

# MINUTES

## WEST VIRGINIA LOTTERY COMMISSION

August 28, 2018

### **Call to Order - Approval of Minutes**

The monthly meeting of the West Virginia Lottery Commission was called to order at Lottery Headquarters on Tuesday, August 28, 2018 at 11:09 a.m.

Commission Members present: Chairman Ken Greear, Vice Chairman Clayton, Doug Bicksler, Andy Kniceley, Bill Laird, Dan Marshall and Roy Shrewsbury.

Also present were: Director Larrick, Robin Graley, Dean Patrick, David Bradley, Keith Morgan, Tommy Young, Bob Humphrey, Elizabeth Webb, Danielle Boyd, June Somerville and the public.

A motion to approve the minutes of July 25, 2018 monthly meeting was made by Vice Chairman Clayton. This motion was seconded by Commissioner Marshall and passed by unanimous voice vote.

A motion to approve the minutes of the July 18, 2018 conference call was made by Commissioner Shrewsbury, seconded by Commissioner Bicksler and passed by unanimous voice vote.

## **Report of the Director**

Director Larrick reported working with the casinos on implementation, and the grand opening of Hollywood Casino's sportsbook will be September 1, 2018.

### **- Finance**

Dean Patrick reviewed the financial report for the month of July.

### **- Marketing**

Tommy Young reviewed the monthly Marketing report.

Jim Shock reviewed a report on the Lottery's social media efforts.

### **- Security Division – Traditional**

Steve Compston provided the Traditional Security report.

### **- Security Division – Limited Video Lottery**

In David Bradley's absence, Steve Compston reviewed the Limited Video Lottery Security report.

### **- Security - Table Games/Casino/Video**

In David Bradley's absence, Steve Compston provided the report for the Table Games Division.

### **- Video Lottery**

Bob Humphrey reviewed the monthly report for the Video Lottery Division.

### **- Licensing**

Elizabeth Webb reviewed the Licensing report.

## **III. Questions for Contractor**

There were no questions for IGT.

#### **IV. Finance and Audit Committee**

The first item was setting the video lottery promotional credit limit for the racetracks and the Greenbrier Casino for the period of October 1, 2018 through December 31, 2018.

**VOTE:** Vice Chairman Clayton moved to set the video lottery promotional credit limit for the racetracks and the Greenbrier Casino as follows:

Hollywood Casino at Charles Town Races	2.0%
Mardi Gras Casino & Resort	2.0%
Mountaineer Casino Racetrack and Resort	2.75%
Wheeling Island Gaming Inc.	2.75%
Greenbrier Hotel Corp.	2.5%

This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The next item was possible approval of setting the table games complimentary chip limit for each of the racetracks and the Greenbrier Casino for the period of October 1, 2018 through December 31, 2018.

**VOTE:** Vice Chairman Clayton moved to set the table games complimentary chip limit for the racetracks and the Greenbrier Casino as follows:

Hollywood Casino at Charles Town Races	0.75%
Mardi Gras Casino & Resort	0.75%
Mountaineer Casino Racetrack and Resort	0.75%
Wheeling Island Gaming Inc.	0.75%
Greenbrier Casino	0.75%

This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The next item was possible approval of the modification to Eldorado's June 26, 2018 approval for the issuance of \$1,000,000,000 in unsecured notes for the Tropicana acquisition.

**VOTE:** Vice Chairman Clayton moved to approve the modification to Eldorado's June 26, 2018 approval for the issuance of \$1,000,000,000 in unsecured notes for the Tropicana acquisition. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The next item was a presentation of the SOC 1 Type 2 report on the IGT Gaming System.

The last item was a review of questions regarding the July financial statements.

## **V. Games, Rules, Security & Marketing Committee**

The first item was possible approval of working Minimum Internal Control Standards for sports betting until final Minimum Internal Control Standards are established.

**VOTE:** Commissioner Shrewsbury moved to approve the Minimum Internal Control Standards document as a working document and grant the Director the authority to make field changes as necessary throughout implementation as long as the Director determines that such modifications are not substantive changes to policy that should require specific approval by the Commission.

