



OCMA - STRAIGHT TALK

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'06 - A **HUGE** CHALLENGE

David P. Corey, Executive Vice President

Since its inception in 1974, OCMA has been true to its primary mission; namely, to diligently work for the best interests of Ohio's operators and the general public. In the ensuing decades OCMA HAS BEEN IN THE FOREFRONT OF EVERY PROGRESSIVE STEP TAKEN BY THE INDUSTRY (e.g., free play litigation, redemption equipment, jukebox licensing, legal definition of "skill", etc.) and in enabling the general public to enjoy wholesome entertainment at a reasonable and family-affordable cost in an era of sky-rocketing equipment prices and inflation.

Unfortunately, just when it seemed that the industry had turned the corner, could relax a bit and enjoy the fruits of its labor, it was confronted with a fierce onslaught from several fronts. Here are just TWO of our '06 concerns:

Statewide Smoking Ban - We're working closely with the Ohio Hospitality Coalition and the Ohio General Assembly to pass legislation that would create a reasonable statewide smoking policy. This more realistic and practical business policy would not be as restrictive as the statewide ballot initiative that would ban smoking in ALL public places which currently is being proposed by well-funded anti-smoking activists. OCMA urges EACH member, their family, friends and employees to contact their state representative and state senator and urge them to support a Reasonable Statewide Smoking Policy. Ohio's economy already is quite fragile and a law that bans smoking in all public places will only add to Ohio's economic woes and deal a fatal blow to the hospitality industry.

Skill Games - We're working closely with the Ohio Department of Public Safety, the Liquor Commission and other interested parties in determining the legitimacy of various skill games in the state. There are three pending court cases (Summit, Franklin and Meigs Counties). We have fielded countless phone calls over the last few months and will continue to answer your concerns to the best of our ability. When ANY breaking news occurs, we will notify you!

On a more positive note, here are four items to put on your "to do" list:

Political Action Committee Fundraising - By now, each member has received information on how to contribute to OCMA's "Musikpac" Fund. It is more important than ever for each member to make a donation to this important aspect of OCMA's mission - to help protect YOUR interests in the

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Ohio Legislature. Ohio will be electing ALL statewide officials (Governor, Attorney General, etc.), all 99 members of the Ohio House and 16 of the 33 members of the Ohio Senate.

In order to participate as an industry when trying to affect legislation, our "Musikpac" Fund must be strong. Take time NOW to make your contribution (Remember, no corporate checks).

Dart Tournament - Planning is complete for OCMA's 17th Annual \$50,000 Dart Tournament March 31-April 2 at the Canton Civic Center. OCMA is excited to be going to a "paperless" entry form system. All OCMA Dart Charterholders recently received information on the formats we would like you to use. With the changes implemented, such as a 4pm start time on Friday afternoon, the tournament will be the best ever! We still have room for your darters and teams, so contact the OCMA office for more information. 100 dart boards will once again be used. (Editor's note to non-charterholders: Take time to visit the Tourney to see for yourself the positive results which accrue to participating operators.)

Pool Tournament - Planning is complete for OCMA's 25th Annual \$60,000 Pool Tournament on April 27-30 at the Canton Civic Center. It's hard to believe that OCMA has been operating the state pool tournament for 25 years! The '06 tournament will be the best ever! We will have special gifts for all players, a Regional Valley Speed Pool Qualifying Tournament, with the winner getting a trip to the Vegas Finals and other exciting activities during the four-day event. We encourage ALL member operators to attend the 25th Anniversary event, and especially the "Operators Appreciation Event" on Friday, April 28 at 1pm. Without YOUR continued strong support of OCMA's premier event, 25 years would never have become a reality. We hope to see you there.

