

TRANSCRIPT OF PROCEEDINGS

BEFORE THE

TEXAS LOTTERY COMMISSION

AUSTIN, TEXAS

COMMISSION MEETING)
FOR THE TEXAS)
LOTTERY COMMISSION)

COMMISSION MEETING

June 21, 2023

10:00 a.m.

AT

STEPHEN F. AUSTIN STATE OFFICE BUILDING
1700 Congress Avenue
Austin, Texas 78701

APPEARANCES

CHAIRMAN: Robert G. Rivera

COMMISSIONERS: Mark A. Franz
Erik C. Saenz
James H.C. "Jamey" Steen
Cindy Lyons Fields

GENERAL COUNSEL: Robert F. Biard

EXECUTIVE DIRECTOR: Gary Grief

CHARITABLE BINGO
OPERATIONS DIRECTOR: LaDonna Castañuela

CONTROLLER: Kelly Stuckey

LOTTERY OPERATIONS DIRECTOR: Robert Tirloni

MCCONNELL & JONES LLP: Darlene Brown

BINGO ADVISORY
COMMITTEE CHAIRMAN: William "Trace" Smith III

DIRECTOR OF GOVERNMENTAL
AFFAIRS: Nelda Treviño

DIRECTOR OF ADMINISTRATION: Angela Zgabay-Zgarba

DEPUTY EXECUTIVE DIRECTOR: Ryan Mindell

SPEAKERS ON ITEM XV. N.: Stephen Fenoglio
Kris Keller

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- II. Report by the Bingo Advisory Committee (BAC) Chairman; possible discussion and/or action on the BAC's activities, including removal and appointment of committee members.
- III. Report, possible discussion and/or action on agency major contracts, including amendment, renewal or extension of the contract for internal audit services.
- IV. Report, possible discussion and/or action on agency prime contracts, including the procurements for contracts for website hosting service and retailer bonus payment management services.
- V. Report, possible discussion and/or action on agency prime contracts, including a contract for promotional and sponsorship program with the National Medal of Honor Museum Foundation.
- VI. Report, possible discussion and/or action on agency prime contracts, including amendment, renewal or extension of the contract for lottery drawings CPA services.
- VII. 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.
- VIII. Report, possible discussion and/or action on transfers to the State.
- IX. Report, possible discussion and/or action on the 88th Legislative Session.
- X. Report, possible discussion and/or action on the Sunset review process involving the agency.

- 1 XI. Report, possible discussion and/or action on
2 re-approval of Commission Policy P-002, Division
of Responsibilities.
- 3 XII. Report, possible discussion and/or action on
4 external and internal audits and/or reviews
5 relating to the Texas Lottery Commission, and/or
6 on Internal Audit activities.
- 7 XIII. Report by the Charitable Bingo Operations
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10 activities, including licensing, accounting and
11 audit activities, reports, and special projects.
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- Bingo Cases
- N. Docket No. 362-21-2282.B - Monica Weber (bingo)

1 worker)

2 O. Docket Nos. 362-21-2276.B, 362-21-2277.B,
3 362-21-2278.B, 362-21-2279.B, 362-21-2280.B, and
4 362-21-2281.B - Alamo Hills Bingo Unit
(Terra-Genesis of San Antonio; Ella Austin
Community Center; TG 106, Inc.; Sav-Baby, Inc.;
Central Park Lions Club; and District 2-2A Sight
and Tissue Foundation)

5 XVI. Public comment.

6 XVII. The Commission may meet in Executive Session:

7 A. To deliberate personnel matters, including the
8 appointment, employment, evaluation, reassignment,
9 duties, discipline, or dismissal of the Executive
Director and/or Charitable Bingo Operations
Director, pursuant to §551.074 of the Texas
Government Code.

10 B. To deliberate the duties of the General Counsel
pursuant to §551.074 of the Texas Government Code.

11 C. To receive legal advice regarding pending or
12 contemplated litigation or settlement offers, or
13 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:

14 Pending litigation regarding Fun 5's Scratch
15 Ticket Game #1592, including Travis County
District Court Docket No. D-1-GN-14-005114
(Steele, et al. v. GTECH Corp.); and U.S. District
16 Court (Western District-Austin) Docket No.
1:22-CV-578-RP (Texas Lottery Commission v. Ali
17 Ansari).

18 Legal advice regarding the Governor's March 13,
2020 COVID-19 state of disaster declaration (as
19 renewed thereafter) and related Texas Lottery
Commission matters, Texas Government Code Chapters
20 466 (State Lottery Act) and 467 (Texas Lottery
Commission), the Bingo Enabling Act, the Open
21 Meetings Act, the Public Information Act, the
Administrative Procedure Act, employment and
22 personnel law, procurement and contract law,
evidentiary and procedural law, ethics laws, and
general government law.

23 Legal advice regarding any item on this open
24 meeting agenda.

25 XVIII. Return to open session for further deliberation
and possible action on any matter posted for

1 discussion in Executive Session. Any matter posted
2 for Executive Session also may be the subject of
discussion and/or action in open session.

3 XIX. Adjournment.

4 Reporter's Certificate. 49

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P R O C E E D I N G S

WEDNESDAY, JUNE 21, 2023

AGENDA ITEM NO. I

CHAIRMAN RIVERA: Good morning, everyone. I'd like to call this meeting of the Texas Lottery Commission to order. Today's June 21st. It's 10:00 a.m. We're going to start with the Pledge of Allegiance. All of our commissioners are here and we'll begin.

(Pledges recited)

AGENDA ITEM XVII

CHAIRMAN RIVERA: Okay. Again, good morning, everyone. We are going to go into executive session to start the meeting, and then we will be back shortly. Bob?

MR. BIARD: For the purpose of receiving legal advice and discussing personnel matters.

CHAIRMAN RIVERA: Okay. We will be back shortly.

10:02:01

(Executive Session)

10:30:47

AGENDA ITEM NO. XVIII

CHAIRMAN RIVERA: Okay. We are back. Texas Lottery Commission is out of executive session at

1 10:30. We do have some action items to take. Is there
2 a motion? Cindy?

3 COMMISSIONER FIELDS: Yes, Mr. Chairman.
4 I move that we approve the employee performance
5 evaluation for LaDonna Castañuela and a 4 percent
6 salary increase, effective July 1st, 2023, and approve
7 the employee performance evaluation for Gary Grief.