Any substantive policy changes will be discussed and approved by emergency conference call as long as the conditions required to justify the emergency are met. Weekly updates will be provided until the document is finalized. This motion was seconded by Commissioner Marshall and passed by unanimous voice vote.

The next item was possible approval of the Director's recommendation to impose a \$1,000.00 civil penalty for second offense against Hollywood Inc. dba Lulu's of Bluefield, a

limited video lottery retailer. Lottery Investigator Scott Moore and Michael Ueland of LuLu's addressed this issue.

**VOTE:** Commissioner Shrewsbury moved to approve a \$1,000.00 civil penalty for second offense against Hollywood Inc. dba Lulu's of Bluefield, a limited video lottery retailer. This motion was seconded by Commissioner Laird and passed by unanimous voice vote.

The next items for approval were: Ainsworth Game Technology Ltd. "Enchanted Eyes – Big Hit Bonanza" Personality Program for the racetracks, one new IGT "Ascent S3000" GI\* "Gold Bar 7s" Installation Media and one new GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "King Cash" Installation Media and GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "RUN for your MONEY" Installation Media and GAME\* Package for the racetracks, IGT "Ascent" GI\* "Tabasco Avery Island" Installation Media and one new GAME\* Package and Universal Controller (UC) Program for the racetracks, Everi Games Inc. (Multimedia Games, Inc.) MForce Personality Program Entitled "Jackpot Inferno" for the racetracks, IGT sensys "JURASSIC WORLD 3D" Personality Program and Coffee Program for the racetracks, Bally Gaming, Inc. Hardware Components and "ArgOS" "Anchorman" Personality Program for the racetracks, IGT "Ascent S3000" GI\* "Red Hot Cantina Red Hot Tamales!" Installation Media, GAME\* Package and Associated Software for the racetracks, Bally Gaming, Inc. "Monopoly Money" Personality Program for the racetracks, IGT "Ascent" GI\* "Reel Edge Cleopatra Pinball" Installation Media and GAME\* Package for the racetracks, Everi Games, Inc. (Multimedia Games, Inc.) MForce Personality Program Entitled "Shark Attack" for the racetracks, IGT "Ascent" GI\* "Ghostbusters" Installation Media, GAME\* Package and Associated Software for the racetracks, IGT "Ascent" GI\* "Panda Queen"

Installation Media and GAME\* Package for the racetracks, IGT "Ascent" GI\* "Tabasco Brand" Installation Media and GAME\* Package for the racetracks, Konami Gaming, Inc. KP3.5 "China Shores", Personality Program for the racetracks, IGT "Ascent S3000" GI\* "Spitfire Triple Double Diamond Free Game\$" Installation Media and GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "Red Hot Cantina Red Hot Enchiladas!" Installation Media and GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "Red Hot Cantina Red Hot Chimichangas!" Installation Media and GAME\* Package for the racetracks, IGT "Ascent" GI\* "Mistress of Egypt" Installation Media and GAME\* Package for the racetracks, Bally Gaming, Inc. "ArgOS" "Hexogems Jewels of the Pharaoh" Personality Program for the racetracks, Everi Games Inc. (Multimedia Games, Inc.) Apex N Topper for the racetracks, Aristocrat, Inc. LCD Monitors for the racetracks, Aristocrat, Inc. "Game of Thrones" Vertex Schedule for the racetracks, One New Ainsworth Game Technology Ltd., LCD Button Deck with Bash Button plus DC to DC Board for the racetracks. Approval letters from GLI have been received and reviewed.

**VOTE:** Commissioner Shrewsbury moved to approve: Ainsworth Game Technology Ltd. "Enchanted Eyes – Big Hit Bonanza" Personality Program for the racetracks, one new IGT "Ascent S3000" GI\* "Gold Bar 7s" Installation Media and one new GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "King Cash" Installation Media and GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "RUN for your MONEY" Installation Media and GAME\* Package for the racetracks, IGT "Ascent" GI\* "Tabasco Avery Island" Installation Media and one new GAME\* Package and Universal Controller (UC) Program for the racetracks, Everi Games Inc. (Multimedia Games, Inc.) MForce Personality Program Entitled "Jackpot Inferno" for the racetracks, IGT sensys "JURASSIC WORLD 3D" Personality Program and

