)	—	—	—	3,428	8	—	2,594
Bullwhackers	(453)	—	—	—	162	(15)	—	(306)
Black Gold Casino at Zia Park	4,578	—	—	—	1,040	—	—	5,618
Casino Rama management service contract	3,586	—	—	—	—	—	—	3,586
Raceway Park	(366)	—	—	—	99	—	—	(267)
Sanford-Orlando Kennel Club	(415)	—	—	—	135	—	—	(280)
Earnings from Pennwood Racing, Inc.	—	—	—	—	—	—	(366)	(366)
Corporate overhead	(30,987)	6,456	—	—	1,700	—	—	(22,831)
Total	\$ (459,542)	\$ 6,456	\$ 520,568	\$ 121	\$ 53,009	\$ 672	\$ (366)	\$ 120,918

Three Months Ended December 31, 2008

	Income (loss) from operations	Charge for stock compensation	Impairment losses	Depreciation and amortization	Loss (gain) on disposal of assets	Loss from joint venture	EBITDA
Charles Town Entertainment Complex	\$ 25,631	\$ —	\$ —	\$ 5,845	\$ —	\$ —	\$ 31,476
Hollywood Casino Lawrenceburg	(191,544)	—	214,100	4,606	1	—	27,163
Hollywood Casino at Penn National Race Course	3,641	—	—	6,778	—	—	10,419
Hollywood Casino Aurora	(29,060)	—	43,696	1,932	13	—	16,581
Empress Casino Hotel	(88,125)	—	94,377	2,332	(75)	—	8,509
Argosy Casino Riverside	12,512	—	—	3,497	46	—	16,055
Hollywood Casino Baton Rouge	11,872	—	—	2,260	83	—	14,215
Argosy Casino Alton	(12,044)	—	14,116	1,405	4	—	3,481
Hollywood Casino Tunica	2,366	—	—	1,689	(27)	—	4,028
Hollywood Casino Bay St. Louis	1,106	—	—	3,508	565	—	5,179
Argosy Casino Sioux City	3,361	—	—	1,119	—	—	4,480
Boomtown Biloxi	1,668	—	—	2,862	1	—	4,531
Hollywood Slots Hotel and Raceway	(83,479)	—	82,654	3,022	—	—	2,197
Bullwhackers	(15,296)	—	14,185	447	(1)	—	(665)
Black Gold Casino at Zia Park	6,517	—	—	1,050	—	—	7,567
Casino Rama management service contract	2,865	—	—	—	—	—	2,865
Raceway Park	(389)	—	—	95	—	—	(294)
Sanford Orlando Kennel Club	(336)	—	—	131	—	—	(205)
Earnings from Pennwood Racing, Inc.	—	—	—	—	—	(476)	(476)
Corporate overhead	(66,234)	8,338	18,205	1,769	1	—	(37,921)
Total	\$ (414,968)	\$ 8,338	\$ 481,333	\$ 44,347	\$ 611	\$ (476)	\$ 119,185

Reconciliation of Loss from Operations (GAAP) to EBITDA

PENN NATIONAL GAMING, INC. AND SUBSIDIARIES Property Information Including Corporate Overhead (in thousands) (unaudited)

Twelve Months Ended December 31, 2009

	Income (loss) from operations	Charge for stock compensation	Impairment losses	Empress Casino Hotel Fire	Depreciation and amortization	(Gain) loss on disposal of assets	Loss from joint venture	EBITDA
Charles Town Entertainment Complex	\$ 103,356	\$ —	\$ —	\$ —	\$ 24,647	\$ (381)	\$ —	\$ 127,622
Hollywood Casino Lawrenceburg	(431,754)	—	532,377	—	27,846	6	—	128,475
Hollywood Casino at Penn National Race Course	14,394	—	—	—	36,120	314	—	50,828
Hollywood Casino Aurora	49,607	—	—	—	7,282	6	—	56,895
Empress Casino Hotel (1)	9,511	—	—	6,063	7,919	224	—	23,717
Argosy Casino Riverside	53,760	—	—	—	11,765	481	—	66,006
Hollywood Casino Baton Rouge	39,336	—	—	—	9,158	(530)	—	47,964
Argosy Casino Alton	12,980	—	—	—	5,960	(178)	—	18,762
Hollywood Casino Tunica	14,627	—	—	—	6,594	44	—	21,265
Hollywood Casino Bay St. Louis	5,506	—	—	—	14,051	35	—	19,592
Argosy Casino Sioux City	15,065	—	—	—	4,334	45	—	19,444
Boomtown Biloxi	7,870	—	—	—	11,775	181	—	19,826
Hollywood Slots Hotel and Raceway	(2,072)	—	—	—	13,874	5	—	11,807
Bullwhackers	(1,108)	—	—	—	1,134	(3)	—	23
Black Gold Casino at Zia Park	22,063	—	—	—	4,254	—	—	26,317
Casino Rama management service contract	13,395	—	—	—	—	—	—	13,395
Raceway Park	(1,206)	—	—	—	394	—	—	(812)
Sanford-Orlando Kennel Club	(641)	—	—	—	531	—	—	(110)
Earnings from Pennwood Racing, Inc.	—	—	—	—	—	—	(1,121)	(1,121)
Corporate overhead	(119,287)	28,360	—	—	6,798	83	—	(84,046)
Total	\$ (194,598)	\$ 28,360	\$ 532,377	\$ 6,063	\$ 194,436	\$ 332	\$ (1,121)	\$ 565,849