8 COMMISSIONER FRANZ: Second.

9 CHAIRMAN RIVERA: Okay. Is there a --
10 all right. So good. Good job. Call for a vote. All
11 in favor, aye.

12 (Chorus of "ayes")

13 CHAIRMAN RIVERA: Okay. Motion passes.
14 Congratulations to you both. Alrighty.

15 AGENDA ITEM NO. II

16 CHAIRMAN RIVERA: First item is a report
17 from the Bingo Advisory Committee. Trace Smith, this
18 is your item.

19 MR. SMITH: Yes, sir. Good morning,
20 Commissioners, Commissioner Fields, Chairman. We had
21 the BAC meeting yesterday and I'm pleased to report
22 that the bingo industry passed probably the most
23 important bingo bill in decades. SB 643 will help
24 charities grow and hopefully prosper with the proper
25 management and oversight.

1 In the bill there was also a lot of
2 language, cleanup language, for the staff at lottery.
3 We would like to thank LaDonna and Nelda for helping us
4 with this on the language that we used. They were a
5 huge help this session. Actually, the whole staff was
6 just wonderful, so, we definitely want to tip our hat
7 to them. So, thank y'all very much.

8 Next, the Bingo Advisory Committee
9 recommends that Stacie Johnston be appointed to the
10 Bingo Advisory Committee to fill the vacant position.
11 Stacie is well qualified and has been in Bingo for
12 about the past 20 years. She received a unanimous vote
13 from the BAC to be nominated. So, we ask that you
14 approve her for appointment to the Bingo Advisory
15 Committee.

16 And lastly, the Bingo Advisory Committee
17 will begin working on our year end report and our work
18 plan for next year. These reports will be presented to
19 you at the next Texas Lottery Commission meeting in
20 August. The Commissioners will also get to vote to
21 extend the BAC for another year in August.

22 That concludes my report.

23 CHAIRMAN RIVERA: Okay. Commissioners,
24 any discussion? Is there a motion to approve the new
25 BAC member?

1 COMMISSIONER FIELDS: I'd like to make
2 that motion.

3 CHAIRMAN RIVERA: Okay. Is there a
4 second?

5 COMMISSIONER SAENZ: Second.

6 CHAIRMAN RIVERA: Okay. Cindy has made
7 the motion, we have a second. All in favor say aye.

8 (Chorus of "Ayes")

9 CHAIRMAN RIVERA: Okay. Motion passes.

10 MR. SMITH: Thank you.

11 CHAIRMAN RIVERA: Thank you very much.

12 AGENDA ITEM NO. III

13 CHAIRMAN RIVERA: Okay. Items 3 through
14 6 are contract matters. Angela, this is your item.

15 MS. ZGABAY-ZGARBA: Good morning,
16 Chairman, Commissioners. For the record, my name is
17 Angela Zgabay-Zgarba, Director of Administration.

18 Item 3 in your notebook as an action
19 item. Staff is seeking Commission approval to extend
20 our current contract with McConnell and Jones for
21 internal audit services for a one-year period.
22 Commissioners have independently confirmed they have no
23 financial interest in McConnell Jones. If you have any
24 questions, I'd be happy to answer them, Commissioners.

25 CHAIRMAN RIVERA: Okay. Commissioners,

1 any discussion? Is there a motion to extend the
2 internal audit contract?

3 COMMISSIONER SAENZ: I'll make a motion.

4 COMMISSIONER FRANZ: I'll second.

5 CHAIRMAN RIVERA: We have a motion and a
6 second. All in favor say Aye.

7 (Chorus of "ayes")

8 CHAIRMAN RIVERA: Motion passes. Thank
9 you.

10 AGENDA ITEM NO. IV

11 MS. ZGABAY-ZGARBA: All right. Item 4
12 in your notebook is a briefing item. The first one is
13 to advise the Commission of staff's intent to issue the
14 request for proposals for website hosting services.
15 The anticipated term of the contract is a three-year
16 contract with two two-year renewals.

17 The next item working through the State
18 Office of Risk Management staff intends to acquire
19 insurance for the purpose of managing retailer bonus
20 payments for the Mega Millions and Powerball games. If
21 you have any questions, I'd be happy to answer them on
22 these items.

23 CHAIRMAN RIVERA: Okay. Commissioners,
24 comments, questions?

25 COMMISSIONER FRANZ: Nope.

1 MS. ZGABAY-ZGARBA: All right.

2 COMMISSIONER SAENZ: Thank you.

3 AGENDA ITEM NO. V

4 MS. ZGABAY-ZGARBA: Item number 5 in
5 your notebook is also a briefing item and is to advise
6 the Commission of staff's intent to enter into a
7 promotional and sponsorship program with the National
8 Medal of Honor Museum Foundation. The contract will
9 allow the Texas Lottery the unique opportunity to
10 participate as a founder in the museum. The term of
11 the contract is anticipated to be execution through
12 August 31, 2032, with some of the sponsorship benefits
13 living in perpetuity of the lifetime of the museum.

14 Staff intends to have a museum
15 representative present in the August Commission meeting
16 to provide additional information. If you have any
17 questions, I'd be happy to answer those.

18 CHAIRMAN RIVERA: Commissioners, any
19 questions? Perfect. Thank you.

20 AGENDA ITEM NO. VI

21 MS. ZGABAY-ZGARBA: All right. And
22 lastly, item number 6 in your notebook is a briefing
23 item and is to advise the Commission of staff's intent
24 to extend our current contract with DK Partners PC for
25 lottery drawing CPA services. The extension will be

1 for a one-year period beginning September 1, 2023. If
2 you have any questions, I'll be happy to answer them.

3 CHAIRMAN RIVERA: Any questions? Okay.
4 No.

5 MS. ZGABAY-ZGARBA: Thank you.

6 CHAIRMAN RIVERA: Thank you very much.

7 AGENDA ITEM NO. VII

8 CHAIRMAN RIVERA: Okay. Next item is a
9 report on lottery sales and revenue. Kelly and Robert,
10 your item?

11 MS. STUCKEY: All right. Good morning,
12 Commissioners. Wait for the slides. There we go.

13 I'm Kelly Stuckey, Controller for the
14 agency, and with me this morning is Robert Tirloni, our
15 Lottery Operations Director, and we'll be providing an
16 update on sales through last week or week ending June
17 17th, 2023.

18 So, looking at this first slide here,
19 we'll see that through this 42-week period total sales
20 there at the bottom of the slide for fiscal year '23
21 are \$6,914,000,000. That's an increase of over 366-
22 million or 5.6 percent over the last year's fiscal year
23 '22 sales at this same time, which were 6,548,000,000.

