

OFFICE OF THE ATTORNEY GENERAL
MARYLAND LOTTERY AND GAMING CONTROL AGENCY

TO: Maryland Lottery and Gaming Control Commission
Stephen Martino, Director

FROM: Robert T. Fontaine, Assistant Attorney General
Principal Counsel

DIVISION: Office of the Attorney General

DATE: June 19, 2013

SUBJECT: Report for the May Commission Meeting

This is a status update of ongoing and special projects in the Office of the Attorney General.

I. Contracts and Human Resources

a. Key accomplishments last period:

- i. Reviewed three contracts for the Communications Division for promotion of public affairs events.
- ii. Reviewed five Corporate Guaranty documents and five Financial Responsibility Agreements submitted for 7-11 Lottery retailers.
- iii. Filed a lien against one agent on behalf of the Lottery's AFO Division; the total amount of the lien is \$2,040.40.
- iv. Reviewed four Family and Medical Leave Act leave requests submitted from the Human Resources Division.
- v. Revised and approved for form and sufficiency the four Advertising Contracts.

b. Upcoming tasks for this period:

- i. N/A

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed eight requests from Creative Product Development relating to new Lottery scratch-off games.

b. Upcoming tasks for this period:

- i. Continue to assist the Creative Services Division in developing and implementing the new *My Lottery Rewards* program by reviewing licensing agreements, terms of use, instant tickets, quick start tickets, game rules, prizes, website notices and related special promotions.
- ii. Continue to assist staff in responding to a request under the Public Information Act (PIA) for records pertaining to GTECH's successful proposal to operate the State's VLT central operating system.

c. Issues:

- i. On February 5, 2013, the Lottery filed, in the Circuit Court for Montgomery County, a \$5,516.19 lien against Chol Sik Mun, who is an owner and guarantor for licensed retailer Boram Enterprises, Inc., T/A Village Market and Deli. Mr. Mun objected to the lien and requested a hearing, and we responded by filing a motion for summary judgment to affirm the lien. On June 13, 2013, the Court held a hearing and granted our motion for summary judgment.

III. Gaming

a. Key accomplishments last period:

- i. Continued to assist Agency staff on compliance issues associated with casino operations at Perryville, Ocean Downs, and Maryland Live!.
- ii. Continued to provide Agency staff with advice on the licensing process, especially with respect to the Horseshoe Casino Baltimore.
- iii. Assisted staff in reviewing the new table game regulations for any necessary adjustments, and assisted staff in drafting appropriate amendments. The amendments will be submitted to the Commission for approval as part of the report of the Assistant Director for Gaming.
- iv. Assisted staff in answering questions from applicants and other interested parties about the Request for Proposals for the video lottery facility operation license for Prince George's County.
- v. Continued to assist Agency staff in obtaining memoranda of understanding with U.S. gaming jurisdictions to facilitate sharing information about license applicants who are licensed in other states.
- vi. The challenge brought by HarborWest to the Location Commission's decision to award CBAC Gaming, LLC the Baltimore City VLT facility license is pending before the Court of Appeals. We have asked the Court to either dismiss the case altogether or review the case and summarily affirm the lower court decision in our favor.

b. Upcoming tasks for this period:

- i. Provide assistance as necessary to Agency staff, including supporting the Location Commission's evaluation of the three proposals received for the Prince George's County operation license, and supporting the Enforcement Division's investigation of the three applicants.
- ii. Continue to assist Agency staff in obtaining memoranda of understanding with other gaming jurisdictions to facilitate sharing information about license applicants.

c. Issues:

- i. N/A

IV. New Initiatives - Electronic Gaming Devices

a. Key accomplishments last period:

- i. Continue to assist Agency staff with planning the regulation of electronic gaming devices.

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- ii. Assisted Agency staff in editing proposed regulations to address concerns of representatives of electronic gaming and bingo industry.
 - iii. The lawsuit brought against the State by the Crooked I Sports Bar & Grill in the Circuit Court for Anne Arundel County remains pending before the Court of Special Appeals. The State has objected to a motion filed by the Crooked I to transfer the case to the Court of Appeals prior to review by the Court of Special Appeals.
- b. Upcoming tasks for this period:**
- i. Continue to analyze the impact of legislation passed during the Second Special Session, and assist Staff in meeting additional resulting responsibilities.
- c. Issues:**
- i. N/A