Twelve Months Ended December 31, 2008

	Income (loss) from operations	Charge for stock compensation	Impairment losses	Depreciation and amortization	Loss (gain) on disposal of assets	Loss from joint venture	EBITDA
Charles Town Entertainment Complex	\$ 114,726	\$ —	\$ —	\$ 23,182	\$ 37	\$ —	\$ 137,945
Hollywood Casino Lawrenceburg	(96,094)	—	214,100	17,951	105	—	136,062
Hollywood Casino at Penn National Race Course (2)	11,530	—	—	22,830	11	—	34,371
Hollywood Casino Aurora	13,009	—	43,696	7,795	16	—	64,516
Empress Casino Hotel	(63,922)	—	94,377	10,680	(41)	—	41,094
Argosy Casino Riverside	48,526	—	—	14,941	66	—	63,533
Hollywood Casino Baton Rouge	43,829	—	—	9,236	625	—	53,690
Argosy Casino Alton	(301)	—	14,116	5,990	24	—	19,829
Hollywood Casino Tunica	14,363	—	—	7,003	24	—	21,390
Hollywood Casino Bay St. Louis	6,025	—	—	15,065	575	—	21,665
Argosy Casino Sioux City	14,634	—	—	4,446	(2)	—	19,078
Boomtown Biloxi	9,753	—	—	11,178	132	—	21,063
Hollywood Slots Hotel and Raceway	(79,922)	—	82,654	7,992	—	—	10,724
Bullwhackers	(16,922)	—	14,185	1,934	20	—	(783)
Black Gold Casino at Zia Park	27,755	—	—	4,697	—	—	32,452

Casino Rama management service contract	15,183	—	—	—	—	—	15,183
Raceway Park	(1,368)	—	—	373	—	—	(995)
Sanford Orlando Kennel Club	(725)	—	—	594	—	—	(131)
Earnings from Pennwood Racing, Inc.	—	—	—	—	—	(1,526)	(1,526)
Corporate overhead	(146,520)	26,857	18,205	7,658	18	—	(93,782)
Total	\$ (86,441)	\$ 26,857	\$ 481,333	\$ 173,545	\$ 1,610	\$ (1,526)	\$ 595,378

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- (1) Empress Casino Hotel was closed from March 20, 2009 until June 25, 2009 due to a fire.
- (2) Hollywood Casino at Penn National Race Course includes the results of our Pennsylvania casino that opened on February 12, 2008, as well as the Penn National Race Course and four off-track wagering facilities.

PENN NATIONAL GAMING, INC. AND SUBSIDIARIES

Consolidated Statements of Operations
(in thousands, except per share data) (unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Revenues				
Gaming	\$ 506,252	\$ 521,045	\$ 2,158,028	\$ 2,206,500
Management service fee	3,841	3,148	14,787	16,725
Food, beverage and other	80,962	82,166	339,235	334,206
Gross revenues	591,055	606,359	2,512,050	2,557,431
Less promotional allowances	(35,249)	(35,273)	(142,775)	(134,378)
Net revenues	555,806	571,086	2,369,275	2,423,053
Operating expenses				
Gaming	273,908	278,381	1,161,510	1,181,870
Food, beverage and other	67,193	62,489	266,351	257,653
General and administrative	100,549	119,504	403,136	415,093
Impairment losses	520,568	481,333	532,377	481,333
Empress Casino Hotel fire	121	—	6,063	—
Depreciation and amortization	53,009	44,347	194,436	173,545
Total operating expenses	1,015,348	986,054	2,563,873	2,509,494
Loss from operations	(459,542)	(414,968)	(194,598)	(86,441)
Other income (expenses)				
Interest expense	(37,110)	(40,196)	(134,984)	(169,827)
Interest income	872	6,406	6,522	8,362
Loss from joint venture	(366)	(476)	(1,121)	(1,526)
Merger termination settlement fees, net of related expenses	—	(45)	—	195,426
Loss on early extinguishment of debt	(1,194)	—	(4,793)	—
Other	(1,326)	4,901	1,093	6,421
Total other (expenses) income	(39,124)	(29,410)	(133,283)	38,856
Loss from operations before income taxes	(498,666)	(444,378)	(327,881)	(47,585)
Taxes on income	(140,761)	(65,805)	(60,468)	105,738
Net loss including noncontrolling interests	(357,905)	(378,573)	(267,413)	(153,323)
Less: Net loss attributable to noncontrolling interests	(2,465)	—	(2,465)	—
Net loss attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries	\$ (355,440)	\$ (378,573)	\$ (264,948)	\$ (153,323)
Loss per common share attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries:				
Basic loss per common share	\$ (4.54)	\$ (4.77)	\$ (3.39)	\$ (1.81)
Diluted loss per common share	\$ (4.54)	\$ (4.77)	\$ (3.39)	\$ (1.81)
Weighted-average common shares outstanding:				
Basic	78,351	79,319	78,122	84,536
Diluted	78,351	79,319	78,122	84,536

Diluted Share Count Methodology

Reflecting the issuance on October 30, 2008 of the \$1.25 billion, zero coupon, Series B Redeemable Preferred Stock, Penn National Gaming is required to adjust its diluted weighted average outstanding share count for the purposes of calculating diluted earnings per share as follows:

- When the price of Penn National Gaming's common stock is less than \$45, the diluted weighted average outstanding share count is increased by 27,777,778 shares (regardless of how much the stock price is below \$45);
- When the price of Penn National Gaming's common stock is between \$45 and \$67, the diluted weighted average outstanding share count will be increased by an amount which can be calculated by dividing \$1.25 billion by the current price per share. This will result in an increase in the diluted weighted average outstanding share count of between 18,656,716 shares and 27,777,778 shares depending on the current share price; and,
- When the price of Penn National Gaming's common stock is above \$67, the diluted weighted average outstanding share count will be increased by 18,656,716 shares (regardless of how much the stock price exceeds \$67).