OCMA Membership - Your 2006 dues payment is vital to the operation of the association and the many programs designed to benefit, advance and protect the industry. Dues have not been increased in over 15 years. As our membership numbers dwindle due to mergers and acquisitions, your OCMA Board is obliged to review the present dues structure. Currently, the lowest category is \$250 with the highest category being \$1,000. While at the February AMOA State Association Executives Meeting, it was reported that OCMA has one of the lowest dues structures of any coin machine association in the country. Most have the lowest category set at \$500 and the highest reaching \$5,000. If any action is undertaken, it will be thoroughly discussed by the Board and announced at the OCMA Annual Meeting.

Finally, since 2006 is an election year, we can not stress enough how important it continues to be for you to know your state representative and senator. With the constant attacks on the hospitality industry led by extremely well-funded adversaries, OCMA's grassroots efforts will continue to be one of our major strengths. Working together, our unified approach can make '06 a positive year.

News from Around the Industry

Grotjan and Wiles - Jerry Grotjan, 45-year industry veteran and Claudia Wiles opened a Cincinnati branch office for Shaffer Distributing on January 3, 2006. Jerry will be Branch Manager and Claudia the Parts Manager. Previously, both had been with Atlas International, which closed its Ohio office in 2005. OCMA extends best wishes to both.

Sheriffs Oppose Pokers - Just as North Carolina's new state lottery is about to get underway, an interest group representing law enforcement has called for a ban on video gaming machines in that state. According to a report in the **Charlotte Observer**, the North Carolina Sheriffs' Association, along with a citizen's organization called Democracy South, has called for a ban on the games. Under state law, poker games are allowed so long as prizes are limited to \$10 in merchandise per play. Cash payouts are illegal.

Currently, there are close to 10,000 video poker machines in the state, collecting close to \$120 million, **untaxed**, each year.

The state senate has pushed through bills banning the games twice in the past, but each time it failed to pass in the state house. The state legislature convenes again in May.

For Now, Chicago Wins - Attorneys for the city of Chicago have won an appeals court victory in their on-going efforts to crack down on 8-line and other video redemption games operated in bars and taverns.

In the late 1990's, city officials started their enforcement campaign but were forestalled by a state court which found tougher rules governing the devices too vague. But, according to the **Sun Times**, late last year a state appeals court reversed that decision.

Chicago spokesperson Jennifer Hoyle reportedly told the newspaper, "We're now examining future enforcement of it and things we've been able to put into practice before. The case is likely to be appealed to the state's Supreme Court.

ICMOA - The new Executive Director of the Illinois Coin Machine Operators Association is Kim Robinson. ICMOA's address is 600 S. Second St. (Suite 403), Springfield, IL. 62704. Phone: 217-523-0638; Ffax: 217-528-6545. Welcome Aboard, Kim!

Jukebox License Office - Chad Lemons has taken the helm as manager of the **Jukebox License Office**. He is the fourth music industry professional to hold this post. Lemons holds a degree in recording industry management. He can be contacted by: calling 800-955-4004 or e-mailing clemons@jukeboxlicense.com Congratulations, Chad!

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Around the Industry (continued from Page 3)

Calabasas, CA Says "No" - Under a new ordinance, unanimously passed by the Calabasas, CA. City Council on February 1st, smoking will be illegal in virtually all outdoor city spaces—including sidewalks and streets.

The ordinance was backed by the California Restaurant Association even though the ban also applies to restaurants' outdoor lounges that previously permitted smoking. Under the new regulations, businesses can establish "outposts" for smokers in remote areas such as parking lots. The ordinance will take effect March 1st. It is interesting to note that not one businesses owner appeared at the hearing to object.

Verizon's New Service - On January 16th Verizon Wireless launched a new wireless music service that enables Verizon customers to select and download songs to their phones or windows XP PCs and transfer the tracks between the computer and the phone. This new service is called V CAST Music. It runs on Verizon's broadband network. Verizon predicts that by the first quarter of 2006, V CAST Music will offer more than one million tracks from major music distributors.

AMOA Member Number Required By JLO

Beginning with the 2006 JLO License Fee period, all AMOA members **MUST** include their AMOA member identification number on the JLO license renewal form in order to qualify for the AMOA member discount.

