Griffin, Tina (GMB)

From: Dallas Burnett <Dallas.Burnett@muckleshoot-tga.org>
Sent: Monday, December 28, 2015 10:33 AM
To: Griffin, Tina (GMB)
Subject: RE: January WSGC Commission Meeting and Group 12 Amusement Games

Categories: Red Category

Yes please.

Dallas Burnett
Assistant Executive Director
Muckleshoot Tribal Gaming
Dallas.Burnett@muckleshoot-tga.org
253-804-4444 x1404

From: Griffin, Tina (GMB) [mailto:tina.griffin@wsgc.wa.gov]
Sent: Thursday, December 24, 2015 9:53 AM
To: Dallas Burnett <Dallas.Burnett@muckleshoot-tga.org>
Subject: RE: January WSGC Commission Meeting and Group 12 Amusement Games

Hello Dallas,

For the January 2016 commission meeting, we will be providing the Commissioners with the comments we have receive from stakeholders on the group 12 amusement games. Would you like us to include your email below?

Happy Holidays,

Tina Griffin
Assistant Director
Licensing, Regulation, and Enforcement Division
Washington State Gambling Commission
360-486-3546

From: Dallas Burnett [mailto:Dallas.Burnett@muckleshoot-tga.org]
Sent: Sunday, December 20, 2015 4:20 PM
To: Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>
Cc: Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Oliver, Warren (GMB) <warren.oliver@muckleshoot-tga.org>
Subject: Re: January WSGC Commission Meeting and Group 12 Amusement Games

Thank you and we will see what we can do.

Sent from my iPhone

On Dec 18, 2015, at 4:44 PM, Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov> wrote:

> Hi Dallas, thanks for the information.
>
> Look forward to having you and Warren in attendance.

You may want to check our website as we prepare for the upcoming Commission meeting:

1) Staff is working on rules to clarify Group 12 amusement game operations which will available on our website in advance of the meeting.
2) Staff has also posted a few Group 12 amusement game updates for the public.

If you have thoughts on technical requirements or any other matter, let us know.

Commission meeting minutes are posted after approved by the Commission; usually the following month. November's minutes will be voted on in January because we had no meeting in December.

Have a very wonderful Christmas and see you next month,
Dave

From: Dallas Burnett [mailto:Dallas.Burnett@muckleshoot-tga.org]
Sent: Thursday, December 17, 2015 4:37 PM
To: Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>; Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov>
Cc: Baldwin, Ron (GMB) <ron.baldwin@wsgc.wa.gov>; George Lewis <george.lewis@muckleshoot-tga.org>; Oliver, Warren (GMB) <warren.oliver@muckleshoot-tga.org>
Subject: January WSGC Commission Meeting and Group 12 Amusement Games

Warren and I plan on attending the Commission meeting in January regarding the recent draft rules for Group 12 Amusement Games. We want to get an idea of what is considered a 'material degree of skill'. We are also interested in how the recently approved amusement games, and others like it, will be evaluated. We realize that the Commission may see these games as only amusement games, however, there must be some sort of determination that it is an amusement game. From our perspective, we would say that at the minimum you would want to have technical requirements that are evaluated so that field agents can determine if a device that might look like a slot machine is only an amusement game with no illegal functionality. This would mean, at the very least, a software and/or hardware verification.

We understand that this may have been a discussion item at the last Commission meeting but we have not seen a copy of the Commission meeting minutes from November as they are not yet posted on the WSGC website.

We do not want to be a hindrance to your meeting but we believe our concerns are valid and would like assurances that all gaming activities regulated by the WSGC are being fairly assessed and that the regulatory oversight and enforcement over commercial gaming activities are as stringent as those required of Tribal Gaming Activities. We realize amusement games are removed from the Lottery definition merely on the fact that the element of "Chance" is mitigated by the "Material Degree of Skill". However, the activity still falls under the gambling statute and there must be a critical evaluation in making a determination and measurement of the degree of skill and what would be required to be "material."

We look forward to seeing you next month.

Thanks!

<image001.jpg>

Griffin, Tina (GMB)

From: Khanhasa, Donna (GMB)
Sent: Tuesday, December 22, 2015 12:03 PM
To: Griffin, Tina (GMB)
Subject: FW: Group 12 Amusement Game Contracts

Here is some additional input from a licensee.

Donna

From: Jim Marsh [mailto:jukejim@gmail.com]
Sent: Tuesday, December 01, 2015 1:21 PM
To: Khanhasa, Donna (GMB) <donna.khanhasa@wsgc.wa.gov>
Subject: Group 12 Amusement Game Contracts

Donna Khanhasa-

I am a Commercial Amusement Game Operator (since 1988), Class B or higher. I currently have two signed location agreements, and both have been submitted to the WSGC through the location filing (Class A) as per WSGC requirement. I have no machines placed to date. There is currently only one approved game from Big Daddy. I am awaiting approval from WSGC on the Grover Gaming (Banilla) game. I have not been able to move forward with more units because I am not able to purchase the Big Daddy game.

Personally, I believe that all group 12 games need to be sold through a Wholesaler, and further that the Wholesaler can't also be an operator of this game at the location level. Three tier system, Manufacturer, Wholesaler, Operator. This will ensure the best outcome in the market place for compliance.

Hope this helps you.

Sincerely

Jim Marsh
Hart Novelty
Bellingham

C&L Games, Inc.
3400 East Valley Road
Renton, WA 98057
Phone 253.631.1630 Fax 1.866.757.8988

Washington State Gambling Commission
Attn: Donna Khanhasa
PO Box 42400
Olympia, WA 98504-2400

Re: Your letter dated 11.24.15 and WSGL# 00-16457

December 7, 2015

Dear Ms. Khanhasa,

Unfortunately, I have many customers interested in the idea but since I cannot tell them anything about the game for sure, my customers are reluctant to sign a contract. This makes sense to me because they tell me there is another company that is offering a cash payout on their games and it is available now. If this is true, can you tell me why the Gambling Commission has not stopped this activity.

Because of the uncertainty, I hope this letter serves as a direct response to the 12.24.15 requirement.

Sincerely,
Carl, Magnuson, MCO

Lake Bowl/ Papa's Casino and Restaurant **12-22-15**
1165 N. Stratford Rd.
Moses Lake WA 98837

Donna,

In regards to your comment request for Class 12 Amusement games, at this time we are not operating and have no future plans of operating Class 12 games. That is not to say that these plans may change in the future, but for now we have no interest in them.

I would like to say, however, that I am disappointed in the comments from the Gambling Commission regarding the merchandise that is allowed or not allowed through redemption of these games (specifically gift cards). The gambling commission does not have jurisdiction, in my opinion, to dictate gift card policies within establishments.

From the outside looking in, it appears that the Native American tribes have once again used their power to keep their "monopoly" on gaming in Washington State. Their thoughts on gaming should NEVER come into play in regards to Washington state law. If the state cannot dictate the way they operate their businesses, then why should they be able to dictate how the state operates its businesses? The fact is, day by day they are putting licensees out of business, costing jobs for many people, including jobs within the Gambling Commission itself, and in doing so, they are not required to contribute anything back to the state. The have a major

advantage in business with not only the games that they are allowed to operate but also the

lack of tax and financial obligations that every other business owner has.