24 Then looking at the scratch ticket
25 sales, those are reflected in the orange bars there.

1 Fiscal year '23, we have sales of \$5,420,000,000, and
2 so that is a 24.1-million or just .4 percent increase
3 over our fiscal year '22 sales.

4 So, due to our strong draw sales this
5 year, our scratch sales are making up 78.4 percent of
6 our total sales. Compared to last year, we were at
7 82.4 percent of scratch compared to draw this year.

8 So, then moving on to the blue bars, our
9 draw sales. Fiscal year '23 draw sales are
10 1,494,000,000 and that is a \$342-million increase, or
11 29.7 percent, over last year. Last year at this time
12 we had 1,152,000,000 in draw sales.

13 And so now I'll turn it over to Robert
14 to discuss by game.

15 MR. TIRLONI: Thanks, Kelly. Good
16 morning, Mr. Chairman. Good morning, Commissioners.
17 There's the slide. Okay.

18 So, this is our sales results through
19 last Saturday, June 17th. This is all good news. Our
20 draw games are up almost 342-million. You can see that
21 on the orange line. The bulk of that gain is coming
22 from the jackpot portion of the portfolio.

23 We've talked a lot about this over the
24 past year, but we've had a very successful year in
25 terms of jackpots across all of the jackpot games. The

1 only thing that's really changed since we were last
2 together was the roll on our Lotto Texas game. That
3 jackpot climbed up to \$95-million. That was for the
4 Saturday, April 22nd draw. And that was the third
5 highest advertised jackpot in the history of that game.
6 So, it's the first draw game we ever launched back in
7 November of '92. So, you know its 31-year history.
8 So, that was an impressive jackpot size for Lotto
9 Texas.

10 You can obviously see the \$63-million
11 gain we're experiencing this year compared to last.
12 And even the add-on feature Lotto Extra is up \$11-
13 million. So, great results there.

14 Again, the whole rest of the jackpot
15 portfolio is up because of the Powerball and Mega
16 Millions jackpots we've been talking about this fiscal
17 year.

18 The blue font, excuse me, in the middle
19 of the slide are our daily games. The only game that's
20 down is Pick 3, it's down a little bit over 5-million.
21 The other games in that portion of the portfolio are
22 making up for that difference. And the daily games are
23 up \$1.1-million. Again, that's what gives us our draw
24 games total of a gain of almost 342-million.

25 Scratch is up \$24-million. It's

1 currently at \$5.4-billion in sales this fiscal. And if
2 we sum all of this up, we have a gain of \$366-million.

3 I've mentioned this before. We're
4 getting closer to this time period, though at the end
5 of July, we'll have really tough comparison weeks
6 compared to this time last year because we had a \$1.2-
7 billion Mega Millions jackpot at the end of July. So
8 we'll see what plays out over the next 8 to 10 weeks
9 with our jackpots and see how those weeks compare.

10 Like I said, we're going to have some
11 tough comparison weeks, so either in August or when we
12 do our end-of-the-year report in October, you know,
13 that draw games surplus we expect it to be a little bit
14 less than what we're seeing now.

15 Last thing I have for you today in
16 closing is just a note. IGT Texas is currently
17 monitoring very closely the potential UPS strike. IGT
18 uses UPS to ship all of our scratch tickets to over
19 18,000 plus lottery locations. So, there's a potential
20 strike right at the beginning of August and they're
21 putting plans in place and we're working closely with
22 them to beef up inventory levels in the field at
23 retailer locations in the month of July, just in case
24 that strike does happen. So, I just want to let you
25 know about that before we get into our next meeting in

1 August.

2 And that's our sales report for today.
3 We'd be happy to answer any questions you might have.

4 CHAIRMAN RIVERA: Okay. Commissioners,
5 any questions, comments?

6 MR. TIRLONI: Thank you so much.

7 CHAIRMAN RIVERA: Great job. Okay.

8 AGENDA ITEM NO. VIII

9 CHAIRMAN RIVERA: Next item is a report
10 on transfers to the state. Kelly, this is also your
11 item.

12 MS. STUCKEY: Yes, sir. Commissioners,
13 the report in your notebook for this item is the
14 agency's accrued revenue transfers through April 30th,
15 2023, and that reflects a 1.39-billion transfer to the
16 State through the end of April. However, we did just
17 last week wrap up our May transfer, so I wanted to go
18 ahead and give you those updated numbers.

19 So, for this nine-month period, we've
20 transferred \$1,586,000,000, 1.5 of that has gone to the
21 Foundation School Fund, 20.2-million to the Texas
22 Veterans Commission, and then the remaining 66.7-
23 million came from unclaimed prizes.

24 So, for the Foundation School Fund, this
25 is a 10.7 percent increase over last year or 145.4-

1 million. And overall, this gives us a cumulative
2 transfer to the State of 37.2-billion.

3 Commissioners, this concludes this item,
4 unless you have any questions.

5 CHAIRMAN RIVERA: Okay. Any comments,
6 questions? Okay. Kelly, thank you very much.
7 Alrighty.

8 AGENDA ITEM IX

9 CHAIRMAN RIVERA: Next item is a report
10 on the legislative session. Nelda, this is your item.

11 MS. TREVIÑO: Good morning,
12 Commissioners. For the record, I'm Nelda Treviño; I'm
13 the Director of Governmental Affairs. I'll be
14 providing an update regarding the 88th regular
15 Legislative Session and the outcomes related to the
16 agency.

17 I'll begin with the appropriations bill,
18 House Bill 1, the State's budget for the next biennium.
19 Final actions and provisions specifically related to
20 the agency include the following:

21 The approval of the agency's exceptional
22 item request for the authority to increase the funding
23 for lottery scratch ticket production by \$17.4-million
24 for fiscal year 2025;

25 The restoration of the decreased funding

1 the House had approved as it relates to the funding for
2 the regulation of bingo;

3 The lottery's annual advertising budget
4 being maintained at \$10-million; and

5 A rider provision originally adopted by
6 the Senate and with the intent of directing the agency
7 to prohibit the activity of third-party lottery courier
8 services operating in the state was included in Article
9 IX of the appropriations bill.

10 The rider language in Section 17.36
11 states, and I quote, "The Executive Director of the
12 Texas Lottery Commission shall not allow the order,
13 purchase, or sale of lottery tickets by telephone,
14 including facilitating the sale of tickets via an
15 application on a phone," end quote.

