



**MASSACHUSETTS GAMING COMMISSION  
PUBLIC MEETING #208**

January 19, 2017  
10:00 a.m.

**Massachusetts Gaming Commission**  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA



Massachusetts Gaming Commission



**NOTICE OF MEETING and AGENDA  
January 19, 2017**

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

**Thursday, January 19, 2017  
10:00 a.m.  
Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA**

**PUBLIC MEETING - #208**

1. Call to order
2. Approval of Minutes
  - a. January 5, 2017 – VOTE
3. Research and Responsible Gaming – Mark Vander Linden, Director
  - a. 12 Month Lottery Analysis – Mark Nichols, Ph.D., Professor and Director of Economics Graduate Programs, University of Nevada at Reno (participating remotely) and Rachel Volberg, Ph.D. SEIGMA Principal Investigator, UMass Amherst – School of Public Health
4. Administrative Update – Ed Bedrosian, Executive Director
  - a. General Update
  - b. Massachusetts Gaming Commission Quarterly Budget Review – D. Lennon, Chief Financial and Accounting Officer
5. Racing Division – Alex Lightbown, Director and Chief Veterinarian
  - a. Suffolk Downs Capital Fund Payment Request – D. O'Donnell, Senior Financial Analyst – VOTE
  - b. Suffolk Downs Capital Fund Consideration Request – D. O'Donnell, Senior Financial Analyst – VOTE
6. Investigations and Enforcement Division – Karen Wells, Director
  - a. Non-Gaming Vendor Registration Discussion – S. Crosby, Chairman
  - b. Service Employees Registration Discussion – S. Crosby, Chairman
  - c. Key Gaming Employee- Executive, Suitability Decision – VOTE



**Massachusetts Gaming Commission**

7. Legal Division – Catherine Blue, General Counsel
  - a. Plainridge Park Casino Capital Investment Plan Review Required by 205 CMR 139.09 – E. Bedrosian, Executive Director
  - b. Regulation and Amended Small Business Impact Statement Final Review – VOTE
    - i. 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls
    - ii. 205 CMR 144.00: Approval of Slot Machines and Other Electronic Gaming Devices and Testing Labs
    - iii. 205 CMR 145.00: Possession of Slot Machines and Other Electronic Gaming Devices
8. Commissioner’s Updates
9. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as “Massachusetts Gaming Commission Meeting” at [www.massgaming.com](http://www.massgaming.com) and emailed to: [regs@sec.state.ma.us](mailto:regs@sec.state.ma.us), [melissa.andrade@state.ma.us](mailto:melissa.andrade@state.ma.us).

1/12/17  
DATE

  
Stephen P. Crosby, Chairman

**Date Posted to Website:** January 17, 2017 at 10:00 a.m.



Massachusetts Gaming Commission



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## Meeting Minutes

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**Date/Time:** January 5, 2017 – 10:00 a.m.

**Place:** Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts

**Present:** Chairman Stephen P. Crosby  
Commissioner Gayle Cameron  
Commissioner Lloyd Macdonald  
Commissioner Bruce Stebbins  
Commissioner Enrique Zuniga

**Time entries are linked to  
corresponding section in  
Commission meeting video**

### Call to Order

See transcript page 2

[10:00 a.m.](#) Chairman Crosby called to order the 207<sup>th</sup> Commission meeting, the first meeting of 2017.

### Approval of Minutes

See transcript pages 2-8

[10:00 a.m.](#) Commissioner Macdonald suggested a change to the draft minutes dated December 15, 2016 pertaining to Christopher Bruce's crime report.

*Commissioner Macdonald moved that after the sentence which reads, "He noted that there are little impacts on most crimes and calls for service in the surrounding area", that a new sentence be added to this effect: "Overall, he stated that most changes in public safety data are proportional with non-gambling facilities of similar size." Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

Chairman Crosby suggested a change to the draft minutes dated December 15, 2016 pertaining to Christopher Bruce's crime report and the sentence, "He reported that one hundred percent of the offenders were identified and apprehended" to reflect that 100% of the offenders who were identified were apprehended.

*Commissioner Cameron moved that the Commission add the term reported crime which clarifies the hundred percent number. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

*Commissioner Macdonald moved for the approval of the December 15, 2016 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

### **Administrative Update**

See transcript pages 8-9

[10:05 a.m.](#) Executive Director Edward Bedrosian, Jr. reported that today is the one-year anniversary of his employment at the Commission. Commissioner Zuniga noted that it is the fifth-year anniversary of employment at the Commission for Chief of Staff Janice Reilly.

Executive Director Bedrosian stated that he is starting to work with staff on 2017 priorities which include compliance responsibilities and the FY 2018 budget.

### **Investigations and Enforcement Bureau (IEB)**

See transcript pages 10-80

[10:06 a.m.](#) Attorney Carrie Torrisi presented on the rules of play for the table games at the Category 1 casinos. She stated that she surveyed the table game rules in five jurisdictions and the results are compiled in a chart and memorandum for the Commissioners' consideration. She stated that there are two key issues – the approval process for the rules and publication of the rules. Attorney Torrisi provided a summary of the approval process for table games in five jurisdictions. She also reported on the options for publication of the table games rules which included regulations and posting on the agency website.

Bruce Band, Assistant Director/Chief of Gaming Agents, and Burke Cain, Senior Supervising Gaming Agent, reported on recommendations for key questions listed in the memorandum. The recommendations included the following: that the initial rules of the game and wagers be reviewed and approved by the Commission; that the rules be published for all games on our website; a process for review of new games is created; that the rules of the game be posted on the casino floor, at the GameSense Center, and our website; and that regulations be submitted to the Commissioners in one packet for review.

The Commissioners stated that they were impressed with Attorney Torrisi's memorandum. Commissioner Zuniga stated that he would like to give the licensees flexibility to be competitive and innovative in a tight market. Commissioner Stebbins stated that he likes the suggestion of posting the rules on our website and at the GameSense Center. He also stated that he would like to see flexibility for the licensees to make changes beyond the initial 17 games and he welcomes licensee participation. Commissioner Cameron stated that she likes the collaboration between the IEB and Legal and she looks forward to further discussions.

Chairman Crosby suggested putting the questions in the memorandum out for public comment. Executive Director Bedrosian stated that there is always an opportunity for public comment and he wants to keep the process going. He stated that he could informally talk to our licensees and get their feedback within two weeks. Chairman Crosby stated for the record that if anyone wishes to comment they may do so within two weeks, but there will be another opportunity for comments.

Commissioner Macdonald inquired about how a trial period works for new table games. Mr. Band responded that signage is posted that the casino is testing a new game and the rules are posted. He also stated that pit personnel keeps notes on patron comments.

Commissioner Stebbins inquired about an independent review process and Mr. Band stated that they will receive data from the lab pertaining to odds and formulas for wagers.

Chairman Crosby stated we will bring this up again in two weeks. He also stated that Elaine Driscoll, Director of Communication, will put out a request for public comment on the questions raised in the memorandum prepared by Attorney Torrasi.

10:52 a.m. Loretta Lillios, Chief Enforcement Counsel /Deputy Director, presented on proposed amendments to the non-voluntary exclusion list regulation (205 CMR 152). She noted that the Commission is required by statute to maintain a list of individuals whose presence in a casino would threaten the interest of the Commonwealth or negatively affect the public's confidence in gaming. She stated that the amendments would differentiate between the public list posted on our website and the internal list for law enforcement staff and casinos. She stated that the internal list would be detailed and the website would only include the names and years of birth, not the reasons why they are on the list. She stated that a full description on a public list of the rationale of why they are excluded could run afoul of Massachusetts law and might be intrusive to the person's privacy interest.

She also noted that Commissioner Stebbins suggested removing language "on a regular basis" as it pertains to the casino's responsibility to identify and eject those individuals on the list. Commissioner Stebbins stated that the language was too loose and this change would make the casinos more diligent in their responsibility.

Ms. Lillios requested that the Commission put the amendments out for informal public comment. There was a discussion about the hearing process. Ms. Lillios stated that before an individual is placed on the list (internal or public), the individual is notified and given an opportunity for a hearing.

11:10 a.m. Director Karen Wells presented on the gaming vendor primary license application for KGM Gaming, LLC – which consisted of one applicant and four individual qualifiers. She stated that KGM is based in Pennsylvania and they distribute gaming machines and supply slot bases, custom seating, signage and graphics to casinos. She reported that the IEB conducted a suitability investigation, site visits, financial analysis, and interviews. Director Wells recommended that the Commission approve the license with the condition that KGM report to the IEB, in

six month intervals, with a description of its compliance activities and efforts within the company.

[11:16 a.m.](#) *Commissioner Cameron moved that the Commission approve KGM Gaming, LLC for full licensure. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[11:17 a.m.](#) Director Wells stated that going forward the IEB will have the authority to grant these type of licenses and the reports will be made available to the Commissioners to review.

11:19 a.m. The Commission took a brief recess.

11:23 a.m. The meeting resumed.

### **Legal Division**

See transcript pages 80-104

[11:23 a.m.](#) General Counsel Catherine Blue presented on the amended small business impact statement and final draft amendments for 205 CMR 134: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations. She stated that a public hearing was held and public comments were received. General Counsel Blue requested approval for final promulgation.

Commissioner Stebbins stated that he applauds the changes that were made but he is not in favor of instituting a de minimus exemption at this time. He believes that it is important for the Commission to know everybody that our licensees are doing business with. He also believes that it may add some hurdles in tracking and confirming the amount of business that our licensees do with minority, women and veteran-owned businesses. He stated that it may be a little too early to consider a de minimus exemption without much experience in the area of registration with larger casinos. General Counsel Blue noted for the record that Commissioner Stebbins does not agree with this provision.

There was a discussion about comments received.

[11:47 a.m.](#) *Commissioner Macdonald moved that the Commission approve the amended small business impact statement and final amended version of 205 CMR 134 as included in the packet and authorize the staff to take all steps necessary to file the regulation with the Secretary of the Commonwealth and complete the regulation promulgation process. Motion seconded by Commissioner Cameron. Chairman Crosby and Commissioners Cameron, Macdonald and Zuniga voted aye. Commissioner Stebbins voted nay. Motion passed 4 to 1.*

### **Research and Responsible Gaming**

See transcript pages 104-147

[11:48 a.m.](#) Director Mark Vander Linden presented on the advancement of play management tools to Category 1 facilities. He stated that the Category 1 licensees are in the process of developing their casino management systems and they need direction from the Commission on how to proceed with the development of play management

tools. Director Vander Linden stated that a key element of the Responsible Gaming Framework is to support informed player choice. In January 2015, the Commission voted to adopt a play management system that included budget setting tools. He stated that Play My Way, a voluntary budget setting tool, was launched in June 2016 at Plainridge Park Casino.

[11:51 a.m.](#) Program Manager Teresa Fiore provided a summary of the Play My Way Program (“PMW”). She stated that 7,319 patrons have enrolled in the PMW program and 1,048 patrons have unenrolled from June – November 2016. The Commissioners requested additional analysis. Director Vander Linden noted that data on the PMW program is being collected by Harvard Medical School/Cambridge Health Alliance and a report should be available in June 2017.

[11:57 a.m.](#) Director Vander Linden provided an overview of the development and implementation of PMW which included challenges, costs, and installation. He noted that Plainridge Park Casino has been a great partner with the development of PMW. He also noted that the GameSense Advisors have been great champions of PMW and they should be credited for their efforts with patron enrollment. He also pointed out the collaboration between Plainridge Park Casino, the GameSense Advisors, and the Massachusetts Council on Compulsive Gambling on a communication plan for a successful launch.

Director Vander Linden noted studies conducted by Dr. Michael Wohl on the Ontario My Play program.

Director Vander Linden stated that enrollment in PMW for the first six months has been robust and unenrollment has been low. He stated that there has been a steady flow of new research showing play management tools are effective. He stated that PMW hasn’t created any major disruption on the casino floor and the initial feedback from patrons has been positive.

Director Vander Linden recommended that the Commission draft regulations that would give Category 1 licensees directions on requirements to develop play management tools. He also recommended that a final decision to formally adopt play management should wait until we receive findings from the evaluation in June. Chairman Crosby stated that based on the anecdotal data so far, our licensees should assume that we are going to say yes and require play management. Executive Director Bedrosian stated that he will connect with the licensees about a technology deadline as the product will have to be designed. Commissioner Macdonald stated that MGM and Wynn should anticipate that we are going to be requiring something similar to PMW. Commissioner Cameron stated that she would like to get the data and looks forward to the evaluation report.

John Glennon, Chief Information Officer, noted that a software development cycle will take 12 months or more. He stated that we should develop the software and make sure it’s compatible with the casino floor and the CMS (Central Management System) before the casino opens.

[12:22 p.m.](#) Chairman Crosby stated that we have to give our licensees some advice on what to do in order to hold the option open. He also stated that we are committed to an objective evaluation. Commissioner Stebbins stated that he would be interested in



hearing feedback from our licensees about adoption and implementation of PMW. Commissioner Macdonald suggested having Wynn and MGM make a submission to the Commission on these issues within four weeks. Chairman Crosby suggested we include Plainridge Park Casino so they can tell us what they think. Chairman Crosby also suggested that Director Vander Linden take another look at the timeline. Commissioner Cameron stated that our numbers are higher and our organization and evaluation appear to be more thorough than other programs that were discussed at an international gaming conference. Commissioner Zuniga stated that the licensees should plan for the real possibility that this could happen because costs could be greater to retrofit after the facilities open. He stated that the data we have is good and the data we have not seen is also compelling such as complaints by patrons and Plainridge Park Casino. Chairman Crosby stated that we should get a presentation from our licensees and work out a schedule.

Commissioner Macdonald inquired about the recommendation to create draft regulations. John Glennon stated that they have a good start on a set of draft regulations. Executive Director Bedrosian suggested that we continue to work on the regulations.

#### **Commissioner's Update**

See transcript pages 147-150

12:39 p.m. Commissioner Stebbins stated that he continues to meet with senior local staff from the Governor's Skills Cabinet. He stated that MGM conducted a presentation at a meeting to share their experience with National Harbor. Commissioner Stebbins and Chairman Crosby also reported they had meetings with Legislators regarding the gaming economic development fund.

#### **Other Business Not Reasonably Anticipated**

See transcript pages 150-151

12:42 p.m. *Having no further business, a motion to adjourn was made by Commissioner Zuniga. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

#### **List of Documents and Other Items Used**

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated January 5, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated December 15, 2016
3. Massachusetts Gaming Commission, Memorandum dated December 22, 2016 regarding Table Game Rules, with attachment (chart)
4. Draft Amendments to 205 CMR 152.00: Individuals Excluded from a Gaming Establishment
5. Letter to the Commissioners from IEB Director Karen Wells, dated January 3, 2017 regarding the Suitability Investigation of KGM Gaming, LLC, Applicant for Licensure as a Gaming Vendor-Primary
6. 205 CMR 134.00 - Amended Small Business Impact Statement
7. Draft Amendments to 205 CMR 134.00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations.

/s/ Catherine Blue

Catherine Blue, Assistant Secretary

# Lottery Revenue and Plainridge Park Casino: First Year of Casino Operation

Dr. Mark W. Nichols  
University of Nevada, Reno  
January 19, 2017

# Overview and Context

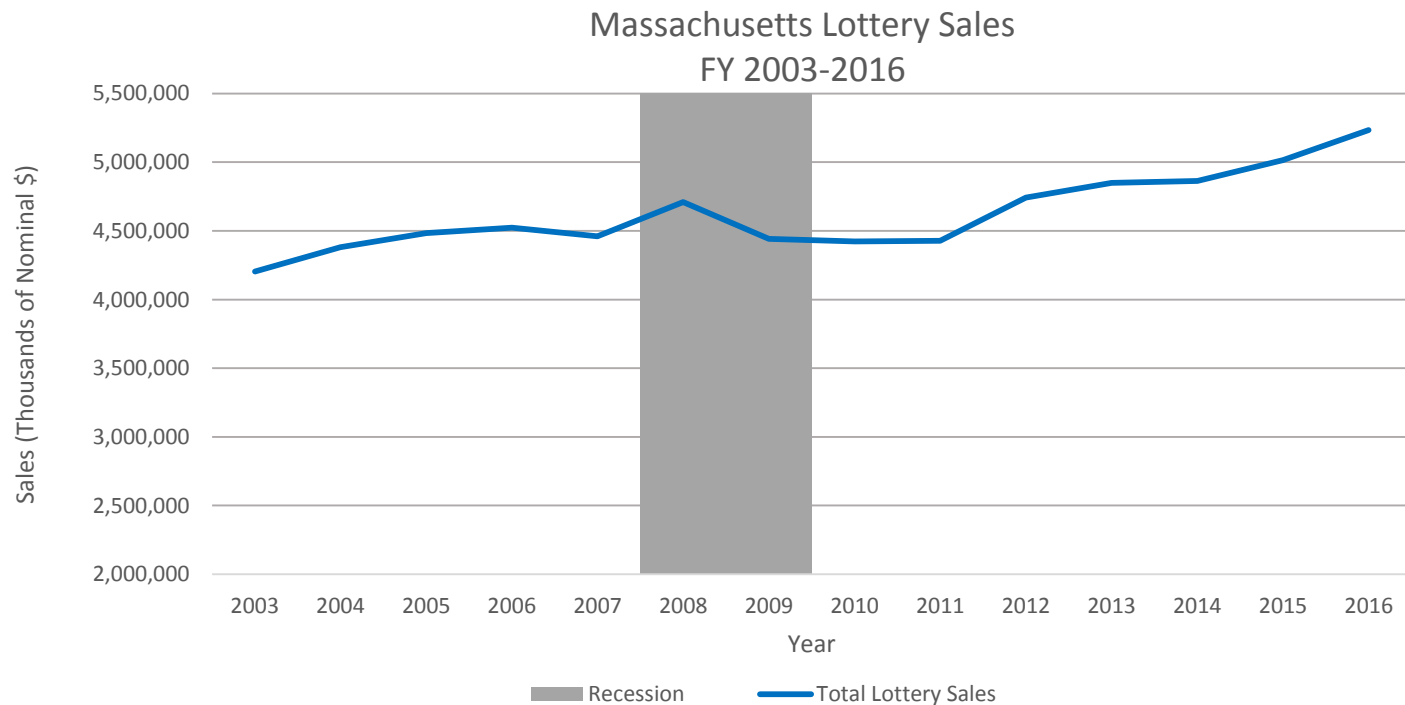
- Focus on impact of Plainridge Park Casino (PPC)
- Results presented by:
  - fiscal year data (2003-2016).
  - year-over-year agent level sales (6/15/2014-6/20/2015 *compared to 6/21/2015-6/25/2016*).
  - bi-weekly agent-level sales (6/15/2014-10/8/2016).
- Analyze sales statewide, in host and surrounding communities, and varying distances from casino

# Overview of Key Findings

- No widespread decrease in lottery revenue following the opening of PPC.
- Lottery revenue in areas near PPC does not decline, on average.
- Lottery revenue in areas near PPC grows more slowly, on average, than rest of Massachusetts.
- Results are short term and not reflective of future results or other casino openings.

# Massachusetts Lottery Trends

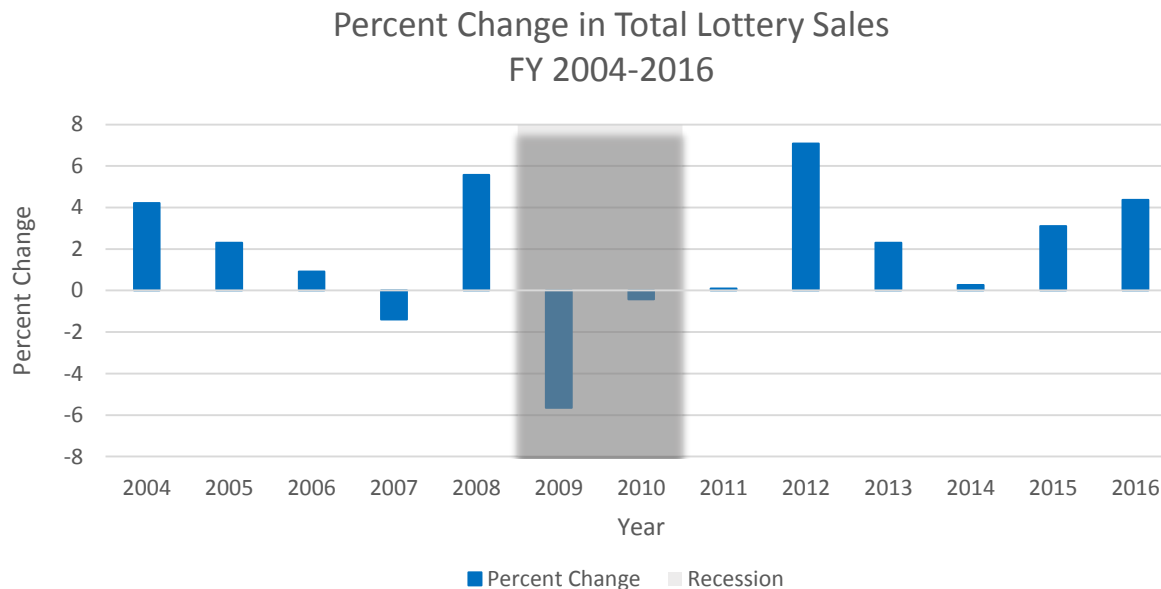
- MA lottery sales growth slowed during recession. Increased recently. Average annual growth rate 2003-2016: 1.70%



Nominal Dollars, FY 2003-2016. Source: MA Lottery

# Percent Change: Statewide Sales

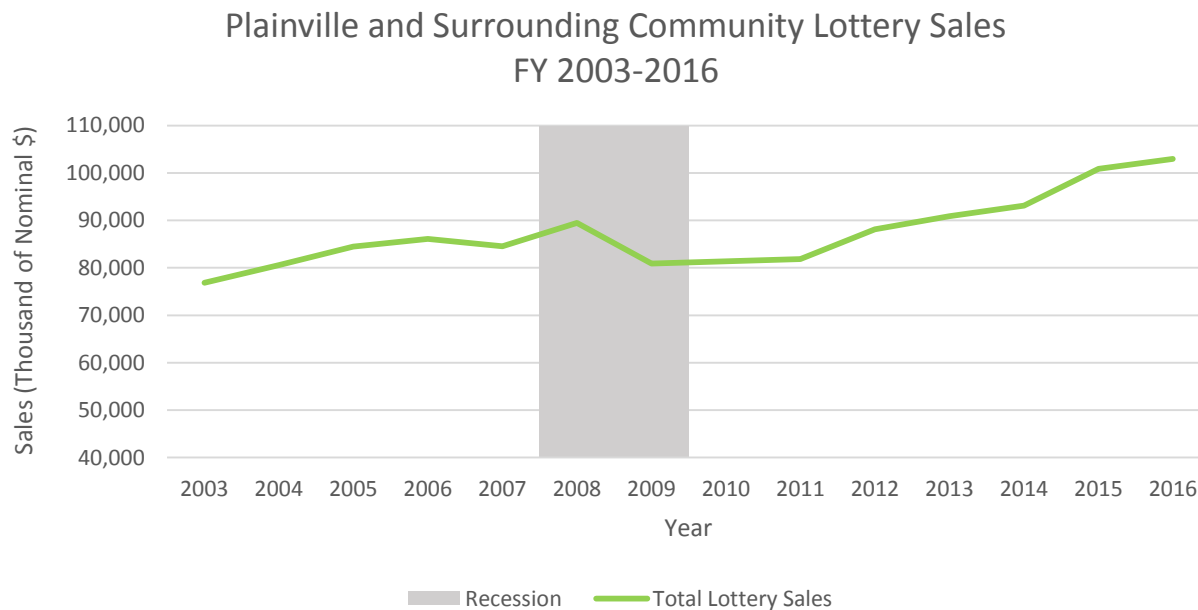
- Growth outside of recession years generally positive, but variable. FY 16 sales up 4.3%.



*Percent Change in Nominal Dollars. Source: MA Lottery*

# Plainville and Surrounding Communities

- Plainville and surrounding communities. Average annual growth rate 2003-2016: 2.28%



Nominal Dollars, FY 2003-2016. Source: MA Lottery

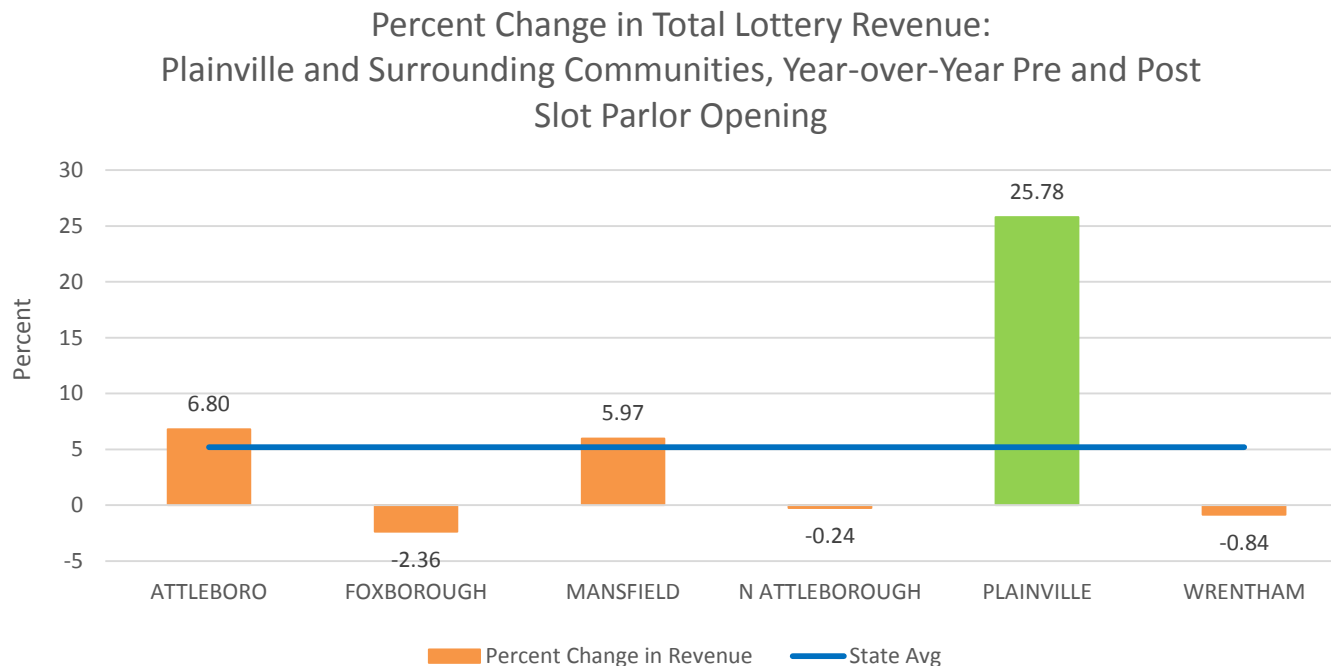
# Weekly Lottery Outlet Data

- MA Lottery providing weekly sales data by agent. (Weekly sales for over 7,500 agents).
- Agent specific data unique opportunity and big advantage.
- Analyze lottery sales by community, driving time and/or mileage from casino, game, and multiple time periods (year over year; bi-weekly).



# Year-over-Year Change in Plainville and Surrounding Communities

- Attleboro, Mansfield, Plainville exceed state average growth; Foxborough, N. Attleborough, Wrentham below.

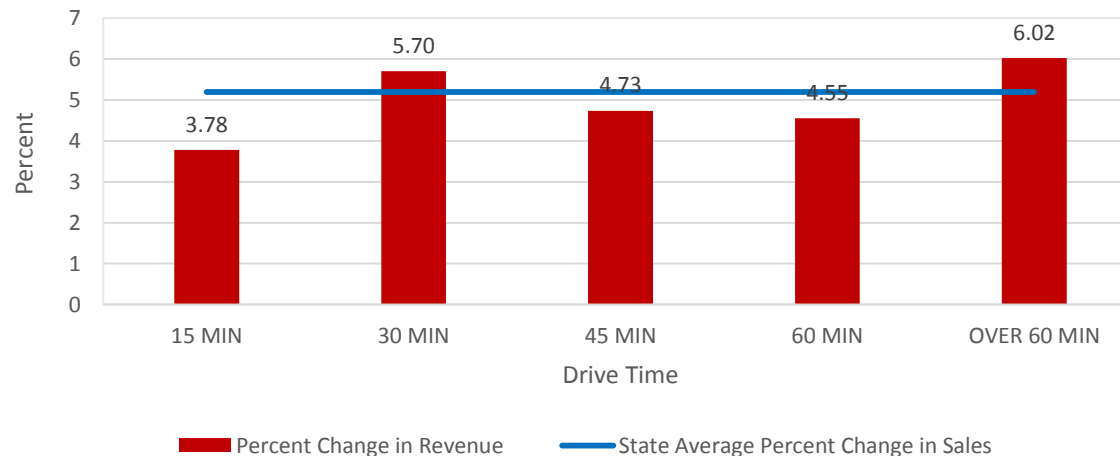


*Percent change in total lottery sales pre-casino, 6/15/2014-6/20/2015, vs. post casino, 6/21/2015-6/25/2016. Source: MA Lottery.*

# Year-over-Year Change by Drive Time from Plainridge Park Casino

- Lottery sales for agents 0-15 minutes drive away grow slightly less; 16-30 slightly more. No clear distance impact. Sales do not uniformly increase at greater distances.

Percent Change in Total Lottery Revenue by Driving Time from Plainridge Park Casino  
Year-over-Year Pre and Post Slot Parlor Opening

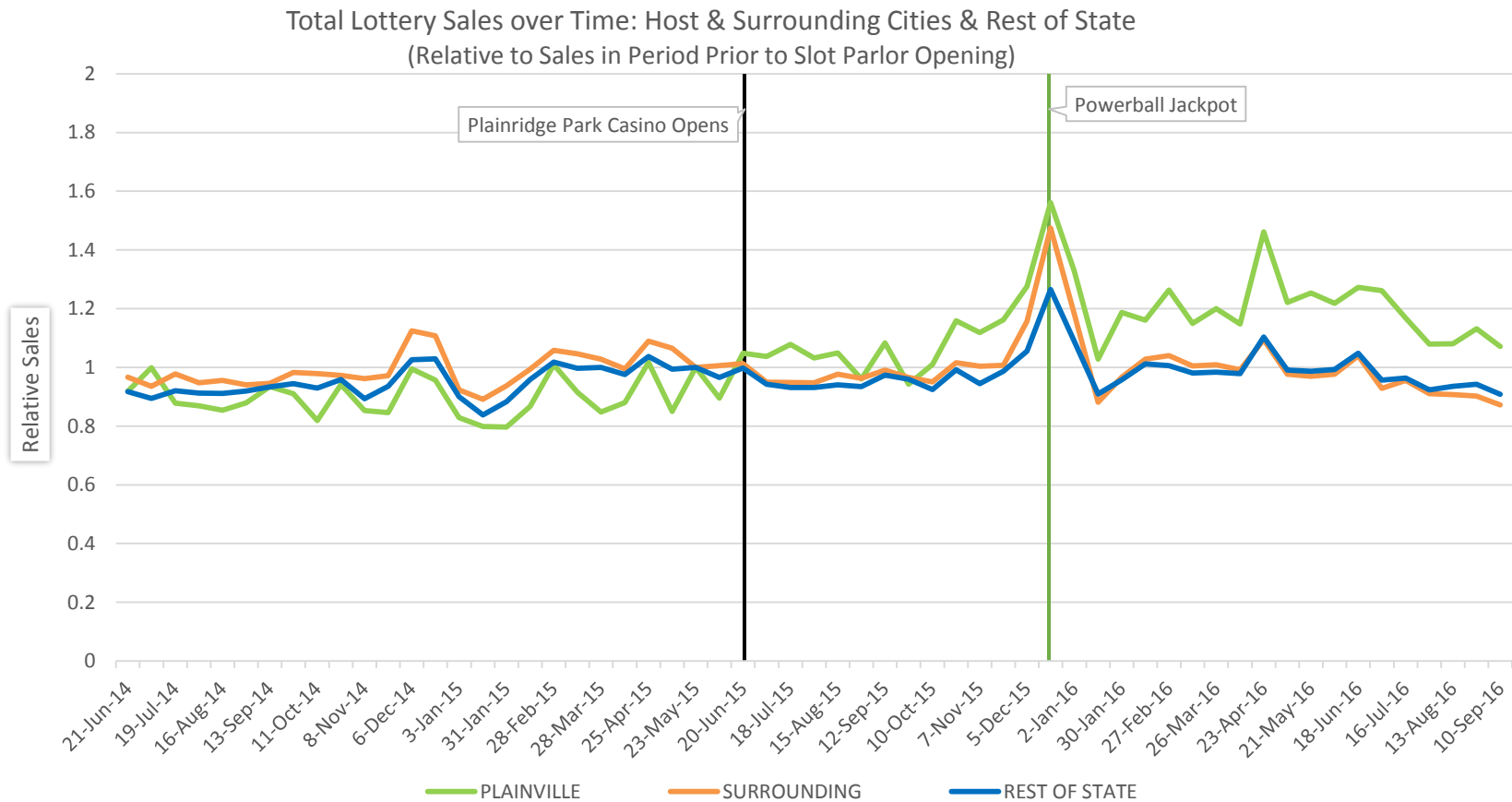


Percent change in total lottery sales pre-casino, 6/15/2014-6/20/2015, vs. post casino, 6/21/2015-6/25/2016. Source: MA Lottery.

# Bi-Weekly Agent Level Trend Analysis

- Weekly sales data for June 2014-October 2016 allows more detailed analysis of trends/changes in sales before and after PPC opening.
- Analyzing bi-weekly sales (not all game sales recorded every week).
- Normalize sales data on period prior to PPC opening. This allows sales dynamics to be observed while insuring anonymity of individual vendors.

# Community Relative Sales Analysis (Sales relative to period prior to PPC opening)



Bi-weekly total lottery sales, relative to sales during 6/7/2015-6/20/2015. Host and surrounding communities and rest of state. Plainridge Park Casino Included in Plainville. Source: MA Lottery

# Plainville Difference-in-Differences Analysis

- Agents in Plainville had a statistically significant increase in bi-weekly sales after PPC opens relative to rest of state.

**Table 1: Difference-in-Difference Analysis<sup>a</sup>**

**Average Bi-Weekly Lottery Sales, by Agent(\$),  
Plainville vs Rest of State**

	<b>Before PPC</b>	<b>After PPC</b>	<b>Difference<sup>a</sup></b>
Plainville <sup>b</sup>	24,503.58 (1,228.83)	31,546.29 (1,614.06)	7,042.71*** (1614.49)
Rest of State	26,898.27 (72.12)	27,875.50 (67.84)	977.23*** (99.40)
Difference in Differences			6,065.48*** (2,169.86)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>Including Plainridge Park

# Surrounding Community Difference-in-Differences Analysis

- Average bi-weekly sales for agents in neighboring communities minimally impacted.

**Table 2: Difference-in-Difference Analysis<sup>a</sup>**

**Average Bi-Weekly Lottery Sales, by Agent(\$),  
Surrounding Communities vs Rest of State**

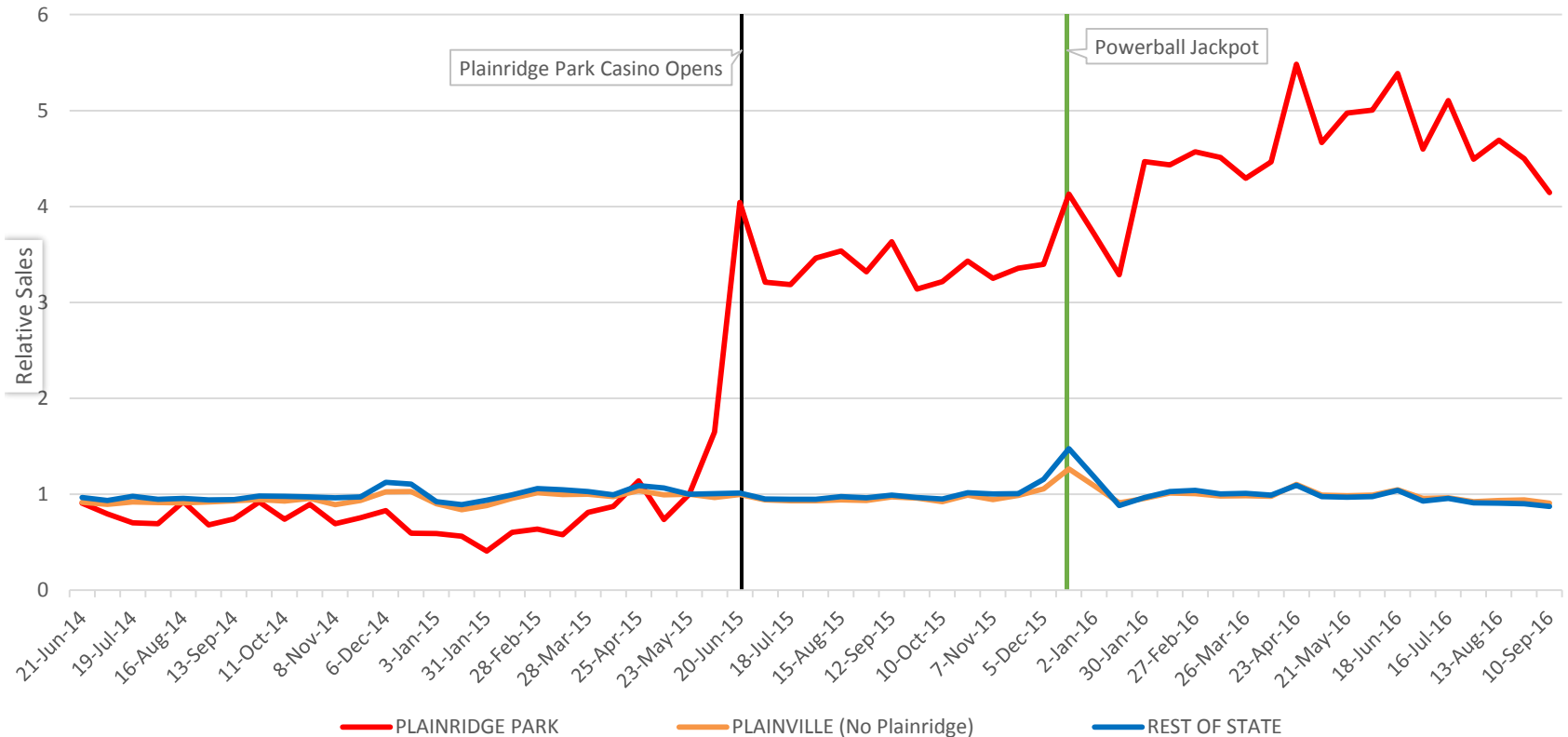
	<b>Before PPC</b>	<b>After PPC</b>	<b>Difference<sup>a</sup></b>
Surrounding Communities <sup>b</sup>	27,307.56 (663.90)	27,535.85 (618.44)	228.29 (910.01)
Rest of State	26,885.72 (72.33)	27,889.51 (68.09)	1,003.79*** (99.73)
Difference in Differences			-775.50 (750.20)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>Attleboro, Foxborough, Mansfield, N. Attleborough, Wrentham

# Plainridge Park Casino Relative Sales Analysis (Sales relative to period prior to casino opening)

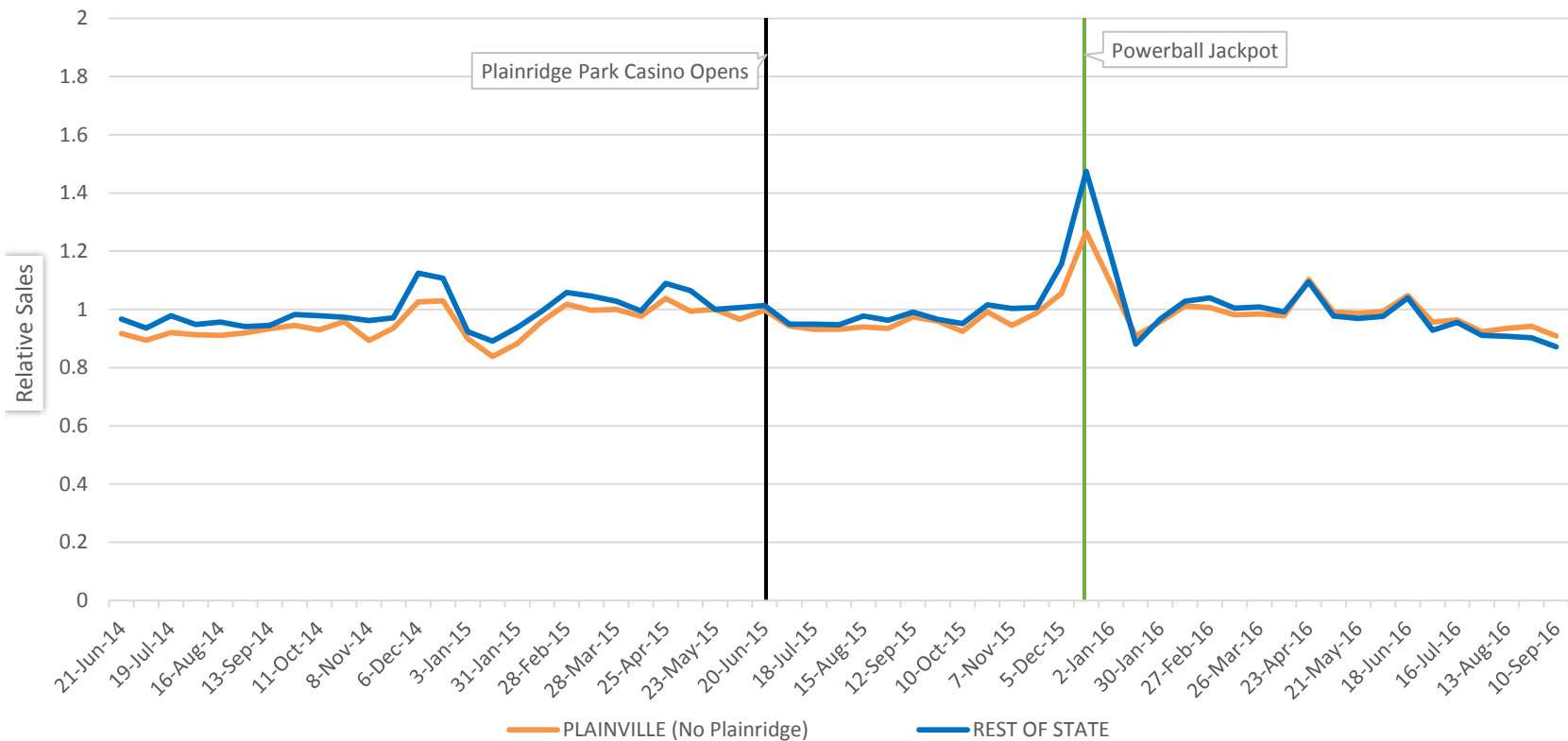
Total Lottery Sales over Time: Plainridge Park, Rest of Plainville & Rest of State  
(Relative to Sales in Period Prior to Slot Parlor Opening)



Bi-weekly total lottery sales, relative to sales during 6/7/2015-6/20/2015. Plainridge Park, other agents in Plainville, and rest of state.  
Source: MA Lottery

# Other Plainville Agents Relative Sales Analysis (Sales relative to period prior to casino opening)

Total Lottery Sales over Time: Rest of Plainville & Rest of State  
(Relative to Sales in Period Prior to Slot Parlor Opening)

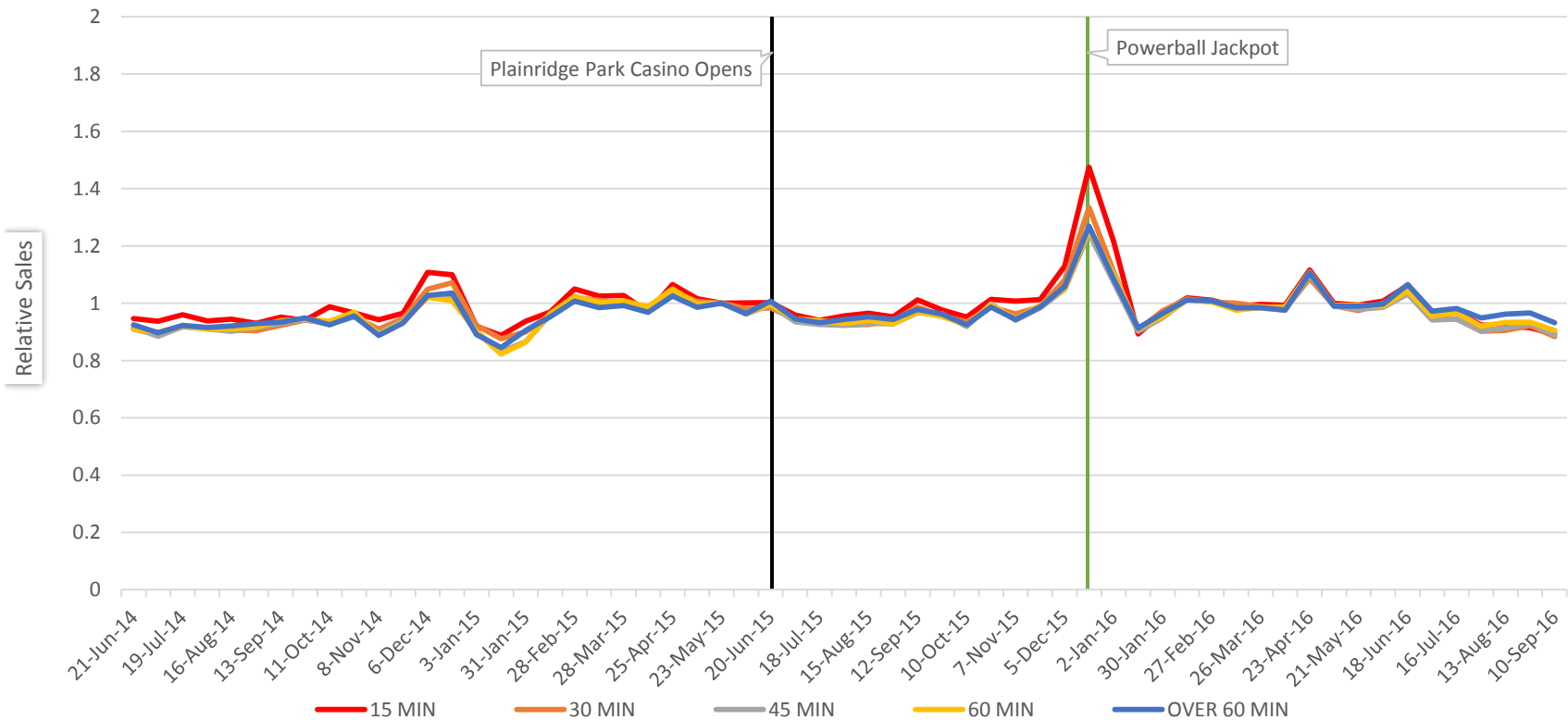


Bi-weekly total lottery sales, relative to sales during 6/7/2015-6/20/2015. Other agents in Plainville and rest of state. Plainridge Park excluded. Source: MA Lottery



# Relative Sales by Drive Distance from Plainridge Park Casino

Total Lottery Sales over Time by Drive Time from Plainridge Park  
(Relative to Sales in Period Prior to Slot Parlor Opening)



Bi-weekly total lottery sales, relative to sales during 6/7/2015-6/20/2015. Average agent sales by driving distance from Plainridge Park. Plainridge Park included in 15 MIN. Source: MA Lottery

# 15 Minute Drive Time Difference-in-Differences Analysis (Ex. Plainridge Park)

- Average bi-weekly sales for agents within 15 minute drive increase less than rest of MA.

**Table 3: Difference-in-Difference Analysis<sup>a</sup>**

**Average Bi-Weekly Lottery Sales, by Agent(\$),  
Agents within 15 Minute Drive of Plainridge Park vs Rest of State**

	<b>Before PPC</b>	<b>After PPC</b>	<b>Difference<sup>a</sup></b>
Agents within 15 Minute Drive of Plainridge Park <sup>b</sup>	23,104.17 (307.08)	23,239.08 (288.20)	134.91 (422.70)
Rest of State	27,003.71 (73.55)	28,004.07 (69.18)	1000.36*** (101.37)
Difference in Differences			-865.45 (601.78)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>*Excluding Plainridge Park*

# 16-30 Minute Drive Time Difference-in-Differences Analysis

- Average bi-weekly sales for agents within 16-30 minute drive of PP marginally impacted.

**Table 4: Difference-in-Difference Analysis<sup>a</sup>**

**Average Bi-Weekly Lottery Sales, by Agent(\$),  
Agents in 16-30 Minute Drive of Plainridge vs More Distant Agents**

	<b>Before PPC</b>	<b>After PPC</b>	<b>Difference<sup>a</sup></b>
Agents within 30 Minute Drive of Plainridge Park	25,678.17 (236.00)	26,448.57 (222.36)	770.40** (325.58)
Rest of State <sup>b</sup>	27,141.69 (77.39)	28,165.98 (72.78)	1,024.29*** (106.66)
Difference in Differences			-253.89 (346.87)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>Does not include agents within 15 minute drive. Results not sensitive to this restriction (D in D equals -241.70).

# Conclusions

- No adverse impact on lottery revenues statewide from PPC.
- Plainridge Park lottery revenue grew significantly.
- Sales for surrounding communities, other agents in Plainville, & agents within 15 minute drive do not decrease.

# Conclusions

- Sales for surrounding communities and nearby agents increase, but less than rest of state. Difference not statistically significant.
- Not clear if impact of casino or other source of volatility in sales.
- Short-term impact; results may change over time.
- May be different for casinos in Springfield and Everett.



UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

# Lottery Revenue and Plainridge Park Casino: Analysis of First Year of Casino Operation

January 19, 2017

Mark W. Nichols, Ph.D., University of Nevada, Reno with

University of Massachusetts Donahue Institute, Economic and Public Policy Research Group

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## Executive Summary

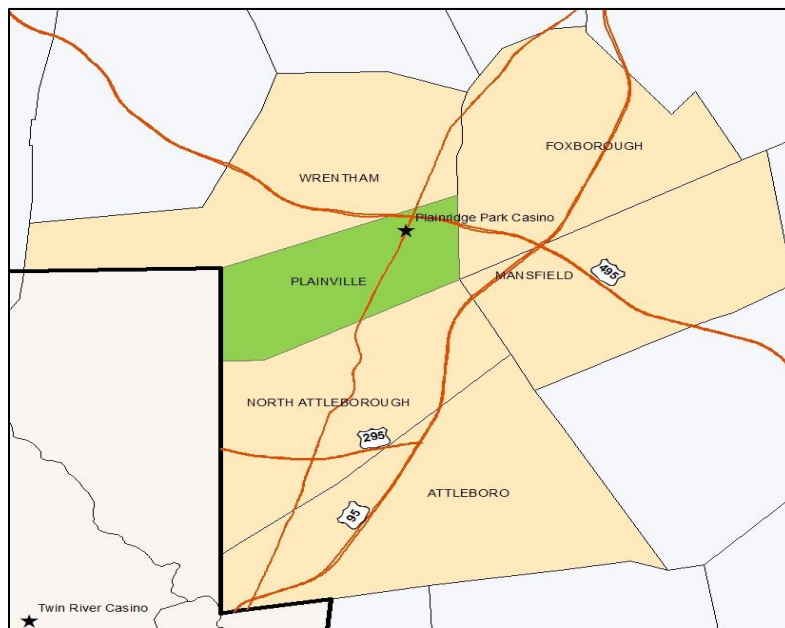
### Background

The slot parlor at Plainridge Park opened in Plainville, Massachusetts on June 24, 2015. Additional casinos are scheduled to open in Everett and Springfield in future years. With the introduction of expanded casino gambling in Massachusetts, the Commonwealth has made protection of the lottery a priority. The Legislature required all prospective casino operators to be a licensed state lottery agent. In Fiscal Year 2015 total lottery sales in Massachusetts were \$5.014 billion. Lottery revenues are the largest source of unrestricted local aid in Massachusetts and the second largest source of all local aid, after Chapter 70 education aid. Local aid is distributed from a single pool according to a formula devised by the legislature; local sales do not determine the amount of local aid that a municipality receives. In Fiscal Year 2015, the Lottery's net profit was \$985.8 million, of which \$945.8 million was distributed to the Commonwealth's municipalities in the form of direct local aid. In Fiscal Year 2015, Plainville received \$675,071 from the Lottery, which represents 15.6 percent of the town's total state aid and 2.3 percent of total receipts.

Casino tax revenue will also contribute to local aid, with 82 percent of tax revenue from Plainridge Park Casino allocated to local aid. The Category 1 casinos scheduled to open in Everett and Springfield will contribute 20 percent of tax revenue to local aid.

### Methods

The Massachusetts Lottery has provided fiscal year and agent-specific lottery sales data to the SEIGMA Economics team at the UMass Donahue Institute. Changes in revenue are analyzed at several levels, including statewide, in the host and designated surrounding communities near the casino, and for agents at different driving distances from the casino. Plainville is the host community and Attleboro, North Attleborough, Foxborough, Mansfield, and Wrentham are the officially designated surrounding communities.



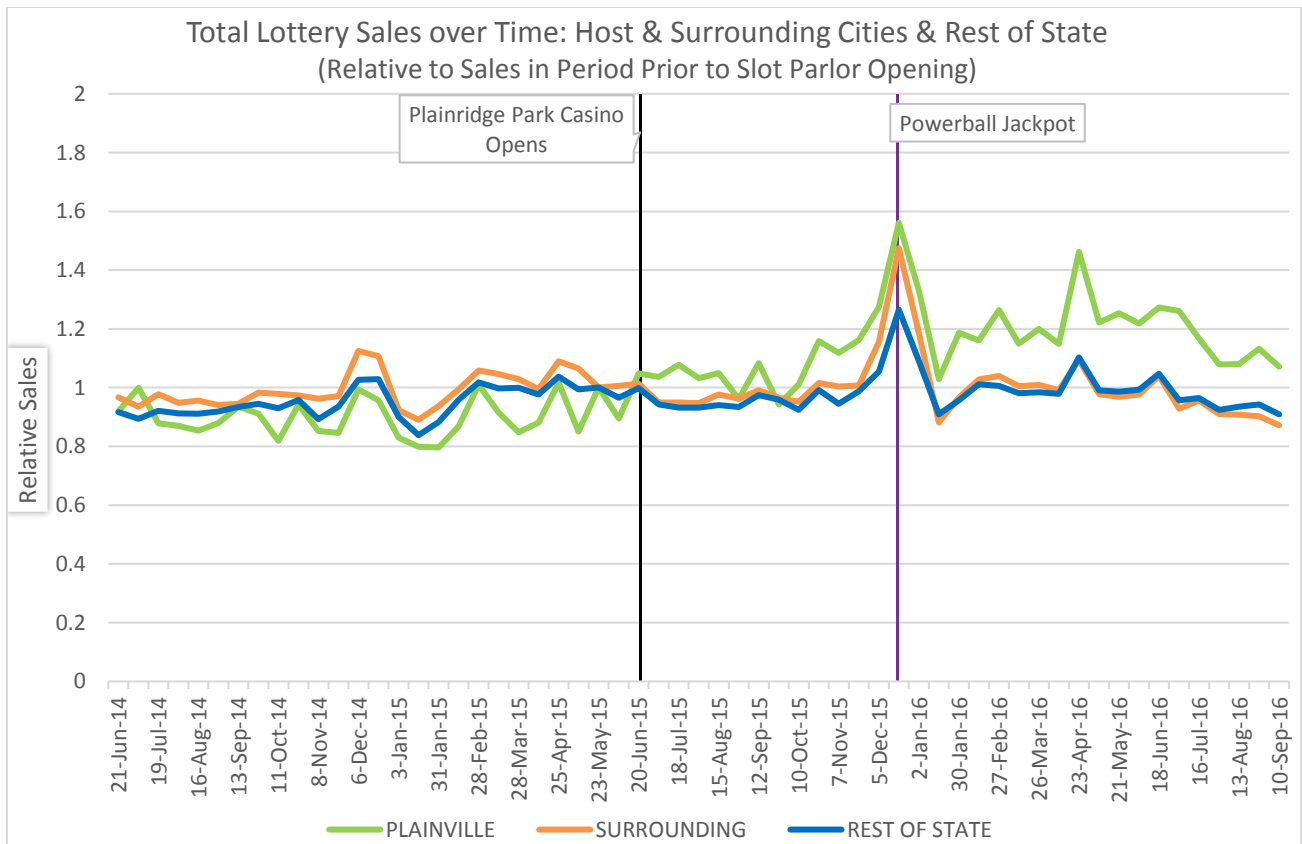


## Key Findings

On average, lottery sales did not decrease near the casino following the opening of Plainridge Park Casino. Lottery revenue near the casino grew more slowly than the rest of the state with the exception of Plainville, where lottery revenue significantly increased.

- Statewide lottery sales increased 4.37% in Fiscal Year 2016, highest since 2012.
- Lottery sales in Plainville increased approximately 23% in Fiscal Year 2016.
- Year-over-year sales (sales in the year after the casino opened compared to the year before) increased 25.78% in Plainville versus 5.19% statewide.
- Year-over-year sales (sales in the year after the casino opened compared to the year before) increased in Plainville, Attleboro, and Mansfield whereas year-over-year sales in Foxborough, North Attleborough, and Wrentham decreased.
- Lottery sales at Plainridge Park Casino significantly increased after the opening of the casino relative to the prior year.
- On average, sales for other agents in Plainville and the surrounding communities did not decrease, but increased less than the rest of the state.
- It is unclear if the casino had differential impacts on communities, but no evidence was detected of negative impacts across all of the communities.

### Bi-Weekly Sales Analysis by Community (June 2014-October 2016)



- Sales were examined bi-weekly since weekly sales are volatile due to when sales are recorded.
- Relative bi-weekly sales (sales each period relative to sales for the period prior to the opening of Plainridge Park Casino) increase for Plainville after the casino opening.
- Relative bi-weekly sales for Plainville were generally below surrounding communities and the rest of Massachusetts prior to the opening of Plainridge Park Casino, but above after.
- Relative bi-weekly sales for surrounding communities follow a similar trend as the rest of Massachusetts over the sample period.
- Relative sales at Plainridge Park Casino increased approximately four-fold after the opening of the casino and account for much of the sales increase in Plainville.
- Consistent with year-over-year sales, no overall decrease in sales in surrounding communities was detected and there was an increase in sales in Plainville.

## **Discussion**

An analysis of lottery revenues one year after the opening of Plainridge Park Casino shows that, on average, lottery revenues have not decreased statewide or nearer the casino, whether this includes designated surrounding communities or agents within various driving distances. However, lottery revenues for agents nearer the casino grew more slowly on average than the rest of the state. Lottery revenues in the surrounding communities of Attleboro and Mansfield increased after the opening of the casino, whereas revenues in Foxborough, North Attleborough, and Wrentham decreased. Whether the casino had differential impacts on communities or is the source of variation in lottery revenue cannot be definitively determined as variation in lottery revenue may stem from other factors. It is also important to recognize that this result is based on one year of data and may not reflect longer term trends. Moreover, the result is not indicative of what may happen when casinos in Everett and Springfield open, both of which will be larger casinos with more non-gambling amenities.

## **Future Directions**

The Economics team at the UMass Donahue Institute, with the cooperation of the Massachusetts Lottery, will continue to gather fiscal year and agent-specific data. This will allow a continued evaluation of lottery sales near Plainridge Park Casino and establish a longer baseline for the host communities of Everett and Springfield and their various surrounding communities.

## Introduction

The Massachusetts Lottery has been operating since 1972. In Fiscal Year 2016, lottery tickets could be purchased at over 8,000 licensed lottery vendors throughout the Commonwealth and total sales exceeded \$5.2 billion.<sup>1</sup> For Fiscal Year 2015, Instant games accounted for 69.1% of lottery sales, followed by Keno (17.3%) and Numbers (6.3%). All other games (e.g., MegaMillions, MassCash, Powerball) each accounted for 2% or less of total sales.

With the introduction of expanded gaming in Massachusetts, the Commonwealth has made the protection of the Lottery and its vendors a priority. Chapter 23K, Section 1 of the 2011 Expanded Gaming Act states that “enhancing and supporting the performance of the state lottery and continuing the commonwealth’s dedication to local aid is imperative to the policy objectives of this chapter”<sup>2</sup> and Section 4 gives the newly created Massachusetts Gaming Commission the power to “coordinate with the office of the treasurer and receiver general on implementing any measures necessary to protect the commonwealth’s lottery and gaming interests.”

