

MARYLAND *Live!* CASINO[®]

January 6, 2015

Mr. Stephen L. Martino, Esq.
Director
Maryland State Lottery and Gaming Control Agency
1800 Washington Blvd. Suite 330
Baltimore, MD 21230

Director Martino:

Pursuant to COMAR 36.04.02.02 “Request for Reduction” and via this correspondence, Maryland Live! Casino, respectfully submits this Video Lottery Terminal Reduction Request and related documentation.

I. Reason for Removal

In an effort to remain a leader in the gaming industry, Maryland Live! Casino continuously strives to redefine what the casino experience can be for its customers. One key measure in meeting this goal is to strive on a daily basis to increase customer satisfaction by offering a varied and diverse array of gaming choices and amenities that meets our customer’s needs. Our experience has shown that increased customer satisfaction is achieved through a proactive approach to gaming selection and by providing our customers with the requisite array of gaming choices and amenities they desire. Maryland Live! Casino is convinced that its gaming selection and amenities should be driven by the demands of its customers in order for it to remain an industry leader. By way of this request, Maryland Live! Casino wishes to rebalance its video lottery terminal offerings by removing three hundred (300) underperforming video lottery terminals from the gaming floor to allow for the expansion of its table game offerings and other amenities designed to more effectively meet our customer’s needs. This realignment of the gaming mix is part of a larger reorganization of the gaming floor to include an addition of a

number of amenities designed to drive increased customer traffic which will correspondingly result in increased gaming revenue. An additional benefit to the State and the community that will naturally result from this reorganization will be the creation of a yet to be determined number of additional new positions to man the live table game dealer positions and new amenities. When factoring in the increased play of the table games and the attraction of the additional amenities to be offered by Maryland Live! Casino through this reorganization, as well as the job creation that results, not only will the facility and its customers benefit from this necessary change in the compliment of games and amenities offered by Maryland Live! Casino, benefits will naturally be incurred by the State in terms of increased revenue and job creation.

II. Video Lottery Terminals Requested for Removal

The current number of Video Lottery Terminals residing on the gaming floor of Maryland Live! Casino is 4,222. This reduction plan involves the net reduction of three hundred (300) Video Lottery Terminals from the Maryland Live! Casino gaming floor. Once completed, this reduction of Video Lottery Terminals will result in a total compliment of 3922 Video Lottery Terminals on the gaming floor of Maryland Live! Casino.

III. Proposed Reconfiguration of Facility Layout

Please see attached (Table Game Expansion Schematic)

IV. Whether the requested removal is temporary or permanent

This request for removal of Video Lottery Terminals from the facility is temporary in nature.

V. Requested Timeframe for Reduction:

April 2015

VI. Projected analysis of the impact of the reduction on gaming revenues at the facility

Based on our analysis of prior time periods in which the number of video lottery terminals on the gaming floor was reduced due to construction, it has been shown that targeted reductions in the number of machines on the floor does not negatively impact overall slot revenue. During those time periods, slot revenue has either remained constant or we have actually experienced an increase in revenue. In fact, our analysis has shown the proposed added amenities and growth in table games offered by Maryland Live! Casino will increase overall revenue and thereby a positive benefit will be incurred by both the facility and the State. This is particularly so in this case as these video lottery terminals have been identified as underperforming games.

I would like to thank you in advance for your consideration of this matter. Should you have any questions regarding this request, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RN', with a long horizontal flourish extending to the right.

Robert Norton
President, General Manager
Maryland Live! Casino