



**Fox Rothschild** LLP  
ATTORNEYS AT LAW

Midtown Building, Suite 400  
1301 Atlantic Avenue  
Atlantic City, NJ 08401-7212  
Tel 609.348.4515 Fax 609.348.6834  
www.foxrothschild.com

***BY OVERNIGHT MAIL AND ELECTRONIC MAIL PDF FILE***  
**robert.fontaine@maryland.gov**

Kimberly Robertson Pannell, Chair  
Maryland Lottery and Gaming Control Commission  
c/o Robert T. Fontaine, Esquire, Principal Counsel  
Office of the Attorney General  
Maryland State Lottery and  
Gaming Control Agency  
1800 Washington Boulevard, Suite 330  
Baltimore, Maryland 21230

**Re: MGM National Harbor, LLC's Request for a Temporary Reduction of Its Video Lottery Terminal Allocation**

Dear Chair Pannell:

The purpose of this correspondence is to request on behalf of MGM National Harbor, LLC ("MGM") that the Maryland Lottery and Gaming Control Commission (the "Commission") temporarily reduce MGM's video lottery terminal ("VLT") allocation pursuant to COMAR 36.04.02.02. On December 20, 2013, the Maryland Video Lottery Facility Location Commission ("the Location Commission") awarded a VLT license to MGM for Prince George's County, which award is memorialized in an "Award of the Prince George's County Video Lottery Facility Operation License Decision Statement," dated December 23, 2013. Pursuant to the terms of the Award, the Location Commission allocated 3,600 VLTs to MGM for the MGM National Harbor video lottery facility.<sup>1</sup> MGM respectfully requests that:

- 1) the Commission temporarily reduce MGM's VLT allocation from 3,600 VLTs to a minimum of 3,321 VLTs; and

---

<sup>1</sup> The Location Commission issued an "Addendum to the December 23, 2013 Decision Statement," dated December 30, 2014, but such Addendum did not alter MGM's original VLT allocation.

A Pennsylvania Limited Liability Partnership

California    Colorado    Connecticut    Delaware    District of Columbia  
Florida    Nevada    New Jersey    New York    Pennsylvania



Fox Rothschild LLP  
ATTORNEYS AT LAW

- 2) the temporary reduction become permanent for only that number of VLTs that are not put into regular operation (from MGM's original 3,600 VLT allocation) within 365 days of the date of opening of the MGM National Harbor video lottery facility.

The Commission has the authority to grant this request pursuant to COMAR 36.04.02.02 and as evidenced by its prior grants of temporary and permanent VLT allocation reductions to other video lottery facility operators.

The reason for MGM's request to temporarily adjust its VLT allocation is to respond to present market factors and other factors and ensure that the highest potential tax revenues are achieved by the MGM National Harbor video lottery facility upon opening as more fully described in the enclosed presentation deck. MGM submits that the requested temporary reduction is in the best interests of the State because it will optimize game mix on MGM's gaming floor, enhance patron utilization of those VLTs to be installed on MGM's gaming floor, and it is expected to be tax revenue positive to the State. For example, based on publicly available information, slot revenue and overall gaming revenue increased year-over-year at Maryland Live! Casino and Horseshoe Casino Baltimore after the respective properties reduced the number of VLTs in regular operation (as more fully illustrated in the enclosed presentation deck).

The Commission should note that MGM has confidentially submitted to the Maryland Lottery and Gaming Control Agency (the "MLGCA") its proposed gaming floor plan depicting game mix, game location and other proprietary details of the MGM National Harbor video lottery facility, which floor plan reflects the requested temporary reduction. MGM continues to work cooperatively with MLGCA staff to finalize the exact number of VLTs to be put into regular operation upon the opening of the MGM National Harbor video lottery facility. However, such number of VLTs will neither be less than 3,321 VLTs nor more than 3,600 VLTs.

For all of the foregoing reasons, MGM respectfully requests that the herein described temporary reduction in its VLT allocation be granted by the Commission.

Thank you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick Madamba, Jr.", written over a horizontal line.

Patrick Madamba, Jr.



Fox Rothschild LLP  
ATTORNEYS AT LAW

cc: Gordon Medenica, w/encl. (by electronic mail) ([gordon.medenica@maryland.gov](mailto:gordon.medenica@maryland.gov))  
Jim Nielsen, w/encl. (by electronic mail) ([jim.nielsen@maryland.gov](mailto:jim.nielsen@maryland.gov))  
Charles LaBoy, w/encl. (by electronic mail) ([charles.laboy@maryland.gov](mailto:charles.laboy@maryland.gov))