16 The Governor signed the appropriations
17 bill on June the 18th and issued a proclamation related
18 to House Bill 1. Included in the proclamation is a
19 statement related to the rider provision, which
20 state's, and I quote, "I must note that Section 17.36
21 of Article IX is unconstitutional. Section 17.36
22 purports to tell the Lottery Commission that it must
23 issue a new rule on a particular subject. This attempt
24 to make general law in the General Appropriations Act
25 violates Article III, Section 35 of the Texas

1 Constitution. A similar command to the Lottery
2 Commission was proposed in Senate Bill No. 1820, but
3 the Legislature did not pass that bill," end quote.

4 The appropriations bill also includes an
5 approved 5 percent increase to state employees'
6 salaries in fiscal year 2024, followed by another 5
7 percent increase in fiscal year 2025. The supplemental
8 appropriations bill, Senate Bill 30, provides funding
9 to allow the first 5 percent increase to begin next
10 month, and the second 5 percent salary increase will
11 occur on September the 1st 2024.

12 A few other updates on some additional
13 bills that were also enacted. One that our Bingo
14 Advisory Committee Chairman Trace Smith, already
15 referred to, Senate Bill 643 by Senator Judith
16 Zaffirini, again relating to the conduct of bingo.
17 And to summarize, this legislation repeals the \$750
18 prize limit per game. It increases the bingo occasion
19 prize limit cap from 2,500 to \$5,000. It increases the
20 number of temporary licenses a regular license holder
21 may request from 24 to 48. It changes the negative net
22 proceeds evaluation period from one year to two, and it
23 includes several statutory cleanup and clarifying
24 provisions requested by the agency.

25 Additionally, House Bill 639 by

1 Representative Jose Lozano was also enacted. This
2 legislation increases the number of temporary licenses
3 a non-regular license holder may request in the
4 calendar year from six to 12.

5 Additionally, House Bill 1620 by
6 representative Justin Holland and Senate Bill 1659 by
7 Senator Charles Schwertner, are two separate bills that
8 relate to the Sunset Commission's review schedule of
9 state agencies. While consideration was given to move
10 the Lottery Commission sunset date, with the final
11 provision included in House Bill 1620, the agency's
12 sunset date remains at 2025 and the agency sunset
13 review process will occur during this upcoming cycle.

14 The agency's legislative implementation
15 project is now in progress and the review of enacted
16 legislation is occurring to identify implementation
17 actions that will be required by the agency.

18 Lastly, and for the record, Chairman
19 Rivera's gubernatorial reappointment to the Commission
20 for a term to expire in February 2027 was unanimously
21 confirmed by the Senate. Congratulations, Mr.
22 Chairman.

23 This concludes my report and at this
24 time I'm going to turn it over to Gary and Bob for some
25 additional comments.

1 MR. GRIEF: Thank you, Nelda. Good
2 morning, Mr. Chairman, Commissioners.

3 You heard in Nelda's report this morning
4 information regarding the rider that was placed in
5 Article IX regarding lottery couriers, and you also
6 heard about the recent proclamation that was issued by
7 the Governor regarding the constitutionality of that
8 rider. Further to the lottery courier matter, and as
9 you are aware, there was much discussion during the
10 legislative session by members of the legislature, by
11 members of the media, and others, regarding the
12 Commission's position regarding lottery couriers.
13 There were also discussions regarding the agency's
14 authority over lottery courier activities, as well as
15 statements that were made about the rulemaking actions
16 taken in the past by this Commission.

17 I believe it's important that we make a
18 very clear record regarding the agency's position
19 regarding couriers, as well as address any potential
20 misinformation that may be out there in the public
21 domain regarding this Commission's rulemaking history
22 insofar as it does or does not relate to courier
23 activities.

24 So I've asked our General Counsel Bob
25 Biard to provide a report to you today on this matter.

1 And with that, I will turn it over to Bob.

2 MR. BIARD: Thank you, Gary. I'm Bob
3 Biard, General Counsel. Commissioners, as the
4 Governor's proclamation indicates, the rider language
5 is based on SB 1820 by Senator Hall, which did not pass
6 last session.

7 At the April commission meeting, I said
8 that the Commission's limited jurisdiction under the
9 State Lottery Act does not include the activities of
10 third-party courier services. I want to add now that
11 last session, the Senate Research Center, which,
12 according to its website, provides objective research
13 and information to the Texas Senate, in its analysis of
14 the committee substitute to SB 1820 confirmed this
15 view. In its analysis of SB 1820, the Senate Research
16 Center said that "Third-party couriers are not
17 comprehended in current law."

18 CHAIRMAN RIVERA: Bob, can you speak a
19 little louder for me?

20 MR. GRIEF: Or maybe put that microphone
21 a little closer.

22 MR. BIARD: Sorry. You want me to start
23 over?

24 CHAIRMAN RIVERA: Please.

25 MR. BIARD: Okay. Sorry.

1 The Governor's proclamation indicates
2 that the rider language is based on SB 1820 by Senator
3 Hall, which did not pass last session.

4 At the April commission meeting, I said
5 that the Commission's limited jurisdiction under the
6 State Lottery Act doesn't include the activities of
7 third-party courier services. And I want to add that
8 last session, the Senate Research Center, which
9 provides objective research and information to the
10 Texas Senate, in its analysis of the committee
11 substitute to SB 1820 confirmed this view.

12 In its analysis of SB 1820, the Senate
13 Research Center said that, quote, "Third-party couriers
14 are not comprehended in current law."

15 Now, during the agency's appearance
16 before the Senate Finance Committee and when SB 1820
17 was considered by the Senate State Affairs Committee,
18 some erroneous public statements were made during these
19 legislative hearings that the Lottery Commission
20 improperly amended its rules in 2015 and 2020 to allow
21 courier transactions to occur. And some similar
22 statements about the Commission rules were made during
23 the Senate floor discussion on the appropriations bill.

24 As Gary mentioned, we want to take this
25 opportunity to make a clear record and address any

1 misinformation in a public setting. To be very clear,
2 from the Commission's understanding of how courier
3 services work, the Commission's rules, including the
4 2015 and 2020 changes, do not in any way authorize or
5 condone lottery ticket courier services in Texas.

