



Association
honored - P13

GEORGIA Amusement JOURNAL

Dedicated to serving the Georgia COAM industry
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Industry successful on vital court appeal

Paul Tash, Georgia Amusement Journal

Georgia's COAM industry has prevailed in a legal battle waged over four years when the Georgia Court of Appeals late last month unanimously reversed a licensee's conviction of gambling charges resulting from a jury trial in February 2018.

At issue was whether payment of cash for a

COAM win, though illegal in Georgia, actually converted otherwise lawful coin-operated amusement machines (COAMs) into "gambling devices" and whether the possession of otherwise lawful COAMs in such circumstances converted a legal COAM location into a "gambling place" under the law. The Appeals Court agreed that it did not in either instance.

Ronnie and Lee Bartlett and their now-shuttered Byron business, Captain Jack's Crab Shack, filed a lawsuit in August 2016 against David Cooke, the Macon Judicial Circuit district attorney; Cooke's special prosecutor, Michael Lambros; Byron police investigator Melanie Bickford; and Centerville police officer Christine

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GAMOA hears upbeat news

By Paul Tash

Georgia Amusement Journal

Plenty of good news highlighted an upbeat membership meeting of the Georgia Amusement and Music Operators Association (GAMOA) June 20 in Duluth.

The encouraging developments included more traction for the development of gift cards for use with coin-operated amusement machines (COAMs), an expected favorable ruling in a long court battle (that came to be), news that the Georgia Lottery Corp. (GLC) has abandoned pre-inspections for locations, and a new health-insurance benefit for GAMOA members.

The regulated development of

gift cards for COAMs development of gift cards for COAMs, which has been near the top of the association's wish list for some time, has recently received positive feedback from regulators. Card benefits are many, but in general they would make it much easier for locations to manage machines and provide the necessary reporting required by GLC, potentially leading to more COAM locations in the market. The gift cards would also work well with the innovation and new technologies becoming available to manage COAM machines, industry reps have said.

However, nothing has been de-

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Paul Tash photo

PAUL PATEL, left, a director for the Georgia Amusement and Music Operators Association, and Vice President Adam Faust outline the new health insurance program the association is now offering members at the GAMOA meeting June 20 in Duluth.



Trends detailed at GACS convention

By Paul Tash, Georgia Amusement Journal

Though inside-store profits are currently bucking some "headwinds," certain categories are trending

positively and will help future growth for convenience stores, a financial

analyst said at a seminar June 24 during the Georgia Association of Convenience Stores convention.

Factors weighing on c-store profits, said Bonnie Herzog of Wells Fargo, include increasing credit card

fees, operational costs, wages and benefits. Other negative factors, she said, are competition from grocery giants such as Walmart and Kroger, more fuel-efficient

vehicles that decrease the number of fuel stops, and the "Amazon effect"

on purchasing patterns. The advances in e-commerce are especially challenging, she said.

"Long-term consumer preferences are rapidly

See TRENDS Page 9

More convention coverage - Pages 9,10



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Upbeat

from Page 1

cided about the introduction of gift cards in the future – discussion remains very preliminary, industry reps and regulators say. One of the issues that would need to be worked out is deciding how encompassing the gift cards should be – should all redemption run through the card, which would make reporting extremely easy, or should the card itself be a form of redemption? Though discussion is just beginning, GAMOA members agreed any discussion is welcome.

Regarding the court case, association attorney Les Schneider said legal counsel was confident the Georgia Court of Appeals would issue a positive ruling in a four-year legal battle involving master licensee Ronnie Bartlett. (The positive ruling did come just a few days after the GAMOA meeting – see the Page 1 story in this issue for details).

“The oral argument was compelling,” Schneider said.

In other news GAMOA members were told that regulators have agreed to cancel the pre-inspections of locations that industry representatives have said had the potential to delay the COAM licensing process.

The decision to stop the pre-inspections, which followed a successful series of discussions industry had with the GLC about

regulation policy, is a good sign the Lottery is willing to listen, Schneider said.

It’s still important, Schneider said, for the industry to “self-regulate” and understand the rules. GAMOA President Shawn Fellows agreed. He urged master licensees to make a strong effort to “qualify our locations” to avoid problems down the road. Quality locations are important to the industry as a whole, he added, while poor locations can give the industry “a black eye.”

“Think about the long-term,” he said. “You’re doing your industry an injustice (if you don’t).”

