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March 31, 2008

VIA HAND DELIVERY

Richard Sandusky, Director of Regulatory Review
PENNSYLVANIA GAMING CONTROL BOARD
Fifth Floor - Strawberry Square
Harrisburg, Pennsylvania 17101

**RE: Philadelphia Entertainment and Development Partners, L.P., d/b/a
Foxwoods Casino Philadelphia's Comments to Proposed Rulemaking
In re: Regulation #125-82**

Dear Mr. Sandusky:

Enclosed please find Philadelphia Entertainment and Development Partners, L.P.'s comments to the Pennsylvania Gaming Control Board's Proposed Rulemaking regarding Regulation No. 125-82, 58 Pa. Code §441a.24.

Should you have any questions, please feel free to contact the undersigned. Thank you for your attention to this matter.

Respectfully submitted,


STEPHEN D. SCHRIER

SDS/lah
Enclosure

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**BEFORE THE
PENNSYLVANIA GAMING CONTROL BOARD**

In re: Regulation #125-82
Proposed Rulemaking – 58 Pa. Code,
Chapter 441a

Filed By: Foxwoods Casino Philadelphia
Category 2 Slot Machine Licensee

Counsel of Record:
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**PHILADELPHIA ENTERTAINMENT AND DEVELOPMENT PARTNERS, L.P., D/B/A
FOXWOODS CASINO PHILADELPHIA’S COMMENTS TO
PROPOSED RULEMAKING, 58 PA. CODE § 441a.24**

Philadelphia Entertainment and Development Partners, L.P. d/b/a Foxwoods Casino Philadelphia (“Foxwoods Casino Philadelphia” or “Foxwoods”) was awarded a Category 2 slot machine facility license for the City of Philadelphia by the Pennsylvania Gaming Control Board (“PGCB” or “the Board”) on December 20, 2006. Foxwoods Casino Philadelphia submits these comments to the Board’s Proposed Rulemaking regarding Regulation 125-82, 58 Pa. Code § 441a.24, which was published in the *Pennsylvania Bulletin* on March 1, 2008 at 38 Pa.B. 1039.

COMMENTS TO CHAPTER 441a.24

Foxwoods Casino Philadelphia suggests that the requirement that members of the independent audit committee have no relationship to the slot machine licensee beyond membership on the committee, as established in §441a.24(5)-(7), is unduly onerous and unnecessary to ensuring the quality, reliability and accuracy of financial disclosures made to the Board. First, the Department of Revenue of the Commonwealth already has overall control of all

active slot machines through the central control computer system, which facilitates the Board's auditing and security programs by capturing and recording data on all play. See 4 Pa.C.S.

§1323. Current regulations in other gaming jurisdictions such as Nevada and New Jersey do not require the implementation of a similar centralized computer system. As such, since the Department of Revenue, and by extension, the Board have direct, unfettered access to the licensee's raw financial data, an independent audit committee's review of this information is duplicative.

Second, the requirement that none of the members of the independent audit committee have any relationship with the slot machine licensee is unduly burdensome and constitutes a substantial expense without a verifiable benefit. To the contrary, the New Jersey Casino Control Commission recently determined that exclusion of independent audit committee members from the Board of Directors actually undermines the ability of the committee to carry out its intended function.

The regulation in its current form requires the appointment of no fewer than three (3) members. In addition, the licensee is precluded from appointing to the independent audit committee persons with an ownership interest, management, persons serving on its Board of Directors, principals, key employees or anyone else having any relationship whatsoever to the licensee. As a consequence, the licensee is prevented from having financial professionals or other qualified persons with whom it has an established relationship, and experienced personnel who are already licensed by the Board, from participating on the independent audit committee. The licensee must incur the expense of identifying and recruiting potential qualified committee members who are willing and able to go through the Board's rigorous licensing process with the

understanding that their sole function would be limited to serving on the independent audit committee.

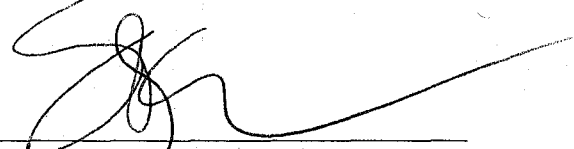
Foxwoods Casino Philadelphia suggests that the regulations be modified so that at least two (2) of the independent audit committee members may be persons having some relationship to the licensee, and who are licensed by the Board. This recommendation is consistent with the independent audit committee regulations in New Jersey, which do not impose the restriction currently in §441a.24(5)-(7). See N.J.A.C. 19:45-1.11(c). In addition, the New Jersey Casino Control Commission recently opined that members of the independent audit committee should also be members of the licensee's board of directors. See *Amended Petitions of Adamar of New Jersey, Inc. for Renewal of its Casino and Casino Hotel Alcoholic Beverage Licenses and Other Matters*, (CCC 2007) at Page 41 ("It also points up an essential feature of the [independent audit]committee that was lacking here: each independent committee member must also have a seat on the board of directors. Without that prerogative, any such committee would be toothless, and the Commission has so recognized in other cases.") citing, *In the matter of the Applications of Resorts International Hotel, Inc. for Renewal of Casino License and Lectrolarm Custom Systems, Inc. and International Intelligence, Inc. For Renewal of Casino Service Industry Licenses*, (CCC 1985); *In re Application of GNOC, CORP. for a Renewal of a Casino License*, 11 N.J.A.R. 433, 448-449 (CCC 1986).

Additionally, Foxwoods Casino Philadelphia suggests that §441a.24(16) be amended to require that any reports of violations of the act, regulations or other laws made to the Board be simultaneously provided to the licensee's Chief Executive Officer.

WHEREFORE, for all of the foregoing reasons, Foxwoods Casino Philadelphia requests the Board to incorporate its comments into its final rulemaking.

Respectfully submitted,

By:



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Dated: March 31, 2008