I would like to see the Gambling Commission stand up and try to protect its licensees, their employees, and the employees of the Commission itself by allowing other businesses to be able to fairly compete against the Native American's monopoly on gaming. I fear that without change there will be no more licensees and therefore no need for the Washington State Gambling Commission.

Sincerely,

B.J. Garbe, CEO
Papa's Casino and Sports Lounge

Group 12 Comments from the Public

From: Jay Gerow [mailto:jayg@zdigaming.com]
Sent: Tuesday, December 8, 2015 2:54 PM
To: Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>
Subject: letters from Legislators

Dave,

Below you will find the email forwarded to me via PDC. There is also one from Cary Condotta that went to Amy that should be included as well.

Thank you,

Jay Gerow
ZDI Gaming Inc.
2124 196th St. SW
Lynnwood, Wa 98036

(425)775-7991 office
(425)775-8433 fax

From: Fenton, Kevin [mailto:Kevin.Fenton@leg.wa.gov]
Sent: Tuesday, October 27, 2015 12:28 PM
To: Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov>
Subject: Group 12: Electronic puzzle and pattern solving game standards

Hi Amy,

I just met with a couple of small business owners and they were very concerned with the new law that enables machines similar to slot machines in bars. This 5min video provides the details on the machines I am referring to

https://www.dropbox.com/s/1lxaqay226uyf5a/Big%20Daddy%20Spooky%20Spin.mp4?dl=0

In short, their major concerns are the possible loss of tax revenue for the state and the potential consequences this could have on tribal compacts. I just wanted to make sure you were aware of the issue because it sounds like it's getting some traction.

Thank you,

Kevin Fenton
Legislative Assistant to
Senator Steve Litzow
41st Legislative District—Bellevue, Beaux Arts, Issaquah, Mercer Island, Newcastle, Renton, Sammamish
District Office: 425.453.3076

From: Wendy Winsor [mailto:wendyw@wowdistributing.com]
Sent: Friday, October 23, 2015 3:26 PM
To: Roach, Sen. Pam <Pam.Roach@leg.wa.gov>
Subject: Amusement Game or Slot Machine?

Hello Senator Roach,

I am a small business owner in Mukilteo, Washington. Our sales are nearly five million dollars a year and we employee 14 full time people, all earning above average wages and with medical and 401(k) plans. We sell pulltabs and bingo supplies to commercial, non-profit, club and tribal customers all over Washington state. We collect and pay over $350,000 a year in Washington sales tax.

The reason for my letter today is we have just been informed there is a new "amusement device" that appears to be a slot machine, being made available to commercial establishments. The Washington State Gambling Commission approved a rule change allowing a new group of amusement games called Group 12. They also recently approved the device in the attached video, under this new category or group of amusement game.

The demonstration in the attached video represents the device in a manner which appears to be in conflict with the RCW's. I'm reaching out to you in the hope that we can connect and discuss how this might best be addressed.

https://www.youtube.com/watch?v=I44aIXbwnGo

There appear to be few rules attached to this new class of "gambling" where a wager can be up to $5 and payouts as high as $3000, according to the video. No sales tax will be collected on these devices and no local gambling tax will be assessed, either. This has the potential to be devastating to local economies.

Wendy Winsor
CFO
WOW Distributing, Inc
4424 Chennault Beach Rd, Suite B
Mukilteo, WA 98275

425-315-8815 Work
425-870-9741 Cell
wendyw@wowdistributing.com

From: Plusquellec, Scott [mailto:Scott.Plusquellec@seattle.gov]

Sent: Wednesday, November 04, 2015 2:33 PM

To: Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov<mailto:amy.hunter@wsgc.wa.gov>>

Subject: Electronic slot machines

Hi Amy,

Our City Council received the below email and attached video link. Could you give me some background on this? I don't recall hearing about this. Did the legislature pass a bill last year to allow these machines in bars? Is the Commission regarding these as other than slot machines and will we be seeing these in bars in the city?

Thank you,

Scott Plusquellec

City of Seattle

From: Swanson, Sharon [mailto:Sharon.Swanson@leg.wa.gov]
Sent: Thursday, November 05, 2015 1:33 PM
To: Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov<mailto:amy.hunter@wsgc.wa.gov>>
Subject: Can you help with this inquiry

Hi Amy:

I hope this email finds you well. I received the following email and a request for background information. Apparently, this member has received multiple emails on this subject.

Thank you for any assistance you can provide:

I am a small business owner in Mukilteo, Washington. Our sales are nearly five million dollars a year and we employee 14 full time people, all earning above average wages and with medical and 401(k) plans. We sell pull-tabs and bingo supplies to commercial, non-profit, club and tribal customers all over Washington state. We collect and pay over $350,000 a year in Washington sales tax.

The reason for my letter today is we have just been informed there is a new amusement "device" that appears to be a slot machine, being made available to commercial establishments. The Washington State Gambling Commission approved a rule change allowing a new group of amusement games called Group 12. They also recently approved the device in the attached video, under this new category or group of amusement game.

The demonstration in the attached video represents the device in a manner which appears to be in conflict with the RCW's. I'm reaching out to you in the hope that we can connect and discuss how this might best be addressed.

https://www.youtube.com/watch?v=3DI44aIXbwnGo

There appear to be few rules attached to this new class of "gambling" where a wager can be up to $5 and payouts as high as $3000, according to the video. No sales tax will be collected on these devices and no local gambling tax will be assessed, either. This has the potential to be devastating to local economies.

Sharon M. Swanson
Policy Counsel

Senate Democratic Caucus

P.O. Box 40464
Olympia, WA 98504-0464

* (360) 786-7360

* swanson.sharon@leg.wa.gov<mailto:swanson.sharon@leg.wa.gov>

From: Douglas Levy [Levy4@msn.com]

Sent: Tuesday, November 10, 2015 10:39 AM

To: Hunter, Amy (GMB)

Cc: Bock, Candice

Subject: Legalizing of slot machines for non-Tribal establishments??

AMY:

Don't know if I've had a chance to say "congrats!" on your ascension to Deputy Director - hope that is going well for you.

I will call you on this - my City of Renton folks recently had a person contact one of our Council Members with the following (See below).

If indeed slot machines ARE being allowed in non-Tribal establishments you can imagine that would be a major concern to Renton and cities throughout the state. We've previously forwarded this to Candice Bock at AWC and as a result I am copying her too.

Before overreacting, my hope is to track down some facts and background here.

Thanks and will call you.

Doug Levy, Owner
Outcomes By Levy, LLC
(425)922-3999 - office/cell
Levy4@msn.com<mailto:Levy4@msn.com>

Griffin, Tina (GMB)

From: Khanhasa, Donna (GMB)
Sent: Tuesday, December 01, 2015 1:49 PM
To: LaMont, Jennifer (GMB); Griffin, Tina (GMB)
Subject: FW: Group 12 Amusement Game Contracts

FYI. Mr. Marsh wanted to provide his input for rules. Please see below.

