

November 18, 2014

Susanne George
Research Analyst II
Bureau of Gambling Control
Division of Law Enforcement
Box 168024
Sacramento, Ca 95816

Re: Opposition of the Proposed Amendment to Gaming Activity Authorization

Dear Ms. George;

This letter is being written in response to the comments and interpretations voiced during the roundtable discussion in May of this year and currently set for further discussion on December 12th, regarding the proposal to amend the existing regulations pertaining to gaming activity authorization, in which the licensee may waive the collection fee, pursuant to Penal Code 337j(f).

My name is Ileana Harris and I own the Casino Club in Redding. We have been in business since 1978 and in our present location since 1982. Our club is the northernmost licensed card club in the State of California, operating in Shasta County. Win River Casino, a tribal entity, is located within 10 minutes driving distance (5 miles) of my card club.

Shasta County has a population of 177,231, including 89,861 inside Redding city limits. Shasta County is an economically weak area, unlike other parts of the State where higher incomes per capita tend to be concentrated in counties with relatively higher population, such as Los Angeles County with a population of over 10 million habitants (approx. 38% of the population in the entire State).

The following economic facts apply to Shasta County / Redding, where we have done business for over 32 years and employ 34 people.

Breakdown of workers and industries in Shasta County;

- 61% of the population (108,110 of the total 177,231 population) is employed in the service industry; another 10% (17,723 workers) earn a living in the retail industry.
- The other 29% comprises of retirees, specific trades and government employees.

Breakdown of household earnings and average hourly wages in Shasta County;

- Household income for 10% of Shasta County is documented at under \$10,000 (which is considered below the poverty line).
- Another 30% earn \$10,000 to \$25,000 annually.
- 35% of the residents earn \$25,000 - \$40,000 annually, leaving only 15% of the entire Shasta County population with higher income potential.
- The typical Hourly wage is \$9.28 - \$12.94

Documented variance of the population allows for businesses in other parts of our State to grow into financial powerhouses. In light of that, caution and prudent decisions should be employed. It is not reasonable to permit the economic strength of special interests and other gaming enterprises, by use of their influences inside the regulatory powers, to legislatively dictate pricing models by eliminating fair and responsible business competition within the card room industry. Smaller card clubs, such as the Casino Club, which make up the large percentage of the licensed card clubs in this State, would bear the largest burden in loss of patronage with regard to this legislation. It is the responsibility of the State of California and its regulatory agencies to insure that this does not happen in an effort to give all taxpaying businesses and employers an equal opportunity to thrive within the area that they reside and do business in.

The Casino Club, while considered a relatively small employer, offers its employees earning opportunities averaging \$20-\$40+ an hour (wages and gratuities) in most cases considered a living wage and well above the local earning potential in our area.

Our professional employees include three (3) who have earned a college degree and all others are either high school graduates or completed their GED. To these employees the continued success of the Casino Club offers a good and stable environment where they can earn a comfortable living to provide for their families, educate their children, contribute to their communities, and participate as taxpaying individuals.

The proposed changes, while in the short run would increase revenues, the long term effects would be substantially negative and catastrophic to most small card clubs driving business away. This increase will put a large portion of our industry at a competitive disadvantage to other gaming interests in our area and in the State. Additionally, it will absolutely subject many of our employees to potential job loss or a significant cut in hours as customers visit our establishments with less frequency. The fact is, we will be charging customers unnecessarily as a result of regulatory mandates which will destroy jobs and lessen taxable revenues and income earned.

What we, as small card club owners, are calling for is to retain and continue the ability to run our businesses in a free market place that caters to the clients we serve. We want to preserve accountability for success and allow responsible business owners to ascertain the fees charged to their customers bearing in mind that all areas of California are not equal in both population and income potential. Individual experience, knowledge, and the reality of the local economy should serve as the barometer to exist and succeed within the communities where our businesses are located.

For these reasons and more, the Casino Club's staff and ownership respectfully OPPOSE the proposed changes to Penal Code 337j (f), the rationale behind this proposal is emphatically without merit or sound economic reasoning.

Thank you for your consideration.

Respectfully,



Ileana Harris
President/ Owner
Casino Club

CC: Eric Leach
Special Agent Supervisor
Dept of Justice, Redding Office