

DRAFT – Gambling Control Board Meeting Minutes
January 16, 2018
9:00 a.m.
Dept. of Public Safety
Gambling Control Conference Room

Meeting opened at 9:05 a.m.

Board members present: Chair Tim Doyle, Al Skolfield and Barbara Dresser

Excused: Robert Harmon and Greg McNeal

Gambling Control Staff present: Executive Director Milton Champion, Supv. Vicki Gardner, Det. Don Armstrong, Auditor Lenny Yaskowack, Kathy Robitaille and Mallory Reilly

Attorney General’s Office present: A.A.G. Ron Guay

Approval of Minutes of November 21, 2017

Motion to accept by Barbara Dresser

Seconded by Al Skolfield

Unanimous vote

Executive Director Report – Milton Champion

- 1) Operations – In November there were (13) Shipments of machines and/or associated equipment shipped to or from licensed facilities. On site inspectors completed (623) observations, (37) checklists. No dispositions of formal reports were sent for members review per statute. There were (8) self-exclusions.
- 2) Dir. Champion publicly thanked the accounting and compliance departments from the facilities, Mr. Jose Flores, Mr. Darrell Frecker and Mr. Scott Paradis from Scientific Games and staff from DAFS assigned to DPS for getting together this last Tuesday and working through a simpler consistent way of financial reporting.
- 3) The ADW rule package is in the hands of the Legislature.

Auditor Report – Dir. Milton Champion

For the month of December 2017, a 3% increase in total tax revenue has been identified, at both facilities, slots and table games for the month of December 2017 versus 2016. Year to date there has been a 2% increase in 2017 versus 2016.

- a. Oxford reported a 25.5% win for the month of December from table games and 9.7% win from slots. Oxford’s payback percentage for December was 90.3%. Average gross win per machine of \$159.
- b. Hollywood reported a 26.4% average win for the month of December from table games and 10.4% win from slots. Hollywood’s payback percentage for November was 89.6%. Average gross win per machine was \$139.

In the financial packet forwarded to the Board, a win % by denomination and table games can be seen. As work continues with all those involved in the reporting of this information, Dir. Champion will be providing the Board with more charts to show trends and other supporting information that impacts revenue like weather, promotions, etc. If there are areas that the Board may want him to explore, he invited their direction, requests and comments.

State Police Report – Det. Don Armstrong

65 licenses were investigated and completed in the past month; 29 of these were new license applications, 36 are renewals and 24 are pending. Other investigations completed were the two acquisitions of companies that the Board will hear about later on in the meeting.

For criminal activity, there were 5 Ticket In Ticket Out (TITO) thefts, the funds for all were recovered. Calls for service – Oxford PD had 13 and Bangor PD had 12, most of which were connected to the hotel and not the Casino floor.

Unfinished Business – Dir. Milton Champion

A. Request for Proposal Updates:

- Dir. Champion had a meeting this past week with the consulting company review of the Central System RFP. He will have something for the Department of Purchasing to review by the end of this month and then it will go to the AG's office before presenting back to the Board.
- Now that ADW rules have been submitted, Dir. Champion intends to work on the Financial RFP and should have that ready by the end of the month as well.

B. Oxford Request for Live Table Game Progressives

Dir. Champion advised that supporting documentation had been previously sent to members and are numbered 1-7 in the top right hand corner. He proceeded down through each with an explanation to the Board:

- Marked number 1 is a letter received dated December 5, 2017 from Jacqueline Hunter, Director, Technical Compliance for Scientific Games requesting the approval of progressive side bets for “live” table games. These table game progressives are similar to slot machine progressives and are not related to actual electronic table games.
- Marked number 2 is pertinent to the Board's decision today dependent upon Dir. Champion's verification from Gaming Laboratory International GLI, an independent laboratory who is one of two that certify games and devices for approval in Maine. These associated equipment or devices for “live” table games fall within the adopted standards in Appendix B, GLI-12.
- Marked number 3 is a report issued by GLI on July 5, 2013 certifying the controller and manager system of these progressives through Shuffle Master at the time which was acquired by Scientific Games in 2012 by State of Maine Slot Machine Standards, 2004 edition referred by rule Chapter 20.
- Marked number 4 is a report from May 23, 2017 updating the certification of the controller and manager system to being a Bally Gaming, Inc. product and was approved specifically with the adopted standard GLI-12 Progressive Gaming Devices in Casinos.
- Marked number 5 is a report certifying the mathematical analysis of the specific game “Blazing 7's” which is the particular game that will be played with the control and manager systems.
- Marked number 6 is the very basic rules of the game and layout.
- Marked number 7 is Oxford Casino's rules of play for this progressive game.
- The Nexus Command Game Manager progressive product is approved in 41 US jurisdictions of both state and tribal jurisdictions to include Nevada, New Jersey, Pennsylvania, Missouri and Indiana to name a few.
- A copy of Oxford Casino's internal controls was forwarded to the Board and is available in their meeting packets today.

