

December 7, 2012

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Via E-Mail

Hannah Smith
Assistant General Counsel
Ohio Casino Control Commission
10 W. Broad St., 6th Floor
Columbus, OH 43215

Dear Ms. Smith:

Thank you for the opportunity to meet on November 29, 2012 to discuss the comments from Penn National Gaming, Inc. ("Penn") concerning the proposed Commission rules referenced in our November 14, 2012 correspondence to you (attached). It was very helpful to meet with the Commission team on these rules to talk through our issues. Below please find the promised follow up from our meeting.

I) Proposed Rule 3772-3-06: We promised scenarios that we believe should not fall under the proposed regulation. Each scenario is related to non-Ohio specific gaming situations. We would appreciate, at your convenience, confirmation that these types of scenarios are indeed not covered by the proposed regulation.

- **Debt Transactions:** Penn will, from time to time, have debt transactions that impact the company. These transactions may concern an Ohio casino and therefore could be subject to Commission approval depending on terms and amounts. Penn will utilize investment and other financial advisors from various businesses. Some of these businesses may have some ownership of common shares of Penn.
- **Corporate Transactions:** Penn routinely has corporate transactions related to the purchase of, or construction of, gaming facilities. Corporate transactions could also include creation of new legal entities and includes the current intent of Penn to pursue separation of its real estate assets from its operating assets. Again, these types of transactions require guidance and advice from various professionals who may have some ownership of Penn common stock.
- **Procurement:** Penn at the corporate level enters into numerous contracts to service its needs such as banking, food, insurance, utilities, business equipment, legal services, construction professionals, etc. Penn constantly has discussions with vendors that attempt to influence the selection of procurement decisions who may have some ownership of Penn common stock.

II) Proposed Rule 3772-10-03(B)(9): We appreciate the consideration of language to limit the application of the rule so Penn's compliance department does not have to ensure compliance for non-gaming related laws. Please consider language similar to: "The regulatory compliance department shall have primary oversight responsibility for the licensee's compliance with Chapter 3772 of the Revised Code and Administrative Code, and related laws, and shall be the primary contact point between the Commission and the property for internal controls, reporting and regulatory matters."

III) Proposed Rule 3772-10-03(D)(3): We understand the Commission's need to keep the 60 day requirement as a goal to fill vacant key positions. Our discussion was instructive and we appreciate the Commission's understanding that extensions may be needed to ensure each casino hires the best candidates. We understand that each property can bring in interim employees to help comply with the rule with the approval of the Commission. Further, we appreciate the consideration of new language to the effect that "any request for an extension shall not be unreasonably withheld."

IV) Proposed Rule 3772-13-02(D): Thank you for the clarification that each property can submit general advertising templates for ads and promotions that once approved would not need further approval. Each property is happy to work with Laura Clemens on this approach. The Commission has done a great job in approving advertisements timely. We also appreciate the clarification that even with the rule changes, the property may disseminate advertisements prior to the five days from submittal as long as it is approved by the Commission. We would appreciate this clarification in the regulation. Consider amending proposed rule with bolded additions: "(D) **Unless waived in writing by Commission staff on a case-by-case basis,** Each casino operator licensee . . . shall provide the Commission at its main office in Columbus a complete and accurate copy of all advertisements ~~within~~ at least five business days in advance of the advertisement's public dissemination."

Thank you again for the opportunity to work with you on the proposed rules. Please let us know if you need anything further.

Very truly yours,

ICE MILLER LLC


John H. Oberle

Attachment

cc: Casino Control Commission (John Barron & Patrick Martin)
Hollywood Columbus (Ameet Patel, Scott Saunders & Joyce Holland)
Hollywood Toledo (Richard St. Jean, Mike Galle & Rick Galloway)
Penn National Gaming, Inc. (Frank Donaghue & Jim Baldacci)