6 The 2015 rule amendments provided
7 players with two additional ways to provide their draw
8 ticket game numbers to a licensed brick and mortar
9 retailer. The first was using a previously generated
10 draw game ticket, and that was for players who were
11 using the same numbers, and the second was generating a
12 QR code of their numbers using the official Texas
13 Lottery Mobile app, which allowed the licensed lottery
14 retailer to scan the code to get those numbers.

15 The Commission at that time addressed
16 potential concerns regarding generation of a QR code on
17 the Texas Lottery app in the rule preamble and
18 clarified there would be no ability for players to
19 purchase lottery tickets or play lottery games on a
20 mobile device or the internet. And the public
21 discussion prior to the vote to publish the proposed
22 amendments at the May 28th, 2015 Commission meeting
23 expressly addressed this issue.

24 The Lottery Operations Director at that
25 time stated in response to questions from Commissioner

1 Lowe, quote, "There will be no sales taking place via
2 the mobile application. The sales transaction is
3 exactly the same as it is today. The player has to
4 interact with the retailer or one of our retail sales
5 devices...in order to conduct the sales transaction to
6 purchase their tickets. So that's not a change. It's
7 really just the difference between providing a paper
8 play slip or presenting their phone with the QR code
9 that will allow them to submit their play selections to
10 the retailer."

11 So that was the 2015 rule changes.

12 The 2020 rule amendments made no change
13 to the prohibition on selling tickets by phone. And
14 that prohibition still appears three places in the
15 Commission's rules.

16 The amendments in 2020 were non-
17 substantive and did not change the requirement that all
18 lottery tickets must be purchased in person at a brick-
19 and-mortar licensed lottery location.

20 The term, quote, "Present at the
21 terminal" was formerly a definition in the rules, but
22 it only appeared one other place to address customer
23 service requirements and it was deleted because those
24 requirements were already adequately addressed. The
25 only place this term appeared was in the general draw

1 game rule at 401.304(b)(1), which, following those
2 amendments, is now 401.304(b)(2), and that addressed --
3 that section addresses a retailer's customer service
4 obligations.

5 The rule said and still says today,
6 quote, "Retailers must give prompt service to lottery
7 customers present and waiting at the terminal to
8 purchase tickets for draw games." So that change had
9 nothing to do with the location of the sales
10 transaction.

11 The deletion of similar language in the
12 following section of that same rule was also non-
13 substantive and redundant of existing rule language
14 that clearly requires the sales transaction to take
15 place entirely at the retail location. Today, that
16 rule, which is 401.304(b)(3), continues to state, and
17 I'm quoting here, "Draw game tickets shall be sold only
18 at the location listed on each retailer's license from
19 the commission. For purposes of this section, the sale
20 of a draw game lottery ticket at the license location
21 means a lottery transaction in which all elements of
22 the sale between the retailer and the purchaser must
23 take place at the retailer location using their
24 terminal, including the exchange of consideration, the
25 exchange of the playslip if one is used, and the

1 exchange of the draw game ticket."

2 So in closing, and to emphasize two
3 points once again, first, the Commission's limited
4 jurisdiction under the State Lottery Act does not
5 include the activities of third-party courier services.
6 And second, the Commission's rules, including the 2015
7 and 2020 changes, do not in any way authorize or
8 condone lottery ticket courier services in Texas.

9 Commissioners, thank you, and that
10 concludes my report.

11 CHAIRMAN RIVERA: Okay. Gary, do you
12 have any follow up?

13 MR. GRIEF: No, sir.

14 CHAIRMAN RIVERA: Okay. Commissioners,
15 any comments?

16 COMMISSIONER FRANZ: Thank you, Bob. I
17 think it's -- if I'm on here. I think it's clear that
18 there's some things for us to look through and seek
19 your counsel on as we look to implement legislative
20 action and gubernatorial action. And we look forward
21 to the next, you know, month or so of reviewing that
22 with you and coming to a consensus here at the dais.

23 CHAIRMAN RIVERA: Any other comments?
24 Nelda, Gary, Bob, thank you very much. Definitely it's
25 a lot of information there and so we appreciate your

1 concise efforts in providing us with accurate
2 information. So thank you.

3 COMMISSIONER FRANZ: I do want to add
4 that this was a good legislative session, so we thank
5 you for that work. I know these are hard. I know they
6 take a lot of -- just lots of footwork and we're
7 thankful, particularly on the bingo activity, LaDonna,
8 from your side and Nelda, your team. I think we're in
9 a much better shape for charitable bingo in the state
10 now, too.

11 So thank you, guys, for the hard work.

12 MS. TREVIÑO: Thank you for those
13 comments. We've got great leadership and a great team,
14 so thank you.

15 CHAIRMAN RIVERA: Good job.

16 AGENDA ITEM NO. X

17 CHAIRMAN RIVERA: Next item is a report
18 on the agency's Sunset review process. Ryan, this is
19 your item.

20 MR. MINDELL: Good morning, Chairman and
21 Commissioners. My name's Ryan Mindell and I'm the
22 Deputy Executive Director.

23 This item relates to the agency's
24 upcoming Sunset review. I will have a standing item
25 during these meetings while the agency undergoes that

1 review.

2 As a brief refresher, the Sunset process
3 in Texas state government works by setting a date on
4 which an agency is abolished unless the legislature
5 passes a bill to continue it. Sunset staff evaluate
6 the agency and issue recommendations for change.

7 The Sunset Advisory Commission, which
8 consists of five senators, five representatives, and
9 two public members, considers the recommendations of
10 the Sunset staff, hears testimony and decides on a
11 package of changes to bring to the full legislature.

12 For timing, the first step will be a
13 self-evaluation report prepared by the agency. That is
14 due to Sunset staff by September 1st, so just in a
15 couple of months. After we submit our self-evaluation
16 report, Sunset staff will be reviewing the agency over
17 the next year.

18 The Sunset Advisory Commission must
19 complete its recommendations by January 2025. Those
20 recommendations will be considered by the full
21 legislature in the 89th legislative session. So, this
22 is just a high-level overview of the process, and it's
23 just begun. I will continue to keep you updated as we
24 go through the process. And that concludes my
25 presentation.

