

PEPPERMILL RENO

August 7, 2013

Office of the Executive Secretary
Nevada Gaming Commission
1919 College Parkway
P.O. Box 8003
Carson City, NV 89702

Sally Elloyan, Executive Secretary:

RE: request for comments relating to rebates on pari-mutuel wagers

Your notice dated July 19, 2013 solicits comments on three different ways to reduce pari-mutuel profit:

1. Allow the player to pay less than the full amount of the bet.
2. A cash kick back to the player determined by a percentage of his wagers.
3. Pay the player more than his bet would actually win.

I think all of these are very bad ideas. I am opposed to any form of cash rebate or discount.

- a. There are too many "fingers in the pie" already. To set up a bidding war to see who can pay the most for player business will eventually erode profitability beyond common sense.
- b. Our premium players are satisfied with complimentary hospitality. The franchise operators in Nevada should contract with their host properties to provide competitive comps. To allow the franchise operators to give cash rebates gives them an unfair advantage over traditional proprietary race books.
- c. We tried this back in the 90's and it was a disaster when the California racetracks withheld their simulcast signals from Nevada race books.

The rebate craze as currently evolving in the horse racing industry worldwide is self destructive and detrimental to the fiscal health of the industry. The high volume rebate shops operating offshore are just a sleight-of-hand capital manipulation done through high-speed computer-generated wagering programs. Most traditional Nevada race books are not competing with these operators. Serious handicappers and industry experts think that this process damages the betting pools and therefore average players everywhere suffer loss of value and interest.

Thank you for the opportunity of expressing our opinion.

Terry Cox
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