Rep. Alan Powell, chair of the House Regulated Industries Committee, has promised more Lottery oversight and wants to work with it to find ways “to move the industry forward,” Schneider said. House and Senate study committees have also been formed and will be holding “listening tours” in August or September on a wide range business-related issues, including COAMs.

Fellows added that the GLC “did approve a marketing piece” that involves COAM decals that say revenues from the machines help fund state educational programs.

The goal of decals, he said, is to “educate the market place (of COAM benefits) and stimulate play.”

The list of benefits for members of GAMOA continues to

grow, as the organization recently introduced a health insurance package available only to members.

“Health insurance is beneficial to you as business owners,” Fellows said.

The health insurance offering also has the potential of benefiting the association as a membership driver, board members said.

“The savings are tremendous,” said board Director Paul Patel, who introduced the package at the meeting with GAMOA Vice President Adam Foust. “Phil makes it easy.”

Phil Vance is an agent for National General Insurance, which is offering “preferred underwriting” for the association. During an initial exploratory phase, he said, “in most cases we found significant savings.”

“I’m extremely excited to be working with the association,” Vance said. “I was amazed at the savings available.”

The program will be run totally by Vance and won’t involve any GAMOA manpower or staff effort, and only members of the association “can get this preferred rate,” Faust said. Also, he said, the group insurance can be effective the first of any month.

Two vendors sponsored the June meeting was sponsored by two industry vendors, Primero Games and Crane Payment Innovations (CPI).

Primero demonstrated several machines on site to GAMOA membership and provided information

on new products, including its new portrait cabinet. The cabinet features an “ergonomic design” that “flattens out the belly” and “moves some buttons” to make it “easier for the player,” said Primero’s Jeremy Greneau.

Primero also demonstrated its new TruePoint cashless point-of-sale system for coin-operated amusement machines (COAMs) developed specifically for convenience store cashiers to easily operate.

“They can learn in no time,” said Barry Rutherford, a Primero advisor.

The system collects all the necessary reports and data, and Primero sets up and installs the system for free, he said.

For more information on Primero products, call 770-476-0311.

Joe Barney of CPI said he’s excited to introduce its Talos note validation system, “a robust product” with new technology into the COAM industry that provides “a strong deterrent to those who try to manipulate your machines.” He said he has a “passion” to serve the industry is “always available” to answer questions. Barney can be reached at 484-999-7788.

“It’s exciting to see all the new technology coming to our market,” Fellows said.

GAMOA’s next membership meeting is Oct. 24. The association will host the annual Southern Amusement & Entertainment Expo Sept. 11-13 in Atlanta.

Connect, power up machines

To ensure accurate reporting of financial data to the Central Accounting System, the Georgia Lottery Corporation (GLC) says it is imperative the Location License Holders (LLHs) ensure all equipment remains connected to the site controller and powered up at all times.

The GLC maintains a record of those LLHs that are repeat offenders of failing to ensure the continuous connectivity and operation of Class B COAMs.

Failure to comply with these procedures may result in fines up to \$50,000, suspension and/or revocation of the license.