The Legislature also placed conditions on all prospective casino operators, aimed at protecting the Lottery. Section 15 (1) of the Expanded Gaming Act states that any applicant for a gaming license must “agree to be a licensed state lottery sales agent under chapter 10 to sell or operate the lottery, multi-jurisdictional and keno games; demonstrate that the lottery and keno games shall be readily accessible to the guests of the gaming establishment and agree that, as a condition of its license to operate a gaming establishment, it will not create, promote, operate or sell games that are similar to or in direct competition, as determined by the commission, with games offered by the state lottery commission, including the lottery instant games or its lotto style games such as keno or its multi-jurisdictional games.” Section 15 (6) requires any applicant to “demonstrate to the commission how the applicant proposes to address lottery mitigation.”

The lottery is a major source of revenue for the Commonwealth and in particular for its 351 cities and towns. Lottery revenues are the largest source of unrestricted local aid in Massachusetts and the second largest source of all local aid, after Chapter 70 education aid. Revenue from Massachusetts Lottery sales are combined and distributed by the state legislature, along with other funds collected for unrestricted local aid, to municipalities according to a formula which takes into account the incomes, property wealth, and population of each municipality. Since most revenue for municipal governments comes from property taxes, many communities in Massachusetts without substantial property wealth rely on this local aid to fund their local government services.

In fiscal year 2015, the Lottery’s net profit was \$985.8 million, of which \$945.8 million was distributed to the Commonwealth’s municipalities in the form of direct local aid.<sup>3</sup> The significance of these funds varies

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<sup>1</sup> 2016 Lottery Commission Statement of Operations, which can be found at

<http://www.masslottery.com/lib/downloads/about/FY2016%20Final%20Statement%20of%20Ops.pdf>

<sup>2</sup> The Expanded Gaming Act can be found at <https://malegislature.gov/Laws/SessionLaws/Acts/2011/Chapter194>.

<sup>3</sup> Funds also go to the Massachusetts Cultural Council and the Massachusetts Council on Compulsive Gambling. See <http://www.masslottery.com/about/communities/> for detail.

across communities based on the magnitude of their other sources of revenue – from 0.03% of total receipts in Chilmark to 13.8% in Adams. As reported on the Lottery website, among the host communities, Everett received \$6,147,468 from the Lottery in fiscal year 2015, 8.8% of Everett’s total state aid and 3.2% of its total receipts, while Plainville received \$675,071 (15.6% of the town’s total state aid and 2.3% of total receipts) and Springfield received \$33,686,269 (9.4% of total state aid and 5.7% of total receipts).<sup>4</sup>

As Massachusetts moves forward with the introduction of casino gaming, one priority of the Massachusetts Gaming Commission and the SEIGMA project is to determine how lottery-product-buying behavior may be affected by the introduction of casino gambling in Massachusetts. Studies have been conducted on the impacts of expanded gambling on lottery revenue in other states, but it is difficult to say how similar the impacts will be in Massachusetts. In 2014, at \$730, Massachusetts has the highest per capita lottery sales in the nation, twice that of the next highest state (New York).<sup>5</sup> This may be in part because of the odds offered by the Massachusetts Lottery. According to the U.S. Census’ 2013 Annual Survey of State Government (the most current as of the time of writing), for every dollar spent on the Lottery in Massachusetts, 77 cents are paid out to players, the most of any state and considerably higher than the U.S. average of 62 cents. The relative popularity of the Massachusetts Lottery may to some extent insulate it from potential negative impacts as casino gambling continues to expand, but its prominent role also means that the consequences of a reallocation of spending towards the casinos and away from the lottery are potentially greater.

In the event that the expansion of gaming in Massachusetts leads individuals to spend less money on lottery and more money at the casinos, this will not necessarily lead to a reduction in local aid funds. As detailed in Figure 1 below, the Category 2 slots parlor that opened in Plainville in the summer of 2015 allocates 82% of its tax revenue to local aid, while the Category 1 resort casinos will allocate 20% of their tax revenue to Local Aid when they open.<sup>6</sup> Thus the net impact on local aid will depend on changes in both casino and lottery revenue. In order to determine the impact of expanded gaming on Massachusetts, the monitoring of lottery performance, statewide and in the communities near the new casinos, is a priority of the SEIGMA team. With the context of its significance to the Commonwealth in mind, this report details the work that the SEIGMA team has done to date to monitor the impact of expanded gaming on the Massachusetts Lottery.

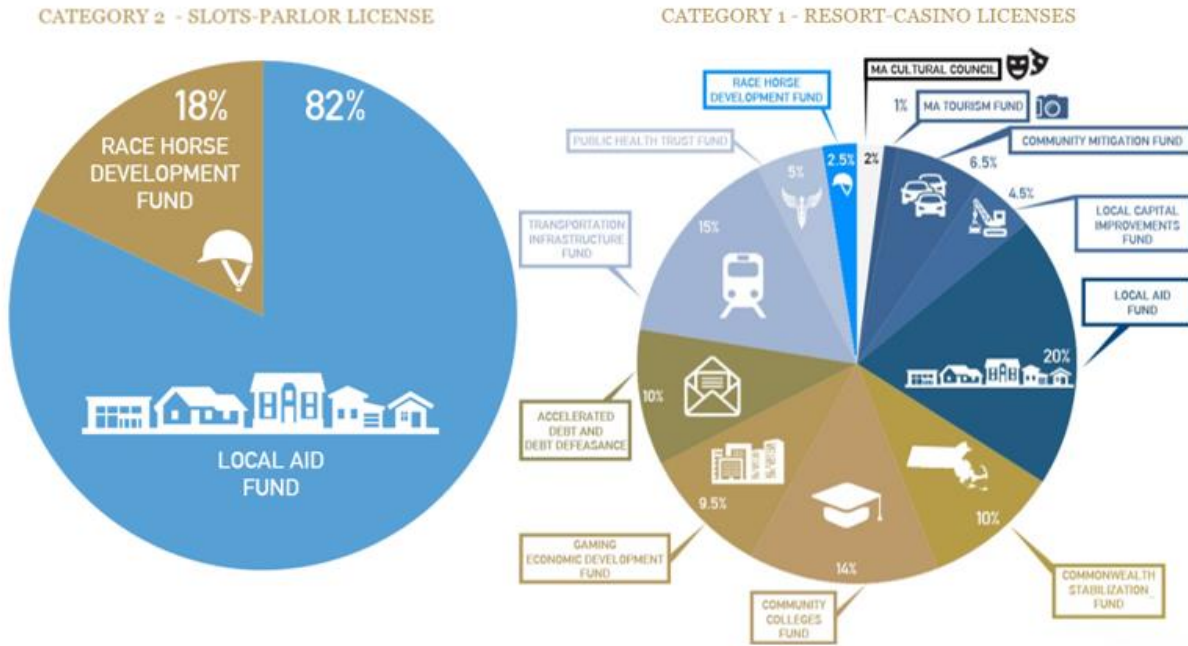
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<sup>4</sup> Data on State lottery disbursements come from the Massachusetts Lottery and can be found at <http://www.masslottery.com/about/communities/complete-list.html>. Data on state aid and total receipts for Massachusetts communities comes from the Massachusetts Department of Revenue, Division of Local Services and can be found at <http://www.mass.gov/dor/local-officials/municipal-databank-and-local-aid-unit/data-bank-reports/municipal-budgeted-revenues.html>.

<sup>5</sup> La Fleur’s Magazine, March/April 2015

<sup>6</sup> From the Massachusetts Gaming Commission. More information can be found at <http://massgaming.com/the-commission/budget/>

**Figure 1: Allocation of Tax Revenue for Category 1 and 2 Casinos**



Source: The Massachusetts Gaming Commission.

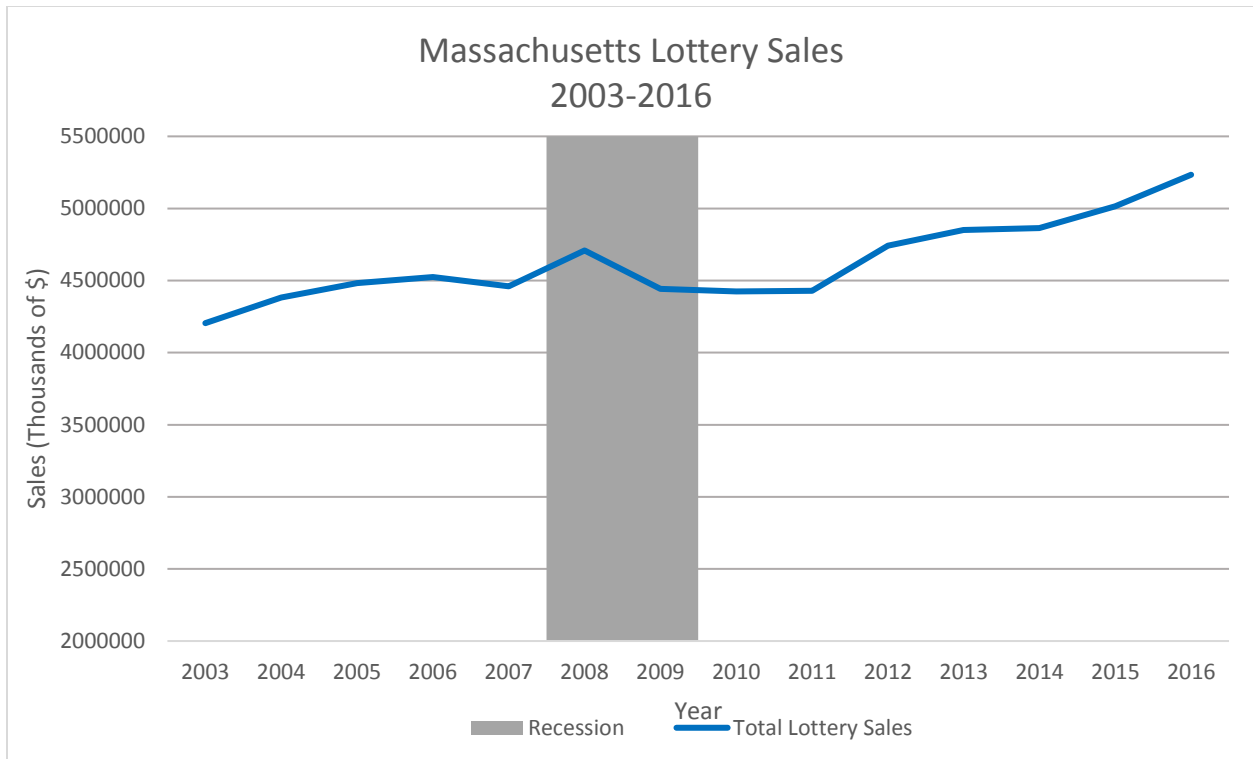
## Massachusetts Lottery Sales 2003-2016

### Statewide Sales

Lottery sales in Massachusetts over the 2003-2016 Fiscal Year period have generally grown slowly, but steadily (see Figure 2). Average annual sales growth over this period is 1.70%.<sup>7</sup> Like many state lotteries, sales during the recession flattened and even declined. Beginning in 2012 sales growth has increased.

<sup>7</sup> Sales are in nominal dollars and not adjusted for inflation, which averaged 2.02% over the sample period. In inflation adjusted dollars, revenue for fiscal year 2016 was approximately the same as revenue for fiscal year 2008 and is below revenue for fiscal year 2003. See Appendix B for inflation-adjusted (real dollar) lottery sales.

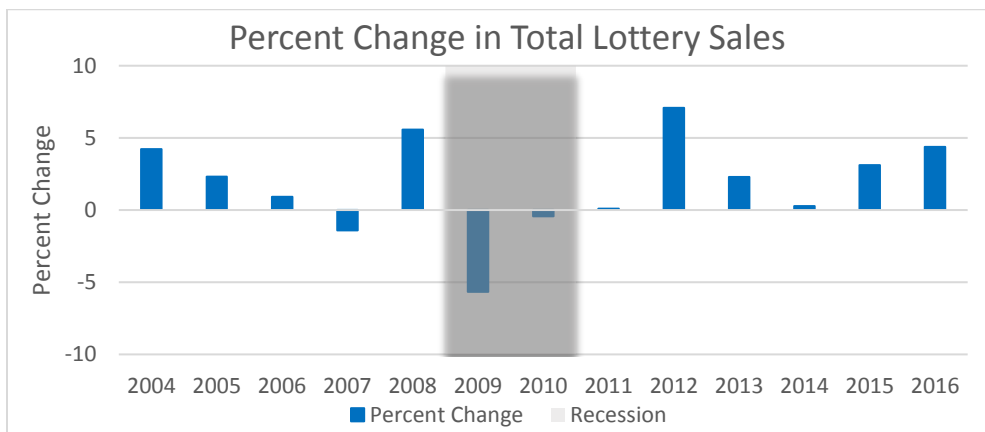
**Figure 2: Nominal MA Lottery Sales, FY 2003-2016**



Source: MA Lottery, FY 2003-2016, nominal dollars. Lottery revenues declined during recession but have grown since 2012. The average annual growth in nominal lottery revenue between 2003 and 2016 was 1.70%

Figure 3 presents the annual percentage change in lottery revenues between 2004 and 2016 in more detail. Massachusetts lottery sales declined 5.5% between 2008 and 2009, followed by several years of little to no growth. In 2012 sales growth increased over 7%, followed by two years of slower growth before rebounding again in fiscal years 2015 and 2016.

**Figure 3: Percent Change in Lottery Sales, FY 2003-2016.**



Source: MA Lottery, FY 2003-2016, nominal dollars. This figure shows annual growth rates. The declines in revenue during the recession are evident. Since the recession the increase in lottery revenue was greatest in 2012 and 2016.

## Casino Gambling and Lottery Sales

The impact on lottery sales from legalizing casino gambling in Massachusetts is uncertain but will become clearer over time. Moreover, the impact on lottery sales is likely dynamic, varying over the immediate, short, and longer term. In this section, we review some of the existing evidence on lottery sales and casino gambling and examine the impact on lottery sales associated with the opening of the slot parlor at Plainridge Park.

### Existing Studies from Other States

There are a handful of academic and professional papers examining the impact of casino legalization on lottery sales or tax revenue. Nearly all of these studies, none of which have been conducted in Massachusetts, find the introduction of casino gambling to be associated with a modest negative impact on lottery expenditures. However, there is evidence that the negative association between casino gambling and lottery expenditures is not permanent, with negative impacts decreasing over time, and dependent on distance, with lottery sales closer to a casino more negatively impacted than those more distant.

Siegel and Anders (2001) is one of the earliest academic studies examining casino legalization and lottery expenditures in Arizona from 1993-1998. They find the two forms of gambling are substitutes, but that the degree of substitution varies by game. In this study, “Scratchers” or instant games are not statistically significantly impacted by the introduction of casino gambling, whereas Lotto revenues are significantly reduced, with a 10% increase in the number of slot machines reducing Lotto revenues by 4.18%. It should be noted, however, that Siegel and Anders use aggregate state level data and are not able to detect spatial variation in sales by proximity to casinos nor do they examine year-to-year changes in lottery revenue.

Elliott and Navin (2002) examine all states with lotteries from 1989-1995 and find that, on average, a \$1 increase in tax revenue from casinos reduces net lottery revenue (revenue after paying winners) by \$0.83, thus finding that lottery and casino are substitute forms of gambling but that total state tax revenues nevertheless increase.<sup>8</sup> Fink and Rork (2003) conduct a similar analysis to Elliott and Navin, but find a smaller decrease in net lottery revenue of \$0.56 from an additional dollar of tax revenue.<sup>9</sup> Here again, neither study examines the spatial variation in lottery sales by proximity to casinos nor examines year-to-year variation. It should also be noted that the time period examined, 1989-1995 was the very beginning of the expansion of casino gambling, making it difficult to generalize these results to a period where both the lottery and casinos are more mature industries.

More recently, Walker and Cummings (2014) estimate the impact of casino legalization in Maryland on lottery sales. Unlike the earlier studies, Walker and Cummings analyze lottery sales at the zip code level and are thereby able to analyze variation in sales by proximity to the casino. Using monthly data from July 2009 through February 2014, they estimate that lottery sales were 2.5% lower due to the

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<sup>8</sup> Elliott and Navin find that each dollar of casino tax revenue reduces lottery expenditures by \$1.38. They assume an average casino tax rate of 20% of gross revenue, implying that \$5 in gross casino revenue reduces lottery expenditures by \$1.38. Elliott and Navin assume a lottery tax rate (amount of revenue going to the state) of 60%, hence the \$0.83 ( $\$1.38 \times 0.6$ ) loss in net lottery revenue. The tax rate in Massachusetts on lottery is closer to 20% (77% is paid back in prizes) and the tax rate on gross casino revenue is 25%, so the increase in tax revenue would be greater.

<sup>9</sup> Fink and Rork (2003) account for selection bias, namely that states whose lottery revenues are low or declining may be more likely to legalize casino gambling as an alternative tax source, thereby making the substitution between lottery and casino gambling appear larger, as is the case with Elliott and Navin (2002).

legalization of casinos. The largest decrease, 5.1%, is from a reduction in Monitor (e.g., Keno) game sales, followed by Instant (2.6%) and Multi-State (2.4%) games. These estimates, however, differ by casino within Maryland, with one casino (Maryland Live) reducing Monitor game sales by 4.2% while the other casinos reduce sales by less than 1%.

Walker and Cummings find evidence that proximity to the casino matters as well. For example, they predict that Monitor game sales for a zip code within a 15 minute drive of the casino would fall by 18%, whereas a zip code one hour away would only experience a 1% decrease. Their prediction for Instant games is a 9% reduction for a zip code within 15 minutes of a casino versus 1% for a one hour distance. However, it is important to note that their estimated impacts are based on a model calculated for the entire state and lottery sales in an average zip code. Their estimates are not the actual changes in lottery sales in nearby zip codes. Moreover, their data end in February 2014. The first casino in Maryland opened in September 2010, so their estimates should not be interpreted as long term impacts.

Additional evidence that declines in lottery sales resulting from casinos may be short term is the fact that Maryland lottery sales for Fiscal Year 2015 increased 2.2% and, as evidenced in Appendix A of this report, lottery sales in Ohio and Pennsylvania initially declined following the expansion of casino gambling, but later increased.<sup>10</sup> In addition, Pennsylvania's Legislative Budget and Finance Committee (2011) reported in 2011 that lottery sales in host counties (counties where casinos are located) underperformed relative to non-host counties and the state average, with host counties growing 1.8% versus 3.6% for non-host counties and 2.7% for the state. However, between 2011 and 2012 host counties grew faster (11.8%) than non-host counties (11%) and the state (9.9%). In later reports, the Legislative Budget and Finance Committee (2014, 2015) concludes that "...increased casino revenues are not negatively affecting Lottery sales to any significant degree."

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<sup>10</sup> Of course, we do not know what the growth in lottery sales would have been had the casinos not opened.



## Results

### Plainville and Surrounding Region Sales: Fiscal Year Revenue Analysis

Evidence from previous studies suggests that the opening of the Plainridge Park Casino has the potential to negatively impact lottery sales since the casino may substitute for lottery expenditures. Previous studies and evidence also suggest that the impact may be geographically and temporally limited. To determine any impact, it is important to compare post-casino lottery revenue with a baseline that provides an estimate of the change in lottery expenditures had the casino not opened. Our approach to establishing a baseline is twofold. First, we compare fiscal year revenue for the years prior to the casino opening (2003-2015) with fiscal year revenue data after the casino opening. Plainridge Park Casino opened June 24, 2015, so FY 2016 revenue reflects a full year of post-casino revenue. Second, we use agent-specific data to compare sales data for the year prior to Plainridge Park Casino opening with sales after opening. These comparisons are made for Plainville, for the Massachusetts Gaming Commission's (MGC) designated surrounding communities of Attleboro, Foxborough, Mansfield, North Attleborough, and Wrentham (see Figure 4), and for agents within varying drive-time distances of Plainridge Park Casino. Sales before and after the opening of Plainridge Park Casino for all of these areas are compared with changes in sales over the same period in the rest of the state.

**Figure 3: Plainville and MGC-designated Surrounding Communities**

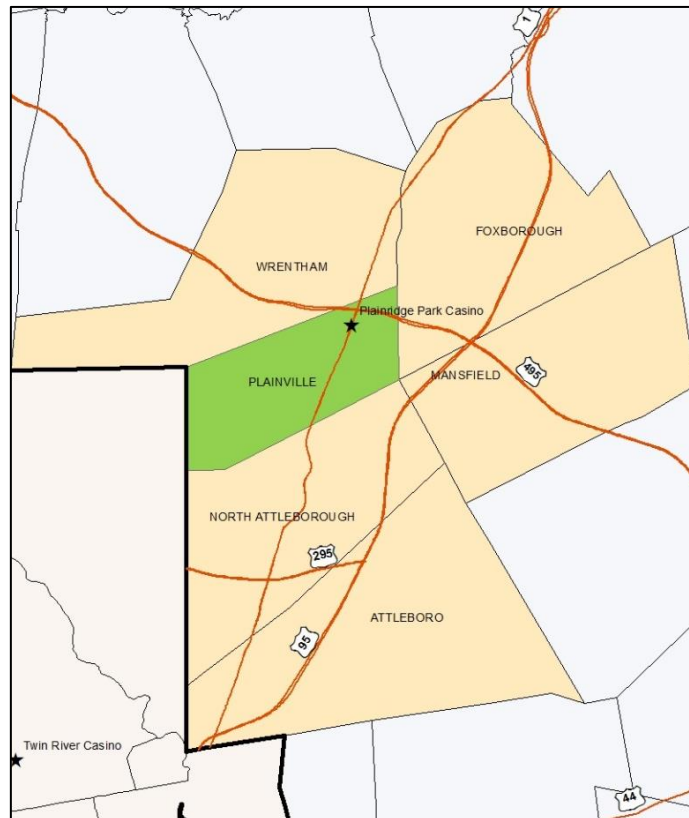
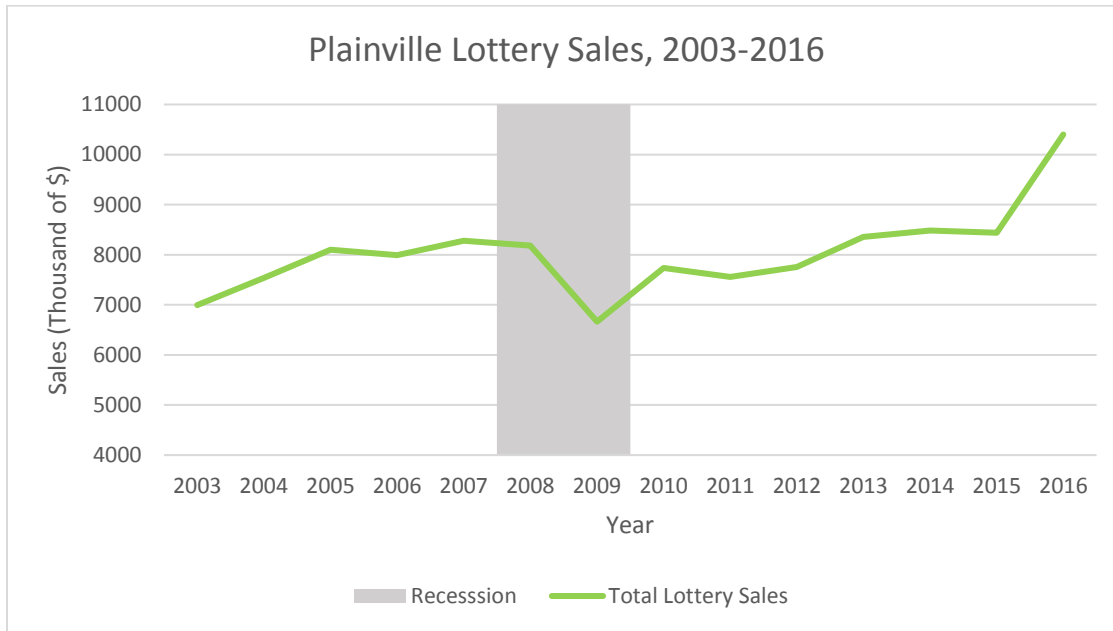


Figure 5 illustrates total lottery sales in the town of Plainville for Fiscal Years 2003-2016. Sales in Plainville, in general, follow the pattern experienced by the state. Lottery sales have grown at an annual average growth rate of 3.09% over the period. This growth has not been steady, however, as sales

declined during the recession. Sales growth increased in 2012 by 7.8%, but has been relatively flat until recently with FY 2016 sales increasing 23.2% over FY 2015 sales.

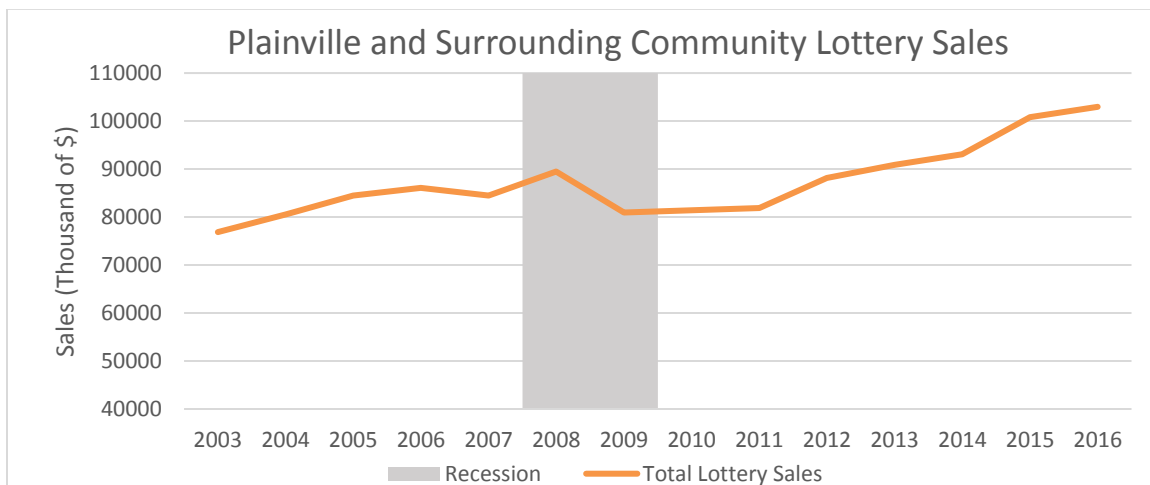
**Figure 4: Nominal Plainville Lottery Sales, FY 2003-2016**



Source: MA Lottery, FY 2003-2016, nominal dollars. Lottery sales in Plainville, like the state as a whole, decreased during the recession but have grown since 2012, with a noticeable increase in FY 2016.

Sales growth for Fiscal Years 2003-2016 for the combined area of Plainville and the MGC designated surrounding communities is also similar to the state as a whole, averaging 2.28% (see Figure 6). Growth declined and flattened during the recessionary years of 2008 to 2011, but has since recovered. For the combined area, FY 2016 revenue increased 2.12% over FY 2015 revenue.

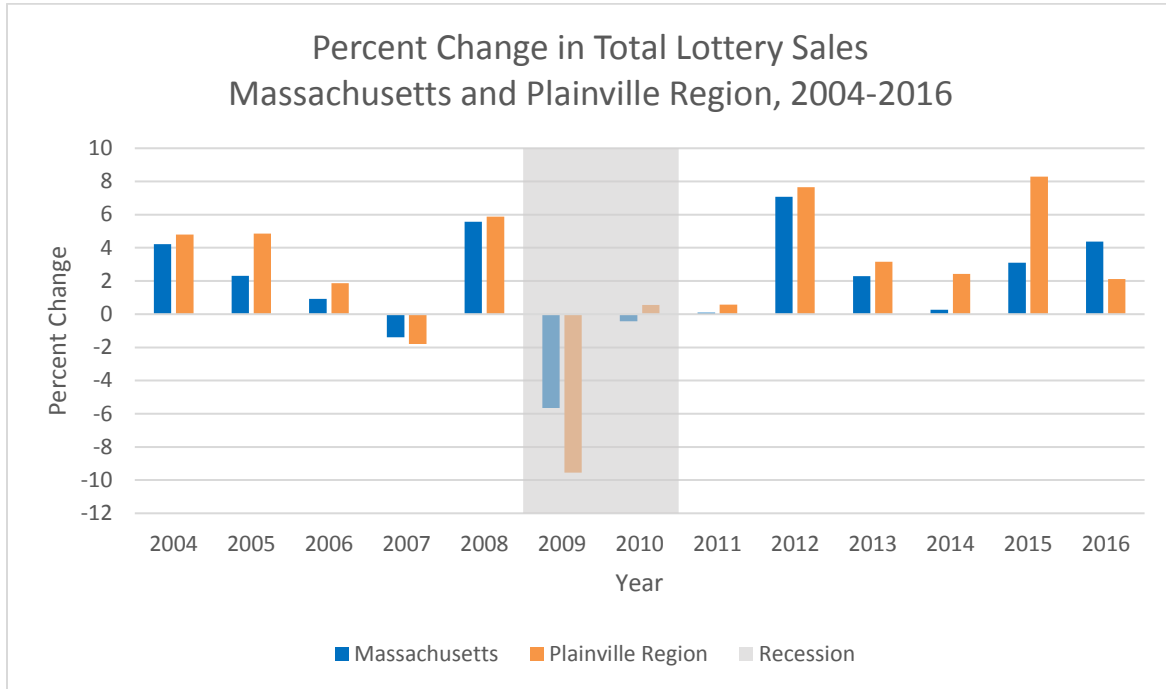
**Figure 5: Nominal Lottery Sales for Plainville and MGC-designated Surrounding Communities, FY 2003-2016**



Source: MA Lottery, FY 2003-2016, nominal dollars. Plainville and the surrounding communities of Attleboro, Foxborough, Mansfield, North Attleborough, and Wrentham, like the rest of the state, experienced declines in lottery revenue during the recession, but lottery revenues have increased each year since 2012.

A comparison of the annual percentage change in total lottery sales for the combined area of Plainville and the surrounding communities relative to the percent change statewide is provided in Figure 7. The decline in lottery sales that occurred during the recession is clear as is the return to more robust growth beginning 2012. Since the recession the growth in lottery sales in Plainville and the surrounding communities of Attleboro, Foxborough, Mansfield, North Attleborough, and Wrentham have generally increased faster than the rest of the state. In FY 2016, lottery sales grew less (2.1%) in the Plainville region compared to growth statewide (4.3%).

**Figure 6: Percent Change in Nominal Lottery Sales, Plainville & Surrounding Communities vs. Massachusetts, FY 2004-2016**



*Source: MA Lottery, FY 2003-2016, nominal dollars. Since the recession the growth in lottery sales in Plainville and the surrounding communities of Attleboro, Foxborough, Mansfield, North Attleborough, and Wrentham have generally increased faster than the rest of the state. In FY 2016, lottery sales grew less (2.1%) in the Plainville region compared to growth statewide (4.3%).*

To analyze the potential impact of the casino opening on lottery sales more closely, the next section analyzes agent-specific sales, thereby allowing a more detailed examination of sales at and near Plainridge Park Casino relative to other areas in the state.

## **Lottery Sales After Plainridge Park Casino Opening: A Year-Over-Year Comparison**

### **Host and Surrounding Communities**

The Massachusetts Lottery has provided agent-specific lottery sales data to the SEIGMA Economics team at the Donahue Institute. These data contain weekly lottery sales, by game, for every lottery sales agent in the state. These data are provided for the week ending June 21, 2014 to October 8, 2016, allowing an

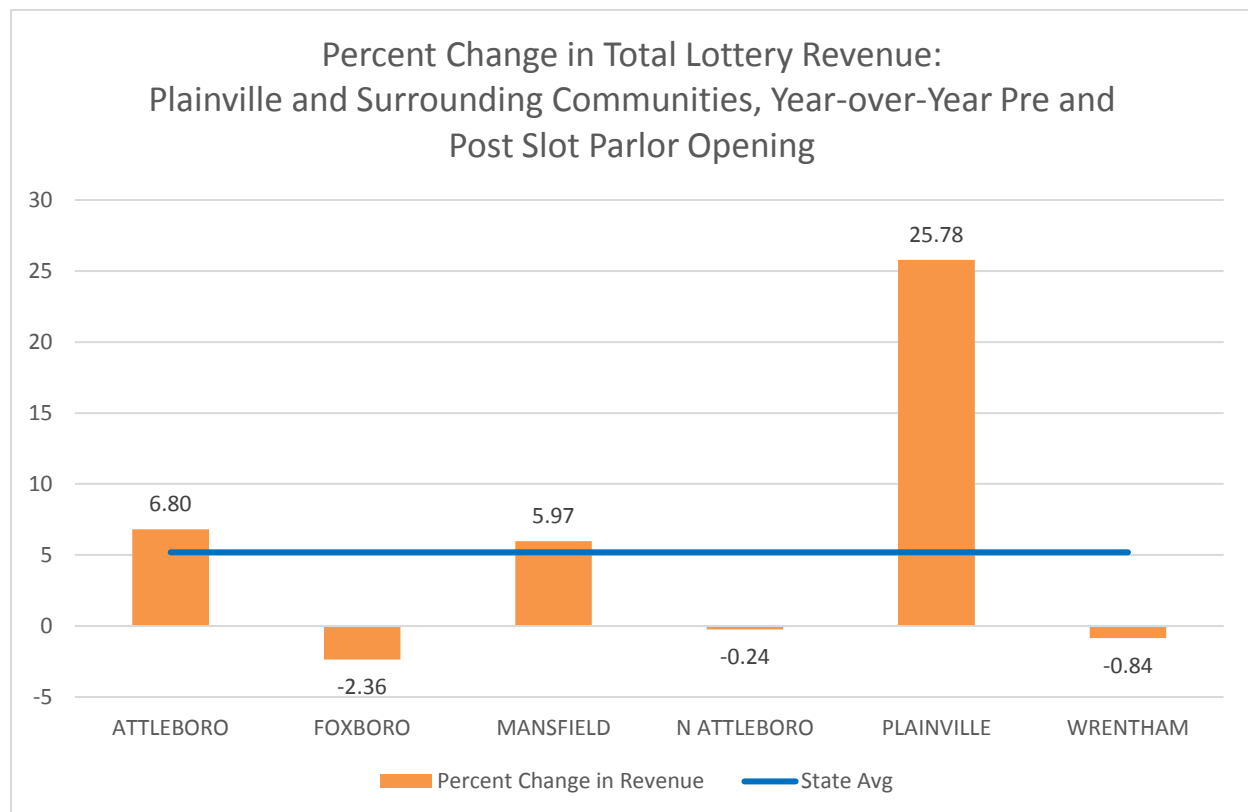
analysis of the immediate impact, if any, on lottery sales resulting from the opening of the Plainville slot parlor on June 24, 2015.

As a result of volatility in weekly sales, in part due to when sales are reported as well as jackpot rollovers, we aggregate the sales data into two-week periods. While confidentiality prevents us from reporting agent-specific sales, it is important to note that a lottery agent began operating at Plainridge Park Racecourse in 1999.

Before presenting bi-weekly results we focus on year-over-year changes, comparing total sales during the period 6/15/2014-6/20/2015 with total sales from 6/21/2015-6/25/2016. Figure 8 presents year-over-year percentage changes in total lottery sales for the host community of Plainville and the MGC designated surrounding communities. Statewide lottery sales increased 5.19% over this time period.

Wrentham, Foxborough, and North Attleborough all experienced small declines in lottery sales. Sales in Foxborough declined the most (2.36%), whereas sales in North Attleborough and Wrentham were essentially unchanged over the time period. In contrast, sales in Attleboro, Mansfield, and Plainville increased at a rate that exceeded statewide growth. The highest rate of growth occurs in Plainville, where total sales increased 25.78%.

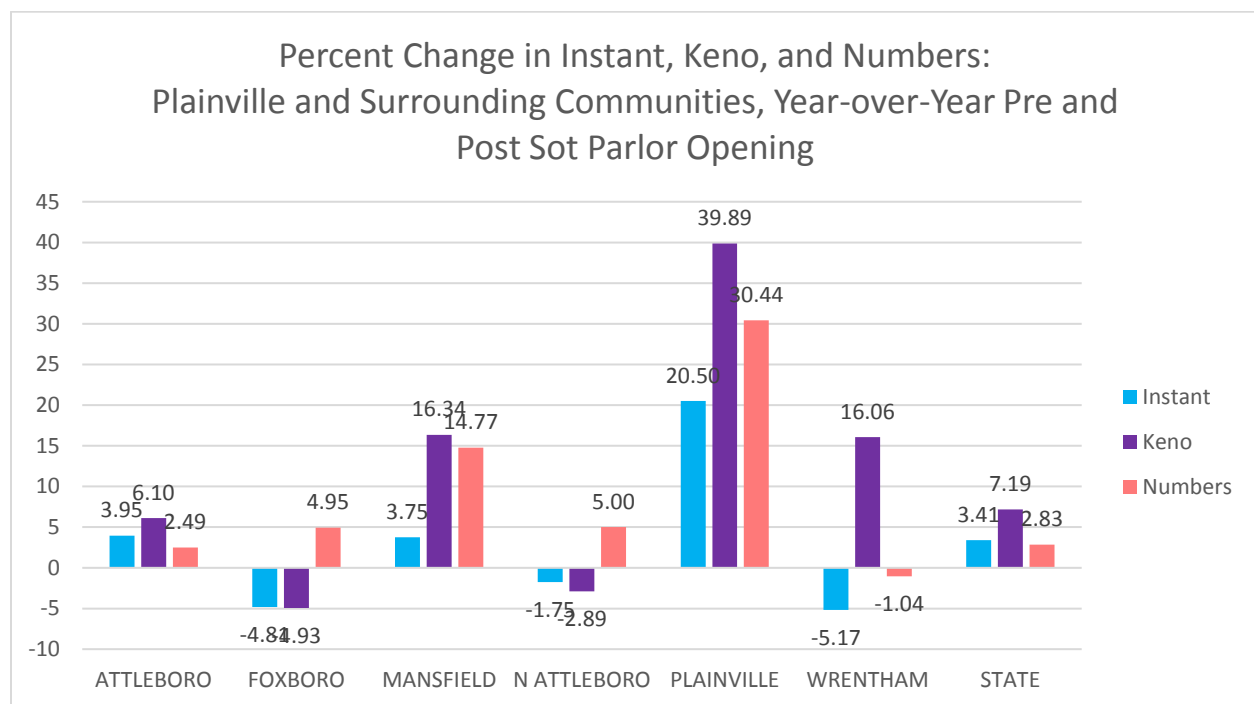
**Figure 7: Percent Change in Nominal Lottery Sales in Plainville & Surrounding Communities, Pre- and Post-Casino Opening**



Source: MA Lottery, bi-weekly sales 6/15/2014-6/20/2015 compared to bi-weekly sales 6/21/2015-6/25/2016, nominal dollars. Sales in Plainville increased dramatically (25.78%). Sales in Attleboro and Mansfield also increased at a rate that is very similar to the state as a whole. Sales in Foxborough declined the most (2.36%), whereas sales in North Attleborough and Wrentham were essentially unchanged over the time period.

As noted above, Instant sales account for approximately 70% of lottery revenue, with Keno and Numbers being the next largest contributors. The year-over-year percentage change in these games for the host and surrounding communities is presented in Figure 9. Paralleling the results for total sales, the largest percentage increase in Instant, Keno, and Numbers sales occurs in Plainville. Foxborough, North Attleborough, and Wrentham witnessed modest declines in Instant ticket sales over this time. Interestingly, Mansfield, Plainville, and Wrentham all experienced notable increases in Keno sales, a game that Walker and Cummings found to be the most negatively impacted by casino openings in Maryland.

**Figure 8: Percent Change in Instant, Keno & Number Sales in Plainville & Surrounding Communities, Pre- and Post-Casino Opening**



Source: MA Lottery, bi-weekly sales 6/15/2014-6/20/2015 compared to bi-weekly sales 6/21/2015-6/25/2016, nominal dollars. This figure shows the year-over-year percentage change in lottery revenue for the most popular lottery games, instant, keno, and numbers.

The above results suggest that lottery sales in the host and surrounding communities suffered no adverse impacts for the communities as a whole. While sales in Plainville noticeably increased, results for neighboring communities are more ambiguous, with some communities experiencing declines in sales and others experiencing increases. Nevertheless, in dollar terms, the gains in revenue in Attleboro, Mansfield, and Plainville, exceed the declines in Foxborough, North Attleborough, and Wrentham. Total lottery sales in the host and surrounding communities were \$5.45 million greater in the year after the casino opened. Excluding the town of Plainville, sales were \$3.27 million greater.

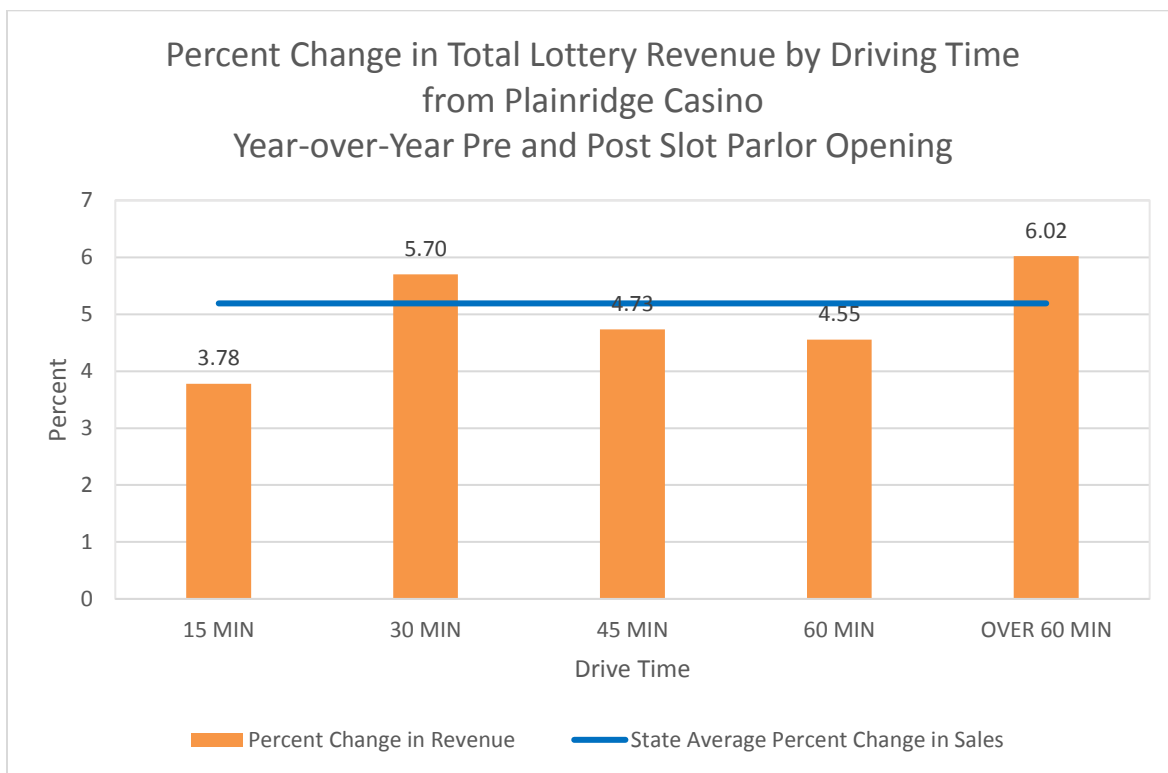
### Lottery Sales by Driving Time from Plainridge Park Casino

In this section, we analyze sales by driving time from the casino. This allows for a broader definition of surrounding community, thereby complementing the MGC designated surrounding community analysis above.

The year-over-year percent change in total lottery sales by driving distance from Plainridge Park Casino is presented in Figure 10. The category labeled 15 MIN includes all lottery agents 15 or fewer minutes' drive time from Plainridge Park Casino, including sales at the casino. The 30 MIN category includes all lottery agents 16 to 30 minutes' drive time from Plainridge Park Casino, and so on. The average percent change for the state is also included.

Outlets within a 15 minute drive of the casino experienced an increase in sales over the entire period of 3.78%, less than the state average of 5.19% and a slightly lower growth rate than outlets operating at a greater distance from the casino. Sales at outlets 16 to 30 minutes from the casino, however, grew more rapidly than sales statewide. Overall, there is no obvious pattern between lottery sales growth and proximity to the casino. That is, sales are not uniformly increasing at greater distances from the casino.

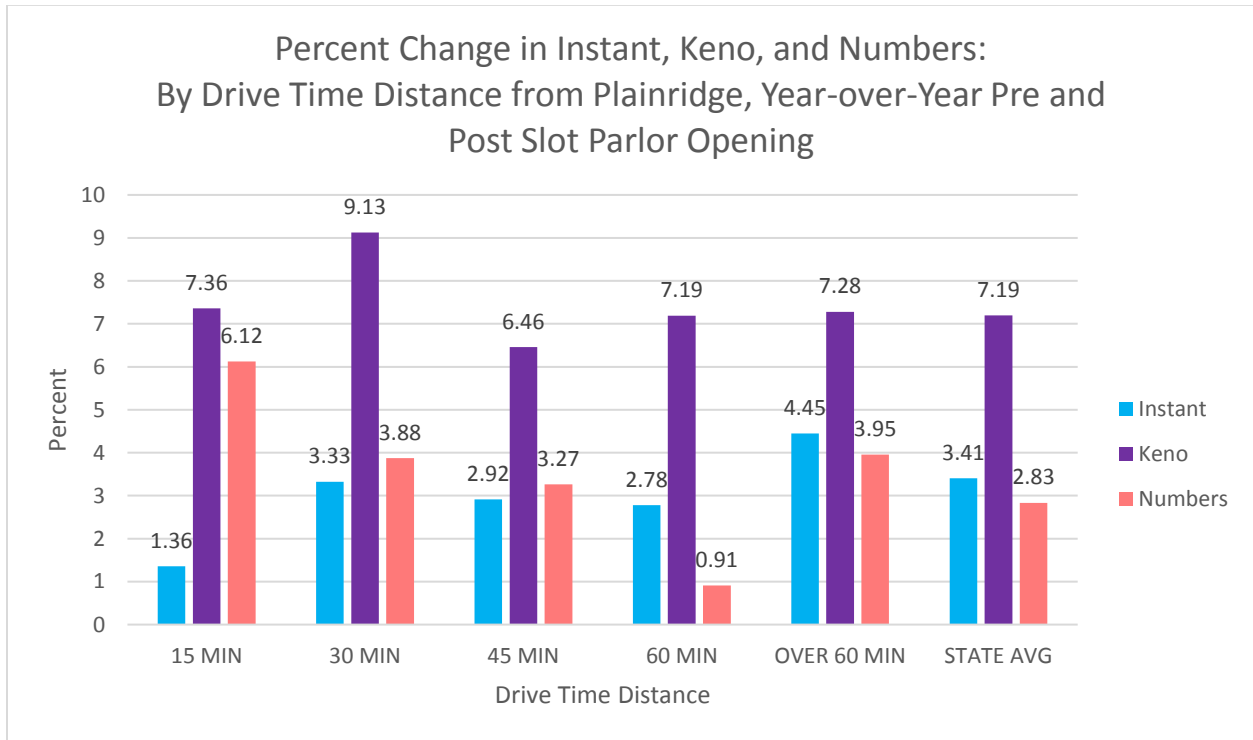
Figure 9: Percent Change in Lottery Sales by Driving Distance from Plainridge Park Casino



Source: MA Lottery, bi-weekly sales 6/15/2014-6/20/2015 compared to bi-weekly sales 6/21/2015-6/25/2016, nominal dollars. 15 MIN category includes Plainridge Park Casino. Sales at lottery agents within 15 minutes of the casino increased 3.78%, slightly below the state average of 5.2%. Sales at agents 16-30 minutes of the casino exceeded the growth state wide. No obvious "distance decay" effect where sales are lowest near the casino and increase at greater distances.

The year-over-year percentage change in sales by game and driving distance is provided in Figure 11. Instant ticket sales for lottery agents within a 15 minute drive of the casino increased 1.36%, below the state average of 3.41% and other agents at a greater distance from the casino. Instant sales for lottery agents 16-30 minutes from the casino grew 3.33%, nearly identical to the statewide average.

**Figure 10: Percent Change in Instant, Keno & Numbers by Driving Distance from Plainridge Park Casino**



Source: MA Lottery, bi-weekly sales 6/15/2014-6/20/2015 compared to bi-weekly sales 6/21/2015-6/25/2016, nominal dollars. This figure reports the year-over-year percentage change by type of game. Instant sales growth for agents within 15 minutes of the casino was below the state average. Growth for agents 16-30 minutes from the casino grew nearly identical to the state as a whole (3.3% vs 3.4%).

The year-over-year changes compare total sales for the year prior to opening with total sales for the year after opening. This analysis clearly shows that sales in Plainville increased. Changes in the surrounding communities show no clear pattern. Foxborough, North Attleborough, and Wrentham experienced modest declines in revenue, whereas Attleboro and Mansfield experienced year-over-year increases. The gains in Attleboro and Mansfield exceed the losses in Foxborough, North Attleborough, and Wrentham. Sales for agents within a 15 minute drive of the casino grew less than the state average whereas sales for agents within a 16 to 30 minute drive grew slightly more than the state average.

## **Lottery Sales After Plainridge Park Casino Opening: Biweekly Agent-Level Analysis over Time**

### **Host and Surrounding Community Analysis**

The analysis so far has examined fiscal year data or year-over-year changes. A year-over-year analysis provides detail on what happened to total lottery revenue before and after the casino opened, but it

does not provide detail on the dynamics of lottery expenditures over time. We now examine biweekly sales over the entire sample, from June 2014 to October 2016. The objective is to visualize and statistically test whether significant changes in lottery expenditures occurred after the opening of Plainridge Park Casino. For consistency with the above analysis, this is done over the same geographic distinctions, i.e., host and surrounding communities and driving distance from Plainridge Park Casino.

Figure 12 shows bi-weekly total lottery sales over the period June 15, 2014 to October 1, 2016 for the communities of Plainville, the MGC-designated surrounding communities, and the rest of Massachusetts. Because lottery sales in these areas are vastly different (total lottery sales in the rest of Massachusetts are much greater than total sales in Plainville, for example), all sales data are reported relative to total sales during the period prior to the casino opening (June 7, 2015-June 20, 2015). Thus, relative bi-weekly sales equal 1 for all areas for the June 7-June 20, 2015 period. Values greater than one signify bi-weekly sales data that exceed sales during the June 7-June 20 period, whereas values less than one signify lower bi-weekly sales compared to the June 7-20 period.

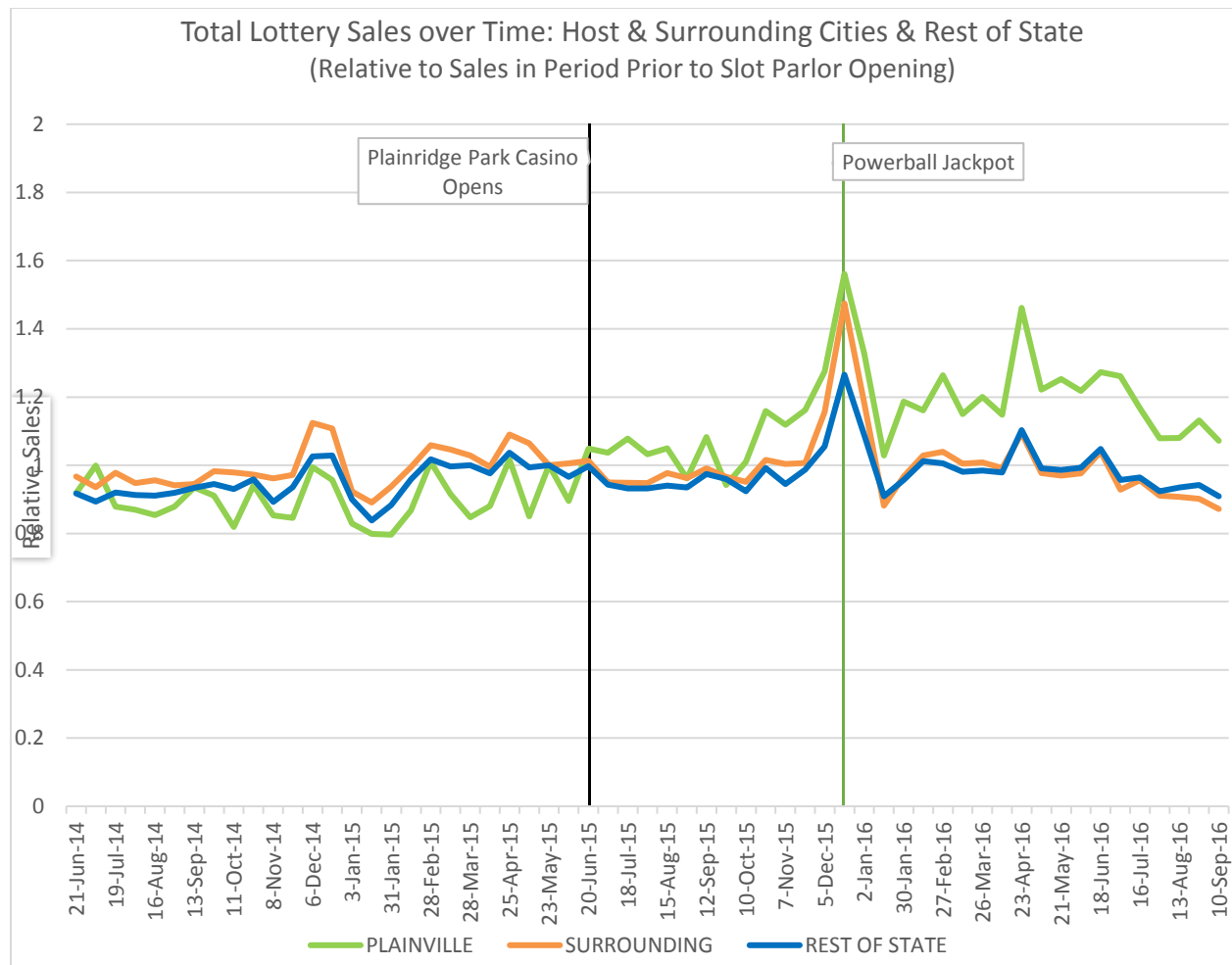
The June 7-June 20 period was chosen because the main objective of the analysis is to determine what happened to lottery sales after the casino opened. As a result, normalizing on the period immediately prior to opening seems a logical choice. The analysis is done for lottery agents that have been in operation over the entire sample. The overall conclusions are not sensitive to this restriction, and agents open during the whole period account for 76.75% of all observations. The closure and opening of agents, which may occur because a new owner takes over an existing business, or a new business becomes a lottery agent, introduces another source of variation to the data. This is particularly true for new agents that frequently have low initial sales.

Figure 12 reveals many interesting results. Relative sales in Plainville, which include the lottery agent in Plainridge Park Casino, are generally below the surrounding communities and the rest of Massachusetts prior to the casino opening. After the opening of Plainridge Park Casino, relative sales in Plainville equal or exceed relative sales in the surrounding communities and the rest of the state. This confirms the year-over-year analysis demonstrating that sales in Plainville grew faster after the opening of the casino relative to surrounding communities and the rest of Massachusetts.

The surrounding communities are largely unaffected. Prior to the casino opening, relative sales in the surrounding communities were slightly higher than relative sales in the rest of the state. After the casino opening, relative sales in the surrounding communities are more similar to the rest of Massachusetts. Most importantly, perhaps, the trends exhibited by all areas are very similar. If the opening of the casino had a large negative impact on sales in, for example, the surrounding communities, we would expect to see relative sales decline and diverge from the rest of the state. Figure 12 shows no evidence of a negative impact on sales.



**Figure 11: Relative Bi-weekly Lottery Revenue Over Time in Plainville, Surrounding Communities & Rest of Massachusetts**



Source: MA Lottery, bi-weekly sales relative to two-week period prior to opening (June 7-June 20, 2015), nominal dollars. A value of 1 implies that sales during that period were equal to sales during June 7-20. A value greater than one represents higher sales, less than 1 lower sales. Relative sales in Plainville, including Plainridge Park Casino, were lower in Plainville prior to the casino opening and generally equal or exceed sales in the surrounding communities and state after opening. Relative sales for surrounding communities generally follow the sales pattern exhibited in the rest of Massachusetts. A significant negative impact on lottery sales in surrounding communities would be represented by relative sales being lower and falling faster than the rest of Massachusetts.

**Difference-in-Differences Analysis of Host and Surrounding Communities**

Figure 12 visually demonstrates the pattern of lottery sales in the host and surrounding communities before and after the casino opening, comparing that pattern with the rest of the state. Difference-in-Differences (DID) analysis allows us to analyze lottery sales before and after the opening of the casino and determine if any observed changes are statistically significant, that is different from no change. DID analysis involves comparing a “treatment” group with a “control” group. Changes in lottery sales for the treatment group before and after the casino opening are compared with changes in the control group before and after the casino opening. The difference between these changes (i.e., differences) is also compared, hence the name difference-in-differences. Intuitively, we want to know whether lottery

revenue in the treatment group changed differently than the control group, which represents what might have happened had the casino not opened.

In our analysis, the treatment group is defined following the same geographic analysis used above, namely community type (host and surrounding) and driving distance from Plainridge Park Casino. Table 1 provides results from a DID analysis when the treatment group is defined to be all agents in Plainville, including the agent at Plainridge Park Casino. Table 1 shows that prior to the casino opening, average bi-weekly sales per agent in Plainville were \$24,503. After the casino opened, average bi-weekly sales per agent increased to \$31,546, a statistically significant increase of \$7,042. Table 1 also demonstrates that average bi-weekly sales per agent in the rest of Massachusetts increased approximately \$977, from \$26,898 before the casino opened to \$27,875 after the casino opened. The difference between the change in Plainville and the change in the rest of Massachusetts is \$6,065, an increase that is statistically significant (i.e., different than zero) at the 1% level of significance.

Note that the results in Table 1 quantify and reaffirm Figure 12. Prior to the casino opening, average bi-weekly lottery sales per agent in Plainville were below the state average, but after the casino opened they exceeded the state average. This is visually evident in Figure 12.

**Table 1: Difference-in-Differences Analysis of Average Bi-weekly Lottery Sales by Agent, Plainville vs. Rest of Massachusetts**

	Before Plainridge Park Casino	After Plainridge Park Casino	Difference <sup>a</sup>
Plainville <sup>b</sup>	24,503.58 (1,228.83)	31,546.29 (1,614.06)	7,042.71*** (1614.49)
Rest of State	26,898.27 (72.12)	27,875.50 (67.84)	977.23*** (99.40)
Difference in Differences			6,065.48*** (2,169.86)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>Including Plainridge Park Casino

*Source: MA Lottery, average bi-weekly sales per agent, 6/15/2014-6/20/2015 compared to average bi-weekly sales per agent 6/21/2015-10/1/2016. Average bi-weekly lottery sales per agent in Plainville increase \$7,042 compared to the rest of the state where average bi-weekly sales per agent increase \$977. Thus, average bi-weekly sales in Plainville increased a statistically significant \$6,065 more than agents in the rest of the state.*

Table 2 presents results for a DID analysis comparing the MGC-designated surrounding communities with the rest of Massachusetts. The results show that average bi-weekly sales per agent in surrounding communities increased by \$228. This increase, however, is not statistically significant, implying that we cannot confidently reject this increase from a change of zero. Average bi-weekly sales per agent for the rest of Massachusetts, however, increased \$1,003. The difference of \$-775 is not statistically significant. Thus, we cannot confidently conclude that the growth in revenue in the surrounding communities is lower relative to the rest of Massachusetts.

