

Maryland Lottery and Gaming Control Commission

Martin O'Malley, Governor



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MARYLAND STATE LOTTERY COMMISSION DECEMBER MINUTES

DATE: December 13, 2012

TIME: 10 a.m.

PLACE: Maryland Lottery Headquarters

PRESENT: Chairman J. Kirby Fowler, Jr.
Vice Chair Kimberly Robertson Pannell
Commissioner F. Vernon Boozer
Commissioner Bert J. Hash, Jr.
Commissioner E. Randolph Marriner
Commissioner Diane L. McGraw
Commissioner John Morton, III

Stephen Martino, Director
Gina Smith, Deputy Director & CFO
Robert Fontaine, Principal Counsel
John Gallagher, Chief Information Officer
Charles LaBoy, Assistant Director for Gaming
John Martin, Assistant Director for Lottery
John Mooney, Assistant Director for Enforcement
Marie Torosino, Executive Associate

OTHERS: Representative from Hollywood Casino/Perryville
Representative from Ocean Downs Casino
Representative from Maryland Live! Casino
Representative from Lakes Entertainment (Rocky Gap)
Representative from Horseshoe Casino Baltimore
Representative from Governor's Office of Minority Affairs
Members of the Public

CALL TO ORDER

There being a quorum present, Chairman Fowler called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:06 a.m. Commissioners present were: Kimberly Robertson Pannell, F. Vernon Boozer, Bert J. Hash, Jr., E. Randolph Marriner, Diane L. McGraw, and John Morton.

APPROVAL OF THE AGENDA

Chairman Fowler said he would entertain a motion to approve the Amended Agenda. Motion was made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and the motion carried by unanimous vote of the Commission.

APPROVAL OF MINUTES

Chairman Fowler stated the November 15, 2012 minutes were previously provided to the Commissioners for review and an amended copy was in their folders. He asked if there were any further corrections. Hearing none, Commissioner Marriner made a motion that the amended minutes be approved, it was seconded by Vice Chair Robertson Pannell, and the motion carried by unanimous vote of the Commission.

Chairman Fowler welcomed Mr. Bert Hash to his first meeting as a new Commissioner. He also introduced Mr. Bruce Quade, Chairman of the State Racing Commission. Mr. Quade serves as liaison to the Lottery and Gaming Control Commission. Chairman Fowler similarly serves as liaison to the State Racing Commission.

COMMISSION SERVICE RECOGNITION

Mr. Bruce Reeder and Mr. W. Ray Presley, two former Commissioners, were presented awards of recognition for their service to the Lottery Commission.

Mr. Reeder said it has been an honor and a privilege to have served as a Lottery Commissioner over these past years.

Mr. Presley said he retired from the Maryland State Police on August 20, 2012, after 47 years of service. He was one of the four Commissioners appointed in 2008 as a result of the referendum that created the VLT industry in Maryland. He welcomed the newly appointed Commissioners.

Chairman Fowler said it is a pleasure to recognize both these Commissioners. The other Commissioners also made a few comments and the Chairman wished them the best in their future endeavors.

CONSENT AGENDA

Chairman Fowler said the Consent Agenda contains new instant ticket games: Game #984 *\$50 Grand Slam*, Game #985 *Summer Fun*, Game #986 *Red White & Blue*, Game #987 *Double Dice*, Game #988 *Platinum Crossword*, and Game #989 *Double Dollar Fortune*. (Exhibit #1) for the Commission's approval. Chairman Fowler asked if there were any questions. Hearing none, the Chairman requested a motion to approve the new instant games noted above. Motion made by Commissioner McGraw, seconded by Vice Chair Robertson Pannell, and motion carried by unanimous vote of the Commission.

Chairman Fowler said the Consent Agenda contains VLT Games and Component Testing (Exhibit #2) for the Commission's approval. Chairman Fowler asked if there were any questions. Hearing none, the Chairman requested a motion to approve the VLT Games and Component Testing. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and motion carried by unanimous vote of the Commission.