Donna

From: Jim Marsh [mailto:jukejim@gmail.com]
Sent: Tuesday, December 01, 2015 1:21 PM
To: Khanhasa, Donna (GMB) <donna.khanhasa@wsgc.wa.gov>
Subject: Group 12 Amusement Game Contracts

Donna Khanhasa-

I am a Commercial Amusement Game Operator (since 1988), Class B or higher. I currently have two signed location agreements, and both have been submitted to the WSGC through the location filing (Class A) as per WSGC requirement. I have no machines placed to date. There is currently only one approved game from Big Daddy. I am awaiting approval from WSGC on the Grover Gaming (Banilla) game. I have not been able to move forward with more units because I am not able to purchase the Big Daddy game.

Personally, I believe that all group 12 games need to be sold through a Wholesaler, and further that the Wholesaler can't also be an operator of this game at the location level. Three tier system, Manufacturer, Wholesaler, Operator. This will ensure the best outcome in the market place for compliance.

Hope this helps you.

Sincerely

Jim Marsh
Hart Novelty
Bellingham

Griffin, Tina (GMB)

From: Kevin Morse <kevin.morse.law@gmail.com>
Sent: Tuesday, December 01, 2015 7:37 AM
To: Griffin, Tina (GMB)
Subject: Draft regulations
Attachments: WA.Rule 12 Games.Restrictions.draft.docx

Hi Tina!

Hope you're doing well and got some rest over Thanksgiving!

I have attached a draft of some regulations for Rule 12 games.

I'll be sending some more this week probably.

Please forward these to the Director and whomever you deem appropriate.

We can talk about these whenever you have a minute.

Thanks!

Kevin B. Morse
3506 NE Greenville Blvd.
Greenville, NC 27834

Cell: 336.508.6464

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Rule 12 Games- Further Restrictions

Testing and Approval of Rule 12 Amusement Games.

(1) A Rule 12 Amusement Device shall not be sold, leased, or otherwise furnished to any person for use in the a commercial or charitable location until an identical system containing identical software has been

(a) Tested and certified by the Washington State Gambling Commission Gaming Lab or an independent testing facility accepted by the Commission; and

(b) Demonstrated to the Washington State Gambling Commission and approved by the Commission.

(2) The cost of testing and certification shall be the responsibility of the manufacturer.

(3) The independent testing facility shall certify in writing that the Rule 12 Amusement Device and associated hardware and software conform, at a minimum, to the requirements and restrictions set forth in WAC 230 and the Washington State Code.

(4) Once the department has received the test results from the independent testing facility, the department may request a demonstration of the product within thirty (30) days.

(5) The department shall either approve or disapprove the Rule 12 Amusement Device and software. The department shall inform the manufacturer of its decision no later than sixty (60) days after the demonstration.

6) Any modifications to Rule 12 Amusement Device shall be tested and certified by the Washington State Gambling Commission Gaming Lab or an independent testing facility, demonstrated to the department by the manufacturer upon request, and approved by the department in the same manner as a new system or new software. Testing and certification shall be at the manufacturer's expense.

(7) Every Rule 12 Amusement Device shall have the ability to allow for an independent integrity check of the device's software from an outside source. This must be accomplished by being authenticated by a third-party device, which may

be embedded within the game software or having an interface port for a third-party device to authenticate the media in order to provide a means for field testing the software to identify and validate the program and assure that it is identical to the device that was certified to the Washington State Gambling Commission.

Location Restrictions

(1) Rule 12 Amusement Devices shall only be allowed in properly licensed commercial and charitable locations.

(2) Rule 12 Amusement Devices shall only be allowed in locations which have been open for business for at least one calendar year.

(3) Rule 12 Amusement Devices shall only be allowed in locations in which the location's monthly share of net receipts from the operation of said devices is less than 50% of the location's monthly gross receipts from the sale of goods and services unrelated to the provision of the Rule 12 Amusement Devices.

(4) In Charitable Bingo locations or Public Card Rooms as defined in WAC 230-15-001, the number of Rule 12 Amusement Devices shall be limited to the number of guests permitted in the establishment in the official occupancy limit set by the Fire Marshal, divided by the number 15. For example, if the occupancy limit of a facility is 260 persons, the number of Rule 12 Amusement devices allowed would be 260/15=17.33, or 17 devices.

(5) In commercial locations other than Charitable Bingo locations or Public Card Rooms as defined in WAC 230-15-001, the number of Rule 12 Amusement Devices shall be limited to 5 per location.

(6) Each location at which Rule 12 Amusement Games are located must prominently post a notice including the following or substantially similar language:

"WASHINGTON LAW PROHIBITS PAYMENT OR RECEIPT OF MONEY FOR WINNING A GAME OR GAMES ON THIS

AMUSEMENT MACHINE; AND OR PAYMENT OR RECEIPT OF MONEY FOR ANY MERCHANDISE, PRIZE, TOY, GIFT CERTIFICATE, OR NOVELTY WON ON THIS AMUSEMENT MACHINE"

Griffin, Tina (GMB)

From: Marv Galante <marv@music-vend.com>
Sent: Monday, November 30, 2015 5:44 PM
To: Griffin, Tina (GMB)
Cc: Jim Marsh (jukejim@gmail.com); Mike McWilliams; Steve Manning; stevel@coin-opgames.com; rjbtar@nventure.com
Subject: RE: Group 12

Tina,

Following up on our last email to you regarding the proposed rules and comments on behalf of our trade member group. We would like to specify our consensus opinions and reiterate our stance on merchandise only prizes for the Group 12 machines.

The following is the list of the proposed Study Group rules and our comments and suggestions.

230-03-185:- OK with staff recommendation

230-03-190:- Add "Wholesaler" category to be licensed for better manageability.

230-05-030:- OK with staff recommendation

230-06-110:- OK with staff recommendation

230-13-005:- OK with staff recommendation

230-130-010:- OK with staff recommendation

230-13-120:- OK with staff recommendation

230-13-135:- We agree with staff that there should be limits. We have no problem with the wager limits proposed. Perhaps the prize limits should be at the very least in Pulltab range since we will be merchandise only and over 21.

230-13-131:- Ok with staff recommendation that only merchandise prizes are to be redeemed.

1) OK with staff recommendation
2) OK with staff recommendation
3) Record only high value merchandise amounts, too much recordkeeping required for small amounts is paperwork overkill and fatigue, also potential customer pushback on privacy etc.

230-13-170:- OK with staff recommendation

230-07-125:- Does not apply to our group.

Key issues that we would like addressed:

1). Additional machine approval.

Currently our group is at a competitive disadvantage in the marketplace. The existing approved machine is only available to one Pulltab distributor and one Amusement Game distributor. Much uncertainty and lack of available equipment has severely curtailed our potential proliferation in the trade. We believe that an additional machine in the marketplace

available to our locally-owned independent licensed Amusement Game distributors will show a merchandise-only redemption pattern of behavior consistent with the intent and rules of Group 12.

2). Management and Enforcement.

We assume that many 21 and over licensees will wish to acquire machines and/or will be approached. There is considerable concern that the untethered proliferation and operation of Group 12 machines becomes unmanageable. Therefore we believe it would be wise staff conceive a standard of sales and distribution so licensed experienced trade members are as involved as possible. In turn this would provide incentive to industry stakeholders for policing the market as they would have much at risk. We would be available to suggest the most efficient Manufacturer/ Wholesaler /Distributor/ Operator arrangement in accord with staff.