Since the Company reported a loss from operations for the three and twelve months ended December 31, 2009 and 2008, it was required by GAAP to use basic weighted-average common shares outstanding, rather than diluted weighted-average common shares outstanding, when calculating diluted loss per common share attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries.

Reconciliation of Non-GAAP Measures to GAAP

EBITDA, or earnings before interest, taxes, charges for stock compensation, impairment losses, Empress Casino Hotel fire, depreciation and amortization, gain or loss on disposal of assets, and other expenses, and inclusive of loss from joint venture, is not a measure of performance or liquidity calculated in accordance with GAAP. EBITDA information is presented as a supplemental disclosure, as management believes that it is a widely used measure of performance in the gaming industry. In addition, management uses EBITDA as the primary measure of the operating performance of its properties, including the evaluation of operating personnel. EBITDA should not be construed as an alternative to operating income, as an indicator of the Company's operating performance, as an alternative to cash flows from operating activities, as a measure of liquidity, or as any other measure of performance determined in accordance with GAAP. The Company has significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments, which are not reflected in EBITDA. It should also be noted that other gaming companies that report EBITDA information may calculate EBITDA in a different manner than the Company. EBITDA is presented as a supplemental disclosure, as management believes that it is a principal basis for the valuation of gaming companies, as this measure is considered by many to be a better indicator of the Company's operating results than diluted net income (loss)

attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries per GAAP. A reconciliation of the Company's EBITDA to net income (loss) attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries per GAAP, as well as the Company's EBITDA to income (loss) from operations per GAAP, is included in the accompanying financial schedules.

A reconciliation of each property's EBITDA to income (loss) from operations is included in the financial schedules herein. On a property level, EBITDA is reconciled to income (loss) from operations per GAAP, rather than net income (loss) attributable to the shareholders of Penn National Gaming, Inc. and subsidiaries per GAAP due to, among other things, the impracticability of allocating interest expense, interest income, income taxes and certain other items to the Company's various properties on a property-by-property basis. Management believes that this presentation is more meaningful to investors in evaluating the performance of the Company's individual properties and is consistent with the reporting of other gaming companies.

Conference Call, Webcast and Replay Details

Penn National Gaming is hosting a conference call and simultaneous webcast at 10:00 am ET today, both of which are open to the general public. The conference call number is 212/231-2909; please call five minutes in advance to ensure that you are connected prior to the presentation. Questions will be reserved for call-in analysts and investors. Interested parties may also access the live call on the Internet at www.pngaming.com; allow 15 minutes to register and download and install any necessary software.

Following its completion, a replay of the call can be accessed until March 6, 2010 by dialing 800/633-8284 or 402/977-9140 (international callers). The access code for the replay is 21456575. A replay of the call can also be accessed for thirty days on the Internet at www.pngaming.com.

This press release, which includes financial information to be discussed by management during the conference call and disclosure and reconciliation of non-GAAP financial measures, is available on the Company's web site, www.pngaming.com in the "News" section (select link for "Press Releases").

About Penn National Gaming

Penn National Gaming owns and operates gaming and racing facilities with a focus on slot machine entertainment. The Company presently operates nineteen facilities in fifteen jurisdictions, including Colorado, Florida, Illinois, Indiana, Iowa, Louisiana, Maine, Mississippi, Missouri, New Jersey, New Mexico, Ohio, Pennsylvania, West Virginia, and Ontario. In aggregate, Penn National Gaming's operated facilities feature over 26,300 gaming machines, approximately 400 table games, over 2,000 hotel rooms and over 959,000 square feet of gaming floor space.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary materially from expectations. Although Penn National Gaming, Inc. and its subsidiaries (collectively, the "Company") believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from our expectations. Meaningful factors that could cause actual results to differ from expectations include, but are not limited to, risks related to the following: our ability to maintain regulatory approvals for our existing businesses and to receive regulatory approvals for our new businesses; the passage of state, federal or local legislation (including referenda) that would expand, restrict, further tax, prevent or negatively impact operations in the jurisdictions in which we do business (such as a smoking ban at any of our facilities) or in jurisdictions where we seek to do business; the activities of our competitors and the emergence of new competitors; increases in the effective rate of taxation at any of our properties or at the corporate level; delays or changes to, or cancellations of, planned capital projects at our gaming and pari-mutuel facilities or an inability to achieve the expected returns from such projects; construction factors, including delays, unexpected remediation costs, local opposition and increased cost of labor and materials; the ability to recover proceeds on significant insurance claims; our ability to identify attractive acquisition and development opportunities and to agree to terms with partners for such transactions; the costs and risks involved in the pursuit of such opportunities and our ability to complete the acquisition or development of, and achieve the expected returns from such opportunities; the availability and cost of financing; the maintenance of agreements with our horsemen, pari-mutuel clerks and other organized labor groups; the outcome of pending legal proceedings; the effects of local and national economic, credit, capital market, housing, energy conditions on the economy in general and on the gaming and lodging industries in particular; changes in accounting standards; third-party relations and approvals; our dependence on key personnel; the impact of terrorism and other international hostilities; the impact of weather; and other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the SEC. The Company does not intend to update publicly any forward-looking statements except as required by law.

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APPENDIX 7-b

3Q-2009 UNAUDITED FINANCIAL STATEMENTS (MTRA)

REDACTED

APPENDIX 8

Information and documentation, as the board may require, to establish by clear and convincing evidence that the petitioner has sufficient business ability and experience to create and maintain a successful table game operation. In making this determination, the board may consider the results of the petitioner's slot machine operation, including financial information, employment data and capital investment.