OPERATOR REPORTS

Hollywood Casino Perryville

Mr. Bill Hayles, Vice President and General Manager, offered congratulations to the retiring Commissioners and thanked them for their service to the Commission.

He said November gross terminal revenues (GTR) are significantly down from the previous year and were flat through October. December GTR is down over the previous year, but not as much as over the last few months. Casino staff participated this holiday season with donations of food to the local food bank. Another local group picked up toys collected by the facility for the Toys for Tots program. He thanked the facility staff for participating in the program.

The facility is preparing for 24 hour gaming and table games. Job fairs are being held to recruit applicants for a dealer school.

Chairman Fowler said if the facility is approved for 24 hour operation, when would it be implemented. Mr. Hayles responded the facility is set to open 24 hours on December 28 through New Year's. Then it would be open 24 hours on weekends only, and be open normal hours during the week.

Commissioner Morton asked could you speak on Penn National splitting their gaming operations and what is the timeframe. Mr. Hayles responded the company will split, and the timing is at least a year away. Corporate office will contact each state they operate in since they will need regulatory approval from all Commissions.

Commissioner Morton asked if Mr. Hayles feels that their revenue has begun to stabilize now since the opening of Maryland Live! Casino. Mr. Hayles responded October and November revenue is almost identical. They are seeing a bit of an uptick in business.

Vice Chair Robertson Pannell commented November revenue was consistent with October, and asked if the facility has been able to control costs because of the significant revenue decrease from November 2012 versus November 2011. Mr. Hayles responded they were prepared in the first half of year knowing competition was forthcoming, and have been able to manage effectively. The facility has been more aggressive in its marketing calendar. An in-house employee was promoted to Marketing Director, and she is doing a fantastic job.

Commissioner McGraw asked if the dealer school is going to be located at the local community college. Mr. Hayles responded the facility will be conducting the training, but will be involved on an ongoing basis with the local community college.

Ocean Downs Casino

Mr. Joseph Cavilla, General Manager, said November GTR is down 5.5% versus October this year, and up approximately 7% compared to November last year. This time of year it is the off season and down time for the business community on Eastern Shore. The facility will be requesting to add one hour during the week to close at 3 a.m. and be open 24 hours for the weekends and over the holidays. They anticipate that for the summer season they will come back with another request.

Facility employees were involved with the Worcester County Housing and Assistance program for the holidays.

Commissioner Morton asked if the opening of Maryland Live! Casino had an impact on Ocean Downs Casino. Mr. Cavilla responded it did not have as much impact as it did at the other facility. Ocean Downs has enhanced their marketing and their revenue is up year over year.

Chairman Fowler congratulated the facility on their strong revenue numbers.

Maryland Live! Casino

Mr. Rob Norton, President and General Manager, said they are pleased with the November revenue numbers. It is the second highest month since opening in June. GTR was \$34 million in November, compared to \$30 million in October. They are moving forward with their marketing programs. Shop and Swap promotion with Arundel Mills Mall is running in December. The Prime Rib restaurant opened on December 6.

New Year's Eve celebrations at the facility will feature Joan Jett on December 30 and a Celebration Around the World party from 4 p.m. to 2 or 3 a.m. where facility will be celebrating New Year's in different parts of the world.

The facility plans to roll out 24 hour operation on December 27. They are actively preparing for the implementation of table games being introduced to Maryland. There were 8,000 candidates that applied for dealer school, and they are now in the interview

process. Dealer training will start on January 7 and will be conducted by the Anne Arundel Community College in conjunction with Maryland Live! Casino. In January, the casino will working on their floor reconfiguration to be able to introduce table games by early spring.

Commissioner Morton asked if the facility is pleased with the status of traffic conditions, particularly with the major roads. Mr. Norton responded with the exception of special events that put a lot of the pressure on local infrastructure, there have been no traffic issues. They have met with local law enforcement and are pleased with the traffic pattern.