We have great respect and confidence in the WSGC. We know of no government agency that we are familiar that has more integrity, competence and transparency. Understandably the Group 12 category requires refinement of rules and regulation. We will do whatever is necessary to establish Group 12 as entertaining, fair and sustainable for the benefit of the trade.

Thank You,

Marv Galante
ASI/Music-Vend Dist. Co. LLC

From: Griffin, Tina (GMB) [mailto:tina.griffin@wsgc.wa.gov]
Sent: Monday, November 23, 2015 12:45 PM
To: Marv Galante
Subject: RE: Group 12

If you have ideas for the rules, please send those to me by November 30th. I hope to have the updated rules that will likely go to the Commissioners for filing and discussion in January 2016 posted for feedback by December 19th. You are welcome to send comments on those rules as well. You, as well as the licensees listed, are welcome to attend the January 2016 study session and commission meeting. Written feedback will be provided to the Commissioners in their packets.

If the rules will be up for filing in January, the Commissioners will take public testimony on the rules package during the meeting. This would provide you and the other licensees an opportunity to be heard personally by the Commissioners.

Thank you for helping us to make sure that this works for everyone involved.

From: Marv Galante [mailto:marv@music-vend.com]
Sent: Monday, November 23, 2015 8:30 AM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: RE: Group 12

Thank you Tina.

I will be discussing some ideas with companies mentioned in the email.

How would you suggest we approach the WSGC on issues we might want to include for discussion?...Marv Galante 206-349-0332

From: Griffin, Tina (GMB) [mailto:tina.griffin@wsgc.wa.gov]
Sent: Sunday, November 22, 2015 3:29 PM
To: Marv Galante
Subject: RE: Group 12

Marv,

Thank you for your email. I will pass it along to the Commissioners with the rules package that will be before them in January 2016. We updated our website with information on group 12 games last week and will continue to do so as issues arise. The information is available under Breaking News.

Sincerely,

Tina Griffin
Assistant Director
Licensing, Regulation, and Enforcement Division
Washington State Gambling Commission
360-486-3546

From: Marv Galante [mailto:marv@music-vend.com]
Sent: Tuesday, November 17, 2015 3:49 PM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Cc: jukejim@aol.com; mikem@coin-opgames.com; Steve Manning <stevem@coin-opgames.com>; stevel@coin-opgames.com
Subject: Group 12

Hello Tina,

Thank you for taking the time to speak with me briefly after the Study Session on Thurs.

I would like to add a few things to our conversation.

We both agree that the Group 12 machines will be a positive entertainment attraction for the over 21 Bar and Restaurant trade in the State of Washington.

The discussions in the Study Session were passionate and revealing. It appears clearly the WSGC will only tolerate Group 12 Amusement Game merchandise redemption with no cash payout.

As a license holder since 1988 we have no issue with that intent. I clearly recall that when the original Amusement Game rules were implemented there were abuses and misinterpretations for specifically claw machine operation. WSGC was clear and transparent regarding what was allowable and problems by and large ceased to exist. To date, it is my understanding that licensed operation of approved Amusement Game equipment seldom create issues in the marketplace.

All parties in attendance at the Study Session understand the marketplace has endured difficult headwinds and requires additional economic stimulation. Hundreds of Bars and Restaurants and thousands of employees related to those businesses, plus the hundreds of employees in the companies that service those businesses will benefit from this Group 12 entertainment category. Clearly we recognize that cash payouts will jeopardize the existence of these machines.

We are interested in operating the Group 12 machines according to the rules and intent laid out by the WSGC. There is a sustainable business model here, please do not assume all industry participants wish to step outside WSGC intentions.

The companies listed below service hundreds of over 21 licensed establishments. Some of these local individually-owned companies have been WSGC license holders since 1988 as well. They all agree we will benefit providing the rules and intent of the Group 12 machine authorization are followed.

Bears Amusements
C + L Games Inc.
Hart Novelty
Harnisch Enterprises
Hero Amusement
Masterman Vending Inc.
RJB Amusements
S & S Amusements

Thank You,

Marv Galante
ASI/Music-Vend Dist. Co. LLC
2710 1st Ave So. ste 200
Seattle, WA 98134
Since 1950

Trujillo, Dave (GMB)

From: Matthew Butkowski <matthewbutkowski@hotmail.com>
Sent: Friday, November 27, 2015 1:34 PM
To: Trujillo, Dave (GMB)
Cc: Brian Ogle; Clyde Bock
Subject: Group 12 Amusement Games

Mr. Trujillo,

I am an operator of a non-profit charity bingo establishment interested in the new Group 12 Amusement Games approved by the WSGC. I believe the rules package as it read on Nov. 12th is an important part of the Group 12 Machine for our establishment. Any changes to the play and pay structure would make the machines obsolete and make any revenue for our business dismal at best. Please pass the rules package for the Group 12 Amusement Games as is. As you must know the non-profit bingo community has had its difficulties in the past years with declining attendance. Any new products to help us benefit our charities will be much appreciated.

Thank You for your time and ongoing effort to support our charitable bingo games.

Imperial Bingo Connection
3100 East Valley Road
Renton, WA. 98057
imperialbingo@hotmail.com
Matthew Butkowski Manager

Trujillo, Dave (GMB)

From: Monty Harmon <mharmon@evergreengaming.com>
Sent: Wednesday, November 25, 2015 2:12 PM
To: Trujillo, Dave (GMB)
Subject: Email for Commissioners
Attachments: B Amused Class 12 Amusement Agreement 10-30-15.pdf

Dave,

I understand the commission will take the entire 60 days to approve any new Amusement Games for distribution in Washington.

This in effect will have an unintended consequence of providing the current game operators an unfair advantage/monopoly during that time period.

My concern is based on:

1. The only approved game is supplied under agreements that require locations to give exclusive rights to the game provider/distributor/route operator for TWO years.
2. Please see the attached contract which was modified to TWO years from a previous exclusive agreement for FOUR years.

I do not believe it is the intension of the commission to provide a monopoly to the people that are currently operating the games in the manner discussed at the commission meeting, with two year exclusive contracts.

There is another amusement game provider that will supply machines on a month to month basis. Their game has been submitted but approval is being delayed by staff for the 60 day period allowed for under the rule.

I would like this email forwarded to the commissioners as a request that the commissioners to authorize and encourage staff to approve other games in under 60 days so that operators desiring to operate the games and award only merchandise prizes will not be required to do business exclusively with the current machine provides.

Thank you,

Monty Harmon
Evergreen Gaming, President

Lynnwood WA: 425-774-4422 Vancouver WA 360-693-7024
Standard Operating Agreement

This Equipment agreement is made between B Amuzed hereinafter referred to as Operator and _____ hereinafter referred to as a location. In consideration of the mutual convents and agreements herein contained it is agreed: Location hereby grants unto operator the exclusive right for 24 months to exclusively install and maintain Class 12 Amusement Games as defined by the Washington State Gambling Commission at the following locations address:

_____

In consideration thereof Location shall open the cash boxes of said equipment and after prizes, fees and taxes are deducted, location shall receive 100% of the value of the location provided prizes. There after any remaining monies shall be divided as follows 50% to the Operator and 50% to the location.

