

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 *RTF*
Principal Counsel

DIVISION: Office of the Attorney General

DATE: February 14, 2013

SUBJECT: Report for the February 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 two contracts for the Communications Division for promotion of public affairs events.
- ii. Filed liens against three agents on behalf of the AFO Division; the total amount of the three liens is \$109,823.06.
- iii. Reviewed two Corporate Guaranty documents and two Financial Responsibility Agreements submitted for 7-11 Lottery retailers.
- iv. Reviewed five Family and Medical Leave Act leave requests submitted from the Human Resources Division.

b. Upcoming tasks for this period:

- i. N/A

c. Issues:

- i. N/A

II. Lottery

a. Key accomplishments last period:

- i. Reviewed six requests from Creative Product Development relating to new Lottery scratch-off games.
- ii. Received acceptance from the U.S. Patent and Trademark Office the Lottery name change, continuance and incontestability for, the name and logo for Multi-Match, the Maryland Lottery and the Starburst logo marks.
- iii. As reported previously, the Agency's records were subpoenaed for the identities and financial information of the three true winners of the record-breaking March 30, 2012 Mega Millions prize. After the Circuit Court for Baltimore City granted our motion to quash the subpoena, and after we advised plaintiffs' counsel that the "winning" ticket upon which they based their claim was a forgery, on January 28, 2013, the plaintiffs voluntarily dismissed the lawsuit.

- iv. The Lottery pre-emptively reserved several .XXX domain names to prevent other entities from using them. The two that needed to be renewed this year have been renewed successfully: MarylandHoldem.XXX and Mdlottery.XXX. The next renewals are not due until 2021.

- v. Reviewed RFP for instant ticket printing.

b. Upcoming tasks for this period:

- i. Review RFP for Advertising, Digital, Web & Social Media and Research Services.

c. Issues:

- i. N/A

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.
- iii. Assisted staff in drafting one new chapter of regulations for table game rules, which will be provided under the report of the Assistant Director for Gaming.
- iv. Assisted staff in developing RFP for the video lottery facility operation license for Prince George's County, which was issued February 6.
- v. Assisted staff in updating gaming license application forms to reflect changes in the Gaming Law.
- vi. At the conclusion of a hearing held January 23, the Circuit Court for Baltimore City granted our Preliminary Motion to Dismiss the challenge of HarborWest to the Location Commission's decision to award CBAC Gaming, LLC the Baltimore City VLT facility license. HarborWest has until February 22 to challenge this decision by filing a petition for *certiorari* with the Court of Appeals.

b. Upcoming tasks for this period:

- i. On January 28, the Circuit Court for Anne Arundel County granted the defendants' motions to dismiss the lawsuit brought against the State Board of Elections, the Governor, the Lottery and Gaming Control Commission and Agency and its Director. Plaintiffs have filed a petition for *certiorari* with the Court of Appeals, and have asked for the Court to expedite the appeal. The State's response is due February 19.
- ii. Provide assistance as necessary to Agency staff in supporting the Location Commission.

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.

- ii. 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.
 - iii. As reported previously, an attorney in Prince George's County (we thought) had requested review of his clients' internet café operations and a declaratory ruling that they are legal under SB 864. We have negotiated the withdrawal of the declaratory ruling so that the facility may seek to legitimize its operations under the new electronic gaming device regulations approved by the Commission at the January meeting, if possible. The attorney had filed a petition for judicial review of the declaratory ruling, but upon submission of the parties' joint motion to dismiss, on February 7 the court dismissed the petition.
- 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