

DOVER DOWNS GAMING & ENTERTAINMENT INC  
Form SC 13G/A  
October 29, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934  
(Amendment No. 3)\***

**Dover Downs Gaming & Entertainment, Inc.**

(Name of Issuer)

**Common Stock**

(Title of Class of Securities)

**260095104**

(CUSIP Number)

**October 25, 2007**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 260095104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
**Gates Capital Management, Inc.**
2. Check the Appropriate Box if a Member of a Group (See Instructions)
  - (a)  x
  - (b)  o
3. SEC Use Only
4. Citizenship or Place of Organization  
Delaware corporation
5. Sole Voting Power  
0
6. Shared Voting Power  
1,685,893 shares of Common Stock
7. Sole Dispositive Power  
0
8. Shared Dispositive Power  
1,685,893 shares of Common Stock
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,685,893 shares of Common Stock
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  o
11. Percent of Class Represented by Amount in Row (9)  
Approximately 10.8% as of the date of this filing (based on 15,647,221 shares of Common Stock issued and outstanding as of July 31, 2007)
12. Type of Reporting Person (See Instructions)  
CO, HC

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

CUSIP No. 260095104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
**Gates Capital Partners, L.P.**
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)  x  
(b)  o
3. SEC Use Only
4. Citizenship or Place of Organization  
Delaware limited partnership
5. Sole Voting Power  
0
6. Shared Voting Power  
1,685,893 shares of Common Stock
7. Sole Dispositive Power  
0
8. Shared Dispositive Power  
1,685,893 shares of Common Stock
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,685,893 shares of Common Stock
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  o
11. Percent of Class Represented by Amount in Row (9)  
Approximately 10.8% as of the date of this filing (based on 15,647,221 shares of Common Stock issued and outstanding as of July 31, 2007)
12. Type of Reporting Person (See Instructions)  
PN, HC

CUSIP No. 260095104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
**ECF Value Fund, L.P.**
2. Check the Appropriate Box if a Member of a Group (See Instructions)
  - (a)  x
  - (b)  o
3. SEC Use Only
4. Citizenship or Place of Organization  
Delaware limited partnership
5. Sole Voting Power  
0
6. Shared Voting Power  
1,685,893 shares of Common Stock
7. Sole Dispositive Power  
0
8. Shared Dispositive Power  
1,685,893 shares of Common Stock
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,685,893 shares of Common Stock
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  o
11. Percent of Class Represented by Amount in Row (9)  
Approximately 10.8% as of the date of this filing (based on 15,647,221 shares of Common Stock issued and outstanding as of July 31, 2007)
12. Type of Reporting Person (See Instructions)  
PN

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

CUSIP No. 260095104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
**ECF Value Fund II, L.P.**
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)  x  
(b)  o
3. SEC Use Only
4. Citizenship or Place of Organization  
Delaware limited partnership
5. Sole Voting Power  
0
6. Shared Voting Power  
1,685,893 shares of Common Stock
7. Sole Dispositive Power  
0
8. Shared Dispositive Power  
1,685,893 shares of Common Stock
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,685,893 shares of Common Stock
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  o
11. Percent of Class Represented by Amount in Row (9)  
Approximately 10.8% as of the date of this filing (based on 15,647,221 shares of Common Stock issued and outstanding as of July 31, 2007)
12. Type of Reporting Person (See Instructions)  
PN

CUSIP No. 260095104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
**ECF Value Fund International, Ltd.**
2. Check the Appropriate Box if a Member of a Group (See Instructions)
  - (a)  x
  - (b)  o
3. SEC Use Only
4. Citizenship or Place of Organization  
British Virgin Islands company
5. Sole Voting Power  
0
6. Shared Voting Power  
1,685,893 shares of Common Stock
7. Sole Dispositive Power  
0
8. Shared Dispositive Power  
1,685,893 shares of Common Stock
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,685,893 shares of Common Stock
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  o
11. Percent of Class Represented by Amount in Row (9)  
Approximately 10.8% as of the date of this filing (based on 15,647,221 shares of Common Stock issued and outstanding as of July 31, 2007)
12. Type of Reporting Person (See Instructions)  
CO