1 CHAIRMAN RIVERA: Okay. Commissioners,
2 any comments, questions? All right. Ryan, thank you.

3 AGENDA ITEM NO. XI

4 CHAIRMAN RIVERA: Okay, next item is the
5 Commission policy on division of responsibilities.
6 Bob, this is your item.

7 MR. BIARD: Thank you, Commissioners.
8 Again, I'm Bob Biard, General Counsel. This item is a
9 recommendation to re-adopt Commission Policy P-002,
10 which is titled Division of Responsibilities. It is a
11 policy statement that's required by the agency's 2013
12 Sunset legislation, and it delineates the policymaking
13 responsibilities of the Commission and the management
14 responsibilities of the executive director, the bingo
15 director, and the Commission staff.

16 The Sunset Commission requires a policy
17 like this for all state agencies as an across the board
18 recommendation. The Commission first adopted this
19 policy in December 2013 and approved revisions in July
20 2016, December 2018, and June 2021. It's time again to
21 review and approve the policy.

22 We recommend no changes to the document
23 in your notebooks other than the new effective date.
24 We recommend that the Commission re-adopt policy P-002
25 effective today, June 21st, 2023. Happy to answer any

1 questions.

2 CHAIRMAN RIVERA: Commissioners, any
3 questions or comments? Okay. Is there a motion to
4 approve the policy?

5 COMMISSIONER FIELDS: So moved.

6 COMMISSIONER FRANZ: Second.

7 CHAIRMAN RIVERA: Okay. We have a
8 motion and a second. All in favor say aye.

9 (Chorus of "ayes")

10 CHAIRMAN RIVERA: Motion passes.

11 MR. BIARD: Thank you, Commissioners.

12 AGENDA ITEM NO. XII

13 CHAIRMAN RIVERA: Okay. Next item is
14 internal audit report. Darlene, this is your item.

15 MS. BROWN: Good morning. For the
16 record my name is Darlene Brown and I'm your internal
17 auditor, and I'm a partner with McConnell Jones. I
18 want to thank you on behalf of our firm for extending
19 your support and renewing our contract for another
20 year.

21 In your notebook contains the status of
22 our fiscal year 2023 internal audit plan. We've
23 recently completed the business resiliency audit where
24 we rated internal controls as effective, and again, we
25 noted best practices. We will present that summary

1 report to you at the next meeting.

2 We also completed the quarterly network
3 access testing and found no issues with individuals
4 that have access, and you do not have anybody that does
5 -- that should not have access to your system either,
6 so, good job everybody.

7 We're wrapping up key vendor SOC user
8 control audit, and we just started the jackpot
9 estimation system audit.

10 Over the next month, we will begin our
11 annual risk assessment and preparing our audit plan for
12 fiscal year 2024 and we will bring that back to you at
13 the next Commission meeting for approval.

14 Lastly, we've been closely monitoring
15 the Texas Facilities Commission's implementation of the
16 eight recommendations we made to address weaknesses we
17 identified in the security and infrastructure of the
18 new facilities. We're happy to report that all the key
19 recommendations have been fully implemented. This
20 includes hooking up the fire suppression system in the
21 data center, adding additional security cameras in the
22 data center in sensitive areas, providing lottery with
23 the building access reports they need and activating
24 badge access controls in elevators.

25 Although the Facilities Commission

1 responded that they test generators each month, they're
2 not full load tests. They do those once a year, and
3 they have not provided the lottery with information on
4 how long those generators can sustain operations.

5 The recommendation to rekey locks is
6 pending a cost estimate, but these are two minor issues
7 that we believe have no impact, major impact on
8 operations.

9 So, this concludes my report for today
10 and I'm happy to address any questions you might have.

11 CHAIRMAN RIVERA: Okay. Commissioners,
12 any questions, comments?

13 COMMISSIONER FRANZ: No. Thank you,
14 Darlene. I think your work probably made that, those
15 changes in the securing of this facility and the move
16 possible. I'm not sure that's something that would
17 have been in our control up until now and with this
18 change in location, thank you for the push on that.

19 MS. BROWN: You're welcome.

20 CHAIRMAN RIVERA: Darlene, good job.

21 MS. BROWN: Thank you.

22 CHAIRMAN RIVERA: Definitely grateful.

23 Thank you.

24 MS. BROWN: Thank you.

25 CHAIRMAN RIVERA: Okay.

1 AGENDA ITEM NO. XIII

2 CHAIRMAN RIVERA: Next item is the Bingo
3 Director's report. LaDonna, this is your item.

4 MS. CASTAÑUELA: Thank you,
5 Commissioners. Your notebooks include the output
6 metrics for the office's work for April and May. I
7 don't have any more to report today, but I am available
8 to answer any questions.

9 CHAIRMAN RIVERA: Okay. Cindy, do you
10 have any comments, anything to add?

11 COMMISSIONER FIELDS: I do not.

12 CHAIRMAN RIVERA: Okay. Any other
13 Commissioners? Okay. Thank you very much.

14 AGENDA ITEM NO. XIV

15 CHAIRMAN RIVERA: Alrighty. Next item
16 is our Executive Director's report. Gary, your item.

17 MR. GRIEF: Thank you, Mr. Chairman.
18 Other than what's in your notebooks this morning, I did
19 want to report to you that last week I attended a
20 series of lottery industry meetings held in New
21 Orleans, including the board meetings of NASPL, the
22 North American Association of State and Provincial
23 Lotteries, MUSL, the Multi-State Lottery Association,
24 which among other functions manages the Powerball game,
25 and the Mega Millions Consortium, which obviously

1 governs the Mega Millions game.

2 Elections were held during this time for
3 many of the officer positions in these organizations.
4 Over the years, I've held the president or chair
5 position for all three of those organizations, and I'm
6 proud to say I'm one of only two lottery directors to
7 have done that. But in the Multi-State Lottery
8 Association elections held this year, I was approached
9 and asked to seek the position of MUSL chair of the
10 Mega Millions game group, meaning I will be MUSL, the
11 Multi-State Lottery Association's representative and
12 liaison to the Mega Millions Consortium, which is a
13 group of states that Texas is not a member of, but we
14 obviously do sell the Mega Millions game.

15 I considered that request, and
16 ultimately I said yes, and I was subsequently elected
17 to that position last week. This will be an important
18 role because in the immediate future going forward, the
19 Mega Millions Consortium is looking at the current
20 performance of the Mega Millions game and considering
21 whether the time may be right to consider making
22 changes to that game.

23 Having had experience over the years
24 making several game changes to both Mega Millions and
25 Powerball, I'll be working closely with the Mega

1 Millions Consortium to ensure that the interests of the
2 38 states in MUSL, are appropriately represented in
3 those meetings.

4 This new role is also going to put me
5 back on to the MUSL Executive Committee, and the term
6 for my new position will run two years.