Coffee Program for the racetracks, Bally Gaming, Inc. Hardware Components and "ArgOS" "Anchorman" Personality Program for the racetracks, IGT "Ascent S3000" GI\* "Red Hot Cantina Red Hot Tamales!" Installation Media, GAME\* Package and Associated Software for the racetracks, Bally Gaming, Inc. "Monopoly Money" Personality Program for the racetracks, IGT "Ascent" GI\* "Reel Edge Cleopatra Pinball" Installation Media and GAME\* Package for the racetracks, Everi Games, Inc. (Multimedia Games, Inc.) MForce Personality Program Entitled "Shark Attack" for the racetracks, IGT "Ascent" GI\* "Ghostbusters" Installation Media, GAME\* Package and Associated Software for the racetracks, IGT "Ascent" GI\* "Panda Queen" Installation Media and GAME\* Package for the racetracks, IGT "Ascent" GI\* "Tabasco Brand" Installation Media and GAME\* Package for the racetracks, Konami Gaming, Inc. KP3.5 "China Shores" Personality Program for the racetracks, IGT "Ascent S3000" GI\* "Spitfire Triple Double Diamond Free Games" Installation Media and GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "Red Hot Cantina Red Hot Enchiladas!" Installation Media and GAME\* Package for the racetracks, IGT "Ascent S3000" GI\* "Red Hot Cantina Red Hot Chimichangas!" Installation Media and GAME\* Package for the racetracks, IGT "Ascent" GI\* "Mistress of Egypt" Installation Media and GAME\* Package for the racetracks, Bally Gaming, Inc. "ArgOS" "Hexogems Jewels of the Pharaoh" Personality Program for the racetracks, Everi Games Inc. (Multimedia Games, Inc.) Apex N Topper for the racetracks, Aristocrat, Inc. LCD Monitors for the racetracks, Aristocrat, Inc. "Game of Thrones" Vertex Schedule for the racetracks, One New Ainsworth Game Technology Ltd., LCD Button Deck with Bash Button plus DC to DC Board for the racetracks. This motion was seconded by Commissioner Marshall and passed by unanimous voice vote.

**VI. - Unfinished Business**

The only item was possible approval of the hearing examiner's recommended decision in the limited video Lottery retailer licensing appeal of Desmad, LLC, dba The Inn at Pettyjohn.

**VOTE:** Vice Chairman Clayton moved to approve the hearing examiners recommended decision and the sale of DESMAD LLC dba The Inn at Pettyjohn pursuant to the Agreement for Sale and Purchase between Worldwide Gaming, LLC and Desmad, LLC subject to the following revisions: the amount paid to the Lottery at closing will be the current balance owed of \$25,893.20 plus interest until August 31, 2018, the machines will be moved to the operator's approved warehouse located at 1841 Locust Avenue, Fairmont, WV, where they will be stored legally until they are destroyed (operator intends to use the parts and purchase new machines); and an LVL investigator located in the Fairmont area will be contacted to attend the closing on August 31, 2018, to collect the monies owed to the Lottery, and affirm that the parties agree to the terms of the Commission Order which modify the agreement. Further, the Director shall have the authority to effectuate this closing by documenting the conditions of the order in the form of an addendum which the parties will sign at the closing and such document shall be retained with the ORDER in the Lottery's files. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

**VII. - New Business**

There was no New Business.



**VIII. Scheduling of the next monthly meeting**

The date for the next monthly meeting was set for September 19th at 11:00 a.m. at Lottery headquarters in Charleston. The date for the conference call was set for September 12th at 12:00 noon.

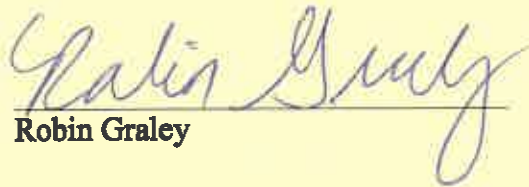
**VOTE:** Commissioner Shrewsbury moved to accept the meeting dates. This motion was seconded by Commissioner Marshall and passed by unanimous voice vote.

**IX. Adjourn**

**VOTE:** Vice Chairman Clayton moved to adjourn the meeting.



Kenneth L. Greear  
Chairman



Robin Graley