

Texas Lottery Commission

February 2, 2017

10:00 a.m.

<p>I. The Texas Lottery Commission will call the meeting to order. Pledge of Allegiance to the U.S. and Texas flags. Texas Pledge: "Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."</p>	<p>J. Winston Krause, Chairman</p>
<p>II. Report, possible discussion and/or action on external audits and/or reviews relating to the Texas Lottery Commission, including the FY 2016 annual financial audit.</p>	<p>Katheryn J. Pyka, Controller</p>
<p>III. Report, possible discussion and/or action on agency major contracts, including amendment, renewal or extension of the contracts for drawing studio and production services, instant ticket manufacturing and services, and the trademark license and promotional agreement with the Dallas Cowboys.</p>	<p>Michael R. Fernandez, Administration Division Director</p>
<p>IV. Report, possible discussion and/or action on agency prime contracts, including amendment, renewal or extension of the contracts for promotional products and the trademark license and promotional agreement with the Houston Texans.</p>	<p>Michael R. Fernandez, Administration Division Director</p>
<p>V. Report, possible discussion and/or action on lottery sales and revenue, game performance, new game opportunities, advertising, promotional activities, market research, trends, and game contracts, agreements, and procedures.</p>	<p>Katheryn J. Pyka, Controller</p>
<p>VI. Report, possible discussion and/or action on transfers to the State and the agency's budget.</p>	<p>Katheryn J. Pyka, Controller</p>
<p>VII. Report, possible discussion and/or action on the agency's Legislative Appropriations Request for FY 2018-2019.</p>	<p>Katheryn J. Pyka, Controller</p>
<p>VIII. Report, possible discussion and/or action on external and internal audits and/or reviews relating to the Texas Lottery Commission, and/or on Internal Audit activities.</p>	<p>Darlene Brown, McConnell Jones Lanier & Murphy LLP</p>
<p>IX. Report by the Charitable Bingo Operations Director and possible discussion and/or action on the Charitable Bingo Operations Division's activities, including licensing, accounting and audit activities, pull-tab review, and special projects.</p>	<p>Alfonso D. Royal III, Charitable Bingo Operations Division Director</p>
<p>X. Report by the Executive Director and possible discussion and/or action on the agency's operational status, major contracts, agency procedures, awards, and FTE status.</p>	<p>Gary N. Grief, Executive Director</p>
<p>XI. Consideration of the status and possible approval of</p>	<p>Robert F. Biard, General Counsel</p>

orders in enforcement cases:

Lottery NSF License Revocation Cases (Default)

- A. Docket No. 362-17-1250 – M Rivas Food Store No. 2
- B. Docket No. 362-17-0982 – Mainland Texaco
- C. Docket No. 362-17-0983 – Joy Liquor
- D. Docket No. 362-17-0984 – BAC Grocery
- E. Docket No. 362-17-1252 – Home Run Food Mart
- F. Docket No. 362-17-1013 – Batesville One Stop
- G. Docket No. 362-17-0985 – Adam’s Mini Mart
- H. Docket No. 362-17-0987 – Bun Penny Food & Wine

Other Lottery Revocation Cases

- I. Docket No. 362-16-4658 – Te-Jo’s Drive In

Lottery Agreed Orders

- J. Case No. 2016-723 – Quick Way Foods #2
- K. Case No. 2016-1056 – Foods and Energy Corner
- L. Case No. 2017-99 – Munchy’s
- M. Case No. 2017-135 – Greenhouse Citgo
- N. Case No. 2017-136 – Bear Creek Food Store

Bingo Agreed Orders

- O. Docket No. 362-16-3511.B – VFW Post 2427 Tomball

Bingo Revocation and Denial Cases

- P. Docket No. 362-16-3697.B – Giorgio Rizzo (Bingo Worker)
- Q. Docket No. 362-16-5598.B – Kori Clark, Sr. (Bingo Worker)
- R. Docket Nos. 362-15-1666.B and 362.15.3696.B – East Plano Bingo, Inc.
- S. Docket Nos. 362-16-4456.B – Pilot Club of Tyler Foundation; 362-16-4457.B – VFW Post 4002 Longview; 362-16-4458.B – American Legion Post 296; 362-16-4459.B – VFW Post 7523; and 362-16-4460.B – Pilot Club of Mineola, Inc.