**Table 2: Difference-in-Differences Analysis of Average Bi-weekly Lottery Sales by Agent, Surrounding Communities vs. Rest of Massachusetts**

	<b>Before Plainridge Park Casino</b>	<b>After Plainridge Park Casino</b>	<b>Difference<sup>a</sup></b>
Surrounding Communities <sup>b</sup>	27,307.56 (663.90)	27,535.85 (618.44)	228.29 (910.01)
Rest of State	26,885.72 (72.33)	27,889.51 (68.09)	1,003.79*** (99.73)
Difference in Differences			-775.50 (750.20)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>Attleboro, Foxborough, Mansfield, North Attleborough, Wrentham

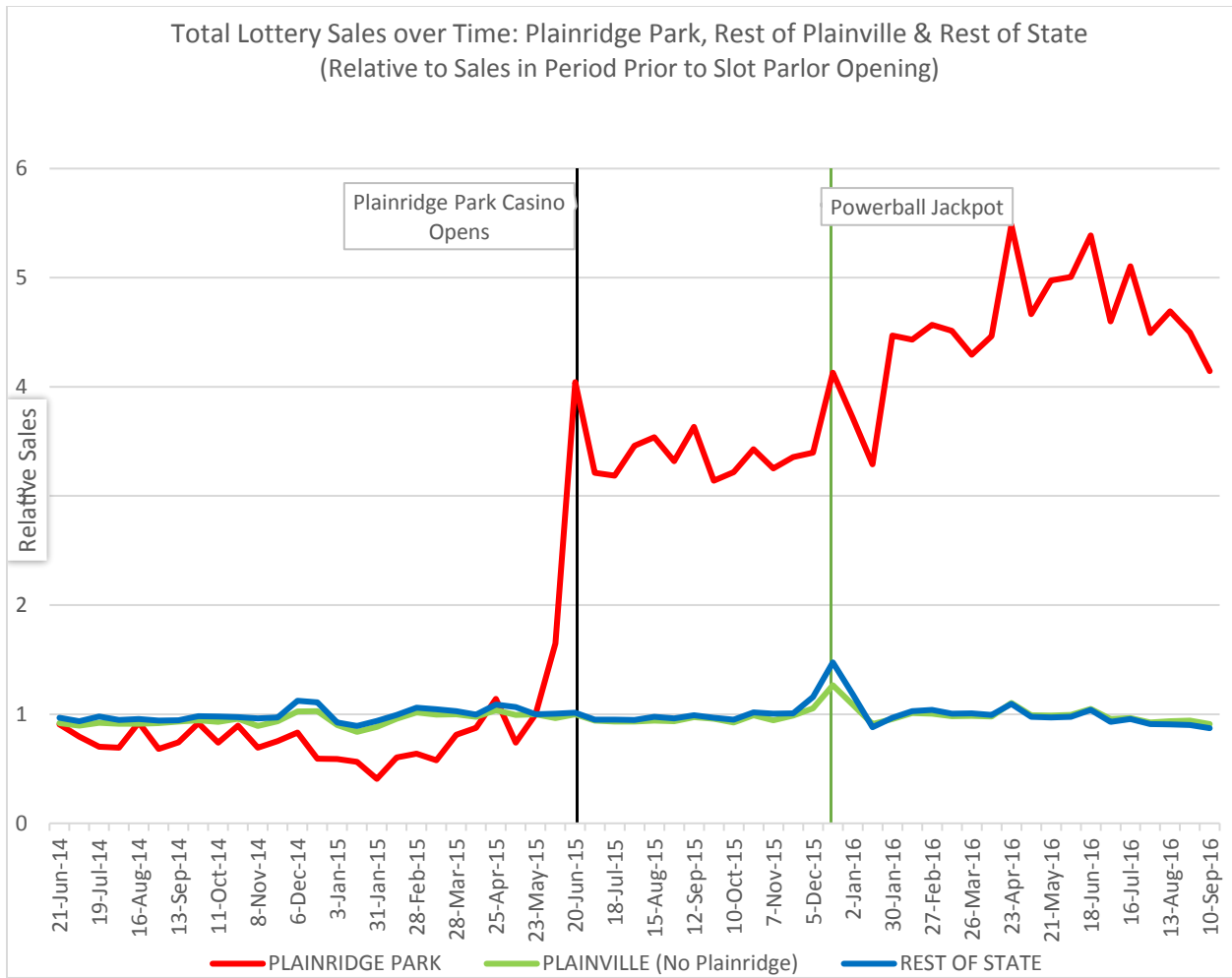
*Source: MA Lottery, average bi-weekly sales per agent, 6/15/2014-6/20/2015 compared to average bi-weekly sales per agent 6/21/2015-10/1/2016. Average bi-weekly lottery sales for agents in surrounding communities increase by \$228, on average, after the casino opened. This is less than the average bi-weekly increase for agents in the rest of the state of \$1003, but the difference is not statistically significant.*

### **Plainridge Park and Other Agents in Plainville**

Figure 13 analyzes Plainville more closely. Specifically, relative sales at Plainridge Park Casino are separated from relative sales for other agents in Plainville. Recall that these are sales over time relative to total sales during the two week period prior to the casino opening.

The most obvious feature of Figure 13 is the large increase in relative sales at Plainridge Park Casino. The increase in relative sales is roughly four-fold. This increase in sales, however, does not appear to have been at the expense of other agents in Plainville. Prior to the casino opening, relative sales at other agents were similar to the rest of Massachusetts. After the opening of the casino, there is no sign of a significant decline in relative sales for other agents. Rather, relative sales remain similar to the rest of Massachusetts.

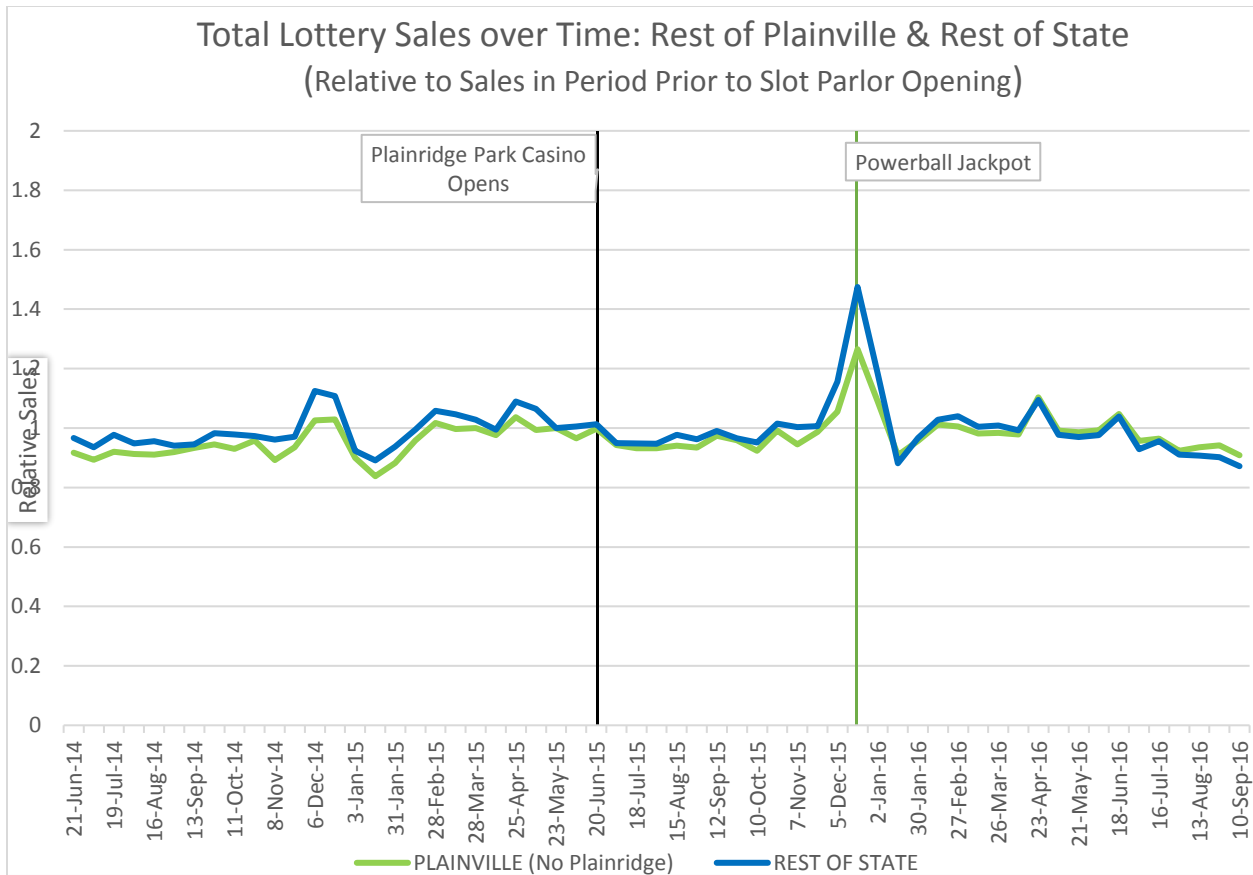
**Figure 12: Relative Bi-weekly Lottery Revenue over Time by PPC, Other Agents in Plainville, and Rest of Massachusetts.**



Source: MA Lottery, bi-weekly sales relative to two-week period prior to opening (June 7-June 20, 2015), nominal dollars. Thus, a value of 1 implies that sales during that period were equal to sales during June 7-20. A value greater than 1 represents higher sales, less than 1 lower sales. Sales at Plainridge Park Casino increase approximately four-fold. Sales at other agents in Plainville do not decline and follow pattern exhibited by the rest of Massachusetts.

Figure 14 excludes the relative sales of Plainridge Park Casino allowing more detailed examination of relative sales for other agents in Plainville compared to relative sales for the rest of the state. Relative sales at other agents in Plainville (excluding Plainridge Park Casino) follow a similar trend to agents in the rest of Massachusetts. Prior to the casino opening, relative sales for other agents in Plainville are slightly higher than the rest of the state, whereas after the casino opening they are more similar, indicating sales for other agents in Plainville did not increase as fast as other agents in Massachusetts. There is no evidence, however, of a notable decline in sales at other agents in Plainville. A DID analysis, not reported here in order to ensure the confidentiality of sales at Plainridge Park Casino, confirms that average bi-weekly sales at other agents increased less than the rest of Massachusetts, but that the difference is not statistically significant.

**Figure 13: Relative Bi-weekly Lottery Revenue Over Time for Other Agents in Plainville and the Rest of Massachusetts**



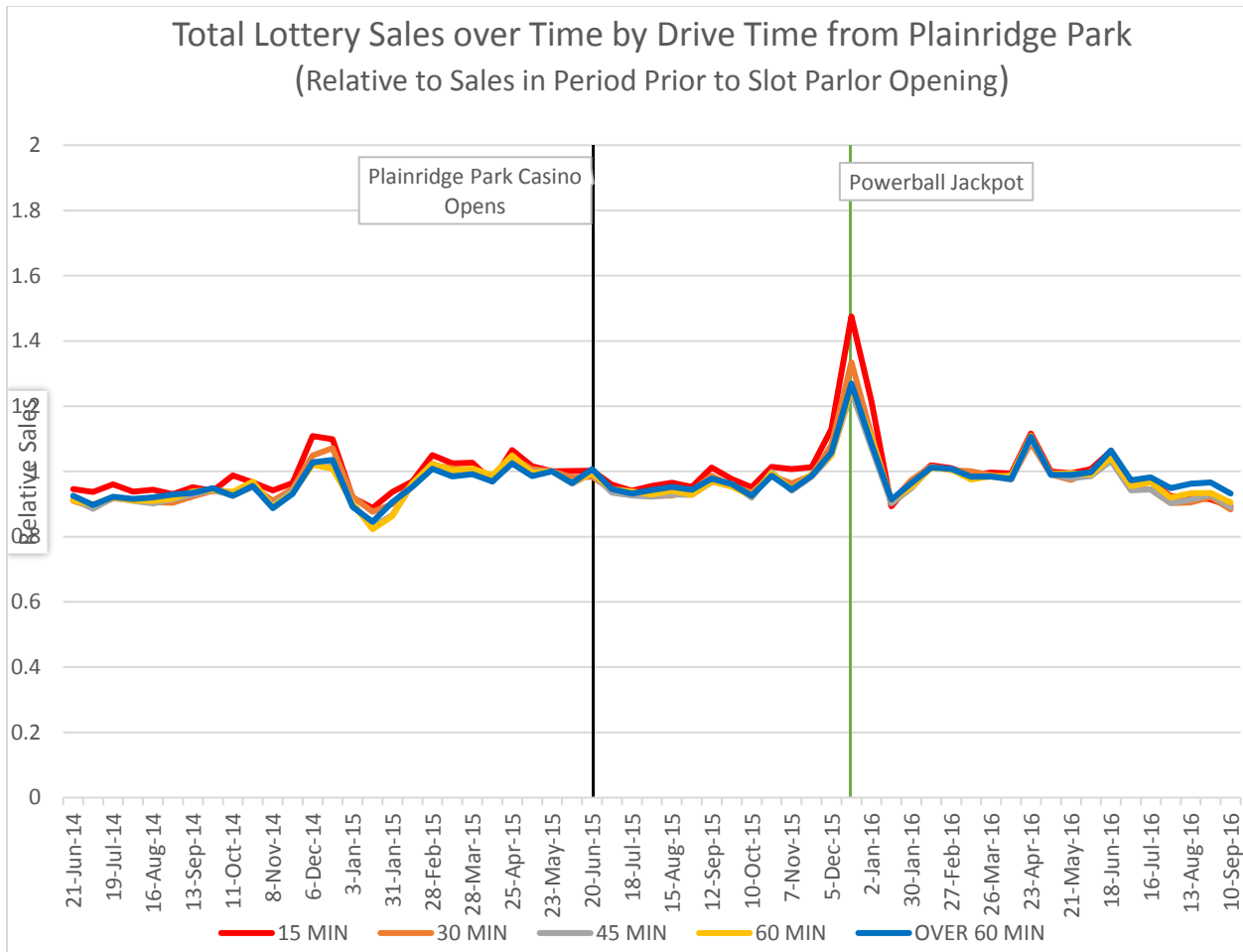
Source: MA Lottery, bi-weekly sales relative to two-week period prior to opening (June 7-June 20, 2015), nominal dollars. Relative sales at other agents in Plainville follow a similar trend as relative sales of other agents in Massachusetts. Relative sales at other agents in Plainville generally slightly above relative sales for other agents in Massachusetts prior to the casino opening and are more similar after the casino opening.

### Drive Time Analysis

The analysis for host and surrounding communities suggests that lottery sales at Plainridge Park Casino significantly increased. Sales at other agents in Plainville and agents in the MGC-designated surrounding communities, on average, increased more slowly than the rest of the state but the difference is not statistically significant.

Figure 15 illustrates relative bi-weekly sales for agents within various drive-time distances of Plainridge Park Casino. Plainridge Park Casino is included in the 15 MIN category, which includes all agents open during the entire sample period between a 0 and 15 minute drive time from Plainridge Park Casino. The 30 MIN category includes all agents open during the entire sample period that are a 16-30 minute drive time from Plainridge Park Casino, etc. Reaffirming the community analysis, relative bi-weekly sales patterns are very similar by drive distance. Relative sales (sales relative to the two-week period prior to opening) for all drive distances follow similar trends, both before and after the casino opening. An adverse impact on lottery sales from the opening of Plainridge Park Casino would likely occur among agents closer to the casino. There is no visual evidence of that in Figure 15.

**Figure 14: Relative Bi-weekly Lottery Revenue Over Time for Agents at Various Distances from PPC**



Source: MA Lottery, bi-weekly sales relative to two-week period prior to opening (June 7-June 20, 2015), nominal dollars. The category 15 MIN includes all agents within 15 minutes of Plainridge Park Casino, including Plainridge Park Casino. 30 MIN represents agents 16-30 minutes away from Plainridge Park Casino, etc. Relative sales for all distances follow a similar trend, showing no sign of a different or adverse impact after the casino opened.

### **Difference-in-Differences Analysis by Drive Time**

Tables 3 and 4 present DID analysis for agents within 15 minutes' drive of Plainridge Park Casino and agents 16-30 minutes from Plainridge Park Casino. For this analysis, we exclude Plainridge Park Casino. This is done because we have already seen that sales at Plainridge Park Casino increased significantly and we are interested in whether any adverse impact was felt by other agents. Similar to the results for the surrounding communities, Table 3 demonstrates that average bi-weekly sales for agents within a 15 minute drive of the slot parlor increased more slowly than agents more distant from the casino. Specifically, average bi-weekly sales for agents within 15 minutes increased by \$134, an increase that is not statistically significant. Average bi-weekly sales for other agents in the state increased by a statistically significant \$1,000. The difference in the average bi-weekly sales, \$-865, however, is not statistically significant. This overall conclusion does not change if Plainridge Park Casino is included.

When including Plainridge Park Casino, the increase for agents within a 15 minute drive is still below the rest of Massachusetts and not statistically significant. The difference is not statistically significant either.

**Table 3: Difference-in-Differences Analysis of Average Bi-weekly Lottery Sales Per Agent Within 15 Minute Drive of PPC vs. Rest of Massachusetts**

	Before Plainridge Park Casino	After Plainridge Park Casino	Difference <sup>a</sup>
Agents within 15 Minute Drive of Plainridge Park <sup>b</sup>	23,104.17 (307.08)	23,239.08 (288.20)	134.91 (422.70)
Rest of State	27,003.71 (73.55)	28,004.07 (69.18)	1000.36*** (101.37)
Difference in Differences			-865.45 (601.78)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>Excluding Plainridge Park Casino

*Source: MA Lottery, average bi-weekly sales per agent, 6/15/2014-6/20/2015 compared to average bi-weekly sales per agent 6/21/2015-10/1/2016. Sales for Plainridge Park Casino are excluded from this analysis in order to examine whether other agents experienced adverse impacts. Average bi-weekly sales for agents within 15 minutes of Plainridge Park Casino increased by \$134, an increase that is not statistically significant. Average bi-weekly sales for agents further from the casino increased, on average, by \$1,000. The difference, however, is not statistically significant.*

Table 4 compares agents within a 16-30 minute drive of the casino with agents at a greater distance. Thus, agents within a 0-15 minute drive are not included in the rest of Massachusetts. This was done to be consistent with Table 3 where agents within 15 minutes of the casino were compared with agents more distant.

After the casino opened, average bi-weekly sales for agents within a 16-30 minute drive of Plainridge Park Casino increased a statistically significant \$770. Agents more distant from the casino also experienced a statistically significant increase, on average, of \$1,024. The difference in the change, \$-253, is not statistically significant.

**Table 4: Difference-in-Differences Analysis of Average Bi-weekly Lottery Sales Per Agent Within 16-30 Minute Drive of PPC vs. Rest of Massachusetts**

	<b>Before Plainridge Park Casino</b>	<b>After Plainridge Park Casino</b>	<b>Difference<sup>a</sup></b>
Agents within 30 Minute Drive of Plainridge Park	25,678.17 (236.00)	26,448.57 (222.36)	770.40** (325.58)
Rest of State <sup>b</sup>	27,141.69 (77.39)	28,165.98 (72.78)	1,024.29*** (106.66)
Difference in Differences			-253.89 (346.87)

<sup>a</sup>A \*, \*\*, and \*\*\* represent statistical significance at the 10, 5, and 1 percent level, respectively. Only agents open over the whole sample period.

<sup>b</sup>Does not include agents within 15 minute drive. Results not sensitive to this restriction (D in D equals -241.70).

*Source: MA Lottery, average bi-weekly sales per agent, 6/15/2014-6/20/2015 compared to average bi-weekly sales per agent 6/21/2015-10/1/2016. Agents within a 15 minute drive are not included in the Rest of State. Average bi-weekly sales for agents that are a 16-30 minute drive from Plainridge Park Casino increased, on average by \$770, whereas more distant agents increased \$1,024. Both increases are statistically significant, but the difference between the changes is not.*

Results for agents 31-45 minutes, not separately reported, reveal a similar pattern. Average bi-weekly sales increase \$839 versus \$1,106 for agents that are more distant. The difference, \$-267, is not statistically significant.



## Summary and Future Work

The results presented above demonstrate that nominal lottery revenue (i.e., not adjusted for inflation) has annually increased, beginning in 2012. The introduction of casino gambling in Massachusetts may adversely impact lottery revenues if casinos are a substitutable form of gambling. The above results indicate that the introduction of Plainridge Park Casino did not cause lottery expenditures to decline statewide or, on average, in MGC-designated surrounding and nearby communities.

Statewide lottery revenue grew 4.3% in FY 16, a time period that nearly corresponds to the first full year of operation of Plainridge Park Casino, which opened June 24, 2015. This rate of growth exceeds the historical average of 1.7% and is the second highest rate of growth since 2012. Lottery revenues for the city of Plainville increased 25% in the year after the casino opened relative to the prior year. Much of this increase occurred at Plainridge Park Casino where sales increased nearly four-fold compared to sales prior to the casino opening.

Sales for lottery agents in the surrounding communities of Attleboro, Foxborough, Mansfield, North Attleborough, and Wrentham, *collectively*, and for agents within a 15 minute drive of Plainridge Park Casino (excluding the casino) did not decline following the opening of the new casino. However, while sales for these areas collectively did not decrease, sales did grow more slowly.

There are two important qualifiers to be added. One, as demonstrated above, differences in the change in lottery revenue between agents that are closer to the casino relative to the rest of Massachusetts are not statistically significant. Thus, we cannot say with statistical confidence that the lower growth in lottery revenue for agents near the casino is lower than the rest of the state. Two, the impact in the surrounding communities is not symmetric. As shown above, total year-over-year lottery sales in Attleboro and Mansfield increased slightly more than the state average, but sales in Foxborough, North Attleborough, and Wrentham declined, with Foxboro declining the most at approximately 2.3%, while North Attleborough and Wrentham each declined less than one percent. In aggregate, however, total lottery sales increased. Whether the casino had differential impacts on the surrounding communities cannot be determined, but there is no evidence to suggest that the casino had widespread negative impacts on surrounding lottery agents.

It is important to keep in mind that the post-casino period of July, 2015 to October, 2016 is relatively short and should not be interpreted as representative of longer term impacts. The above results may change as more time elapses. If surrounding communities continue to grow more slowly over time the difference between them and the rest of the state may become statistically significant. Moreover, the slot parlor at Plainridge Park is a different scale compared to the other casinos scheduled to open in Massachusetts, which will be larger and include more non-casino amenities. The above results may not foreshadow results for the casino openings in Springfield or Everett.

Going forward, the Massachusetts Lottery has graciously agreed to continue to provide us agent-specific data. This will allow us to analyze the impact of Plainridge Park Casino over time and also provides extended baseline data for Springfield and Everett and their various surrounding communities. This will include the MGC-designated surrounding communities and communities within various distances from the casinos. We will also continue to analyze data on a calendar year and fiscal year basis by town.

Determining the longer term impact that casinos have on lottery revenues will, by definition, take time. To provide insight into what the impact might be, however, we have gathered data on lottery sales in

Pennsylvania and Ohio both of which have lotteries and opened casinos in 2007 and 2012, respectively. Both states experienced initial declines in lottery sales in the first year after casinos opened (see Appendix A). Lottery revenue in Ohio recovered after the first year. Pennsylvania lottery revenue took longer to recover, but it is difficult to disentangle the effects of the recession from the opening of casinos in that state. As noted above, Pennsylvania's Legislative and Budget Committee initially noted that lottery sales in host counties were below non-host counties, but later concluded that the impact of casinos was negligible. We will continue to gather data for these states as it becomes available.

### **Charity Gaming**

Charity gaming consists of Bingo games, raffles, charity game tickets, and casino functions. Calendar year 2015 gross receipts were \$57,976,236, derived from Bingo games (47.5%), raffles (30%), charity game tickets (22%), and casino functions (0.5%).<sup>11</sup> Charity gaming has generally been declining every year in Massachusetts. For example, Bingo gross receipts were \$88,208,825 for calendar year 2003, but declined to \$27,581,036 in calendar year 2015. Attleboro is the only MGC-designated surrounding community with any charity gaming, so an analysis of the impact of the casino on charity gaming is not practical at this time. Bingo receipts in Attleboro declined 15% in calendar year 2015, but have declined at an average annual rate of approximately 11% since 2003. Given the limited time the casino has been open and that Attleboro is the only surrounding community to have charity gaming, it is not possible to determine any casino-related impacts. We will continue to gather charity gaming data and will analyze those impacts as casinos open in the future.

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<sup>11</sup> Charity Games, 2015 Annual Report, Massachusetts State Lottery Commission.  
<http://www.masslottery.com/lib/downloads/games/Charitable%20Gaming%20AR%202015.pdf>

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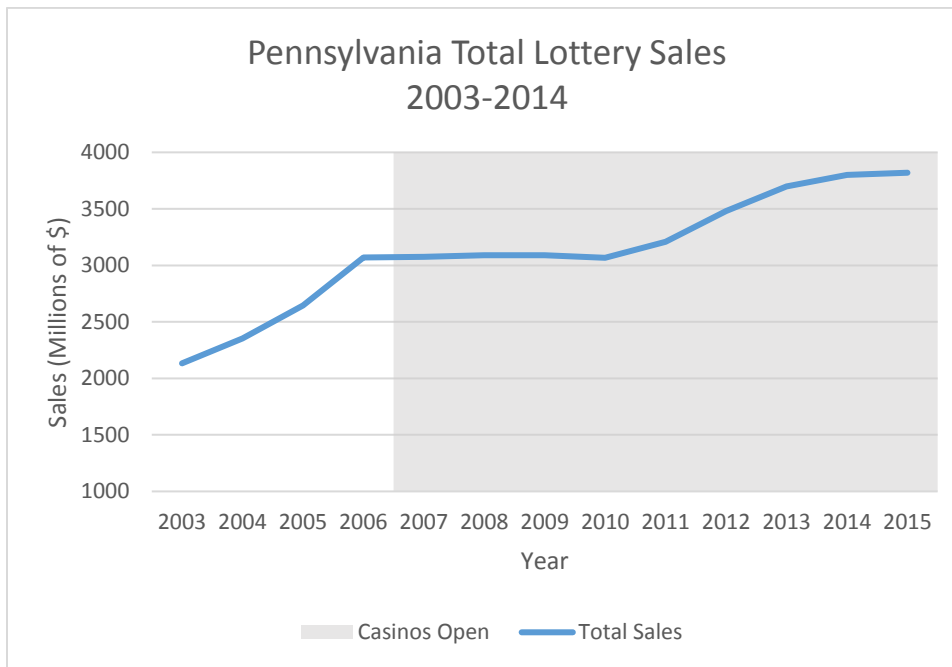
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## Appendix A

### Pennsylvania Lottery Revenue

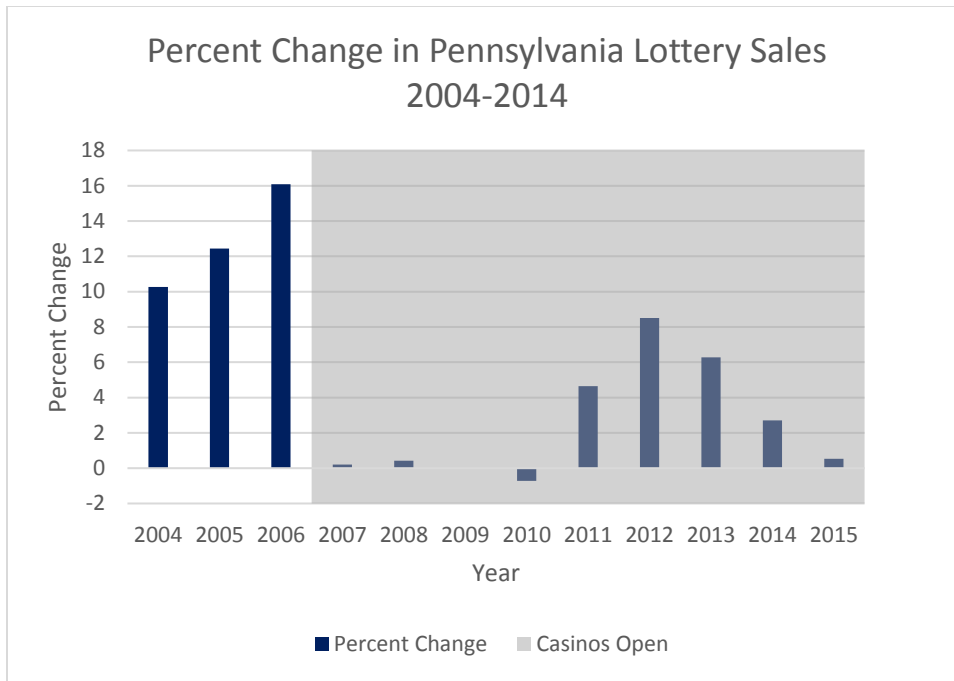
Figures A1 and A2 illustrate lottery revenue and its percentage change in Pennsylvania over the period 2003-2015. Casinos opened in Pennsylvania in 2007. Lottery revenue growth declined dramatically the year casinos opened, growing only 0.20% compared to 16% the year earlier. Revenue growth remained low through 2010 before rebounding in 2011. The years 2007-2010, however, coincide with the recession, making it impossible to determine the impact of the casino openings relative to the economic downturn. The results, however, suggest that there has been little, if any, longer-term impact on lottery revenues in Pennsylvania following the introduction of casino gambling.

**Figure A1: Pennsylvania Lottery Revenue, FY 2003-2015**



Source: Pennsylvania Lottery.

**Figure A2: Percent Change in Pennsylvania Lottery Revenue, FY 2004-2014**



Source: Pennsylvania Lottery.

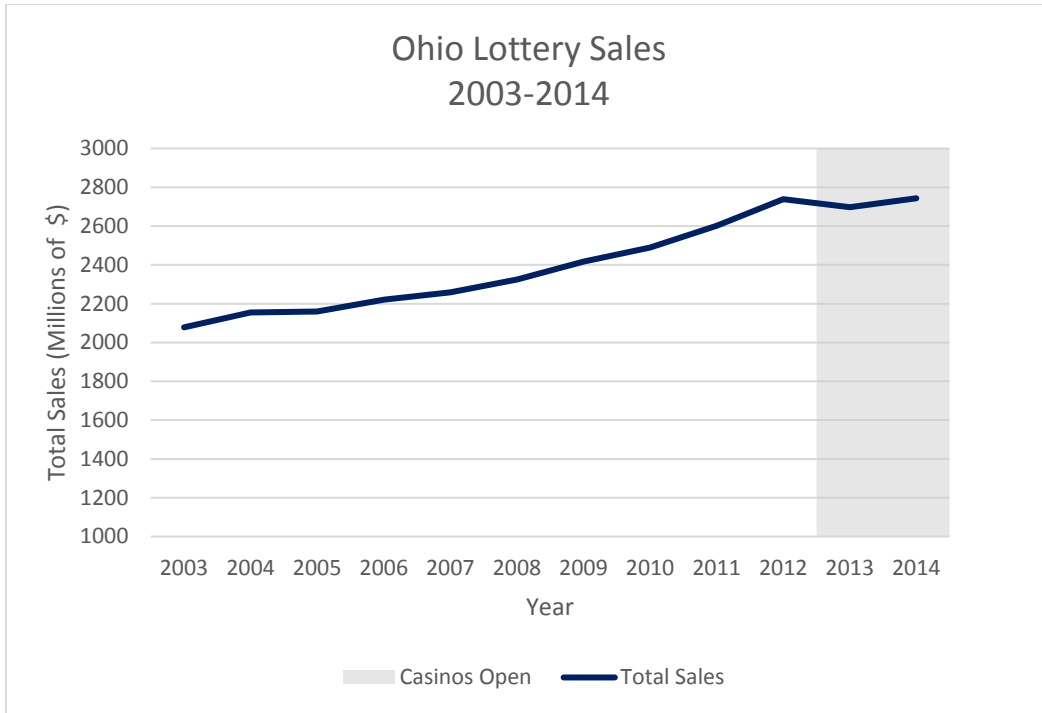
### **Ohio Lottery Revenue**

Figures A3 and A4 provide total lottery revenue and the annual percentage change for Ohio. Ohio opened four casinos beginning May 2012. This provides a useful comparison in that the casinos opened after the recession, allowing a clearer picture of the potential impact resulting from casino openings in Massachusetts. Currently, 2015 data for Ohio are not available.

The results from Ohio demonstrate that lottery revenue declined in fiscal year 2013, which would include 6 months (January-June, 2013) during which the casinos were open. In fiscal year 2014 lottery revenue growth returned, growing 1.67%.

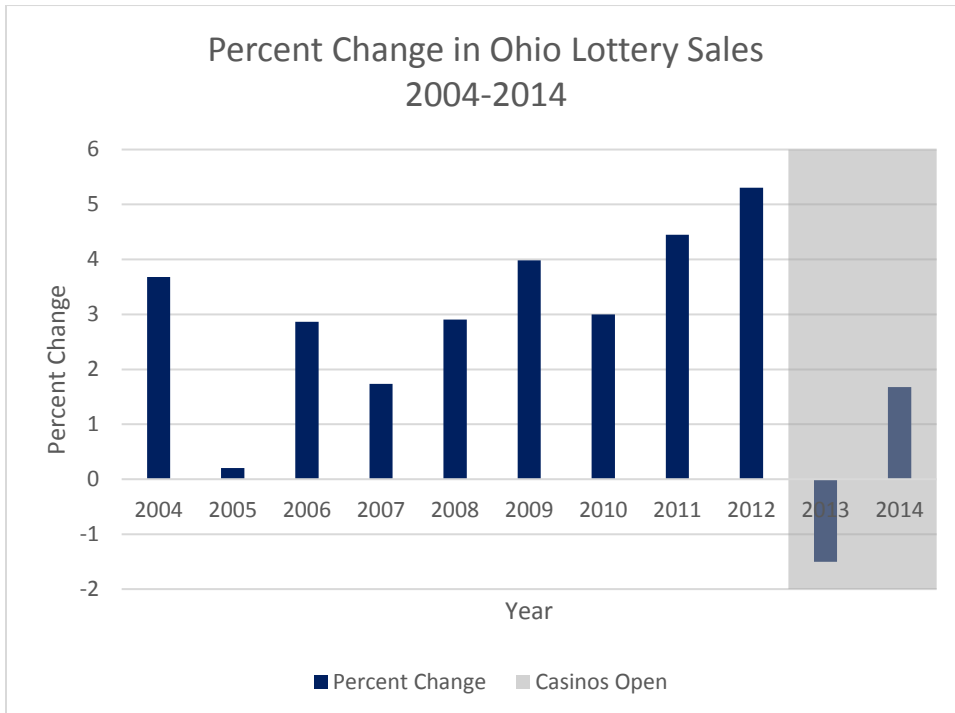
The results for Pennsylvania and Ohio suggest that the opening of casinos has a negative, but transitory impact on lottery revenue. In both states, lottery revenue initially declined after the opening of casinos but later recovered.

**Figure A3: Ohio Lottery Revenue, FY 2003-2014**



Source: Ohio Lottery

**Figure A4: Percent Change in Ohio Lottery Revenue, FY 2004-2015**



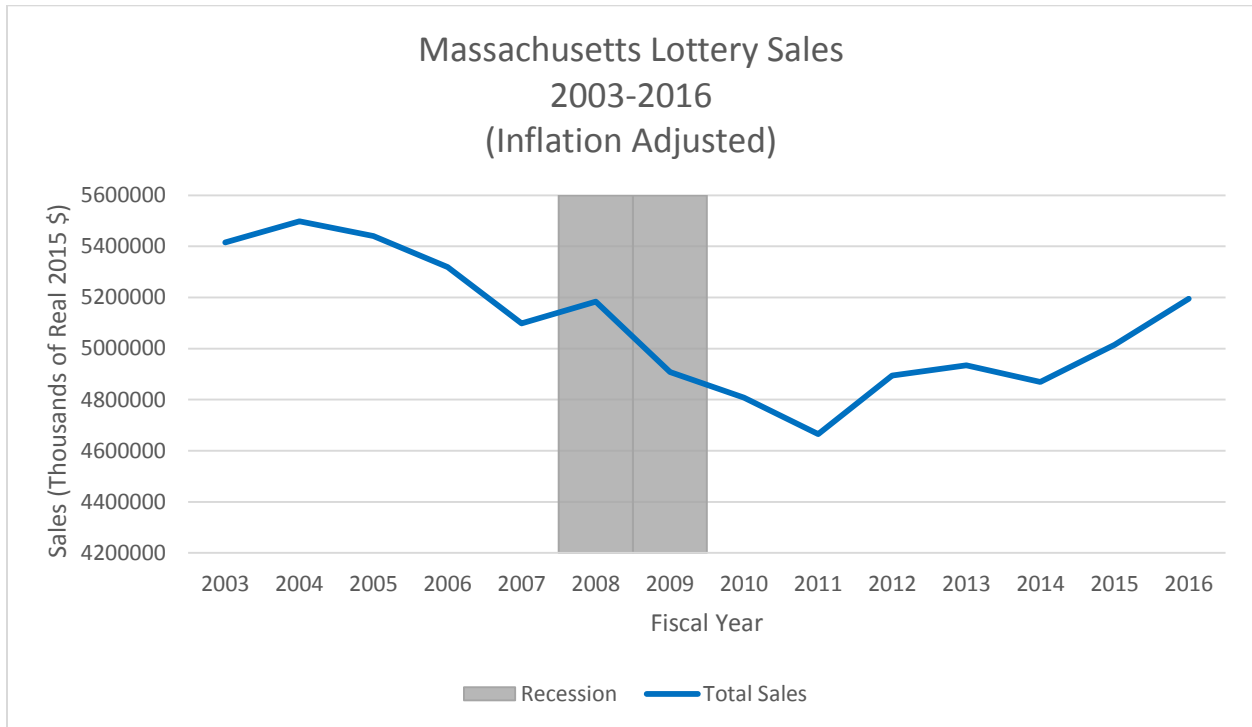
Source: Ohio Lottery.

## Appendix B

### Inflation Adjusted Lottery Sales

Figure B1 below shows total lottery revenues expressed in real 2015 dollars. Nominal dollars have been adjusted for inflation using the Bureau of Labor Statistics CPI-U, the Consumer Price Index for all Urban Consumers.

**Figure B1: Total Lottery Sales, 2003-2016 (in 2015 Dollars)**



Source: MA Lottery and Bureau of Labor Statistics.

Figure B1 shows that nominal lottery revenue growth over the period 2003 to 2016 has not kept up with inflation. The annualized inflation rate over this period was 2.13%, which exceeded the 1.70% annualized growth in nominal revenues. Nevertheless, Figure B1 demonstrates the notable decline in sales resulting from the recession and economic slowdown as well as the recovery in lottery revenues beginning in Fiscal Year 2011. In real terms, lottery revenues have recovered from the Great Recession and are approximately equivalent to real expenditures in Fiscal Year 2008.

**No Documents**



# MASSACHUSETTS GAMING COMMISSION

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## MEMORANDUM

**To:** Chairman Crosby and Commissioners Cameron, Macdonald, Stebbins and Zuniga  
**From:** Derek Lennon, CFAO  
**Date:** 1/19/2017  
**Re:** Fiscal Year 2017 (FY17) Second Budget Update

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### **Summary:**

The Massachusetts Gaming Commission approved an initial FY17 Gaming Control Fund budget of \$27.17M, requiring an initial \$22.4 M assessment on licensees. After closing out FY16 and opening FY17, the Commission had surplus FY16 revenue of \$987.5K in the Gaming Control Fund. The \$987.5K surplus decreased the initial assessment to \$21.4M. The first quarter increased spending estimates by \$32.5K. This quarter resulted in a decrease in spending projections of \$133.7K.

### **FY17 Second Update:**

#### *Gaming Control Fund 1050-0001*

The Massachusetts Gaming Commission approved a FY17 budget for the Gaming Control Fund of \$27.17M which required an assessment of \$22.39M on licensees. The spending is composed of \$18.59M for gaming operations, \$1.65M for Indirect Costs, \$4.48M for Research and Responsible Gaming and a \$2.37M assessment for the Office of the Attorney General's (AGO) gaming operations inclusive of Massachusetts State Police (MSP) assigned to the AGO and \$75K to the Alcohol Beverage and Control Commission (ABCC). The FY16 balanced forward of \$987K in unrestricted revenues will result in a reduction in the annual assessment. After the first quarter, the Commission's budget projected \$32.5K in additional spending.

Appendix B to this document shows the transfer requests for this quarter. Most transfers are net zero budget adjustments. However, there are two amendments that result in a decrease in projected overall spending of \$133.7K due to the Commission not using the total amount that was allocated in the budget for raises. The commission had allocated for 3.5% of payroll for raises, but used less than 2%. This reduction combined with the first quarter's adjustments results in a projected surplus of ~\$100K in the gaming control fund.

The FY17 budget eliminated many contingency items and was developed at trying to reduce surplus revenue at the close of a year. For the reasons mentioned, the office of Administration and Finance is not recommending reducing the assessment further at this time as we may have spending exposures in the subsequent two quarters.

Appendix A to this document is the budget to actual spending and revenue for each account for the MGC for the first two months of the 2017 fiscal year. The budget section of Appendix A has a column titled Proposed Adjustments. This column references budget transfers division Directors have requested, and are laid out in detail in Appendix B. All of the remaining appropriations on Appendix A are related to the Racing division. Appendix C shows spending compared to budget for each division within the MGC.

**Conclusion:**

The Massachusetts Gaming Commission is projecting a \$100K surplus in the Gaming control fund after the 2<sup>nd</sup> quarterly update. However, staff is not recommending adjusting the assessment at this time.

Appendix A: FY17 Actuals Spending and Revenue as of 12-31-2016

Appendix B: QRY Step 16A Budget Amendment Requests by Quarter by Object Class

Appendix C: QRY Step 05A Expense Budget Form

2017 Row Labels	Budget Projections				Actuals To Date Total	%Spent	% BFY Passed
	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)			
<b>10500001--Gaming Control Fund</b>							
<b>MGC Regulatory Cost</b>							
AA REGULAR EMPLOYEE COMPENSATION	\$ 6,119,738.87	\$ (7,500.00)	\$ (104,362.80)	\$ 6,112,238.87	\$ 2,754,679.69	45%	50%
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 64,000.00	\$ 7,900.00	\$ -	\$ 71,900.00	\$ 18,816.14	26%	50%
CC SPECIAL EMPLOYEES	\$ 100,000.00	\$ 2,500.00	\$ 4,362.80	\$ 102,500.00	\$ 78,221.20	76%	50%
DD PENSION & INSURANCE RELATED EX	\$ 2,208,428.60		\$ (35,170.00)	\$ 2,208,428.60	\$ 952,729.60	43%	50%
EE ADMINISTRATIVE EXPENSES	\$ 590,725.64	\$ 2,100.00	\$ -	\$ 592,825.64	\$ 170,683.17	29%	50%
GG ENERGY COSTS AND SPACE RENTAL	\$ 1,221,982.62		\$ -	\$ 1,221,982.62	\$ 616,581.10	50%	50%
HH CONSULTANT SVCS (TO DEPTS)	\$ 1,254,603.14	\$ (30,000.00)	\$ 50,000.00	\$ 1,224,603.14	\$ 559,300.02	46%	50%
JJ OPERATIONAL SERVICES	\$ 3,141,685.78	\$ 37,500.00	\$ -	\$ 3,179,185.78	\$ 1,004,021.12	32%	50%
KK Equipment Purchase	\$ -	\$ 7,000.00	\$ 1,400.00	\$ 7,000.00	\$ 102.99	1%	50%
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 29,683.80		\$ -	\$ 29,683.80	\$ 5,043.95	17%	50%
PP STATE AID/POL SUB	\$ 225,000.00		\$ (50,000.00)	\$ 225,000.00	\$ (15,000.00)	-7%	50%
UU IT Non-Payroll Expenses	\$ 3,639,596.18	\$ 2,980.00	\$ -	\$ 3,642,576.18	\$ 1,287,699.03	35%	50%
<b>MGC Regulatory Cost Subtotal:</b>	<b>\$ 18,595,444.63</b>	<b>\$ 22,480.00</b>	<b>\$ (133,770.00)</b>	<b>\$ 18,617,924.63</b>	<b>\$ 7,432,878.01</b>	<b>40%</b>	<b>50%</b>
<b>EE--Indirect Costs</b>	<b>\$ 1,648,870.20</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,648,870.20</b>	<b>\$ 602,702.10</b>	<b>37%</b>	<b>50%</b>
<b>Office of Attorney General</b>							
ISA to AGO	\$ 1,904,540.60	\$ -	\$ -	\$ 1,904,540.60	\$ 559,732.58	29%	50%
TT Reimbursement for AGO 0850-1024	\$ -			\$ -	\$ 80,660.32	#DIV/0!	50%
AGO State Police	\$ 472,303.76			\$ 472,303.76	\$ 131,839.16	28%	50%
<b>Office of Attorney General Subtotal:</b>	<b>\$ 2,376,844.36</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,376,844.36</b>	<b>\$ 772,232.06</b>	<b>32%</b>	<b>50%</b>
<b>Research and Responsible Gaming/Public Health Trust Fund</b>							
AA REGULAR EMPLOYEE COMPENSATION	\$ 232,465.30			\$ 232,465.30	103,206.28	44%	50%
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 6,000.00			\$ 6,000.00	2,292.69	38%	50%
CC SPECIAL EMPLOYEES				\$ -	2,112.00	#DIV/0!	50%
DD PENSION & INSURANCE RELATED EX	\$ 81,758.03			\$ 81,758.03	35,678.19	44%	50%
EE ADMINISTRATIVE EXPENSES	\$ 8,825.00			\$ 8,825.00	13,046.84	148%	50%
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 500.00			\$ 500.00		0%	50%
HH CONSULTANT SVCS (TO DEPTS)	\$ 1,437,500.00	\$ (10,000.00)		\$ 1,427,500.00	413,535.55	29%	50%
JJ OPERATIONAL SERVICES		\$ 20,000.00		\$ 20,000.00	4,481.25	22%	50%
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 40,000.00			\$ 40,000.00	\$ 265.30	1%	50%
PP STATE AID/POL SUB	\$ 2,130,000.00			\$ 2,130,000.00	\$ 551,901.83	26%	50%
UU IT Non-Payroll Expenses	\$ 65,000.00			\$ 65,000.00	\$ 5,300.00	8%	50%
ISA to DPH	\$ 473,487.00			\$ 473,487.00	\$ 131,294.49	28%	50%
<b>Research and Responsible Gaming/Public Health Trust Fund Subtotal:</b>	<b>\$ 4,475,535.33</b>	<b>\$ 10,000.00</b>	<b>\$ -</b>	<b>\$ 4,485,535.33</b>	<b>\$ 1,263,114.42</b>	<b>28%</b>	<b>50%</b>
<b>ISA to ABCC</b>	<b>\$ 75,000.00</b>			<b>\$ 75,000.00</b>	<b>\$ -</b>	<b>0%</b>	<b>50%</b>

<b>Gaming Control Fund Total Costs</b>												
	\$	27,171,694.52	\$	32,480.00	\$	(133,770.00)	\$	27,204,174.52	\$	10,070,926.59	37%	50%
<b>Revenue Projections</b>												
Revenues	Initial Projection		Approved Adjustments		Proposed Adjustments		Current Budget (Initial+Apvd Adjmts)		Actuals Total			
	Gaming Control Fund Beginning Balance 0500			\$	987,501.13	\$	-	\$	987,501.13	\$	987,501.13	
Phase 1 Collections (restricted) 0500					\$	-	\$	-	\$	-		
Phase 1 Refunds 0500					\$	-	\$	-	\$	-		
Phase 2 Category 1 Collections (restricted) 0500					\$	-	\$	-	\$	-		
Region C Phase 1 Investigation Collections 0500	\$	-	\$	-	\$	-	\$	-	\$	-		
Region C Phase 2 Category 1 Collections 0500					\$	-	\$	-	\$	-		
Grant Collections (restricted) 0500	\$	50,000.00			\$	-	\$	50,000.00	\$	-		
Region A slot Machine Fee 0500	\$	1,945,200.00			\$	-	\$	1,945,200.00	\$	1,716,000.00		
Region B Slot Machine Fee 0500	\$	1,800,000.00			\$	-	\$	1,800,000.00	\$	1,800,000.00		
Slots Parlor Slot Machine Fee 0500	\$	750,000.00			\$	-	\$	750,000.00	\$	750,000.00		
Gaming Employee License Fees (GEL) 3000	\$	35,000.00			\$	-	\$	35,000.00	\$	16,500.00		
Key Gaming Executive (GKE) 3000	\$	5,000.00			\$	-	\$	5,000.00	\$	7,000.00		
Key Gaming Employee (GKS) 3000	\$	15,000.00			\$	-	\$	15,000.00	\$	4,500.00		
Non-Gaming Vendor (NGV) 3000	\$	31,000.00			\$	-	\$	31,000.00	\$	22,200.02		
Vendor Gaming Primary (VGP) 3000	\$	30,000.00			\$	-	\$	30,000.00	\$	15,000.00		
Vendor Gaming Secondary (VGS) 3000	\$	45,000.00			\$	-	\$	45,000.00	\$	-		
Gaming School License (GSB)	\$	-			\$	-	\$	-				
Gaming Service Employee License (SER) 3000	\$	15,000.00			\$	-	\$	15,000.00	\$	7,575.00		
Subcontractor ID Initial License (SUB) 3000					\$	-	\$	-	\$	-		
Temporary License Initial License (TEM) 3000					\$	-	\$	-	\$	-		
Veterans Initial License (VET) 3000					\$	-	\$	-	\$	-		
Transfer of Licensing Fees to CMF 0500					\$	-	\$	-	\$	-		
Assessment 0500	\$	22,450,494.52	\$	(987,501.13)	\$	-	\$	21,462,993.39	\$	10,207,844.88		
Misc 0500					\$	-	\$	-	\$	-		
<b>Grand Total</b>	\$	<b>27,171,694.52</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>27,171,694.52</b>	\$	<b>15,534,121.03</b>		

<b>Budget Projections</b>												
Row Labels	Initial Projection		Approved Adjustments		Proposed Adjustments		Current Budget (Initial+Bal Fwd+Apvd Adjmts)		Actuals To Date Total		%Spent	% BFY Passed
	<b>10500002</b>											
TT LOANS AND SPECIAL PAYMENTS	\$	-			\$	-	\$	-	\$	-	#DIV/0!	
<b>Revenue Projections</b>												
Revenues	Initial Projection		Approved Adjustments		Proposed Adjustments		Current Budget (Initial+Apvd Adjmts)		Actuals Total			
	Greyhound Balance Forward Simulcast 7200				\$	-	\$	-	\$	-		
Plainridge Greyhound Import Simulcast 7200	\$	32,174.19			\$	-	\$	32,174.19	\$	11,982.92		
Raynham Greyhound Import Simulcast 7200	\$	112,449.69			\$	-	\$	112,449.69	\$	47,266.47		
Wonderland Greyhound Import Simulcast 7200	\$	36,338.91			\$	-	\$	36,338.91	\$	14,160.03		

\$ 180,962.79 \$ - \$ - \$ 180,962.79 \$ 73,409.42							
Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget		%Spent	% BFY Passed
				(Initial+Bal Fwd+Apvdt Adjmts)	Actuals To Date Total		
<b>1050003</b>							
AA REGULAR EMPLOYEE COMPENSATION	\$ 383,644.22			\$ 383,644.22	\$ 186,293.13	49%	50%
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 12,000.00			\$ 12,000.00	\$ 1,932.49	16%	50%
CC SPECIAL EMPLOYEES	\$ 330,000.00			\$ 330,000.00	\$ 266,398.77	81%	50%
DD PENSION & INSURANCE RELATED EX	\$ 135,249.14			\$ 135,249.14	\$ 82,881.28	61%	50%
EE ADMINISTRATIVE EXPENSES	\$ 32,855.00			\$ 32,855.00	\$ 102,266.02	311%	50%
FF PROGRAMMATIC FACILITY OPERATONAL SUPPLIES	\$ 2,000.00			\$ 2,000.00	\$ 1,391.02	70%	50%
HH CONSULTANT SVCS (TO DEPTS)	\$ 25,000.00			\$ 25,000.00	\$ 8,775.00	35%	50%
JJ OPERATIONAL SERVICES	\$ 238,300.00			\$ 238,300.00	\$ 336,400.91	141%	50%
LL EQUIPMENT LEASE-MAINTAIN/REPAR	\$ 3,500.00			\$ 3,500.00	\$ 118.74	3%	50%
MM PURCHASED CLIENT/PROGRAM SVCS	\$ 235,000.00			\$ 235,000.00	\$ -	0%	50%
NN INFRASTRUCTURE:				\$ -	\$ -	#DIV/0!	50%
UU IT Non-Payroll Expenses	\$ 78,700.00			\$ 78,700.00	\$ 39,449.41	50%	50%
ISA to DPH				\$ -	\$ -	#DIV/0!	50%
<b>Grand Total</b>	<b>\$ 1,476,248.36</b>			<b>\$ 1,476,248.36</b>	<b>\$ 1,025,906.77</b>	<b>69%</b>	<b>50%</b>
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget		Actuals Total	
				(Initial+Apvdt Adjmts)			
Plainridge Assessment 4800	\$ 170,849.60		\$ -	\$ 170,849.60	\$ 50,495.67		
Plainridge Daily License Fee 3003	\$ 124,695.42		\$ -	\$ 124,695.42	\$ 48,000.00		
Plainridge Occupational License 3003/3004	\$ 85,000.00		\$ -	\$ 85,000.00	\$ 17,875.00		
Plainridge Racing Development Oversight Live 0131	\$ 18,674.66		\$ -	\$ 18,674.66	\$ 6,967.20		
Plainridge Racing Development Oversight Simulcast 0131	\$ 264,972.66		\$ -	\$ 264,972.66	\$ 65,313.52		
Racing Oversight and Development Balance Forward 0131			\$ -	\$ -	\$ 1,807,217.44		
Raynham Assessment 4800	\$ 126,681.83		\$ -	\$ 126,681.83	\$ 48,294.17		
Raynham Daily License Fee 3003	\$ 110,931.00		\$ -	\$ 110,931.00	\$ 45,600.00		
Raynham Racing Development Oversight Simulcast 0131	\$ 457,149.55		\$ -	\$ 457,149.55	\$ 168,391.18		
Suffolk Assessment 4800	\$ 437,169.33		\$ -	\$ 437,169.33	\$ 163,526.94		
Suffolk Commission Racing Development Oversight Simulcast 0131	\$ 170,748.32		\$ -	\$ 170,748.32	\$ 59,352.92		
Suffolk Daily License Fee 3003	\$ 80,631.00		\$ -	\$ 80,631.00	\$ 30,000.00		
Suffolk Occupational License 3003/3004	\$ 20,000.00		\$ -	\$ 20,000.00	\$ 33,045.00		
Suffolk Racing Development Oversight Live 0131			\$ -	\$ -	\$ 8,813.87		
Suffolk TVG Commission Live 0131			\$ -	\$ -	\$ 603.84		
Suffolk TVG Commission Simulcast 0131	\$ 92,997.43		\$ -	\$ 92,997.43	\$ 87,460.52		
Suffolk Twin Spires Commission Live 0131			\$ -	\$ -	\$ 372.74		
Suffolk Twin Spires Commission Simulcast 0131	\$ 92,997.43		\$ -	\$ 92,997.43	\$ 53,519.31		
Suffolk Xpress Bet Commission Live 0131			\$ -	\$ -	\$ 203.03		
Suffolk Xpress Bet Commission Simulcast 0131	\$ 92,997.43		\$ -	\$ 92,997.43	\$ 18,123.62		

Suffolk NYRA Bet Commission Live 0131	\$ -	\$ -	\$ -	\$ -	\$ -	
Suffolk NYRA Bet Commission Simulcast 0131	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer to General Fund 10500140 0000				\$ -	\$ -	
Wonderland Assessment 4800	\$ 15,132.22	\$ -	\$ -	\$ 15,132.22	\$ 7,392.99	
Wonderland Daily License Fee 3003	\$ 80,073.00	\$ -	\$ -	\$ 80,073.00	\$ 35,700.00	
Wonderland Racing Development Oversight Simulcast 0131	\$ 120,746.64	\$ -	\$ -	\$ 120,746.64	\$ 14,669.28	
Plainridge fine 2700		\$ -	\$ -	\$ -	\$ 11,300.00	
Suffolk Fine 2700		\$ -	\$ -	\$ -	\$ -	
Plainridge Unclaimed wagers 5009	\$ 185,000.00	\$ -	\$ -	\$ 185,000.00	\$ 4,400.00	
Suffolk Unclaimed wagers 5009	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00	\$ -	
Raynham Unclaimed wagers 5009	\$ 155,000.00	\$ -	\$ -	\$ 155,000.00	\$ -	
Wonderland Unclaimed wagers 5009	\$ 7,000.00	\$ -	\$ -	\$ 7,000.00	\$ -	
Misc 0131		\$ -	\$ -	\$ -	\$ -	
<b>Grand Total</b>	<b>\$3,159,447.52</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,159,447.52</b>	<b>\$2,786,638.24</b>	<b>\$0.00</b>

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
<b>10500004</b>							
PP Grants and Subsidies (Community Mitigation Fund)				\$ -	\$ 311,662.50		50%
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals Total		
Balance forward prior year				\$ -	\$ 17,100,375.00		
<b>Grand Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,100,375.00</b>	<b>\$ -</b>	

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed
<b>10500005</b>							
TT LOANS AND SPECIAL PAYMENTS (Race Horse Dev Fund)	\$ 14,400,000.00	\$ -	\$ -	\$ 14,400,000.00	\$ 8,402,616.73	58%	50%
Revenue Projections							
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals Total		
Balance forward prior year 3003				\$ -	\$ 12,962,441.68		
Race Horse Development Fund assessment 3003	\$ 15,000,000.00			\$ 15,000,000.00	\$ 6,948,562.75		
<b>Grand Total</b>	<b>\$ 15,000,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,000,000.00</b>	<b>\$ 19,911,004.43</b>	<b>\$ -</b>	

Budget Projections							
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed

<b>10500012</b>												
TT LOANS AND SPECIAL PAYMENTS												
	\$	-	\$	-	\$	-	\$	-	\$	-	#DIV/0!	50%
<b>Revenue Projections</b>												
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals Total							
Plainridge Import Harness Horse Simulcast 0131	\$ 1,933.38			\$ 1,933.38	\$ 7,458.39							
Plainridge Racing Harness Horse Live 0131	\$ 7,272.51			\$ 7,272.51	\$ 6,686.33							
Raynham Import Plainridge Simulcast 0131	\$ 298.34			\$ 298.34	\$ 1,811.15							
Suffolk Import Plainridge Simulcast 0131	\$ -			\$ -	\$ 1,452.09							
Plainridge Racecourse Promo Fund Beginning Balance 7205	\$ -			\$ -	\$ 17,739.08							
TVG Live 0131	\$ -			\$ -	\$ -							
TVG Simulcast 0131	\$ 9,048.31			\$ 9,048.31	\$ 5,903.58							
Twin Spires Live 01	\$ -			\$ -	\$ -							
Twin Spires Simulcast 0131	\$ 11,759.99			\$ 11,759.99	\$ 6,407.44							
Xpress Bets Live 0131	\$ -			\$ -	\$ -							
Xpress Bets Simulcast 0131	\$ 2,460.58			\$ 2,460.58	\$ 1,025.85							
NYRA Live 0131	\$ -			\$ -	\$ -							
NYRA Simulcast 0131	\$ -			\$ -	\$ 66.82							
<b>Grand Total</b>	<b>\$ 32,773.11</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,773.11</b>	<b>\$ 48,550.73</b>	<b>\$ -</b>						

<b>Budget Projections</b>												
Row Labels	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed					
<b>10500013</b>												
TT LOANS AND SPECIAL PAYMENTS												
	\$ 125,000.00	\$ -	\$ -	\$ 125,000.00	\$ -	0%	50%					
<b>Revenue Projections</b>												
Revenues	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals Total							
Plainridge Import Harness Horse Simulcast 0131	\$ 24,981.94			\$ 24,981.94	\$ 16,740.17							
Plainridge Racing Harness Horse Live 0131	\$ 12,020.54			\$ 12,020.54	\$ 11,630.32							
Raynham Import Plainridge Simulcast 0131	\$ 3,825.51			\$ 3,825.51	\$ 3,491.72							
Suffolk Import Plainridge Simulcast 0131	\$ -			\$ -	\$ 3,265.43							
Plainridge Capital Improvement Fund Beginning Balance 7205	\$ -			\$ -	\$ 269,358.42							
TVG Live 0131	\$ -		\$ -	\$ -	\$ -							
TVG Simulcast 0131	\$ 23,526.60		\$ -	\$ 23,526.60	\$ 15,136.69							
Twin Spires Live 0131	\$ -		\$ -	\$ -	\$ -							
Twin Spires Simulcast 0131	\$ 28,932.47		\$ -	\$ 28,932.47	\$ 17,340.20							
Xpress Bets Live 0131	\$ -		\$ -	\$ -	\$ -							
Xpress Bets Simulcast 0131	\$ 9,228.91		\$ -	\$ 9,228.91	\$ 3,013.09							
NYRA Live 0131	\$ -		\$ -	\$ -	\$ -							
NYRA Simulcast 0131	\$ -		\$ -	\$ -	\$ -							
<b>Grand Total</b>	<b>\$102,515.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$102,515.97</b>	<b>\$339,976.04</b>							