Evitts/Lakes Entertainment Resorts

Ms. Jeanette Ortiz, from Greenwill Consulting Group representing Evitts/Lakes, said Lakes Entertainment is currently working with staff on the selection of VLT machines. They anticipate opening the facility in June 2013.

Commissioner Morton asked if there have been any obstacles to opening in June. Ms. Ortiz responded they need approval from the Department of Natural Resources (DNR) before moving forward with the final plans, but that is not really an obstacle. They have been working with DNR and informing them of any changes. She is confident the facility will open in June 2013.

Horseshoe Casino Baltimore

Mr. Chad Barnhill, Sr. Vice President and General Manager said a construction outreach event was held earlier this week and 200 businesses attended. Demolition permits have been received and they will begin work in early January. The met with the Mayor's Office of Development and will focus on the hiring of Baltimore City residents.

GOVERNOR'S OFFICE OF MINORITY AFFAIRS (GOMA)

Ms. Zenita Hurley, Special Secretary, said her office is responsible for monitoring MBE compliance throughout the State. She gave a brief background on the MBE program. By law, every six months GOMA must submit an MBE report for each operating facility. The previous report dated January 2012 submitted to the Lottery Commission by GOMA included VLT MBE activity through November 2011. The current report includes MBE payment activity for Hollywood Casino Perryville and Ocean Downs Casino from December 2011 through June 2012 for ongoing operations, cumulative MBE payment activity for ongoing operations at Hollywood Casino Perryville and Ocean Downs Casino through June 2012, and MBE subcontract awards and MBE payment activity through June 2012 for Maryland Live! Casino for design, development, construction, and startup operations. A copy of GOMA's current VLT Facilities MBE Compliance Status Report was provided to the Commission.

Ms. Hurley then reviewed and discussed with the Commission the MBE participation activity of each facility.

Chairman Fowler thanked Ms. Hurley for the report.

STAFF REPORTS

Director's Report – Stephen Martino

Mr. Martino said the Commission was provided with an updated lottery sales and revenue sheet. Sales are \$26.9 million, 3.6%, ahead compared to last year. Revenue is \$115,000 ahead compared to last year. The large Powerball jackpot a few weeks ago had a positive impact on sales and revenue. Powerball sales are \$32.4 million ahead compared to last year. This game has been a significant sales and revenue generator. The Lottery will be reviewing all of its games and particularly focusing on improving the Keno product. The new Five Card Cash game recently launched and through December 9, sales were \$2.1 million, adding \$600,000 to revenue. There have been significantly high payouts in the Pick 3 and Pick 4 games which also effect revenue.

Mr. Martino noted that one of the casino revenue sheets provided to the Commission contained an error and provided them with a corrected copy. Next month these numbers will be provided in a different format. It will continue to contain historical monthly data as well as adding data regarding the number of VLTs at each facility.

Meetings are scheduled with two casinos to discuss their table game project timelines. He expects implementation in the spring for Hollywood Casino Perryville and Maryland Live! Casino. He is not certain if and when Ocean Downs Casino will implement table games. As timetables are developed, they will be provided to the Commissioners. Internal guidelines are also being developed and will be provided.

Vice Chair Robertson Pannell requested that any casino violations and complaints be incorporated into some type of report for the Commission.

Mr. Martino said Mr. Butler is working on a draft memo regarding Commission duties and responsibilities. A copy will be provided to the Commission for their review.

The Lottery recently met with the House Ways and Means Committee to discuss the launch of table games and the Prince George's County casino site.

The Location Commission is chaired by Mr. Donald Fry of the Greater Baltimore Committee. In the past the Location Commission was staffed by the Department of Legislative Services. However, with the passage of Senate Bill 1, those responsibilities have moved over to the Lottery. A meeting was held with Mr. Fry to lay out groundwork for moving forward with plans for the issuance of the RFP for the Prince George's County site. Mr. Martino further explained the process involved from the issuance of the RFP through the award of the license, including the responsibilities of the Lottery Commission.