Location shall furnish all necessary electrical outlets and Internet connections if deemed necessary for the operation of said equipment. Location shall use all best efforts to allow the use of such equipment during all usual business hours. Location shall not at any time award a cash prize. Location agrees that said equipment is covered under insurance for fire, theft, natural disaster and vandalism.

Operator shall service such equipment and collect the cash boxes. All equipment installed by the operator and all contents of the cash boxes thereof shall remain the exclusive property of the Operator and neither Location nor any third party shall have any right or claim thereto, except the right of the Location to share in the contents of the cash boxes provided herein. Operator reserves the right to exchange or remove said equipment as it deems fit.

Operator reserves the right to run promotions on said equipment and deduct reasonable promotion costs from the cashbox as agreed to by both parties.

The term of this agreement will be for 24 months.

During the full term and continuation thereof, no other person, firm or corporation, including Location shall have the right to operate Class 12 commercial Amusement Games as defined by the Washington State Gambling Commission.

Following the term thereof, this agreement shall automatically continue from year to year until written notice is received no less than thirty days prior to the end of any term thereof. In the event of any breach of this agreement Operator may elect to remove said equipment without interference from location and shall be entitled to damages equal to the weekly average revenue for the balance of the un-expired term of this agreement.

If this agreement is placed in the hands of an attorney for collection, I /we promise to pay reasonable attorneys fees and collection cost, even though no suit or action is filed hereon, however, if a suit or action is filed, the amount of such reasonable attorneys fees shall be fixed by the court or courts in which in which the suit or action, including any appeal therein is tried, heard or decided.

EXECUTED this:_____ day of: _____20_____

Signed: _____ Signed: _____

Location;_____ **B Amuzed**

Print Name:_____ Print Name:_____

Business Phone:_____/E-mail:_____P

Griffin, Tina (GMB)

From: Griffin, Tina (GMB)
Sent: Tuesday, November 24, 2015 8:35 AM
To: 'Shelley Young'
Cc: Trujillo, Dave (GMB); Hunter, Amy (GMB); Harvey, Cathy (GMB); Stueckle, Joshua (GMB); LaMont, Jennifer (GMB); Dolson, Sonja (GMB); Rea, Karen (GMB); Richart, Mark (GMB); Considine, Brian (GMB)
Subject: RE: Group 12 rule clarification

Until otherwise specified, "hard merchandise" means non-cash prizes including toys and novelties, retail items such as electronic goods, clothing, accessories, as well as food, beverage and other items sold by the operator as a normal part of their business.

From: Shelley Young [mailto:ShelleyY@wowdistributing.com]
Sent: Monday, November 23, 2015 1:24 PM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: Re: Group 12 rule clarification

Thanks. Is a gift card, such as Nordstrom or best buy considered hard merchandise?

Shelley Young
Otto Development LP
Sent from iPhone

On Nov 23, 2015, at 12:26, Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov> wrote:

> Hello Shelley,
>
> The guidance we have provided on our website states,
>
> Their (Commissioners) intent is for "hard merchandise" to be awarded as a prize. Cash is not merchandise; therefore, it is not an allowable Group 12 Amusement Game prize. If operators award cash as a merchandise prize, Commission Staff will take enforcement action. *Such games may award tickets or tokens that can be redeemed for "hard" merchandise. Until otherwise specified, "hard merchandise" means non-cash prizes including toys and novelties, retail items such as electronic goods, clothing, accessories, as well as food, beverage and other items sold by the operator as a normal part of their business.*
>
> I have underlined the section that answers your question. If you have further questions, please feel free to contact me.
>
> Sincerely,
>
> *Tina Griffin*
> *Assistant Director*
> *Licensing, Regulation, and Enforcement Division*
> *Washington State Gambling Commission*
> *360-486-3546*

From: Shelley Young [mailto:ShelleyY@wowdistributing.com]
Sent: Monday, November 23, 2015 10:22 AM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: Group 12 rule clarification

Hi there,
I've read the update over and over and I still am not sure if our customers can give out gift cards.
I understand it to mean that the intent is hard merchandise but does if prohibit "gift cards" that are redeemed at the location for merchandise, allowing the location to give change.
Can you please clarify this for me.
Thanks so much,
Shelley

Griffin, Tina (GMB) Comments from Public

From: Jim Marsh <jukejim@gmail.com>
Sent: Tuesday, November 24, 2015 1:11 PM
To: Trujillo, Dave (GMB)
Cc: Griffin, Tina (GMB)
Subject: RE: Group 12 Amusement Games

Mr. Trujillo

Yes, you may pass along my contact information. Thank you for asking.

It is my understanding that ZDI and/or Digital are still operating on a cash back basis. I have not confirmed this personally, only second hand.

What is holding up the approval for Grover Gaming? There is a group of long time CAG operators that want to do this the right way. Understand the long term ramifications of doing it right and working with WSGC in insure long term success. We need your help, urgently. January is too long to wait! Our group is having a conference call tomorrow morning to all get on the same page in regards to signage, product, and best operating practices ....as an industry!

Thank you for listening to my cocerns, and responding in a professional and timely manner. I look forward to working with you and your staff in the near future.

Sincerely

Jim Marsh
Hart Novelty
CAG operator since 1988

On Nov 24, 2015 12:38 PM, "Trujillo, Dave (GMB)" <dave.trujillo@wsgc.wa.gov> wrote:

Dear Mr. Marsh:

Thank you for taking time to connect with me. I also received your voice mail. I will inform my Commissioners of your concerns. We do not have another public meeting until early January. May I provide them with your contact information?

Very Respectfully,

David Trujillo

From: Jim Marsh [mailto:jukejim@gmail.com]
Sent: Monday, November 23, 2015 2:26 PM

To: Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>
Subject: Group 12 Amusement Games

Mr. Trujillo

I am a long time Commercial Amusement Game Operator in Bellingham. In fact, my company participated in the original test of claw games, dating back to 1988. My family has been in the money activated amusement industry since 1950, and the company even longer.

I am writing you today to express my deep concern for Group 12 games. How they are being operated in the market (redeeming gift certificates for cash), and how there is only one approved game for the market, and how this is creating a unbalanced market.

We need a second game approved for the market immediately! If not, this could lead to the failure of a lot small business owners like myself. 60-90 days is long time to wait, while the competition is out placing Group 12 games, and potentially other traditional amusement games as well. Effectively rolling us out of our longtime accounts. Competition is good for everyone, but only when it is open and fair!

I understand that our State has gift certificate laws that "probably" make it legal to redeem the balance from a gift certificate in cash, although, I feel that was not the intent of the Commission when they approved this rule. I applaud the Commission for taking their strong stance against.

My industry is facing a lot of head winds. Legalized Tribal Gaming, no smoking laws, DUI enforcement, and not to mention an entire generation that does everything on the internet.....for free!

Would it be possible to present my opinion in person to the Commission before the end of November?

Please consider an immediate action, before it becomes too late.