		Budget Projections							
Row Labels		Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed	
<b>10500021</b>									
TT LOANS AND SPECIAL PAYMENTS		\$ 146,000.00	\$ -	\$ -	\$ 146,000.00	\$ -	0%	50%	
		Revenue Projections							
Revenues		Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals Total			
Plainridge Import Suffolk Simulcast 0131		\$ 31,069.66			\$ 31,069.66	\$ 12,534.46			
Raynham Import Suffolk Simulcast 0131		\$ 15,440.76			\$ 15,440.76	\$ 7,510.02			
Suffolk Import Running Horse Simulcast 0131		\$ 54,208.12		\$ -	\$ 54,208.12	\$ 19,305.09			
Suffolk Racing Running Horse Live 0131		\$ 1,866.24		\$ -	\$ 1,866.24	\$ 2,937.96			
Suffolk Promotional Fund Beginning Balance 7205		\$ -		\$ -	\$ -	\$ 82,095.54			
TVG Live 0131		\$ 100.85		\$ -	\$ 100.85	\$ 201.27			
TVG Simulcast 0131		\$ 45,779.53		\$ -	\$ 45,779.53	\$ 26,789.78			
Twin Spires Live 0131		\$ 48.63		\$ -	\$ 48.63	\$ 124.25			
Twin Spires Simulcast 0131		\$ 28,161.18		\$ -	\$ 28,161.18	\$ 15,172.27			
Xpress Bets Live 0131		\$ 28.60		\$ -	\$ 28.60	\$ 67.68			
Xpress Bets Simulcast 0131		\$ 13,867.46		\$ -	\$ 13,867.46	\$ 5,629.08			
NYRA Live 0131		\$ -		\$ -	\$ -	\$ 2.96			
NYRA Simulcast 0131		\$ -		\$ -	\$ -	\$ 817.30			
<b>Grand Total</b>		<b>\$190,571.03</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$190,571.03</b>	<b>\$173,187.66</b>			

		Budget Projections							
Row Labels		Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Bal Fwd+Apvd Adjmts)	Actuals To Date Total	%Spent	% BFY Passed	
<b>10500022</b>									
TT LOANS AND SPECIAL PAYMENTS		\$ 525,500.00	\$ -	\$ -	\$ 525,500.00	\$ -	0%	50%	
		Revenue Projections							
Revenues		Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget (Initial+Apvd Adjmts)	Actuals Total			
Plainridge Import Suffolk Simulcast 0131		\$ 100,662.78		\$ -	\$ 100,662.78	\$ 47,094.76			
Raynham Import Suffolk Simulcast 0131		\$ 78,597.18		\$ -	\$ 78,597.18	\$ 26,748.93			
Suffolk Import Running Horse Simulcast 0131		\$ 177,470.92		\$ -	\$ 177,470.92	\$ 76,422.79			
Suffolk Racing Running Horse Live 0131		\$ 6,129.71		\$ -	\$ 6,129.71	\$ 9,876.27			
Suffolk Capital Improvement Fund Beginning Balance 7205		\$ -		\$ -	\$ -	\$ 846,341.76			
TVG Live 0131		\$ 279.86		\$ -	\$ 279.86	\$ 684.82			
TVG Simulcast 0131		\$ 172,972.00		\$ -	\$ 172,972.00	\$ 103,217.93			
Twin Spires Live 0131		\$ 124.80		\$ -	\$ 124.80	\$ 475.02			
Twin Spires Simulcast 0131		\$ 83,514.94		\$ -	\$ 83,514.94	\$ 60,962.65			



Xpress Bets Live 0131	\$ 101.42	\$ -	\$ 101.42	\$ 1,451.50
Xpress Bets Simulcast 0131	\$ 46,749.67	\$ -	\$ 46,749.67	\$ 17,817.09
NYRA Live 0131	\$ -	\$ -	\$ -	\$ 3.00
NYRA Simulcast 0131	\$ -	\$ -	\$ -	\$ 2,659.50
<b>Grand Total</b>	<b>\$666,603.28</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$666,603.28</b>
				<b>\$1,193,756.02</b>

Row Labels	Budget Projections				Actuals To Date Total	%Spent	% BFY Passed
	Initial Projection	Approved Adjustments	Proposed Adjustments	Current Budget			
				(Initial+Bal Fwd+Apvd Adjmts)			
<b>10500140</b>							
TT LOANS AND SPECIAL PAYMENTS	\$ 1,150,000.00	\$ -		\$ 1,150,000.00	\$ 165,777.32	14%	50%

# QRY--Step 16A Budget Amendment Requests by Qtr and Object Class

Amendments for Quarter: **2**

Approp	Type	Obj Class	Division	Obj Code	Description of Change	Date Requested	Aprvd	Denied	Date Approved	Approved Denied By	Comments	Change Amount
10500001	Amendment	AA										
		1100	A01		Only used ~2% of pool	1/12/2017	<input type="checkbox"/>	<input type="checkbox"/>				(\$100,000.00)
		1600	A01		Move money to cover intern	12/5/2016	<input type="checkbox"/>	<input type="checkbox"/>				(\$4,362.80)
<b>Apvd/Pending Subtotal</b>												<b>(\$104,362.80)</b>
<b>Obj Class Totals</b>												<b>(\$104,362.80)</b>
		CC										
		1600	C04		Net Zero money moved from AA	12/5/2016	<input type="checkbox"/>	<input type="checkbox"/>				\$4,362.80
<b>Apvd/Pending Subtotal</b>												<b>\$4,362.80</b>
<b>Obj Class Totals</b>												<b>\$4,362.80</b>
		DD										
		1100	D09		Corresponding 35.17% tax decrease for fringe and payroll taxes on unused raises	1/12/2017	<input type="checkbox"/>	<input type="checkbox"/>				(\$35,170.00)
<b>Apvd/Pending Subtotal</b>												<b>(\$35,170.00)</b>
<b>Obj Class Totals</b>												<b>(\$35,170.00)</b>
		HH										
		1600	HH3		Net Zero money moved from PP	12/5/2016	<input type="checkbox"/>	<input type="checkbox"/>				\$50,000.00
<b>Apvd/Pending Subtotal</b>												<b>\$50,000.00</b>
<b>Obj Class Totals</b>												<b>\$50,000.00</b>
		KK										
		5000	K07		Gaming Tables, Accessories, Freight	11/3/2016	<input type="checkbox"/>	<input type="checkbox"/>				\$1,400.00
<b>Apvd/Pending Subtotal</b>												<b>\$1,400.00</b>
<b>Obj Class Totals</b>												<b>\$1,400.00</b>
		PP										
		1600	P01		Move money to HH for AOC Media Campaign	12/5/2016	<input type="checkbox"/>	<input type="checkbox"/>				(\$50,000.00)
<b>Apvd/Pending Subtotal</b>												<b>(\$50,000.00)</b>
<b>Obj Class Totals</b>												<b>(\$50,000.00)</b>
<b>Type Totals</b>												<b>(\$133,770.00)</b>
<b>Appropriation Totals</b>												<b>(\$133,770.00)</b>

# QRY--Step 05A Expense Budget Form

BFY	Appropriation	Division	Obj Clas	Object Class Name	Obligation Ceiling	Accrued Expenses	Cash Expenses	Total Expenses	Encumbered	Committed	Uncommitted	% Spent	% Comtd	% BFY Passed
2017														
	10500001													
		1000		Division of Finance and Administration										
			AA	REGULAR EMPLOYEE COMPENSATION	\$500,089.89	\$0.00	\$243,310.81	\$258,310.81	\$15,000.00	\$273,310.81	\$226,779.08	51.65%	54.65%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$2,000.00	\$0.00	\$429.33	\$429.33	\$0.00	\$429.33	\$1,570.67	21.47%	21.47%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$175,881.61	\$0.00	\$84,887.91	\$84,887.91	\$0.00	\$84,887.91	\$90,993.70	48.26%	48.26%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$196,988.63	\$0.00	\$91,739.12	\$91,739.12	\$56,240.44	\$147,979.56	\$49,009.07	46.57%	75.12%	53.70%
			GG	ENERGY COSTS AND SPACE RENTAL	\$1,193,902.62	\$0.00	\$686,532.46	\$686,532.46	\$513,530.16	\$1,200,062.62	(\$6,160.00)	57.50%	100.52%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$125,000.00	\$0.00	\$140,819.84	\$140,819.84	\$25,042.56	\$165,862.40	(\$40,862.40)	112.66%	132.69%	53.70%
			JJ	OPERATIONAL SERVICES	\$2,000.00	\$0.00	\$676.78	\$676.78	\$2,873.22	\$3,550.00	(\$1,550.00)	33.84%	177.50%	53.70%
			KK	EQUIPMENT PURCHASE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#Div/0!	#Div/0!	53.70%
			LL	EQUIPMENT LEASE-MAINTAIN/REPAR	\$29,683.80	\$0.00	\$2,329.41	\$2,329.41	\$11,250.25	\$13,579.66	\$16,104.14	7.85%	45.75%	53.70%
			UU	IT Non-Payroll Expenses	\$1,900.00	\$0.00	\$3,584.54	\$3,584.54	\$3,254.79	\$6,839.33	(\$4,939.33)	188.66%	359.96%	53.70%
			<b>Total:</b>	<b>Division of Finance and Administration</b>	<b>\$2,227,446.55</b>	<b>\$0.00</b>	<b>\$1,254,310.20</b>	<b>\$1,269,310.20</b>	<b>\$627,191.42</b>	<b>\$1,896,501.62</b>	<b>\$330,944.93</b>	<b>56.98%</b>	<b>85.14%</b>	53.70%
		1100		Human Resources										
			AA	REGULAR EMPLOYEE COMPENSATION	\$460,718.51	\$0.00	\$114,069.23	\$114,069.23	\$0.00	\$114,069.23	\$346,649.28	24.76%	24.76%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$1,000.00	\$0.00	\$8.10	\$8.10	\$0.00	\$8.10	\$991.90	0.81%	0.81%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$222,453.52	\$0.00	\$40,106.74	\$40,106.74	\$0.00	\$40,106.74	\$182,346.78	18.03%	18.03%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$66,199.85	\$0.00	\$25,952.33	\$25,952.33	\$4,354.15	\$30,306.48	\$35,893.37	39.20%	45.78%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$5,000.00	\$0.00	\$1,580.02	\$1,580.02	\$0.00	\$1,580.02	\$3,419.98	31.60%	31.60%	53.70%
			JJ	OPERATIONAL SERVICES	\$19,750.00	\$0.00	\$3,502.00	\$3,502.00	\$274.00	\$3,776.00	\$15,974.00	17.73%	19.12%	53.70%
			<b>Total:</b>	<b>Human Resources</b>	<b>\$775,121.88</b>	<b>\$0.00</b>	<b>\$185,218.42</b>	<b>\$185,218.42</b>	<b>\$4,628.15</b>	<b>\$189,846.57</b>	<b>\$585,275.31</b>	<b>23.90%</b>	<b>24.49%</b>	53.70%
		1200		Office of the General Counsel										
			AA	REGULAR EMPLOYEE COMPENSATION	\$496,797.94	\$0.00	\$248,512.00	\$248,512.00	\$0.00	\$248,512.00	\$248,285.94	50.02%	50.02%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$6,500.00	\$0.00	\$633.50	\$633.50	\$0.00	\$633.50	\$5,866.50	9.75%	9.75%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$165,543.17	\$0.00	\$86,730.30	\$86,730.30	\$0.00	\$86,730.30	\$78,812.87	52.39%	52.39%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$141,640.11	\$0.00	\$72,040.31	\$72,040.31	\$12,194.28	\$84,234.59	\$57,405.52	50.86%	59.47%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$659,603.14	\$0.00	\$383,230.30	\$383,230.30	\$81,228.81	\$464,459.11	\$195,144.03	58.10%	70.41%	53.70%
			JJ	OPERATIONAL SERVICES	\$10,000.00	\$0.00	\$3,591.12	\$3,591.12	\$11,377.25	\$14,968.37	(\$4,968.37)	35.91%	149.68%	53.70%

BFY	Appropriation	Division	Obj Clas	Object Class Name	Obligation Ceiling	Accrued Expenses	Cash Expenses	Total Expenses	Encumbered	Committed	Uncommitted	% Spent	% Comtd	% BFY Passed
2017														
	10500001													
		1200		Office of the General Counsel										
				<b>Total: Office of the General Counsel</b>	<b>\$1,480,084.36</b>	<b>\$0.00</b>	<b>\$794,737.53</b>	<b>\$794,737.53</b>	<b>\$104,800.34</b>	<b>\$899,537.87</b>	<b>\$580,546.49</b>	<b>53.70%</b>	<b>60.78%</b>	53.70%
		1300		Executive Director										
			AA	REGULAR EMPLOYEE COMPENSATION	\$378,640.38	\$0.00	\$185,701.13	\$185,701.13	\$0.00	\$185,701.13	\$192,939.25	49.04%	49.04%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$8,000.00	\$0.00	\$1,347.31	\$1,347.31	\$0.00	\$1,347.31	\$6,652.69	16.84%	16.84%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$133,167.82	\$0.00	\$64,439.73	\$64,439.73	\$0.00	\$64,439.73	\$68,728.09	48.39%	48.39%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$718,864.04	\$0.00	\$31,239.69	\$31,239.69	\$5,701.59	\$36,941.28	\$681,922.76	4.35%	5.14%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$260,000.00	\$0.00	\$72,221.64	\$72,221.64	\$107,778.36	\$180,000.00	\$80,000.00	27.78%	69.23%	53.70%
				<b>Total: Executive Director</b>	<b>\$1,498,672.24</b>	<b>\$0.00</b>	<b>\$354,949.50</b>	<b>\$354,949.50</b>	<b>\$113,479.95</b>	<b>\$468,429.45</b>	<b>\$1,030,242.79</b>	<b>23.68%</b>	<b>31.26%</b>	53.70%
		1400		Information Technology										
			AA	REGULAR EMPLOYEE COMPENSATION	\$563,295.91	\$0.00	\$258,206.41	\$258,206.41	\$0.00	\$258,206.41	\$305,089.50	45.84%	45.84%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$9,000.00	\$0.00	\$1,109.96	\$1,109.96	\$0.00	\$1,109.96	\$7,890.04	12.33%	12.33%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$198,111.17	\$0.00	\$90,125.22	\$90,125.22	\$0.00	\$90,125.22	\$107,985.95	45.49%	45.49%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$462,369.29	\$0.00	\$131,457.26	\$131,457.26	\$113,032.88	\$244,490.14	\$217,879.15	28.43%	52.88%	53.70%
			GG	ENERGY COSTS AND SPACE RENTAL	\$28,000.00	\$0.00	\$19,446.54	\$19,446.54	\$7,553.46	\$27,000.00	\$1,000.00	69.45%	96.43%	53.70%
			UU	IT Non-Payroll Expenses	\$3,628,676.18	\$83,670.73	\$1,481,445.28	\$1,565,116.01	\$1,609,264.24	\$3,174,380.25	\$454,295.93	43.13%	87.48%	53.70%
				<b>Total: Information Technology</b>	<b>\$4,889,452.55</b>	<b>\$83,670.73</b>	<b>\$1,981,790.67</b>	<b>\$2,065,461.40</b>	<b>\$1,729,850.58</b>	<b>\$3,795,311.98</b>	<b>\$1,094,140.57</b>	<b>42.24%</b>	<b>77.62%</b>	53.70%
		1500		Commissioners										
			AA	REGULAR EMPLOYEE COMPENSATION	\$884,653.65	\$0.00	\$428,016.75	\$428,016.75	\$0.00	\$428,016.75	\$456,636.90	48.38%	48.38%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$10,000.00	\$0.00	\$5,972.38	\$5,972.38	\$0.00	\$5,972.38	\$4,027.62	59.72%	59.72%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$311,132.69	\$0.00	\$149,951.68	\$149,951.68	\$0.00	\$149,951.68	\$161,181.01	48.20%	48.20%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$155,125.37	\$0.00	\$58,738.91	\$58,738.91	\$40,804.69	\$99,543.60	\$55,581.77	37.87%	64.17%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,000.00	0.00%	0.00%	53.70%
			JJ	OPERATIONAL SERVICES	\$54,600.00	\$0.00	\$17,848.00	\$17,848.00	\$36,752.00	\$54,600.00	\$0.00	32.69%	100.00%	53.70%
				<b>Total: Commissioners</b>	<b>\$1,465,511.71</b>	<b>\$0.00</b>	<b>\$660,527.72</b>	<b>\$660,527.72</b>	<b>\$77,556.69</b>	<b>\$738,084.41</b>	<b>\$727,427.30</b>	<b>45.07%</b>	<b>50.36%</b>	53.70%
		1600		Office of Workforce, Supplier and Diversity Development										
			AA	REGULAR EMPLOYEE COMPENSATION	\$196,642.08	\$0.00	\$78,359.94	\$78,359.94	\$0.00	\$78,359.94	\$118,282.14	39.85%	39.85%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$5,000.00	\$0.00	\$2,306.14	\$2,306.14	\$0.00	\$2,306.14	\$2,693.86	46.12%	46.12%	53.70%

BFY	Appropriation	Division	Obj Clas	Object Class Name	Obligation Ceiling	Accrued Expenses	Cash Expenses	Total Expenses	Encumbered	Committed	Uncommitted	% Spent	% Comtd	% BFY Passed
2017														
	10500001													
		1600		Office of Workforce, Supplier and Diversity Development										
			CC	SPECIAL EMPLOYEES	\$2,500.00	\$0.00	\$6,862.80	\$6,862.80	\$0.00	\$6,862.80	(\$4,362.80)	274.51%	274.51%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$69,159.02	\$0.00	\$27,021.10	\$27,021.10	\$0.00	\$27,021.10	\$42,137.92	39.07%	39.07%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$59,664.21	\$0.00	\$20,686.71	\$20,686.71	\$4,855.83	\$25,542.54	\$34,121.67	34.67%	42.81%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,000.00	0.00%	0.00%	53.70%
			PP	STATE AID/POL SUB	\$225,000.00	\$0.00	(\$15,000.00)	(\$15,000.00)	\$0.00	(\$15,000.00)	\$240,000.00	-6.67%	-6.67%	53.70%
			<b>Total:</b>	<b>Office of Workforce, Supplier and Diversity D</b>	<b>\$607,965.31</b>	<b>\$0.00</b>	<b>\$120,236.69</b>	<b>\$120,236.69</b>	<b>\$4,855.83</b>	<b>\$125,092.52</b>	<b>\$482,872.79</b>	<b>19.78%</b>	<b>20.58%</b>	<b>53.70%</b>
		1700		Office of Research and Problem Gambling										
			AA	REGULAR EMPLOYEE COMPENSATION	\$322,465.30	\$0.00	\$103,206.28	\$103,206.28	\$0.00	\$103,206.28	\$219,259.02	32.01%	32.01%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$9,000.00	\$0.00	\$2,292.69	\$2,292.69	\$0.00	\$2,292.69	\$6,707.31	25.47%	25.47%	53.70%
			CC	SPECIAL EMPLOYEES	\$20,000.00	\$0.00	\$2,112.00	\$2,112.00	\$0.00	\$2,112.00	\$17,888.00	10.56%	10.56%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$113,745.03	\$0.00	\$35,678.19	\$35,678.19	\$0.00	\$35,678.19	\$78,066.84	31.37%	31.37%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$192,715.53	\$0.00	\$65,380.36	\$65,380.36	\$4,958.64	\$70,339.00	\$122,376.53	33.93%	36.50%	53.70%
			FF	FACILITY OPERATIONAL EXPENSES	\$500.00	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	\$400.00	0.00%	20.00%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$1,427,500.00	\$0.00	\$421,047.55	\$421,047.55	\$970,040.21	\$1,391,087.76	\$36,412.24	29.50%	97.45%	53.70%
			JJ	OPERATIONAL SERVICES	\$20,000.00	\$0.00	\$4,481.25	\$4,481.25	\$15,218.75	\$19,700.00	\$300.00	22.41%	98.50%	53.70%
			MM	PURCHASED CLIENT/PROGRAM SVCS	\$40,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,000.00	0.00%	0.00%	53.70%
			PP	STATE AID/POL SUB	\$2,455,000.00	\$0.00	\$705,723.18	\$705,723.18	\$1,319,371.82	\$2,025,095.00	\$429,905.00	28.75%	82.49%	53.70%
			UU	IT Non-Payroll Expenses	\$215,000.00	\$0.00	\$5,300.00	\$5,300.00	\$85,716.70	\$91,016.70	\$123,983.30	2.47%	42.33%	53.70%
			<b>Total:</b>	<b>Office of Research and Problem Gambling</b>	<b>\$4,815,925.86</b>	<b>\$0.00</b>	<b>\$1,345,221.50</b>	<b>\$1,345,221.50</b>	<b>\$2,395,406.12</b>	<b>\$3,740,627.62</b>	<b>\$1,075,298.24</b>	<b>27.93%</b>	<b>77.67%</b>	<b>53.70%</b>
		1800		Office of Communications										
			AA	REGULAR EMPLOYEE COMPENSATION	\$209,210.02	\$0.00	\$103,079.14	\$103,079.14	\$0.00	\$103,079.14	\$106,130.88	49.27%	49.27%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$3,900.00	\$0.00	\$1,798.65	\$1,798.65	\$0.00	\$1,798.65	\$2,101.35	46.12%	46.12%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$73,579.17	\$0.00	\$35,598.42	\$35,598.42	\$0.00	\$35,598.42	\$37,980.75	48.38%	48.38%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$57,521.00	\$0.00	\$30,841.78	\$30,841.78	\$12,250.12	\$43,091.90	\$14,429.10	53.62%	74.92%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$25,000.00	\$0.00	\$0.00	\$0.00	\$25,000.00	\$25,000.00	\$0.00	0.00%	100.00%	53.70%
			JJ	OPERATIONAL SERVICES	\$30,000.00	\$0.00	\$750.00	\$750.00	\$29,250.00	\$30,000.00	\$0.00	2.50%	100.00%	53.70%
			KK	EQUIPMENT PURCHASE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#Div/0!	#Div/0!	53.70%
			<b>Total:</b>	<b>Office of Communications</b>	<b>\$399,210.19</b>	<b>\$0.00</b>	<b>\$172,067.99</b>	<b>\$172,067.99</b>	<b>\$66,500.12</b>	<b>\$238,568.11</b>	<b>\$160,642.08</b>	<b>43.10%</b>	<b>59.76%</b>	<b>53.70%</b>

BFY	Appropriation	Division	Obj Clas	Object Class Name	Obligation Ceiling	Accrued Expenses	Cash Expenses	Total Expenses	Encumbered	Committed	Uncommitted	% Spent	% Comtd	% BFY Passed
2017														
	10500001													
	1900			Ombudsman										
			AA	REGULAR EMPLOYEE COMPENSATION	\$314,594.66	\$0.00	\$151,307.16	\$151,307.16	\$0.00	\$151,307.16	\$163,287.50	48.10%	48.10%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$0.00	\$0.00	\$35.00	\$35.00	\$0.00	\$35.00	(\$35.00)	#Div/0!	#Div/0!	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$110,642.94	\$0.00	\$52,555.39	\$52,555.39	\$0.00	\$52,555.39	\$58,087.55	47.50%	47.50%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$37,459.47	\$0.00	\$15,130.72	\$15,130.72	\$0.00	\$15,130.72	\$22,328.75	40.39%	40.39%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,000.00	0.00%	0.00%	53.70%
			JJ	OPERATIONAL SERVICES	\$10,000.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00	0.00%	50.00%	53.70%
			PP	STATE AID/POL SUB	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#Div/0!	#Div/0!	53.70%
			<b>Total:</b>	<b>Ombudsman</b>	<b>\$522,697.07</b>	<b>\$0.00</b>	<b>\$219,028.27</b>	<b>\$219,028.27</b>	<b>\$5,000.00</b>	<b>\$224,028.27</b>	<b>\$298,668.80</b>	<b>41.90%</b>	<b>42.86%</b>	<b>53.70%</b>
	5000			Investigations Enforcement										
			AA	REGULAR EMPLOYEE COMPENSATION	\$1,717,026.32	\$0.00	\$731,837.32	\$731,837.32	\$0.00	\$731,837.32	\$985,189.00	42.62%	42.62%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$19,000.00	\$0.00	\$3,237.77	\$3,237.77	\$0.00	\$3,237.77	\$15,762.23	17.04%	17.04%	53.70%
			CC	SPECIAL EMPLOYEES	\$100,000.00	\$0.00	\$68,488.40	\$68,488.40	\$0.00	\$68,488.40	\$31,511.60	68.49%	68.49%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$611,299.22	\$0.00	\$252,846.19	\$252,846.19	\$0.00	\$252,846.19	\$358,453.03	41.36%	41.36%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$682,186.21	\$0.00	\$220,644.23	\$220,644.23	\$57,674.33	\$278,318.56	\$403,867.65	32.34%	40.80%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$0.00	\$0.00	\$41,073.22	\$41,073.22	\$432,725.40	\$473,798.62	(\$473,798.62)	#Div/0!	#Div/0!	53.70%
			JJ	OPERATIONAL SERVICES	\$3,052,835.78	\$0.00	\$977,574.65	\$977,574.65	\$1,836,975.57	\$2,814,550.22	\$238,285.56	32.02%	92.19%	53.70%
			KK	EQUIPMENT PURCHASE	\$7,000.00	\$0.00	\$0.00	\$0.00	\$9,975.00	\$9,975.00	(\$2,975.00)	0.00%	142.50%	53.70%
			UU	IT Non-Payroll Expenses	\$12,000.00	\$0.00	\$0.00	\$0.00	\$750.00	\$750.00	\$11,250.00	0.00%	6.25%	53.70%
			<b>Total:</b>	<b>Investigations Enforcement</b>	<b>\$6,201,347.53</b>	<b>\$0.00</b>	<b>\$2,295,701.78</b>	<b>\$2,295,701.78</b>	<b>\$2,338,100.30</b>	<b>\$4,633,802.08</b>	<b>\$1,567,545.45</b>	<b>37.02%</b>	<b>74.72%</b>	<b>53.70%</b>
	7000			Licensing										
			AA	REGULAR EMPLOYEE COMPENSATION	\$390,569.51	\$0.00	\$194,729.55	\$194,729.55	\$0.00	\$194,729.55	\$195,839.96	49.86%	49.86%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$7,500.00	\$0.00	\$1,938.00	\$1,938.00	\$0.00	\$1,938.00	\$5,562.00	25.84%	25.84%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$137,458.27	\$0.00	\$68,466.92	\$68,466.92	\$0.00	\$68,466.92	\$68,991.35	49.81%	49.81%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$55,056.96	\$0.00	\$20,783.06	\$20,783.06	\$9,296.59	\$30,079.65	\$24,977.31	37.75%	54.63%	53.70%
			<b>Total:</b>	<b>Licensing</b>	<b>\$590,584.74</b>	<b>\$0.00</b>	<b>\$285,917.53</b>	<b>\$285,917.53</b>	<b>\$9,296.59</b>	<b>\$295,214.12</b>	<b>\$295,370.62</b>	<b>48.41%</b>	<b>49.99%</b>	<b>53.70%</b>
	9000			AGO State Police										
			EE	ADMINISTRATIVE EXPENSES	\$47,230.38	\$0.00	\$13,183.92	\$13,183.92	\$0.00	\$13,183.92	\$34,046.46	27.91%	27.91%	53.70%

BFY	Appropriation	Division	Obj Clas	Object Class Name	Obligation Ceiling	Accrued Expenses	Cash Expenses	Total Expenses	Encumbered	Committed	Uncommitted	% Spent	% Comtd	% BFY Passed
2017														
	10500001													
		9000		AGO State Police										
			JJ	OPERATIONAL SERVICES	\$472,303.76	\$0.00	\$139,207.86	\$139,207.86	\$333,095.90	\$472,303.76	\$0.00	29.47%	100.00%	53.70%
		<b>Total:</b>		<b>AGO State Police</b>	<b>\$519,534.14</b>	<b>\$0.00</b>	<b>\$152,391.78</b>	<b>\$152,391.78</b>	<b>\$333,095.90</b>	<b>\$485,487.68</b>	<b>\$34,046.46</b>	<b>29.33%</b>	<b>93.45%</b>	53.70%
<b>Total:</b>	<b>10500001</b>				<b>\$25,993,554.13</b>	<b>\$83,670.73</b>	<b>\$9,822,099.58</b>	<b>\$9,920,770.31</b>	<b>\$7,809,761.99</b>	<b>\$17,730,532.30</b>	<b>\$8,263,021.83</b>	<b>38.17%</b>	<b>68.21%</b>	53.70%
	10500003													
		1000		Division of Finance and Administration										
			AA	REGULAR EMPLOYEE COMPENSATION	\$24,808.99	\$0.00	\$12,268.36	\$12,268.36	\$0.00	\$12,268.36	\$12,540.63	49.45%	49.45%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$8,725.32	\$0.00	\$4,277.92	\$4,277.92	\$0.00	\$4,277.92	\$4,447.40	49.03%	49.03%	53.70%
		<b>Total:</b>		<b>Division of Finance and Administration</b>	<b>\$33,534.31</b>	<b>\$0.00</b>	<b>\$16,546.28</b>	<b>\$16,546.28</b>	<b>\$0.00</b>	<b>\$16,546.28</b>	<b>\$16,988.03</b>	<b>49.34%</b>	<b>49.34%</b>	53.70%
		1100		Human Resources										
			AA	REGULAR EMPLOYEE COMPENSATION	\$20,887.31	\$0.00	\$3,005.06	\$3,005.06	\$0.00	\$3,005.06	\$17,882.25	14.39%	14.39%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$2,156.54	\$0.00	\$1,056.59	\$1,056.59	\$0.00	\$1,056.59	\$1,099.95	48.99%	48.99%	53.70%
		<b>Total:</b>		<b>Human Resources</b>	<b>\$23,043.85</b>	<b>\$0.00</b>	<b>\$4,061.65</b>	<b>\$4,061.65</b>	<b>\$0.00</b>	<b>\$4,061.65</b>	<b>\$18,982.20</b>	<b>17.63%</b>	<b>17.63%</b>	53.70%
		1200		Office of the General Counsel										
			AA	REGULAR EMPLOYEE COMPENSATION	\$7,590.34	\$0.00	\$3,849.76	\$3,849.76	\$0.00	\$3,849.76	\$3,740.58	50.72%	50.72%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$2,669.52	\$0.00	\$1,316.11	\$1,316.11	\$0.00	\$1,316.11	\$1,353.41	49.30%	49.30%	53.70%
		<b>Total:</b>		<b>Office of the General Counsel</b>	<b>\$10,259.86</b>	<b>\$0.00</b>	<b>\$5,165.87</b>	<b>\$5,165.87</b>	<b>\$0.00</b>	<b>\$5,165.87</b>	<b>\$5,093.99</b>	<b>50.35%</b>	<b>50.35%</b>	53.70%
		1300		Executive Director										
			AA	REGULAR EMPLOYEE COMPENSATION	\$9,321.15	\$0.00	\$4,727.62	\$4,727.62	\$0.00	\$4,727.62	\$4,593.53	50.72%	50.72%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$3,278.25	\$0.00	\$1,616.19	\$1,616.19	\$0.00	\$1,616.19	\$1,662.06	49.30%	49.30%	53.70%
		<b>Total:</b>		<b>Executive Director</b>	<b>\$12,599.40</b>	<b>\$0.00</b>	<b>\$6,343.81</b>	<b>\$6,343.81</b>	<b>\$0.00</b>	<b>\$6,343.81</b>	<b>\$6,255.59</b>	<b>50.35%</b>	<b>50.35%</b>	53.70%
		1400		Information Technology										
			AA	REGULAR EMPLOYEE COMPENSATION	\$9,735.42	\$0.00	\$4,938.98	\$4,938.98	\$0.00	\$4,938.98	\$4,796.44	50.73%	50.73%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$3,423.95	\$0.00	\$1,700.91	\$1,700.91	\$0.00	\$1,700.91	\$1,723.04	49.68%	49.68%	53.70%
		<b>Total:</b>		<b>Information Technology</b>	<b>\$13,159.37</b>	<b>\$0.00</b>	<b>\$6,639.89</b>	<b>\$6,639.89</b>	<b>\$0.00</b>	<b>\$6,639.89</b>	<b>\$6,519.48</b>	<b>50.46%</b>	<b>50.46%</b>	53.70%
		1500		Commissioners										
			AA	REGULAR EMPLOYEE COMPENSATION	\$30,868.79	\$0.00	\$15,201.67	\$15,201.67	\$0.00	\$15,201.67	\$15,667.12	49.25%	49.25%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$10,856.55	\$0.00	\$5,344.89	\$5,344.89	\$0.00	\$5,344.89	\$5,511.66	49.23%	49.23%	53.70%

BFY	Appropriation	Division	Obj Clas	Object Class Name	Obligation Ceiling	Accrued Expenses	Cash Expenses	Total Expenses	Encumbered	Committed	Uncommitted	% Spent	% Comtd	% BFY Passed
2017														
	10500003													
		1500		Commissioners										
			<b>Total:</b>	<b>Commissioners</b>	<b>\$41,725.34</b>	<b>\$0.00</b>	<b>\$20,546.56</b>	<b>\$20,546.56</b>	<b>\$0.00</b>	<b>\$20,546.56</b>	<b>\$21,178.78</b>	<b>49.24%</b>	<b>49.24%</b>	<b>53.70%</b>
		3000		Racing Division										
			AA	REGULAR EMPLOYEE COMPENSATION	\$280,432.22	\$0.00	\$142,301.68	\$142,301.68	\$0.00	\$142,301.68	\$138,130.54	50.74%	50.74%	53.70%
			BB	REGULAR EMPLOYEE RELATED EXPEN	\$12,000.00	\$0.00	\$1,498.93	\$1,498.93	\$0.00	\$1,498.93	\$10,501.07	12.49%	12.49%	53.70%
			CC	SPECIAL EMPLOYEES	\$330,000.00	\$0.00	\$266,398.77	\$266,398.77	\$0.00	\$266,398.77	\$63,601.23	80.73%	80.73%	53.70%
			DD	PENSION & INSURANCE RELATED EX	\$105,139.01	\$0.00	\$67,568.67	\$67,568.67	\$38,505.61	\$106,074.28	(\$935.27)	64.27%	100.89%	53.70%
			EE	ADMINISTRATIVE EXPENSES	\$32,855.00	\$0.00	\$97,866.88	\$97,866.88	\$27,008.05	\$124,874.93	(\$92,019.93)	297.88%	380.08%	53.70%
			FF	FACILITY OPERATIONAL EXPENSES	\$2,000.00	\$0.00	\$1,391.02	\$1,391.02	\$0.00	\$1,391.02	\$608.98	69.55%	69.55%	53.70%
			HH	CONSULTANT SVCS (TO DEPTS)	\$25,000.00	\$0.00	\$8,775.00	\$8,775.00	\$16,225.00	\$25,000.00	\$0.00	35.10%	100.00%	53.70%
			JJ	OPERATIONAL SERVICES	\$238,300.00	\$0.00	\$336,400.91	\$336,400.91	\$471,508.51	\$807,909.42	(\$569,609.42)	141.17%	339.03%	53.70%
			LL	EQUIPMENT LEASE-MAINTAIN/REPAR	\$3,500.00	\$0.00	\$118.74	\$118.74	\$378.84	\$497.58	\$3,002.42	3.39%	14.22%	53.70%
			MM	PURCHASED CLIENT/PROGRAM SVCS	\$235,000.00	\$0.00	\$130,000.00	\$130,000.00	\$0.00	\$130,000.00	\$105,000.00	55.32%	55.32%	53.70%
			UU	IT Non-Payroll Expenses	\$78,700.00	\$0.00	\$44,775.08	\$44,775.08	\$21,798.48	\$66,573.56	\$12,126.44	56.89%	84.59%	53.70%
			<b>Total:</b>	<b>Racing Division</b>	<b>\$1,342,926.23</b>	<b>\$0.00</b>	<b>\$1,097,095.68</b>	<b>\$1,097,095.68</b>	<b>\$575,424.49</b>	<b>\$1,672,520.17</b>	<b>(\$329,593.94)</b>	<b>81.69%</b>	<b>124.54%</b>	<b>53.70%</b>
<b>Total:</b>	<b>10500003</b>				<b>\$1,477,248.36</b>	<b>\$0.00</b>	<b>\$1,156,399.74</b>	<b>\$1,156,399.74</b>	<b>\$575,424.49</b>	<b>\$1,731,824.23</b>	<b>(\$254,575.87)</b>	<b>78.28%</b>	<b>117.23%</b>	<b>53.70%</b>
	10500013													
		3000		Racing Division										
			TT	LOANS AND SPECIAL PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#Div/0!	#Div/0!	53.70%
			<b>Total:</b>	<b>Racing Division</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>#Div/0!</b>	<b>#Div/0!</b>	<b>53.70%</b>
<b>Total:</b>	<b>10500013</b>				<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>#Div/0!</b>	<b>#Div/0!</b>	<b>53.70%</b>
	10500021													
		3000		Racing Division										
			TT	LOANS AND SPECIAL PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#Div/0!	#Div/0!	53.70%
			<b>Total:</b>	<b>Racing Division</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>#Div/0!</b>	<b>#Div/0!</b>	<b>53.70%</b>
<b>Total:</b>	<b>10500021</b>				<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>#Div/0!</b>	<b>#Div/0!</b>	<b>53.70%</b>
	10500022													
		3000		Racing Division										



BFY	Appropriation	Division	Obj Clas	Object Class Name	Obligation Ceiling	Accrued Expenses	Cash Expenses	Total Expenses	Encumbered	Committed	Uncommitted	% Spent	% Comtd	% BFY Passed
2017														
	10500022													
		3000		Racing Division										
			TT	LOANS AND SPECIAL PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$210,908.42	\$210,908.42	(\$210,908.42)	#Div/0!	#Div/0!	53.70%
		<b>Total:</b>		<b>Racing Division</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$210,908.42</b>	<b>\$210,908.42</b>	<b>(\$210,908.42)</b>	<b>#Div/0!</b>	<b>#Div/0!</b>	<b>53.70%</b>
<b>Total:</b>	<b>10500022</b>				<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$210,908.42</b>	<b>\$210,908.42</b>	<b>(\$210,908.42)</b>	<b>#Div/0!</b>	<b>#Div/0!</b>	<b>53.70%</b>



*Division of Racing*

## MEMORANDUM

<b>TO:</b>	Massachusetts Gaming Commission
<b>FROM:</b>	Doug O'Donnell, Senior Financial Analyst - Racing Division
<b>SUBJECT:</b>	Request for Reimbursement, Suffolk Downs Capital Improvement Trust Fund
<b>DATE:</b>	January 19, 2017

In accordance with General laws of Massachusetts, Chapter 128A, Section 5g.

The trustees may expend without appropriation all or any part of the capital improvement trust funds to the appropriate track licensee in proportion to the amount deposited in each said fund by the track licensee for use as all or part of a capital expenditure for alterations, additions, replacements, changes, improvements or major repairs to or upon the property owned or leased by the licensee and used by it for the conduct of racing, but not for the cost of maintenance or of other ordinary operations. The trustees shall hire the services of architectural/engineering consultants or the services of such other consultants as they deem appropriate to advise them and to evaluate proposed capital improvements. The following capital fund requests have been reviewed and approved by the architectural/engineering consultant.

### SDCITF

- # 2012-14 Dormitory Repairs \$75,882.75  
(original request was for \$75,999.39, discrepancy of \$116.64)

TOTAL REQUEST for Reimbursement \$75,882.75

All financial statements required under section 6 shall be accompanied by a statement signed under the pains and penalties of perjury by the manager of the licensee setting forth the capital improvements completed with funds obtained under this section. All documentation has been submitted and reviewed.

After review and confirmation of request, with your authorization, we will make payment to the track from the appropriate trust fund.



Massachusetts Gaming Commission



**DIXON SALO  
ARCHITECTS  
INCORPORATED**

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

January 3, 2017

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2012-14  
Dormitory Repairs  
Request for Reimbursement

Dear Mr. O'Donnell:

Attached please find one copy of a Request for Reimbursement from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$75,999.39 for the repairs To Dormitories at Suffolk Downs.

The project involved the repairs to Dormitories A, B, C and D which are located in the trailers in the stable area at Suffolk Downs. The work was required to comply with the Farm Labor Camp inspection requirements issued by the Commonwealth of Massachusetts. As indicated in the Request for Consideration the work was performed by in-house labor and amounted to \$48,412.83, Material and supply purchases amounted to \$27,586.56.

In reviewing the submitted supporting data a slight discrepancy was found in the total for the materials and supplies purchased of \$116.64. The total of the recommended reimbursement amount has been adjusted accordingly.

This office did, during our site visit of November 18, 2016 view the Dormitory Buildings . Please see attached photo.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Reimbursement be approved by the Massachusetts Gaming Commission/Racing Division in the revised amount of \$75,882.75.

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

  
Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs  
Enclosure: Suffolk Downs, Request for Reimbursement CIF Project SD 2012-14 (RFC)

2017 JAN -6 PM 2:28  
MASSACHUSETTS GAMING  
COMMISSION



Division of Racing

## MEMORANDUM

<b>TO:</b>	Massachusetts Gaming Commission / State Racing Division
<b>FROM:</b>	Doug O'Donnell, Senior Financial Analyst
<b>SUBJECT:</b>	Request for Consideration, Suffolk Downs Capital Improvement Trust Fund
<b>DATE:</b>	January 19, 2017

In accordance with General Laws of Massachusetts, Chapter 128A, Section 5g.

The trustees may expand without appropriation all or any part of the capital trust fund to the appropriate track licensee in proportion to the amount deposited in each fund for use of a capital expenditure for alterations, additions, replacements, changes, improvements or major repairs to or upon the property owned or leased by the licensee and used by it for the conduct of racing, but not for the cost of maintenance or of other ordinary operations. The trustees shall hire architectural and engineering consultants as they deem appropriate to advise them and to evaluate proposed capital improvements. The following capital fund requests have been reviewed.

Project # SDCITF:

• # 2012-6	Television Cable and Line Repair	\$7,770.35
• # 2012-10	Pole and Transformer Replacement	\$13,806.40
• # 2012-20	Fork Lift Repairs	\$5,633.10
• # 2013-1	Blacksmith Repair Project	\$35,866.02
• #2013-3	Accounting office build-up	\$69,288.18
• # 2013-22	Tractor Repair	\$4,945.86
• # 2013-25	Water Truck Pump Repair	<u>\$3,678.33</u>

Total Request for Consideration: \$140,988.24

Current balance in Fund \$1,012,722.09

All financial statements required under section 6 shall be accompanied by a statement signed under the pains and penalties of perjury by the manager of the licensee setting forth the capital improvements completed with funds obtained under this section.

After review and confirmation of request, with your authorization, we will approve scope of work to be completed at the licensee facility.



Massachusetts Gaming Commission



**DIXON SALO  
ARCHITECTS  
INCORPORATED**

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

December 5, 2016

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2012-6  
Television Cable Tower and Line Repair  
Request for Consideration

2016 DEC -8 AM 11:49  
MASSACHUSETTS GAMING COMMISSION

Dear Mr. O'Donnell:

Attached please find one copy of a Request for Consideration from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$7,770.35 for the Television Cable Tower and Line Repairs at Suffolk Downs.

The project involved repairs to the Television Cable Tower and Lines located in the Club One parking area at Suffolk Downs.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Consideration be approved by the Massachusetts Gaming Commission/Racing Division in the amount of \$7,770.35.

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs  
Enclosure: Suffolk Downs, Request for Considerations CIF Project SD 2012-6 (RFC)



October 26, 2016

Mr. Neil R. Dixon  
Dixon Salo Architects, Inc.  
501 Park Avenue, Suite 210  
Worcester, MA 01610-1221

Dear Neil:

**RE: CIF Project SD 2012-6 (RFC)**

Enclosed are three copies of a Request for Consideration from the Running Horse Capital Improvement Trust Fund for Project SD 2012-6 (Television Cable Tower and Line Repair)

This project was necessary for the maintenance and repair of cable television at Suffolk Downs.

Should you have any questions please call me at (617) 568-3327.

Thank you for your consideration of this matter.

Sincerely,

Chip Tuttle  
Chief Operating Officer

Encs.  
CT:jf

RECEIVED

OCT 31 2016

Dixon Salo Architects, Inc

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



# The Commonwealth of Massachusetts

## MASSACHUSETTS GAMING COMMISSION

### CAPITAL IMPROVEMENT TRUST FUND PROMOTIONAL TRUST FUND

101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Telephone (617) 979-8400 • Fax (617) 725-0258

★ *All information must be complete before any requests (RFC or RFR) can be processed.*

1. Date October 26, 2016
2. Association Making This Request Suffolk Downs
3. Project # 2012-6 (unique project number)
4. Project Television Cable Tower and Line Repair (unique descriptive title of this project)
5. Type of Request (indicate RFC or RFR)
 

<input checked="" type="checkbox"/> RFC / Request for Consideration	<input type="checkbox"/> RFR / Request for Reimbursement
<input checked="" type="checkbox"/> Capital Improvement Fund	<input type="checkbox"/> Promotional Trust Fund
6. Total Project Amount Requested: \$ 7,770.35  Estimate / RFC ♦  Actual / RFR

7. *RFC only* – Provide a detailed description of the promotional or capital improvement project including the project objectives, how it will enhance the operations of the association and / or improve attendance and handles at your racetrack.

This project was necessary for the maintenance and repair of cable television at Suffolk Downs.

*RFR only* – Requests for reimbursement must contain a listing of all project expenditures by date, paid to and check number. A copy of the invoice and the cancelled check must support each expenditure.

8. For Capital Improvement Projects only, RFC's and RFR's must be submitted to the Commission's architect engineer consultant for review. The consultant makes recommendations to the Trustees relative to the cost and nature of the capital improvement project.

By Track Official: Chip Tuttle Title: Chief Operating Officer Date: October 26, 2016  
Chip Tuttle

RFR approval by the Trustees (signature and date) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STERLING RACECOURSE, LLC

ACCOUNT NUMBER	INV. DATE	VENDOR	REFERENCE	CHECK NO.	CHECK DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
5802	08/02/12	VISCOM SYSTEMS, INC	REPAIR LINES BROADCA	096776	09/27/12	\$1,430.35	\$1,430.35	\$0.00	\$1,430.35

\$1,430.35      \$1,430.35      \$0.00      \$1,430.35

**CHECK TOTAL**      \$1,430.35

**STERLING SUFFOLK RACECOURSE, LLC**  
 OPERATING ACCOUNT  
 111 WALDEMAR AVENUE  
 EAST BOSTON, MA 02128



5-13/110

096776

PAY

One Thousand Four Hundred Thirty Dollars And 35 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
096776	09/27/12	VISC001

CHECK AMOUNT
\$1,430.35

TO THE ORDER OF:  
 VISCOM SYSTEMS, INC  
 98 GALEM STREET  
 WATERTOWN MA 02472

**NON-NEGOTIABLE**



AUTHORIZED SIGNATURE





# INVOICE

Page : 1  
 Date : August 02, 2012  
 Invoice No. 15802

VISCOM SYSTEMS, INC.  
 98 Galen Street  
 Watertown, MA 02472

Phone : 617-864-3676  
 Fax : 617-864-1730

Client Ref : Suffolk Downs



Bill To : Suffolk Downs  
 111 Waldermar Avenue  
 Revere, MA 02128

Phone : 5084800700

Terms

Item Number	Job	Description	Ship Date	Purchase Order	Reference Number	Quantity	Price	Extended Amt.
	T122	Work Order #32107	8/2/2012	UofM				1,430.35

Vendor Number	<i>Viscom</i>
Distribution	<i>7015-400</i>
Voucher Number	<i>107800</i>
Check Code	
Approved By	

*7015-400*  
*J.P.*

Total :	1,430.35
Sub Total :	1,430.35
Invoice Due :	\$1,430.35

aybill Number :

# VISCOM SYSTEMS

work order #

98 GALEN ST., WATERTOWN, MA 02472  
 PHONE: (617) 864-3676 • FAX: (617) 864-1730

No. 32107

## TIME AND MATERIAL SHEET

CLIENT Suffolk Downs

JOB NO. T122

NAME Steve Pias

LOCATION

WEEK END 7/27/12

LABOR	SAT	SUN	MON	TUES	WED	THUR	FRI	EXPENSE	TOTAL HRS	RATE	AMOUNT
FIELD ENGINEER											
FIELD ENGINEER O.T.											
FOREMAN			5	1					6	91.50	\$ 549.00
FOREMAN O.T.											
JOURNEYMAN				8					8	87	\$ 696.00
JOURNEYMAN O.T.											

MATERIAL USED

LABOR TOTAL

QUANTITY	ITEM	UNIT PRICE	TOTAL
225'	R6-11 Quad shield CMR	\$.45	\$101.25
6	R6-11 Compression Connectors	\$12.20	\$73.20


WORK DESCRIPTION

Troubleshoot and repair (3) R6-11 Lines from broadcast Area thru grand stand.

TOTAL MATERIAL	\$ 174.45
6.25% TAX	\$ 10.90
% OVERHEAD AND FEE	
LABOR	\$ 1245.00
<b>TOTAL</b>	<b>\$ 1430.35</b>

Client Authorized Signature

TITLE

<p><b>STERLING SUFFOLK RACECOURSE, LLC</b>                  OPERATING ACCOUNT                  111 WALDEMAR AVENUE                  EAST BOSTON, MA 02128</p> <p>PAY                  Six Thousand Three Hundred Forty Dollars And 82 Cents</p> <p>TO THE ORDER OF:                  VISCOM SYSTEMS, INC                  98 GALEN STREET                  WATERTOWN MA 02472</p>	<p>Bank of America </p> <p>5-13/110</p>	<p>096897</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="font-size: small;">CHECK NO.</th> <th style="font-size: small;">CHECK DATE</th> <th style="font-size: small;">VENDOR NO.</th> </tr> <tr> <td style="text-align: center;">896897</td> <td style="text-align: center;">10/04/12</td> <td style="text-align: center;">VISC001</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th style="font-size: small;">CHECK AMOUNT</th> </tr> <tr> <td style="text-align: center;">\$6,340.00</td> </tr> </table> <p style="font-size: large; font-family: cursive; text-align: center;"><i>Clay Gill</i></p> <p style="font-size: x-small; text-align: center;">AUTHORIZED SIGNATURE</p>	CHECK NO.	CHECK DATE	VENDOR NO.	896897	10/04/12	VISC001	CHECK AMOUNT	\$6,340.00
CHECK NO.	CHECK DATE	VENDOR NO.								
896897	10/04/12	VISC001								
CHECK AMOUNT										
\$6,340.00										
<p style="font-size: x-small; transform: rotate(-90deg); transform-origin: right top;">                 STOP FOR DEPOSIT ONLY                  CITIZENS BANK                  BOSTON, MA 02110                  VISCOM SYSTEMS, INC             </p>										

Check Info	
Account:	[REDACTED]
Amount:	6,340.00
Check #:	96897
Posted Date:	10/18/2012

Electronic Endorsements	
10/18/2012	BANK OF AMERICA, NA
R/T:	[REDACTED]
Seq #:	[REDACTED]
10/18/2012	RBS CITIZENS, NA (BOFD)
R/T:	[REDACTED]
Seq #:	[REDACTED]

**BOFD - Bank of First Deposit**

Bank of America, N.A. Member FDIC.  
 ©2005 Bank of America Corporation. All rights reserved.

**STERLING SUFFOLK RACECOURSE, LLC**



ACCOUNT NO. [REDACTED]			VENDOR VISCOM SYSTEMS, INC		CHECK NO. 096897	CHECK DATE 10/04/12	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
07824	15883	08/07/12	INSTALL RG-11 CABLE	\$6,340.00	\$6,340.00	\$ .00	\$6,340.00
				\$6,340.00	\$6,340.00	\$ .00	\$6,340.00
<b>CHECK TOTAL</b>							\$6,340.00

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

096897

PAY

Six Thousand Three Hundred Forty Dollars And 00 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
096897	10/04/12	VISC001

CHECK AMOUNT
\$6,340.00

TO THE  
ORDER  
OF:

VISCOM SYSTEMS, INC  
98 GALEN STREET  
WATERTOWN MA 02472

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE





# INVOICE

Page : 1  
 Date : August 07, 2012  
 Invoice No. 15883

VISCOM SYSTEMS, INC.  
 98 Galen Street  
 Watertown, MA 02472

Phone : 617-864-3676  
 Fax : 617-864-1730

Client Ref : Suffolk Downs



Bill To : Suffolk Downs  
 111 Waldermar Avenue  
 Revere, MA 02128

Phone : 5084800700

Fax :

Terms

Ship Date  
 8/7/2012

Purchase Order

Reference Number

Item Number	Job	Description	UoM	Quantity	Price	Extended Amt.
	T122	RG-11 from Tower to Trailer				6,340.00

Vendor Number: *VISCO01*  
 Distribution: *7015-400*  
 Voucher Number: *1078234*  
 Check Code: \_\_\_\_\_  
 Approved By: \_\_\_\_\_

Total : 6,340.00  
 Sub Total : 6,340.00  
 Invoice Due : \$6,340.00

Waybill Number :



Security Systems Integration  
Voice • Data • Network Solutions

98 Galen Street, Watertown, Ma 02472

Ph: (617) 864-3676 Fax: (617) 868-1730

PROPOSAL SUBMITTED TO:	<u>Suffolk Downs</u>	PHONE:	<u>617-568-3284</u>
STREET:	<u>111 Waldemar Ave</u>	JOB NAME:	<u>RG-11</u>
CITY, STATE AND ZIP CODE:	<u>East Boston, MA 02128</u>	JOB LOCATION:	<u>Track</u>
ATTENTION:	<u>Steve Pini</u>	DATE:	<u>7/26/2012</u>

We hereby submit specifications and estimate for: **Suffolk Downs**  
**RG-11 From Tower to Trailer**

**Scope of Work:**

Viscom Systems will furnish and install (1) RG-11 Outdoor Messenger type cable from Tower location to trailer along existing poles along the perimeter of the race track, securing the messenger to the poles. Viscom Systems will furnish and install RG-11 Compression type connectors on both ends and will test for continuity and signal strength.

**All pricing good for (30) days from date of proposal, due to the fluctuation in the market pricing. Any changes in the costs will be handled on a Job Change Order.**

We propose hereby to furnish material and labor - complete in accordance with specifications, for the sum of:

**Six Thousand Three Hundred Forty** dollars **\$6,340.00**

<b>Adam Sherlock</b>		<u>7/26/2012</u>
Authorized Personnel	Signature	Date

Signature:	_____
ITG/Contract #	_____
PO #:	_____
Date of Acceptance:	_____

**Acceptance of Proposal:** The above prices, specification and conditions are satisfactory and are hereby accepted. You are authorized to do work as specified. Payment will be made as outlined above.



SUFFOLK DOWNS®

PURCHASE ORDER 12766  
PCF/SD

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.  
A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
SUFFOLK DOWNS RACE TRACK  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

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Viscom

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O

DATE OF ORDER		PROJECT NO.		TERMS	F.O.B	DELIVERY DATE
8-14-12		3 chute				
QTY. ORDERED	QTY. REC'D	CATALOG #	DESCRIPTION		UNIT PRICE	TOTAL
1.			Inst 11 roll cable			6340.00
2.			from clubhouse			
3.			tower to 3 chute			
4.			Trailer			
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

**VENDOR NOTE:**

Read conditions on reverse side prior to shipment.

ACCT #  
7015-400

DEPARTMENT  
17101

REQUISITIONED BY

EXECUTIVE OFFICER

DIRECTOR OF PURCHASING/BUYER



**DIXON SALO  
ARCHITECTS  
INCORPORATED**

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

December 5, 2016

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2012-10  
Light Pole and Transformer Replacements  
Request for Consideration

Dear Mr. O'Donnell:

Attached please find one copy of a Request for Consideration from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$13,806.40 for the Light Pole and Transformer Replacements at Suffolk Downs.

The project involved the replacement of a defective Light Pole and Transformer located in the equipment yard at Suffolk Downs.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Consideration be approved by the Massachusetts Gaming Commission/Racing Division in the amount of \$13,806.40.

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs  
Enclosure: Suffolk Downs, Request for Considerations CIF Project SD 2012-10 (RFC)





October 26, 2016

Mr. Neil R. Dixon  
Dixon Salo Architects, Inc.  
501 Park Avenue, Suite 210  
Worcester, MA 01610-1221

Dear Neil:

**RE: CIF Project SD 2012-10 (RFC)**

Enclosed are three copies of a Request for Consideration from the Running Horse Capital Improvement Trust Fund for Project SD 2012-10 (Light Pole and Transformer Replacements).

Upon review of the property it was necessary, as a safety issue, to remove and replace the light pole and transformer at Suffolk Downs.

Should you have any questions please call me at (617) 568-3327.

Thank you for your consideration of this matter.

Sincerely,

Chip Tuttle  
Chief Operating Officer

RECEIVED

Encs.  
CT:jf

OCT 31 2016

Dixon Salo Architects, Inc.

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



# The Commonwealth of Massachusetts

## MASSACHUSETTS GAMING COMMISSION

### CAPITAL IMPROVEMENT TRUST FUND PROMOTIONAL TRUST FUND

101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Telephone (617) 979-8400 • Fax (617) 725-0258

★ *All information must be complete before any requests (RFC or RFR) can be processed.*

- Date October 26, 2016
- Association Making This Request Suffolk Downs
- Project # 2012-10 (unique project number)
- Project Light Pole and Transformer Replacements unique descriptive title of this project)
- Type of Request (indicate RFC or RFR)
 

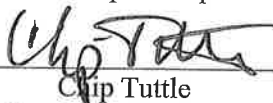
<input checked="" type="checkbox"/> RFC / Request for Consideration	<input type="checkbox"/> RFR / Request for Reimbursement
<input checked="" type="checkbox"/> Capital Improvement Fund	<input type="checkbox"/> Promotional Trust Fund
- Total Project Amount Requested: \$ 13,806.40  Estimate / RFC ♦  Actual / RFR

7. *RFC only* – Provide a detailed description of the promotional or capital improvement project including the project objectives, how it will enhance the operations of the association and / or improve attendance and handles at your racetrack.

Upon review of the property it was necessary, as a safety issue, to remove and replace the light pole and transformer at Suffolk Downs.

*RFR only* – Requests for reimbursement must contain a listing of all project expenditures by date, paid to and check number. A copy of the invoice and the cancelled check must support each expenditure.

8. For Capital Improvement Projects only, RFC's and RFR's must be submitted to the Commission's architect engineer consultant for review. The consultant makes recommendations to the Trustees relative to the cost and nature of the capital improvement project.

By Track Official:  Title: Chief Operating Officer Date: October 26, 2016  
Chip Tuttle

RFR approval by the Trustees (signature and date) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STERLING SUFFOLK RACECOURSE, LLC

ACCOUNT NO.			VENDOR NEW ENGLAND UTILITIES		CHECK NO. 094885	CHECK DATE 04/19/12	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
04847	88	02/26/12	EMERGENCY SERVICE 2/	\$2,228.88	\$2,228.88	\$1.00	\$2,228.88
				\$2,228.88	\$2,228.88	\$1.00	\$2,228.88
						<b>CHECK TOTAL</b>	\$2,228.88

STERLING SUFFOLK RACECOURSE, LLC

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

094885

PAY

Two Thousand Two Hundred Twenty Eight Dollars And 88 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
094885	04/19/12	NENE025

CHECK AMOUNT
\$2,228.88

TO THE  
ORDER  
OF:

NEW ENGLAND UTILITIES INC  
28 CRYSTAL ST

WAKEFIELD MA 01880

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE

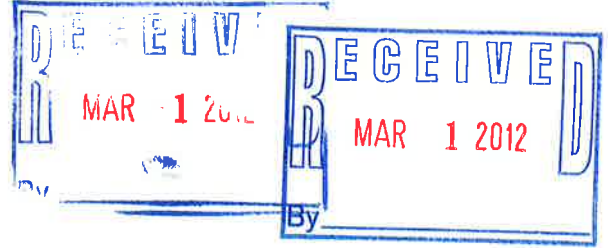
New England Utilities Inc.

20 Crystal Street  
Wakefield, MA 01880

# Invoice

Date	Invoice #
2/26/2012	88

<b>Bill To</b>
Suffolk Downs Steve Pini 111 Waldemar Avenue East Boston, MA 02128



P.O. No.	Terms	Project

Quantity	Description	Rate	Amount										
4	Emergency service on 2/21/12 = 1 foreman & pick-up, 1 lead lineman, 1 apprentice & 1 bucket truck = Cutout in transformer vault blew. Found & corrected problem & refused cutout.	557.22	2,228.88										
<table border="1"> <tr> <td>Vendor Number</td> <td>NEUE 025</td> </tr> <tr> <td>Distribution</td> <td>7015-000</td> </tr> <tr> <td>Voucher Number</td> <td>104847</td> </tr> <tr> <td>Check Code</td> <td> </td> </tr> <tr> <td>Approved By</td> <td> </td> </tr> </table>		Vendor Number	NEUE 025	Distribution	7015-000	Voucher Number	104847	Check Code		Approved By			
Vendor Number	NEUE 025												
Distribution	7015-000												
Voucher Number	104847												
Check Code													
Approved By													
<i>S Pini</i>													
		<b>Total</b>	\$2,228.88										



**PURCHASE ORDER** 12587

PCF/SD \_\_\_\_\_

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.