7 Mr. Chairman, that concludes my remarks
8 and I would be happy to answer any questions.

9 CHAIRMAN RIVERA: Commissioners, any
10 comments?

11 COMMISSIONER FIELDS: Congratulations.

12 MR. GRIEF: Yep. Thank you,
13 Commissioner.

14 CHAIRMAN RIVERA: I know we started our
15 meeting with executive session, and the focus was on
16 LaDonna and Gary and their performance review and
17 Gary's upcoming salary increase. And just, on behalf
18 of our Commissioners, we're incredibly grateful for,
19 Gary, your leadership, for LaDonna, your oversight of
20 bingo.

21 Gary, you're doing a tremendous job and
22 clearly your new position shows the value that you
23 have, not only statewide, but nationally. Your level
24 of expertise and just really unprecedented
25 understanding of what's going on here in the state is

1 something that folks across the nation are grateful to
2 have your insight and guidance on nationally. So,
3 we're definitely grateful for having you in the
4 building and as the the head of the lottery. So, thank
5 you for all that you do and that you bring to the table
6 every day.

7 MR. GRIEF: Thank you, Mr. Chairman.

8 CHAIRMAN RIVERA: You're welcome.

9 AGENDA ITEM NO. XV

10 CHAIRMAN RIVERA: Okay. Next item is
11 the enforcement cases. Bob, back to you.

12 MR. BIARD: Thank you, Mr. Chairman.
13 Item 15 contains 13 lottery cases and two bingo cases,
14 tabs A through O. In these cases, Commission staff
15 found a licensee violated a lottery or bingo statute or
16 rule. And in most of these cases, either the
17 Respondent failed to appear at the hearing and it
18 proceeds by defaults, or the staff and the Respondent
19 reached a settlement in the form of an agreed order.
20 We have both of these types of cases today, as well as
21 several cases that were litigated at the State Office
22 of Administrative Hearings.

23 And I do want to note that with tabs A
24 through O, we have the final order O was put in your
25 notebooks as a litigated matter, and that case has

1 reached a settlement. So, O is being presented to you
2 today for approval of an agreed order between the bingo
3 unit and the Commission staff. O was a matter that was
4 considered at the State Office of Administrative
5 hearings along with Tab N.

6 Tab N remains a litigated matter and we
7 have two people who have signed up asking to speak to
8 the Commission, Mr. Steve Fenoglio and Kris Keller.
9 So, if you like, I'll run through everything except for
10 Tab N, and if you want to go ahead and dispose of
11 those, you can. And then we can have the commenters
12 step up.

13 Tabs A through F are the non-sufficient
14 fund cases. Each case was presented at the State
15 Office of Administrative Hearings for revocation of the
16 retailer license because the licensee failed to have
17 sufficient funds in their bank account to cover
18 electronic fund transfers to the Commission's account.

19 In each case, the licensee failed to
20 appear at the hearing and the judge remanded the case
21 to the Commission to handle as a default matter.

22 Tabs G through I are lottery agreed
23 orders and they're in your notebook.

24 Tabs J through M are lottery cases that
25 went to hearing at SOAH. Two of these are

1 non-sufficient fund cases, like the kind that you would
2 normally approve all in a single order. But the
3 retailers protested and they went to SOAH for a hearing
4 and the judge recommended revocation in both cases.

5 And the other two were default cases against
6 a retailer. One was a debit card charge case, our
7 Commission investigator was charged an additional
8 charge for trying to purchase lottery tickets with a
9 debit card. And the other one of those cases was a
10 case where a retailer purchased a winning ticket from a
11 customer to claim as their own.

12 And as I mentioned earlier, N and O are
13 bingo litigated cases, they were heard together. They
14 involve a common set of facts. Tab N was a case
15 involving the bingo worker Monica Weber. Tab O was the
16 bingo unit that had hired Ms. Weber to do work for
17 them.

18 The unit case has settled. It's now an
19 agreed order. I can discuss that more if you'd like.
20 I provided that to each of you individually as soon as
21 it was signed, and it is ready to be approved now, so
22 if you'd like, you can go ahead and approve Tabs A
23 through M and O and then we'll have public comment.

24 CHAIRMAN RIVERA: Okay. Is there a
25 motion for approval?

1 COMMISSIONER FRANZ: I'll move that we
2 approve as laid out by Bob.

3 COMMISSIONER SAENZ: I second.

4 CHAIRMAN RIVERA: Okay. All in favor
5 say aye.

6 (Chorus of "Ayes")

7 CHAIRMAN RIVERA: Motion passes.

8 MR. BIARD: Thank you. And now Mr.
9 Fenoglio, I believe, would like to speak on Monica
10 Weber's case.

11 MR. FENOGLIO: Mr. Chairman,
12 Commissioners, my name is Steven Fenoglio. I'm an
13 attorney in Austin and I'm here to represent Monica
14 Weber, the licensee in this proceeding.

15 Ms. Weber has been on the worker
16 registry since it was created in 2003 and has not had
17 licensing problems ever before. I think it's common
18 sense in our great state and the great country that we
19 have, that a person has a right to have employment.

20 I cited in my summary case that states
21 that. As a part of that, in a contested case like was
22 had, a person should have competent counsel. I started
23 this case in January of this year. The case had
24 already been tried. I was retained and filed a motion
25 for rehearing in April of this year. What I

1 discovered, and I've referenced some of it in the
2 summary, is that the counsel Ms. Weber had was
3 inadequate.

4 He didn't respond to discovery requests.
5 We lawyers have a procedure called a request for
6 disclosure. Counsel for the Commission employed it and
7 said, identify your witnesses. Unfortunately, Ms.
8 Weber's counsel didn't identify any witness, and when
9 that person tried to call a witness, Mr. Kris Keller,
10 counsel for the Commission appropriately objected, said
11 he hasn't been identified and moved to prohibit him
12 from testifying. The ALJ, Administrative Law Judge,
13 properly granted that motion, so Mr. Keller's testimony
14 would be directly relevant to the proceeding in this
15 matter, but because of inadequate counsel, Mr. Keller
16 could not testify. Counsel for Ms. Weber at the time
17 didn't even identify Ms. Weber as a witness.

18 I've been practicing law since '85,
19 first four years of my career I worked for a very large
20 firm in Austin. One of our clients was the Texas
21 Lawyers and Insurance Exchange, legal malpractice. And
22 so, I worked with a senior partner on that and had
23 about a half a dozen cases. And I know legal
24 malpractice when I see it. And to not respond to a
25 request for discovery and identify witnesses to me is

1 classic.