Many of the existing staff at Hollywood Casino at Penn National have prior experience in out-of-state gaming markets which included table games. These include:

- Frank Quigley – VP/General Manager – Has 29 years casino experience in New Jersey, Louisiana, Iowa, and Illinois, all associated with table games.
- Laura Palazzo – VP of Finance - Has 29 years casino finance/accounting experience in New Jersey which has always had table games.
- Javon White – Security Manager - Has 26 years casino security experience in NJ which has always had table games.
- Joanne Rogers – Controller - Has 30 years casino finance/cage experience in Nevada, New Jersey, Mississippi, Louisiana, Illinois, Australia and the West Indies. All of these jurisdictions had table games.
- John Newman – VP Slot Operations - Has 30 years casino experience in New Jersey and worked for a time as a dealer.
- Luann Fetcho – VP Marketing - Has 21 years casino marketing experience in New Jersey and Mississippi. Both of these are table game jurisdictions.

As indicated in **Appendix 2**, Hollywood Casino has already recruited four table game professionals with over 93 years in combined table game experience between them. We are in the process of recruiting additional experienced table game supervision positions and have begun recruiting Pennsylvania residents to fill the anticipated dealer and associated support personnel positions. See **Appendix 4-a** for a list of anticipated positions. As indicated in **Appendix 5**, we estimate that in the first full year of table game operations, gross table game revenue will be **REDACTED**. See **Appendix 8-a** for the Petitioner's 2010 overall budget (note that this budget does not include table game revenue due to the uncertain start time for table games). For information on capital investment see **Appendix 6-a**.

Penn has been in business since 1972 and has operated Class III casinos since 1997 when it opened its first slot machines at Charles Town Races and Slots in West Virginia. Since that time Penn has expanded the size and scope of its operations so that it now operates nineteen gaming and/or racing facilities in fifteen different jurisdictions. Most of these facilities operate a full range of table games and have done so for many years. In 2009, combined annual EBITDA (earnings before interest, taxes, depreciation and amortization) generated by Penn's casino and horse racing operations was \$565.8 million making it one of the largest gaming companies in the world. Existing and newly hired property staff combined with the internal resources,

experienced executives and technical staff of Penn will ensure the successful installation and operation of table games at Hollywood Casino in Grantville.

The following existing Penn owned facilities operate table games:

1. Illinois
 - a. Argosy Casino Alton
 - b. Empress Casino Hotel (Joliet)
 - c. Hollywood Casino Aurora
2. Indiana
 - a. Hollywood Casino Lawrenceburg
3. Iowa
 - a. Argosy Casino Sioux City
4. Missouri
 - a. Argosy Casino Riverside
5. Mississippi
 - a. Boomtown Biloxi Casino
 - b. Hollywood Casino Bay St. Louis
 - c. Hollywood Casino Tunica
6. Colorado
 - a. Bullwhackers Casino
7. Canada
 - a. Casino Rama
8. Louisiana
 - a. Hollywood Casino Baton Rouge

Penn expects to commence table game operations at its existing Charles Town West Virginia facility in several months and is in the early planning stages of building a new casino in Kansas and two gaming facilities in Ohio. All three of these new facilities will include table games as well as slot machines.

APPENDIX 8-a

REDACTED

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APPENDIX 9

Information and documentation, as the board may require, to establish by clear and convincing evidence that the petitioner has or will have the financial ability to pay the authorization fee under section 1361A (relating to table game authorization fee).