XII. Public comment.

XIII. Commission may meet in Executive Session:

- A. To deliberate personnel matters, including the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Executive Director and/or the Charitable Bingo Operations Director pursuant to Section 551.074 of the Texas Government Code.
- B. To deliberate the duties of the General Counsel and/or the Human Resources Director pursuant to §551.074 of the Texas Government Code.

J. Winston Krause, Chairman

J. Winston Krause, Chairman

C. To receive legal advice regarding pending or contemplated litigation or settlement offers, or other legal advice, pursuant to §§551.071(1) and (2) of the Texas Government Code, including but not limited to legal advice regarding the following items:

Pending and potential litigation regarding Fun 5's Scratch Ticket Game #1592, including Travis Co. District Court Cause No. D-1-GN-14-005114, Third District Court of Appeals Cause No. 03-16-00172-CV (Steele, et al. v. GTECH Corp.); Dallas Co. District Court Cause No. DC-14-14838, Fifth District Court of Appeals Cause No. 05-15-01559-CV (Nettles v. GTECH Corp. and Texas Lottery Commission); and El Paso County Court Cause No. 2014-DCV-4113 (McDonald v. GTECH Corp.). Julam Investments, Inc. v. Texas Lottery Commission (Travis Co. District Court Cause No. D-1-GN-16-006124)

State of Texas v. Equal Employment Opportunity Commission et al.

Legal advice regarding Texas Government Code Chapters 466 (State Lottery Act) and 467, the Bingo Enabling Act, the Open Meetings Act, the Public Information Act, the Administrative Procedure Act, employment and personnel law, procurement and contract law, evidentiary and procedural law, ethics laws, and general government law.

Legal advice regarding any item on this open meeting agenda.

XIV. Return to open session for further deliberation and possible action on any matter posted for discussion in Executive Session. Any matter posted for Executive Session also may be the subject of discussion and/or action in open session prior to Executive Session.

XV. Adjournment.

Notice of Assistance at Public Meetings. Persons with disabilities who plan to attend this meeting and who need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, should contact Debbie Jamieson at (512) 344-5038 at least four (4) work days prior to the meeting so that appropriate arrangements can be made.

J. Winston Krause, Chairman

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Simpson, MaryBeth

From: Jamieson, Debbie
Sent: Wednesday, January 25, 2017 12:07 PM
To: Sanchez, Sheila; Simpson, MaryBeth
Subject: FW: S.O.S. Acknowledgment of Receipt
Attachments: 02022017 Final.doc

Good afternoon,

The attached agenda has been filed with the Texas Register. Please let me know if you have any questions.

Thanks,
Debbie

-----Original Message-----

From: Texas Register [<mailto:TexReg@sos.texas.gov>]
Sent: Wednesday, January 25, 2017 12:04 PM
To: Jamieson, Debbie
Subject: S.O.S. Acknowledgment of Receipt

Acknowledgment of Receipt

Agency: Texas Lottery Commission

Liaison: Debbie L. Jamieson

The Office of the Secretary of State has posted

notice of the following meeting:

Board: Texas Lottery Commission

Committee: Texas Lottery Commission

Date: 02/02/2017 10:00 AM "TRD# 2017000729"

Notice posted: 01/25/17 12:04 PM

Proofread your current open meeting notice at:

[http://texreg.sos.state.tx.us/public/pub_om_lookup\\$.startup?Z_TRD=2017000729](http://texreg.sos.state.tx.us/public/pub_om_lookup$.startup?Z_TRD=2017000729)

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- X. Report by the Executive Director and possible discussion and/or action on the agency's operational status, major contracts, agency procedures, awards, and FTE status.
- XI. Consideration of the status and possible approval of orders in enforcement cases:

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Julam Investments, Inc. v. Texas Lottery Commission (Travis Co. District Court Cause No. D-1-GN-16-006124)

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