



# OCMA - STRAIGHT TALK

September/October 2007

Volume 106 Issue 05

## Skill Games “Vanish Overnight”, Traditional Games Receive Cloudy Reprieve

By David P. Corey, OCMA Executive Vice President

At record, break-neck speed, Ohio enacted a law on October 25<sup>th</sup> that has had the affect of ridding the state of slot machine-like devices. The following is a brief synopsis of the events leading up to such drastic changes in Ohio’s amusement machine laws: on October 10<sup>th</sup>, the Ohio House passed HB177 which included an amendment that changed not only the definition of “slot machines”, but also of “skill games”. Earlier, on October 17<sup>th</sup>, the Ohio Senate passed HB177 with one amendment. Since it included an amendment, it returned to the Ohio House for concurrence on October 23<sup>rd</sup> and then off to the Governor for his signature. Since it included an emergency clause, it became law immediately upon his signature.

Briefly, the bill does the following:

- ◆ prohibits cash prizes (of any amount)
- ◆ creates a limit of \$10 on the redemption value of prizes associated with skill-based amusement machine (the wholesale value of the prize can not exceed \$10)
- ◆ allows for bowling, pool, dart and other tournaments (i.e., Golden Tee Golf, Megatouch, etc.) as long as **ALL** of the entry fees are used for prizes (these events were not altered in the bill because they remain categorized under ORC 2915.01 (DDD) “ ‘Pool not conducted for profit’ means a scheme in which a participant gives a valuable consideration for a chance to win a prize and the total amount of consideration wagered is distributed to a participant or participants.”)

The bill does not make games illegal other than slot machines. Instead, it makes the awarding of cash prizes and prizes valued at over \$10 illegal. Therefore, games such as “Puzzlebug”, “Tic Tac Fruit”, “Nudgemaster”, etc. are not illegal per se, but they are if cash or merchandise prizes valued at more than \$10 in wholesale value is awarded to the player.

Under this new law, we were unsuccessful in securing an allowance for “Prize Merchandising Machines”, such as “Stacker” and “Lighthouse”, which contain prizes valued at more than \$10 wholesale. (Contact the office for more information concerning this topic.)

Please review the elements of Am. Sub. HB 177 with your attorney and/or contact us with questions.

As stated in various emails to members throughout this entire process, the grassroots effort that most of you were involved in (i.e., contacting your legislators) had an important impact on the process as more legislators than ever before now have a better understanding of your industry.

As always, please contact us if you have any questions. It’s been a long and exhausting few months - the staff and I personally appreciate all of your understanding, support and help! Thank you for your work to keep a portion of the industry and protect many jobs. We will keep you informed of any additional attempts by the legislature or attorney general to clarify this poorly worded law.

**SERVICE**

**INTEGRITY**

**DEPENDABILITY**

# News from Around the Nation

## Iowa Operating Company Wins Settlement

Royal Financial, an Iowa operating company, has agreed to a lawsuit settlement of \$ 1.6 million for the losses it incurred after the state pulled the plug on “**TouchPlay**” gaming machines in 2006.

When these games first hit the streets they were approved by the state as part of a joint venture between the Iowa Lottery and private operators. In 2006, lawmakers quickly reversed course and outlawed the machines, leaving operating companies deeply in debt from the machine purchases and other investment expenses.

Following the filing of many lawsuits, Spring 2008 court dates were set and then, the Attorney General decided in August to settle with Royal, one of the state’s biggest operators. Bob Brammer of the AG’s office told the ***DesMoines Register***, “We would consider discussion with any other TouchPlay litigant and treat them in a similar fashion as we consider any other TouchPlay negotiations.” One of the remaining lawsuits includes 70 plaintiffs seeking \$900 million in damages. Davenport Representative Cindy Wickler, told the ***Register***, “We didn’t give them good notice and we didn’t in any way take into consideration the investment they made in good faith.” We’ll pass on new developments as they occur.

## New York Makes Selling/Renting Violent Video Games to Minors a “Class E” Felony

The New York State Assembly has passed legislation making it a Class E Felony to sell or rent any game that includes “depiction of depraved violence and indecent images” to a minor. It would also prohibit the sale of home gaming consoles without parental restriction options and established an advisory Council to evaluate the work of the state’s **Entertainment Software Rating Board**.

Even though these laws are primarily geared to the home video gaming market, we will continue to monitor any developments. In almost all cases such as these, they are struck down by the courts, citing our industry’s Indianapolis precedent establishing First Amendment protection for video games.