A packing slip **MUST** accompany this order, if shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
 SUFFOLK DOWNS RACE TRACK  
 111 WALDEMAR AVE.  
 East Boston, MA 02128

VENDOR

*New England Utilities*

SHIP TO

DATE OF ORDER	PROJECT NO.	TERMS	F.O.B.	DELIVERY DATE	
<i>2-26-12</i>	<i>Power outage</i>				
QTY. ORDERED	QTY. REC'D.	CATALOG #	DESCRIPTION	UNIT PRICE	TOTAL
1.			<i>Revised High voltage</i>		<i>2258.88</i>
2.			<i>cut out to transformer</i>		
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

**VENDOR NOTE:**

**Read conditions on reverse side prior to shipment.**

ACCT #  
*7015-200*

DEPARTMENT  
*Maint*

REQUISITIONED BY  
*SP*

EXECUTIVE OFFICER \_\_\_\_\_

DIRECTOR OF PURCHASING/BUYER \_\_\_\_\_

WHITE - VENDOR

YELLOW - CONTROLLER

PINK - OFFICE/FILE

GOLD - DEPARTMENT HEAD

**STERLING SUFFOLK RACECOURSE, LLC**

ACCOUNT NO. [REDACTED]			VENDOR <b>NEW ENGLAND UTILITIES</b>		CHECK NO. <b>095049</b>	CHECK DATE <b>04/30/12</b>	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
05174	95	03/19/12	REPLACE ROTTEN POLE	\$6,977.52	\$6,977.52	\$ .00	\$6,977.52
				\$6,977.52	\$6,977.52	\$ .00	\$6,977.52
<b>CHECK TOTAL</b>							<b>\$6,977.52</b>

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

095049

PAY

Six Thousand Nine Hundred Seventy Seven Dollars And 52 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
095049	04/30/12	NEW025

CHECK AMOUNT
\$6,977.52

TO THE ORDER OF:

NEW ENGLAND UTILITIES INC  
20 CRYSTAL ST

WAKEFIELD MA 01880

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE

[REDACTED SIGNATURE]

New England Utilities Inc.

20 Crystal Street  
Wakefield, MA 01880

# Invoice

Date	Invoice #
3/19/2012	95

<b>Bill To</b>
Suffolk Downs Steve Pini 111 Waldemar Avenue East Boston, MA 02128

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount										
8	General Foreman	141.20	1,129.60										
8	Foreman	135.87	1,086.96										
8	Head Lineman	130.54	1,044.32										
16	Lineman	122.04	1,952.64										
8	1 Pick up truck	26.25	210.00										
8	1 Bucket truck	53.75	430.00										
8	1 Digger	65.50	524.00										
1	Stock	600.00	600.00										
1	Replace rotten pole and transfer. Dispose of old pole. Install new service to building 25. Install 2 400 watt heads in parking lot and 1 new bracket.	0.00	0.00										
<div data-bbox="391 1297 922 1507" data-label="Form"> <table border="1"> <tr> <td>Vendor Number</td> <td>NEWED 25</td> </tr> <tr> <td>Distribution</td> <td>7015-200</td> </tr> <tr> <td>Voucher Number</td> <td>105174</td> </tr> <tr> <td>Check Code</td> <td> </td> </tr> <tr> <td>Approved By</td> <td> </td> </tr> </table> </div> <div data-bbox="228 1514 605 1843" data-label="Image"> </div> <div data-bbox="852 1570 1031 1774" data-label="Text"> <p><i>[Handwritten Signature]</i></p> </div>		Vendor Number	NEWED 25	Distribution	7015-200	Voucher Number	105174	Check Code		Approved By			
Vendor Number	NEWED 25												
Distribution	7015-200												
Voucher Number	105174												
Check Code													
Approved By													
<b>Total</b>			\$6,977.52										

*[Handwritten Signature]*



**PURCHASE ORDER** 12606

PCF/SD \_\_\_\_\_

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.

A packing slip **MUST** accompany this order, if shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
 SUFFOLK DOWNS RACE TRACK  
 111 WALDEMAR AVE.  
 East Boston, MA 02128

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*New England Utilities*

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O

DATE OF ORDER	PROJECT NO.	TERMS	F.O.B.	DELIVERY DATE
<i>3-24-12</i>	<i>Barn Area</i>			
QTY. ORDERED	QTY. REC'D.	CATALOG #	DESCRIPTION	TOTAL
1.			<i>Replace rotted</i>	<i>6977.52</i>
2.			<i>pole in Barn Area</i>	
3.			<i>and Install new</i>	
4.			<i>service to Barn</i>	
5.			<i>05 that had to be</i>	
6.			<i>moved because</i>	
7.			<i>of construction</i>	
8.				
9.				
10.				
11.				
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15.				

**VENDOR NOTE:**

**Read conditions on reverse side prior to shipment.**

ACCT #  
*7015 - 200*

DEPARTMENT  
*Plant*

REQUISITIONED BY  
*[Signature]*

EXECUTIVE OFFICER \_\_\_\_\_

DIRECTOR OF PURCHASING/BUYER \_\_\_\_\_



STERLING SUFFOLK RACECOURSE, LLC

ACCOUNT NO.			VENDOR NEW ENGLAND UTILITIES		CHECK NO. 097992	CHECK DATE 01/24/13	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
10102	173	12/03/12	REPLACE OLD SECONDAR	\$4,600.00	\$4,600.00	\$ .00	\$4,600.00
				\$4,600.00	\$4,600.00	\$ .00	\$4,600.00
<b>CHECK TOTAL</b>							\$4,600.00

STERLING SUFFOLK RACECOURSE, LLC

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

097992

PAY

Four Thousand Six Hundred Dollars And 00 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
097992	01/24/13	NEW025

CHECK AMOUNT
\$4,600.00

TO THE  
ORDER  
OF:

NEW ENGLAND UTILITIES INC  
20 CRYSTAL ST  
WAKEFIELD MA 01880

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE



**New England Utilities, Inc.**  
**20 Crystal Street**  
**Wakefield, MA 01880**  
**neutilities@hotmail.com**

Date	Invoice #
12/3/2012	173



**Bill To**  
 Suffolk Downs  
 Steve Pini  
 111 Waldemar Avenue  
 East Boston, MA 02128

P.O. No.	Work Order Number

Quantity	Description	Rate	Amount
1	8 hours on 11/23/12: 1 Foreman & Pick-up truck, 1 Lead Lineman, 1 Lineman, 1 Apprentice, 1 Driver Groundman and 2 Bucket trucks: Replace old secondary cable with new cable provided by Suffolk Downs.	4,600.00	4,600.00

NEW E 025  
 7015-400  
 110102

*S Pini*

		<b>Total</b>	<b>\$4,600.00</b>
--	--	--------------	-------------------

*[Handwritten signature]*



SUFFOLK DOWNS®

PURCHASE ORDER 12830  
PCF/SD

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.  
A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
SUFFOLK DOWNS RACE TRACK  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

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*New England Utilities*

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O

DATE OF ORDER		PROJECT NO.		TERMS	F.O.B	DELIVERY DATE
<i>10-23-12</i>		<i>Street Lights Parking lot lighting</i>				
QTY. ORDERED	QTY. REC'D	CATALOG #	DESCRIPTION		UNIT PRICE	TOTAL
1.			<i>Replace secondary</i>			<i>4600.00</i>
2.			<i>wire with new</i>			
3.			<i>cable</i>			
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

**VENDOR NOTE:**

Read conditions on reverse side prior to shipment.

ACCT #  
*7015-400*

DEPARTMENT  
*Maint*

REQUISITIONED BY  
*SP*

EXECUTIVE OFFICER

DIRECTOR OF PURCHASING/BUYER





**DIXON SALO  
ARCHITECTS  
INCORPORATED**

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

December 5, 2016

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2012-20  
Fork Lift Repairs  
Request for Consideration

Dear Mr. O'Donnell:


Attached please find one copy of a Request for Consideration from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$5,633.10 for the Fork Lift repairs.

This project involve the repairs to the fork lift machine used in the general maintenance of the racetrack at Suffolk Downs.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Consideration be approved by the Massachusetts Gaming Commission/Racing Division in the amount of \$5,633.10.

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

  
Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs

Enclosure: Suffolk Downs, Request for Considerations CIF Project SD 2012-20 (RFC)



October 26, 2016

RECEIVED

OCT 31 2016

Mr. Neil R. Dixon  
Dixon Salo Architects, Inc.  
501 Park Avenue, Suite 210  
Worcester, MA 01610-1221

Dixon Salo Architects, Inc.

Dear Neil:

**RE: CIF Project SD 2012-20 (RFC)**

Enclosed are three copies of a Request for Consideration from the Running Horse Capital Improvement Trust Fund for Project SD 2012-20 (Fork Lift Repairs).

This project involved the replacement and/or repair of the necessary parts of the fork lift used for general maintenance at the track.

Should you have any questions please call me at (617) 568-3327.

Thank you for your consideration of this matter.

Sincerely,

Chip Tuttle  
Chief Operating Officer

Encs.  
CT:jf

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



# The Commonwealth of Massachusetts

## MASSACHUSETTS GAMING COMMISSION

### CAPITAL IMPROVEMENT TRUST FUND PROMOTIONAL TRUST FUND

101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Telephone (617) 979-8400 • Fax (617) 725-0258

★ *All information must be complete before any requests (RFC or RFR) can be processed.*

1. Date October 26, 2016

2. Association Making This Request Suffolk Downs

3. Project # 2012-20 (unique project number)

4. Project Fork Lift Repairs unique descriptive title of this project)

5. Type of Request (indicate RFC or RFR)

RFC / Request for Consideration  RFR / Request for Reimbursement

Capital Improvement Fund  Promotional Trust Fund

6. Total Project Amount Requested: \$ 5,633.10  Estimate / RFC ♦  Actual / RFR

7. *RFC only* – Provide a detailed description of the promotional or capital improvement project including the project objectives, how it will enhance the operations of the association and / or improve attendance and handles at your racetrack.

This project involved the replacement and/or repair of the necessary parts of the fork lift used for general maintenance at the track.

*RFR only* – Requests for reimbursement must contain a listing of all project expenditures by date, paid to and check number. A copy of the invoice and the cancelled check must support each expenditure.

8. For Capital Improvement Projects only, RFC's and RFR's must be submitted to the Commission's architect engineer consultant for review. The consultant makes recommendations to the Trustees relative to the cost and nature of the capital improvement project.

By Track Official: Chip Tuttle Title: Chief Operating Officer Date: October 26, 2016  
Chip Tuttle

RFR approval by the Trustees (signature and date) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**STERLING SUFFOLK RACECOURSE, LLC**



ACCOUNT NO.			VENDOR		CHECK NO.	CHECK DATE	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
66842	255000498	05/10/12	REPAIR TO FORK LIFT	\$5,633.10	\$5,633.10	\$ .00	\$5,633.10
				\$5,633.10	\$5,633.10	\$ .00	\$5,633.10
<b>CHECK TOTAL</b>							<b>\$5,633.10</b>



095699

5-13/110

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

PAY

Five Thousand Six Hundred Thirty Three Dollars And 10 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
095699	06/27/12	LIFT001

CHECK AMOUNT
\$5,633.10

TO THE  
ORDER  
OF:

LIFT TRUCK PARTS & SERVICE  
PO BOX 1091

WEST SPRINGFIELD MA 01090

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE



# LiftTruck Parts & Service II, Inc.

140 Manley Street  
 Brockton, MA 02301  
 508-313-5600 • Fax 508-822-0280

Shop Service Invoice # 255000498  
 Invoice Date 5/10/2012  
 Terms - Net 30

## Invoice

BILL

TO: 134900  
 SUFFOLK DOWNS

111 WALDERMAR AVE.  
 EAST BOSTON, MA 02128

617-567-3900 / Fax 617-561-1396

SHIP

TO: 134900  
 SUFFOLK DOWNS

111 WALDERMAR AVE.  
 EAST BOSTON, MA 02128

617-567-3900

Salesperson: House Account

Writer:



P.O. #	Ship Via	F.O.B.	Warranty Date	Make	Model	Serial #	Unit #	Meter
TON 508-414-4236				CASE	586E	JJG0069670		8523

REPLACE CRANK SHAFT SEAL PART SUPPLIED BY CUSTOMER.  
 REMOVE ROTATOR AND HOSES REMOVE MAST HAD TO CUT PINS ON TILT CYLINDERS TO REMOVE  
 MAST FROZEN SOLID REMOVE CHAINS AND LIFT CYLINDERS SEND CYLINDERS OUT TO HAVE NEW  
 RODS MADE UP AND RESEAL REINSTALL ALL THE ABOVE FILLED HYDRAULIC LUBE MAST TEST OKAY.

Part #	Warehouse	Description	Qty	BO	Shipped	Each	Amount
39599	Main	PIN	2	0	2	40.28	80.56
802155	Main	ANTIWEAR HYDR OIL IS032 GA 4					
		RACK1	6	0	6	16.91	101.46
3PC-20	Main	BRAKE CLEANER 18 OZ SPRAY 12					
		LOCKER	3	0	3	5.71	17.13

Description	Amount
TRUCKING	850.00
REPLACE PISTON RODS AND RESEAL	2,744.00
WEIGHT	33.50

Vendor Number	LIFT001
Distribution	Slide-200
Voucher Number	106042
Check Code	
Approved By	

Please Remit Payment To: P.O. Box 1091 West Springfield, MA 01090

Parts = \$199.15      Labor = \$1,794.00      Misc = \$3,627.50

Sub Total \$5,620.65  
 Tax @ 6.25% \$12.45  
**Total \$5,633.10**





**PURCHASE ORDER** 12707  
PCF/SD \_\_\_\_\_

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.  
A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
SUFFOLK DOWNS RACE TRACK  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

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*Lift Truck Part + Service*

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DATE OF ORDER		PROJECT NO.		TERMS	F.O.B	DELIVERY DATE
<i>5-15-12</i>		<i>JD Forklift</i>				
QTY. ORDERED	QTY. REC'D	CATALOG #	DESCRIPTION		UNIT PRICE	TOTAL
1.			<i>Repair JD Forklift Mast</i>			<i>5633.10</i>
2.						
3.						
4.						
5.						
6.						
7.						
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9.						
10.						
11.						
12.						
13.						
14.						
15.						

**VENDOR NOTE:**

**Read conditions on reverse side prior to shipment.**

ACCT #  
*86611-200*

DEPARTMENT  
*Maint*

REQUISITIONED BY  
*JP*

EXECUTIVE OFFICER

DIRECTOR OF PURCHASING/BUYER



**DIXON SALO  
ARCHITECTS  
INCORPORATED**

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

December 5, 2016

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2013-1  
Blacksmith Project  
Request for Consideration

Dear Mr. O'Donnell:

Attached please find one copy of a Request for Consideration from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$33,866.02 for the Blacksmith Shop Project at Suffolk Downs.

*35866.02*

The project involved the repair and maintenance of the Blacksmith Shop in the barn area at Suffolk Downs. Repairs included replacement of metal roofing and siding and associated metal fascia and trim members, gutters and downspouts and roof vents.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Consideration be approved by the Massachusetts Gaming Commission/Racing Division in the amount of \$33,866.02.

*35866.02*

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs  
Enclosure: Suffolk Downs, Request for Considerations CIF Project SD 2013-1 (RFC)



October 26, 2016

Mr. Neil R. Dixon  
Dixon Salo Architects, Inc.  
501 Park Avenue, Suite 210  
Worcester, MA 01610-1221

Dear Neil:

**RE: CIF Project SD 2013-1 (RFC)**

Enclosed are three copies of a Request for Consideration from the Running Horse Capital Improvement Trust Fund for Project SD 2013-1 (Blacksmith Project).

This project was necessary for the repair and maintenance of the blacksmith shop which is located in the barn area of the track.

Should you have any questions please call me at (617) 568-3327.

Thank you for your consideration of this matter.

Sincerely,

Chip Tuttle  
Chief Operating Officer

Encs.  
CT:jf

RECEIVED

OCT 31 2016

Dixon Salo Architects, Inc.

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



# The Commonwealth of Massachusetts

## MASSACHUSETTS GAMING COMMISSION

### CAPITAL IMPROVEMENT TRUST FUND PROMOTIONAL TRUST FUND

101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Telephone (617) 979-8400 • Fax (617) 725-0258

★ *All information must be complete before any requests (RFC or RFR) can be processed.*

1. Date October 26, 2016

2. Association Making This Request Suffolk Downs

3. Project # 2013-1 (unique project number)

4. Project Blacksmith Project unique descriptive title of this project)

5. Type of Request (indicate RFC or RFR)

RFC / Request for Consideration  RFR / Request for Reimbursement

Capital Improvement Fund  Promotional Trust Fund

6. Total Project Amount Requested: \$ 35,866.02  Estimate / RFC ♦  Actual / RFR

7. *RFC only* – Provide a detailed description of the promotional or capital improvement project including the project objectives, how it will enhance the operations of the association and / or improve attendance and handles at your racetrack.

This project was necessary for the repair and maintenance of the blacksmith shop which is located in the barn area of the track.

*RFR only* – Requests for reimbursement must contain a listing of all project expenditures by date, paid to and check number. A copy of the invoice and the cancelled check must support each expenditure.

8. For Capital Improvement Projects only, RFC's and RFR's must be submitted to the Commission's architect engineer consultant for review. The consultant makes recommendations to the Trustees relative to the cost and nature of the capital improvement project.

By Track Official: Chip Tuttle Title: Chief Operating Officer Date: October 26, 2016  
Chip Tuttle

RFR approval by the Trustees (signature and date) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sterling Suffolk Racecourse  
 CIF Hours  
 2013

APRIL 2013

<u>Category</u>	<u>Labor Hours</u>	<u>Labor Cost</u>	<u>Carpenter Hours</u>	<u>Carpenter Cost</u>	<u>Forman Hours</u>	<u>Forman Cost</u>	<u>Total Hours</u>	<u>Total Cost</u>
Blacksmith	8.00	160.93	18.00	1,284.27	-	-	26.00	1,445.20
<b>Total Dept</b>	<b>8.00</b>	<b>160.93</b>	<b>18.00</b>	<b>1,284.27</b>	<b>-</b>	<b>-</b>	<b>26.00</b>	<b>1,445.20</b>

Wk Ending	Date	Job Performed	Employee	Regular Hours	Regular Rate	Regular Hours	OT Hours	OT Rate	OT Cost	Total Payroll	FUTA Cost	FICA Cost	SUI Cost	Union Benefits Rate	Union Benefits	Total Benefit	Total Cost
4/12/2013		Carpenter	J.Gruszecki	6.00	\$ 34.40	206.40	-	\$ 51.60	-	206.40	1.65	15.79	25.45	29.80	178.8	221.69	428.09
		Carpenter	C.Sampson	6.00	\$ 34.40	206.40	-	\$ 51.60	-	206.40	1.65	15.79	25.45	29.80	178.8	221.69	428.09
		Carpenter	P.Mazzarella	6.00	\$ 34.40	206.40	-	\$ 51.60	-	206.40	1.65	15.79	25.45	29.80	178.8	221.69	428.09
		Labor	C.Dalley	6.00	\$ 16.09	96.36	-	\$ 24.09	-	96.36	0.77	7.37	11.88	-	-	20.02	116.38
		Labor	R.Frogner	-	\$ 17.17	-	-	\$ 23.78	-	-	-	-	-	-	-	-	-
		Labor	E.Svensen	-	\$ 15.31	-	-	\$ 24.29	-	-	-	-	-	-	-	-	-
		Labor	M.Swenkle	-	\$ 18.44	-	-	\$ 27.66	-	-	-	-	-	-	-	-	-
		Labor	J.Donovan	2.00	\$ 18.44	36.88	-	\$ 27.66	-	36.88	0.30	2.82	4.55	-	-	7.69	44.54
		Labor	P.Santosuoso	-	\$ 18.44	-	-	\$ 27.66	-	-	-	-	-	-	-	-	-
		Labor	E.Santison	-	\$ 39.13	-	-	\$ 58.70	-	-	-	-	-	29.19	0	-	-
		Female		-		-	-			-					0		
		<b>Total</b>		<b>26.00</b>		<b>752.44</b>				<b>752.44</b>	<b>6.02</b>	<b>57.58</b>	<b>92.78</b>		<b>538.40</b>	<b>692.76</b>	<b>1,445.20</b>

Carpenters Log Sheet Blacksmith CIF  
 2013-07

Day	Month	Job Location	Hours	Carpenter	Apprentice	Foreman Hours	Labors	Hours	Location
Mon 8	Apr			Chris Sampson John Gruszacki Paul Mazzarella					
Tues 9	Apr	Drilling holes setting post and concrete	6	Chris Sampson 6 John Gruszacki 6 Paul Mazzarella			Charles Dailey John Donovan	6	digging holes 2 digging holes
Wed 10-Apr	Apr			Chris Sampson John Gruszacki Paul Mazzarella					
Thu 11-Apr	Apr			Chris Sampson John Gruszacki Paul Mazzarella					
Fri 12-Apr	Apr			Chris Sampson John Gruszacki Paul Mazzarella					
Total Hours			18				Total hours Charles Dailey John Donovan	8 6 2	

Carpenters  
 Donald Mackell  
 Paul Mazzarella  
 Ernie Sampson

Labors  
 Charles Dailey  
 Eric Svendsen  
 Bart Campanella

John Gruszacki  
 Chris Sampson  
 Chris Dwyer  
 Jose Martinez

Frank Leal  
 Mario Schwenki

**Sterling Suffolk Racecourse  
CIF Hours**

Dec-12

Category	Labor	Labor Cost	Carpenter	Carpenter	Forman	Forman	Total	Total
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Blacksmith Shop	240.00	4,003.13	344.00	24,099.79	-	-	584.00	28,102.92
Bathroom Backstreach	32.00	533.75	48.00	3,362.76	8.00	592.93	88.00	4,489.44
<b>Total Dept</b>	<b>272.00</b>	<b>4,536.88</b>	<b>392.00</b>	<b>27,462.55</b>	<b>8.00</b>	<b>592.93</b>	<b>672.00</b>	<b>32,592.36</b>



Check Inquiry Results Summary

Account Number: [REDACTED]  
Account Name: Sterling Suffolk Racecourse Operating Acct  
Bank ID: [REDACTED]



Check Number	Amount	Posted Date	Paid Date	CD Volume #
97772	513.85	12/27/2012		

Image is not available because it is outside of the Image Entitlement Access period.

171.99

**STERLING SUFFOLK RACECOURSE, LLC**



ACCOUNT NO. [REDACTED]			VENDOR <b>MCMASTER - CARR</b>		CHECK NO. <b>097772</b>	CHECK DATE <b>12/21/12</b>	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
09678	41188038	11/19/12	ANGLE HEAD ELECTRIC	\$341.86	\$341.86	\$ .00	\$341.86
09782	41247254	11/19/12	2013-01	\$171.99	\$171.99	\$ .00	\$171.99
				<b>\$513.85</b>	<b>\$513.85</b>	<b>\$ .00</b>	<b>\$513.85</b>
<b>CHECK TOTAL</b>							<b>\$513.85</b>

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

097772

PAY

Five Hundred Thirteen Dollars And 85 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
097772	12/21/12	MCMA0081

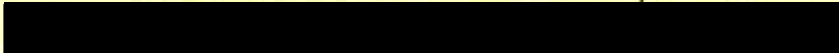
CHECK AMOUNT
\$513.85

TO THE ORDER OF:

MCMASTER - CARR  
SUPPLY COMPANY  
P.O. BOX 7690  
CHICAGO, IL. 60608-7690

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE





# Invoice

609-689-3000  
 609-259-3575 (fax)  
 nj.sales@mcmaster.com

NOV 23 2012

Purchase Order	ERNIE
Total	\$171.99
Invoice	41247254
Invoice Date	11/19/12
Payment Terms	2% 10, Net 30
Deduct \$3.25 on merchandise if paid by 11/29/12.	

Billed to  
 STERLING SUFFOLK RACECOURSE  
 525 MCCLELLAN HWY  
 EAST BOSTON MA 02128-1035

Shipped to  
 Attention: Ernie  
 Sterling Suffolk Racecourse  
 111 Waldemar Ave  
 East Boston MA 02128-1035

Mail Payment to  
 McMaster-Carr  
 PO Box 7690  
 Chicago IL 60680-7690

Your Account  
 124919600

Ernie placed this order.

Line	Description	Ordered	Shipped	Balance	Unit Price	Total
1	93604A623 Grade 2 Round Head Square Neck Bolt, Hot-Dipped Galvanized, 1/4"-20 Thread, 2-1/2" Length, Packs of 100	3 Packs	3	0	13.32 Per Pack	39.96
2	98970A129 Hot Dipped Galvanized Steel Flat Washer, USS, 1/4" Screw Size, 47/64" OD, .05"-.08" Thick, Packs of 100	3 Packs	3	0	1.85 Per Pack	5.55
3	95025A370 ASTM A194 Grade 2H Heavy Hex Nut, Hot-Dipped Galvanized Steel, 1/4"-20 Thread Size, Packs of 50	6 Packs	5	0	12.56 Per Pack	62.80
4	6355T12 Carbon Steel Bristle Duct & Flue Brush, Round, 4" Brush Diameter, .018" Bristle Diameter	1 Each	1	0	10.76 Each	10.76
5	6413T42 48" L Steel Flexible Extension Rod for, Tampico Bristle Duct and Flue Brush	1 Each	1	0	7.14 Each	7.14
6	66615A1 Self-Drilling Screw Anchor for Drywall, Zinc, No. 8 Screw Size, 1-5/8" Length, Packs of 50	2 Packs	2	0	9.22 Per Pack	18.44
7	66615A3 Self-Drilling Screw Anchor for Drywall, Zinc, No. 6-8 Screw Size, 1-1/4" Length, Packs of 50	2 Packs	2	0	8.99 Per Pack	17.98

TAX 10.16

Merchandise	162.63
Shipping	9.36
<b>Total</b>	<b>\$171.99</b>

Packing List	Shipped	Weight	Carrier	Tracking
4170079-02	11/19/12	23 lb	UPS Ground	1Z0100830365841391

2013-01  
 Blacksmith Shop  
 7036-200  
 CIF

MEMO 001  
 1505-100  
 109782



Purchase Order  
ERNIE

Page 1 of 2

200 New Canton Way  
Robbinsville NJ 08691-2343  
609-689-3000  
nj.sales@mcmaster.com

Sterling Suffolk Racecourse  
525 McClellan Hwy  
East Boston MA 02128-1035  
Attention: Ernie

Order Placed By  
Ernie

11/19/2012

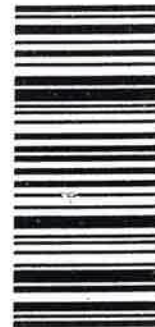
McMaster-Carr Number  
4170079-02

Line	Description	Ordered	Shipped		LNS	AC
1	93604A623 Grade 2 Round Head Square Neck Bolt, Hot-Dipped Galvanized, 1/4"-20 Thread, 2-1/2" Length, Packs of 100	3 Packs	3	2 - 551 - 00 23 - 58 A623 11 lbs	3 PK	1
2	98970A129 Hot Dipped Galvanized Steel Flat Washer, USS, 1/4" Screw Size, 47/64" OD, .05"-.08" Thick, Packs of 100	3 Packs	3	2 - 513		2
3	95025A370 ASTM A194 Grade 2H Heavy Hex Nut, Hot-Dipped Galvanized Steel, 1/4"-20 Thread Size, Packs of 50	6 Packs	5	2 - 505		3
4	6355T12 Carbon Steel Bristle Duct & Flue Brush, Round, 4" Brush Diameter, .018" Bristle Diameter	1 Each	1	1 - 69		4
5	6413T42 48" L Steel Flexible Extension Rod for, Tampico Bristle Duct and Flue Brush	1 Each	1	6 - 122		5
6	66615A1 Self-Drilling Screw Anchor for Drywall, Zinc, No. 8 Screw Size, 1-5/8" Length, Packs of 50	2 Packs	2	1 - 683		6
7	66615A3 Self-Drilling Screw Anchor for Drywall, Zinc, No. 6-8 Screw Size, 1-1/4" Length, Packs of 50	2 Packs	2	1 - 684		7

terling Suffolk Racecourse

C

ombinable  
Long



19 lbs  
7 lines

DW2BSP29  
11/19/2012  
13:52/14:54  
972  
Cycle 66



1140565557272

Check Inquiry Results Summary

Account Number: [REDACTED]

Account Name: Sterling Suffolk Racecourse Operating Acct

Bank ID: [REDACTED]



Check Number	Amount	Posted Date	Paid Date	CD Volume #
97834	573.24	01/15/2013		

Image is not available because it is outside of the Image Entitlement Access period.

17. 27  
77. 23  
478. 74  
573. 20

**STERLING SUFFOLK RACECOURSE, LLC**

ACCOUNT NO.			VENDOR		CHECK NO.	CHECK DATE		
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT	
09784	41329632	11/20/12	2013-01	\$17.27	\$17.27	\$0.00	\$17.27	
09841	41459982	11/26/12	2013-01	\$77.23	\$77.23	\$0.00	\$77.23	
09988	41789710	11/30/12	2013-01	\$478.74	\$478.74	\$0.00	\$478.74	
				\$573.24	\$573.24	\$0.00	\$573.24	
<b>CHECK TOTAL</b>							\$573.24	



5-13/110

097834

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

CHECK NO.	CHECK DATE	VENDOR NO.
097834	12/31/12	MCMA001

PAY

Five Hundred Seventy Three Dollars And 24 Cents

CHECK AMOUNT
\$573.24

TO THE  
ORDER  
OF:

MCMASTER - CARR  
SUPPLY COMPANY  
P.O. BOX 7690  
CHICAGO, IL 60680-7690

**NON-NEGOTIABLE**

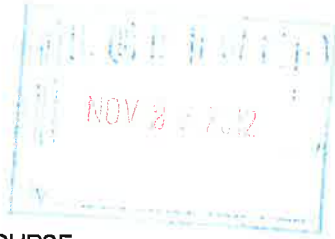
AUTHORIZED SIGNATURE





609-689-3000  
 609-259-3575 (fax)  
 nj.sales@mcmaster.com

# Invoice



Billed to  
 STERLING SUFFOLK RACECOURSE  
 525 MCCLELLAN HWY  
 EAST BOSTON MA 02128-1035

Purchase Order	ERNIE
Total	\$17.27
Invoice	41329632
Invoice Date	11/20/12
Payment Terms	2% 10, Net 30
Deduct \$0.25 on merchandise if paid by 11/30/12.	

Shipped to  
 Attention: Ernie  
 Sterling Suffolk Racecourse  
 111 Waldemar Ave  
 East Boston MA 02128-1035

Mail Payment to      McMaster-Carr  
                                  PO Box 7690  
                                  Chicago IL 60680-7690

Your Account            124919600

Ernie placed this order.

Line	Description	Ordered	Shipped	Balance	Unit Price	Total
3	95025A370 ASTM A194 Grade 2H Heavy Hex Nut, Hot-Dipped Galvanized Steel, 1/4"-20 Thread Size, Packs of 50	6 Packs	1	0	12.56 Per Pack	12.56
Merchandise						12.56
Shipping						4.71
Total						\$17.27

Packing List	Shipped	Weight	Carrier	Tracking
4170079-01	11/20/12	1 lb	UPS Ground	1Z0100830365841372

*C TAX .78*

*BRACK SMITH*

*UMC MA 001  
1505-100  
109784*

*J. P. ...*

*CP*

Purchase Order  
**ERNIE**

200 New Canton Way  
Robbinsville NJ 08691-2343  
609-689-3000  
nj.sales@mcmaster.com

Sterling Suffolk Racecourse  
525 McClellan Hwy  
East Boston MA 02128-1035  
Attention: Ernie

Order Placed By  
**Ernie**

11/19/2012

McMaster-Carr Number  
**4170079-02**

---

**Shipped separately from our Chicago warehouse on 11/19**

3	<b>95025A370</b> ASTM A194 Grade 2H Heavy Hex Nut, Hot-Dipped Galvanized Steel, 1/4"-20 Thread Size	<b>6</b> <b>Packs</b>	<b>1</b>
---	--	--------------------------	----------





200 New Canton Way  
 Robbinsville NJ 08691-2343  
 609-689-3000  
 nj.sales@mcmaster.com

Sterling Suffolk Racecourse  
 111 Waldemar Ave  
 East Boston MA 02128-1035  
 Attention: Ernie

Purchase Order  
 ERNIE

Page 1 of 1

Order Placed By  
 Ernie

11/19/2012

McMaster-Carr Number  
 4170079-01

Line	Description	Ordered	Shipped
3	95025A370 ASTM A194 Grade 2H Heavy Hex Nut, Hot-Dipped Galvanized Steel, 1/4"-20 Thread Size, Packs of 50	6 Packs	1

1 - 519 - 12 45 - 72 A370 1PK 3

**Shipped separately from our New Jersey warehouse on 11/19**

1	93604A623 Grade 2 Round Head Square Neck Bolt, Hot-Dipped Galvanized, 1/4"-20 Thread, 2-1/2" Length	3 Packs	3
2	98970A129 Hot Dipped Galvanized Steel Flat Washer, USS, 1/4" Screw Size, 47/64" OD, .05"-.08" Thick	3 Packs	3
3	95025A370 ASTM A194 Grade 2H Heavy Hex Nut, Hot-Dipped Galvanized Steel, 1/4"-20 Thread Size	6 Packs	5
4	6355T12 Carbon Steel Bristle Duct & Flue Brush, Round, 4" Brush Diameter, .018" Bristle Diameter	1 Each	1
5	6413T42 48" L Steel Flexible Extension Rod for, Tampico Bristle Duct and Flue Brush	1 Each	1
6	66615A1 Self-Drilling Screw Anchor for Drywall, Zinc, No. 8 Screw Size, 1-5/8" Length	2 Packs	2
7	66615A3 Self-Drilling Screw Anchor for Drywall, Zinc, No. 6-8 Screw Size, 1-1/4" Length	2 Packs	2

Sterling Suffolk Racecourse



1 lb  
 1 line

EW1BSPAK  
 11/19/2012  
 13:52/13:56  
 216  
 Cycle 42

1140565557273



609-689-3000  
 609-259-3575 (fax)  
 nj.sales@mcmaster.com



Billed to  
 STERLING SUFFOLK RACECOURSE  
 525 MCCLELLAN HWY  
 EAST BOSTON MA 02128-1035

Purchase Order	1126
Total	\$77.23
Invoice	41459982
Invoice Date	11/26/12
Payment Terms	2% 10, Net 30
Deduct \$1.43 on merchandise if paid by 12/6/12.	

Shipped to  
 Sterling Suffolk Racecourse  
 525 McClellan Hwy  
 East Boston MA 02128-1035

Mail Payment to      McMaster-Carr  
                                  PO Box 7690  
                                  Chicago IL 60680-7690

Your Account            124919600

Order placed by phone.

Line	Description	Ordered	Shipped	Balance	Unit Price	Total
1	91324A635 Coated Steel Drilling Screw for Metal, 1/4"-14 Thread, 2-1/2" Length, Drill Point #3, Packs of 25	8 Packs	8	0	8.93 Per Pack	71.44

Merchandise	71.44
Shipping	5.79
<b>Total</b>	<b>\$77.23</b>

Packing List	Shipped	Weight	Carrier	Tracking
4333324-01	11/26/12	7 lb	UPS Ground	1Z0100830365899258

*MEMA 001*  
*1505-100*  
*109841*

Approved By: \_\_\_\_\_

*C*  
*TAX*  
*4.46*

*Blacksmith Shop*  
*2013-01*  
*J Penni*



Purchase Order  
1126

Page 1 of 1

200 New Canton Way  
Robbinsville NJ 08691-2343  
609-689-3000  
nj.sales@mcmaster.com

Sterling Suffolk Racecourse  
525 McClellan Hwy  
East Boston MA 02128-1035

McMaster-Carr Number  
4333324-01

11/26/2012

Line	Description	Ordered	Shipped		
1	91324A635 Coated Steel Drilling Screw for Metal, 1/4"-14 Thread, 2-1/2" Length, Drill Point #3, Packs of 25	8 Packs	8	2 - 686 - 05	22 - 64 A635 8PK

Sterling Suffolk Racecourse

Large Jiffy



7 lbs  
1 line

DW2BSP31  
11/26/2012  
14:14/14:38  
736  
Cycle 64

114056982001





609-689-3000  
 609-259-3575 (fax)  
 nj.sales@mcmaster.com

# Invoice



Purchase Order	<b>ERNIE</b>
Total	<b>\$478.74</b>
Invoice	<b>41789710</b>
Invoice Date	<b>11/30/12</b>
Payment Terms	<b>2% 10, Net 30</b>
Deduct \$9.34 on merchandise if paid by 12/10/12.	

Billed to  
 STERLING SUFFOLK RACECOURSE  
 525 MCCLELLAN HWY  
 EAST BOSTON MA 02128-1035

Shipped to  
 Sterling Suffolk Racecourse  
 525 McClellan Hwy  
 East Boston MA 02128-1035

Mail Payment to     McMaster-Carr  
                               PO Box 7690  
                               Chicago IL 60680-7690

Your Account         124919600

Ernie placed this order.

Line	Description	Ordered	Shipped	Balance	Unit Price	Total
1	19455K22 Wall Exhaust Fan with Louvers, Direct-Drive, Light Duty, 120 VAC, 16" Diameter	1 Each	1	0	259.17 Each	259.17
2	3146A116 Jobbers' Drill Bit for Shallow Holes, Cobalt Steel, 1/8", 2-3/4" L Overall, .7" Drill Depth	4 Each	4	0	2.28 Each	9.12
3	3146A121 Jobbers' Drill Bit for Shallow Holes, Cobalt Steel, 3/16", 3-1/2" L Overall, .8" Drill Depth	4 Each	4	0	3.23 Each	12.92
4	3146A125 Jobbers' Drill Bit for Shallow Holes, Cobalt Steel, 1/4", 4" L Overall, 1" Drill Depth	4 Each	4	0	4.56 Each	18.24
5	2431A55 Circular Saw Blades for Steel, 7-1/4" Diameter, 5/8" Arbor, 68 Teeth, .063" Cut W, 5800 RPM	2 Each	2	0	53.94 Each	107.88
6	41215A141 Nonstick Cross-Cutting Blades for Wood, 8" Diameter, 5/8" Arbor, 64 Teeth, .116" Cut Width	1 Each	1	0	59.79 Each	59.79
Merchandise						467.12
Shipping						11.62
<b>Total</b>						<b>\$478.74</b>

Packing List	Shipped	Weight	Carrier	Tracking
4546302-01	11/30/12	28 lb	UPS Ground	1Z0100830365976165

Order Number: **MCMA 001**  
 Location: **1505-100**  
 Order Number: **104988**  
 Date: \_\_\_\_\_  
 Shipped By: \_\_\_\_\_

*Blacksmith*  
*2013-01*  
*J.P.*

*TAX*  
*29.19*



100 New Canton Way  
 Robbinsville NJ 08691-2343  
 909-689-3000  
 j.sales@mcmaster.com

Sterling Suffolk Racecourse  
 525 McClellan Hwy  
 East Boston MA 02128-1035

Purchase Order  
**ERNIE**

Page 1 of 1

Order Placed By  
**Ernie**

11/30/2012

McMaster-Carr Number  
**4546302-01**

Line	Description	Ordered	Shipped
19455K22	Wall Exhaust Fan with Louvers, Direct-Drive, Light Duty, 120 VAC, 16" Diameter	1 Each	1
3146A116	Jobbers' Drill Bit for Shallow Holes, Cobalt Steel, 1/8", 2-3/4" L Overall, .7" Drill Depth	4 Each	4
3146A121	Jobbers' Drill Bit for Shallow Holes, Cobalt Steel, 3/16", 3-1/2" L Overall, .8" Drill Depth	4 Each	4
3146A125	Jobbers' Drill Bit for Shallow Holes, Cobalt Steel, 1/4", 4" L Overall, 1" Drill Depth	4 Each	4
2431A55	Circular Saw Blades for Steel, 7-1/4" Diameter, 5/8" Arbor, 68 Teeth, .063" Cut W, 5800 RPM	2 Each	2
41215A141	Nonstick Cross-Cutting Blades for Wood, 8" Diameter, 5/8" Arbor, 64 Teeth, .116" Cut Width	1 Each	1

		LNS	AL
8 - 72 - 26	26 - 94 K22	1 EA	1
26 lbs			
1 - 475			2
1 - 473			3
1 - 475			4
1 - 24			5
1 - 23			6

*BLACKSMITH SHOP*

Sterling Suffolk Racecourse

**L**

Large  
 Assembly



29 lbs  
 6 lines

DW2RSP05  
 11/30/2012  
 12:13/12:38  
 242  
 Cycle 50

1140576579052





<b>STERLING SUFFOLK RACECOURSE, LLC</b> OPERATING ACCOUNT 111 WALDEMAR AVENUE EAST BOSTON, MA 02128		Bank of America 5/13/10	097808								
PAY Four Thousand One Hundred Seventeen Dollars And 57 Cents		<table border="1"> <tr> <th>CHECK NO.</th> <th>CHECK DATE</th> <th>VENDOR NO.</th> </tr> <tr> <td>097808</td> <td>12/31/12</td> <td>BURJ001</td> </tr> </table>	CHECK NO.	CHECK DATE	VENDOR NO.	097808	12/31/12	BURJ001	<table border="1"> <tr> <th>CHECK AMOUNT</th> </tr> <tr> <td>\$4,117.57</td> </tr> </table>	CHECK AMOUNT	\$4,117.57
CHECK NO.	CHECK DATE	VENDOR NO.									
097808	12/31/12	BURJ001									
CHECK AMOUNT											
\$4,117.57											
TO THE ORDER OF: BURNETT & MOYNIHAN 43 FOSTER STREET REVERE MA 02151	AUTHORIZED SIGNATURE 										

*4013.96*

*781.80*

*444.13*

*214.74*

*2566.31*

Check Info	
Account:	[REDACTED]
Amount:	4,117.57
Check #:	97808
Posted Date:	01/14/2013

Electronic Endorsements	
01/14/2013	BANK OF AMERICA, NA
R/T:	[REDACTED]
Seq #:	[REDACTED]
01/14/2013	PEOPLES UNITED BANK (BOFD)
R/T:	[REDACTED]
Seq #:	[REDACTED]

BOFD - Bank of First Deposit

Bank of America, N.A. Member FDIC.  
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**STERLING SUFFOLK RACECOURSE, LLC**

ACCOUNT NO.		VENDOR			CHECK NO.	CHECK DATE		
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT	
89793	50049565	11/21/12	2013-01	1788.80	1788.80	1.00	1788.80	
89794	50049675	11/28/12	2013-01	1444.13	1444.13	1.00	1444.13	
89795	50049702	11/28/12	5' GRADE STAKES	1103.59	1103.59	1.00	1103.59	
89796	50049722	11/29/12	2013-01	1214.74	1214.74	1.00	1214.74	
89845	50049690	11/30/12	2013-01	12,566.31	12,566.31	1.00	12,566.31	
				<b>14,117.57</b>	<b>14,117.57</b>	<b>1.00</b>	<b>14,117.57</b>	
<b>CHECK TOTAL</b>							<b>14,117.57</b>	



5-13/110

097808

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

CHECK NO.	CHECK DATE	VENDOR NO.
097808	12/31/12	BURN001

PAY

Four Thousand One Hundred Seventeen Dollars And 57 Cents

CHECK AMOUNT
14,117.57

TO THE  
ORDER  
OF:

BURNETT & MOYNIHAN  
43 FOSTER STREET  
REVERE MA 02151

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE

# BURNETT & MOYNIHAN

43 FOSTER ST.  
 REVERE, MA 02151  
 {781} 284-0055 FAX {781} 284-9057

Customer Copy

## INVOICE

PLEASE REFER TO INVOICE NUMBER  
 ON ALL CORRESPONDENCE

Page: 1

Invoice: **50049585**

Special :	Time: 10:53:09
Instructions :	Ship Date: 11/20/12
:	Invoice Date: 11/21/12
Sale rep #: JOHNH JH	Due Date: 12/21/12
Acct rep code: 1	

Sold To: <b>STERLING SUFFOLK          RACECOURSE, LLC          525 MCCLELLAN HIGHWAY          EAST BOSTON, MA 02128</b>	Ship To: <b>STERLING SUFFOLK          (617) 568-3284</b>
	(617) 568-3284

Customer #: 064145      Customer PO: 12815      Order By: E.S.

popimg01

30  
T 15

ORDER	SHIP	L	U/M	ITEM#	DESCRIPTION	Alt Price/Uom	PRICE	EXTENSION
3.00	3.00	L	EA	714LVL24	1 3/4 X 7 1/4 LVL 24	3.7440 LFT	89.8560	269.57
50.00	50.00	L	EA	2412KD	2 X 4 X 12' KD	565.8000 MBF	4.5264	226.32
10.00	10.00	L	EA	2410KD	2 X 4 X 10' KD	584.2408 MBF	3.8949	38.95
12.00	12.00	L	EA	2610KD	2 X 6 X 10' KD	578.1000 MBF	5.7810	69.37
22.00	22.00	L	EA	2412PT	2 X 4 X 12' PT	781.2438 MBF	6.2812	138.19

*2013-01*

*BURNETT & MOYNIHAN  
 1505-100  
 109283*

FILLED BY	CHECKED BY	DATE SHIPPED	DRIVER	Sales total	\$742.40
SHIP VIA CUSTOMER PICK UP					
RECEIVED COMPLETE AND IN GOOD CONDITION				Taxable	742.40
<b>X</b>				Non-taxable	0.00
				Tax	46.40

signatory acknowledges that he has authority to enter said  
 contract on behalf of purchaser. The acceptance of the materials specified above at the price quoted constitute  
 the contract between the recipient of such goods and Burnett & Moynihan, Inc. for purpose of Mass. General Laws c.254.  
 unless otherwise specified, the date for completion of this contract is six  
 months from the date of delivery of the above goods and said contract shall  
 be deemed to include all outstanding amounts due for materials. There are no  
 other understandings, agreements or representations of any kind, expressed or implied.

TBE: 764  
 THERE ARE NO WARRANTIES  
 OF MERCHANTABILITY OR  
 WARRANTIES OF FITNESS  
 FOR A PARTICULAR PURPOSE. OWNERS WILL ACCEPT FULL  
 RESPONSIBILITY FOR TRUCKS GOING OVER CURBS,  
 SIDEWALKS AND DRIVEWAYS.

**2 - Customer Copy**

**TOTAL \$788.80**



\* 0 0 1 V N 3 0 0 1 0 R 9 H 8 1 J \*





SUFFOLK DOWNS®

PURCHASE ORDER **12815**  
PCF/SD

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.

A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
SUFFOLK DOWNS RACE TRACK  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

V  
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R

*Blue Eye White*

S  
H  
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P  
T  
O

DATE OF ORDER	PROJECT NO.	TERMS	F.O.B	DELIVERY DATE	
11-20-12	Blacksmith Shop				
QTY. ORDERED	QTY. REC'D	CATALOG #	DESCRIPTION	UNIT PRICE	TOTAL
1. 3			1452-2000		3.9.33
2.					
3. 10			1452-2000		39.33
4. 13			1452-2000		51.93
5. 28			1452-2000		110.72
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

**VENDOR NOTE:**

Read conditions on reverse side prior to shipment.

ACCT #

7030-200

DEPARTMENT

Man T

REQUISITIONED BY

STP

EXECUTIVE OFFICER

DIRECTOR OF PURCHASING/BUYER



# BURNETT & MOYNIHAN

43 FOSTER ST.  
 REVERE, MA 02151  
 {781} 284-0055 FAX {781} 284-9057

Customer Copy

## INVOICE

PLEASE REFER TO INVOICE NUMBER  
 ON ALL CORRESPONDENCE

Page: 1

Invoice: **50049675**

Special :		Time:	13:13:00
Instructions :		Ship Date:	11/27/12
:		Invoice Date:	11/28/12
Sale rep #: JOHNH JH	Acct rep code: 1	Due Date:	12/28/12

Sold To: <b>STERLING SUFFOLK RACECOURSE, LLC</b> <b>525 MCCLELLAN HIGHWAY</b> <b>EAST BOSTON, MA 02128</b>	Ship To: <b>STERLING SUFFOLK</b> (617) 568-3284 (617) 568-3284
--	--

Customer #: 064145      Customer PO: ES      Order By: ERNIE

popimg01

30  
T 18

ORDER	SHIP	L	U/M	ITEM#	DESCRIPTION	Alt Price/Uom	PRICE	EXTENSION
20.00	20.00	L	EA	2816PT	2 X 8 X 16' PT	731.2471 MBF	15.5975	311.95
10.00	10.00	L	EA	2810PT	2 X 8 X 10' PT	724.9962 MBF	9.6642	96.64

2013-01

19 JAN 001  
 1509-100  
 104794

FILLED BY    CHECKED BY    DATE SHIPPED    DRIVER

SHIP VIA    OUR TRUCK  
 RECEIVED COMPLETE AND IN GOOD CONDITION

**X**

Freight	10.00
Taxable	408.59
Non-taxable	10.00
Tax #	

<b>Sales total</b>	\$408.59
<b>Misc + Frgt</b>	10.00
<b>Tax</b>	25.54

**TOTAL \$444.13**

Buyer hereby acknowledges that he has authority to enter said contract on behalf of purchaser. The acceptance of the materials specified above at the price quoted constitute an offer on the part of Burnette & Moynihan, Inc. for purpose of Mass. General Laws c.254, § 27B(1) and (2) and if otherwise specified, the date for completion of this contract shall be six (6) months from the date of delivery of the above goods and said contract shall be void if not completed within the time specified. There are no warranties, agreements or representations of any kind, expressed or implied.

**TBE-560**  
 THERE ARE NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. OWNERS WILL ACCEPT FULL RESPONSIBILITY FOR TRUCKS GOING OVER CURBS, SIDEWALKS AND DRIVEWAYS.

**2 - Customer Copy**





**PURCHASE ORDER** 12816  
 PCF/SD \_\_\_\_\_

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.

A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
 SUFFOLK DOWNS RACE TRACK  
 111 WALDEMAR AVENUE  
 EAST BOSTON, MA 02128

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DATE OF ORDER		PROJECT NO.		TERMS	F.O.B	DELIVERY DATE
QTY. ORDERED	QTY. REC'D	CATALOG #	DESCRIPTION		UNIT PRICE	TOTAL
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

**VENDOR NOTE:**

**Read conditions on reverse side prior to shipment.**

ACCT # \_\_\_\_\_

DEPARTMENT \_\_\_\_\_

REQUISITIONED BY \_\_\_\_\_

\_\_\_\_\_  
 EXECUTIVE OFFICER

\_\_\_\_\_  
 DIRECTOR OF PURCHASING/BUYER

# BURNETT & MOYNIHAN

43 FOSTER ST.  
 REVERE, MA 02151  
 {781} 284-0055 FAX {781} 284-9057

Customer Copy

## INVOICE

PLEASE REFER TO INVOICE NUMBER  
 ON ALL CORRESPONDENCE

Page: 1

Invoice: **50049722**

Special :		Time:	13:20:12
Instructions :		Ship Date:	11/29/12
:		Invoice Date:	11/29/12
Sale rep #: JOHNH JH	Acct rep code: 1	Due Date:	12/29/12

Sold To: <b>STERLING SUFFOLK          RACECOURSE, LLC          525 MCCLELLAN HIGHWAY          EAST BOSTON, MA 02128</b>	Ship To: <b>STERLING SUFFOLK          (617) 568-3284</b>
	(617) 568-3284

Customer #: 064145      Customer PO: ES      Order By: ERNIE

popimg01

30  
 T 11

ORDER	SHIP	L	U/M	ITEM#	DESCRIPTION	Alt Price/Uom	PRICE	EXTENSION
24.00	24.00	L	EA	2412KD	2 X 4 X 12' KD	565.8000 MBF	4.5264	108.63
24.00	24.00	L	EA	2410KD	2 X 4 X 10' KD	584.2408 MBF	3.8949	93.48

2013-01

Vendor Number: 130 R. No 1

Distribution: 1505-100

Voucher Number: 109746

Check Code: \_\_\_\_\_

Approved By: \_\_\_\_\_

FILLED BY    CHECKED BY    DATE SHIPPED    DRIVER

SHIP VIA    CUSTOMER PICK UP

RECEIVED COMPLETE AND IN GOOD CONDITION

**X**

Sales total    \$202.11

Taxable    202.11

Non-taxable    0.00

Tax #

Tax    12.63

signatory acknowledges that he has authority to enter said  
 contract on this contract on behalf of purchaser. The acceptance of the materials specified above at the price quoted constitutes  
 an irrevocable contract between the recipient of such goods and Burnette & Moynihan, Inc. for purpose of Mass. General Laws c.254.  
 unless otherwise specified, the date for completion of this contract is six  
 months from the date of delivery of the above goods and said contract shall  
 be deemed to include all outstanding amounts due for materials. There are no  
 other understandings, agreements or representations of any kind, expressed or implied.

**2 - Customer Copy**

TRE: 352  
 THERE ARE NO WARRANTIES  
 OF MERCHANTABILITY OR  
 WARRANTIES OF FITNESS  
 FOR A PARTICULAR PURPOSE. OWNERS WILL ACCEPT FULL  
 RESPONSIBILITY FOR TRUCKS GOING OVER CURBS,  
 SIDEWALKS AND DRIVEWAYS.

**TOTAL    \$214.74**



# BURNETT & MOYNIHAN

43 FOSTER ST.  
REVERE, MA 02151  
{781} 284-0055 FAX {781} 284-9057

Customer Copy

## INVOICE

PLEASE REFER TO INVOICE NUMBER  
ON ALL CORRESPONDENCE

Page: 1

Invoice: **50049690**

Special :		Time: 14:35:25
Instructions :		Ship Date: 11/28/12
		Invoice Date: 12/05/12
Sale rep #: JOHNH JH	Acct rep code: 1	Due Date: 01/04/13

Sold To: <b>STERLING SUFFOLK RACECOURSE, LLC 525 MCCLELLAN HIGHWAY EAST BOSTON, MA 02128</b>	Ship To: <b>BLACKSHOP ROOF (617) 568-3284</b>
	(617) 568-3284

Customer #: 064145      Customer PO: ES      Order By: ERNIE

popimg01

30  
T 1

ORDER	SHIP	L	U/M	ITEM#	DESCRIPTION	Alt Price/Uom	PRICE	EXTENSION
					FABRAL ROOFING EVERGREEN			
14.00	14.00	L	EA	UJOHNH0000031248	GR3 89" PANEL	26.5875 EA	26.5875	372.23
14.00	14.00	L	EA	UJOHNH0000031249	GR 148" PANEL	44.2125 EA	44.2125	618.98
2.00	2.00	L	EA	UJOHNH0000031250	AR-3 RIDGE	26.1875 EA	26.1875	52.38
4.00	4.00	L	EA	UJOHNH0000031252	1" WG SCREWS {250}	14.4750 EA	14.4750	57.90
6.00	6.00	L	EA	UJOHNH0000031253	1 1/2" WG SCREWS {250}	17.1625 EA	17.1625	102.98
2.00	2.00	L	EA	UJOHNH0000031254	2" WG SCREWS {250}	19.1800 EA	19.1800	38.36
4.00	4.00	L	EA	UJOHNH0000031255	CE-1 EAVE FLASH.	14.8625 EA	14.8625	59.45
6.00	6.00	L	EA	UJOHNH0000031256	2oz. PAINT	16.5250 EA	16.5250	99.15
15.00	15.00	L	EA	UJOHNH0000031257	GR3 OUTSIDE CLOSURE	1.5625 EA	1.5625	23.44
15.00	15.00	L	EA	UJOHNH0000031258	GR3 INSIDE CLOSURE	1.5625 EA	1.5625	23.44
3.00	3.00	L	EA	UJOHNH0000031259	#9 SILICONE ROOF BOOT HIGH TEMP	159.2375 EA	159.2375	477.71
5.00	5.00	L	EA	UJOHNH0000031260	40' BUTYL SEAM TAPE	5.6250 EA	5.6250	28.13
					All lines on PO# 25658 - 7700			
1.00	1.00	L	EA	DURA45	DRYWALL - USG - DURABOND 45 12/4/12	13.2470 EA	13.2470	13.25
6.00	6.00	L	EA	15AZEK	AZEK - 1 X 5 AZEK 18'	36.0750 EA	36.0750	216.45
5.00	5.00	L	EA	T75158WH	SCREW - 1 5/8 S/S TRIM SCREWS {75} FASTENMASTER	11.5000 EA	11.5000	57.50
1.00	1.00	L	EA	T350212WH	SCREW - 2 1/2 S/S TRIM SCREWS {350} FASTENMASTER	74.1937 EA	74.1937	74.19
2.00	2.00	L	EA	AZM-180	AZEK AZM-180 908 CASING 1 1/4" X 2" X 17 AZEK	37.8000 EA	37.8000	75.60
4.00	4.00	L	EA	B16	MNUTS14 1/4" MAGNETIC NUTSETTER	3.7000 EA	3.7000	14.80

*pd  
12/28/12  
97805*

FILLED BY	CHECKED BY	DATE SHIPPED	DRIVER	Sales total	\$2405.94		
SHIP VIA	OUR TRUCK	RECEIVED COMPLETE AND IN GOOD CONDITION				Freight	10.00
<b>X</b>						Taxable	2405.94
				Non-taxable	10.00		
				Tax #			
				Misc + Frgt	10.00		
				Tax	150.37		

I hereby acknowledge that he has authority to enter said contract on this contract on behalf of purchaser. The acceptance of the materials specified above at the price quoted constitute an contract between the recipient of such goods and Burnette & Moynihan, Inc. for purpose of Mass. General Laws c.254. otherwise specified, the date for completion of this contract is six months from the date of delivery of the above goods and said contract shall include all outstanding amounts due for materials. There are no understandings, agreements or representations of any kind, expressed or implied.

THERE ARE NO WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. OWNERS WILL ACCEPT FULL RESPONSIBILITY FOR TRUCKS GOING OVER CURBS, SIDEWALKS AND DRIVEWAYS.

**TOTAL \$2566.31**

**2 - Customer Copy**





**PURCHASE ORDER** 12821  
PCF/SD

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.

A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
SUFFOLK DOWNS RACE TRACK  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

VENDOR

SHIP TO

*Blacksmith Shop*

*2013-01*

DATE OF ORDER		PROJECT NO.		TERMS	F.O.B	DELIVERY DATE
<i>1/17/13</i>		<i>Blacksmith Shop</i>				
QTY. ORDERED	QTY. REC'D	CATALOG #	DESCRIPTION		UNIT PRICE	TOTAL
<i>1</i>			<i>603 17' PAINT</i>			<i>72.00</i>
<i>2</i>			<i>603 17' PAINT</i>			<i>144.00</i>
<i>3</i>			<i>AR-7 RIDGE</i>			<i>54.00</i>
<i>4</i>			<i>1' WO. SADDLE</i>			<i>52.00</i>
<i>6</i>			<i>1' WO. SADDLE</i>			<i>102.00</i>
<i>2</i>			<i>3' WO. SADDLE</i>			<i>30.00</i>
<i>4</i>			<i>603 17' PAINT</i>			<i>84.00</i>
<i>6</i>			<i>603 17' PAINT</i>			<i>96.00</i>
<i>12</i>			<i>603 17' PAINT</i>			<i>216.00</i>
<i>11</i>			<i>603 17' PAINT</i>			<i>204.00</i>
<i>3</i>			<i>603 17' PAINT</i>			<i>42.00</i>
<i>5</i>			<i>603 17' PAINT</i>			<i>72.00</i>
<i>1</i>			<i>603 17' PAINT</i>			<i>12.00</i>
<i>6</i>			<i>603 17' PAINT</i>			<i>72.00</i>
<i>5</i>			<i>603 17' PAINT</i>			<i>60.00</i>
<i>1</i>			<i>603 17' PAINT</i>			<i>12.00</i>
<i>2</i>			<i>603 17' PAINT</i>			<i>24.00</i>
<i>4</i>			<i>603 17' PAINT</i>			<i>48.00</i>
<i>15</i>						

**VENDOR NOTE:**

Read conditions on reverse side prior to shipment.

