



OCMA - STRAIGHT TALK

January, 2004

Volume 103 Issue 01

Don't Be Left Out In The Cold!

By Sean Richards
OCMA President

As winter buries you beneath snow and tax forms, make sure to mark your calendar for OCMA's upcoming business symposium presented on Thursday, March 4. This will be Phase II ("The Other Side of the Coin") of the Marketing/Promotion seminar, which was started at OCMA's August 8 annual meeting. The presenters again will be Brad Circone (Circone + Associates) and Bill Kistner (Kistner & Company). They will provide you with unique and useful insights designed to move your business forward. I urge everyone to attend because I believe you will find it well worth your time and useful to **EVERY** operator.

In Phase I of this three-part series ("It's Not about Price, It's About Profit") Messrs. Circone and Kistner presented those in attendance with a sound philosophy for improving their businesses. They stated that good equipment is just the first step to prosperity. In order to realize the full potential of the equipment, operators must combine it with salable promotions and consistent support to attain profitability. Successful operators must identify their customer's wants and tailor their programs to satisfy those needs. In other words, **Promote – Promote – Promote.**

Phase II ("The Other Side of the Coin") will concentrate on understanding the brand of our industry with a focus on business growth and development. Their discussion of the Operator As a Brand, will show how a strong brand can build both equity and **NEW** revenue streams for our businesses. They will cover, among other germane topics, the six **P**'s of marketing (**P**rice, **P**lace, **P**romotion, **P**roduct, **P**ublic relations, and **P**assion) and the role each plays in growing your business.

The final (Phase III) segment, "Business Development, How To Be And Stay Profitable", will tie the whole presentation together. In this final section there will be discussions covering Customer Relationship Management, diversity of profit channels, account building and the 10 attributes that all successful operators have in common. It should prove to be extremely dynamic and a fitting climax to an educational odyssey unlike anything ever seen in our industry.

I look forward to seeing you at the Clarion Hotel & Suites in Columbus on Thursday, March 4th for Phase II - "The Other Side of the Coin" (see enclosed registration form).

SERVICE

INTEGRITY

DEPENDABILITY



2004 MEMBERSHIP ROLL OF HONOR

Report #2

As of January 27th, the following additional OCMA members have paid **2004 Membership Dues** and have been placed on the **Membership Roll of Honor**:

A-1 Amusement, Inc. (Kimberly Ullham, Vienna, WV);
Advanced Vending Corp (Kevin Farrar, Newport, KY);
Advance Vending Corp. (Reed Kleinman, Maple Hts.);
Alexander Music (Dave Alexander, Youngstown);
B. J. Novelty, Inc. (Jeff & Karma Reed, Covington, KY);
Big City Vending (Don & John Rizek, Columbus);
Bullseye Amusements, Inc. (Bill Clark, Germantown)
C & C Amusement (Gil Clevenger & Mike Gibbel,
 Richmond, IN);
DeRossett's (Sam DeRossett, Sherwood);
Dixie Music (Norman Quincy, Hamilton);
Elum Music Co. (George, Phillip & Tom Elum,
 Massillon);
Horizon Music & Games (Dennis Hilligan, Cincinnati);
Hughes Music Co. (Bea Hughes & Sean Richards,
 Springfield);
R. L. Hull & Sons, Inc. (Robert Hull, Mt. Vernon);
J. S. Vending (John/Hussein Shousher, Toledo);
J & V Coin Machine (Jeff McCune & Billy Clum,
 Newcomerstown);
Lorain Music (Richard Zappa, Amherst);
Shaffer Amusements Co. (Kerry Shaffer, Dayton);
Shaffer Services (Dan Harder, Columbus);
Red Baron Amusements (Bill Beckham, Toledo);
Thomas Vending (Dan Thomas, Marion); and
W-K Music & Vending (Jim Woodland, Columbus)

See December, 2003 *Straight Talk* for those members who were paid as of December 17th.

Will your firm appear on Membership Report #3 in February?

Mark Your 2004 Calendar

- March 4 **OCMA Seminar**
The Other Side of the Coin
 Clarion Hotel & Suites
 Columbus
- April 2-4 **OCMA Dart & Foosball**
Tournaments
 Canton Civic Center
- April 23-25 **OCMA Team Pool Tournament**
 Canton Civic Center
- August 12 **OCMA/Ed Shaffer Golf Tourney**
 Columbus
- August 12-13 **OCMA Annual Meeting**
 Hilton at Easton Town Centre
 Columbus
- October 8-10 **OCMA Singles Pool Tournament**
 Canton Civic Center



More Smoking News from Toledo

According to a recent **Toledo Blade** article, several Toledo tavern owners have created a private club that they say will allow their premises to be exempt from the city's smoking ban. However, city officials do not concede that the organization meets the city law definition of a private club.

