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March 23, 2009

Richard Sandusky
Director of Regulatory Review
Pennsylvania Gaming Control Board
P.O. Box 69060
Harrisburg, Pennsylvania 17101-9060

Re: Public Comment on Regulation No. #125-97
§ 437a.9 - Vendor Permission to Conduct Business
Prior to Certification or Registration

Dear Mr. Sandusky:

Please accept the enclosed comments to the proposed regulation on behalf of HSP Gaming, L.P. and Holdings Acquisition Co, L.P.

Very truly yours,

Michael D. Sklar/mi

MICHAEL D. SKLAR

MDS/mi
Enclosure
cc: IRRC
Greg Carlin
Robert Sheldon
Ed Fasulo

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**Comments of HSP Gaming, LP and Holdings Acquisition Co, L.P.
to Proposed Regulations Pertaining to Pennsylvania Gaming Control
Board Regulation #125-97 (Chapters §437a.9 - Vendor Permission to
Conduct Business Prior to Certification or Registration)**

The proposed amendments to §437a.9 requiring a casino licensee to "immediately cease conducting business" with the vendor is not practical. First, there should be a procedure to provide notice and an opportunity for the vendor to respond and/or cure the issue which has triggered OEC concern. Further, the casino licensee must be provided with notice that an issue exists with one of its vendors and provided with an opportunity to replace the problem vendor in an orderly manner. For example, if a critical construction vendor is in the middle of the job, a notice from the PGCB to immediately cease doing business with such vendor would have a material adverse impact on the construction schedule and likely lead to a dramatic increase in the cost of construction. The casino licensee must be afforded the opportunity to maintain the problem vendor for a reasonable period of time to allow the casino licensee to secure a replacement contractor.