ACCT # *CT Blacksmith Shop*

DEPARTMENT *Maint*

REQUISITIONED BY *SP*

EXECUTIVE OFFICER

DIRECTOR OF PURCHASING/BUYER

# BURNETT & MOYNIHAN

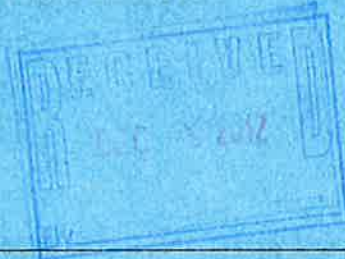
## STATEMENT

43 FOSTER ST.  
P.O. BOX 179  
REVERE, MA 02151  
(781) 284-0055

Date 11/29/2012  
Page 1

Customer number: 064145

STERLING SUFFOLK  
RACECOURSE, LLC  
525 MCCLELLAN HIGHWAY  
EAST BOSTON, MA 02128




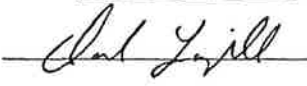
I:000065571

BALANCE FORWARD	PAYMENTS	CURRENT CHARGES	JED/JEC	DISCOUNTS	SERVICE CHARGE	ACCOUNT BALANCE
5442.52	-763.16	3412.94	-11.45	0.00	70.02	8150.87

INVOICE DATE	INVOICE	DUE DATE	JOB	TYPE	DEBIT	CREDIT/PAYMENT	BALANCE
							Balance forward: 5442.52
11/02/2012				SER CHG CR	-11.45		5431.07
11/02/2012				GROSS PYMT	-763.16		4667.91
11/07/2012	50049170	12/07/2012		INVOICE	1186.77	7030-40	5854.68
11/15/2012	50049334	12/15/2012		INVOICE	624.01	7030-400	6478.69
11/19/2012	50049516	12/19/2012		INVOICE	50.90	7030-200	6529.59
11/21/2012	50049585	12/21/2012		INVOICE	788.80	7030-200	7318.39
11/28/2012	50049675	12/28/2012		INVOICE	444.13	"	7762.52
11/28/2012	50049702	12/28/2012		INVOICE	103.59	7040-200	7866.11
11/29/2012	50049722	12/29/2012		INVOICE	214.74	7030-200	8080.85
11/29/2012	1844	12/10/2012		SERV CHRG	70.02		8150.87
							Account balance: 8150.87

### ACCOUNT AGING

FUTURE DUE	CURRENT DUE	30	60	90	120+	BALANCE DUE
0.00	3482.96	4667.91	0.00	0.00	0.00	8150.87

<b>STERLING SUFFOLK RACECOURSE, LLC</b> OPERATING ACCOUNT 111 WALDEMAR AVENUE EAST BOSTON, MA 02128		Bank of America 	5-13/110	097845								
PAY Five Hundred Thirty Eight Dollars And 03 Cents		<table border="1"> <thead> <tr> <th>CHECK NO.</th> <th>CHECK DATE</th> <th>VENDOR NO.</th> </tr> </thead> <tbody> <tr> <td>097845</td> <td>12/31/12</td> <td>SHIR001</td> </tr> </tbody> </table>	CHECK NO.	CHECK DATE	VENDOR NO.	097845	12/31/12	SHIR001	<table border="1"> <thead> <tr> <th>CHECK AMOUNT</th> </tr> </thead> <tbody> <tr> <td>\$538.03</td> </tr> </tbody> </table>		CHECK AMOUNT	\$538.03
CHECK NO.	CHECK DATE	VENDOR NO.										
097845	12/31/12	SHIR001										
CHECK AMOUNT												
\$538.03												
TO THE ORDER OF:	SHIRLEY HARPOPE 472 SHIRLEY ST WINTHROP MA 02152	 AUTHORIZED SIGNATURE										

52.18

CITIZENS  
 RIVERSIDE BL  
 [REDACTED]

12/31/12  
 11:00 AM  
 [REDACTED]

Check Info	
Account:	[REDACTED]
Amount:	538.03
Check #:	97845
Posted Date:	01/10/2013

Electronic Endorsements	
01/10/2013	BANK OF AMERICA, NA
R/T:	[REDACTED]
Seq #:	[REDACTED]
01/10/2013	RBS CITIZENS, NA (BOFD)
R/T:	[REDACTED]
Seq #:	[REDACTED]

BOFD - Bank of First Deposit

Bank of America, N.A. Member FDIC.  
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**STERLING SUFFOLK RACECOURSE, LLC**

ACCOUNT NO.			VENDOR SHIRLEY HARDWARE	CHECK NO. 097845	CHECK DATE 12/31/12		
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
09957	NOV/12	11/30/12	NOV/12	\$485.85	\$485.85	\$ .00	\$485.85
09958	NOV2012	11/30/12	2013-01	\$52.18	\$52.18	\$ .00	\$52.18
				\$538.03	\$538.03	\$ .00	\$538.03
<b>CHECK TOTAL</b>							\$538.03



5-13/110

097845

**STERLING SUFFOLK RACECOURSE, LLC**  
 OPERATING ACCOUNT  
 111 WALDEMAR AVENUE  
 EAST BOSTON, MA 02128

CHECK NO.	CHECK DATE	VENDOR NO.
097845	12/31/12	SHIR001

PAY

Five Hundred Thirty Eight Dollars And 03 Cents

CHECK AMOUNT
\$538.03

TO THE ORDER OF:

SHIRLEY HARDWARE  
 472 SHIRLEY ST  
 WINTHROP MA 02152

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE



**Shirley Hardware**  
 472 Shirley St  
 Winthrop, Ma 02152  
 (617) 846-2050 Fax: (617) 846-5748

# STATEMENT

For the period: 11/1/2012 to 11/30/2012

Terms: Net End of Month

**STERLING SUFFOLK RACE COURSE**  
 525 MCCLELLAN HIGHWAY  
 EAST BOSTON, MA 02128



Account #: 377

Date	Reference	PO / REF	Due Date	Credit	Debit
11/1/2012	Previous Balance				\$610.57
11/02/2012	A272735		12/31/2012		200 \$9.52
11/03/2012	A272870		12/31/2012		400 \$77.18
11/05/2012	Payment Received	97094		(\$309.44)	
11/08/2012	A273476		12/31/2012		400 \$50.07
11/09/2012	A273659		12/31/2012		200 \$26.07
11/16/2012	A274527		12/31/2012		200 \$110.38
11/20/2012	A274894		12/31/2012		200 \$90.55
11/27/2012	A275627		12/31/2012		400 \$122.08
11/30/2012	A275955		12/31/2012	2013-01 200	\$52.18
<b>Totals:</b>				(\$309.44)	\$538.03
<b>Current Activity:</b>					\$228.59

NEED SLIP ✓

Previous Balance:	\$610.57
Payments, Credits	(\$309.44)
Purchases, Charges	\$538.03
<b>New Balance:</b>	<b>\$839.16</b>

<b>PAST DUE:</b>	<b>\$301.13</b>
Current:	\$538.03
1 to 30 Days:	\$301.13
31 to 60 Days:	\$0.00
61 to 90 Days:	\$0.00
Over 90 Days:	\$0.00

**New Balance:**  
**\$839.16**

**THANK YOU FOR YOUR BUSINESS! PLEASE PAY WITHIN YOUR PAYMENT TERMS**

2013-01  
 SHIRLEY 001  
 1505-001  
 1099.58

*[Signature]*

200 - 236.52  
 400 249.33  
 -----  
 485.85

SHIRLEY 001  
 7046 R  
 1099.57

*[Handwritten mark]*

INVOICE: \$110.38  
CHANGE: \$0.00

A Finance Charge of 1.5% per month  
applies to all past due invoices

(X) Authorized Signature

Thank You!

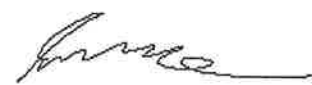


INVOICE: \$122.08  
CHANGE: \$0.00

A Finance Charge of 1.5% per month  
applies to all past due invoices

(X) Authorized Signature

Thank You!



Shirley Hardware  
472 Shirley St  
Winthrop, Ma 02152  
(617) 846-2050

Transaction#: A274894  
Associate: Employee  
Date: 11/20/2012 Time: 11:12:15 AM  
Due Date: 12/31/2012

\*\*\* SALE \*\*\*

Bill To:  
Customer # 377  
STERLING SUFFOLK RACE COURSE  
525 MCCLELLAN HIGHWAY  
EAST BOSTON, MA 02128

DURA 6V Alk Spr Battery 464420		
1.00 EACH @ \$12.99 T	\$12.99	
RETRACTING KEY REEL 46012		
2.00 EACH @ \$5.89 T	\$11.78	
large deco key		
1.00 EACH @ \$4.99 T	\$4.99	
LG Oval Foil Roaster 132127		
6.00 EACH @ \$3.59 T	\$21.54	
60W MINI TWIST FLUORESCEN		
4.00 EACH @ \$0.99 T	\$3.96	
15A BRN TPL Adapter 245597		
2.00 EACH @ \$4.99 T	\$9.98	
LARRY LED POCKET LIGHT 20373		
2.00 EACH @ \$9.99 T	\$19.98	

Subtotal: \$85.22  
6.25% - State Tax: \$5.33  
TOTAL: \$90.55

INVOICE: \$90.55  
CHANGE: \$0.00

A Finance Charge of 1.5% per month  
applies to all past due invoices

(X) Authorized Signature

Thank You!



Shirley Hardware  
472 Shirley St  
Winthrop, Ma 02152  
(617) 846-2050

Transaction#: A275955  
Associate: Manager  
Date: 11/30/2012 Time: 11:05:43 AM  
Due Date: 12/31/2012

\*\*\* SALE \*\*\*

Bill To:  
Customer # 377  
STERLING SUFFOLK RACE COURSE  
525 MCCLELLAN HIGHWAY  
EAST BOSTON, MA 02128

9.80Z CLR K&B Silicone 116776		
5.00 EACH @ \$7.99 T	\$39.95	
3/16" HSS DRILL BIT - SPL T40316		
4.00 EACH @ \$2.29 T	\$9.16	

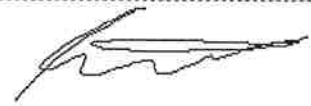
Subtotal: \$49.11  
6.25% - State Tax: \$3.07  
TOTAL: \$52.18

INVOICE: \$52.18  
CHANGE: \$0.00

A Finance Charge of 1.5% per month  
applies to all past due invoices

(X) Authorized Signature

Thank You!



*Blacksmith  
2013-01*

Shirley Hardware  
472 Shirley St  
Winthrop, Ma 02152  
(617) 846-2050

Transaction#: A275627  
Associate: Manager  
Date: 11/27/2012 Time: 01:21:04 PM  
Due Date: 12/31/2012

\*\*\* SALE \*\*\*

Bill To:  
Customer # 377  
STERLING SUFFOLK RACE COURSE  
525 MCCLELLAN HIGHWAY  
EAST BOSTON, MA 02128

4PK B/O LED Candle 126364		
2.00 EACH @ \$10.99 T	\$21.98	
3.5Stick On Thermometer 115599		
1.00 EACH @ \$5.99 T	\$5.99	
3/8" HD VSR Drill 480954		
1.00 EACH @ \$69.99 T	\$69.99	
KEY		
6.00 EACH @ \$1.99 T	\$11.94	
XL Mens LTX/Knit Glove 120080		
1.00 EACH @ \$4.99 T	\$4.99	

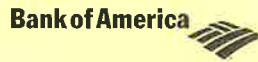
Subtotal: \$114.89  
6.25% - State Tax: \$7.19  
TOTAL: \$122.08

STERLING SUFFOLK RACECOURSE, LLC

ACCOUNT NO.			VENDOR AMERICAN BOLT & NUT CO		CHECK NO. 097893	CHECK DATE 01/18/13	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
09893	006320-00	11/23/12	2013-01	\$67.73	\$67.73	\$0.00	\$67.73
				\$67.73	\$67.73	\$0.00	\$67.73
<b>CHECK TOTAL</b>							\$67.73

STERLING SUFFOLK RACECOURSE, LLC

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

097893

PAY

Sixty Seven Dollars And 73 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
097893	01/18/13	00632005

CHECK AMOUNT
\$67.73

TO THE  
ORDER  
OF:

AMERICAN BOLT & NUT CO., INC  
P.O. BOX 6119  
CHELSEA, MA 02158-0006

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE



67.73



CUSTOM MADE BOLTS

# AMERICAN BOLT & NUT CO., INC.

MANUFACTURERS AND DISTRIBUTORS  
P.O. BOX 6119 • CHELSEA, MASSACHUSETTS 02150-0006  
TELEPHONE (617) 884-3331 • FAX (617) 884-9359

"75 Years of Service"

# INVOICE

DATE INVOICE NO.

11/29/12 206520-00

INVOICE TO: 2646

SHIP TO:



STERLING SUFFOLK RACECOURSE  
111 WALDEMAR AVENUE  
EAST BOSTON MA 02128  
USA

STERLING SUFFOLK RACECOURSE  
111 WALDEMAR AVENUE  
EAST BOSTON MA 02128  
USA

INVOICES SUBJECT TO LEGAL AND COLLECTION FEE

PURCHASE ORDER NO.	DATE OF ORDER	SLS	F.O.B.	SHIP VIA	FREIGHT TERMS	OPR.
	11/28/12	HOUSE		PICK UP		MFC

ITEM NUMBER/DESCRIPTION	ORDER QTY.	BACKORDER	QTY. SHPD.	UNIT PRICE	UM	AMOUNT
25C250BCGG 1/4-20 X 2 1/2 CARRIAGE BOLT H.D.G.	* 250	0	250	18.90C		47.25
25CNFHG 1/4-20 HEX FINISH NUT H.D.G.	* 250	0	250	4.40C		11.00
25NWUSG 1/4 USS FLAT WASHER H.D.G.	* 250	0	250	2.20C		5.50

Vendor Number: *AMER 005*  
Distributor: *1505-100*  
Voucher Number: *109843*  
Check Code: \_\_\_\_\_  
Approved By: \_\_\_\_\_

2013-01

INVOICE TERMS	CONTACT	TOTAL AMOUNT	DEPOSIT	MISC. CHG.	FREIGHT	TAXES	AMOUNT DUE
NET 30	ERNIE	63.75				3.98	67.73

ORIGINAL



# AMERICAN BOLT & NUT CO., INC.

MANUFACTURERS AND DISTRIBUTORS

P.O. BOX 6119 • CHELSEA, MASSACHUSETTS 02150-0006

TELEPHONE (617) 884-3331 • FAX (617) 884-9359

CUSTOM MADE BOLTS  
"75 Years of Service"

PAGE	ORDER NUMBER
1	205520-00

SOLD TO: 2646

INVOICE TO:

SHIP TO:

STERLING SUFFOLK RACECOURSE  
11 WALDEMAR AVENUE  
EAST BOSTON MA 02128

STERLING SUFFOLK RACECOURSE  
111 WALDEMAR AVENUE  
EAST BOSTON MA 02128

OPR.	SLS	CONTACT	TERMS	DEPOSIT	DATE SHIPPED	TOTAL FREIGHT	
PC	HOUSE	ERNIE	NET 30				
P.O. NUMBER	DATE OF ORDER	DATE WANTED	F.O.B.	SHIP VIA	FREIGHT TERMS		
	11/28/12	11/28/12		PICK UP			
ITEM NUMBER/DESCRIPTION				LINE	QTY. ORD.	QTY. SHPD.	QTY. B.O.

1000	1000	250	
1000	1000	250	
1000	1000	250	

*Blacksmith Shop*

RECEIVED BY *[Signature]*

PREPARED BY	KEGS	CARTONS	WEIGHT
P. DONOVAN		①	Shop

Check Inquiry Results Summary

Account Number: [REDACTED]

Account Name: Sterling Suffolk Racecourse Operating Acct

Bank ID: [REDACTED]



Check Number	Amount	Posted Date	Paid Date	CD Volume #
97969	3,703.37	01/28/2013		

Image is not available because it is outside of the Image Entitlement Access period.

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110-220

**STERLING SUFFOLK RACECOURSE, LLC**



ACCOUNT NO. [REDACTED]			VENDOR BURNETT & MOYNIHAN		CHECK NO. 097969	CHECK DATE 01/24/13		
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT	
10025	50049809	12/05/12	2013-02	\$482.02	\$482.02	\$ .00	\$482.02	
10069	50049804	12/11/12	2013-01	\$1,104.22	\$1,104.22	\$ .00	\$1,104.22	
10289	50049933	12/12/12	2013-0	\$1,111.37	\$1,111.37	\$ .00	\$1,111.37	
10289	50049992	12/17/12	CLUB 160ER PIPE BRE	\$784.16	\$784.16	\$ .00	\$784.16	
10290	50050077	12/20/12	370 AC FIR PLYWOOD	\$221.60	\$221.60	\$ .00	\$221.60	
				\$3,703.37	\$3,703.37	\$ .00	\$3,703.37	
<b>CHECK TOTAL</b>							\$3,703.37	

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

097969

PAY

Three Thousand Seven Hundred Three Dollars And 37 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
097969	01/24/13	BURN001

CHECK AMOUNT
\$3,703.37

TO THE ORDER OF:

BURNETT & MOYNIHAN  
43 FOSTER STREET  
REVERE MA 02151

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE





# BURNETT & MOYNIHAN

43 FOSTER ST.  
REVERE, MA 02151  
{781} 284-0055 FAX {781} 284-9057

DELIVERY  
TICKET

Page: 1		Shipping Ticket: <b>50049804</b>	
Special :		Time:	07:17:47
Instructions :		Ship Date:	12/05/25
		Invoice Date:	12/11/12
Sale rep #: JOHNH JH	Acct rep code: 1	Due Date:	01/10/13
Sold To: <b>STERLING SUFFOLK RACECOURSE, LLC</b> 525 MCCLELLAN HIGHWAY EAST BOSTON, MA 02128		Ship To: <b>BLACKSHOP ROOF</b> (617) 568-3284	
Customer #: 064145		Customer PO: ES 10828	
		Order By: ERNIE	

REPRINT

ORDER	SHIP	L	U/M	ITEM#	DESCRIPTION	Alt Price/Uom	PRICE	EXTENSION
					FABRAL ROOFING EVERGREEN			
2.00	2.00	L	EA	JOHNH0000031253	1 1/2" WG SCREWS {250}	17.1625 EA	17.1625	34.33
14.00	14.00	L	EA	JOHNH0000031257	GR3 OUTSIDE CLOSURE	1.5625 EA	1.5625	21.88
6.00	6.00	L	EA	JOHNH0000031260	40' BUTYL SEAM TAPE	5.6250 EA	5.6250	33.75
7.00	7.00	L	EA	1600000000031549	#875 GRANDRIB 3 EVERGREEN 10' PANELS	35.8750 EA	35.8750	251.13
14.00	14.00	L	EA	1600000000031550	#875 GRANDRIB 3 EVERGREEN PANELS 8'	28.7000 EA	28.7000	401.80
16.00	16.00	L	EA	1600000000031551	#875 AJ3 J CHANNEL EVERGREEN	10.0500 EA	10.0500	160.80
1.00	1.00	L	EA	1600000000031552	#875 AC1 OUTSIDE CORNER EVERGREEN	22.6250 EA	22.6250	22.63
2.00	2.00	L	EA	JOHNH0000031255	CE-1 EAVE FLASH.	14.8625 EA	14.8625	29.73
					All lines on PO# 25737 - 7700			
1.00	1.00	L	EA	IALMAT0000031106	5/4 X 12 AZEK 12'	73.8000 EA	73.8000	73.80

2013-01

BURAL 001  
1505-100  
11 0069

FILLED BY _____ CHECKED BY _____ DATE SHIPPED _____ DRIVER _____  SHIP VIA OUR TRUCK  RECEIVED COMPLETE AND IN GOOD CONDITION  <b>X</b>	Freight	10.00	Sales total	\$1029.85
	Taxable	1029.85	Misc + Frgt	10.00
	Non-taxable	10.00	Tax	64.37
	Tax #			

The signatory acknowledges that he has authority to enter said signature on this contract on behalf of purchaser. The acceptance of the materials specified above at the price quoted constitute a written contract between the recipient of such goods and Burnette & Moynihan, Inc. for purpose of Mass. General Laws c.254. Unless otherwise specified, the date for completion of this contract is six months from the date of delivery of the above goods and said contract shall be deemed to include all outstanding amounts due for materials. There are no other understandings, agreements or representations of any kind, expressed or implied.

2 - Customer Copy

THERE ARE NO WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. OWNERS WILL ACCEPT FULL RESPONSIBILITY FOR TRUCKS GOING OVER CURBS, SIDEWALKS AND DRIVEWAYS.

**TOTAL \$1104.22**





**PURCHASE ORDER** 12828  
PCF/SD

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.

A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
SUFFOLK DOWNS RACE TRACK  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

V  
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R

*Budget & Maintenance*

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P  
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O

DATE OF ORDER	PROJECT NO.	TERMS	F.O.B	DELIVERY DATE	
<i>1/11/12</i>	<i>2013-01</i>				
QTY. ORDERED	QTY. REC'D	CATALOG #	DESCRIPTION	UNIT PRICE	TOTAL
<i>1</i>			<i>1000000000</i>		<i>74.00</i>
<i>2</i>			<i>1000000000</i>		<i>74.00</i>
<i>3</i>			<i>1000000000</i>		<i>33.75</i>
<i>4</i>			<i>1000000000</i>		<i>33.75</i>
<i>5</i>			<i>1000000000</i>		<i>33.75</i>
<i>6</i>			<i>1000000000</i>		<i>33.75</i>
<i>7</i>			<i>1000000000</i>		<i>33.75</i>
<i>8</i>			<i>1000000000</i>		<i>33.75</i>
<i>9</i>			<i>1000000000</i>		<i>33.75</i>
<i>10</i>					
<i>11</i>					
<i>12</i>					
<i>13</i>					
<i>14</i>					
<i>15</i>					

**VENDOR NOTE:**

**Read conditions on reverse side prior to shipment.**

ACCT #  
*CIF 2013-01*

DEPARTMENT  
*Maint*

REQUISITIONED BY  
*SP*

EXECUTIVE OFFICER

DIRECTOR OF PURCHASING/BUYER





<b>STERLING SUFFOLK RACECOURSE, LLC</b> OPERATING ACCOUNT 111 WALDEMAR AVENUE EAST BOSTON, MA 02128		Bank of America 5-13/110	097924								
PAY One Thousand Six Hundred Fifty Two Dollars And 46 Cents	<table border="1"> <tr> <th>CHECK NO.</th> <th>CHECK DATE</th> <th>VENDOR NO.</th> </tr> <tr> <td>097924</td> <td>01/18/13</td> <td>H0ME001</td> </tr> </table>	CHECK NO.	CHECK DATE	VENDOR NO.	097924	01/18/13	H0ME001	<table border="1"> <tr> <th>CHECK AMOUNT</th> </tr> <tr> <td>\$1,652.46</td> </tr> </table>		CHECK AMOUNT	\$1,652.46
CHECK NO.	CHECK DATE	VENDOR NO.									
097924	01/18/13	H0ME001									
CHECK AMOUNT											
\$1,652.46											
TO THE ORDER OF: HOME DEPOT/DECF DEPT 32-2501120129 P.O. BOX 9035 DESMOINES IA 50368-9055	[Redacted]  AUTHORIZED SIGNATURE										

For Deposit Only

[Redacted] PEG CITIBANK N.A.  
 [Redacted] DES MOINESIA  
 [Redacted] QUEF > [Redacted]

Check Info	
Account:	[Redacted]
Amount:	1,652.46
Check #:	97924
Posted Date:	01/23/2013

Electronic Endorsements	
01/23/2013	BANK OF AMERICA, NA
R/T:	[Redacted]
Seq #:	[Redacted]
01/22/2013	CITIBANK, N.A. (BOFD)
R/T:	[Redacted]
Seq #:	[Redacted]

BOFD - Bank of First Deposit

33.10  
 189.76  

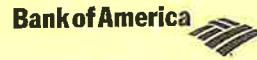

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 222.86

Bank of America, N.A. Member FDIC.  
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**STERLING SUFFOLK RACECOURSE, LLC**

ACCOUNT NO.			VENDOR HOME DEPOT/GEFC		CHECK NO. 097924	CHECK DATE 01/18/13	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
10414	2013-01	12/28/12	2013-01	\$222.86	\$222.86	\$ .00	\$222.86
10415	DEC/12	12/28/12	DEC/12	\$1,429.60	\$1,429.60	\$ .00	\$1,429.60
				\$1,652.46	\$1,652.46	\$ .00	\$1,652.46
<b>CHECK TOTAL</b>							\$1,652.46



5-13/110

097924

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

CHECK NO.	CHECK DATE	VENDOR NO.
097924	01/18/13	HOME001

PAY

One Thousand Six Hundred Fifty Two Dollars And 46 Cents

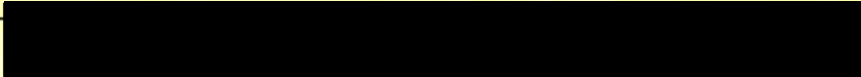
CHECK AMOUNT
\$1,652.46

TO THE ORDER OF:

HOME DEPOT/GEFC  
DEPT 32-2501120129  
P.O. BOX 9055  
DES MOINES IA 50368-9055

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE



Blacksmith  
shop



More saving.  
More doing.™

1100 REVERE BEACH PKWY  
CHELSEA MA 02150 (617)887-9560

8979 00002 26258 11/30/12 10:15 AM  
CASHIER MARIA - MM812P

028877524832 3/16" BIT <A>  
DEWALT 3/16" SPLIT POINT DRILL BIT  
2@4.37 8.74  
MAX REFUND VALUE \$8.30/2

885911074636 POWER BIT <A>  
DEWALT 2" DECKMATE BIT TIPS 5 PC  
MAX REFUND VALUE \$5.67 5.97

028874022126 SCREW BIT <A>  
DEWALT #2 2" SQ PWR SCREWDRIVER BITS  
2@2.47 4.94  
MAX REFUND VALUE \$4.70/2

020066219079 UNVSATNWHT <A>  
UNIVERSAL SATIN WHITE  
2@6.57 13.14  
MAX REFUND VALUE \$12.48/2

-----5% Off Credit Offer-----  
32.79 5% Off Credit Offer -1.64  
No Deferred  
MUST RETURN ALL ITEMS FOR A FULL REFUND

	SUBTOTAL	31.15
	SALES TAX	1.95
	TOTAL	\$33.10
	HOME DEPOT	33.10
	TA	

CREDIT PROMOTION 6737 8970

STERLING SUFFOLK RAC  
SAMPSON ERNEST



Blacksmith Shop  
2013-01



More saving.  
More doing.™

1100 REVERE BEACH PKWY  
CHELSEA MA 02150 (617)887-9560

8979 00018 74528 12/07/12 08:04 AM  
CASHIER RICHARD - RBB820

077027900330 GE XST CLR <A>  
GE SILICONE XST PAINTABLE CLEAR  
12@6.97 83.64

070798121225 33 GLZG QRT <A>  
33' WINDOW GLAZING 1QT  
2@7.98 15.96

049821941390 24IN WHTCOIL <A>  
24"X50' TRIM COIL -WHITE/WHITE  
79.00

	SUBTOTAL	178.60
	SALES TAX	11.16
	TOTAL	\$189.76
	HOME DEPOT	189.76
	TA	

STERLING SUFFOLK RAC  
SAMPSON ERNEST



8979 18 74528 12/07/2012 9188

RETURN POLICY DEFINITIONS

POLICY ID	DAYS	POLICY EXPIRES ON
A 1	90	03/07/2013

THE HOME DEPOT RESERVES THE RIGHT TO  
LIMIT / DENY RETURNS. PLEASE SEE THE  
RETURN POLICY SIGN IN STORES FOR  
DETAILS.

BUY ONLINE PICK-UP IN STORE  
AVAILABLE NOW ON HOMEDEPOT.COM.  
CONVENIENT, EASY AND MOST ORDERS  
READY IN LESS THAN 2 HOURS!

\*\*\*\*\*



# ACCOUNT ACTIVITY STATEMENT

RETURN MAIL ADDRESS  
PO Box 790340  
St. Louis, MO 63179-0340

00018305 BB 20Z 363 KSTQUKHP BM3 8 KBAVHP

**Commercial Account:**  
Statement Date 12/28/12  
Credit Line \$10,500  
Credit Available \$8,847

**Account Balance \$1,652.46**

STERLING SUFFOLK RAC  
111 WALDEMAR  
ATTN: A/P  
BOSTON, MA 02128-1035

## Account Information

Please see Payment Page(s) for Amount Due and Invoice Due Date(s)

Current Payments and Unapplied Payments	-\$858.66
Purchases and Debits	\$1,652.46
Returns, Exchanges and Adjustments	\$0.00
Previously Billed Invoices	\$0.00



**What's on your new billing statement?**

Everything you need to know about your account is here: account number, payments, fees, contact information and more.

Please see enclosed sample for additional information on how to read your statement.

### CURRENT PAYMENTS AND UNAPPLIED PAYMENTS

Payments received since the last statement period. Please contact us with your instructions on how to apply to specific invoices.

Date	Amount
12/17/12	\$858.66-
<b>Total</b>	<b>\$858.66-</b>

### PURCHASES AND DEBITS

Date	Purchase Location/Description	Invoice #	Purchase Order/Job Name	Customer Agreement #	Amount	Due Date
11/29/12	THE HOME DEPOT EVERETT, MA	6014031		400	\$114.81	01/18/13
11/30/12	THE HOME DEPOT CHELSEA, MA	5026524	2013-01	1505	\$33.10	01/18/13
12/05/12	THE HOME DEPOT CHELSEA, MA	27765		200	\$143.77	01/18/13
12/07/12	THE HOME DEPOT CHELSEA, MA	8183937	2013-01	1505	\$189.76	01/18/13
12/11/12	THE HOME DEPOT CHELSEA, MA	4010131		400	\$248.79	01/18/13
12/14/12	THE HOME DEPOT CHELSEA, MA	1010792		400	\$305.41	01/18/13
12/19/12	THE HOME DEPOT EVERETT, MA	6060062		400	\$495.16	01/18/13
12/26/12	THE HOME DEPOT SOMERVILLE, MA	9032530		200	\$121.66	01/18/13
<b>TOTAL</b>					<b>\$1,652.46</b>	

Handwritten notes: 200 - 265.43, 400 - 1164.17, 1429.60

Account Number: Home 001  
1505 100  
Card Number: 110414  
Approved By: 2013-01  
222.56

Account Number: Home 001  
7030-  
Card Number: 110415  
Approved By:

**Questions About Your Account**  
ACCT MGR KATINA POTTS EXT 62015  
PHONE 1-888-454-5016  
FAX 1-888-965-8140  
EMAIL KATINA.M.POTTS@CITI.COM

Send Billing Inquiries to:  
HOME DEPOT CREDIT SERVICES  
PO Box 790340  
St. Louis, MO 63179-0340

Send a SECURE MESSAGE right now to a customer service professional online at myhomedepotaccount.com



Commercial Account



Remit payment and make checks payable to: HOME DEPOT CREDIT SERVICES DEPT. 32 - 2501120129 PO BOX 9055 DES MOINES, IA 50368-9055

# INVOICE DETAIL

BILL TO:  
Acct: [REDACTED]  
STERLING SUFFOLK RAC

<b>Amount Due:</b>	<b>Trans Date:</b>	<b>DUE DATE:</b>	<b>Invoice #:</b> 6014031
\$114.81	11/29/12	01/18/13	
<b>PO:</b>		<b>Store:</b> 2688, EVERETT	

PRODUCT	SKU #	QUANTITY	UNIT PRICE	TOTAL PRICE
7IN NIPPERS	00008819210000100008	1.0000 EA	\$10.97	\$10.97
MOULD PULLER	00007175490000100013	1.0000 EA	\$16.97	\$16.97
DIAMONDBKT	00009045460000700006	1.0000 EA	\$9.88	\$9.88
200 WHTBULBS	00001483850001200008	1.0000 EA	\$27.97	\$27.97
DISCOUNT	00000000000000000005	1.0000 EA	\$5.69-	\$5.69-
200 WHTBULBS	00001483850001200008	1.0000 EA	\$27.97	\$27.97
GLASS SHELF	00004849770000700006	1.0000 EA	\$19.99	\$19.99

Purchased by: SAMPSON ERNEST

<b>SUBTOTAL</b>	\$108.06
<b>TAX</b>	\$6.75
<b>SHIPPING</b>	\$0.00
<b>TOTAL</b>	\$114.81

BILL TO:  
Acct: [REDACTED]  
STERLING SUFFOLK RAC

<b>Amount Due:</b>	<b>Trans Date:</b>	<b>DUE DATE:</b>	<b>Invoice #:</b> 5026524
\$33.10	11/30/12	01/18/13	
<b>PO:</b>		<b>Store:</b> 8979, CHELSEA	

PRODUCT	SKU #	QUANTITY	UNIT PRICE	TOTAL PRICE
3/16" BIT	00003836950000700002	1.0000 EA	\$4.37	\$4.37
POWER BIT	00005291980000700009	1.0000 EA	\$5.97	\$5.97
3/16" BIT	00003836950000700002	1.0000 EA	\$4.37	\$4.37
SCREW BIT	00002293760000700009	1.0000 EA	\$2.47	\$2.47
DISCOUNT	00000000000000000005	1.0000 EA	\$1.64-	\$1.64-
SCREW BIT	00002293760000700009	1.0000 EA	\$2.47	\$2.47
UNVSATNWHT	00004632780000300002	1.0000 EA	\$6.57	\$6.57
UNVSATNWHT	00004632780000300002	1.0000 EA	\$6.57	\$6.57

Purchased by: SAMPSON ERNEST

<b>SUBTOTAL</b>	\$31.15
<b>TAX</b>	\$1.95
<b>SHIPPING</b>	\$0.00
<b>TOTAL</b>	\$33.10

BILL TO:  
Acct: [REDACTED]  
STERLING SUFFOLK RAC

<b>Amount Due:</b>	<b>Trans Date:</b>	<b>DUE DATE:</b>	<b>Invoice #:</b> 27765
\$143.77	12/05/12	01/18/13	
<b>PO:</b>		<b>Store:</b> 8979, CHELSEA	

PRODUCT	SKU #	QUANTITY	UNIT PRICE	TOTAL PRICE
GE 100LT-CLR	00003286060001200008	1.0000 EA	\$5.48	\$5.48
GE 100LT-CLR	00003286060001200008	1.0000 EA	\$5.48	\$5.48
GE 100LT-CLR	00003286060001200008	1.0000 EA	\$5.48	\$5.48
GE 100LT-CLR	00003286060001200008	1.0000 EA	\$5.48	\$5.48
LED LGHT-CLR	00004627190001200008	1.0000 EA	\$35.97	\$35.97
GE 100LT-CLR	00003286060001200008	1.0000 EA	\$5.48	\$5.48
LED LGHT-CLR	00004627190001200008	1.0000 EA	\$35.97	\$35.97
LED LGHT-CLR	00004627190001200008	1.0000 EA	\$35.97	\$35.97

Purchased by: DRUSE JAMES

<b>SUBTOTAL</b>	\$135.31
<b>TAX</b>	\$8.46
<b>SHIPPING</b>	\$0.00
<b>TOTAL</b>	\$143.77



Commercial Account



Remit payment and make checks payable to: HOME DEPOT CREDIT SERVICES DEPT. 32 - 2501120129 PO BOX 9055 DES MOINES, IA 50368-9055

# INVOICE DETAIL

BILL TO:  
Acct: [REDACTED]  
STERLING SUFFOLK RAC

<b>Amount Due:</b>	<b>Trans Date:</b>	<b>DUE DATE:</b>	<b>Invoice #:</b> 8183937
\$189.76	12/07/12	01/18/13	
<b>PO:</b>		<b>Store:</b> 8979, CHELSEA	

PRODUCT	SKU #	QUANTITY	UNIT PRICE	TOTAL PRICE
GE XST CLR	0000627160000200012	12.0000 EA	\$6.97	\$83.64
33 GLZG QRT	00004686140003500007	1.0000 EA	\$7.98	\$7.98
24IN WHTCOIL	0000670488000300007	1.0000 EA	\$79.00	\$79.00
33 GLZG QRT	00004686140003500007	1.0000 EA	\$7.98	\$7.98

Purchased by: SAMPSON ERNEST

<b>SUBTOTAL</b>	\$178.60
<b>TAX</b>	\$11.16
<b>SHIPPING</b>	\$0.00
<b>TOTAL</b>	\$189.76

BILL TO:  
Acct: [REDACTED]  
STERLING SUFFOLK RAC

<b>Amount Due:</b>	<b>Trans Date:</b>	<b>DUE DATE:</b>	<b>Invoice #:</b> 4010131
\$248.79	12/11/12	01/18/13	
<b>PO:</b>		<b>Store:</b> 8979, CHELSEA	

PRODUCT	SKU #	QUANTITY	UNIT PRICE	TOTAL PRICE
15' TRI TAP	00004485440000300002	1.0000 EA	\$12.98	\$12.98
9'BANANACORD	00006233950000300002	1.0000 EA	\$12.97	\$12.97
IMPULSEBATT	00007130730001200014	1.0000 EA	\$54.28	\$54.28
9'BANANACORD	00006233950000300002	1.0000 EA	\$12.97	\$12.97
RG6 QUAD	00003040810003000012	1.0000 EA	\$8.97	\$8.97
FASTENER	00008842290000300009	1.0000 EA	\$7.48	\$7.48
9.6VRECHGBAT	00006340850000900017	1.0000 EA	\$44.97	\$44.97
18V BULB	00002739350000900017	1.0000 EA	\$9.99	\$9.99
DISCOUNT	00000000000000000005	1.0000 EA	\$12.32-	\$12.32-
F ADAPTER	00003241860000900002	1.0000 EA	\$5.98	\$5.98
14/3 25'HSKY	00002775330000300003	1.0000 EA	\$18.97	\$18.97
14/3 25'HSKY	00002775330000300003	1.0000 EA	\$18.97	\$18.97
15' TRI TAP	00004485440000300002	1.0000 EA	\$12.98	\$12.98
FLOOR 2 1/2	00006248470000100013	1.0000 EA	\$11.98	\$11.98
CORTAFRIO	00004205110000100013	1.0000 EA	\$12.98	\$12.98

Purchased by: SAMPSON ERNEST

<b>SUBTOTAL</b>	\$234.15
<b>TAX</b>	\$14.64
<b>SHIPPING</b>	\$0.00
<b>TOTAL</b>	\$248.79

BILL TO:  
Acct: [REDACTED]  
STERLING SUFFOLK RAC

<b>Amount Due:</b>	<b>Trans Date:</b>	<b>DUE DATE:</b>	<b>Invoice #:</b> 1010792
\$305.41	12/14/12	01/18/13	
<b>PO:</b>		<b>Store:</b> 8979, CHELSEA	

PRODUCT	SKU #	QUANTITY	UNIT PRICE	TOTAL PRICE
WEDGE ANCHOR	00007031140000300020	1.0000 BX	\$10.88	\$10.88
LXT BATTERY	00006078870000900017	1.0000 EA	\$99.99	\$99.99
3/4X24BLKPIP	00008177910000100047	1.0000 EA	\$7.81	\$7.81
3/4ELB90BLK	00001050070000100009	2.0000 EA	\$1.74	\$3.48
HEX NUTS	00005066480000300007	1.0000 BX	\$9.57	\$9.57
3/4X5BLKNIPL	00001048920000100009	1.0000 EA	\$2.36	\$2.36
3/4X5BLKNIPL	00001048920000100009	1.0000 EA	\$2.36	\$2.36
3/4FLRFLNGBK	00008179980000100009	1.0000 EA	\$4.67	\$4.67
3/8 WASHER	00006468140000300007	1.0000 BX	\$33.57	\$33.57
3/4FLRFLNGBK	00008179980000100009	1.0000 EA	\$4.67	\$4.67
DISCOUNT	00000000000000000005	1.0000 EA	\$15.13-	\$15.13-
D12'6TPI C	00007930330000700003	1.0000 EA	\$11.97	\$11.97
GLOVES	00004462360000500011	1.0000 EA	\$9.99	\$9.99
SAW BLADE	00004519470000700006	1.0000 EA	\$19.97	\$19.97
SAW BLADE	00004519470000700006	1.0000 EA	\$19.97	\$19.97
D12'6TPI C	00007930330000700003	1.0000 EA	\$11.97	\$11.97

continued →



Check Inquiry Results Summary

Account Number: [REDACTED]  
Account Name: Sterling Suffolk Racecourse Operating Acct  
Bank ID: [REDACTED]



Check Number	Amount	Posted Date	Paid Date	CD Volume #
98918	43.30	05/20/2013		

Image is not available because it is outside of the Image Entitlement Access period.

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43.30

STERLING SUFFOLK RACECOURSE, LLC

ACCOUNT NO.			VENDOR		CHECK NO.	CHECK DATE	
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
11758	287167-00	04/18/13	2013-01	\$43.30	\$43.30	\$ .00	\$43.30
				\$43.30	\$43.30	\$ .00	\$43.30
<b>CHECK TOTAL</b>							\$43.30



5-13/110

098918

STERLING SUFFOLK RACECOURSE, LLC

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

CHECK NO.	CHECK DATE	VENDOR NO.
098918	05/16/13	AMER005

PAY

Forty Three Dollars and 30 Cents

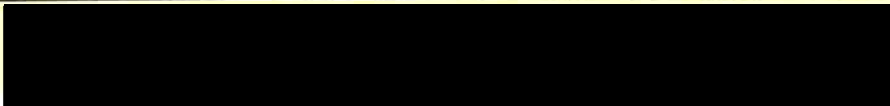
CHECK AMOUNT
\$43.30

TO THE  
ORDER  
OF:

AMERICAN POLY & INT CO., INC  
P.O. BOX 6119  
CHELSEA, MA 02152-0006

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE





# AMERICAN BOLT & NUT CO., INC.

CUSTOM MADE BOLTS

MANUFACTURERS AND DISTRIBUTORS  
P.O. BOX 6119 • CHELSEA, MASSACHUSETTS 02150-0006  
TELEPHONE (617) 884-3331 • FAX (617) 884-9359

"75 Years of Service"

# INVOICE

DATE: 04/10/13 INVOICE NO.: 207167-00

INVOICE TO: 2646

SHIP TO:

STERLING SUFFOLK RACECOURSE  
111 WALDEMAR AVENUE  
EAST BOSTON MA 02128  
USA

STERLING SUFFOLK RACECOURSE  
111 WALDEMAR AVENUE  
EAST BOSTON MA 02128  
USA



INVOICES SUBJECT TO LEGAL AND COLLECTION FEES

PURCHASE ORDER NO.	DATE OF ORDER	SLS	F.O.B.	SHIP VIA	FREIGHT TERMS	OPR.
ERNIE	04/09/13	HOUSE		PICK-UP		BSD

ITEM NUMBER/DESCRIPTION	ORDER QTY.	BACKORDER	QTY. SHPD.	UNIT PRICE	UM	AMOUNT
7C550BCGG * 1/8-16 X 5 1/2 CARRIAGE BOLT H.D.G.	25	0	25	79.00C		19.75
7C600BCGG * 1/8-16 X 6 CARRIAGE BOLT H.D.G.	25	0	25	84.00C		21.00
7CNFHG * 1/8-16 HEX FINISH NUT H.D.G.	50	0	50	0.00C		0.00
7NWUSG * 1/8 USS FLAT WASHER H.D.G.	50	0	50	0.00C		0.00

NUTS/WASHERS ARE INCLUDED IN THE ABOVE GALV. CARRIAGE BOLT PRICE!

AMEN 005  
 1505-100  
 111768

2013-01

INVOICE TERMS	CONTACT	TOTAL AMOUNT	DEPOSIT	MISC. CHG.	FREIGHT	TAXES	AMOUNT DUE
30	ERNIE	40.75				2.55	43.30

ORIGINAL



# AMERICAN BOLT & NUT CO., INC.

MANUFACTURERS AND DISTRIBUTORS

P.O. BOX 6119 • CHELSEA, MASSACHUSETTS 02150-0006

TELEPHONE (617) 884-3331 • FAX (617) 884-9359

CUSTOM MADE BOLTS  
75 Years of Service"

PAGE	ORDER NUMBER
1	207167-00

SOLD TO: 2-45

INVOICE TO:

SHIP TO:

STERLING SUFFOLK RACECOURSE  
11 WALDEMAR AVENUE  
EAST BOSTON MA 02128

STERLING SUFFOLK RACECOURSE  
111 WALDEMAR AVENUE  
EAST BOSTON MA 02128

DPR.	SLS	CONTACT	TERMS	DEPOSIT	DATE SHIPPED	TOTAL FREIGHT	
AD	BOUSE	ERNTE	NET 30				
P.O. NUMBER	DATE OF ORDER	DATE WANTED	F.O.B.	SHIP VIA	FREIGHT TERMS		
ERNTE	04/09/13	04/09/13		PICK-UP			
ITEM NUMBER/DESCRIPTION				LINE	QTY. ORD.	QTY. SHPD.	QTY. B.O.

70550B	78-16 X 1/2 CARRIAGE BOLT H.D.G.	04/09/13	001	25 PC	25	
70500B	78-16 X 5/8 CARRIAGE BOLT H.D.G.	04/09/13	002	25 PC	25	
7082HS	78-16 HEX FINEER NUT H.D.G.	04/09/13	003	50 PC	50	
7000SC	78 1/2" FLAT WASHER H.D.G.	04/09/13	004	50 PC	50	

NUTS/PASTERS ARE INCLUDED IN THE ABOVE GALV. CARRIAGE BOLT PRICE!

Blacksmith Shop  
2013-01  
Haverhill  
1515

RECEIVED BY	PREPARED BY	KEGS	CARTONS	WEIGHT
	111708 DONOVAN			New

PICK LIST (COPY)

Check Inquiry Results Summary

Account Number: [REDACTED]

Account Name: Sterling Suffolk Racecourse Operating Acct

Bank ID: [REDACTED]



Check Number	Amount	Posted Date	Paid Date	CD Volume #
98927	379.19	05/20/2013		

Image is not available because it is outside of the Image Entitlement Access period.

*6/2/13*

**STERLING SUFFOLK RACECOURSE, LLC**

ACCOUNT NO.			VENDOR		CHECK NO.	CHECK DATE		
VOUCHER	INVOICE NUMBER	INV. DATE	REFERENCE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT	
11983	50051556	04/04/13	2013-05	\$310.79	\$310.79	1.00	\$310.79	
11964	50051652	04/03/13	2013-01	\$68.40	\$68.40	1.00	\$68.40	
				\$379.19	\$379.19	1.00	\$379.19	
						<b>CHECK TOTAL</b>	\$379.19	

**STERLING SUFFOLK RACECOURSE, LLC**

OPERATING ACCOUNT  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128



5-13/110

098927

PAY

Three Hundred Seventy Nine Dollars And 19 Cents

CHECK NO.	CHECK DATE	VENDOR NO.
098927	05/16/13	BURN001

CHECK AMOUNT
\$379.19

TO THE  
ORDER  
OF:

BURNETT & MOYNIHAN  
43 FOSTER STREET

REVERE MA 02151

**NON-NEGOTIABLE**

AUTHORIZED SIGNATURE

# BURNETT & MOYNIHAN

43 FOSTER ST.  
P.O. BOX 179  
REVERE, MA 02151  
{781} 284-0055

Date 04/26/2013  
Page 1

## STATEMENT

Customer number: 064145

STERLING SUFFOLK  
RACECOURSE, LLC  
525 MCCLELLAN HIGHWAY  
EAST BOSTON, MA 02128

APR 20 2013

I:000068776

BALANCE FORWARD	PAYMENTS	CURRENT CHARGES	JED/JEC	DISCOUNTS	SERVICE CHARGE	ACCOUNT BALANCE
1920.95	-48.69	3309.18	-9.87	0.00	25.83	5197.40

INVOICE DATE	INVOICE	DUE DATE	JOB	TYPE	DEBIT	CREDIT/PAYMENT	BALANCE
							Balance forward: 1920.95
04/15/2013				SER CHG CR			1911.08
04/04/2013	50051556	05/04/2013		INVOICE	310.79	2013-05 -9.87 CIF	2221.87
04/09/2013	50051652	05/09/2013		INVOICE	68.40	2013-01 48.69 CIF	2290.27
04/11/2013	50051699	05/11/2013		INVOICE	64.29	2013-02 0.00 CIF	2354.56
04/15/2013				GROSS PYMT			2305.87
04/18/2013	50051811	05/18/2013		INVOICE	78.41	2013-03 48.69 CIF	2384.28
04/22/2013	50051844	05/22/2013		INVOICE	2626.14	7030-200	5010.42
04/23/2013	50051908	05/23/2013		INVOICE	38.25	7046-40	5048.67
04/25/2013	50051966	05/25/2013		INVOICE	122.90	7030-200	5171.57
04/26/2013	1934	05/10/2013		SERV CHRG	25.83		5197.40
							Account balance: 5197.40

310.79 2013-05 -9.87 CIF  
68.40 2013-01 48.69 CIF  
64.29 2013-02 0.00 CIF  
78.41 2013-03 48.69 CIF  
2626.14 7030-200  
38.25 7046-40  
122.90 7030-200  
25.83  
3309.18

2013-05 - 310.79 (1)  
2013-01 - 68.40 (2)  
2013-02 - 142.70 (3)

7046-400 - 38.25 (4)  
7030-200 - 2749.04  
BURNMOO!  
1505-100  
111965  
2787.24 (3)

BURNMOO!  
1505-100  
111963 (1)

BURNMOO!  
1505-100  
111964 (2)

### ACCOUNT AGING

BURNMOO!

FUTURE DUE	CURRENT DUE	30	60	90	120+	BALANCE DUE
0.00	3475.58	1112.65	609.17	0.00	0.00	111964 5197.40



**PURCHASE ORDER** 12828  
PCF/SD

**IMPORTANT:** Show above order number on each Package, invoice, Bill of Lading and all Correspondence.

A packing slip **MUST** accompany this order. If shipper does not comply, this order may be returned at shipper's expense.

STERLING SUFFOLK RACECOURSE, LLC  
SUFFOLK DOWNS RACE TRACK  
111 WALDEMAR AVENUE  
EAST BOSTON, MA 02128

VENDOR

SHIP TO

DATE OF ORDER		PROJECT NO.		TERMS	F.O.B	DELIVERY DATE
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

**VENDOR NOTE:**

Read conditions on reverse side prior to shipment.

ACCT #  
CITF 2016-01

DEPARTMENT  
Maint

REQUISITIONED BY  
SP

EXECUTIVE OFFICER

DIRECTOR OF PURCHASING/BUYER







**DIXON SALO  
ARCHITECTS**  
INCORPORATED

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

December 30, 2016

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2013-3  
Accounting Office Build-Up  
Request for Consideration

2017 JAN -5 PM 12:02

MASSACHUSETTS GAMING  
COMMISSION

Dear Mr. O'Donnell:

Attached please find one copy of a Request for Consideration from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$69,288.18 for the Accounting Office Build-Up at Suffolk Downs.

The project involved the relocation and build out of new accounting offices in the lower grandstand area. The accounting offices were relocated due the extensive flooding of the offices in the administration building. The work was performed by in-house labor. A listing of the in-house labor costs and material and supply purchases for the project will be included with the Request for Reimbursement.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Consideration be approved by the Massachusetts Gaming Commission/Racing Division in the amount of \$69,288.18.

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs

Enclosure: Suffolk Downs, Request for Considerations CIF Project SD 2013-3 (RFC)



October 26, 2016

Mr. Neil R. Dixon  
Dixon Salo Architects, Inc.  
501 Park Avenue, Suite 210  
Worcester, MA 01610-1221

Dear Neil:

**RE: CIF Project SD 2013-3 (RFC)**

Enclosed are three copies of a Request for Consideration from the Running Horse Capital Improvement Trust Fund for Project SD 2013-3 (Accounting Office Build-Up).

This project involved the build-up and re-location of the Accounting Office due to the extensive flooding. This office was moved to the Grandstand area of the track.

Should you have any questions please call me at (617) 568-3327.

Thank you for your consideration of this matter.

Sincerely,

Chip Tuttle  
Chief Operating Officer

Encs.  
CT:jf

RECEIVED

NOV 27 2016

Dixon Salo Architects, Inc.

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



# The Commonwealth of Massachusetts

## MASSACHUSETTS GAMING COMMISSION

### CAPITAL IMPROVEMENT TRUST FUND PROMOTIONAL TRUST FUND

101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Telephone (617) 979-8400 • Fax (617) 725-0258

★ *All information must be complete before any requests (RFC or RFR) can be processed.*

- Date October 26, 2016
- Association Making This Request Suffolk Downs
- Project # 2013-3 (unique project number)
- Project Accounting Office Build-Up unique descriptive title of this project)
- Type of Request (indicate RFC or RFR)
 


<input checked="" type="checkbox"/> RFC / Request for Consideration	<input type="checkbox"/> RFR / Request for Reimbursement
<input checked="" type="checkbox"/> Capital Improvement Fund	<input type="checkbox"/> Promotional Trust Fund
- Total Project Amount Requested: \$ 69,288.18  Estimate / RFC ♦  Actual / RFR

7. *RFC only* – Provide a detailed description of the promotional or capital improvement project including the project objectives, how it will enhance the operations of the association and / or improve attendance and handles at your racetrack.

This project involved the build-up and re-location of the Accounting Office due to the extensive flooding. This office was moved to the Grandstand area of the track.

*RFR only* – Requests for reimbursement must contain a listing of all project expenditures by date, paid to and check number. A copy of the invoice and the cancelled check must support each expenditure.

8. For Capital Improvement Projects only, RFC's and RFR's must be submitted to the Commission's architect engineer consultant for review. The consultant makes recommendations to the Trustees relative to the cost and nature of the capital improvement project.

By Track Official:  Title: Chief Operating Officer Date: October 26, 2016  
Chip Tuttle

RFR approval by the Trustees (signature and date) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**DIXON SALO  
ARCHITECTS  
INCORPORATED**

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

December 5, 2016

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2013-22  
Tractor Repair  
Request for Consideration

Dear Mr. O'Donnell:


Attached please find one copy of a Request for Consideration from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$4,945.86 for the Tractor Repairs at Suffolk Downs.

The project involved repairs to the tractor which is used in the everyday maintenance of the racetrack and barn areas at Suffolk Downs.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Consideration be approved by the Massachusetts Gaming Commission/Racing Division in the amount of \$4,945.86.

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

  
Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs  
Enclosure: Suffolk Downs, Request for Considerations CIF Project SD 2013-22 (RFC)



September 28, 2016

Mr. Neil R. Dixon  
Dixon Salo Architects, Inc.  
501 Park Avenue, Suite 210  
Worcester, MA 01610-1221

Dear Neil: **RE: CIF Project SD 2013-22 (RFC)**

Enclosed are three copies of a Request for Consideration from the Running Horse Capital Improvement Trust Fund for Project SD 2013-22 (Tractor Repair).

This project involved the replacement and/or repair of the necessary parts of the tractor used for general maintenance at the track.

Should you have any questions please call me at (617) 568-3327.

Thank you for your consideration of this matter.

Sincerely,

Chip Tuttle  
Chief Operating Officer

Encs.  
CT:jf

RECEIVED

NOV 21 2016

DIXON SALO ARCHITECTS

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



# The Commonwealth of Massachusetts

## MASSACHUSETTS GAMING COMMISSION

### CAPITAL IMPROVEMENT TRUST FUND PROMOTIONAL TRUST FUND

101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Telephone (617) 979-8400 • Fax (617) 725-0258

★ *All information must be complete before any requests (RFC or RFR) can be processed.*

1. Date September 28, 2016
2. Association Making This Request Suffolk Downs
3. Project # 2013-22 (unique project number)
4. Project Tractor Repair (unique descriptive title of this project)
5. Type of Request (indicate RFC or RFR)

RFC / Request for Consideration       RFR / Request for Reimbursement

Capital Improvement Fund       Promotional Trust Fund

6. Total Project Amount Requested: \$ 4,945.86  Estimate / RFC ♦  Actual / RFR

7. *RFC only* – Provide a detailed description of the promotional or capital improvement project including the project objectives, how it will enhance the operations of the association and / or improve attendance and handles at your racetrack.

This project involved the replacement and/or repair of the necessary parts of the tractor used for general maintenance at the track.

*RFR only* – Requests for reimbursement must contain a listing of all project expenditures by date, paid to and check number. A copy of the invoice and the cancelled check must support each expenditure.

8. For Capital Improvement Projects only, RFC's and RFR's must be submitted to the Commission's architect engineer consultant for review. The consultant makes recommendations to the Trustees relative to the cost and nature of the capital improvement project.

By Track Official: Chip Tuttle Title: Chief Operating Officer Date: September 28, 2016  
Chip Tuttle

RFR approval by the Trustees (signature and date) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**DIXON SALO  
ARCHITECTS  
INCORPORATED**

**Neil R. Dixon, Principal  
Wayne O. Salo, Principal  
Jesse G. Hilgenberg, Principal**

December 5, 2016

Mr. Douglas O'Donnell, Senior Financial Analyst  
Massachusetts Gaming Commission/Racing Division  
101 Federal Street  
Boston, MA 02110

RE: Suffolk Downs  
CIF Project SD 2013-25  
Water Truck Pump  
Request for Consideration

Dear Mr. O'Donnell:

Attached please find one copy of a Request for Consideration from Suffolk Downs to the Massachusetts Gaming Commission/Racing Division in the amount of \$3,678.33 for the Water Truck Pump at Suffolk Downs.

The project involved replacement of the water pump for the water truck used in the everyday maintenance of the racetrack at Suffolk Downs.

Based upon the above, it is the opinion of this office that the project is an appropriate Capital Improvement Fund Project and we recommend that this Request for Consideration be approved by the Massachusetts Gaming Commission/Racing Division in the amount of \$3,678.33.

Should you have any questions please do not hesitate to contact this office.

Very truly yours,  
DIXON SALO ARCHITECTS, INC.

Neil R. Dixon,  
Principal/Architect  
NRD/hs

cc: Chip Tuttle, CFO Suffolk Downs

Enclosure: Suffolk Downs, Request for Considerations CIF Project SD 2013-25 (RFC)



September 28, 2016

Mr. Neil R. Dixon  
Dixon Salo Architects, Inc.  
501 Park Avenue, Suite 210  
Worcester, MA 01610-1221

Dear Neil:

**RE: CIF Project SD 2013-25 (RFC)**

Enclosed are three copies of a Request for Consideration from the Running Horse Capital Improvement Trust Fund for Project SD 2013-25 (Water Truck Pump).

This project involved the disassembling, evaluating and supplying a new pump for the water truck used for the general maintenance at the track.

Should you have any questions please call me at (617) 568-3327.

Thank you for your consideration of this matter.

Sincerely,

Chip Tuttle  
Chief Operating Officer

Encs.  
CT:jf

Telephone: 617-567-3900  
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts





# The Commonwealth of Massachusetts

## MASSACHUSETTS GAMING COMMISSION

### CAPITAL IMPROVEMENT TRUST FUND PROMOTIONAL TRUST FUND

101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts 02110  
Telephone (617) 979-8400 • Fax (617) 725-0258

★ *All information must be complete before any requests (RFC or RFR) can be processed.*

1. Date September 28, 2016
2. Association Making This Request Suffolk Downs
3. Project # 2013-25 (unique project number)
4. Project Water Truck Pump (unique descriptive title of this project)
5. Type of Request (indicate RFC or RFR)
 

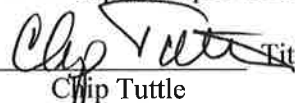
<input checked="" type="checkbox"/> RFC / Request for Consideration	<input type="checkbox"/> RFR / Request for Reimbursement
<input checked="" type="checkbox"/> Capital Improvement Fund	<input type="checkbox"/> Promotional Trust Fund
6. Total Project Amount Requested: \$ 3,678.33  Estimate / RFC ♦  Actual / RFR

7. *RFC only* – Provide a detailed description of the promotional or capital improvement project including the project objectives, how it will enhance the operations of the association and / or improve attendance and handles at your racetrack.

This project involved the disassembling, evaluating and supplying a new pump for the water truck used for general maintenance at the track.

*RFR only* – Requests for reimbursement must contain a listing of all project expenditures by date, paid to and check number. A copy of the invoice and the cancelled check must support each expenditure.

8. For Capital Improvement Projects only, RFC's and RFR's must be submitted to the Commission's architect engineer consultant for review. The consultant makes recommendations to the Trustees relative to the cost and nature of the capital improvement project.