## Video Poker Case Continues in North Carolina

A defendant in a North Carolina video poker case has pleaded guilty to federal perjury and conspiracy charges. The charges of grand jury perjury and conspiracy to run an illegal gambling operation carry a maximum penalty of 10 years in prison and a \$500,000 fine. In return for the plea, the defendant has reportedly agreed to testify against other employees of the Henderson Amusement Company, all of whom have been charged in the illegal gambling case. Prosecutors allege that Henderson was running an extensive illegal gambling operation involving cash pay outs from video poker games. The defendant reportedly helped scout for new locations. A total of 21 individuals (including two former sheriff’s deputies) have been indicted in the case.

## Court Revives SC Poker Case

South Carolina Operator Jimmy Martin won the first round of his appeal in a lawsuit that claims a video poker ban enacted by South Carolina in 1990 is unconstitutional. The Fourth US Circuit Court of Appeals reversed a previous district court ruling that the case had no federal standing. The reversal allows Martin’s case, which charges that the ban violated due process and equal protection statutes, to proceed.

Continued from Page 2

## Illinois Governor Vetos Skill Game Bill

Illinois Governor Rod Blagojevich has vetoed an operator supported bill (HB1124) that defines skill for Electronic video tournaments. (The Illinois legislature passed the measure in May.) Following the Governor's move, the ICMOA (Illinois Coin Machine Operators Association) urged members to phone their state representatives to voice their support for reconsideration of the measure. ICMOA said lawmakers must understand this is not a gambling bill - instead it regulates tournaments for videogames such as Golden Tee and countertop units, permitting cash payouts.

## COLORADO SPRINGS, CO — Profits plummet by as much as 40%

Profits have plummeted by as much as 40% in Colorado locations since the state imposed a smoking ban in July 2006, according to the Coalition for Equal Rights, a bar and tavern trade group.

The figures, pulled from recent state Department of Revenue reports, provide hard data on a controversial subject that to date has relied on anecdotal evidence. The CER said the report shows a trend toward rising restaurant patronage while indicating substantial declines in bar patronage and sales.

Statistics are based on comparative sales data, CER officials noted. "As of the first quarter 2007, the Colorado smoking ban has imposed at least \$16.8 million in economic damages on bars and taverns in the state, 6.4% of previous revenues, and many of our members are experiencing profit declines in the range of 15% to 40%."

The group's most recent economic impact report can be accessed at [www.stopthebans.com](http://www.stopthebans.com).

## Oklahoma Ban On "Violent" Videogames Voided By Federal Court

OKLAHOMA CITY — U.S. District Judge Robin Cauthron this week ruled that Oklahoma's 2006 law banning the sale or rental of violent video games to minors is unconstitutional on First Amendment grounds, and imposed a permanent injunction to prevent enforcement of the statute.

The state attorney general's office said it may appeal the ruling. A similar decision came down earlier this month in California, continuing the videogame industry's unbroken string of victories in overturning laws intended to restrict public access to games on the basis of content.

## Outdoor Smoking Bans on the Rise

Outdoor smoking bans are on the rise. **Albuquerque, NM** recently banned smoking in parks and public places in Davis County. **Utah** banned cigarettes from amusement parks, pools, public gardens and parts of golf courses and cemeteries. And, according to **USA Today**, at least 81 zoos are either smoke free or have designated smoking areas.

According to a recent **DesMoines Register** article, next summer the Adventureland Park goes smoke-free. Park officials say the decision was based on the number of e-mails they received requesting the park be smoke-free. Cigarettes have been banned for a long time from the park's rides, gift shops and indoor restaurants. Earlier this year the ban was expanded to the Adventureland Inn hotel in Altoona, Iowa.

In January an Iowa poll for the **Register** showed that 75 percent of Iowans favor letting local governments ban smoking in public places such as restaurants and bars.

The American Nonsmokers Rights Foundation noted that bans on smoking at outdoor venues has gone from 30 in 1999 to at least 1,124 today.

Continued from Page 3

## California Appeals Judge's Decision

On September 5th, Governor Schwarzenegger's administration filed an appeal with the 9th US Circuit Court of Appeals regarding a federal judge's decision that blocked enforcement of a violent video game law that was passed in October, 2005. The law banned the sale of violent video games to children and required clear labeling of the games. In August, 2007 US District Judge Whyte made permanent his previous order barring enforcement of the law based on First Amendment protection.

## California Enacts Lead In Jewelry Law

The state of California has enacted legislation prohibiting the manufacturing, shipping or selling of jewelry in that state unless certain requirements are met. The law requires manufacturers to use specific classes of materials in jewelry that do not typically contain lead or which contain limited amounts of the element. Effective September 1, 2007, the law covers children's jewelry, which is defined as being "made for, marketed for use by, or marketed to children ages six and younger". Starting March 1, 2008 the scope of the law will expand to include all other jewelry, including body piercing jewelry. Violators are subject to civil penalties up to \$2,500 per day violation. For further information visit [www.dtsc.ca.gov/leadinjewelry.com](http://www.dtsc.ca.gov/leadinjewelry.com)

---

---

# Signs of Depression

The National Institute of Mental Health has identified the most common general symptoms of depression.