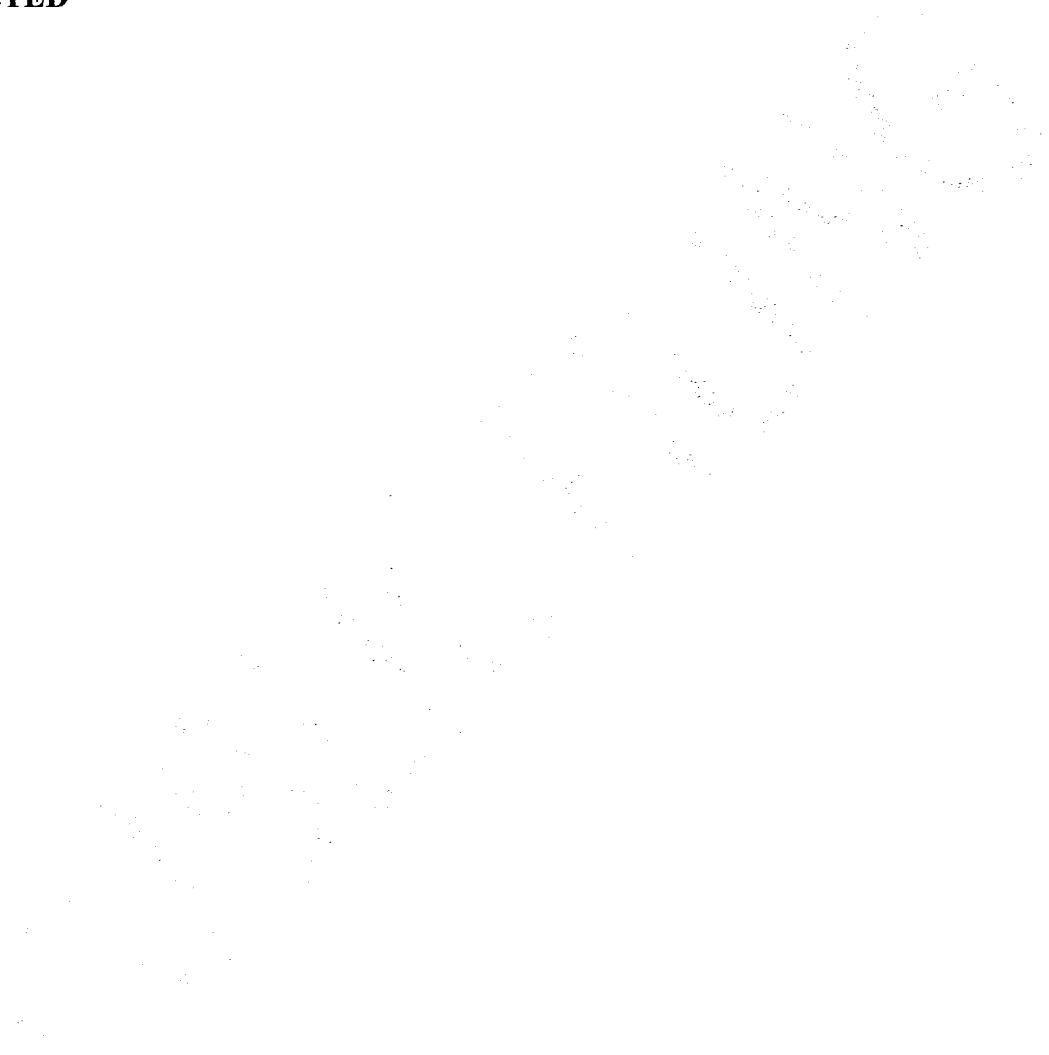
See **Appendices 6 and 7.**

The Petitioner intends to pay the authorization fee in one lump sum on or before June 1, 2010.

APPENDIX 10

Detailed site plans identifying the petitioner's proposed table game area within the licensed facility.

REDACTED



APPENDIX 10-a

Casino layout which includes the locations of the table games is attached.

REDACTED



APPENDIX 11

If the petitioner is a Category 1 or Category 2 slot machine licensee, a waiver, on a form prescribed by the board which is signed by the petitioner and acknowledged by each of the petitioner's principals, of the following rights arising as a result of an amendment or addition to this part that took effect at the same time as the effective date of this section:

- (i) the petitioner's right under section 1209(f) (relating to slot machine license fee) or under any contract executed by the applicant and the department under section 1209(c) to receive the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license; and*
- (ii) the petitioner's right, if any, to sue for the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license.*

The Waiver is attached hereto.

ACKNOWLEDGEMENT AND WAIVER OF RIGHTS

MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION (Name of slot machine licensee), and FRANK QUIGLEY (Name of Officer authorized to legally bind the slot machine licensee), on behalf of MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION (Name of slot machine licensee) as well as its principals, owners, affiliates, officers and directors hereby acknowledge that a Table Game Operation Certificate authorized under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §§1101, et.seq. as amended, is a privilege to conduct table game operations in Pennsylvania under the purview, discretion and authorization of the Pennsylvania Gaming Control Board, and that there is no right created by State law to obtain said Table Game Operation Certificate.

MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION (Name of slot machine licensee) further acknowledges that by petitioning for the approval a Table Game Operation Certificate, MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION (Name of slot machine licensee) as well as its principals, owners, affiliates, officers and directors hereby knowingly waive certain rights which may otherwise arise as a result of amendments or additions to the Pennsylvania Race Horse Development and Gaming Act that took effect on January 7, 2010 as set forth below:

- (1) the right under section 1209(f) (relating to slot machine license fee) or under any contract executed by the slot machine licensee/petitioner and the Department of Revenue under section 1209(c) to receive the return of any portion of the slot machine license fee paid by the slot machine licensee/petitioner for its slot machine license;
- (2) the right, if any, to sue for the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license.

4 Pa.C.S. §1312A(b)(11)

Additionally, MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION (Name of slot machine licensee) acknowledges that should it be entitled to a return of any portion of its \$50 million slot machine license fee, a one-time slot machine license renewal fee will be assessed in an amount equal to the amount of the fee returned to the slot machine licensee as provided in 4 Pa.C.S. §1209(f)(3).

I, as an officer of the slot machine licensee, hereby certify that I am authorized on behalf of the slot machine licensee, and its principals, owners, affiliates, officers and directors, to sign this waiver and to bind the slot machine licensee to the terms and conditions of this Acknowledgement and Waiver of Rights. I further certify that I have had the opportunity to consult with counsel regarding this matter and am knowingly and voluntarily agreeing to the terms of the waiver as a condition of petitioning the Pennsylvania Gaming Control Board for the approval of a Table Game Operation Certificate pursuant to 4 Pa.C.S. Chapter 13A.

I certify that this Acknowledgement and Waiver of Rights has been presented to each of the slot machine licensee's/petitioner's principals for review and approval and that each principal has acknowledged and accepted the terms as indicated by his or her signature below.

I further certify and agree that if the slot machine licensee, on its own behalf or by and through its principals, owners, shareholders, officers and directors attempts to assert a challenge to the requirement of this waiver as a condition to receiving a Table Game Operation Certificate as provided for and required by 4 Pa.C.S. Chapter 13A and Section 1312A(b)(11), the slot machine licensee shall be responsible for indemnifying for, and holding harmless the Pennsylvania Gaming Control Board and its members, officials and employees from, all costs and expenses of litigation as well as from any claims or judgments for damages or other harm relating in any way to: the subject matter of the Acknowledgement and Waiver of Rights, the petition for a Table Game Operation Certificate, or a refund of license fees provided for under Section 1209(f) of the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §1209(f).

I am aware and agree that the failure to abide by agreements and terms of this Acknowledgement and Waiver of Rights may result in the suspension or revocation of any authorizations, permits, certificates and licenses to conduct gaming in Pennsylvania; and that false or misleading statements and representations made herein may subject myself to criminal penalties under 18 Pa.C.S. §§4902-4904.