Since AMOA member savings are substantial, this is an important reminder. For example, for a coin machine operator member with 20 CD jukeboxes requiring JLO licenses, an AMOA operator member will pay \$400 for the first JLO license and \$67 each for boxes two through twenty, or \$1,273, for a total of \$1,673. A non-AMOA member will pay the same \$400 fee for the first JLO license, but \$92 each for boxes two through twenty, or \$1748 for a total of \$2,148.

The AMOA member saves \$475, which, for most members, more than pays their annual AMOA dues. AMOA members who do not have their membership number should contact AMOA, (800-937-2662); or e-mail (jackamoa@aol.com).

Industry Anticipates a Busy Legislative Year

Industry leaders are preparing for a busy year of legislative proposals being directed toward regulating access by minors to violent video games. (1) Senators Hillary Clinton (D-NY), Joseph Lieberman (D-CT), and Evan Bayh (D-IN) held a press conference in mid-December, 2005 to introduce the Family Entertainment Protection Act, which aims to ban the sale of violent games to children. (2) Two Indiana State Senators announced their intentions to introduce legislation in the 2006 session barring the sale of violent video games to minors. Similar laws have been ruled unconstitutional in Michigan and Illinois, and California's recent attempt, which was to take effect January 1, 2006, has been placed under injunction by a federal judge for the same reason. (3) The Senate Commerce and Consumers Services Committee in Florida would also like to ban the sale of violent video games to minors; Florida's SB 492 would require that such games be labeled with a white sticker that has the number 18 outlined in black.

2006 Membership Roll of Honor

The following OCMA members have paid their 2006 membership dues and have been placed on the **2006 Membership Roll of Honor**: (See **Straight Talk** November/December, 2005 for Report # 1)

Advanced Music & Games (Kevin Farrar, Covington, KY)
B & M Amusements (Bill Ferguson, Steubenville)
Bell Music Co., Inc. (David George, Akron)
Big City Vending (John Rizek, Columbus)
Brady Distributing Co. (Jon W. Brady, Charlotte, NC)
C & C Amusement, Inc. (Mike Gibbel, Richmond, IN)
Cadillac Music Co. (James Comella, Cleveland)
Capital Vending (Joy Saadey, Austintown)
Clark's Bullseye Vending (William Clark, Germantown)
Dixie Music Co. (Norman Quincy, Hamilton)
Elum Music Co. (Phillip Elum, Massillon)
George Music Co. (Philip F. George, Sr., Akron)
Glass City Vending, Ltd. (John Bade, Toledo)
Gold Coin Amusement (John Dorn, Bellbrook)
H & B Music (Bud Dunlap, Jewett)
Lion Distributing (Robert Abraham, Cleveland)
Lorain Music & Vending (Richard Zappa, Amherst)
Point Vending (Darrell Wolford, Huntsville)
Shaffer Amusements Co. (Kerry Shaffer, Dayton)
Shaffer Distributing Co. (Scott Shaffer, Columbus)
Shaffer Services, Inc. (Andy Shaffer, Columbus)
Tri Area Amusement (Scott Sauvageot, Follansbee, WV)
Thomas Music & Games, Inc. (Daniel Thomas, Marion)
W-K Music & Vending (Jim Woodland, III & Jason Woodland, Columbus)



2007 to See First of the New Dollar Coins

The U.S. Mint will begin producing new dollar coins depicting former presidents, at the rate of four coins per year starting in 2007. No living presidents will appear on the dollar coins, which will feature the Statue of Liberty on the reverse side.

Industry leaders, trade leaders and other representatives of the different coalition members that have lobbied for a change in currency say the new coins will have little effect on their industries.

The only way a dollar coin will achieve significant circulation in the nation's economy is if Congress votes to discontinue the paper dollar and insiders see that as unlikely. Even so, the new Presidential coins are expected to become popular collectors' items. Additionally, they could save the government approximately \$500 million a year simply because they last longer than paper dollars.