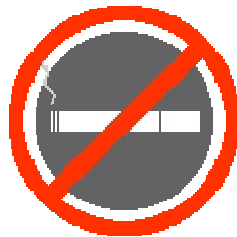
The "**Tavern for Tots**" charity would benefit children, with the money coming from a one-dollar fee bar patrons pay to join. An afternoon or evening sitting at the bar is a "membership social event" under the rules of this club. "The events will be social gatherings, gatherings of people, basically just with fun in mind," said Steven Hales, an attorney who is filing the paperwork to make **Taverns for Tots** a formal nonprofit corporation.

The group is already operating—and patrons are smoking again. Signs declaring their participation have popped up at several bars around the city.

Toledo's smoking ban—the toughest in the state because it applies to bars as well as restaurants—exempts private clubs and privately catered functions as long as the general public is not admitted. The law sets criteria for a private club, including that it must have bylaws, a membership roster, and criteria for selecting members; holds elections; has premises controlled by the members, and is operated solely for the benefit and pleasure of its members. Toledo's Law Director says the City is serious about enforcing the smoking ban, but hasn't decided whether Tavern for Tots meets the law's definition of a private club.

The law has two enforcement mechanisms: individuals who smoke illegally can be slapped with a \$100 misdemeanor violation; and bar owners who illegally permit smoking must participate in costly and time-consuming tobacco education sessions, as well as a possible misdemeanor violation.

Other Toledo/Lucas County happenings include the setting aside of the bar area as a smoking lounge, while the pool, darts, machine bowling and table areas remain smoke free. A number of establishments have enclosed the bar area in order to comply with the law that allows 30 percent of an establishment's service area to be used as a smoking lounge as long as it complies with the rest of the law. The law requires three main things: (1) The lounge must be fully enclosed and separately ventilated. (2) Patrons must not have to travel through the designated smoking area to enter or exit the establishment or to get to the restrooms. (3) The lounge cannot be adjacent to a food service line, such as a buffet. In addition, employees cannot be required to work in the smoking lounge.



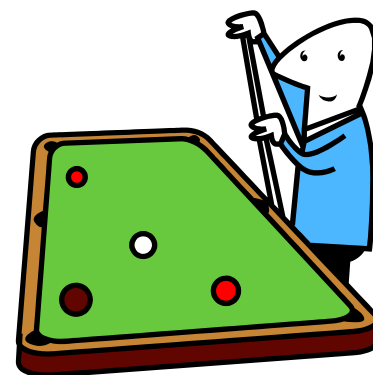
AMOA State Execs Hold 15th Annual Meeting

The 15th Annual Council of Affiliated States met January 15-17 in San Diego, CA. Thirty-four executives from throughout the US were in attendance, representing AMOA (e.g., President Chris Warren and Exec. VP Jack Kelleher), as well as 21 states and 19 state operator associations (e.g. OCMA Exec, VP David Corey). Lively discussions regarding smoking bans and Indian gaming dominated the meeting as both are growing nationwide and wreaking havoc with operator profits. In addition, attendees heard timely presentations from: (1) Mike Vaughn, the new director of the Jukebox License Office, who outlined JLO enforcement procedures and other services; (2) Bob Snyder (attorney and industry security consultant) who reviewed federal, state and local laws and regulations, and court decisions that affect the gambling and amusement industry; and (3) AMOA counsel Elliott Portnoy who provided guidelines for political action committees and a brief overview of the Washington scene..



Reminder . . .

OCMA Pool and Dart Tournaments are just around the corner. Please remember to send in your 2004 OCMA Membership Dues, charterholder application and team fees. These fees must be paid prior to the tournament in order for your players to be eligible for tournament play.



Also, beginning pool standing sheets were due in the OCMA office in November and mid-year pool standing sheets were due in the OCMA office January 10th. For those who have not yet mailed these in, you must do so **immediately**. These standing sheets are very important as they help the office to alleviate problems ahead of time that affect our players at the tournament. It is also essential for you to attach a final standing sheet with each team's tournament entry.



Further, we are always in need of help at both the dart and pool tournaments. If you or someone you know could be of **any** assistance at either or both tournaments please contact Kim at the OCMA office. Your cooperation is greatly appreciated.



2004 Scholarship Applications

Enclosed you will find three **2004OCMA-Paul A. Corey Scholarship** applications. 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. (Cut off dates for submission of all applications will be June 1, 2004.)

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

Anti-Video Legislation Mounting . . .

As of mid-January, laws curtailing minors' access to violent video games have surfaced in three states and similar proposals are expected in another six to eight states in the coming months.

On January 13 a bill specifically targeting coin-op games was introduced in New Jersey's legislature. These very broad bills, while aimed mostly at home games, could possibly affect coin-op as well) are already in the hopper in California and Virginia according to AMOA legal counsel Elliott Portnoy. Portnoy predicts that most of the additional bills to be introduced in other states will resemble earlier laws that were passed in Indiana and Washington state but then nullified by the courts.



Operators Defend Gray Games as County Officials Stage Raids . . .

Chicago City attorneys are moving to enforce a suspended 1996 ordinance that was intended to regulate gray-area video games. City officials have filed a motion to try the matter in a local court. The case is now in discovery and a trial date has been set for late April. In the legal environment that has prevailed in recent years, authorities concede that video pokers are legal but paying winners is not. Apparently the new ordinance is designed to eliminate the machines themselves based on the difficulty of enforcement.