MOUNTAIN VIEW THOROUGHBRED RACING ASSOCIATION
Name of slot machine licensee

[Signature]
Signature of Officer

Frank Quigley
Printed Name of Officer

(717) 4109-2011
Daytime Telephone Number

2-11-10
Date

Scribed and Sworn to me this 16th day of February of 2010.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Stephanie L. Poole, Notary Public
East Hanover Twp., Dauphin County
My Commission Expires June 7, 2011
Member, Pennsylvania Association of Notaries

Stephanie L. Poole
Notary Public

My Commission Expires on: 6/7/2011

The date and signature all principals of the slot machine licensee required to acknowledge the waiver of rights pursuant to 4 Pa.C.S. §1312A(b)(11).

[Signature] / 2.23.10 Date
[Signature] / 2/23/10 Date
[Signature] / 2/23/10 Date
 _____ / _____ Date
 _____ / _____ Date

Attach additional pages as necessary

The date and signature of all principals of the slot machine licensee required to acknowledge the waiver of rights to 4 Pa.C.S. §1312A(b)(11).

Desiree Ann Burke	<u>Desiree Burke</u>	<u>1 2/23/10</u>	Date
Gregg Hart	<u>Gregg Hart</u>	<u>1 2/25/10</u>	Date
John V. Finamore	<u>JSLV</u>	<u>1 2/23/2010</u>	Date
Jordan B. Savitch	<u>Jordan B. Savitch</u>	<u>1 2/26/10</u>	Date
Kyle Martin Sr.	<u>Kyle Martin Sr.</u>	<u>1 2/25/10</u>	Date
Thomas N. Auriemma	<u>Thomas N. Auriemma</u>	<u>1 2/25/2010</u>	Date
William J. Clifford	<u>William J. Clifford</u>	<u>1 2/23/10</u>	Date

The date and signature of all principals of the slot machine licensee required to acknowledge the waiver of rights to 4 Pa.C.S. §1312A(b)(11).

Barbara Z. Shattuck Barbara Z. Shattuck 2/24/10 Date

Harold Cramer _____/_____ Date

John M. Jacquemin _____/_____ Date

Robert P. Levy _____/_____ Date

Wesley Edens _____/_____ Date

The date and signature of all principals of the slot machine licensee required to acknowledge the waiver of rights to 4 Pa.C.S. §1312A(b)(11).

Barbara Z. Shattuck / Date


Harold Cramer / Date 24 Feb, 10

John M. Jacquemin / Date

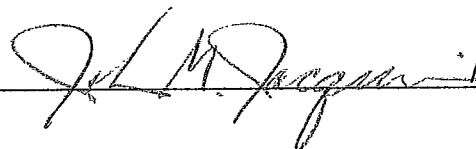
Robert P. Levy / Date

Wesley Edens / Date

The date and signature of all principals of the slot machine licensee required to acknowledge the waiver of rights to 4 Pa.C.S. §1312A(b)(11).

Barbara Z. Shattuck _____ / _____ Date

Harold Cramer _____ / _____ Date

John M. Jacquemin  2/25/10 _____ Date

Robert P. Levy _____ / _____ Date

Wesley Edens _____ / _____ Date

The date and signature of all principals of the slot machine licensee required to acknowledge the waiver of rights to 4 Pa.C.S. §1312A(b)(11).

Barbara Z. Shattuck _____ / _____ Date

Harold Cramer _____ / _____ Date

John M. Jacquemin _____ / _____ Date

Robert P. Levy Robert P. Levy / 2-24-10 Date

Wesley Edens _____ / _____ Date


The date and signature of all principals of the slot machine licensee required to acknowledge the waiver of rights to 4 Pa.C.S. §1312A(b)(11).

Barbara Z. Shattuck _____ / _____ Date

Harold Cramer _____ / _____ Date

John M. Jacquemin _____ / _____ Date

Robert P. Levy _____ / _____ Date

Wesley Edens  2/25/10 Date

APPENDIX 12

A description of the licensee’s plan to provide training and instruction, or equivalent, for personnel that will be involved in table games.

See **Appendix 12-a** - The Petitioner’s Preliminary Hollywood Casino Table Games Training Plan.

APPENDIX 12-a

PRELIMINARY HOLLYWOOD CASINO TABLE GAMES TRAINING PLAN

OVERVIEW

Hollywood Casino at Penn National Race Course (Hollywood) will conduct on-site dealer training in preparation for table games, pending all regulatory approvals. The proposed dealer training facility is located in a “back of the house” area adjacent to the main racing concourse on the 3rd level of the facility. Currently, this location is utilized as a storage area which will be retrofitted and equipped with all necessary gaming equipment and supplies to effectively train all potential dealers and associated table games support personnel. The attached diagrams depict the general location of the proposed training room in relation to the property as well as a detailed floor plan of the training facility depicting estimated locations and types of gaming tables to be set up in the facility.

TRAINING FACILITY SECURITY FEATURES

REDACTED

GAME TYPES AND ESTIMATED TRAINEES

Hollywood Casino is planning an initial offering of approximately 40 table games and 12 poker tables upon procuring all necessary Regulatory approvals. Additionally our implementation plan calls for an estimated “go live” date to the general public of mid-July through early August

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dependent upon all conditions being successfully satisfied within that time frame and final approval by the Board. Based on our anticipated opening offering of table games, we expect to train dealers in a variety of table games dependent on which games will be approved by the Board. Current plans are to employ 270 total dealers once all table games are open. As such, it is likely we will train in excess of 300 dealers. This number takes into consideration full time and part time dealers as well as an estimated number of individuals that may not successfully complete the training program or who choose not to deal at Hollywood. In addition, we also anticipate the training facility will be utilized to train support personnel such as surveillance officers, count team, etc... in their respective areas of responsibility.