Mr. Martino extended his thanks to all the staff involved in putting together the regulations that the Commission will be reviewing today.

Commissioner Morton said with regards to the information the Commission receives prior to each monthly meeting, there are a number of services that can provide this information on a website. Prior to each month's meeting, staff could post the information and each Commissioner would then have access. Mr. Martino said he would talk with staff and contact Commissioner Morton for further discussion.

A conflict has arisen concerning the Commission meeting scheduled for February 28. After discussion, the Commission was in agreement to move the meeting to February 26.

Administration, Finance & Operations – Gina Smith, Deputy Director/CFO

Ms. Smith said her report was provided to the Commission. She has been working on recruitment of personnel and making a great effort to get them on board quickly. The Commissioners were provided with paperwork to be placed into the payroll system. Compensation should begin in mid-January for the November, December and January meetings. If there are any questions, please let her know.

She has been working with the Department of General Services to obtain additional space at Montgomery Park to house the new employees. They are procuring temporary space in the building for the 16 new Licensing Specialists and expect that to be ready by January 1. Also, she is working to procure permanent space with the goal of moving all Gaming employees into the new space and this will take several months.

Commissioner Morton requested a monthly report showing monies being spent as compared to the budget and that it be sent to all Commissioners for their review. Ms. Smith said she will provide that information.

Stout, Causey and Horning are completing September's financial statement and will be starting on October's financial statement next week. She will send copies to the Commission as soon as they are received.

Vice Chair Robertson Pannell said regarding the MBE participation report, it would be helpful to note on the report any exceptions and whether or not additional time is needed to meet the MBE goal.

Information Technology – John Gallagher, Chief Information Officer

Mr. Gallagher said his report was provided to the Commission. He is working with the State Department of IT for the migration of the Lottery's e-mail to Google Mail. Tentative implementation is in February. He will update the Commission at the January meeting.

On December 1 there was a building power outage. The Lottery completed a fail over test with SGI and the Internal Control System for the lottery system. There were no issues.

Chairman Fowler asked if this was an unscheduled power outage. Mr. Gallagher responded it was scheduled by Montgomery Park. The IT area was backed up by its own generator. The building generator was not allowed to run.

Server migration is scheduled to be completed by the end of December.

Gaming – Charles LaBoy, Assistant Director

Mr. LaBoy said his report was provided to the Commission. He is developing position descriptions for the new table game and gaming device positions. Rocky Gap anticipates opening on June 1 and regular meetings are being held with the facility. Meetings are being held with Hollywood Casino Perryville and Maryland Live! Casino to discuss their table game project timeline.

The Commission Audit Committee met on November 27 to discuss the audits for the third quarter. A draft of the 2013 audit plan will be provided by the end of the month to the Committee for their review. He will discuss this further at the January meeting. Commissioner Morton requested that minutes of these audit committee meetings be taken and provided to all the Commissioners. Mr. LaBoy responded he will take care of it.

Commissioner Morton asked Mr. LaBoy to discuss the plan for the phasing in of the ownership of the VLTs back to the casinos. Mr. LaBoy provided the Commission with an explanation on the steps that will be taken.

Commissioner Morton said knowing that when Baltimore City and eventually Prince George's County open, the casinos will have to purchase their machines. Rocky Gap will also need machines. With the machines being returned by Hollywood Casino Perryville and Maryland Live! Casino, will those machines be directed towards Baltimore and Rocky Gap, so there is no inventory of unused VLTs. Mr. LaBoy responded we will not be purchasing any devices for Rocky Gap and will utilize the current inventory. We will be moving devices from Maryland Live! Casino and Hollywood Casino Perryville to Rocky Gap to satisfy the orders.

