

Good morning, Madame Speaker, members of the committee, for the record I'm Kelly Hinton of 5<sup>th</sup> Avenue Consulting and I'm here on behalf of two card rooms located in LaCenter, Washington and I am speaking in favor of HB 3518.

I was brought in to study the card room situation with a view towards expansion of my client's business into the Portland market.

I have visited approximately 20 of these establishments since August of 2010, some of them repeatedly, such as the Encore Club and Aces. At almost 100% of these locations, I observed the following:

Every location was cash only; several had ATM's in the building. Players were all required to pay a cover charge of at least as much as \$10 each to enter the facility to play; I was not charged unless I played, and I was typically allowed to observe in all of these facilities...

Dealers were tipped, typically at the end of every tournament by the players finishing in the money, usually 10% or so of the winnings. On at least one occasion, I observed a dealer being paid by the manager out of the bank envelope where the money from the **Buy-ins**, rebuys and add-ins would typically go into from the proceeds of the start of each tournament.

For purposes of definition, **Buy-ins**: the amount charged to sit into the game (tournament)

**Re-buys**: If you lose enough, typically in the first hour, you can buy yourself back in by purchasing typically the same number of chips as when you started, although may vary from location to location, tournament to tournament.

The example he gave me of raking the pots was if there were, say, 14 rebuys, only 10 rebuys would make it to the tournament director board (A visual scoreboard so all players can keep track of the pot, how much has been added because of rebuys, etc.)

**Add-ins:** gives you the option to buy additional chips regardless of your losses of varying amounts, although may vary from location to location, tournament to tournament.

**Cash games:** traditional poker where money is on the table OR where chips have been provided at face value in exchange for cash to be redeemed at the end of the game, or at the end of the set time limit for the game, unlike a tournament where placement determines prizes.

Dealers in cash games are typically tipped by the player who won the hand, each hand.

I have held discussions with the manager of one of these establishments where he described to me in exacting detail, from holding cash games behind lock doors, that 500 people per week wasn't unusual, that there are house players; that is players paid or "chipped up" to stay in the game and that the player would get a percentage of the winnings...

That they'd rake money from the rebuys, since it's practically impossible for the players to keep track;

Towards the last part of my visits, open cash games with money on the table for players not in tournaments was the norm, they're absolutely illegal so they started out slowly in case of enforcement, but with no enforcement, they've since exploded on the scene and most every operator has them.

I observed dealer tipping in every single visit. Typically, I'd walk in and just ask to watch, and I would do that to schedule my visits to these facilities to coincide with what I anticipated would be the likely end of each individual tournament within a facility.

Between cover-charge, buy-ins, rebuys add-ons and the like, I observed players drop as much as 60\$ on one game (tournament) and I watched an individual lose \$200 in a cash game in a "sit and go" scenario, where he kept putting more money out of his pocket onto the table over hands and proceeded to lose it all.

The facilities I visited were both stand-alone, where gambling was the only activity, to facilities that provided beer and wine and others who had made deals with local alcohol outlets to discount “mason jar” beers to bring in. Others allowed players to bring alcohol in, providing in one instance, a refrigerator to keep it cold.

I observed these activities personally and on several different occasions at different locations around and in the Portland area. I would be happy to answer any of your questions.