Listed below are the estimated number of potential dealers to be trained and the anticipated quantity and types of gaming tables that will be located in the training room.

<u>Game Type</u>	<u># of Training Tables</u>	<u>Total Trainees</u>
Blackjack	5	130
Craps	2	60
Roulette	2	50
Mini Baccarat	1	30
Poker	<u>1</u>	<u>60</u>
<u>Total Training Games</u>	11	
<u>Total Estimated Trainees</u>		330

Please note that the trainees will also be trained in at least one secondary table game. The secondary table games would include Pai Gow Poker, Three Card Poker, Let It Ride, Four Card Poker, Spanish 21, assuming these games will be authorized for general public play by the Board. In such cases, the layouts for the table games will be changed out on the blackjack style games as needed.

Currently all table games listed on the game type breakdown will be procured from sister properties within the Penn organization. These games are previously used and are manufactured by Gaming Partners International. These training games will not be used for live table play.

In addition, at such point and assuming that the Shuffle Master I Table receives Board approval our plans would be to install at least one of these units in the dealer training facility for training purposes.

Listed below are the details relating to playing cards to be utilized in the training facility.

Manufacturer-Gaming Partners International, Paulson Premium (Jumbo Style)
See attached B&W samples.

- Paulson Logo on the backs of all cards with Red and Blue colored decks for all games.
- 8 decks of 52 cards for Blackjack training.
- 8 decks of 52 cards for Mini Baccarat training.
- 1 deck of 53 cards for Pai Gow Poker training. (The 53rd card being a Joker)
- 8 decks of 48 cards for Spanish 21 training. (The 10s will be removed)
- 1 deck of 52 cards for Three Card Poker, Let It Ride, and Four Card Poker training.
- 1 deck of 52 cards for Poker training.

TRAINING SCHEDULES/HOURS OF OPERATION

Pending Board approval our plan would be to begin training of both in-house and external applicants Monday, March 1st, 2010. This would allow us ample time in preparation of our mid-July to early August opening. Upon opening of table games, we would continue to operate our dealer training facility to train any replacement dealers needed, to train existing dealers in new games or to train dealers for any future table game expansions that may be undertaken..

Planned training sessions at this time would be 4 hour classes to be held 5 days per week (20 hours total per week) with an estimated 20-30 students per class per game. Estimated class times would be 6:00AM to 10:00AM, 2:00PM to 6:00PM, and 6:00PM to 10:00PM. However, these times could vary dependent upon which times work best for the majority of the participants. In addition, at such point that we feel the training schedule will need to be accelerated to make our opening dates we could increase the amount of classes as required to have the proper amount of dealers trained. If this in fact does become the case, our training facility could potentially operate 24 hours per day, 7 days per week.

TRAINING CLASS CONTENT

All trainers will be thoroughly experienced within their disciplines in accordance to any Board requirements and at a minimum will have demonstrated proficiency to the Director of Table Games in the game they are teaching as well as their overall ability in game instruction. Dealers will be instructed on how to deal the specific table game in compliance with Board regulations and anticipated Hollywood internal controls. All dealers will receive training manuals explaining each individual game, procedures, and rules of play. Training will also consist of cheque

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handling and dexterity, card placement, shuffling, washing of cards, stick handling in craps, ball spins in roulette etc...

In addition dealers will be instructed on all procedures including opening and closing of tables, fills, credits, markers, counting of cash, CTR training, dropping tokens, inspection of cards and equipment, etc.

Dealers will also be instructed on game integrity and security including but not limited to tapping in and off games, clearing of hands, common and potential cheating methods by players including basic card counting techniques. Dealers will meet any requirements set forth by the Board and any other agency that will be involved in determining the standards and guidelines necessary for completion and certification.

Upon completion of the necessary hours for each table game, potential dealers will be required to audition in the presence of table games management and will be required to demonstrate proficiency and knowledge of the game as well as a thorough understanding of all procedures covered in the training class.

Hollywood Table Games Department Training Outline

Table Game Introduction

- Brief history of table games
- General terminology of table games
- Reporting lines
- Property table games offerings
- Guest service expectations

Specific Table Game Discipline

- Issue game procedure manual
- Overview on game rules and methods of play
- Understanding of the various winning payouts and odds of each payout
- Proper methods of collecting losing wagers and paying winners

Gaming Cheques

- Understanding individual and stack values of gaming cheques
- Proper handling procedures including stacking, cutting, and picking
- Proper placement of cheques on layout by player
- Proper placement of cheques on layout for winners
- Proper arrangement of cheque racks and banks

Playing Cards and Dice

- Understanding of different types of playing cards by specific game
- Proper procedures for inspection of cards and dice
- Proper techniques for dealing, placing and pick up of cards
- Understanding of proper/improper rolls of dice
- Proper shuffling techniques
- Cards/dice that leave the table/ loss of dice
- Use of automatic shufflers
- Replacement of damaged cards during shift
- Player handling of cards

Table Game Accounting Procedures

- Proper currency counting procedures/dropping of currency in drop box
- Table game openers, closers, and fills
- Credit procedures
- Procedures for acceptance and handling of dealer tokens

Table Game Security/Protection/Integrity

- Access to the gaming pit
- Procedures for tapping on/off game
- Clearing hands
- Common cheating techniques and scams
- Mistakes in dealing game/settling wagers
- Verbal communication with floor person on certain transactions
- Dealer responsibilities in maintaining visual sightlines of table
- Dealer uniforms/articles in pit areas

Course Completion

- Confirmation that total number of required training hours has been satisfied
- Satisfactory completion of “audition” in live or simulated live table game environment as observed by table games management.