Mr. LaBoy said in accordance with SB1 of 2012 Special Legislative Session, VLT facilities are permitted to expand gaming hours to 24 hours, seven days per week beginning 30 days after certification of the referendum. Each facility has submitted their requests specifying their desired hours of expanded operation and the requests were provided to the Commission. Staff recommends approval of these requests. After review and discussion, Commissioner Marriner made motion to allow staff to modify any 24 hour request without coming back to Commission for approval and it was seconded by Chairman Fowler. It was the consensus of the Commission to allow staff the discretion to make changes and report any changes each month to the Commission.

Lottery – John A. Martin, Assistant Director

Mr. Martin said his report was provided to the Commission. He said the Holiday Keno Sprinkler promotion is scheduled to run December 17 to 31.

Holiday instant tickets are at retailer locations and statewide radio advertising is airing. He is working with the merchandising team to look at point of sale materials for the new year. After the first of year, there are plans to change 100 7-11 stores from 24 bin to 32 bin in-counter units for instant tickets.

The Communications Division is conducting Holiday Mall Tours to promote lottery products.

There were a number of closed instant games and they were attached to his report.

Vice Chair Robertson Pannell asked for further information on the Instant Ticket Vending Machine (ITVM) audit. Mr. Martin responded there are 16, 20, 24 bin ITVMS at various retailer locations. An audit of each machine will be done in the spring and fall, and any machine that is under performing will be relocated to a higher sales location.

Player Activated Terminals (PATs) are self-service machines tied into the gaming system, and dispense 16 instant tickets as well as on-line games. In December and January a field audit will be conducted on each machine in the marketplace.

Enforcement – Capt. John Mooney, Assistant Director for Enforcement

Capt. Mooney said his report was provided to the Commission. He said 16 new licensing investigators will be hired. He commended the Human Resources Division on the great job they did in moving this process through quickly. Currently, there are three vacancies in the Compliance Division to be filled.

He has received 300 licensing applications, and expects many more. He is confident they will be able handle the applications.

Evitts Resort – Institutional Investor

Three member panel in Licensing Division approved Centennial Bank in Arkansas as an institutional investor for Evitts Resort. The Bank has \$3.9 billion in assets. They have no interest in the casino license issued by the Commission.

Office of the Attorney General – Robert Fontaine, Principal Counsel

Mr. Fontaine said his report was provided to the Commission. He updated the Commission on various court cases they have been working on.

At 11:53 a.m., Commission took a short break, and the meeting reconvened at 12:08 p.m.

AGENCY REGULATION REVIEW AND APPROVAL, TITLE 36

Mr. Fontaine said in addition to the regulations that were previously sent to the Commission, they were also provided today with a summary of non-substantive and substantive changes for corrections of statutory citations in authority and typographical errors. The Lottery regulations were contained in a subtitle under COMAR under other administrative agencies. The Lottery Agency now has been designated its own COMAR title, Title 36. Many of the regulations are not changing and in some cases have been on the books for 40 years. Mr. Fontaine briefly explained the regulation process for publication in the Maryland Register and an opportunity for the public to comment.

36.01 General Provisions

.01 – General, .01 through .06

Commissioner McGraw suggested an amendment to provide in addition to the existing proposal that the Commission satisfy all regulatory authorities, responsibilities and processes as designated by law and regulation. Mr. Fontaine said he would insert this language at the end of Regulation .03.

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.01.01, .01 through .06 as presented along with the amendment by made by Commissioner McGraw. Motion made by Commissioner McGraw, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

.02 – Administrative Procedures, .01 through .06

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.01.02, .01 through .06 as presented. Motion made by Commissioner McGraw, seconded by Vice Chair Robertson Pannell, and motion carried by unanimous vote of Commission.

.03 – Voluntary Exclusion and Responsible Gaming, .01 through .07

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.01.03, .01 through .07 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner Boozer, and motion carried by unanimous vote of Commission.