According to *VENDING TIMES*, two local Chicago operators, who declined to be named, called a meeting of local operators for January 14 to organize a response to the city's new legal initiative. The operators have agreed to hire an attorney but as of our publication date nothing has been filed with the court.

In other news, following a three-month undercover investigation, Cook County law enforcement personnel, over the week-end of January 24-25, raided 11 suburban bars and restaurants, seizing 46 video poker machines. Law enforcement said bar owners, or other personnel, gave cash payouts to winners. The Sheriff echoed statements by the Chicago Crime Commission that have linked video poker with organized crime.

Watch your mail for
complete March 4 seminar
registration information.



It's MUSIKPAC Time!!!

OCMA will have its work cut out for us again this year. With the sales tax repeal almost certain to be on the ballot, we most likely will find ourselves in the same boat as last year with the state facing a massive budget deficit (i.e., almost one Billion Dollars).

Last year we secured victories by: 1) defining in the Ohio Revised Code "Games of Skill", 2) regulating instant ticket sales, 3) preventing a gross receipts tax, 4) preventing increases in beer and cigarette taxes and 5) preventing VLTs at Ohio's seven horse race tracks.

Our on-going positive relationships with the 132 members of the Ohio General Assembly are critical if we are to remain a pro-active (and, when necessary, re-active) force in the total legislative process. Thus, when we ask our legislative friends to stand up for us, we must stand up for them when they ask for campaign help. As you know, OCMA's Political Action Committee, *Musikpac*, is how we do that.

We are asking that **YOU** make an investment in *Musikpac*. Your contribution of \$100 or whatever you deem appropriate will be accepted and put to work protecting your bottom line.

This help is urgently needed.

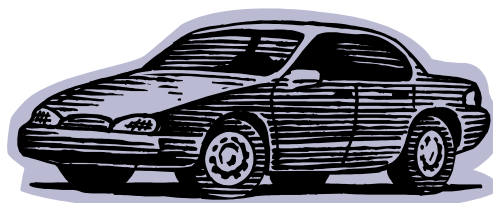
Your check must be personal, payable to *Musikpac* and sent to the OCMA Office. (A Musikpac form is enclosed for your use.)

As always, your cooperation is appreciated.



IRS Issues New Mileage Rates for 2004

Beginning January 1, 2004 the standard mileage rate for the use of a car (including vans, pick-ups or panel trucks) was raised to **37.5¢ per mile** by the IRS. This is up from the 36¢ a mile in 2003.



Man Sues Next Door Neighbor for Smoking

A Stow man (Robert Zangrando) claims the smoke from his neighbor's cigarettes wafts into his home and causes him to wheeze. The woman, Nicole Kruder, considers herself to be a "polite smoker" the type who asks permission before lighting up indoors. She thinks her neighbor is harassing her and spying on her.

Zangrando is suing Kruder for at least \$50,000, saying her habit is a nuisance, makes him ill, distresses him and reduces the value of his property. Lawyers say the trial, scheduled for June in Summit County Common Pleas Court, could lead to new laws regarding the right to breathe smoke-free air. Until then, the neighbors must live with a compromise they reached in court. Kruder can smoke, but only in her back yard and only for the first 15 minutes of each hour. It's not perfect, but it might keep tempers from igniting in a feud that goes back to June, 2002. That's when Kruder and her husband moved next door to Zangrando and his wife.

The Zangrando's own a two-story condominium, with windows in the front and back. He is a retired University of Akron professor who smoked pipes and cigars until quitting in 1975. He has emphysema, he says. Kruder and her husband rent the adjoining unit, and the landlord does not allow smoking indoors. Zangrando said previous tenants went along with his request to walk away from the building to smoke. And so did Kruder, he said, but only for a couple of months and only if he asked. Now, he claims he can't even open his windows. Kruder has smoked for 10 years and says she just wants to smoke where she wants. Her attorney wonders if barbecue smoke will be next on the list of nuisances.

The Stow case has attracted national attention and a camera crew from "Inside Edition" will set up in Judge Shapiro's court room if allowed.

2004 Jukebox License Fees Announced

According to Jukebox License Office (JLO) Manager Mike Vaughn, there is a 2.04 percent increase in the 2004 JBL fees based on the consumer price index. The fees will be:

First Jukebox	\$371
Standard Rate for each additional jukebox	\$ 85
AMOA Rate for each additional jukebox	\$ 62

The JLO is mailing renewal materials with the new rate schedule to all jukebox operators who licensed their jukeboxes in 2003. Renewal deadline for all jukeboxes in operation is **March 15, 2004**. If you have questions and/or need forms contact Mike Vaughn, c/o JLO, 1700 Hayes St. Suite 201, Nashville, TN 37203-3014; phone - 1-800-955-JUKE (5853) or e-mail jukebox@edge.net



**Mark March 4th on Your
Calendar Today for OCMA's
Business Seminar!**

STRAIGHT TALK
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