If an employee displays five or more of these symptoms for more than two weeks, or if they interfere with work or family interests, the employee should get a complete physical, including a review of family history of depression.

Here are the most common signs of depression:

- Persistent sad, empty or anxious mood.
- Decreased energy, fatigue, being slowed down.
- Eating disturbances.
- Thoughts of death or suicide; suicide attempts.
- Excessive crying.
- Difficulty concentrating, remembering, making decisions.
- Loss of interest or pleasure in ordinary activities.
- Sleep disturbances.
- Feeling of hopelessness, helplessness.
- Irritability.
- Chronic aches and pains.

---

---

## Did You Know?

To maintain your computer think **DVD**, not a DVD disc but the initials D V D:

D = download windows security updates

V = use virus software, keep it updated, run on a regular schedule

D = defrag for faster operation



# Living Trusts vs. Wills

## ADVANTAGE OF TRUST VS. WILLS

### 1. Avoiding probate.

Many people fear becoming disabled or incompetent and being placed in a court guardianship. With a will, if a husband has a stroke and is subsequently unable to sign his name, his wife is severely restricted in selling any of their jointly owned assets. She will have to place the husband in a court guardianship, keep scrupulous records, and obtain court approval for all transactions. Most people would prefer to avoid living their last days as a "probate file".

### 2. Wills are much easier to contest than are trusts.

When an estate is probated, the assets are usually frozen for a certain length of time. Relatives who feel they have a right to part of the estate are "invited" to come forward and make their claims; they don't even need to hire an attorney.

But, with a trust, assets are not frozen and are immediately and privately distributed to the beneficiaries. A disgruntled heir may not even know that the distribution has taken place.

### 3. A living trust lets you be sure that your estate planning strategy will be carried out.

It cannot be altered by the court, greedy relatives, or unforeseen legal technicalities.

### 4. A living trust can also save on estate taxes.

If the net value of your estate is more than \$2 million (2007), Federal estate taxes must be paid when you die. But an "A-B" living trust plan lets you and your spouse pass on to your beneficiaries up to \$4 million tax-free.



Have you completed and returned your paperwork for OCMA's 2007-08 Pool League Season? If not, please do so today.

The 2008 tournament will be held at the Canton Civic Center April 24 - 27.

## CHARACTERISTICS OF A TRUST

1. It contains the taxpayer's instructions for managing personal assets should the individual become disabled, and for distributing these upon the individual's death.
2. When you set up a living trust, you must change the titles on all real estate, securities, and other assets from your name to the name of your trust, which you control. Legally, you no longer own these properties, so there is nothing to probate when the time comes to distribute your assets.
3. Most people choose to become their own trustees, eliminating any management fees. As trustee, you can do everything you could do before the trust was established.

## DISADVANTAGES

1. The major problem people incur is when they don't transfer all of the property into their trusts. They procrastinate. Anything left out of the trust probably will have to be probated.
2. Should the taxpayer decide to refinance a home or business, some lenders may refuse to refinance a home or business that is in a trust, and may insist that it be removed from the trust.

## CONCLUSION

The protection of personal assets is far more secure when a living trust is in place. Also, compared with the cost of probate, the cost of a living trust is nominal.

Note: As with all personal/financial matters we strongly suggest that you consult with your attorney and/or accountant.

-Reprinted from Mike Henning's Family Firm Advisor

The 2008 Dart tournament will be held April 4 - 6 at the Canton Civic Center.

Please take time to complete and return your league paperwork ASAP.





# OCMA - STRAIGHT TALK

OHIO COIN MACHINE ASSOCIATION  
3757 Indianola Ave.  
Columbus, OH 43214-3753  
614/784-9772 \* FAX 614/784-9771

E-mail [ocma@the-ocma.org](mailto:ocma@the-ocma.org)  
Web site [www.the-ocma.org](http://www.the-ocma.org)

**STRAIGHT TALK**  
Official Publication of the  
Ohio Coin Machine Association

**Executive Committee**

Michael Fowler	President
James Bremer	1st Vice President
David A. George	2nd Vice President
Andy Shaffer	Secretary
Rodney Stebelton	Treasurer
Dewey Laughlin	Board Chair

**Directors**

James Comella	Phillip Elum
Sean Richards	Kerry Shaffer
Larry Van Brackel	William Westerhaus
Michael Zappa	

**Staff**

David Corey	Executive Vice President
Judith Martin	Executive Director
Kimberly Corey	Administrative Assistant
Marjorie Rough	Secretary

## Tuesday, November 6th is General Election Day!

### Don't Forget to Vote!



**SERVICE**

**INTEGRITY**

**DEPENDABILITY**