Hollywood Finance Departments Training Outline

Cashier's Cage

All Cashier Supervisors and above will be trained to all additional functions

- **Cage Cashiers - Front Line - Manual and computerized process:**
 - Chip Redemptions
 - Chip Transfers
 - Marker Issuance
 - Marker Redemptions
 - Credit Card Cash Advance
 - POS Debit
 - Acceptance of Credit Applications
 - Signature scanning for Credit Apps
 - ACSC system for computerized transactions/reports

- **Chip functions by Main Bank Cashiers - Manual and computerized process:**
 - Fills
 - Credits
 - Rotating Chips
 - Chip Transfers Received
 - Openers/Closers
 - Outstanding Chip Liability
 - Acceptance of Dealer Tokens
 - ACSC system for computerized transactions/reports

- **Marker functions by Main Bank Cashiers - Manual and computerized process:**
 - Receipt of markers from pit - electronic acknowledgement
 - Marker issued from cage
 - Markers redemptions
 - Daily Marker Deposit
 - Return Checks
 - Mail-In Payments
 - ACSC system for computerized transactions/reports

- **Main Bank additional functions by Main Bank Cashiers:**
 - Poker Bank imprest inventory
 - Buying the Table Game Drop
 - Buying the Poker Drop
 - Bad Beat Poker Jackpots

Revised Cage Closeout Sheet

Revenue Audit

Chip Transfers
Marker Issuance
Marker Redemptions
Credit Card Cash Advance
POS Debit
Fills
Credits
Openers/Closers
Outstanding Chip Liability

Markers from pit - electronic acknowledgement
Marker issued from cage
Markers redemptions
Daily Marker Deposit
Return Checks
Mail-In Payments
ACSC system for computerized transactions/reports

Poker Bank
Table Games Drop - Master Games Report
Poker Drop/Rake
Bad Beat Poker Jackpots/W-2g's
New GL accounts for revenue for each table game type
Revised journal entry for table game revenue
Calculation of Table Game Revenue
DOR Reporting

Hollywood Surveillance Training Outline

1. Table Games Department

- a.) Structure and Responsibilities
- b.) Job Descriptions
- c.) Internal Controls

2. Dealers

Game Protection

- a.) Clearing Hands
- b.) Tapping On/Off Game
- c.) General Procedures for all Dealers

3. Blackjack

- a.) Error in Dealing Cards
- b.) Card Inspection and Damaged Cards
- c.) Card Counter/Advantage Players
- d.) Bet Capping/Pinching
- e.) Marking Cards
- f.) Internal Controls/House Rules

4. Roulette

- a.) Table Minimums/Maximums
- b.) Non-Value Chips
- c.) Lammers/Chip Values
- d.) Missing Roulette Ball
- e.) Internal Controls/House Rules
- f.) Possible Scams

5. Craps

- a.) Dealer Positions
- b.) Box Person's Responsibilities
- c.) Checking of Dice
- d.) Internal Controls/House Rules
- e.) Dice off the Game/Missing Dice
- f.) Possible Scams

6. Poker

- a.) Different Variations of the Game
- b.) Casino Rake
- c.) Poker Cards and Inspection
- d.) Internal Controls/House Rules
- e.) Possible Scams

7. Miscellaneous Games

- a.) General Game Information
- b.) Internal Controls/House Rules
- c.) Possible Scams

8. All Games

- a.) Opening Procedures
- b.) Closing Procedures
- c.) Token Drop
- d.) Table Box Drop
- e.) Layout Changes
- f.) Access to the Pit
- g.) Table Fills/Credits
- h.) Emergency Token or Table Box Drop

9. Cage

- a.) Chips Values/Color
- b.) Fill Bank
- c.) Fill/Credit Process

10. Surveillance

- a.) Observation of Games
- b.) Proper Camera Angles
- c.) Identifying Players on a Game
- d.) Interaction with Pit/Shift Managers
- e.) Requests from the Pit
- f.) Internal Controls
- g.) Photos/Currency Transaction Reports
- h.) Internal Controls/House Rules
- i.) Department Rules and Procedures.

Hollywood Security Department Training Outline

Gaming Chips

- Colors and values of gaming chips
- Non-value roulette chips
- Poker Chips
- Chip fill, procedures
- Use of chip trays, chip carriers

Cards and Dice

- Understanding different card types dependent on specific game
- Card and dice storage security measures
- Card and dice inspection and destruction procedures

Accounting/Drop

- Table Drop box pick up procedures
- Credit/marker procedures
- Associated miscellaneous administrative documentation

Training Implementation

All security training listed above will be conducted by and/or under the direction of the Director of Security based on final regulations and Internal Control Policies. Training will be ongoing to all security department personnel and where necessary the dealer training facility will be utilized.

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FILED
MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION
PETITION TO CONDUCT TABLE GAMES

REDACTED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08/11/2010 BY 60322 UCBAW/STP

APPENDIX 13

Total anticipated investment by the licensee associated with table games (construction, renovations, etc.) and an estimate of the number of construction jobs involved.

The Petitioner intends to invest \$8.5 million in design, construction, furniture, fixtures and equipment (FF&E) in its casino facility in order to offer table games and another \$16.5 million authorization fee. See also **Appendix 6-a**, Sources and Uses Statement.

As stated in **Appendix 5**, we estimate that the renovations required install table games at Hollywood casino will generate approximately \$2 million in construction related payroll. At this early stage we cannot yet accurately estimate the actual number of construction jobs that will be created by the table game installation.

APPENDIX 14

Table Game Security and Surveillance Plans

See **Appendix 14-a** for Table Game Security Plan.

See **Appendix 14-b** for Table Game Surveillance Plan.-

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