2 He did not even seek to introduce any
3 evidence to rebut the allegations in this proceeding.
4 He didn't depose the Commission's witnesses to
5 determine what their position would be in this case.
6 And so, he's on the fly, hearing the testimony for the
7 first time.

8 What we are asking for is a request to
9 reopen so we can have an adequate address of the issues
10 in this case. And I believe, I'm confident, that upon
11 reopening a lot of the evidence will come out that will
12 show that Ms. Weber did not money launder, Ms. Weber
13 did not steal, that the seminal issues in this case
14 that the ALJ appropriately found because no evidence on
15 Ms. Weber's behalf that a perpetual inventory log was
16 not kept, for example, that reports were not kept, and
17 we would ask that it be reopened so that a fair hearing
18 can occur.

19 And the counsel who represented Ms.
20 Weber has been terminated. He will not be a part of
21 this proceeding and I'll be happy to answer any
22 questions.

23 CHAIRMAN RIVERA: Commissioners, any
24 questions. Cindy? Okay.

25 MR. FENOGLIO: Thank you.

1 CHAIRMAN RIVERA: Thank you very much.

2 MR. BIARD: And Kris Keller has also
3 filed a notice that he wished to address the
4 Commission.

5 MR. KELLER: Hi.

6 MR. BIARD: Come on up to the podium.
7 Thank you.

8 MR. KELLER: Mr. Chairman and
9 Commissioners. My name is Kris Keller. I am the
10 commercial lessor at Alamo Hills Daytime Bingo where
11 Ms. Weber works. She came to work in 1997 when we
12 first opened Alamo Hills Bingo. We hired her as
13 manager and she's been manager ever since, and the only
14 manager that they've ever had.

15 I can tell you today that A, the
16 purchase logs were kept appropriately. If I'm not
17 mistaken, the bingo division, the form that they have
18 to keep those records on, came from me, as well as
19 several other forms that we use. But those logs were
20 kept daily, and the pull-tabs that are in question that
21 they think Ms. Weber -- that were sold and she stole
22 the money from them, those tabs were destroyed due to
23 mold. There was a leak in our store room and they got
24 mold. There was probably 300 boxes, if I remember
25 right, and 20 to 25 cases of paper that had mildew and

1 mold on them and those were destroyed, taken to the
2 dumpster.

3 I can also say that for Monica to have
4 done what they're accusing her of doing, there would
5 have to have been minimum of three other employees
6 involved in the scam. Well, that's a lot of voices.
7 Somebody, somewhere, it would've leaked out. We
8 would've been able to tell. And if that was happening,
9 I would've been able to tell. And I would've fired her
10 a long time ago.

11 I can tell you that she did not sell the
12 tabs and steal the money. I guess that's about it.

13 CHAIRMAN RIVERA: Where did you drive in
14 from, sir?

15 MR. KELLER: San Antonio.

16 CHAIRMAN RIVERA: San Antonio. Well, we
17 definitely appreciate you coming to speak to us.
18 Commissioners, any other comments? Thank you very
19 much.

20 MR. KELLER: Thank you.

21 CHAIRMAN RIVERA: Okay. Bob?

22 MR. BIARD: The only other thing I would
23 offer is if you'd like to hear anything from the
24 commission staff? The attorney who was in the case, is
25 he available to answer any questions.

1 CHAIRMAN RIVERA: Commissioners, any
2 questions? Thoughts? Okay. So, you just need a
3 motion?

4 COMMISSIONER FIELDS: It seems to me
5 that there's no harm in allowing it to be retried or
6 whatever the term is. I make a motion that we allow
7 that to occur.

8 COMMISSIONER SAENZ: I second.

9 CHAIRMAN RIVERA: Fully agree. Okay.
10 All in favor say aye.

11 (Chorus of "ayes")

12 CHAIRMAN RIVERA: Okay. Thank you all
13 very much.

14 MR. BIARD: So, just to clarify that,
15 that's a vote to remand the case back to the State
16 Office of Administration Hearings?

17 CHAIRMAN RIVERA: Correct. So, that the
18 request of those who spoke is made.

19 MR. BIARD: Thank you, Commissioners.

20 CHAIRMAN RIVERA: Okay.

21 MR. BIARD: That concludes my
22 presentation on the enforcement cases.

23 CHAIRMAN RIVERA: Okay. Is there --

24 MR. BIARD: Oh.

25 CHAIRMAN RIVERA: -- any other public

1 comment?

2 AGENDA ITEM NO. XVI

3 MR. BIARD: Yes, there is. I received
4 no other request to make public comment, so I think
5 you're good.

6 CHAIRMAN RIVERA: Okay. So, no other
7 public comment.

8 Okay. Before we wrap up, we know that
9 this legislative session, like all, is a lot of moving
10 parts, a lot going on. It's a very dynamic time of
11 year and we, all of our Commissioners, are incredibly
12 grateful from this dais to all of our employees that
13 helped to get us through this legislative process.

14 Nelda, tremendous job. I don't see you,
15 but oh, there you are. But just great job in helping
16 to navigate all of our employees, you as the lead there
17 on that legislative effort. So, we're definitely
18 grateful. Commissioners, any other comments? Okay.

19 AGENDA ITEM NO. XIX

20 CHAIRMAN RIVERA: Is there a motion to
21 adjourn?

22 COMMISSIONER SAENZ: I'll make a motion.

23 CHAIRMAN RIVERA: Is there a second?

24 COMMISSIONER FRANZ: Second.

25 CHAIRMAN RIVERA: Okay. All in favor

1 say aye.

2 (Chorus of "ayes")

3 CHAIRMAN RIVERA: We're adjourned.

4 (Meeting concluded at 11:24 a.m.)

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C E R T I F I C A T E

STATE OF TEXAS)

COUNTY OF HARRIS)

I, Kimberly C. McCright, Certified Vendor in
and for the State of Texas, do hereby certify that the
above-mentioned matter occurred as hereinbefore set
out.

I FURTHER CERTIFY THAT the proceedings of
such were reported by me or under my supervision, later
reduced to typewritten form under my supervision and
control and that the foregoing pages are a full, true
and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my
hand and seal this 3rd day of July, 2023.

/s/ Kimberly C. McCright

Kimberly C. McCright

Certified Vendor and Notary Public

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