Chicago Passes Smoking Ordinance

On December 7th, Chicago City Council approved an ordinance that will prohibit smoking in a movie theatre lobby, in the hallway of an apartment building, while standing in line indoors, or in most every other public place in the City of Chicago, effective January 16, 2006. Individuals and businesses will be fined for non-compliance.

Smoking will be allowed in the privacy of your home unless it is a licensed child care, adult care, health care facility or a home-based business open to the public; a tobacco store, private clubs or lodges such as an American Legion Hall, or a hotel room in a smoking-designated room.

Smoking will be allowed in free-standing taverns and restaurant bars (and only within 15 feet of the bar) until July, 2008. Bars, taverns, and other public areas or workplaces that install air purification devices that ensure the same air quality inside as outside can seek an exemption from the smoking ban. The ordinance defines a bar or tavern as a business that derives 65 percent or more of its gross proceeds from liquor sales. A restaurant is an establishment that derives less than 65 percent of its gross proceeds from liquor sales. A "restaurant bar" is an area of a restaurant that is primarily devoted to the sale of alcoholic beverages.

Public places that come under the prohibition are far-reaching and will include amusement arcades, bingo halls, libraries, museums, convention centers, movie theatres, schools (pre-school, elementary, high school, colleges and universities); sports arenas, retail and grocery stores, and buses, trains, taxis, and limousines, among other locations.

Individual violators can be fined up to \$100; and businesses, up to \$100 for the first violation, up to \$500 for the second violation within a year of the first, and up to \$2,500 for each additional violation within a year of the first. A business with three or more violations could also see its business license suspended for 60 days or revoked.

IRS Announces New Mileage Rates for 2006

Beginning January 1, 2006, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) for the purposes of tax deduction will be as follows:

1. 44.5 cents per mile for business miles driven
2. 18 cents per mile for medical or moving purposes; and
3. 14 cents per mile driven in service of charitable organizations, other than activities related to Hurricane Katrina relief.

The new rate for business miles compares to a rate of 40.5 cents per mile for the first eight months of 2005. In September, the IRS made a special one-time adjustment for the last four months of 2005, raising the rate for business miles to 48.5 cents per mile in response to a sharp increase in gas prices.

Summit County Turns On "No Smoking Light"

Starting February 28th, Ohio's first-ever countywide indoor smoking ban begins. The new law is designed to eliminate smoking inside bars, restaurants and workplaces but will not be observed in some parts of the county such as Cuyahoga Falls and Akron. Those cities are refusing to follow the new law because officials say their less restrictive existing laws take precedence. What is even more interesting is that the same Summit County Council that voted to authorize the ban last year is now working to disable it.

An ordinance that would postpone the law's effective date until 2007 is slowly working its way through the legislative process. Officials estimate that , if passed, this new law will end the ban by April 20.

Summit County Sheriff Drew Alexander has said more serious crimes will have precedence over enforcing the ban, which carries a fine of up to \$150 for a first offense.

Further, a group of seven Summit County taverns sued the county Monday, February 27th seeking a court order to block the ban.



2006 Scholarship Applications

Cut off date for the submission of all **2006 OCMA-Paul A. Corey Scholarship** applications is June 30, 2006.

We are asking that you make a special effort to notify your employees that they and their family members are eligible to apply for this scholarship. Also, your family, friends and other young people in the community are also eligible to apply.

Just in case your original application has been misplaced, we are enclosing an additional one with this issue of **Straight Talk** for your use.

Since its inception in 1997, OCMA has been able to award two \$500 scholarships each year.





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2006 Calendar of Events

March 31-April 2	OCMA Dart Tourney	Canton
April 27-30	OCMA/VNEA Pool Tourney	Canton
May 25-June 3	VNEA Pool Championships	Las Vegas
June 30	Deadline for submitting Scholarship Applications	
TBD	OCMA 32nd Annual Meeting and Dinner	Columbus
Sept. 27-29	AMOA Expo	Las Vegas

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