Sincerely

Jim Marsh

Hart Novelty

Bellingham WA

360-739-2530 cell

360-734-7250

Griffin, Tina (GMB)

From: Jay Gerow <jayg@zdigaming.com>
Sent: Monday, November 23, 2015 9:04 AM
To: Trujillo, Dave (GMB); Griffin, Tina (GMB); Amy Blume Hunter
Subject: Letter requested

Dave,

Below is the letter you requested from me. As you can see, it is quite contradictory to all the propaganda and rhetoric sent out to legislators and municipalities and brought forth at the Nov. 12 meeting by WOW distributing. They have not only caused issues and left people questioning the agency's actions but also managed to disrupt our business as well. Which has cost us monies and more importantly credibility with some in the industry. Their actions have been nothing more than self serving and have done nothing to help the industry.

It was and still is my understanding that the agency and commissioners wanted to provide a means for the industry to have a chance for change and to possibly prosper from the passage of Group 12 Amusement. I can say from what we have seen first hand in working with licensees they have succeeded. I find it unfortunate that politics rather than laws, rules and policies may ruin what could actually save this industry and benefit the agency.

I appreciate your concern with this matter and feel that if it was brought to the commissioners attention as well as Amy sharing with the legislators that were contacted, it would shed a clearer perspective on the actual situation.

Thank you,

Jay Gerow
ZDI Gaming Inc.
2124 196th St. SW
Lynnwood, Wa 98036

(425)775-7991 office
(425)775-8433 fax

From: sales <sales@wowdistributing.com>
Date: November 16, 2015 at 12:43:54 PM PST
To: sales <sales@wowdistributing.com>
Subject: Group 12 Amusement Games

Hello,

Wow Distributing is offering a new product in the Group 12 Amusement Game category recently approved by the Commission. We are working with one of the nation's leading game manufacturers and will have product available at the end of November.

Group 12 Amusement games have been a hotly debated topic with the WSGC and operators, distributors, manufacturers and locations. WOW continues to work closely with the WSGC and industry leaders to gain and share the latest information.

Group 12 Amusement Games provide another form of entertainment for your guests and additional profits for you. WOW will install and operate games at your location with zero start-up costs to you and more favorable contract terms than currently being offered in this emerging market.

Give us a call to schedule a demonstration. There is a great selection of games on our devices and the graphics are fabulous. We will work with you to maximize profits on this new endeavor.

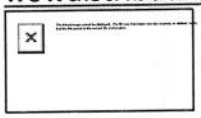
Thank you for making WOW the Pull Tab industries leading distributor. We'll stay current on all the latest trends in our industry and keep you informed. In the new Group 12 Amusement Game category WOW will offer the superior products and service you have come to expect.

Please contact me or your WOW sales rep with any questions regarding Group 12 Amusement Games or to schedule a demo of our device.

Thank you.

Shelley Young
WOW Distributing, Inc
Group 12 Coordinator
(425) 830-7259
Email: shelleyy@wowdistributing.com

4424 Chennault Beach Rd. Ste B
Mukilteo, WA 98275
425-315-8815 Office Phone
425-315-8844 Office Fax
wowdistributing.com



Griffin, Tina (GMB)

From: Marv Galante <marv@music-vend.com>
Sent: Monday, November 23, 2015 6:17 PM
To: Griffin, Tina (GMB)
Subject: RE: Group 12

We will submit ideas to you by the 30th.

Many of us including myself will be at the January meeting to voice our feedback on the new rule proposals. Thank you for listening to the trade and working to make the Group 12 machines viable.

From: Griffin, Tina (GMB) [mailto:tina.griffin@wsgc.wa.gov]
Sent: Monday, November 23, 2015 12:45 PM
To: Marv Galante
Subject: RE: Group 12

If you have ideas for the rules, please send those to me by November 30th. I hope to have the updated rules that will likely go to the Commissioners for filing and discussion in January 2016 posted for feedback by December 19th. You are welcome to send comments on those rules as well. You, as well as the licensees listed, are welcome to attend the January 2016 study session and commission meeting. Written feedback will be provided to the Commissioners in their packets.

If the rules will be up for filing in January, the Commissioners will take public testimony on the rules package during the meeting. This would provide you and the other licensees an opportunity to be heard personally by the Commissioners.

Thank you for helping us to make sure that this works for everyone involved.

From: Marv Galante [mailto:marv@music-vend.com]
Sent: Monday, November 23, 2015 8:30 AM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: RE: Group 12

Thank you Tina.

I will be discussing some ideas with companies mentioned in the email.

How would you suggest we approach the WSGC on issues we might want to include for discussion?...Marv Galante 206-349-0332

From: Griffin, Tina (GMB) [mailto:tina.griffin@wsgc.wa.gov]
Sent: Sunday, November 22, 2015 3:29 PM
To: Marv Galante
Subject: RE: Group 12

Marv,

Thank you for your email. I will pass it along to the Commissioners with the rules package that will be before them in January 2016. We updated our website with information on group 12 games last week and will continue to do so as issues arise. The information is available under Breaking News.

Sincerely,

Tina Griffin
Assistant Director
Licensing, Regulation, and Enforcement Division
Washington State Gambling Commission
360-486-3546

From: Marv Galante [mailto:marv@music-vend.com]
Sent: Tuesday, November 17, 2015 3:49 PM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Cc: jukejim@aol.com; mikem@coin-opgames.com; Steve Manning <stevem@coin-opgames.com>; stevel@coin-opgames.com
Subject: Group 12

Hello Tina,

Thank you for taking the time to speak with me briefly after the Study Session on Thurs.

I would like to add a few things to our conversation.

We both agree that the Group 12 machines will be a positive entertainment attraction for the over 21 Bar and Restaurant trade in the State of Washington.

The discussions in the Study Session were passionate and revealing. It appears clearly the WSGC will only tolerate Group 12 Amusement Game merchandise redemption with no cash payout.

As a license holder since 1988 we have no issue with that intent. I clearly recall that when the original Amusement Game rules were implemented there were abuses and misinterpretations for specifically claw machine operation. WSGC was clear and transparent regarding what was allowable and problems by and large ceased to exist. To date, it is my understanding that licensed operation of approved Amusement Game equipment seldom create issues in the marketplace.

All parties in attendance at the Study Session understand the marketplace has endured difficult headwinds and requires additional economic stimulation. Hundreds of Bars and Restaurants and thousands of employees related to those businesses, plus the hundreds of employees in the companies that service those businesses will benefit from this Group 12 entertainment category. Clearly we recognize that cash payouts will jeopardize the existence of these machines.

We are interested in operating the Group 12 machines according to the rules and intent laid out by the WSGC. There is a sustainable business model here, please do not assume all industry participants wish to step outside WSGC intentions.

The companies listed below service hundreds of over 21 licensed establishments. Some of these local individually-owned companies have been WSGC license holders since 1988 as well. They all agree we will benefit providing the rules and intent of the Group 12 machine authorization are followed.

Bears Amusements
C + L Games Inc.
Hart Novelty
Harnisch Enterprises
Hero Amusement
Masterman Vending Inc.

