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**MINUTES OF THE MEETING OF  
THE OHIO LOTTERY COMMISSION**

**HELD AT:  
THE FRANK J. LAUSCHE BUILDING.  
SECOND FLOOR AUDITORIUM  
615 WEST SUPERIOR AVENUE - CLEVELAND, OHIO 44113**

**AUGUST 17, 2009  
1:00 P.M.**

**Present at the meeting were the following:**

**Members of the Commission:**

Jaladah Aslam  
Otto Beatty III  
Paul M. Burens  
Ernie Cade  
Allan C. Krulak  
Patrick McDonald  
William N. Morgan  
Rudy M. Stralka

**Executive Staff of the Commission:**

Michael A. Dolan, Director  
Pamela A. DeGeeter, Chief Legal Counsel  
Dennis Berg, Deputy Director, Finance  
John Martin, Deputy Director, Sales  
Candace S. McGraw, Deputy Director, Charitable Gaming  
Constance Miller, Deputy Director, Operations  
John O'Donnell, Deputy Director, Security  
Gwen Penn, Deputy Director, Product Development  
Michael Petro, Deputy Director, Information Technology  
Traci Pinkney, Deputy Director, General Services  
Jeannie Roberts, Deputy Director, Communications  
Terri Tancredi, Deputy Director, Marketing  
Christine T. Jasica, Administrative Assistant, Legal

**Also Present Were:**

Ken Adams, Asst. Deputy Director, Sales  
Carol Brown, Internal Audit Supervisor  
Holly Coone, Intern, Executive Management  
Ron Fornaro, Instant Gaming System  
Manager, Product Development  
Mary Kotynski, Admin. Asst.,  
Communication  
Andy Koustis, Admin. Asst., Finance  
Mike Mazanec, Admin. Asst., Internal Audit  
Annie Key, Admin. Asst. Communications  
Sean McGraw, Intern, Communications  
Marie Kilbane-Seckers, Public Information  
Officer, Communications  
Michaele Smith, Admin. Asst.,  
Communications  
Karen Russo, Public Information Officer,  
Communications  
James Manley, Asst. Legal Counsel, Legal  
Department  
Debbie Warren, Admin. Asst., Legal  
Tina Latimer-Petkac, Admin. Asst.,  
Executive Management  
Dan Price, On-Line Product Manager,  
Product Development  
Kim Banks, Admin. Asst., Marketing  
Allison Turner, Admin. Asst., Marketing  
Maureen Hall, Admin. Asst., Marketing  
Traci Konesky, Admin. Asst., Finance  
Laurence Synder, Asst. Attorney General  
Carol Ann Schindel, Auditor of State's  
Office  
Dan Cline, OIG  
Anne Hill, Governor's Office  
Chad Aronson, Governor's Office  
Michael Cohan, Cavitch Law Firm  
Irv Berliner, Taft, Stettinius & Hollister  
Shannon O'Brien, WOIO  
J. J. Jackson, WOIO  
Colleen O'Neill, WTAM

Kevin Niedermier, WKSU  
Tracy Carlross, Channel 5  
Dave Hatala, Channel 5  
Lori Taylor, Fox 8 News  
Greg Lockhart, Fox 8 News  
Mike Crain, WKYC  
Rick Armon, Akron Beacon Journal  
Mark Naymik, Cleveland Plain Dealer  
Christopher Che, Hooven Dayton Corp.  
Tracy Blevins, Hooven Dayton Corp.  
Darick Cornelious, GTECH  
Paul Ertel, Jacobs Investments  
Harvey Scholnick, Marcus Thomas  
Joe Rice, Intralot  
Charlie Scannella, MDI  
Brian Wright, Melamed Communications  
Robert Norton, MTR Gaming  
Mr. Zimmerman, Ohio Legacy Fund  
Uri Clinton, Multimedia Games  
John Oberle, Raceway Park  
David Ellsworth, Thistledown  
Brian Freeman, Thistledown  
Brent Reitz, Thistledown  
Matt Forney, Bally Gaming  
Zack Holzapfel, Gaming Lab., Int'l  
Kevin Mullally, Gaming Lab., Int'l  
Theresa Birtalain, M3 Gaming  
Tim Cazsel, M3 Gaming  
Ron Rollins, Eclipse Compliance Testing  
Michael McMenamin, Williams Gaming  
Chuck Blasdel, Williams Gaming  
Robert Lamberto  
Matt Clever  
Terry Casey

