

PALA BAND OF MISSION INDIANS

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November 21, 2014

Via Facsmile (916-227-2382) & U.S. Mail

Susanne George, Research Analyst Bureau of Gambling Control Department of Justice P.O. Box 168024 Sacramento, CA 95816-8024

RE: Proposed Amendments to Gaming Activity Authorization regulation

Dear Ms. George,

On behalf of the Pala Band of Mission Indians, I want to thank you for this opportunity to provide these comments.

(1) This regulatory review was noticed to consider amendments to the Bureau of Gambling Control regulations in order to establish standards for approval of collection fees charged to patrons by California cardrooms which would make clear the parameters under which the collection fee charged to each patron may be waived. In fact, the notice for the last roundtable discussion stated it "will focus solely on the parameters for which the licensee may waive the collection fee, pursuant to Penal Code section 337j(f)." However, none of the current proposed regulatory options establish clear parameters.

The regulatory language should specify that waiver of such fee shall occur only under the following circumstances: (1) After the hand or round has begun and notice to public; and (2) Where the player receives no action on his or her wager or where a hand folds and there is no betting. This ensures compliance with Penal Code Section 337J(f), fourth sentence, as intended by the legislature and reflected in the Bill Analysis of AB 278. We enclose our prior correspondence of July 9, 2014, outlining such legal requirements for your reference and record.

The regulatory language should also provide the following in order to comply with California law:

- (2) The gambling establishment charges each player a fixed collection fee for each wager in a controlled game. A fee for each hand or round of play only is not enough to ensure compliance with Penal Code Section 337J(f), which requires that the "amount of fees charged for all wagers shall be determined prior to the start of play of any hand or round."
- (3) The collection fee charged to each player, including the proposition player service, for participation in any controlled game shall be the same for the same level of participation.
- (4) The fixed fee on each wager shall increase proportionate to the amount of the wager and shall be in no case less than \$.50, provided that no more than five collection rates may be

established per table, or some like formula that ensures collection fees have some proportionate relationship to the amount of wager and some value that is not de minimis.

- (5) The fee shall be paid to the gambling establishment from each player's own funds, and the regulatory language should clearly specify that such fee shall not be reimbursed to such player.
- (6) A fee shall not be calculated as a fraction or percentage of wagers made or winnings earned.

We thank you for this opportunity to comment and look forward to your next regulatory meeting in this review process.

Sincerely,

Robert Smith Tribal Chairman

Pala Band of Mission Indians