36.02 Lottery Provisions

.01 Definitions, .01 and .02

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.01, .01 and .02 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner Boozer, and motion carried by unanimous vote of Commission.

.02 – Retailer Licensing, .01 through .10

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.02, .01 through .10 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.03 – Retailer Requirements, .01 through .10

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.03, .01 through .10 as presented. Motion made by Commissioner McGraw, seconded by Vice Chair Robertson Pannell, and motion carried by unanimous vote of Commission.

.04 – Common Provisions for All Lottery Games, .01 through .08

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.04, .01 through .08 as presented. Motion made by Commissioner Hash, seconded by Vice Chair Robertson Pannell, and motion carried by unanimous vote of Commission.

.05 – Specific Game Provisions, .01 through .03

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.05, .01 through .03 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.06 Claims Procedures, .01 through .18

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.06, .01 through .18 as presented. Motion made by Commissioner McGraw, seconded by Vice Chair Robertson Pannell, and motion carried by unanimous vote of Commission.

.07 Unclaimed Lottery Prizes, .01 and .02

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.07, .01 and .02 as presented. Motion made by Commissioner Marriner, seconded by Vice Chair Robertson Pannell, and motion carried by unanimous vote of Commission.

.08 Voluntary Assignment of Monetary Prizes, .01 through .09

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.02.08, .01 through .09 as presented. Motion made by Commissioner Marriner, seconded by Vice Chair Robertson Pannell, and motion carried by unanimous vote of Commission.

.09 Instant Ticket Lottery Machines, .01 through .04

At this time this regulation was tabled by the Commission.

36.03 Gaming

.01 General, .01 through .04

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.01, .01 through .04 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

.02 Investigation and Licensing, .01 through .18

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.02, .01 through .18 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.03 Operation Licenses, .01 through .09

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.03, .01 through .09 as presented. Motion made by Commissioner Marriner, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

.04 Enforcement, .01 through .07

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.04, .01 through .07 as presented. Motion made by Commissioner Marriner, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

.05 Unannounced Inspections, .01 through .03

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.05, .01 through .03 as presented. Motion made by Commissioner McGraw, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

.06 Enforcement of Voluntary Exclusion Program, .01 through .03

After review and discussion by the Commission, Chairman Fowler said he would entertain a motion to approve 36.03.06, .01 through .03 as presented. Motion made by Commissioner Marriner, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

.07 Mandatory Exclusions, .01 through .08

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.07, .01 through .08 as presented. Motion made by Commissioner Marriner, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

.08 Collection of Taxes, Fees and Civil Penalties, .01 through .04

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.08, .01 through .04 as presented. Motion made by Commissioner Morton, seconded by Commissioner Marriner, and motion carried by unanimous vote of Commission.

.09 Junkets, .01 and .02

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.09, .01 and .02 as presented. Motion made by Commissioner Marriner, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.10 VL Facility Minimum Control Standards, .01 through .49

After review and discussion by the Commission, Chairman Fowler said he would entertain a motion to approve 36.03.10, .01 through .49 as presented. Motion made by Commissioner Hash, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.11 Facility Standards, .01 through .08

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.11, .01 through .08 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.12 Transportation of VLTs and Table Game Equipment, .01 through .06

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.03.12 .01 through .06 as presented. Motion made by Commissioner Hash, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

36.04 Video Lottery Terminals

.01 Video Lottery Technical Standards, .01 through .32

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.04.01, .01 through .32 as presented. Motion made by Commissioner Marriner, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.02 Video Lottery Terminal Machines, .01 and .02

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.04.02, .01 and .02 as presented. Motion made by Commissioner Marriner, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

36.05 Table Games

.01 General, .01 and .02

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.05.01, .01 and .02 as presented. Motion made by Commissioner Hash, seconded by Commissioner Marriner, and motion carried by unanimous vote of Commission.