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

CUSIP No. 260095104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
**Jeffrey L. Gates**
2. Check the Appropriate Box if a Member of a Group (See Instructions)
  - (a)  x
  - (b)  o
3. SEC Use Only
4. Citizenship or Place of Organization  
United States Citizen
5. Sole Voting Power  
0
6. Shared Voting Power  
1,685,893 shares of Common Stock
7. Sole Dispositive Power  
0
8. Shared Dispositive Power  
1,685,893 shares of Common Stock
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,685,893 shares of Common Stock
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  o
11. Percent of Class Represented by Amount in Row (9)  
Approximately 10.8% as of the date of this filing (based on 15,647,221 shares of Common Stock issued and outstanding as of July 31, 2007)
12. Type of Reporting Person (See Instructions)  
IN; HC



**Item 1.**

- (a) Name of Issuer  
**Dover Downs Gaming & Entertainment, Inc.**
- (b) Address of Issuer's Principal Executive Offices  
1131 North DuPont Highway, Dover, Delaware 19901

**Item 2.**

- (a) Name of Person Filing
- (b) Address of Principal Business Office or, if none, Residence
- (c) Citizenship

Gates Capital Management, Inc.

1177 Ave. of the Americas, 32<sup>nd</sup> Floor

New York, New York 10036

Delaware corporation

Gates Capital Partners, L.P.

1177 Ave. of the Americas, 32<sup>nd</sup> Floor

New York, New York 10036

Delaware limited partnership

ECF Value Fund, L.P.

c/o Gates Capital Management, Inc.

1177 Ave. of the Americas, 32<sup>nd</sup> Floor

New York, New York 10036

Delaware limited partnership

ECF Value Fund II, L.P.

c/o Gates Capital Management, Inc.

1177 Ave. of the Americas, 32<sup>nd</sup> Floor

New York, New York 10036

Delaware limited partnership

ECF Value Fund International, Ltd.

c/o Trident Fund Services (B.V.I) Limited

Trident Chambers, Wickhams Cay

P.O. Box 146

Road Town, Tortola

British Virgin Islands

British Virgin Islands company

Jeffrey L. Gates

c/o Gates Capital Management, Inc.

1177 Ave. of the Americas, 32<sup>nd</sup> Floor

New York, New York 10036

United States citizen

(d) Title of Class of Securities  
Common Stock  
(e) CUSIP Number  
260095104

**Item 3.**

**If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
- (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

**Gates Capital Management, Inc.**  
**Gates Capital Partners, L.P.**  
**ECF Value Fund, L.P.**  
**ECF Value Fund II, L.P.**  
**ECF Value Fund International, Ltd.**  
**Jeffrey L. Gates**

- (a) Amount beneficially owned:  
  
1,685,893 shares of Common Stock
- (b) Percent of class:  
  
Approximately 10.8% as of the date of this filing (based on 15,647,221 shares of Common Stock issued and outstanding as of July 31, 2007)
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote  
  
0
  - (ii) Shared power to vote or to direct the vote  
  
1,685,893 shares of Common Stock
  - (iii) Sole power to dispose or to direct the disposition of  
  
0
  - (iv) Shared power to dispose or to direct the disposition of  
  
1,685,893 shares of Common Stock

**Item 5. Ownership of Five Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o.

**Item 6. Ownership of More than Five Percent on Behalf of Another Person**

NA

**Item 7.** **Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person**

NA

**Item 8.** **Identification and Classification of Members of the Group**

NA

**Item 9.** **Notice of Dissolution of Group**

NA

**Item 10.** **Certification**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**Signature**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: October 29, 2007

**GATES CAPITAL MANAGEMENT, INC.**

By: /s/ Jeffrey L. Gates  
Jeffrey L. Gates, President

**GATES CAPITAL PARTNERS, L.P.**

By: Gates Capital Management, Inc.  
Its Investment Manager

By: /s/ Jeffrey L. Gates  
Jeffrey L. Gates, President

**ECF VALUE FUND, L.P.**

By: Gates Capital Partners, L.P.  
Its General Partner

By: Gates Capital Management, Inc.  
Its Investment Manager

By: /s/ Jeffrey L. Gates  
Jeffrey L. Gates, President

**ECF VALUE FUND II, L.P.**

By: Gates Capital Partners, L.P.  
Its General Partner

By: Gates Capital Management, Inc.  
Its Investment Manager

By: /s/ Jeffrey L. Gates  
Jeffrey L. Gates, President

**ECF VALUE FUND INTERNATIONAL, LTD.**

By: Gates Capital Management, Inc.  
Its Investment Manager

By: /s/ Jeffrey L. Gates  
Jeffrey L. Gates, President

**JEFFREY L. GATES**

By: /s/ Jeffrey L. Gates  
Jeffrey L. Gates