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

The Ohio Lottery Commission (“OLC”) meeting of August 17, 2009, was called to order at 1:00 P.M. at the Frank J. Lausche Building, Second Floor Auditorium by Chairperson Krulak.

**ROLL CALL**

The following members of the Commission answered present to the Roll Call: Jaladah Aslam, Otto Beatty III, Paul M. Burens, Ernie Cade, Allan C. Krulak, Patrick McDonald, William Morgan and Rudy M. Stralka.

Chairperson Krulak welcomed William Morgan as the newest member of the Ohio Lottery Commission.

**APPROVAL OF MINUTES**

Chairperson Krulak requested a Motion approving the minutes of the July 21, 2009 meeting. Commissioner Stralka made a Motion which was seconded by Commissioner Cade. The Motion was affirmatively voted upon by all Commissioners present.

**DIRECTOR’S REPORT, MICHAEL A. DOLAN, DIRECTOR**

- Director Dolan pointed out that the Ohio Lottery had issued, and made available for distribution at today’s Commission Meeting, the policy that should be followed by the gaming industry for oral and written communication with the Ohio Lottery Commission regarding prospective VLT vendors and licensees.
- The Director recognized Bill Jennings who is retiring after several years of excellent service to the Ohio Lottery.
- Director Dolan praised all the employees of the Lottery for maximizing sales during record FY 2009 while undergoing the largest vendor-to-vendor conversion.

**ROUNDTABLE DISCUSSION**

At this point, Chairperson Krulak explained that there would be a change in the direction of this meeting from its usual course. He indicated that agenda item No. 6, presentation of Six Instant Game Rules in Proposed Form would now be presented followed by agenda item No. 7,

presentation of Three Instant Game Rules in Final Form. Chairperson Krulak stated that the floor would then be open for any public comment or remarks.

Next, agenda item No. 8, approval of the Administrative Rules relating to the Video Lottery Terminals in Proposed Form and as Emergency Rules would be brought before the Commission.

Chairperson Krulak stated that as a time saving effort due to the large number of attendees at the meeting, agenda items 9 through 16, the Deputy Directors' Reports, would not be formally presented since all Commissioners had received a copy. He added that if any Commissioner had questions regarding the Deputy Directors' Reports, the questions could be asked at that time.

#### **APPROVAL OF SIX (6) INSTANT GAME RULES IN PROPOSED FORM**

Ron Fornaro and Dan Price brought before the Commission three (3) Instant Game Rules for approval and three (3) EZ Play Game Rules for approval in Proposed Form. Mr. Fornaro and Mr. Price presented the details of the games:

- Rule 3770:1-9-716, *Old Man Winner* (\$1.00)
- Rule 3770:1-9-717, *2010 Doubler* (\$1.00)
- Rule 3770:1-9-718, *Candy Cane Cash* (\$2.00)
- Rule 3770:1-9-722, *EZPlay™ Reindeer Rally* (\$1.00)
- Rule 3770:1-9-723, *EZPlay™ Stocking Stuffers* (\$2.00)
- Rule 3770:1-9-724, *EZPlay™ Lucky Bet* (\$2.00)

Chairperson Krulak requested a Motion to approve the six (6) Instant Game Rules in Proposed Form. Commissioner Stralka made a Motion that was seconded by Commissioner Aslam. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