2019 COAM location sweep and master push calendar

ACCOUNTING WEEK START	ACCOUNTING WEEK END	LOCATION SWEEP DATE	MASTER PUSH DATE	ACCOUNTING WEEK START	ACCOUNTING WEEK END	LOCATION SWEEP DATE	MASTER PUSH DATE
21-Apr-19	27-Apr-19	01-May-19	07-May-19	25-Aug-19	31-Aug-19	04-Sep-19	10-Sep-19
28-Apr-19	04-May-19	08-May-19	14-May-19	01-Sep-19	07-Sep-19	11-Sep-19	17-Sep-19
05-May-19	11-May-19	15-May-19	21-May-19	08-Sep-19	14-Sep-19	18-Sep-19	24-Sep-19
12-May-19	18-May-19	22-May-19	29-May-19*	15-Sep-19	21-Sep-19	25-Sep-19	01-Oct-19
19-May-19	25-May-19	29-May-19	04-Jun-19	22-Sep-19	28-Sep-19	02-Oct-19	08-Oct-19
26-May-19	01-Jun-19	05-Jun-19	11-Jun-19	29-Sep-19	05-Oct-19	09-Oct-19	16-Oct-19*
02-Jun-19	08-Jun-19	12-Jun-19	18-Jun-19	06-Oct-19	12-Oct-19	16-Oct-19	22-Oct-19
09-Jun-19	15-Jun-19	19-Jun-19	25-Jun-19	13-Oct-19	19-Oct-19	23-Oct-19	29-Oct-19
16-Jun-19	22-Jun-19	26-Jun-19	02-Jul-19	20-Oct-19	26-Oct-19	30-Oct-19	05-Nov-19
23-Jun-19	29-Jun-19	03-Jul-19	09-Jul-19	27-Oct-19	02-Nov-19	06-Nov-19	13-Nov-19*
30-Jun-19	06-Jul-19	10-Jul-19	16-Jul-19	03-Nov-19	09-Nov-19	13-Nov-19	19-Nov-19
07-Jul-19	13-Jul-19	17-Jul-19	23-Jul-19	10-Nov-19	16-Nov-19	20-Nov-19	26-Nov-19
14-Jul-19	20-Jul-19	24-Jul-19	30-Jul-19	17-Nov-19	23-Nov-19	27-Nov-19	04-Dec-19*
21-Jul-19	27-Jul-19	31-Jul-19	06-Aug-19	24-Nov-19	30-Nov-19	04-Dec-19	10-Dec-19
28-Jul-19	03-Aug-19	07-Aug-19	13-Aug-19	01-Dec-19	07-Dec-19	11-Dec-19	17-Dec-19
04-Aug-19	10-Aug-19	14-Aug-19	20-Aug-19	08-Dec-19	14-Dec-19	18-Dec-19	24-Dec-19*
11-Aug-19	17-Aug-19	21-Aug-19	27-Aug-19	15-Dec-19	21-Dec-19	26-Dec-19*	02-Jan-20*
18-Aug-19	24-Aug-19	28-Aug-19	04-Sep-19*	22-Dec-19	28-Dec-19	02-Jan-20*	08-Jan-20*

*Indicates sweep or push date has been changed to accommodate holiday

Note: Holidays on a Thursday and Friday may delay the availability of the Location Period Accounting Report on the following Monday

Journal Opinion

We've seen big changes in six years

**By Shawn Fellows
GAMOA President**

As I sit on the back porch enjoying a cold glass of tea trying to escape the summer heat, I find myself reflecting on the past six years as a master licensee here in Georgia. Wow! It's hard to believe it's been six years since the industry moved under the regulatory oversight of the Georgia Lottery with the passage of HB 487.

During the last six years we have seen substantial changes within our industry and improvements in the quality of equipment being offered to the patrons. Through regulations we have seen our industry mature year after year with a focus on responsible play and driving revenues for Hope and PreK programs. Based on revenues reported by the GLC, the COAM industry generated combined revenues of \$75 million for Fiscal Year 2018, which is up more than 20 percent from 2017.

Earlier this spring we heard announcements from the GLC about a marketing campaign that will begin with a sticker that will be affixed to COAMs around the state by the master licensee. These stickers should help bring additional awareness to the public about the regulatory structure that is in place and the revenues that are being generated for educational programs statewide.

License renewal has been underway since May 1, so keep in mind that whether

you are a master or location licensee, your application must have been completed and submitted prior to June 30. Otherwise, you are subject to a \$1,000 late filing fee. As a COAM licensee, I would urge you to monitor your application via the GLC website – you can verify the status and often correct issues with your application on your own.

updated 2020 stickers must be affixed to each COAM by that date. After Sept. 28, all licenses must display the 2020 date, or you will be subject to fines.

GAMOA and its board of directors have been working hard for you, the industry and our valued members. Over the past year, we have been developing a cost-effective solution to small business health care. We are all small business owner within the COAM industry and recognize the high cost of health care insurance is a real problem. The great news is we have a solution, through our association for all members regardless of the level of your membership.

Even if you are not a member of GAMOA today, you should visit the website and evaluate the potential savings for you and your employees. GAMOA even offers a "location associate" membership that will grant you access to

this amazing program. Based on initial surveys, saving can be as much as 50 percent of what you currently pay in health insurance. That's right, I said 50 percent. Go check it out at www.gamoa.org. The ability to offer cost-effective health insurance to you and your employees is a huge benefit of becoming a member of GAMOA. If you have additional questions, contact Christina Kaiser at 770-408-0384.

GAMOA's mission: "To Promote and Serve Georgia's Coin Operated Amusement and Music Industry."



Shawn Fellows

If you haven't already received your license for 2020, you need to log in to the GLC website and verify the status.