RJB Amusements
S & S Amusements

Thank You,

Marv Galante
ASI/Music-Vend Dist. Co. LLC
2710 1st Ave So. ste 200
Seattle, WA 98134
Since 1950

Griffin, Tina (GMB)

From: Griffin, Tina (GMB)
Sent: Sunday, November 22, 2015 1:35 PM
To: 'gepettosinc@comcast.net'
Subject: RE: Pattern & Puzzle solving game

Hello,

Thank you for your email. I will pass this along to the Commissioners when the rules package goes before them in January 2016. Please continue to monitor our website under Breaking News for updates on Group 12 Amusement Games.

Sincerely,

Tina Griffin
Assistant Director
Licensing, Regulation, and Enforcement Division
Washington State Gambling Commission
360-486-3546

From: gepettosinc@comcast.net [mailto:gepettosinc@comcast.net]
Sent: Monday, November 16, 2015 1:44 PM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: Pattern & Puzzle solving game

Hello
My name is Robert McEndoo and my wife and I own and operate Gepetto's Italian Restaurant & Sports Bar in Montesano, WA.

I would like to encourage you to allow these business enhancing machines to be placed in local businesses by in my case, Digital Music Systems for the following reasons.

1. It would help to improve our bottom line in an area where our economy is iffy at best.
2. It would increase revenue for the state, which certainly could use it.
3.It would help to gain back "some" of the gaming the casinos has taken from the non-indian businesses.

Thank you for considering my request.

Robert & Susan McEndoo Owners
Gepetto's Italian Restaurant & Sports Bar

Griffin, Tina (GMB)

From: Harris, Mark (GMB)
Sent: Monday, November 16, 2015 12:44 PM
To: Griffin, Tina (GMB)
Subject: FW: Big Daddy Spooky Spin
Attachments: power-player-group-12 Big Daddy Spooky Spin.pdf

Importance: High

Categories: Red Category

HI Tina,

I let Dallas know I was forwarding this to you.

Mark

From: Dallas Burnett [mailto:Dallas.Burnett@muckleshoot-tga.org]
Sent: Monday, November 16, 2015 11:58 AM
To: Harris, Mark (GMB) <mark.harris@wsgc.wa.gov>
Cc: Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov>; Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>; Dasaro, Paul (GMB) <paul.dasaro@wsgc.wa.gov>; Means, Tom (GMB) <tom.means@wsgc.wa.gov>
Subject: Big Daddy Spooky Spin
Importance: High

"Big Daddy Spooky Spin" – Amusement Game Group 12 – REFERENCE VIDEO LINK BELOW

Mark,

I have some issues with the particular Big Daddy Spooky Spin game submitted to the Washington State Gambling Commission, if the video accurately reflects its current method of operation. I believe it fails to meet the currently adopted standards by:

1. Allowing the player to see the prize available "before each play of the game without the insertion of money or any other thing of value" (The game requires the insertion of the money before a selection of a game and before knowing the prize available.) This is a violation of WAC 230-13-067 (1)
2. The simple navigating the symbols on one line fails to meet a "material degree of skill" required under RCW which would make this an illegal gambling device. I would doubt anyone who is not blind and understands the rules could fail to align symbols.
3. Simply requiring the purchase of the players selection of merchandise from the establishment with the prize dispensed and awarding the player with the change ($) from the valued coupon dispensed is a violation of RCW and WAC.
4. Furthermore, I am unsure if the manufacturer submitted a description of the device, rules of play and an explanation of why the group was chosen as required under WAC 230-06-010.

I realize this particular subject is currently under discussion so I have included Amy, Dave, Paul and Tom. I would ask that the Agency look into this particular product used in the amusement game activity to ensure

compliance with the current rules adopted. I would also ask if they are found in violation of the rules that enforcement actions are consistently applied.

SEE VIDEO BELOW FOR REFERENCE

Dallas Burnett
Assistant Executive Director
Muckleshoot Tribal Gaming
Dallas.Burnett@muckleshoot-tga.org
253-804-4444 x1404

Big Daddy Spooky Spin.mp4 View video

© 2015 Dropbox, PO Box 77767, San Francisco, CA 94107

Griffin, Tina (GMB)

From: Harris, Mark (GMB)
Sent: Tuesday, November 10, 2015 4:22 PM
To: Dolson, Sonja (GMB); Moriyama, Curt (GMB)
Cc: Rea, Karen (GMB); Stueckle, Joshua (GMB); Griffin, Tina (GMB)
Subject: FW: Class 12 Machines

Importance: High

Hi All,

Please see below as this will need to be followed up on. It is happening at the Time Out Alehouse in Federal Way. They let them use the winnings to buy PT's and gave cash back to the player.

Thanks, Mark

From: Lane Gormley [mailto:lgormley@specialtypulltabs.com]
Sent: Tuesday, November 10, 2015 2:58 PM
To: Harris, Mark (GMB) <mark.harris@wsgc.wa.gov>
Cc: mmagnuson@thejacobsonlawgroup.com
Subject: Class 12 Machines

Good afternoon Mark,

I went on a field trip this afternoon to take a look for myself at one of the new Class 12 machines in action. I can certainly now understand why there is so much confusion surrounding them. I thought I would share with my experience and how it matches up with what I thought were the rules for these devices.

It was my understanding these devices where meant to offer merchandise as prizes. When I asked the location how it worked I was told to consider the points to be worth a penny. One of the folks I was with inserted a dollar and hit the play button and promptly won 2300 "points". He asked "Now what happens". The reply was "You buy something and you get the balance back in cash, does not matter how much you spend". He bought $10.00 in Pulltabs and received 13 dollars cash.

I then selected a game and found the most I could win was 7500 points. I choose to use the reveal feature and saw I would not win on the next round, in the interest of research I put my 5 dollars in anyway. Hitting the reveal before each play I could see I was not going to win in most cases but did not see how I any choice but to keep playing until the credits where gone. After exhausting my $5.00 I had won $2.00. I thought the reveal feature would allow you to opt out? I may have missed it but I did not see how to exit until the credits where gone.

Did the commission understand they were approving something that could be redeemed for cash? I am aware you guys are working on some additional rules for these devices but as it is now it appears closer to a slot machine with no limits, albeit slower, clumsy version.

See you on Thursday.

Lane

Lane Gormley
Vice President Operations

2807 Lincoln Way
Lynnwood, WA 98087
Work 425) 407-1475
Mobile (360) 941-4123
FAX (425) 245-1058
lgormley@arrowinternational.com

CONFIDENTIALITY NOTICE: This email is privileged and confidential. If you are not the intended recipient, please notify me at the listed telephone number or by return email and immediately delete this communication and any copy. Thank you.

Griffin, Tina (GMB)

From: Griffin, Tina (GMB)
Sent: Sunday, November 08, 2015 12:38 PM
To: 'Plusquellec, Scott'; Hunter, Amy (GMB)
Subject: RE: Electronic slot machines

Hello Scott,

The approved game is very similar to what was displayed in the video. A few minor changes were required to be compliant, such as removing the dollar signs and the wording displayed. Money put into the machine is displayed as points.

Please let me know if you have further questions.

Sincerely,

Tina Griffin
Assistant Director
Licensing, Regulation, and Enforcement Division
Washington State Gambling Commission
360-486-3546

From: Plusquellec, Scott [mailto:Scott.Plusquellec@seattle.gov]
Sent: Thursday, November 05, 2015 4:48 PM
To: Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov>
Cc: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: RE: Electronic slot machines

Thank you Amy, I appreciate the additional information. So, from what you said in the last sentence, does that mean the product has changed from what was in the video? Just wanted to clarify what in the video might have differed from what the Commission allowed in the game. And I am new to these games so I may not be asking the right questions or understanding how the system works.