.02 Table Game Equipment, .01 through .19

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.05.02, .01 through .19 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.03 Table Game Procedures, .01 through .24

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.05.03, .01 through .24 as presented. Motion made by Commissioner Hash, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.04 Blackjack Rules, .01 through .14

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.05.04, .01 through .14 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.05 Craps Rules, .01 through .11

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.05.05, .01 through .11 as presented. Motion made by Commissioner Marriner, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

36.06 Electronic Gaming Devices

.01 General, .01 through .03

.02 Lawful and Unlawful Electronic Devices, .01 and .02

.03 Application and Licensing, .01 through .16

.04 General Requirements, .01 through .05

.05 Technical Standards, .01 through .10

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.06.01 through 36.06.05 as presented. Motion made by Commissioner Marriner, seconded by Commissioner Hash, and motion carried by unanimous vote of Commission.

36.07 Instant Bingo Machines in Anne Arundel and Calvert Counties

.01 General, .01 and .02

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.07.01, .01 and .02 as presented. Motion made by Commissioner Marriner, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.02 Application and Licensing, .01 through .18

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.07.02, .01 through .18 as presented. Motion made by Commissioner Boozer, seconded by Commissioner Marriner, and motion carried by unanimous vote of Commission.

.03 Instant Bingo Facility Standards, .01 through .03

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.07.03, .01 through .03 as presented. Motion made by Commissioner Boozer, seconded by Commissioner McGraw, and motion carried by unanimous vote of Commission.

.04 Instant Bingo Minimum Internal Control Standards, .01 through .19

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.07.04, .01 through .19 as presented. Motion made by Vice Chair Robertson Pannell, seconded by Commissioner Marriner, and motion carried by unanimous vote of Commission.

.05 Responsible Gaming, .01

After review and discussion, Chairman Fowler said he would entertain a motion to approve 36.07.05, .01 as presented. Motion made by Commissioner Marriner, seconded by Commissioner Boozer, and motion carried by unanimous vote of Commission.

Chairman Fowler said he would entertain a motion to repeal Subtitle 1 of Title 14. Motion made by Commissioner Boozer, seconded by Commissioner McGraw and motion carried by unanimous vote of Commission.

Chairman Fowler said he would entertain a motion to permit Lottery staff to submit Subtitles .03, .04 and .05 approved today on an emergency basis. Motion was made by Commissioner Marriner, seconded by Commissioner Boozer, and the motion carried by unanimous vote of the Commission.

Chairman Fowler said he would entertain a motion to authorize staff to clean up non-substantive errors such as typographical errors, misspellings and incorrect cross-references prior to submitting the regulations to AELR. Motion was made by Commissioner McGraw, seconded by Commissioner Marriner, and the motion carried by unanimous vote of the Commission.

PUBLIC COMMENTS

Chairman Fowler said at this time he would take public comments. However, any comments on the regulations will be addressed at a future public hearing.

Mr. Kevin O'Keeffe, lobbyist, Maryland Amusement & Music Operators Association (MAMOA) and Mr. Larry Bershtein, President of MAMOA said Subtitle 6 applies to their industry and they will wait for the public comment period to voice their concerns.

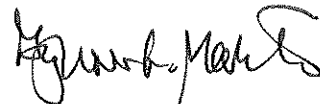
DATE AND TIME OF NEXT MEETING

Chairman Fowler said the next Commission meeting is scheduled for 10 a.m. on Thursday, January 24.

ADJOURNMENT

There being no further business for discussion, Chairman Fowler said he would entertain a motion to adjourn. Motion made by Commissioner Marriner, seconded by Commissioner Boozer, and motion passed by unanimous vote of the Commission. Meeting adjourned at 2:13 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen L. Martino". The signature is fluid and cursive, with the first name "Stephen" and last name "Martino" clearly distinguishable.

Stephen L. Martino