By Track Official:  Title: Chief Operating Officer Date: September 28, 2016  
Chip Tuttle

RFR approval by the Trustees (signature and date) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NON-GAMING EMPLOYEES AND NON-GAMING VENDORS**

Michael & Carroll, LLC

	New Jersey	Pennsylvania	Missouri	Maryland	Michigan
STATUTORY REQUIREMENT	<p>1. Non-gaming employees: no provision for licensing or registering persons whose duties do not involve gaming activity.</p> <p>2. Non-gaming vendors: must register in accordance with regulations.</p>	<p>Non-gaming employees and non-gaming vendors are not mentioned in the statute. Board has the authority to require license or permit for anyone involved in the business of the casino.</p>	<p>1. The Commission has discretion to determine which employees need to be licensed. 2. Only vendors who supply gaming related services need to be licensed.</p>	<p>1. By statute, the Commission by regulation may exempt categories of employees who are not directly involved in gaming operations if the Commission determines that the requirement is not necessary in order to protect the public interest or accomplish the policies under the law. 2. By statute, all vendors providing "any of the services related to operating a video lottery facility" require a license.</p>	<p>1. By statute, only those non-gaming employees who work in gaming areas or who meet certain compensation thresholds are licensed, but the Board is given discretion to license anyone it deems necessary. 2. Non-gaming vendors must be licensed if business conducted is over certain thresholds or if the service involves certain types of businesses.</p>

	New Jersey	Pennsylvania	Missouri	Maryland	Michigan
APPLICABLE REGULATION	1. No applicable regulation for employees. 2. Any vendor may be required to apply if determined to be "consistent with the public interest and policies of the Act."	Board can require registration of any employee not otherwise licensed but whose duties require them to be on the gaming floor, in a restricted area, or anyone else the Board deems appropriate	1. There are two levels of employee licenses, neither of which includes persons with no participation in gaming operations. 2. There are no regulations governing vendors who do not supply gaming material.	1. Procedures established for non-gaming employee licensing as per statute. 2. Procedures implemented for both gaming and non-gaming vendors	Comprehensive regulations govern the standards for qualification and disqualification of applicants as implementing the statutory requirements. The regulations also contain authority for exemptions, also in keeping with the statutes.
	New Jersey	Pennsylvania	Missouri	Maryland	Michigan
NON-GAMING EMPLOYEES	No licensing or registration	Nothing done for employees who do not have access to gaming floor	No licenses are given to any employees who have no access to the gaming floor. If the casino company hires people with problematic backgrounds, the Commission can take action against the casino	Commission has exempted certain categories of employees who are not directly involved in gaming operations from the licensure requirement.	The Board implements the statutory requirements by licensing those employees with access to gaming areas and those at certain compensation levels.

	New Jersey	Pennsylvania	Missouri	Maryland	Michigan
NON-GAMING VENDORS	No automatic license requirement.	No automatic licensing for any non-gaming vendors. Board has discretion to require licensing of any non-gaming vendor if deemed necessary.	Only gaming related vendors are automatically licensed. Non-gaming can be if deemed necessary on a case by case basis.	Non-gaming vendors between \$10,000 and \$299,999 per year must register; \$300,000 and above must be certified; exemptions are available for certain industries.	The Board implements the statutory directives regarding non-gaming vendors as described.
APPLICABLE HISTORY	1.The statute began with a pre-approval process for non-gaming employees. It has evolved over the years to its present form. The relevant statutes have been amended 12 times. 2. For over thirty (30) years, non-gaming vendors were required by statute to be identified and then licensed if doing “regular or continuing business.” This was interpreted by regulation by implementation of monetary thresholds. That “regular or continuing” business standard has now been removed from the statute.	The licensing standards described here have been in place since the outset as a matter of statute.	The licensing procedures described here have been in place since the outset as a matter of statute.	The statute on employees has always required licensing of all employees integral to the gaming operation, but within approximately the past year, the statute on rehabilitation was amended. It previously automatically barred persons with disqualifying offenses no matter when they occurred. It now only bars persons with disqualifying offenses within the past seven (7) years. The statute regarding non-gaming vendors has always been the same. The regulations were amended within the year to implement the present thresholds for filing. Originally, all vendors over \$100,000	No statutory revisions have been made effecting the classifications of licensing. The Board occasionally adopts Resolutions in order to implement actions in interpretation within the confines of the statute

# UNITEHERE! LOCAL 26

33 Harrison Ave, 4<sup>th</sup> Floor • Boston, MA 02111 • Tel (617) 832-6699 • Fax (617) 426-7684

January 17<sup>th</sup>, 2017

Chairman Stephen Crosby  
Massachusetts Gaming Commission  
101 Federal Street, 12th Floor  
Boston, MA 02110

Dear Chairman Crosby & Massachusetts Gaming Commissioners,

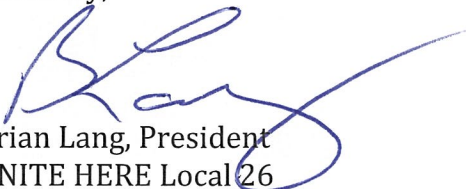
We ask that the Massachusetts Gaming Commission (MGC) enact a policy to open the doors of employment opportunity to every family in Massachusetts by forbidding the use of CORI records in the screening process for casino service employees.

A 2014 memorandum drafted for the MGC by New Jersey-based Michael & Carrol found that nationally the restrictions to employment in MGL Chapter 23K ("Act") are among the most onerous nationally. These restrictions not only lock thousands of working families out of gaming employment, it also contradicts Section 1((5) of the Act: *"the Commonwealth must provide for new employment opportunities in all sectors of the economy, particularly opportunities for the unemployed ...."*

These burdensome restrictions to employment also make no logical sense given *"casino service employees"* do not interact with the direct gaming operations of a gaming establishment. We ask that the MGC concur with Michael & Carrol's first recommendation and remove these restrictions entirely. We agree with the position outlined publicly by MGM that due to various inconsistencies in the Act, the MGC can and should do this through a matter of internal policy.

The MGC and your community partners have always advocated that expanded gaming in Massachusetts benefits working families. I welcome the opportunity to continue that work with the MGC in the coming months. Thank you for your consideration on this important matter.

Sincerely,



Brian Lang, President  
UNITE HERE Local 26

**6c.**

**No Documents**



January 15, 2017

Stephen Crosby, Chairman  
Massachusetts Gaming Commission  
101 Federal St., 12th Floor  
Boston, MA 02110

***Re: Capital Expenditure Plans***

Dear Chairman Crosby:

Please accept this letter on behalf of Blue Tarp reDevelopment, LLC (“MGM Springfield”) as a request for review and reconsideration of 205 CMR 139.09 pertaining to licensees’ capital expenditure plans (the “CapEx Regulation”).

The CapEx Regulation, and Section 21 of the Gaming Act, M.G.L. c. 23k, from which it derives, were enacted to insure gaming licensees properly maintain their facilities. In the first versions of §21, the Legislature attempted to set a minimum annual dollar amount as the standard for that maintenance obligation. However, recognizing that gaming licensees needed discretion in their individual reinvestment decisions, the final version of §21 allowed for operators to present the Commission with a multi-year capital reinvestment plan for Commission approval. If no such plan was presented and approved, §21 sets 3.5% of the operators’ net gaming revenue as the minimum annual capital investment threshold.

The CapEx Regulation, which in many ways mirrors the language of §21, revised the operation of Section 21 in way that appears minor but, in practice, is very material. Instead of 3.5% of net revenues being the default reinvestment amount in lieu of a multi-year cap ex plan, 205 CMR 139.09 dictates that the multi-year cap ex plan average 3.5% of net revenues over the term of the plan, unless licensees are able to show good cause. While MGM Springfield is confident that it can reasonably support any cap ex plan it provides to the Commission for approval, forcing licensees to meet a standard of good cause with each submission when that plan does not average 3.5% of net gaming revenues burdens Massachusetts licensees in a manner not intended by the Legislature and will potentially make them less competitive with operators in the region.

In the competitive environment in which Massachusetts licensees operate, MGM Springfield needs the flexibility to balance its cap ex reinvestment into its facilities with such competing needs as customer promotional reinvestment, employee training and reinvestment, and general marketing and entertainment investment. The challenge with the new standard set forth in the

CapEx Regulation will be no more evident than in the licensees' very first years of operations, in which the its brand new facilities need very little capital reinvestment but significant promotional and marketing spend to introduce their facilities and brands to the market.

In order to provide Massachusetts licensees with the competitive tools that will allow them to manage their businesses, in both the operators' and the Commonwealth's best interest, MGM Springfield respectfully requests that the CapEx Regulation be revised to better comport with M.G.L. c. 23k, § 21, which focused on operators providing a thoughtful multi-year plan as an alternate to an otherwise default minimum spend threshold.

### ***Background***

Massachusetts' Expanded Gaming Act, codified as M.G.L. c. 23k, was enacted as Chapter 194 of the Acts of 2011. The 2011 version of the Chapter 194 passed by the House of Representatives, H. 3711, provided that a licensee shall "make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to the lesser of \$15 million or 3.5 per cent per year of the net gaming revenues derived from the establishment." The version of the bill passed by the Senate, S. 2035, provided: "Each gaming licensee shall make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to or greater than 3.5 per cent of the net gaming revenues derived from the establishment." Neither the House nor the Senate version of the bill provided any exception to the minimum capital commitment requirement.

MGM and other potential operators raised concern regarding the mandatory minimum capital investment to the legislative conference committee charged with reconciling the differing versions of the legislation on the grounds that it artificially created a capital reinvestment requirement that may be (i) excessive or unneeded and (ii) inconsistent with or contrary to prudent reinvestment by licensees that best drive revenues while preserving and protecting brand and customer loyalty. In response, the conference committee specifically added the proviso "provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission."

The CapEx Regulation promulgated pursuant to Section 21 of the Gaming Act was introduced in September of 2014 as part of the Commission's Internal Control Regulations and went through redrafts in February, April and July of 2015. A public hearing was held on the Regulation on April 23, 2015 pursuant to G.L c. 30A. The regulation was adopted for publication by the Commission on July 23, 2015. Without discussion, the following language in 205 CMR 139.09 was added in early July after the public hearing, just before the final vote to approve the regulation for promulgation:

Over the term of the plan, the total expenditures shall equal or exceed 3.5 per cent of the net annual gaming revenues derived from the gaming establishment during the covered term of years unless good cause is demonstrated to the contrary by licensee.



The addition of this section of the regulation was not addressed by licensees or discussed by the Commission over the course of the review of the CapEx plan reporting requirement in 2014 and 2015 or prior to the vote to adopt the regulation for promulgation on July 23, 2015.

Subsequently, in connection with Penn National Gaming's ("Penn") January 12, 2016 Request for Approval of a Capital Expenditure Plan or Variance filed with the Commission, the practical challenges of the regulation as currently drafted became clear and, upon further analysis, the Regulation's conflict with the statute and legislative history and intent is evident. Over the last several months, the licensees have engaged in discussions with staff regarding these concerns as well as compliance with the regulations and its impact on their businesses. On November 21, 2016 Penn filed a revised Request for Approval providing the Commission with its first opportunity to review and consider the practical operation of its regulation. As illustrated by Penn's filing, prudent, multi-year capital investment plans are not likely to meet the regulation's spending threshold ensuring perpetual requests for relief from its requirements.

### ***MGM's Request for Regulatory Review***

While MGM takes no position regarding the substance of Penn's filing and supports Penn's ability to seek relief as it deems appropriate, MGM requests that the MGC separately consider proposed revisions to the CapEx Regulation to better align the capital expenditure requirement with the language and intent of the Gaming Act, as well as to avoid unintended and unwanted consequences of a restrictive regulation by better aligning the regulation with reasonable and prudent industry practices. Further, MGM Springfield requests that the Commission make a determination on Penn's request without precedent or prejudice to any other gaming licensee.

### ***Summary of the Statutory and Regulatory CapEx Requirements***

As a condition of licensure, the Gaming Act provides that a licensee shall:

4) make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the establishment; *provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission;*

G.L. c. 23K, § 21(a)(4) (*emphasis supplied*).<sup>1</sup>

The CapEx Regulation permits the submission of a multi-year plan as per the statutory language above and provides requirements for filing such plan, but further provides:

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<sup>1</sup> Section 2 of Chapter 23K, defines "Capital Expenditure" as follows:

"Capital expenditure", money spent by a gaming licensee to upgrade or maintain depreciable and tangible long-term physical assets that are capitalized on the gaming licensee's books under generally accepted accounting principles and *excluding* expenditures or charges for the usual and customary maintenance and repair of any fixed asset.

G.L. c. 23K, § 2 (*emphasis added*).

A multi-year capital plan must, at a minimum, provide for the establishment of, and annual contribution to, a capital reserve account. *Over the term of the plan, the total expenditures shall equal or exceed 3.5% of the net annual gaming revenues derived from the gaming establishment during the covered term of years unless good cause is demonstrated to the contrary by licensee.*

205 CMR 139.09 (*emphasis supplied*).

### ***Concerns with the CapEx Regulation***

#### 1. The CapEx Regulation Contradicts the Language and Intent of the Gaming Act.

As cited above, the Gaming Act contains both a general rule that a licensee make an annual capital expenditure to its gaming establishment in a minimum aggregate amount equal to 3.5 percent of the net gaming revenues per year as well as an exception to this requirement if a gaming licensee has a multi-year plan approved by the Commission. Despite the Gaming Act's relief from the requirement of annual capital expenditures of at least 3.5% of net gaming revenues through the submission and approval of a prudent multi-year plan, the Commission's current regulation eviscerates that flexibility by re-imposing, absent a showing of good cause, 3.5% of net gaming revenue minimum. Neither the 3.5% minimum nor the affirmative obligation to demonstrate "good cause" have a statutory underpinning and, thus, contradict the plain language and intent of the Gaming Act. The legislative history discussed above supports the conclusion that the Legislature intended to allow for flexibility under multi-year plans without a minimum percentage.<sup>2</sup>

While the Commission enjoys significant discretion to promulgate regulations, it must ensure that its regulations are consistent with the plain language of the statute and the statute's underlying purpose, particularly when the language of the statute is unambiguous. *See Smith v. Commissioner of Transitional Assistance*, 431 Mass. 638, 646 (2000) ("An agency regulation that is contrary to the plain language of the statute and its underlying purpose may be rejected by the courts"); *Massachusetts Hosp. Ass'n v. Department of Med. Sec.*, 412 Mass. 340, 346 (1992).

Further, where a statute contains a general requirement followed by a proviso that limits the operation of the general requirement, the proviso should be honored. *Lexington Educ. Ass'n v. Town of Lexington*, 15 Mass. App. Ct. 749 (1983). G.L. c. 23K, § 21(a)(4)'s general requirement that licensees shall make capital expenditures "in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues" is not an unconditional mandate. The proviso that follows provides a clear exemption from this requirement if a licensee submits a multi-year plan. Rather than honor the intent of the proviso, the Commission's regulation as drafted disregards the exception altogether.

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<sup>2</sup> The Supreme Judicial Court has stated that its interpretation of statutes "is not limited only to determining a statute's 'simple, literal or strict verbal meaning' but also considers a statute's 'development, [its] progression through the legislative body, the history of the times, prior legislation, contemporary customs and conditions and the system of positive law of which they are part . . .'" *Kain v. Department of Env'tl. Protection*, 474 Mass. 278, 286 (2016), quoting *Oxford v. Oxford Water Co.*, 391 Mass. 581, 588 (1984).

A licensee's ability to obtain relief from the 3.5% requirement by demonstrating "good cause" for a multi-year plan at an amount less than 3.5% over the term of the plan does not cure the regulation's inconsistency with the statute. Rather, the regulation's "good cause" standard improperly establishes a burden of proof for a licensee to make a showing that is not required by statute. G.L. c. 23K, § 21(a)(4) only establishes a filing requirement for a multi-year plan, leaving it to the Commission to then approve or deny the plan. On the contrary, where the Gaming Act requires an affirmative showing, it specifically sets forth such a requirement. *See e.g., G.L. c. 23K, § 13* ("An applicant for a gaming license, and any person required by the commission to be qualified for licensure, *shall establish its individual qualifications for licensure to the commission by clear and convincing evidence.*" (emphasis supplied)).

## 2. The CapEx Regulation Creates Unnecessary and Counterproductive Restrictions.

A clear goal of the Gaming Act is to require the construction and maintenance of high quality gaming establishments that provide the greatest opportunity to responsibly maximize gaming revenue. Through minimum investment requirements, robust competition for licenses and substantial fees for entry, Massachusetts attracted top operators with the balance sheets and experience to build *and* maintain best in class properties. Ongoing property maintenance is essential to the Massachusetts licensees' success in an increasingly competitive regional market. In addition to capital expenditures ("CapEx"), operational expenditures ("OpEx") for maintenance is equally important to ensuring the long-term success of the Commonwealth's gaming establishments.

MGM's approach to maintaining its properties in multiple jurisdictions is to deploy a combination of aggressive property maintenance as OpEx with smart, targeted property reinvestments as CapEx. There is a symbiotic relationship between a gaming establishment's OpEx and CapEx. Aggressive OpEx spending on maintenance employees, contracts, supplies and equipment is designed to (i) preserve capital assets, (ii) enhance guest experience and safety and (iii) protect the MGM brand. CapEx is part of a systematic needs assessment that involves a deliberative process for determining appropriate CapEx projects, including condition of property, a proposed project's return on investment and marketing and programming for the property. The convergence of OpEx and CapEx is clear – the better capital assets are maintained, the less frequently they have to be replaced.

MGM's approach to property maintenance has resulted in a portfolio of the best maintained and highest quality resorts in their respective markets. Significantly, this is achieved without a specific mandate for a minimum annual capital expenditure level and with CapEx investments over multiple years that average below the 3.5% of net gaming revenues required by the CapEx Regulation.<sup>3</sup>

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<sup>3</sup> At comparable MGM properties in other jurisdictions, the three year annual average percentage of net gaming revenues spent on CapEx ranges from 2 to 2.4%. The three year annual average percentage of *additional* net gaming revenues spent on OpEx at these same properties ranges from 2.2 to 5%. Applying MGM's approach to property maintenance, MGM Springfield's CapEx and OpEx is expected to be in this range (illustrative purposes only; not intended to be a current forecast of gaming revenues or a specific commitment to CapEx or OpEx). While CapEx alone may be less than what the MGC regulation

A regulation that requires a multi-year CapEx plan that equals or exceeds 3.5% per year does not reflect “best practices” in which prudent CapEx projects are planned, reviewed and approved. Prudent CapEx plans are built from the bottom up based on need and return. With multiple properties in multiple jurisdictions competing for capital internally, MGM conducts an annual systematic needs assessment that considers, among other factors, the condition of its facilities, a proposed capital project’s return on investment and marketing and programming for the property. MGM does not deploy capital based on a minimum annual spending requirement. MGM’s approach, which has proven results in other comparable jurisdictions, along with aggressive OpEx for maintenance ensures a superior guest experience, driving optimal revenues and maximizing potential tax revenue for the Commonwealth.

Further, unilaterally requiring, absent a good cause showing, a minimum CapEx of 3.5% per year will pervert the relationship between OpEx and CapEx, shifting the focus to arbitrarily replacing assets rather than maintaining them. In an increasingly competitive market, it is important for the Commission to provide the greatest amount of flexibility for licensees to adapt to market conditions. Requiring a licensee to commit large dollars to a reserve or to projects that will not provide a reasonable return, could make the Massachusetts licensees less competitive and divert attention and funding from impactful investments such as OpEx and marketing.

Penn’s statements in its filing currently before the Commission that “Plainridge Casino simply cannot require anything like the level of investment set forth in the CapEx Provision during at least the next five years of operation” and that “the expenditures of this magnitude so early in the life of the facility simply would not increase gross gaming revenue (‘GGR’) or gaming tax revenues to the Commonwealth” highlight the concerns articulated herein. The Commission’s regulations should be designed for licensees to achieve compliance, not set standards that are impracticable and require repeated variances.

### ***Conclusion***

In light of the lack of meaningful discussion of language discussed herein at the time of its promulgation and the practical and legal concerns raised above, as further manifested in Penn’s filing, MGM respectfully requests that the Commission consider revising the CapEx Regulation. To this end, MGM Springfield proposes amending 205 CMR 139 by striking the last 2 sentences of the current version. This change will (i) ensure that the regulation is aligned with the statute, (ii) retain the Commission’s discretion to approve a multi-year plan and (iii) provide the licensees with the ability to file multi-year plans based on prudent business decisions and in an amount less than 3.5% over the term of the plan as authorized and intended by the Legislature.

The requested review of the CapEx Regulation is timely and consistent with the Commission’s iterative approach to rulemaking, including review of regulations promulgated without the benefit of significant operational experience, to understand the practical impacts of the

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requires, total dollars spent on property preservation (OpEx and CapEx) for MGM Springfield will comfortably exceed 3.5% of net gaming revenues. This is confirmed by Penn’s filing as well as their experience across 17 jurisdictions. Moreover, our initial review of available data suggests that competitors in the region spend similar amounts on their CapEx. To potentially force Massachusetts licensees to spend more will allow competitors to spend relatively more on promotions and marketing to Massachusetts licensees’ detriment.

Commission's rules, regulations and policies on each licensee's business. MGM Springfield is committed to the intent of the Gaming Act's capital expenditure requirements, specifically to maintain a world class resort in Massachusetts consistent with MGM Resorts' portfolio of luxury resort properties worldwide.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Seth N. Stratton". The signature is fluid and cursive, with the first name "Seth" being the most prominent.

Seth N. Stratton  
Vice President & Legal Counsel



**PENN NATIONAL**  
GAMING, INC.

January 16, 2017

Edward R. Bedrosian  
Executive Director  
Massachusetts Gaming Commission  
101 Federal Street, 12th Floor  
Boston, MA 02110

Re: Capital Expenditure Plan

Dear Executive Director Bedrosian,

I write on behalf of Plainville Gaming and Redevelopment, LLC (“Plainridge Park Casino”) to address an important and timely issue – the capital expenditure language set forth in 205 CMR 139.09 (“CapEx Provision”) and Plainridge Park Casino’s plan to satisfy the CapEx Provision (“Plainridge Plan”). A copy of the five year Plainridge Plan is enclosed – please refer to Tab 1 of the spreadsheet. As set forth below in further detail, we believe the Massachusetts Gaming Commission (“Commission”) can and should approve the Plainridge Plan because it makes practical sense and satisfies the legal standard of “good cause” in the CapEx Provision. Alternatively, the Commission could grant Plainridge Park Casino a variance under the broad discretionary authority provided by 205 CMR 102.03.

By way of background, Plainridge Park Casino is a state-of-the art 106,000 square foot racing and gaming facility featuring live harness racing and simulcasting with 1,250 slot machines, an upscale casual dining restaurant, the first-ever Doug Flutie Sports Bar, three-venue food court, harness concourse bar, multi-purpose banquet room, entertainment lounge and casino bar, 1,620 structured and surface parking spaces, 26,000 square foot grandstand with box and reserved seats, and 13,000 square foot clubhouse with box seats. The clear purpose of CapEx Provision is to ensure that gaming facilities such as ours are well-maintained and remain competitive.

The \$9.15 million we are prepared to spend in connection with the Plainridge Plan will absolutely ensure that we are all as proud of this facility in five years as we are today. Given the extremely competitive nature of the gaming business in this region, Plainridge Park Casino and the Commission are perfectly aligned on the goal of improving and maintaining an outstanding facility that continues to draw patrons that have other alternatives for their recreation and gaming dollars. To that end, in addition to the extensive day to day maintenance costs of the facility (none of which are counted in the \$9.15 million investment plan), the Plainridge Plan includes meaningful spend on technology, improvements on public view items (e.g., lounge expansion), back of house investment, and racing improvements. Notably, this plan is consistent with our

approach to reinvestment in 6 relatively new Penn National facilities in Ohio, Pennsylvania, and Kansas. Of course, the Plainridge Plan contemplates a base case and is not intended to foreclose the possibility of investing more money on the facility as warranted by a change of circumstances such as increased business, new competition or changes in the law.

We acknowledge that the Plainridge Plan does not satisfy the first part of the CapEx Provision requiring an expenditure of 3.5% of net annual gaming revenue. We do, however, believe that the Plainridge Plan should be approved because Plainridge Park Casino satisfies the “good cause” standard of the CapEx Provision (“...good cause demonstrated...by licensee”). First and foremost, the Plainridge Plan has been carefully developed to ensure that our mutual objective of presenting a first class facility well into the future is met. Moreover, as a brand new facility and consistent with our experience across 17 jurisdictions, Plainridge Park Casino simply cannot need anything like the level of investment set forth in the CapEx Provision during at least the next five years of operation. Practically speaking, the expenditures of this magnitude so early in the life of the facility simply would not increase gaming revenue or gaming tax revenues to the Commonwealth. Instead, these funds could be more effectively used for marketing or other promotional activities that would have a more direct and beneficial impact on gaming revenue for the Commonwealth, especially given the heightened level of gaming activity in neighboring states (including the Tiverton relocation in Rhode Island approved in November). Accordingly, we believe the Commission has multiple and sufficient grounds to find “good cause” to approve the Plainridge Plan.

To the extent the Commission prefers, it can also approve the Plainridge Plan by granting a variance under 205 CMR 102.3(4), which grants the Commission wide discretion to “waive or grant a variance from any provision or requirement contained in 205 CMR, “upon a finding that: (1) Granting the waiver or variance is consistent with the purposes of M.G.L. c. 23K; (2) Granting the waiver or variance will not interfere with the ability of the commission or the bureau to fulfill its duties; (3) Granting the waiver or variance will not adversely affect the public interest; and (4) Not granting the waiver or variance would cause a substantial hardship to the person requesting the waiver or variance.” As noted below, these 4 elements are all met in this instance.

Granting this variance would be consistent with the purposes of M.G.L. c. 23K because it will allow funds to be used in a manner that is most likely to have a positive impact on the Commonwealth’s gaming tax revenue. *See* 205 CMR 102.03(4)(1). A variance will not in any way interfere with the ability of the Commission or the Investigations and Enforcement Bureau to fulfill their duties. *See* 205 CMR 102.03(4)(2). To the contrary, granting the variance is consistent with the Commission’s duties because it helps ensure that gaming funds are used to maximize revenue to the Commonwealth and its residents, which is the principal legislative purpose behind the Expanded Gaming Act.

The requested variance also satisfies the public interest component of the regulation. *See* 205 CMR 102.03(4)(3). Plainridge Park Casino remains fully committed to making the capital expenditures needed to maintain the facility’s upscale fit and finish and that are likely to have positive returns on investment for the casino and the Commonwealth. Furthermore, to ensure

that the residents of the Commonwealth continue to reap maximum benefits from the casino, we commit to filing a capital expenditures report annually, which will inform the Commission and the public of investments made to improve and maintain the facility. Between this report, the periodic gaming license renewal process, the presence of the MGC gaming agents on site and the plenary authority of the Commission, there is no risk that we will permit the casino to deteriorate. For these very reasons, no other gaming jurisdictions mandate a minimum capital spend. In sum, we are giving the Commission every opportunity to verify the projected spend laid out in the Plainridge Plan.

Conversely, denying the variance would cause a substantial hardship to Plainridge Park Casino. *See* 205 CMR 102.03(4)(4). We have already expended over \$260 million to design and build the Commonwealth's first casino. Having already constructed a state-of-the-art facility, our resources in the next five years of operation are most prudently invested in marketing, promoting, and operating that facility in a manner that will maximize benefits to the Commonwealth. Furthermore, the landscape of gaming in Massachusetts is still evolving, and the timing and ultimate locations of other gaming facilities that would compete with us are unknown. The requested variance would permit us to monitor and respond to future competition as appropriate, while still committing to invest the approximately \$9 million in additional capital improvements at the property over the next five years. Finally, not granting the waiver would cause serious hardship to Plainridge Park Casino's publicly traded parent, Penn National Gaming, Inc., because of the complex disclosure implications of recording contingent commitments into the future and the attendant perception by investors.

We also respectfully request that the Commission consider as part of its review and analysis of the "good cause standard" two significant categories of Penn expense not included in the Plainridge Plan: (i) over four million dollars in annual goods and services (inclusive of utilities) that are essential to the upkeep of the facility (please refer to Tab 3 of the enclosed spreadsheet for a description of these operational expenses that in our experience rarely decrease) and (ii) Penn's capital expenditures on the racing side (please refer to Tab 2 of the enclosed spreadsheet). These expenses underscore our commitment to the facility and lend further support to our "good cause" position noted above.

Expenses incurred to upgrade or maintain the racing facilities are consistent with the statutory definition of capital expenditures, because they constitute "money spent by a gaming licensee to upgrade or maintain depreciable and tangible long-term physical assets that are capitalized on the gaming licensee's books under generally accepted accounting principles." *See* M.G.L c. 23k, s. 2. Including Penn's racing capital expenditures in the "good cause" analysis also fits within the statutory objective of maintaining racing as a viable industry in the Commonwealth (the objective to preserve and create jobs "across several industries of the Commonwealth" was part and parcel of the Plainridge license award. License Agreement, at p. 25). Similarly, including these expenses is consistent with ensuring that each licensee builds and maintains "a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry." *See* M.G.L c. 23k, s. 18.



Including Penn's racing capital expenditures in the Plan analysis is aligned with that approach, in that it views racing as an "amenity" that is "integrated" within the gaming experience, and recognizes that money spent to improve the racing experience will in turn improve the overall gaming and entertainment experience for Penn's customers. Finally, the Commission should be assured that Penn will continue to maintain its racing facilities at the highest caliber. In addition to the significant expenditures Penn makes directly on improvements to its facilities, Penn also deposits significant sums in both the state thoroughbred and harness fund accounts. Whether these racing expenses are expressly counted as part of the CapEx Provision calculation or not, we ask that that you remain mindful of this further evidence of our partnership with the Commonwealth.

For all of these reasons, we request that the Massachusetts Gaming Commission approve the Plainridge Plan. Thank you for your consideration. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'CS', written over a circular stamp or seal.

Carl Sottosanti  
Executive Vice President, General Counsel and Secretary

**Capital Expenditures**

In (000's)	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Plainridge Park Casino</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Net Gaming Revenue</b>	<b>\$79M</b>	<b>\$79M</b>	<b>\$79M</b>	<b>\$79M</b>	<b>\$79M</b>
<b>Public View</b>	<b>75</b>	<b>240</b>	<b>462</b>	<b>460</b>	<b>463</b>
Restroom Update			100		
Casino Carpet			350		
Restaurant Update/Renovation				250	
Valet Entrance				75	
Resurface Parking lot/Garage				80	
Furniture					200
Lighting					120
Marketing Items		68			
Misc	75	172	12	55	143
<b>BOH</b>	<b>450</b>	<b>99</b>	<b>160</b>	<b>160</b>	<b>186</b>
Kitchen Updates			100		
Hallway Update				150	
Carpets					50
Food & Beverage Equipment	30				
Misc	420	99	60	10	136
<b>Slots</b>	<b>750</b>	<b>592</b>	<b>700</b>	<b>900</b>	<b>875</b>
Slot Replacement	563	444	525	675	656
Slot Conversions	188	148	175	225	219
<b>Racing</b>	<b>150</b>	<b>156</b>	<b>150</b>	<b>180</b>	<b>225</b>
Infield Fence	65				
New Starting Car		108			
Paddock Roof			112		
Barn Roofs				120	
Maintenance Garage					225
Misc	85	48	38	60	
<b>Technology</b>	<b>75</b>	<b>338</b>	<b>190</b>	<b>200</b>	<b>400</b>
Micros Terminals	23	22	25	24	20
Televisions		18	42	42	32
Software		41	95	106	116
Surveillance Equipment		84			
Misc Equipment	52	174	29	28	232
<b>Contingency</b>	<b>150</b>	<b>75</b>	<b>88</b>	<b>100</b>	<b>113</b>
<b>Total Capital Expenditures (CE)</b>	<b>\$ 1,650</b>	<b>\$ 1,500</b>	<b>\$ 1,750</b>	<b>\$ 2,000</b>	<b>\$ 2,250</b>
<b>Percentage of Net Gaming Revenue</b>	<b>2.1%</b>	<b>1.9%</b>	<b>2.2%</b>	<b>2.5%</b>	<b>2.8%</b>

**Misc. Detailed**

<b>Public View</b>	<b>BOH</b>	<b>Racing</b>	<b>Technology</b>	<b>Contingency</b>
Lounge Floor Expansion	Wiring	Saddle Numbers	PC workstations	Tent for outside events
Traffic Control Signs	Plumbing	Entrance door crash bars	Tape backup system	Program stand
Wheelchair replacement	EVS Equipment	Apron gate & fence	Speakers	Armored glass
Facility vehicles	Furniture	Water Truck	Phones	Aces Lounge Sign
Landscape equipment	F&B Equipment	Paddock	Printers	Fire Extinguishers
Sushi Counter	Cage office build out		Copiers	Kitchen Carts
Radio call boxes	F&B Keg lifter		Laptops	Magnetic Whiteboard
Speed Bumps	Back bar upgrade		Switches	
	Lift		Projectors	
			Cameras	

**YTD 12/31/2016**

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
<b>Fund</b>	\$ 11,123	\$ 11,119	\$ 14,335	\$ 16,145	\$ 24,478	\$ 16,673	\$ 18,214	\$ 16,085	\$ 14,787	\$ 14,461	\$ 14,537	\$ 11,792	\$ 183,747

<b>2016 Racing Cap Fund Completed Projects</b>	
Mile Markers	\$14k
Landscaping Equipment	\$113k
LED Display Board	\$212k
Paddock Barn Fire Alarm System	\$40k

YTD 12/31/2016

Net Gaming Revenue

\$79M

Descriptions	Facilities	EVS	Track Main	Total	Notes
<b>Labor</b>					
<i>Payroll &amp; Benefits</i>	\$ 482,486	\$ 914,934	\$ 225,858	\$ <b>1,623,278</b>	Wages and Benefits
<b>G&amp;A Expenses</b>					
<i>Operating Supplies</i>	\$ 59,639	\$ 25,545	\$ 32,831	\$ <b>118,015</b>	Gloves/Trash liners/Keys/Locks/Tools/Chainsaws
<i>Cleaning Supplies</i>	\$ 4,044	\$ 135,595		\$ <b>139,639</b>	Cleaning Chemicals
<i>R&amp;M - Equip/Building/Ground</i>	\$ 182,727	\$ 1,254	\$ 84,610	\$ <b>268,591</b>	Paint/Wall Repair/Wall paper/Ice Melt/Kitchen repairs
<i>R&amp;M Contracts</i>	\$ 93,811	\$ 5,944		\$ <b>99,755</b>	Generator/Elevator/Door Mats
<i>Outside Services</i>	\$ 50,395	\$ 9,241	\$ 4,072	\$ <b>63,708</b>	Waste Services/Door Mats Service
*Utilities Expense (\$2.2M)	\$ 873,101	\$ 1,092,512	\$ 347,371	\$ <b>2,312,984</b>	Annual 2016
				<b>2.9%</b>	Percentage of Net Gaming Revenue

Annual Maintenance Summary

In (000's)	Year 2		Year 3		Year 4		Year 5		Year 6	
Plainridge Park Casino	2016	% of NGR	2017	% of NGR	2018	% of NGR	2019	% of NGR	2020	% of NGR
<b>Net Gaming Revenue (NGR)</b>	<b>\$79M</b>		<b>\$79M</b>		<b>\$79M</b>		<b>\$79M</b>		<b>\$79M</b>	
Capital Expenditures	\$ 1,650	2.1%	\$ 1,500	1.9%	\$ 1,750	2.2%	\$ 2,000	2.5%	\$ 2,250	2.8%
Operational Maintenance	\$ 2,300	2.9%	\$ 2,300	2.9%	\$ 2,300	2.9%	\$ 2,300	2.9%	\$ 2,300	2.9%
Racing Capital Fund	\$ 184	0.2%	\$ 180	0.2%	\$ 180	0.2%	\$ 180	0.2%	\$ 180	0.2%
<b>Total</b>	<b>\$ 4,134</b>	<b>5.2%</b>	<b>\$ 3,980</b>	<b>5.0%</b>	<b>\$ 4,230</b>	<b>5.4%</b>	<b>\$ 4,480</b>	<b>5.7%</b>	<b>\$ 4,730</b>	<b>6.0%</b>



*Legal Division*

## **Amended Small Business Impact Statement**

The Massachusetts Gaming Commission (“Commission”) hereby files this amended small business impact statement in accordance with G.L. c.30A, §5 relative to the proposed amendments in the following regulations, for which a public hearing was held on September 21, 2016.

**205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls.** These amendments create requirements that drop boxes, bill validators, ticket vouchers, printer paper, tokens, revenue, and all locks and slot seals are removed from an electronic gaming device prior to removal of the device from the gaming floor, or the gaming facility.

**205 CMR 144.00: Approval of Slot Machines and Electronic Gaming Equipment and Testing Laboratories.** These amendments clarify the certification and delivery procedures for electronic gaming devices. The amendments describe the notice requirements for delivery of new devices, and the Commission approval requirements for installation, modification, and movement of devices. The amendments also define “prototype” and “modification” in order to clarify what components must be certified or approved.

**205 CMR 145.00: Possession of Slot Machines.** These amendments update the procedures for possession and transportation of electronic gaming devices to accord with the certification and approval requirements as updated by the amendments to 205 CMR 144.00.

These regulations are largely governed by G.L. c. 23K, §§ 4(28), 5, 25(d), 27, 28, and 66.

These amendments will apply directly to the gaming establishments, gaming vendors, and testing laboratories - which are unlikely to be small businesses. In accordance with G.L. c.30A, §5, the Commission offers the following responses on whether any of the following methods of reducing the impact of the proposed regulation on small businesses would hinder achievement of the purpose of the proposed regulation:

1. Establishing less stringent compliance or reporting requirements for small businesses:

There are no small businesses that the Commission anticipates will be impacted by these regulations. Accordingly, there are no less stringent compliance or reporting requirements for small businesses.

2. Establishing less stringent schedules or deadlines for compliance or reporting requirements for small businesses:

There are no small businesses that the Commission anticipates will be impacted by these regulations. Accordingly, there are no schedules or deadlines for



Massachusetts Gaming Commission

compliance or reporting requirements for small businesses created by these regulations.

3. Consolidating or simplifying compliance or reporting requirements for small businesses:

There are no small businesses that the Commission anticipates will be impacted by these regulations. Accordingly, there are no compliance or reporting requirements for small businesses.

4. Establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation:

There are no small businesses that the Commission anticipates will be impacted by these regulations. Accordingly, there are no performance standards for small businesses to replace design or operational standards required in the proposed regulations.

5. An analysis of whether the proposed regulation is likely to deter or encourage the formation of new businesses in the Commonwealth:

These regulations apply solely to gaming establishments, gaming vendors, and testing laboratories and therefore are not likely to deter or encourage the formation of new businesses in the Commonwealth.

6. Minimizing adverse impact on small businesses by using alternative regulatory methods:

These regulations do not create any adverse impact on small businesses.

Massachusetts Gaming Commission  
By:

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Cecelia M. Porché  
Paralegal  
Legal Division

Dated: \_\_\_\_\_



Massachusetts Gaming Commission

## Glennon, John R. (MGC)

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**From:** Band, Bruce (MGC)  
**Sent:** Thursday, June 09, 2016 10:06 AM  
**To:** Grossman, Todd (MGC); Barroga, Floyd (MGC); Glennon, John R. (MGC)  
**Subject:** FW: Slot Regulations  
**Attachments:** Slot Regs.pdf

See attached comments from Penn.

---

**From:** Mike Thoma [mailto:Mike.Thoma@pngaming.com]  
**Sent:** Tuesday, June 07, 2016 5:42 PM  
**To:** Band, Bruce (MGC)  
**Cc:** Cain, Burke (MGC); Lance George  
**Subject:** Slot Regulations

Bruce,

Attached are the slot regulation proposed changes we looked at per your request. One proposed change was made on the first page to section 145.00 in blue text. Per our discussion, we would like to be able to remove some of items listed in secure slot storage instead of on the gaming floor.

Please let me know if you have any questions.

Thanks.



205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 138.00: UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND  
INTERNAL CONTROLS

138.63: Slot Machines and ~~Bill Changers~~ other Electronic Gaming Devices; Authorized Locations; Movements

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the movement and placement of ~~slot machines and bill changers~~ **electronic gaming devices** that, at a minimum, comport with 205 CMR

145.00: *Possession of Slot Machines and Electronic Gaming Devices*. Such provisions shall at a minimum ensure that ~~(b). all locks, drop boxes, bill validator stackers, ticket vouchers, and revenue are removed from a device prior to removal from the gaming area or shipment out of the gaming establishment, and that slot seals affixed pursuant to 205 CMR 144.03(2)(b) are removed.~~ cash boxes and Tito tickets are removed from the device prior to removal from the gaming floor. The removal of locks and slot seals affixed pursuant to 205 CMR 144.03(2)(b) will be completed in a secure slot storage area prior to shipment out of the gaming establishment.

## Glennon, John R. (MGC)

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**From:** MGCcomments (MGC)  
**Sent:** Friday, September 23, 2016 3:39 PM  
**To:** Porche, Cecelia (MGC)  
**Subject:** FW: Draft Regulation Comment: PPC Comment on Proposed Revision to 205CMR145.  
**Attachments:** 205CMR145-DRAFT-8-29-16 slots (2).pdf

Hi Cecelia,

FYI.

Thank you,

**Colette Bresilla**  
*Receptionist*

**Massachusetts Gaming Commission**  
101 Federal Street, 23rd Floor  
Boston, Massachusetts 02110  
TEL 617.979.8493 | FAX 617.725.0258  
[www.massgaming.com](http://www.massgaming.com)  
[FB](#) | [TWITTER](#) | [YOUTUBE](#) | [LINKEDIN](#) | [TUMBLR](#)

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**From:** Lisa McKenney [mailto:Lisa.McKenney@pngaming.com]  
**Sent:** Friday, September 23, 2016 3:32 PM  
**To:** MGCcomments (MGC)  
**Subject:** Draft Regulation Comment: PPC Comment on Proposed Revision to 205CMR145.

Please see the sticky note in the attached for PPC's comment related to the revisions.

Please contact me with any questions or concerns,

Thank you,

**Lisa McKenney**  
*Compliance Manager*  
301 Washington Street  
Plainville, Massachusetts 02762  
**Office:** 508-576-4409  
**Cell:** 860-235-3009  
[Lisa.McKenney@PNGaming.com](mailto:Lisa.McKenney@PNGaming.com)





PLAINRIDGE PARK  
CASINO

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**From:** Joshua Hyre  
**Sent:** Saturday, September 17, 2016 5:15 PM  
**To:** Lisa McKenney  
**Cc:** Mike Thoma; Albert Delagarza  
**Subject:** FW: Request\_Comments Needed\_Proposed Revisions to Regs

Hello Lisa,

Please see our attached response to the proposed revision to IC 145.01. Please let me know if you have any questions.

Thanks,

Josh

## Joshua Hyre

*Slot Shift Manager*  
Plainridge Park Casino  
301 Washington Street  
Plainville, Massachusetts 02762  
Office: 508-576-4426  
Cell: 508-613-5095  
[Joshua.Hyre@pngaming.com](mailto:Joshua.Hyre@pngaming.com)



PLAINRIDGE PARK  
CASINO

**From:** Lisa McKenney <[Lisa.McKenney@pngaming.com](mailto:Lisa.McKenney@pngaming.com)>  
**Date:** August 30, 2016 at 4:10:27 PM EDT  
**To:** Mike Thoma <[Mike.Thoma@pngaming.com](mailto:Mike.Thoma@pngaming.com)>, Albert Delagarza <[Albert.Delagarza@pngaming.com](mailto:Albert.Delagarza@pngaming.com)>  
**Cc:** Lance George <[Lance.George@pngaming.com](mailto:Lance.George@pngaming.com)>  
**Subject:** Request\_Comments Needed\_Proposed Revisions to Regs

Hi Mike/Albert,

The Commission is requesting public comment on draft regulation amendments for the Reg sections noted below, which all involve Slots. Please see the 'summaries' below and review the detailed

revisions in the attached and provide me with your comments at your earliest convenience. Comments must be submitted by Sept 22.

**205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls.**

These amendments create requirements that drop boxes, bill validators, ticket vouchers, printer paper, tokens, revenue, and all locks and slot seals are removed from an electronic gaming device prior to removal of the device from the gaming floor, or the gaming facility.

**205 CMR 144.00: Approval of Slot Machines and Electronic Gaming Equipment and**

**Testing Laboratories.** These amendments clarify the certification and delivery procedures for electronic gaming devices. The amendments describe the notice requirements for delivery of new devices, and the Commission approval requirements for installation, modification, and movement of devices. The amendments also define “prototype” and “modification” in order to clarify what components must be certified or approved.

**205 CMR 145.00: Possession of Slot Machines.** These amendments update the procedures for possession and transportation of electronic gaming devices to accord with the certification and approval requirements as updated by the amendments to 205 CMR 144.00.

Thank you for your attention to this request,

**Lisa McKenney**

*Compliance Manager*

301 Washington Street

Plainville, Massachusetts 02762

**Office:** 508-576-4409

**Cell:** 860-235-3009

[Lisa.Mckenney@PNGaming.com](mailto:Lisa.Mckenney@PNGaming.com)

Category	Section	Quote From Standards	Scientific Games Feedback
ETG	144.01 (2)	<p>(2) The following shall be considered electronic gaming devices <del>require permitting and registration by the commission</del> for purposes of 205 CMR 144.00:</p> <ul style="list-style-type: none"> <li>(a) Slot machines;</li> <li>(b) Electronic table games;</li> <li>(c) Kiosks;</li> <li>(d) Wireless wagering devices;</li> <li>(e) Slot machine games;</li> <li>(f) Multiplayer systems;</li> <li>(g) Server supported slot systems;</li> <li>(h) Slot machine bonus systems;</li> <li>(i) Table game bonus systems;</li> <li>(j) Progressive systems;</li> <li>(k) Account based wagering systems;</li> <li>(l) Slot monitoring systems and casino management systems;</li> <li>(m) Gaming voucher systems;</li> <li>(n) Devices used in conjunction with a slot monitoring system or casino management system, unless the devices provide read-only functionality;</li> <li>(o) Devices used in conjunction with electronic gaming devices such as bill acceptors validators, printers, and coin acceptors that are not integrated into and tested as part of another gaming device; and</li> <li>(p) Software required to be tested in accordance with the GLI standards as adopted and modified by 205 CMR 143.00.</li> </ul>	<p>Please note for Electronic Table Game (ETG) and Electronic Table System (ETS) products, our Fusion Hybrid and iTable products rely upon a live dealer-dealt outcome to produce the result of each game. As such we recommend a separate classification for hybrid products, which do not appear to be considered by this regulation.</p> <p>While we do have many of the offerings considered to be slot machines/electronic gaming devices, our Fusion Hybrid products do not conform to this categorization. As such, this causes them to be classified as a table game product and not an electronic gaming device in many jurisdictions. We make note of this specifically because there are variables such as different tax rates for table games and electronic gaming devices or operational minimum requirements for table games versus electronic gaming devices. These variables should be properly accounted for when considering our “Hybrid/Dealer Assisted ETG” products.</p> <p>A blanket classification as an electronic gaming device could prevent us from offering such products in Massachusetts if conflicting requirements are applied when reviewing the products for approval. One example of potential conflict, might be the need for the live dealer-dealt game outcome to meet an electronic gaming device minimum return to player. Since live play cannot be adjusted to meet such a requirement, it will be impossible to conform.</p>

Category	Section	Quote From Standards	Scientific Games Feedback
Gaming Machines	144.03 (1)	<p>(1) <del>(a) In order to register a</del> <b>No electronic gaming device for use in a gaming establishment, shall be installed or operated in a gaming establishment, nor shall a previously approved electronic gaming device be modified or moved from a previously approved location, unless a gaming licensee must first submit a request for approval gaming device registration application with to the commission's gaming technology laboratory, as directed, at least 5 days prior to the anticipated installation, operation, modification, or movement date and such request is approved. The commission may reject any gaming device registration application that is deemed administratively incomplete. The commission, or its designee, may approve such request on shorter notice in exceptional circumstances. The application for request for approval a gaming device registration shall be in the form prescribed by the commission. and contain, at a minimum: ...</b></p>	<p>Is it the Commission's intent that this regulation should apply to client server systems (i.e. server based gaming) as in GLI-21 per 205 CMR 143.08? If so, will the Commission provide for an abbreviated process for this type of product under this qualifier: "...may approve such request on shorter notice in exceptional circumstances."?</p> <p>The focus of this regulation appears to be EGD placement or replacement. Please note that the primary functionality of server based/server supported gaming is to allow updates to floor content in a faster and more effective manner than EGD replacement. We recommend that software updates, game themes, modifications, etc. using Client Server Systems (CLS) not be subject to the 5 day approval process. This will enable casinos to keep their gaming floors current with the most recently approved products and software versions.</p>

Category	Section	Quote From Standards	Scientific Games Feedback
Gaming Machines	144.03 (8)	<p>(8) Prior to issuing an approval or “Approval for Use” of an electronic gaming device the commission may require a trial period of a length to be established on a case by case basis to test the gaming device in a gaming establishment to determine whether it complies with 205 CMR 144.03(3). During the trial period, minor changes in the operation or design of the electronic gaming device may be made with prior approval of the commission.</p>	<p>We recommend providing a maximum period for conclusion of a field trial, as it is not common to have an open ended field trial period. Industry standard field trial periods tend to be between 45 and 90 days. Considering this standard, we suggest the following change:</p> <p>“(8) Prior to issuing an approval or “Approval for Use” of an electronic gaming device the commission may require a trial period of a length to be established on a case by case basis, <u>not to exceed 90 days</u>, to test the gaming device in a gaming establishment to determine whether it complies with 205 CMR 144.03(3). During the trial period, minor changes in the operation or design of the electronic gaming device may be made with prior approval of the commission. <u>The Commission may for reasonable cause extend the field trial period as necessary to ensure compliance with 205 CMR 144.03(3).</u>”</p>
Gaming Machines	144.04 (5)	<p>The independent testing laboratory may rely on testing conducted and data collected from testing conducted for another jurisdiction, whether by the independent testing laboratory or by another entity, if the testing was performed by an independent party with no apparent interest in the result. An independent testing laboratory relying on such external testing or data must clearly identify in its report all such reliance and independently verify the validity of such data or testing by making a finding that the methods described in the earlier test are reliable and there is no indication that the data are incorrect.</p>	<p>Please note incorrect grammar as follows:</p> <p>“... An independent testing laboratory relying on such external testing or data must clearly identify in its report all such reliance and independently verify the validity of such data or testing by making a finding that the methods described in the earlier test are reliable and there is no indication that the data <b>are</b> incorrect.”</p>

Category	Section	Quote From Standards	Scientific Games Feedback
ETG	144.01 (2)	<p>(2) The following shall be considered electronic gaming devices <del>require permitting and registration by the commission</del> for purposes of 205 CMR 144.00:</p> <ul style="list-style-type: none"> <li>(a) Slot machines;</li> <li>(b) Electronic table games;</li> <li>(c) Kiosks;</li> <li>(d) Wireless wagering devices;</li> <li>(e) Slot machine games;</li> <li>(f) Multiplayer systems;</li> <li>(g) Server supported slot systems;</li> <li>(h) Slot machine bonus systems;</li> <li>(i) Table game bonus systems;</li> <li>(j) Progressive systems;</li> <li>(k) Account based wagering systems;</li> <li>(l) Slot monitoring systems and casino management systems;</li> <li>(m) Gaming voucher systems;</li> <li>(n) Devices used in conjunction with a slot monitoring system or casino management system, unless the devices provide read-only functionality;</li> <li>(o) Devices used in conjunction with electronic gaming devices such as bill acceptors validators, printers, <del>and</del> coin acceptors that are not integrated into and tested as part of another gaming device; and</li> <li>(p) Software and hardware required to be tested in accordance with the GLI standards as adopted and modified by 205 CMR 143.00.</li> </ul>	<p><i>Certain SG products, such as Fusion Hybrid and iTable/iTable Roulette, are live table games which use the same cards, dice, roulette wheel, etc. as a standard table game but employ electronic wagering and reconciliation. As such, items such as RTP are not within the manufacturer's control. Additionally, other requirements applicable to standard gaming devices may not be applicable. Because of this, SG recommends a separate category/definition be created to accommodate games played in a "hybrid" or "dealer assisted" configuration.</i></p>





January 17, 2017

Massachusetts Gaming Commission  
101 Federal Street, 12th Floor  
Boston, MA 02110

***RE: Blue Tarp reDevelopment Comments on Proposed Revisions to 205 CMR 144 and 205 CMR 145***

To Whom It May Concern:

Blue Tarp reDevelopment, LLC (“MGM Springfield”) submits the following comments in connection with the Massachusetts Gaming Commission’s (the “Commission”) proposed changes to 205 CMR 144, Approval of Slot Machines and Electronic Gaming Equipment and Testing Laboratories and 205 CMR 145, Possession of Slot Machines. MGM Springfield thanks the Commission Staff for its availability over the past months to discuss concerns with the regulations and appreciates many of the changes incorporated into the revised draft now before the Commission.

Nevertheless, there are some additional concerns that are worthy of consideration before the Commission formally adopts changes to these regulations. Despite some of the changes in the current draft, the proposed regulations do not fully recognize efficiencies that maybe gained through the Commission’s Casino Monitoring System (“CMS”). Instead, the Commission regulations continue to require certain manual procedures and processes by licensees that are unnecessary in a jurisdiction that will have a CMS. The investment in CMS should be mutually beneficial to the Commission through real time reporting of slot machine gaming revenues and events and to the licensees through added regulatory efficiencies. Through some of the specific changes proposed below and/or by adding language to the regulation that will give licensees the option of proposing alternative processes and procedures based on the use and functionality of CMS and other technology, both the Commission and licensees can benefit from their investment in CMS.

MGM Springfield offers the following comments on specific sections of the regulations:

- 205 CMR 144.01(o): We believe that the inclusion of the devices listed in this section as “electronic gaming devices” is far too expansive and does nothing to enhance the integrity of the gaming operation. For example, “printers” and other peripheral devices not specifically designed for use in a gaming establishment are considered electronic gaming devices. The tracking, reporting and logging of such devices will prove to be cumbersome and difficult with no apparent regulatory value.
- 205 CMR 144.02(4): Reference to “gaming licensee” should either be deleted or the operative provisions limited to the knowledge of the gaming licensee. As presently drafted, the regulation can be interpreted to place an obligation on the gaming licensee to “promptly notify the commission of any negative action taken in another jurisdiction” regardless of whether the gaming licensee has knowledge of any such action.
- 205 CMR 144.03(1): The requisite minimum notice period of “5 days prior to the anticipated installation, operation, modification, or movement” of an electronic gaming device is relatively lengthy and will likely limit operational flexibility. The 5-day notice period is coupled with an open-ended bar to a gaming establishment installing, operating, modifying, or moving an electronic gaming device until approved by the Commission. We believe there should be some specified period in which the Commission will act on such requests.
- 205 CMR 144.03(1): The terms “modified” and “modification” should not include a “change of denomination” in cases where a multi-denominational machine has been tested and approved.
- 205 CMR 144.03(2): No inspections by a gaming agent should be required for other than a “new” electronic gaming device being installed in the gaming area. A simple movement of a previously approved slot machine from one location to another should be permitted without the proposed cumbersome inspection procedures. The Commission’s central monitoring system should be leveraged to bring the anticipated regulatory and operational efficiencies promised by that system. No slot machine can be operated in the gaming area without being connected to that system. Accordingly, the Commission will be well aware of any machine that is disconnected and then connected to the system during the course of a movement. Moreover, a gaming establishment, by regulation, is required to have a surveillance system that provides proper coverage of all slot machines.
- 205 CMR 145.01(2)(a): There should be no requirement that a gaming licensee, on a periodic basis, provide an inventory of slot machines in its gaming area. Such a requirement fails to recognize that all such machines are connected to the Commission’s central monitoring system and thus the Commission has ready access to an inventory of all such machines. Use of that system is far more efficient than the manual reporting system to be established by the proposed regulations.

Thank you in advance for your thoughtful consideration of these comments. Please do not hesitate to contact us with further comments or questions in this regard.

Sincerely,

A handwritten signature in blue ink, appearing to read "Seth N. Stratton". The signature is fluid and cursive, with the first name "Seth" being the most prominent.

Seth N. Stratton  
Vice President and Legal Counsel

cc: Jed M. Nosal, Esq  
Patrick Madamba, Jr., Esq.

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 138.00: UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND  
INTERNAL CONTROLS

138.63: Slot Machines and ~~Bill Changers~~ other Electronic Gaming Devices; Authorized Locations; Movements

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the movement and placement of **electronic gaming devices** that, at a minimum, comport with 205 CMR 145.00: *Possession of Slot Machines and Electronic Gaming Devices*. Such provisions shall at a minimum ensure that:

- (1) All drop boxes, bill validator stackers, ticket vouchers, printer paper, tokens and revenue are removed from an electronic gaming device prior to removal from the gaming area; and
- (2) All security locks and slot seals affixed pursuant to 205 CMR 144.03(2)(b) are removed from an electronic gaming device in a secure location within the gaming establishment prior to shipment from the gaming establishment.

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 144.00: APPROVAL OF SLOT MACHINES AND **OTHER** ELECTRONIC  
GAMING **DEVICES** AND TESTING LABORATORIES

144.01: Delivery and Installation of Slot Machines, Electronic Gaming Devices, and Software

- (1) No new or modified **electronic** gaming device listed in 205 CMR 144.01(2) shall be:
- (a) ~~sold~~ **delivered to a gaming licensee or anyone permitted to possess such a device in accordance with 205 CMR 145.01(1), by a gaming vendor unless a prototype of the gaming device has-been certified in accordance with 205 CMR 144.0204 and notice provided in accordance with 205 CMR 144.02; or**
  - (b) **installed, modified, operated, or moved by a gaming licensee in a gaming establishment unless notice has been provided and approval received in accordance with 205 CMR 144.03.**
- (2) The following **shall be considered electronic** gaming devices **for purposes of 205 CMR 144.00:**
- (a) Slot machines;
  - (b) Electronic table games;
  - (c) Kiosks;
  - (d) Wireless wagering devices;
  - (e) Slot machine games;
  - (f) Multiplayer systems;
  - (g) Server supported slot systems;
  - (h) Slot machine bonus systems;
  - (i) Table game bonus systems;
  - (j) Progressive systems;
  - (k) Account based wagering systems;
  - (l) Slot monitoring systems and casino management systems;
  - (m) Gaming voucher systems;
  - (n) Devices used in conjunction with a slot monitoring system or casino management system;
  - (o) Devices used in conjunction with **electronic** gaming devices **including bill validators, printers, and other similar devices identified on the commission's website; and**
  - (p) **Software and hardware required to be tested in accordance with the GLI standards as adopted and modified by 205 CMR 143.00.**
- (3) For purposes of 205 CMR 144.00, a 'prototype' shall mean an electronic gaming device which consists of an individual component or collection of components assembled together to comprise a single electronic gaming device (e.g.- a unique model of a slot machine cabinet, electronic table game, or casino management system).

144.02: Delivery of Electronic Gaming Devices to a Gaming Licensee

- (1) In order for an **electronic gaming device to be approved for use in a gaming establishment**, a gaming vendor, at its own expense, must submit the **electronic gaming device** for scientific testing and technical evaluation in accordance with 205 CMR 144.04 by a commission certified independent testing laboratory certified pursuant to 205 CMR 144.06 to determine compliance with M.G.L. c. 23K and 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*. The gaming vendor must provide the certified independent testing laboratory with all documentation and other materials necessary to conduct testing and evaluate compliance. **The gaming vendor shall provide notice of submission of a new prototype for testing to the commission's gaming technology laboratory contemporaneously with submission to the independent testing laboratory.**
- (2) Upon **certification of a prototype of an electronic gaming device** by a certified independent testing laboratory, a gaming vendor may **deliver the electronic gaming device** to the **gaming licensee**, or any other person authorized to possess such a device in accordance with 205 CMR 145.01(1), after providing notice to the commission, as directed, in accordance with 205 CMR 145.02(2). Upon receipt of the notice, the commission may deny entry of any electronic gaming device it determines may not be compatible with the commission's central monitoring system or for any reason necessary to protect the integrity of gaming in the Commonwealth. Provided, prior to delivery of any such electronic gaming device into the Commonwealth the gaming vendor and electronic gaming device shall be in compliance with 15 U.S.C. 1173.
- (3) Upon **submission of the electronic gaming device prototype for testing to a certified independent testing laboratory in accordance with 205 CMR 144.02(1) and 144.04**, the commission's gaming technology lab may require that the gaming vendor provide to the commission's gaming technology lab, at the gaming vendor's expense, a functioning prototype of the **electronic gaming device** as well as all **software**, documentation and other materials necessary to conduct testing and evaluate compliance. **The commission's gaming technology lab may conduct any testing of the electronic gaming device it desires and require any further subsequent action.**
- (4) The gaming vendor **and gaming licensee** shall promptly notify the commission of any negative action taken in another jurisdiction **it becomes aware of** or if it becomes aware of an issue that may negatively impact the reporting of revenue, game outcome, or the integrity of a device that has been **delivered to a gaming licensee**.

144.03: Installation and approval for use of an Electronic Gaming Device

- (1) (a) **No electronic gaming device shall be installed or operated in a gaming establishment, nor shall a previously approved electronic gaming device be modified or moved from a previously approved location, unless a gaming licensee first submits a request for approval to the commission, as directed, at least 5 days prior to the anticipated installation, operation, modification, or movement date and such request is approved. The commission, or its designee, may approve such request on shorter notice in exceptional circumstances. The request for approval shall be in the form prescribed by the commission. Devices identified in 205 CMR 144.01(2)(o) shall be exempt from this approval procedure, but shall remain subject to inspection by the commission.**

(b) For purposes of 205 CMR 144.03, *modified* or *modification* means a change or alteration to an electronic gaming device's software and/or hardware previously approved by the commission for installation or operation in Massachusetts (e.g.- change to control programs, change to the theoretical payout percentage, change of denomination, or a change to the hash signature).