Based on the supporting documents submitted, the internal controls and the certifications approved by GLI, Dir. Champion recommended the approval of “live” table game progressives for the State of Maine. He will however add that before these games are placed into play, Oxford Casino understands and agrees that the initial testing of the system after installation will be completed by a GLI representative before placing into play. This does not override the Board’s Statute or Minimum Internal Controls.

Motion to approve the Live Table Game Progressives made by Barbara Dresser
Seconded by Al Skolfield
Unanimous Vote

Motion to approve Oxford Casino’s Internal Controls Standards Change
made by Barbara Dresser
Seconded by Al Skolfield
Unanimous Vote

New Business

Presentation by Michael Fries, V.P. of Regulatory Compliance from Scientific Games on the Acquisition of Tech Art.

This Acquisition is a stock purchase agreement of Tech Art entities: Tech Art Inc., Tech Art of New Jersey and Tech Art Manufacturing Inc. all of Nevada. It is a non-material acquisition and Scientific Games is not incurring any new debt in order to do this Acquisition. None of the officers of Tech Art are remaining once the purchase is done. MacPage reviewed this transaction for financial stability and it was explained by Dir. Champion with no issues.

Motion by Barbara Dresser that Scientific Games remains suitable after the Acquisition of Tech Art.
Seconded by Al Skolfield
Unanimous vote

Presentation by Ellen Whittemore and Jim Grundy, Chief Financial Officer from NRT Technologist on the Acquisition of Sightline Payments/Interactive LLC.

Sightline gives patrons the opportunity to access their own money through player loyalty cards or access through their credit cards. NRT is owned by John Dominelli, CEO who is creating a new holding company. Kirk Sanford will become the CEO of the new company and is the only new Key Executive to NRT from Sightline. Mr. Sanford submitted his personal History Disclosure Form to Det. Armstrong for suitability. Det. Armstrong reported no issues with the background investigation of Mr. Sanford. No additional debit is being taken on by NRT. They are hoping for a March timeline to finalize the transaction. MacPage reviewed this transaction for financial stability and it was explained by Dir. Champion with no issues.

Discussion by Board members regarding the new Key Employee, Mr. Sanford in this transaction was discussed and Chairman Doyle requested an updated Organization Chart for NRT at the February Board meeting. The presenters will not need to return and will be available by phone if necessary. Director Champion will make a presentation of the investigative information provided at the February meeting.

Motion to table this until the February meeting by Al Skolfield

Seconded by Barbara Dresser
Unanimous vote

A question arose from Dir. Champion after conversation with Oxford GM Jack Sours regarding specific approval of the rules of play for the game “Blazing 7’s” as a live table game progressive.

Dir. Champion asked for direction from the Board as he felt the side bet progressive “Blazing 7’s” was not the actual game of play. Progressives are a stem from the actual game and in this case, blackjack? Does it need Board approval?

Chairman Doyle replied that he felt that it did and asked A.A.G. Guay for a legal interruption.

A.A.G. Guay advised that Statute requires Table games to be registered. If not, it is subject to confiscation. He would recommend to have Marked #6 and #7 approved by the Board.

Motion to accept Blazing 7’s Rules of the Play by Al Skolfield
Seconded by Barbara Dresser
Unanimous vote

Public Comment – None

Next meeting date will be Tuesday, February 27, 2018 at 9:00 a.m.

Meeting ended at 10:55 a.m.

Respectfully submitted,

Executive Secretary Kathy Robitaille