#### **APPROVAL OF RULES IN FINAL FORM**

Ms. DeGeeter brought before the Commission three (3) Instant Game Rules for approval in Final Form. The rules were approved in Proposed Form at the July 21, 2009 Commission Meeting. The game rules are:

- Rule 3770:1-9-711, *Jingle Bell Doubler* (\$2.00)

- Rule 3770:1-9-712, *Holiday Lucky Times 10* (\$5.00)
- Rule 3770:1-9-713, *Holiday Winnings* (\$10.00)

Chairperson Krulak requested a Motion to approve the three (3) Instant Game Rules in Final Form. Commissioner McDonald made a Motion that was seconded by Commissioner Cade. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

**APPROVAL OF THE ADMINISTRATIVE RULES RELATING TO VIDEO LOTTERY TERMINALS IN PROPOSED FORM AND AS EMERGENCY RULES**

Chairperson Krulak inquired if there were any revisions to the proposed rules. Ms. DeGeeter responded that there were revisions included in the Commissioners' binders. She went on to explain the JCARR rule filing process and that the Lottery anticipates a tentative Public Hearing date of September 18, 2009. Assuming that the rules were filed on Tuesday, August 18, 2009, a Commission Meeting would then be required so that the rules may be brought back before the Commission in Final Form for approval and then be final filed, prior to the 65 day JCARR jurisdiction expiration date.

Chairperson Krulak requested a Motion to approve rules 3770:2-1-01 through 3770:2-10-60. Commissioner Beatty inquired if questions could be raised prior to the vote and Chairperson Krulak concurred. Following numerous questions and comments by the Commissioners regarding the proposed video lottery rules, Director Dolan provided a detailed explanation of the steps necessary to complete the VLT implementation process. Ms. DeGeeter explained that upon finalization of the Application, many of the points made by the Commissioners would be included in the final Application or taken under advisement as opposed to making a change to the proposed rules.

Additional extensive discussion was brought by the Commissioners requesting clarification on various aspects of the VLT Application and implementation process including the VLT allocation process, application information, security and surveillance, advertisement expense, background checks for technology providers, shareholder ownership percentages, certification labs and capital expenditures.

As a result of this discussion, Commissioner Cade made a Motion to require the same licensing standard for the technology provider as for the video lottery agents and moved that the applicable

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section of the rule 3770:2-5-01 be amended. Commissioner McDonald seconded the Motion. Ms. DeGeeter asked for clarification of and obtained clarification on the Motion language. At this point, the Motion was affirmatively voted upon by the Commissioners present.

Further, Commissioner Cade proposed that rule 3770:2-2-01 be amended to decrease shareholder ownership percentage from 10% to 5%. There was a Motion made by Commissioner Cade, seconded by Commissioner Stralka. At this point, the Motion was affirmatively voted upon by the Commissioners present.

Commissioner Beatty made a Motion to amend rule 3770:2-3-01 regarding contract award percentages to Ohio-based businesses. Subsequent to clarification by Director Dolan and Ms. DeGeeter of the proposed amendment language, the Motion was seconded by Commissioner Stralka. The Motion was affirmatively voted upon by the Commissioners present.

Chairperson Krulak requested a motion for approval of Administrative Rules relating to the Video Lottery Terminals as Proposed Rules and as Emergency Rules. Commissioner Cade made a Motion that the proposed rules as submitted and as amended at the meeting be approved. Commissioner Aslam seconded this Motion. The Motion was affirmatively voted upon by the Commissioners present. Director Dolan requested that the minutes reflect that the Motion and vote pertains to the Proposed and Amended Administrative Rules 3770:2-1-01 through 3770:2-10-60.

Chairperson Krulak offered his gratitude to the Commissioners, the Lottery staff and the Governor's office for their diligence in accomplishing this task.

**ADJOURNMENT**

Chairperson Krulak adjourned the meeting at 2:26 P.M.

  
Kathleen Burke, Secretary

Approved:

  
Allan C. Krulak, Chairperson