(2)

(a) Upon receipt of a request for approval for installation, operation, or modification of an electronic gaming, the commission shall validate and process the information provided in accordance with 205 CMR 144.03(1) relative to each electronic gaming device. Validation shall be conducted in accordance with 205 CMR 144.03(3). Upon validation, the commission shall notify the gaming licensee of its assent to approval. The approval shall not expire, but shall be subject to revocation and any future conditions imposed in accordance with 205 CMR 144.03(4). An electronic gaming device that does not comport with 205 CMR 144.03(3)(a) through (d) and cannot be validated shall be denied approval. A denial shall be made in writing and include an explanation as to the reasoning therefor. Such a denial may be appealed in accordance with 205 CMR 144.03(11).

(b) Upon receipt of the assent to approval in accordance with 205 CMR 144.03(2)(a) the gaming licensee shall notify the IEB and coordinate a final inspection of the device in its intended location within the gaming area prior to operation. The gaming licensee shall certify in writing that the gaming device is configured consistent with the certification report described in 205 CMR 144.04(2) prior to the inspection. The inspection of a device shall be performed by a gaming agent and shall at a minimum include, as applicable, confirmation of proper surveillance coverage, and any testing. Upon satisfactory inspection of a new slot machine by the IEB, a gaming agent shall place a seal on the slot machine indicating approval.

(c) Upon satisfactory completion of its inspection, the IEB shall indicate in the commission's records that the device is 'Approved for Use', and the device may be placed into operation by the gaming licensee. Operation of a slot machine by a gaming licensee prior to being "Approved for Use" in accordance with 205 CMR 144.03(2)(c), or after revocation of such approval in accordance with 205 CMR 144.03(4), may result in the device being ordered out of operation and disciplinary measures, including assessment of a civil administrative penalty upon the gaming licensee and any responsible party in accordance with M.G.L. c.23K, §36. (Any such assessment shall be made notwithstanding any criminal penalties that are imposed pursuant to M.G.L. c.23K, §37(d).)

(3) In order for an electronic gaming device to be validated as required in accordance with 205 CMR 144.03(2)(a), all information required in the request for approval in accordance with 205 CMR 144.03(1) must be provided, and each individual electronic gaming device, including the game critical content, must:

(a) be identical in all material mechanical, electrical, electronic or other material aspects to the prototype certified in accordance with 205 CMR 144.04 on which the electronic gaming device is based;

(b) comply with any conditions placed upon the prototype on which the certification of the electronic gaming device is based;

- (c) not endanger, compromise, or weaken the credibility or integrity of gaming in the Commonwealth; and
- (d) where applicable, be interoperable with the commission's central monitoring system. Where an electronic gaming device is not interoperable with the commission's central monitoring system, the commission reserves the right to inspect/validate the device prior to operation.

An electronic gaming device that the commission determines does not comport with 205 CMR 144.03(3)(a) through (d) may be deemed a new gaming device requiring completion of a full certification procedure in accordance with 205 CMR 144.02.

- (4) The gaming licensee must ensure that the approved electronic gaming device is and remains in compliance with 205 CMR 144.03(3), 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*, as applicable, and is consistent with the configurations contained in the certification report described in 205 CMR 144.04(2), at all times. The commission may at any time inspect any approved electronic gaming device and revoke or condition the approval pursuant to 205 CMR 144.03(9) if that device fails to comply with 205 CMR 144.03(3), 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*, is not configured consistent with the certification report described in 205 CMR 144.04(2), or in any way fails to operate in the manner for which it was approved. Prior to revoking or conditioning the approval of an electronic gaming device currently in use in a gaming establishment the commission may allow the gaming licensee a reasonable amount of time to bring the device into compliance.
- (5) Subsequent to an electronic gaming device being deemed 'Approved for Use' in the gaming area pursuant to 205 CMR 144.03(2)(c), an electronic gaming device may only be moved or modified in accordance with the gaming licensee's approved system of internal controls submitted in accordance with 205 CMR 138.63 which shall incorporate the notice and approval provisions contained in 205 CMR 144.03.
- (6) Prior to issuing an approval or "Approval for Use" of an electronic gaming device the commission may require a trial period of a length to be established on a case by case basis, not to exceed 90 days, to test the gaming device in a gaming establishment to determine whether it complies with 205 CMR 144.03(3). During the trial period, minor changes in the operation or design of the electronic gaming device may be made with prior approval of the commission. The commission may for reasonable cause extend the trial period as necessary to ensure compliance with 205 CMR 144.03(3).
- (7) A gaming licensee shall inform the IEB of any approved electronic gaming device that the gaming licensee no longer possesses by indicating such on the Slot Machine Master List provided in accordance with 205 CMR 145.01(2).
- (8) The IEB may assess a civil administrative penalty on a gaming licensee, or anyone permitted to possess a gaming device pursuant to 205 CMR 145.01(1), in accordance with M.G.L. c.23K, §36 for a violation of 205 CMR 144.00.
- (9) If the commission finds that a gaming device does not comply with 205 CMR 144.03(4), or a gaming licensee, or anyone permitted to possess a gaming device pursuant to 205 CMR 145.01(1), has violated a provision of 205 CMR 144.00, it may issue a written notice of its intent to revoke, and/or condition approval to operate the subject device. Such notices shall be provided in writing and contain a factual basis and the reasoning in support the decision



including citation to the applicable statute(s) or regulation(s) that supports the decision. It shall further advise the licensee or person of their right to a hearing and their responsibility to request a hearing in accordance with 205 CMR 144.03(11), if they so choose, and that failure to do so may result in the decision automatically being imposed.

- (10) If the commission determines that a gaming device does not comply with 205 CMR 144.03(4), and that continued operation of the gaming device would pose a substantial and immediate threat to the credibility or integrity of gaming in the Commonwealth, it may temporarily revoke the approval to use such device pending the outcome of the process set forth in 205 CMR 144.03(9) and (11), as applicable.
- (11) If the gaming licensee or person is aggrieved by a decision made by the commission to revoke or condition an approval to operate a gaming device, and/or to assess a civil administrative penalty in accordance with 205 CMR 144.03(8) and (9), it may request review of said decision in accordance with 205 CMR 101.00: *M.G.L. c.23K Adjudicatory Hearings*. Failure to request such review in the prescribed manner may result in the decision automatically being imposed.

#### 144.04: Required Testing by Independent Testing Laboratories

- (1) Any testing by a commission certified independent testing laboratory for the purposes of certifying an electronic gaming device shall be conducted in compliance with M.G.L. c. 23K and 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment* and 144.00.
- (2) The independent testing laboratory shall issue a report of the testing results to the gaming vendor and to the commission pursuant to 205 CMR 145.02(2). Such report shall contain:
  - (a) the part and version numbers of the electronic gaming device tested;
  - (b) attachments containing documents sufficient to describe the functionality and operation of all material components of the electronic gaming device;
  - (c) [RESERVED];
  - (d) a statement as to whether each of the components within the electronic gaming device, each interaction between components, and the device as a whole is compliant with the latest version of M.G.L. c. 23K and 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment* as of the start date of testing;
  - (e) the date the electronic gaming device was submitted for testing;
  - (f) the start and end dates of the electronic gaming device testing;
  - (g) the location of the facility used to perform the testing; and
  - (h) a statement, signed under penalty of perjury, that all information provided in the report is accurate and complete.
- (3) The independent testing laboratory's report shall not contain any information in its body that if publically released may harm the integrity of the electronic gaming device, but such information may be disclosed in an attachment.
- (4) The independent testing laboratory may communicate with the gaming vendor to request additional documentation or to discuss potentially non-compliant components. The independent testing laboratory shall log any communication between itself and the applicant and be able to provide to the commission copies of all documents transmitted to or from the applicant for at least seven years following the issuance of the report.
- (5) The independent testing laboratory may rely on testing conducted and data collected from testing conducted for another jurisdiction, whether by the independent testing laboratory or

by another entity, if the testing was performed by an independent party with no apparent interest in the result. An independent testing laboratory relying on such external testing or data must clearly identify in its report all such reliance and independently verify the validity of such data or testing by making a finding that the methods described in the earlier test are reliable and there is no indication that the data is incorrect.

- (6) An independent testing laboratory may rely on any data or results of testing conducted by a commission certified independent testing laboratory when such testing was conducted for purposes of permitting an **electronic** gaming device in the Commonwealth. Any reliance pursuant to 205 CMR 144.04(5) or (6) must be clearly identified in the report.

#### 144.05: Fees for Testing, Permitting, and Registration of Gaming Devices

- (1) **The commission may assess a fee to a gaming vendor representing the cost associated with the testing of any electronic gaming device by the commission's gaming technology lab in accordance with 205 CMR 144.02(3), at hourly rates to be posted by the commission.**
- (2) A gaming vendor requesting that a commission certified independent testing laboratory conduct testing shall pay all costs of the testing directly to the independent testing laboratory.

#### 144.06: Independent Testing Laboratory Certification and Auditing

- (1) Certification Process. In order to provide testing services of **electronic** gaming devices in Massachusetts, a person must be certified as an independent testing laboratory in accordance with 205 CMR 144.06. The certification process will take place as follows:
  - (a) The commission may issue yearly a request for applications from applicants interested in being certified as independent testing laboratories.
  - (b) Upon receipt of an application in the form prescribed in 205 CMR 144.06(5) the gaming technology laboratory and the bureau shall conduct any investigation they deem reasonable, including any visit, review or inspection of each independent testing laboratory seeking certification to evaluate the laboratory's qualifications and capabilities pursuant to 205 CMR 144.06(3).
  - (c) The applicant is required to submit a \$5,000 application fee with its application for certification. If the Commission's costs associated with the investigation, including site visits, inspections, and background investigations, of the applicant during the certification evaluation period, in accordance with the fee schedule posted by the Commission to its website, exceed the application fee, the applicant shall pay the additional amount within 30 days after notification of insufficient fees or the application shall be rejected.
  - (d) Upon the conclusion of evaluation and upon full payment of any costs associated with the certification process, the gaming technology laboratory, with the input of the bureau, shall issue a written report to the commission and to the applicant. The commission shall determine whether to initiate a process for a public hearing or adjudicatory proceeding. However, the commission may only utilize the public hearing process with the applicant's consent.
  - (e) If the commission determines that an adjudicatory proceeding will be held, the commission shall conduct an adjudicatory proceeding in accordance with **205 CMR 101.00: M.G.L. c.23K Adjudicatory Hearings.**
  - (f) If the commission determines that a public hearing should be held, the commission shall review the gaming technology laboratory's report and make a final decision granting or

- denying the certification at a public hearing. The commission will issue a notice in advance of the public hearing stating the date, time and place of the hearing.
- (g) Certification as an independent testing lab shall be valid for one year and shall automatically renew annually thereafter upon payment of a renewal and audit fee of \$2,000. The commission may audit the compliance of the certified independent testing laboratory with commission requirements annually or more often if needed. The commission may revoke the registration of a certified independent testing laboratory if the testing laboratory no longer meets the requirements of M.G.L. c. 23K and 205 CMR.
  - (h) The commission shall maintain a list of certified independent testing laboratories along with the categories of **electronic** gaming device that each independent testing laboratory may test.
- (2) Categories of Certification. Each independent testing laboratory must be certified for each category of testing for which the laboratory seeks to provide results. The categories of testing include:
- (a) **Electronic** games and game variations;
  - (b) **Electronic** gaming devices **outlined in 205 CMR 144.01(2)** and gaming device modifications;
  - (c) Gaming associated equipment and gaming associated equipment modifications;
  - (d) Cashless wagering systems and cashless wagering system modifications;
  - (e) Inter-casino linked systems and inter-casino linked system modifications;
  - (f) Mobile gaming systems and mobile gaming system modifications;
  - (g) Interactive gaming systems and interactive gaming system modifications; and
  - (h) Any other category of testing that the commission may deem appropriate.
- (3) Standards for Certification. To qualify for certification, the independent testing laboratory, must:
- (a) Be independent pursuant to 205 CMR 144.06(4);
  - (b) Be accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement;
  - (c) Demonstrate suitability in accordance with M.G.L. c. 23K, §§ 12 and 16 by clear and convincing evidence after considering reciprocity from other jurisdictions;
  - (d) Demonstrate that it is technically competent in testing the category of game, device, or system in which it is seeking certification; and
  - (e) Demonstrate that it is technically competent to test compliance with the applicable Massachusetts statutes, regulations, standards and policies.
- (4) Independence. An independent testing laboratory must be independent at all times while certified by the commission.
- (a) To be considered independent from a manufacturer, distributor, or operator pursuant to 205 CMR 144.06(3)(a), the independent testing laboratory, including its employees, management, directors, owners, compliance committee members and gaming regulatory advisors, with the exception of the independent testing laboratory's external accountants and attorneys:
    - (1) Must not have a financial or other interest, direct or otherwise, in a manufacturer, distributor, or operator of any game, **electronic** gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming

system or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not the person or entity is licensed, registered, or otherwise does business in Massachusetts;

- (2) Must not participate, otherwise be involved in the design, development, programming, or manufacture of any game, **electronic** gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto;
  - (3) Must not have any other interest in or involvement with a manufacturer, distributor, or operator that could cause the independent testing laboratory to act in a manner that is not impartial; and
  - (4) Such individuals shall not serve in any capacity with a manufacturer, distributor, or operator beyond the scope of the independent testing laboratory's engagement pursuant to these regulations.
- (b) The restrictions in 205 CMR 144.06(4)(a) shall not be interpreted to limit an independent testing laboratory, or the above listed individuals, from providing consulting services to a manufacturer, distributor, or operator, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture a game, **electronic** gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof or modification thereto.
- (c) The restrictions in 205 CMR 144.06(4)(a) shall not be interpreted to limit its ability to accept fees from a gaming device vendor in accordance with 205 CMR 144.05.
- (5) Form of Application. An application for certification as an independent testing laboratory shall be in the form prescribed by the commission and contain:
- (a) The required application fee pursuant to 205 CMR 144.06(1)(c);
  - (b) A completed business entity disclosure form as set forth in 205 CMR 134.07(6): *Business Entity Disclosure Form - Gaming Vendor - Primary* for the applicant entity;
  - (c) Completed multi-jurisdictional personal history disclosure forms as set forth in 205 CMR 134.07(1): *Multijurisdictional Personal History Disclosure Form for Key Gaming Employees- Executive and Gaming Vendor Qualifiers* for each person who would be a gaming vendor qualifier pursuant to 205 CMR 134.04(4): *Gaming Vendor Qualifier* if the applicant were a gaming vendor;
  - (d) Copies of all ISO/IEC 17025 certification and accreditation materials except if the independent testing laboratory is only seeking registration for the testing of games and game variations;
  - (e) All ISO required internal controls, policies and procedures, except if the independent laboratory is only seeking registration for the testing of games and game variations;
  - (f) Detailed description of the testing facilities;
  - (g) Detailed description of available testing staff and staff qualifications, including education, training, experience and skill levels;
  - (h) Detailed description of available testing equipment;
  - (i) Copies of documented policies, systems, programs, procedures and instructions to assure the quality of test results;

- (j) Copies of all test scripts to be used for testing against the applicable Massachusetts statutes, regulations, standards, and policies.
  - (k) A statement subscribed by the applicant that:
    - (1) The information being provided to the commission is accurate and complete;
    - (2) The applicant agrees to cooperate with all requests, inquiries, or investigations of the commission;
    - (3) The applicant acknowledges that the commission shall retain jurisdiction over the independent testing laboratory in any matter involving an **electronic** gaming device;
    - (4) The applicant acknowledges that it will comply with M.G.L. c. 23K, § 13(b) and (c) and update the commission in accordance with 205 CMR 144.06(6);
    - (5) The applicant agrees to indemnify and hold harmless the Commonwealth of Massachusetts and the commission, and each of their members, agents, and employees in their individual and representative capacities against any and all claims, suits and actions, brought against the persons named in 205 CMR 144.06(5)(k)5 by reason of any inspections or certifications performed by the applicant as a certified independent testing laboratory, and all other matters relating thereto, and against any and all expenses, damages, charges and costs, including court costs and attorney fees, which may be sustained by the persons and entities named in this subsection as a result of said claims, suits and actions; and
  - (l) any additional information that the commission may require.
- (6) Notification Requirements. Certified independent testing laboratories shall:
- (a) notify the commission of any change in ownership of the certified independent testing laboratory if it is privately held or any change in ownership resulting in shareholding of 5% or more of the independent testing laboratory or any of its holding or intermediary companies; any change in directors, executives, or key management or employees of the independent testing laboratory, and any other material changes to the information included in its application for registration or the information submitted in conjunction with or subsequent to its application within 30 days of such change;
  - (b) no later than by the 15th day of each January, inform the commission in writing of any changes to the information that was contained on the **certified** independent testing laboratory's application for **certification** or submitted in conjunction with or subsequent to its application or that no changes have occurred since the last reporting date;
  - (c) maintain copies of the results of any ISO/IEC 17025 audits or reviews and notify the commission in writing of the of the availability of the results within 15 days of when they become available to the **certified** independent testing laboratory and provide copies to the commission upon request.
  - (d) notify the commission immediately of any material issues concerning any **electronic** gaming device that it tested for use in Massachusetts;
  - (e) notify the commission immediately of any attempts by a manufacturer, distributor, or operator to improperly influence the certified independent testing laboratory, or any of its employees, managers, or owners, in or in connection with any testing of **electronic** gaming devices for use in Massachusetts; and
  - (f) timely provide the commission with such other information as the commission may request or require.

- (7) Continued Obligations. Certified independent testing laboratories shall abide by the following requirements while certified:
- (a) In the interest of preserving a competitive gaming industry, a certified independent testing laboratory shall not implement or maintain any procedure or policy or take any action that would inhibit or prevent a manufacturer, distributor or operator that has otherwise been deemed suitable for doing business in Massachusetts by the commission from submitting a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for testing for use in Massachusetts, or that would call into question or tend to erode the independence of the certified independent laboratory from any clients that utilize its services.
  - (b) All testing shall be performed by a person directly employed by the certified independent testing laboratory. The certified independent testing laboratory shall not assign, delegate, subcontract, or otherwise engage any person not directly employed by the certified independent testing laboratory for any testing for which the laboratory has been certified. The certified independent testing laboratory shall provide the commission every six months, or upon request as the commission requires, with a list and description of all amounts paid by or invoiced to licensed gaming vendors for costs of **electronic** gaming device testing or otherwise.
  - (c) A certified independent testing laboratory shall implement and maintain a hiring and background check process, which shall be submitted to the commission and subject to the commission's approval, that ensures, at a minimum, that no person is hired in a position involving testing relating to Massachusetts, or in a position overseeing or managing an employee in such a position, who has:
    - (1) been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury; **or**
    - (2) Had any gaming license, registration or other like credential revoked or committed any act which is a ground for the revocation of a gaming license, registration or other professional credential held by the person or would have been a ground for the revocation of a gaming license, registration or other professional credential had the person held such license, registration, or credential.
  - (d) A certified independent testing laboratory shall handle all information and data prepared or obtained as part of the testing process as confidential.
  - (e) A certified independent testing laboratory shall implement and maintain security and access control systems designed to secure and protect the confidentiality of all equipment, software, and other information entrusted to it as part of the testing process.
  - (f) The commission may, as appropriate, periodically provide further guidance as to what is required of a certified independent testing laboratory through industry notices or other written communications.
  - (g) If a certified independent testing laboratory hires an individual who was previously employed by, or performed any work for, a manufacturer, distributor or operator within one year prior to the individual's date of employment with the independent testing laboratory, the certified independent testing laboratory shall not permit that person to test any **electronic** gaming device for use in Massachusetts, for which the person had any involvement with, whatsoever, while he or she was employed by the manufacturer,

distributor or operator for a period of one year from the individual's date of employment with the independent testing laboratory.

DRAFT

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 145.00: POSSESSION OF SLOT MACHINES AND OTHER  
ELECTRONIC GAMING DEVICES

145.01: Possession of Slot Machines and Other Electronic Gaming Devices

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(2) Each gaming licensee shall file, prior to the commencement of gaming and every thirty days thereafter with the commission a comprehensive lists of:

- (a) The slot machines in the gaming area (the “Slot Machine Master List”);
- (b) The slot machines possessed by the licensee in restricted areas outside the gaming area but on the premises of its gaming establishment; **and**
- (c) The slot machines possessed by the licensee at locations in the commonwealth but off the premises of its gaming establishment.

(3) At a minimum, each list of slot machines required by 205 CMR 145.01(2) shall contain the following information, as applicable, for each slot machine on the “Slot Machine Master List” in consecutive order by location number:

- (a) The date on which the list was prepared;
- (b) A description of each slot machine by:
  - 1. Slot machine model and serial number and **unique identification** number issued in accordance with 205 CMR **144.03(2)(a)**;
  - 2. Computer program number;
  - 3. Denomination;
  - 4. Manufacturer and machine type; and
  - 5. **Any other information directed by the Commission.**

145.02: Transportation of Slot Machines and Other Electronic Gaming Devices

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(2) Any person moving a slot machine **or other electronic gaming device (except those identified in 205 CMR 144.01(2)(o))**:

- (a) into the Commonwealth;
- (b) from one authorized location to another authorized location within the Commonwealth unless both locations are operated and controlled by the same gaming licensee; **or**
- (c) out of the Commonwealth **;****[insert space]**

shall first notify the commission **at least 5 days in advance of the movement** in writing that provides the following information:

- 1. The full name and address of the person shipping or moving the machine **or device**;



2. The full name and address of the person who owns the machine **or device**, including the name of any new owner in the event ownership is being changed in conjunction with the shipment or movement;
3. The method of shipment or movement and the name of the carrier or carriers;
4. The full name and address of the person to whom the machine **or device** is being sent and the destination of the machine **or device** if different from such address;
5. The quantity of machines **or devices** being shipped or moved and the manufacturer's serial number of each machine;
6. The expected date and time of delivery to or removal from any authorized location in the Commonwealth;
7. **a copy of the certification report issued by the independent testing laboratory in accordance with 205 CMR 144.04(2); and**
8. The reason for transporting the machine **or device**.

(3) The person shipping or moving any slot machine **or other electronic gaming device** in accordance with 205 CMR 145.02 shall provide to the shipper a document, at least one copy of which shall be kept with the slot machine **or other electronic gaming device** at all times during the shipping process, that contains the following information, at a minimum:

- (a) The manufacturer's serial number of the slot machine **or other electronic gaming device** being transported;
- (b) The full name and address of the person from whom the machine **or device** was obtained;
- (c) The full name and address of the person to whom the machine **or device** is being sent; and
- (d) The dates of shipment.

(4)

(5) Any person moving a slot machine **or other electronic gaming device**:

- (a) within a gaming establishment; or
- (b) between two authorized locations within the Commonwealth if both locations are operated and controlled by the same gaming licensee; **[insert space]** shall **file a request for approval pursuant to 205 CMR 144.03 and** record such movement in a log maintained in accordance with the record retention requirements contained in 205 CMR **138.09** and include the following:
  1. The manufacturer's serial number
  2. The casino operator's equipment number, if applicable;
  3. An indication as to whether the equipment is equipped for tokenization, and if so, the denomination;
  4. The date and time of movement of the equipment;
  5. The location from which the equipment was moved;
  6. The location to which the equipment was moved; and
  7. The printed name(s) and signature(s) of the person(s) involved in moving the equipment

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 138.00: UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND  
INTERNAL CONTROLS

138.63: Slot Machines and ~~Bill Changers~~ other Electronic Gaming Devices; Authorized Locations; Movements

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the movement and placement of ~~slot machines and bill changers~~ **electronic gaming devices** that, at a minimum, comport with 205 CMR

145.00: *Possession of Slot Machines and Electronic Gaming Devices*. Such provisions shall at a minimum ensure that:

- (1) All drop boxes, bill validator stackers, ticket vouchers, printer paper, tokens and revenue are removed from an electronic gaming device prior to removal from the gaming area; and
- (2) All security locks and slot seals affixed pursuant to 205 CMR 144.03(2)(b) are removed from an electronic gaming device in a secure location within the gaming establishment prior to shipment from the gaming establishment.

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 144.00: APPROVAL OF SLOT MACHINES AND OTHER ELECTRONIC  
GAMING EQUIPMENT DEVICES AND TESTING LABORATORIES

144.01: ~~Required Permits and Registration~~ Delivery and Installation of Slot Machines, Electronic Gaming Devices, and Software

(1) No new or modified **electronic** gaming device listed in 205 CMR 144.01(2) shall be:

- (a) ~~sold~~ **delivered to a gaming licensee or anyone permitted to possess such a device in accordance with 205 CMR 145.01(1)**, by a gaming vendor unless a prototype of the gaming device has ~~received a permit from the commission~~ **been certified** in accordance with 205 CMR 144.02~~04~~ and notice provided in accordance with 205 CMR 144.02; or
- (b) **installed, modified, operated, or moved** by a gaming licensee in a gaming establishment unless ~~the gaming device is registered with the commission in accordance with 205 CMR 144.03~~ **notice has been provided and approval received in accordance with 205 CMR 144.03.**

(2) The following **shall be considered electronic** gaming devices ~~require permitting and registration by the commission~~ **for purposes of 205 CMR 144.00:**

- (a) Slot machines;
- (b) Electronic table games;
- (c) Kiosks;
- (d) Wireless wagering devices;
- (e) Slot machine games;
- (f) Multiplayer systems;
- (g) Server supported slot systems;
- (h) Slot machine bonus systems;
- (i) Table game bonus systems;
- (j) Progressive systems;
- (k) Account based wagering systems;
- (l) Slot monitoring systems and casino management systems;
- (m) Gaming voucher systems;
- (n) Devices used in conjunction with a slot monitoring system or casino management system, ~~unless the devices provide read-only functionality;~~
- (o) Devices used in conjunction with **electronic** gaming devices ~~such as~~ **including** bill acceptors ~~validators~~, printers, and coin acceptors ~~that are not integrated into and tested as part of another gaming device,~~ **and other similar devices identified on the commission's website; and**
- (p) **Software and hardware** required to be tested in accordance with the GLI standards as adopted and modified by 205 CMR 143.00.

(3) For purposes of 205 CMR 144.00, a 'prototype' shall mean an electronic gaming device which consists of an individual component or collection of components assembled together to

comprise a single electronic gaming device (e.g.- a unique model of a slot machine cabinet, electronic table game, or casino management system).

144.02: Permitting Delivery of Electronic Gaming Devices to a Gaming Licensee Prototypes

- (1) In order to receive a permit for an **electronic** gaming device to be approved for use in a **gaming establishment**, a gaming vendor, at its own expense, must submit the **electronic** gaming device for scientific testing and technical evaluation in accordance with 205 CMR 144.04 by a commission certified independent testing laboratory certified pursuant to 205 CMR 144.06 to determine compliance with M.G.L. c. 23K and 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*. The gaming vendor must provide the certified independent testing laboratory with all documentation and other materials necessary to conduct testing and evaluate compliance. **The gaming vendor shall provide notice of submission of a new prototype for testing to the commission's gaming technology laboratory contemporaneously with submission to the independent testing laboratory.**
- (2) Upon completion of testing certification of a prototype of an **electronic gaming device** by a certified independent testing laboratory, a gaming vendor may submit an application for permitting of **deliver the electronic gaming device to the commission's gaming technology laboratory gaming licensee, or any other person authorized to possess such a device in accordance with 205 CMR 145.01(1), after providing notice to the commission, as directed, in accordance with 205 CMR 145.02(2).** Upon receipt of the notice, the commission may deny entry of any electronic gaming device it determines may not be compatible with the commission's central monitoring system or for any reason necessary to protect the integrity of gaming in the Commonwealth. ~~The commission may reject any gaming device permit application that is deemed administratively incomplete. The application for a gaming device permit shall be in the form prescribed by the commission and contain:~~
  - (a) the gaming vendor's name;
  - (b) the gaming vendor's license number pursuant to 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations;*
  - (c) a unique name and version number for the gaming device for which the registration is sought;
  - (d) a copy of the commission certified independent testing laboratory report for the gaming device in accordance with 205 CMR 144.04;
  - (e) a list of all jurisdictions, at the time of gaming device permit submission, in which the gaming device has been granted or denied licensure registration or similar approval; and
  - (f) the application fee in accordance with 205 CMR 144.05.

**Provided, prior to delivery of any such electronic gaming device into the Commonwealth the gaming vendor and electronic gaming device shall be in compliance with 15 U.S.C. 1173.**
- (3) Upon receipt **submission of the electronic gaming device permit application prototype for testing to a certified independent testing laboratory in accordance with 205 CMR 144.02(1) and 144.04**, the commission's gaming technology lab may require that the gaming vendor provide to the commission's gaming technology lab, at the gaming vendor's expense, a functioning prototype of the **electronic** gaming device as well as all **software**, documentation

and other materials necessary to conduct testing and evaluate compliance. ~~The commission's gaming technology lab may conduct any testing of the electronic gaming device it desires and require any further subsequent action.~~

- (4) The gaming vendor ~~and gaming licensee~~ shall promptly notify the commission of any negative action taken in another jurisdiction ~~it becomes aware of~~ or if it becomes aware of an issue that may negatively impact the reporting of revenue, game outcome, or the integrity of a device that has been submitted to the commission for permitting or has been permitted ~~delivered to a gaming licensee.~~
- (5) ~~Prior to issuing a permit and after completing a review of a proposed gaming device that has not been available for public use in other jurisdictions for at least 45 days, the commission may require a trial period of up to 45 days to test the gaming device in a gaming establishment. During the trial period, minor changes in the operation or design of the gaming device may be made with prior approval of the commission.~~
- (6) ~~Upon reviewing a gaming device permit application and conducting any additional testing or trials that the commission requires, the commission shall issue a gaming device permit if the device meets the requirements of 205 CMR 144.02(7). If a gaming device does not meet the requirements of 205 CMR 144.02(7), the commission may deny the permit or issue the permit subject to conditions necessary for the gaming device to meet the requirements of 205 CMR 144.02(7). If the commission denies or conditions the gaming device permit, the commission shall provide a written notification containing the reason for the denial or condition. The gaming device permit shall not expire, but shall be subject to any future conditions imposed in accordance with 205 CMR 144.02(8).~~
- (7) ~~Prior to permitting, a gaming device must:~~
  - (a) ~~meet the applicable requirements of M.G.L. c. 23K and 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*; and~~
  - (b) ~~not endanger, compromise, or weaken the credibility or integrity of gaming in the Commonwealth.~~
- (8) ~~The commission, or its designee, may add, modify or remove conditions following the initial permitting of a gaming device as necessary to ensure the integrity of the gaming device or the effective administration of 205 CMR.~~
- (9) ~~A gaming vendor may appeal a permit denial, permit revocation, or imposition of any condition on a permit by filing a petition on a form prescribed by the commission. Upon receipt of a petition, the gaming technology lab shall schedule a hearing to be conducted in accordance with 205 CMR 144.02(10) and provide the gaming vendor with reasonable notice containing the date, time, and location of the hearing.~~
- (10) ~~Hearings convened pursuant to 205 CMR 144.02(9) shall be conducted in accordance with 801 CMR 1.02: *Informal/Fair Hearing Rules* and M.G.L. c. 30A. Given the sensitive nature of gaming device operations, the hearing will not be open to the public. Any party may be represented by legal counsel. All parties shall be permitted to present an opening statement, testify on their own behalf, cross-examine all witnesses, present any relevant witness testimony, present any relevant documentary evidence, and offer a closing argument. The gaming technology lab may question any witness and include any records kept by the commission as exhibits. The commission's executive director shall designate a hearing officer to preside over the hearing. The decision of the~~

hearing officer will be final. Any person aggrieved by a decision of the hearing officer may appeal such decision in conformance with M.G.L. c. 30A, § 14.

144.03: Registration Installation and approval for use of an Electronic Gaming Device Inventory

(1) ~~In order to register a~~ **No electronic gaming device for use in a gaming establishment, shall be installed or operated in a gaming establishment, nor shall a previously approved electronic gaming device be modified or moved from a previously approved location, unless a gaming licensee must first submits a request for approval gaming device registration application with to the commission's gaming technology laboratory, as directed, at least 5 days prior to the anticipated installation, operation, modification, or movement date and such request is approved. The commission may reject any gaming device registration application that is deemed administratively incomplete. The commission, or its designee, may approve such request on shorter notice in exceptional circumstances. The application for request for approval a gaming device registration shall be in the form prescribed by the commission. and contain, at a minimum:** **Devices identified in 205 CMR 144.01(2)(o) shall be exempt from this approval procedure, but shall remain subject to inspection by the commission.**

- (a) the gaming licensee's name;
- (b) the gaming device number issued by the commission for the permitted prototype on which the gaming device is based;
- (c) in the case of a physical gaming device, the unique serial number and the date of manufacture for each copy of the gaming device that the gaming licensee intends to use in the gaming establishment;
- (d) in the case of a software gaming device, the maximum number of instances of the software that the gaming licensee intends to use at any one time in the gaming establishment;

(b) For purposes of 205 CMR 144.03, *modified* or *modification* means a change or alteration to ~~a prototype of~~ an electronic gaming device's software and/or hardware previously approved by the commission for installation or operation in Massachusetts (e.g.- change to control programs, change to the theoretical payout percentage, change of denomination, or a change to the hash signature). ~~Modified or modification does not include replacement of one previously approved component with another previously approved component.~~

(2) (a) Upon ~~reviewing receipt of a request for approval for installation, operation, or modification of an electronic gaming device registration application,~~ the commission shall ~~register the gaming device if the gaming device registration application is in compliance with the requirements and conditions of the gaming device permit on which the device is based~~ **validate and process the information provided in accordance with 205 CMR 144.03(1) relative to each electronic gaming device. Validation shall be conducted in accordance with 205 CMR 144.03(3). Upon validation, the commission's network operations center shall notify the gaming licensee of its assent to approval and shall assign the device a unique identification number. The gaming device registration approval shall not expire, but shall be subject to revocation and any future conditions imposed in accordance with 205 CMR 144.03(4). An electronic gaming device that does**

not comport with 205 CMR 144.03(3)(a) through (d) and cannot be validated shall be denied approval. A denial shall be made in writing and include an explanation as to the reasoning therefor. Such a denial may be appealed in accordance with 205 CMR 144.03(5)(11).

- (b) Upon receipt of the assent to approval in accordance with 205 CMR 144.03(2)(a) the gaming licensee shall notify the IEB and coordinate a final inspection of the device in its intended location within the gaming area prior to operation. The gaming licensee shall certify in writing that the gaming device is configured consistent with the certification report described in 205 CMR 144.04(2) prior to the inspection. The inspection of a device shall be performed by a gaming agent and shall at a minimum include, as applicable, verification of the software configuration settings, confirmation of proper surveillance coverage, and any necessary connectivity and operability testing. Upon satisfactory inspection of a new slot machine by the IEB, a gaming agent shall place a seal on the slot machine indicating approval.
  - (c) Upon satisfactory completion of its inspection, the IEB shall indicate in the commission's records that the device is 'Approved for Use', and the device may be placed into operation by the gaming licensee. Operation of an electronic gaming device slot machine by a gaming licensee prior to being "Approved for Use" in accordance with 205 CMR 144.03(2)(c), or after revocation of such approval in accordance with 205 CMR 144.03(4), may result in the device being ordered out of operation and disciplinary measures, including a fine, being assessed assessment of a civil administrative penalty upon the gaming licensee and any responsible party in accordance with M.G.L. c.23K, §36. (Any such assessment shall be made notwithstanding any criminal penalties that are imposed pursuant to M.G.L. c.23K, §37(d).)
- (3) A registered In order for an electronic gaming device to be validated as required in accordance with 205 CMR 144.03(2)(a), all information provided required in the request for approval in accordance with 205 CMR 144.03(1) must be provided, and each individual electronic gaming device, including the game critical content, must:
- (a) be identical in all material mechanical, electrical, electronic or other material aspects to the prototype permitted certified in accordance with 205 CMR 144.0204 on which the electronic gaming device is based;
  - (b) comply with any conditions placed upon of the permitted prototype on which the certification of the electronic gaming device is based; and
  - (c) not endanger, compromise, or weaken the credibility or integrity of gaming in the Commonwealth; and
  - (d) where applicable, be interoperable with the commission's central monitoring system. Where an electronic gaming device is not interoperable with the commission's central monitoring system, the commission reserves the right to inspect/validate the device prior to operation.

An electronic gaming device that the commission determines does not comport with 205 CMR 144.03(3)(a) through (d) may be deemed a new gaming device requiring completion of a full certification procedure in accordance with 205 CMR 144.02.

- (4) The gaming licensee must ensure that the ~~registered~~ **approved electronic** gaming device is and remains in compliance with 205 CMR 144.03(3), 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*, as applicable, and is consistent with the configurations contained in the certification report described in 205 CMR 144.04(2), at all times. The commission may at any time inspect any ~~registered~~ **approved electronic** gaming device and revoke or condition the ~~registration~~ **approval** pursuant to 205 CMR 144.03(9) if that device fails to comply with 205 CMR 144.03(3), 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*, **is not configured consistent with the certification report described in 205 CMR 144.04(2), or in any way fails to operate in the manner for which it was approved.** Prior to revoking or conditioning the ~~registration~~ **approval** of an **electronic** gaming device currently in use in a gaming establishment the commission ~~shall~~ **may** allow the gaming licensee a reasonable amount of time to bring the device into compliance.
- (5) ~~A gaming licensee may appeal a registration denial, registration revocation, or imposition of any condition on registration~~ **an approval or ‘Approval for Use’** by filing a petition on a form prescribed by the commission. Upon receipt of a petition, the gaming technology lab shall schedule a hearing to be conducted in accordance with 205 CMR 144.03(6) and provide the gaming licensee with reasonable notice containing the date, time, and location of the hearing. **Subsequent to an electronic gaming device being deemed ‘Approved for Use’ in the gaming area pursuant to 205 CMR 144.03(2)(c), an electronic gaming device may only be moved or modified in accordance with the gaming licensee’s approved system of internal controls submitted in accordance with 205 CMR 138.63 which shall incorporate the notice and approval provisions contained in 205 CMR 144.03.**
- (6) ~~Hearings convened pursuant to 205 CMR 144.03(5) shall be conducted in accordance with 801 CMR 1.02: *Informal/Fair Hearing Rules* and M.G.L. c. 30A. Given the sensitive nature of~~ **electronic** gaming device operations, the hearing will not be open to the public. Any party may be represented by legal counsel. All parties shall be permitted to present an opening statement, testify on their own behalf, cross-examine all witnesses, present any relevant witness testimony, present any relevant documentary evidence, and offer a closing argument. The gaming technology lab may question any witness and include any records kept by the commission as exhibits. The commission’s executive director shall designate a hearing officer to preside over the hearing. The decision of the hearing officer will be final. Any person aggrieved by a decision of the hearings officer may appeal such decision in conformance with M.G.L. c. 30A, § 14.
- Prior to issuing an approval or “Approval for Use” of an electronic gaming device the commission may require a trial period of a length to be established on a case by case basis, not to exceed 90 days, to test the gaming device in a gaming establishment to determine whether it complies with 205 CMR 144.03(3). During the trial period, minor changes in the operation or design of the electronic gaming device may be made with prior approval of the commission. The commission may for reasonable cause extend the trial period as necessary to ensure compliance with 205 CMR 144.03(3).**
- (7) A gaming licensee shall inform the ~~commission's gaming technology laboratory~~ **and the IEB** of any ~~registered~~ **approved electronic** gaming device that the gaming licensee no longer possesses ~~no later than the second Monday of the month following termination of possession~~ **by indicating such on the Slot Machine Master List provided in accordance with 205 CMR 145.01(2).**



- (8) ~~Prior to issuing an approval or “Approval for Use” of an electronic gaming device the commission may require a trial period of a length to be established on a case by case basis to test the gaming device in a gaming establishment to determine whether it complies with 205 CMR 144.03(3). During the trial period, minor changes in the operation or design of the electronic gaming device may be made with prior approval of the commission.~~  
The IEB may assess a civil administrative penalty on a gaming licensee, or anyone permitted to possess a gaming device pursuant to 205 CMR 145.01(1), in accordance with M.G.L. c.23K, §36 for a violation of 205 CMR 144.00.
- (9) ~~Subsequent to an electronic gaming device being deemed ‘Approved for Use’ in the gaming area pursuant to 205 CMR 144.03(2)(c), an electronic gaming device may only be moved or modified in accordance with the gaming licensee’s approved system of internal controls submitted in accordance with 205 CMR 138.63 which shall incorporate the notice and approval provisions contained in 205 CMR 144.03.~~  
If the commission finds that a gaming device does not comply with 205 CMR 144.03(4), or a gaming licensee, or anyone permitted to possess a gaming device pursuant to 205 CMR 145.01(1), has violated a provision of 205 CMR 144.00, it may issue a written notice of its intent to revoke, and/or condition approval to operate the subject device. Such notices shall be provided in writing and contain a factual basis and the reasoning in support the decision including citation to the applicable statute(s) or regulation(s) that supports the decision. It shall further advise the licensee or person of their right to a hearing and their responsibility to request a hearing in accordance with 205 CMR 144.03(11), if they so choose, and that failure to do so may result in the decision automatically being imposed.
- (10) If the commission determines that a gaming device does not comply with 205 CMR 144.03(4), and that continued operation of the gaming device would pose a substantial and immediate threat to the credibility or integrity of gaming in the Commonwealth, it may temporarily revoke the approval to use such device pending the outcome of the process set forth in 205 CMR 144.03(9) and (11), as applicable.
- (11) If the gaming licensee or person is aggrieved by a decision made by the commission to revoke or condition an approval to operate a gaming device, and/or to assess a civil administrative penalty in accordance with 205 CMR 144.03(8) and (9), it may request review of said decision in accordance with 205 CMR 101.00: *M.G.L. c.23K Adjudicatory Hearings*. Failure to request such review in the prescribed manner may result in the decision automatically being imposed.

#### 144.04: Required Testing by Independent Testing Laboratories

- (1) Any testing by a commission certified independent testing laboratory for the purposes of ~~permitting~~ **certifying an electronic** gaming device shall be conducted in compliance with M.G.L. c. 23K and 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment* and 144.00.
- (2) The independent testing laboratory shall issue a report of the testing results to the gaming vendor **and to the commission pursuant to 205 CMR 145.02(2)**. Such report shall contain:
- the part and version numbers of the **electronic** gaming device tested;
  - attachments containing documents sufficient to describe the functionality and operation of all material components of the **electronic** gaming device;
  - ~~a description of all tests conducted and the results of such tests;~~

- (d) a statement as to whether each of the components within the **electronic** gaming device, each interaction between components, and the device as a whole is compliant with the latest version of M.G.L. c. 23K and 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment* as of the start date of testing;
  - (e) the date the **electronic** gaming device was submitted for testing;
  - (f) the start and end dates of the **electronic** gaming device testing;
  - (g) the location of the facility used to perform the testing; and
  - (h) a statement, signed under penalty of perjury, that all information provided in the report is accurate and complete.
- (3) The independent testing laboratory's report shall not contain any information in its body that if publically released may harm the integrity of the **electronic** gaming device, but such information may be disclosed in an attachment.
  - (4) The independent testing laboratory may communicate with the ~~applicant~~ **gaming vendor** to request additional documentation or to discuss potentially non-compliant components. The independent testing laboratory shall log any communication between itself and the applicant and be able to provide to the commission copies of all documents transmitted to or from the applicant for at least seven years following the issuance of the report.
  - (5) The independent testing laboratory may rely on testing conducted and data collected from testing conducted for another jurisdiction, whether by the independent testing laboratory or by another entity, if the testing was performed by an independent party with no apparent interest in the result. An independent testing laboratory relying on such external testing or data must clearly identify in its report all such reliance and independently verify the validity of such data or testing by making a finding that the methods described in the earlier test are reliable and there is no indication that the data ~~are~~ **is** incorrect.
  - (6) An independent testing laboratory may rely on any data or results of testing conducted by a commission certified independent testing laboratory when such testing was conducted for purposes of permitting an **electronic** gaming device in the Commonwealth. Any reliance pursuant to 205 CMR 144.04(5) or (6) must be clearly identified in the report.

#### 144.05: Fees for Testing, Permitting, and Registration of Gaming Devices

- (1) ~~A gaming vendor seeking a gaming device permit shall remit appropriate fees to the commission along with or prior to the gaming device permit application. The application fee for submitting a new gaming device for permitting or for modification of a currently permitted gaming device is \$500. If the Commission's costs for testing, in accordance with the fee schedule posted by the Commission to its website, exceed the initial application fee, the gaming vendor shall pay the additional amount within 30 days after notification of insufficient fees or the application shall be rejected.~~ **The commission may assess a fee to a gaming vendor representing the cost associated with the testing of any electronic gaming device by the commission's gaming technology lab in accordance with 205 CMR 144.02(3), at hourly rates to be posted by the commission.**
- (2) A gaming vendor requesting that a commission certified independent testing laboratory conduct testing shall pay all costs of the testing directly to the independent testing laboratory.
- (3) ~~There is no fee for registering a gaming device based on a permitted prototype of the same device.~~

#### 144.06: Independent Testing Laboratory Certification and Auditing

- (1) Certification Process. In order to provide testing services of **electronic** gaming devices in Massachusetts, a person must be certified as an independent testing laboratory in accordance with 205 CMR 144.06. The certification process will take place as follows:
- (a) The commission may issue yearly a request for applications from applicants interested in being certified as independent testing laboratories.
  - (b) Upon receipt of an application in the form prescribed in 205 CMR 144.06(5) the gaming technology laboratory and the bureau shall conduct any investigation they deem reasonable, including any visit, review or inspection of each independent testing laboratory seeking certification to evaluate the laboratory's qualifications and capabilities pursuant to 205 CMR 144.06(3).
  - (c) The applicant is required to submit a \$5,000 application fee with its application for certification. If the Commission's costs associated with the investigation, including site visits, inspections, and background investigations, of the applicant during the certification evaluation period, in accordance with the fee schedule posted by the Commission to its website, exceed the application fee, the applicant shall pay the additional amount within 30 days after notification of insufficient fees or the application shall be rejected.
  - (d) Upon the conclusion of evaluation and upon full payment of any costs associated with the certification process, the gaming technology laboratory, with the input of the bureau, shall issue a written report to the commission and to the applicant. The commission shall determine whether to initiate a process for a public hearing or adjudicatory proceeding. However, the commission may only utilize the public hearing process with the applicant's consent.
  - (e) If the commission determines that an adjudicatory proceeding will be held, the commission shall conduct an adjudicatory proceeding in accordance with ~~801 CMR 1.02: Informal/Fair Hearing Rules~~ and M.G.L. c. 30A on the gaming technology laboratory's report under 205 CMR 144.06(1)(d) concerning the applicant. ~~Any party may be represented by legal counsel. All parties shall be permitted to present an opening statement, testify on their own behalf, cross-examine all witnesses, present any relevant witness testimony, present any relevant documentary evidence, and offer a closing argument. The commission will issue a public notice in advance of the adjudicatory proceeding stating the date, time and place of the hearing. The commission shall issue a final decision granting or denying the certification within 30 days of the hearing~~ **205 CMR 101.00: M.G.L. c.23K Adjudicatory Hearings.**
  - (f) If the commission determines that a public hearing should be held, the commission shall review the gaming technology laboratory's report and make a final decision granting or denying the certification at a public hearing. The commission will issue a notice in advance of the public hearing stating the date, time and place of the hearing.
  - (g) Certification as an independent testing lab shall be valid for one year and shall automatically renew annually thereafter upon payment of a renewal and audit fee of \$2,000. The commission may audit the compliance of the certified independent testing laboratory with commission requirements annually or more often if needed. The commission may revoke the registration of a certified independent testing laboratory if the testing laboratory no longer meets the requirements of M.G.L. c. 23K and 205 CMR.

- (h) The commission shall maintain a list of certified independent testing laboratories along with the categories of **electronic** gaming device that each independent testing laboratory may test.
- (2) Categories of Certification. Each independent testing laboratory must be certified for each category of testing for which the laboratory seeks to provide results. The categories of testing include:
- (a) **Electronic g**Games and game variations;
  - (b) **Electronic g**Gaming devices **outlined in 205 CMR 144.01(2)** and gaming device modifications;
  - (c) Gaming associated equipment and gaming associated equipment modifications;
  - (d) Cashless wagering systems and cashless wagering system modifications;
  - (e) Inter-casino linked systems and inter-casino linked system modifications;
  - (f) Mobile gaming systems and mobile gaming system modifications;
  - (g) Interactive gaming systems and interactive gaming system modifications; and
  - (h) Any other category of testing that the commission may deem appropriate.
- (3) Standards for Certification. To qualify for certification, the independent testing laboratory, must:
- (a) Be independent pursuant to 205 CMR 144.06(4);
  - (b) Be accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement;
  - (c) Demonstrate suitability in accordance with M.G.L. c. 23K, §§ 12 and 16 by clear and convincing evidence after considering reciprocity from other jurisdictions;
  - (d) Demonstrate that it is technically competent in testing the category of game, device, or system in which it is seeking certification; and
  - (e) Demonstrate that it is technically competent to test compliance with the applicable Massachusetts statutes, regulations, standards and policies.
- (4) Independence. An independent testing laboratory must be independent at all times while certified by the commission.
- (a) To be considered independent from a manufacturer, distributor, or operator pursuant to 205 CMR 144.06(3)(a), the independent testing laboratory, including its employees, management, directors, owners, compliance committee members and gaming regulatory advisors, with the exception of the independent testing laboratory's external accountants and attorneys:
    - (1) Must not have a financial or other interest, direct or otherwise, in a manufacturer, distributor, or operator of any game, **electronic** gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not the person or entity is licensed, registered, or otherwise does business in Massachusetts;
    - (2) Must not participate, ~~consult,~~ or otherwise be involved in the design, development, programming, or manufacture of any game, **electronic** gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto;

- (3) Must not have any other interest in or involvement with a manufacturer, distributor, or operator that could cause the independent testing laboratory to act in a manner that is not impartial; and
  - (4) Such individuals shall not serve in any capacity with a manufacturer, distributor, or operator beyond the scope of the independent testing laboratory's engagement pursuant to these regulations.
  - (b) The restrictions in 205 CMR 144.06(4)(a) shall not be interpreted to limit an independent testing laboratory, or the above listed individuals, from providing consulting services to a manufacturer, distributor, or operator, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture a game, **electronic** gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof or modification thereto.
  - (c) The restrictions in 205 CMR 144.06(4)(a) shall not be interpreted to limit its ability to accept fees from a gaming device vendor in accordance with 205 CMR 144.05.
- (5) Form of Application. An application for certification as an independent testing laboratory shall be in the form prescribed by the commission and contain:
- (a) The required application fee pursuant to 205 CMR 144.06(1)(c);
  - (b) A completed business entity disclosure form as set forth in 205 CMR 134.07(6): *Business Entity Disclosure Form - Gaming Vendor - Primary* for the applicant entity;
  - (c) Completed multi-jurisdictional personal history disclosure forms as set forth in 205 CMR 134.07(1): *Multijurisdictional Personal History Disclosure Form for Key Gaming Employees- Executive and Gaming Vendor Qualifiers* for each person who would be a gaming vendor qualifier pursuant to 205 CMR 134.04(4): *Gaming Vendor Qualifier* if the applicant were a gaming vendor;
  - (d) Copies of all ISO/IEC 17025 certification and accreditation materials except if the independent testing laboratory is only seeking registration for the testing of games and game variations;
  - (e) All ISO required internal controls, policies and procedures, except if the independent laboratory is only seeking registration for the testing of games and game variations;
  - (f) Detailed description of the testing facilities;
  - (g) Detailed description of available testing staff and staff qualifications, including education, training, experience and skill levels;
  - (h) Detailed description of available testing equipment;
  - (i) Copies of documented policies, systems, programs, procedures and instructions to assure the quality of test results;
  - (j) Copies of all test scripts to be used for testing against the applicable Massachusetts statutes, regulations, standards, and policies.
  - (k) A statement subscribed by the applicant that:
    - (1) The information being provided to the commission is accurate and complete;
    - (2) The applicant agrees to cooperate with all requests, inquiries, or investigations of the commission;
    - (3) The applicant acknowledges that the commission shall retain jurisdiction over the independent testing laboratory in any matter involving an **electronic** gaming device;

- (4) The applicant acknowledges that it will comply with M.G.L. c. 23K, § 13(b) and (c) and update the commission in accordance with 205 CMR 144.06(6);
- (5) The applicant agrees to indemnify and hold harmless the Commonwealth of Massachusetts and the commission, and each of their members, agents, and employees in their individual and representative capacities against any and all claims, suits and actions, brought against the persons named in 205 CMR 144.06(5)(k)5; by reason of any inspections or certifications performed by the applicant as a certified independent testing laboratory, and all other matters relating thereto, and against any and all expenses, damages, charges and costs, including court costs and attorney fees, which may be sustained by the persons and entities named in this subsection as a result of said claims, suits and actions; and
- (l) any additional information that the commission may require.

(6) Notification Requirements. Certified independent testing laboratories shall:

- (a) notify the commission of any change in ownership of the certified independent testing laboratory if it is privately held or any change in ownership resulting in shareholding of 5% or more of the independent testing laboratory or any of its holding or intermediary companies; any change in directors, executives, or key management or employees of the independent testing laboratory, and any other material changes to the information included in its application for registration or the information submitted in conjunction with or subsequent to its application within 30 days of such change;
- (b) no later than by the 15th day of each January, inform the commission in writing of any changes to the information that was contained on the ~~registered~~ **certified** independent testing laboratory's application for ~~registration~~ **certification** or submitted in conjunction with or subsequent to its application or that no changes have occurred since the last reporting date;
- (c) maintain copies of the results of any ISO/IEC 17025 audits or reviews and notify the commission in writing of the of the availability of the results within 15 days of when they become available to the ~~registered~~ **certified** independent testing laboratory and provide copies to the commission upon request.
- (d) notify the commission immediately of any material issues concerning any **electronic** gaming device that it tested for use in Massachusetts;
- (e) notify the commission immediately of any attempts by a manufacturer, distributor, or operator to improperly influence the certified independent testing laboratory, or any of its employees, managers, or owners, in or in connection with any testing of **electronic** gaming devices for use in Massachusetts; and
- (f) timely provide the commission with such other information as the commission may request or require.

(7) Continued Obligations. Certified independent testing laboratories shall abide by the following requirements while certified:

- (a) In the interest of preserving a competitive gaming industry, a certified independent testing laboratory shall not implement or maintain any procedure or policy or take any action that would inhibit or prevent a manufacturer, distributor or operator that has otherwise been deemed suitable for doing business in Massachusetts by the commission from submitting a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system,

or any component thereof or modification thereto, for testing for use in Massachusetts, or that would call into question or tend to erode the independence of the certified independent laboratory from any clients that utilize its services.

- (b) All testing shall be performed by a person directly employed by the certified independent testing laboratory. The certified independent testing laboratory shall not assign, delegate, subcontract, or otherwise engage any person not directly employed by the certified independent testing laboratory for any testing for which the laboratory has been certified. The certified independent testing laboratory shall provide the commission every six months, or upon request as the commission requires, with a list and description of all amounts paid by or invoiced to licensed gaming vendors for costs of **electronic** gaming device testing or otherwise.
- (c) A certified independent testing laboratory shall implement and maintain a hiring and background check process, which shall be submitted to the commission and subject to the commission's approval, that ensures, at a minimum, that no person is hired in a position involving testing relating to Massachusetts, or in a position overseeing or managing an employee in such a position, who has:
  - (1) been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury; **or**
  - (2) Had any gaming license, registration or other like credential revoked or committed any act which is a ground for the revocation of a gaming license, registration or other professional credential held by the person or would have been a ground for the revocation of a gaming license, registration or other professional credential had the person held such license, registration, or credential.
- (d) A certified independent testing laboratory shall handle all information and data prepared or obtained as part of the testing process as confidential.
- (e) A certified independent testing laboratory shall implement and maintain security and access control systems designed to secure and protect the confidentiality of all equipment, software, and other information entrusted to it as part of the testing process.
- (f) The commission may, as appropriate, periodically provide further guidance as to what is required of a certified independent testing laboratory through industry notices or other written communications.
- (g) If a certified independent testing laboratory hires an individual who was previously employed by, or performed any work for, a manufacturer, distributor or operator within one year prior to the individual's date of employment with the independent testing laboratory, the certified independent testing laboratory shall not permit that person to test any **electronic** gaming device for use in Massachusetts, for which the person had any involvement with, whatsoever, while he or she was employed by the manufacturer, distributor or operator for a period of one year from the individual's date of employment with the independent testing laboratory.

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 145.00: POSSESSION OF SLOT MACHINES AND OTHER  
ELECTRONIC GAMING DEVICES

145.01: Possession of Slot Machines and Other Electronic Gaming Devices

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(2) Each gaming licensee shall file, prior to the commencement of gaming and every thirty days thereafter with the commission a comprehensive lists of:

- (a) The slot machines ~~and bill validators and/or bill changers not integrated into a slot machine~~ in the gaming area (the “Slot Machine Master List”);
- (b) The slot machines possessed by the licensee in restricted areas outside the gaming area but on the premises of its gaming establishment; **and**
- (c) The slot machines possessed by the licensee at locations in the commonwealth but off the premises of its gaming establishment.

(3) At a minimum, each list of slot machines required by 205 CMR 145.01(2) shall contain the following information, as applicable, for each slot machine ~~and any accompanying bill validator and/or bill changer~~ on the “Slot Machine Master List” in consecutive order by location number:

- (a) The date on which the list was prepared;
- (b) A description of each slot machine by:
  - 1. Slot machine model and serial number and ~~registration~~ **unique identification** number issued in accordance with 205 CMR ~~144.00: Approval of Slot Machines and Electronic Gaming Equipment and Testing Laboratories~~ **144.03(2)(a)**;
  - 2. Computer program number;
  - 3. Denomination;
  - 4. Manufacturer and machine type; and
  - 5. ~~Whether the slot machine has an electronic funds transfer (EFT) feature~~ **Any other information directed by the Commission.**

145.02: Transportation of Slot Machines and Other Electronic Gaming Devices

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(2) Any person moving a slot machine **or other electronic gaming device** (except those identified in 205 CMR 144.01(2)(o)):

- (a) into the Commonwealth;
- (b) from one authorized location to another authorized location within the Commonwealth unless both locations are operated and controlled by the same gaming licensee; **or**
- (c) ~~or~~ out of the Commonwealth **;**[insert space]

shall first notify the commission **at least 5 days in advance of the movement** in writing that provides the following information:



1. The full name and address of the person shipping or moving the machine **or device**;
2. The full name and address of the person who owns the machine **or device**, including the name of any new owner in the event ownership is being changed in conjunction with the shipment or movement;
3. The method of shipment or movement and the name of the carrier or carriers;
4. The full name and address of the person to whom the machine **or device** is being sent and the destination of the machine **or device** if different from such address;
5. The quantity of machines **or devices** being shipped or moved and the manufacturer's serial number of each machine;
6. The expected date and time of delivery to or removal from any authorized location in the Commonwealth;
7. ~~The port of entry, or exit, if any, of the machine if the origin or destination of the machine is outside the continental United States~~ **a copy of the certification report issued by the independent testing laboratory in accordance with 205 CMR 144.04(2); and**
8. The reason for transporting the machine **or device**.

(3) The person shipping or moving any slot machine **or other electronic gaming device** in accordance with 205 CMR 145.02 shall provide to the shipper a document, at least one copy of which shall be kept with the slot machine **or other electronic gaming device** at all times during the shipping process, that contains the following information, at a minimum:

- (a) The manufacturer's serial number of the slot machine **or other electronic gaming device** being transported;
- (b) The full name and address of the person from whom the machine **or device** was obtained;
- (c) The full name and address of the person to whom the machine **or device** is being sent; and
- (d) The dates of shipment.

~~(4) Any person, company, or school receiving a slot machine shipment from outside of the Commonwealth shall, within three business days of receipt, provide the commission with the information enumerated in 205 CMR 145.02(2).~~

(5) Any person moving a slot machine **or other electronic gaming device**:

- (a) within a gaming establishment; or
- (b) between two authorized locations within the Commonwealth if both locations are operated and controlled by the same gaming licensee; **[insert space]** shall **file a request for approval pursuant to 205 CMR 144.03** and record such movement in a log maintained in accordance with the record retention requirements contained in 205 ~~CMR 135.00: Monitoring of Project Construction and Licensee Requirements~~ **138.09** and include the following:
  1. The manufacturer's serial number
  2. The casino operator's equipment number, if applicable;
  3. An indication as to whether the equipment is equipped for tokenization, and if so, the denomination;
  4. The date and time of movement of the equipment;
  5. The location from which the equipment was moved;

6. The location to which the equipment was moved; and
7. The printed name(s) and signature(s) of the person(s) involved in moving the equipment

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