Thanks,

Scott

From: Hunter, Amy (GMB) [mailto:amy.hunter@wsgc.wa.gov]
Sent: Thursday, November 05, 2015 4:27 PM
To: Plusquellec, Scott
Cc: Griffin, Tina (GMB)
Subject: RE: Electronic slot machines

Hi, Scott:

I'm not sure what time you checked our website yesterday... we made an update in the afternoon, so there may be more information now.

Thanks for sending the video. We had received this a few weeks ago when it was on YouTube. The video has since been removed from YouTube. When we first saw it, we didn't think it was representative of the amusement game and the distributor said they would remove it. This is where we kind of get into the entrepreneur's desire to get a new product

out there and sometimes the marketing is done in a way that increases interest, but may not reflect what was actually allowed.

I'll be out of the office for a few days. If you have further questions before I return, feel free to contact Assistant Director Tina Griffin at Tina.Griffin@wsgc.wa.gov or 360-486-3546.

Hope this all helps.

Amy

From: Hunter, Amy (GMB)
Sent: Wednesday, November 04, 2015 2:37 PM
To: 'Plusquellec, Scott' <Scott.Plusquellec@seattle.gov>
Subject: RE: Electronic slot machines

Hi, Scott:

I'm headed out the door for another obligation, but I wanted to respond quickly with at least some basic info....here's some info. on our website under "Breaking News," as we have received several questions.

http://www.wsgc.wa.gov/

These are amusement games, not slot machines. If the city allows amusement games (I'm pretty sure you do – Gameworks is an amusement game operator), then you could have Group 12 games in your jurisdiction.

I'll try to send you a little more info. later this afternoon or tomorrow.

Thanks,
Amy Hunter
Deputy Director
360-486-3463

From: Plusquellec, Scott [mailto:Scott.Plusquellec@seattle.gov]
Sent: Wednesday, November 04, 2015 2:33 PM
To: Hunter, Amy (GMB) <amy.hunter@wsgc.wa.gov>
Subject: Electronic slot machines

Hi Amy,

Our City Council received the below email and attached video link. Could you give me some background on this? I don't recall hearing about this. Did the legislature pass a bill last year to allow these machines in bars? Is the Commission regarding these as other than slot machines and will we be seeing these in bars in the city?

Thank you,

Scott Plusquellec
City of Seattle
Office of Intergovernmental Relations
(206) 684-7459 *work*
(206) 255-8700 *cell*

From: Chris Hawk [mailto:peopleagainstslotmachines@yahoo.com]
Sent: Monday, November 02, 2015 10:24 AM
To: Chris Hawk
Subject: New Law Making Slot Machines Legal!!!!

To Whom it May Concern,

I urge you to please watch the below video/link and address this urgent matter!!! Slot machines are now legal in Washington State.

https://www.dropbox.com/s/1lxaqay226uyf5a/Big%20Daddy%20Spooky%20Spin.mp4?dl=0

I am sure you are not aware that the WSGC (Washington State Gambling Commission) has approved a Class 12 Amusement devise. To classify this machine as an amusement device is a real stretch of the truth. It appears to be nothing more than a slot machine, and an attempt to get slot machines into non-tribal establishments. With a possible top $5.00 wager and pay outs in the amount of $1,500.00 and the machines pay out being set by the contractor/owner of the machine this seriously eliminates the amusement and skill factor that is being presented. Amusement games in Washington must not have settings that allow the operator to control the outcome of the game.

Requiring this machine to only be allowed in establishments where you must be 21years of age to enter is not in conformity with other amusement devises approval.

If you view the promotional video, you are shown how the machine operates, how to place a "wager", how to collect your winnings and turn your ticket in for alcohol, food, etc., and receive the remaining balance in cash. A "wager" as they word it, is a bet, a gamble, a stake, and that is gambling not "amusement. " And alcohol becomes merchandise. Under WSGC rules alcohol cannot be given as a prize. This is just a sample of some serious questions regarding these machines.

Another very important issue that affects everyone and needs to be considered, and closely investigated, is the potential and significant loss of tax dollars to cities and counties in our state. As I understand there is no gambling taxes or sales taxes being collected concerning these machines. These machines will be in direct competition for money spent on pull tabs and in bingo establishments. The potential loss of tax revenue and loss of jobs in all communities will be huge.

These machines will negatively affect a large number of citizens across our state, and will only benefit a few.

The people of this state have repeatedly voted to reject slot machines.

How will this impact the Tribal Casinos and legal agreements made with them?

This is a huge issue with too much at risk. There are far too many questions that need to be addressed regarding these "Amusement devises" a slot machine in wolves clothing and not enough hard facts. I urge you to please investigate, this serious issue immediately.

Thank you!

Griffin, Tina (GMB)

From: Griffin, Tina (GMB)
Sent: Sunday, November 22, 2015 1:48 PM
To: 'glitheroli@aol.com'
Subject: RE: slot machine

Terry,

Thank you for your email. Operators are no longer able to give cash awards. Please continue to check our website for additional information on group 12 amusement games under Breaking News.

Sincerely,

Tina Griffin
Assistant Director
Licensing, Regulation, and Enforcement Division
Washington State Gambling Commission
360-486-3546

From: glitheroli@aol.com [mailto:glitheroli@aol.com]
Sent: Friday, November 06, 2015 11:30 AM
To: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: slot machine

Tina, one of my drivers just won $5.00 on the amusement slot machine, bought a $1.00 bag of peanuts and got $4.00 back in cash. If it walks like a duck, quacks like a duck, it is a slot machine.
Thanks for your time.
Terry Glithero 253 632-0509
Tabs Plus

Rancour, Michelle (GMB)

From: Trujillo, Dave (GMB)
Sent: Friday, December 04, 2015 10:12 AM
To: Rancour, Michelle (GMB)
Cc: Hunter, Amy (GMB); Griffin, Tina (GMB)
Subject: FW: Amusement Games/Commissioner

Michelle, for group 12 AG CAT packet as public comment.

From: Newer, Susan (GMB) **On Behalf Of** AgencyWebsite (GMB)
Sent: Thursday, November 12, 2015 9:23 AM
To: Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>
Subject: FW: Amusement Games/Commissioner

FYI - Here's a note from a player happy to see the Group 12 Amusement Games.

From: Carly Davis [mailto:carlykd@gmail.com]
Sent: Wednesday, November 11, 2015 12:51 PM
To: AgencyWebsite (GMB) <agency.website@wsgc.wa.gov>
Subject: Amusement Games/Commissioner

To whom this may concern,

I went out with girlfriends in Renton on Friday night and I had the opportunity to play the new touch screen games!! I was excited to see that there was something else to play other than pull tabs. Not being a gambler at all, I was shocked by how fun it was!!! We decided to play for a while because our winnings could be applied to our tab!!!! I'm excited to see the what other "adult arcade games" will come out in Washington. So fun!!

Sincerely,

Carly Davis