If you haven't already received your license for 2020, you need to log in and verify the status. The GLC has increased efficiency in processing licenses, and hundreds have been approved and mailed out. As a location licensee, you should remove the old 2019



license and replace it with the 2020 license you receive from the GLC. Master and location licenses must be renewed by Sept. 28, 2019, and

updated 2020 stickers must be affixed to each COAM by that date. After Sept. 28, all licenses must display the 2020 date, or you will be subject to fines.

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COAM calendar

— REPORTING DATES —

Now: The COAM licensing application (www.gacoam.com) is open for the 2020 licensing period (07/01/2019 - 06/30/2020) for the following:

- Master Class A - NEW and RENEWAL
- Master Class B - RENEWAL
- Location Class A - NEW and RENEWAL
- Location Class B - NEW and RENEWAL
- Manufacturers, Distributors - NEW and RENEWAL

Sept. 30: Deadline to submit a RENEWAL Location Class A and Class B License, Master Class A and Class B license and Manufacturer and Distributor license. If a holder of a 2018 COAM license fails to renew its license or its license application is not approved on or before this date, the person or entity will no longer be allowed to operate COAMs.

— MEETINGS/OTHER —

- Aug. 13:** GACS Lunch and Learn, Circle K office, Waycross
- Sept. 12-14:** GAMOA Southern Expo, Airport Marriott, Atlanta
- Sept. 12:** Southern C-Store & Petroleum Show, Athens
- Oct. 24:** GAMOA membership meeting, place TBD
- Dec. 12:** GAMOA membership meeting, place TBD

Journal Opinion

Bank-account closures remain a problem

By Lori Schneider
AMOA Executive VP

AMOA was back at work in our nation's capital June 26 advising legislators that our industry continues to be plagued by bank-account closures, which have not slowed down even after the renouncement of Operation Choke Point by the Department of Justice last August.

AMOA's delegation consisted of 10 industry executives from around the country along with representatives from AMOA's legislative firm, Dentons LLP, which organized and directed the day's meetings.

"The notification of bank account closures coming into the AMOA office has increased significantly over the past two months," said AMOA Executive Vice President Lori Schneider. "AMOA leadership felt it was important to make a larger impact on this visit by expanding its footprint on the issue during our June visit."

AMOA Government Relations Chairman Tim Zahn added, "Our goal this visit was to exhibit national representation of the issue, while at the same time having a constituent in the room speaking to the heart of the matter."

"On a typical legislative visit, our delegation breaks into two groups to cover more ground. However, when you have 10 people from across the country

filling up a congressional meeting room speaking to the horrendous impact bank account closures place on their businesses, it truly made an impact."

Visits were made to eight congressional offices in addition to a meeting with the American Bankers Association. Here's a



Lori Schneider

synopsis of where we currently stand:

- Our visit with the Office of the Comptroller of the Currency (OCC) back in April prompted us to author a white paper explaining who we are and what can be expected from our members operating ATMs. The white paper addresses areas of concern for bank regulators based upon feedback from the OCC. This white paper was presented during this month's visit along

with recent bank account closure notification letters received by our members.

- Congressional visits focused on the Senate side, specifically with offices whose members sit on the Senate Banking Committee. The House passed HR 2706, the Financial Institution Customer Protection

for answers as to why these bank account closures continue to happen.

- AMOA continues its conversation with the office of Congressman Blaine Luetkemeyer (R-MO) on how we can work with Congress on this issue to find relief for our members.

Our meetings were productive as we continue to drill down to find a solution acceptable to all parties. During each quarterly visit, two issues have become very clear. First, the larger banks are moving away from cash, and second, the amount of paperwork required by banks on the regulatory side when dealing with cash transactions is making it nearly impossible for them to continue doing business with cash customers. Maybe it's time to modernize the system.

What's next? AMOA will be putting together a grassroots effort over the coming weeks strongly encouraging members to engage with their members of Congress during the August recess.

AMOA is a national trade association representing the interests of operators, distributors, manufacturers and suppliers in the amusement entertainment industry. GAMOA is an active participant in the AMOA State Council. Visit www.amoa.com.

A MOA will be putting together a grassroots effort ... strongly encouraging members to engage with their members of Congress

Act of 2017, back in December with an almost unanimous vote (395-2). During our spring visit, we learned several Senate offices believe the account closures ended in 2017 with the renouncement of Choke Point. We continue to drive home the fact they have not.

- A meeting with a top executive from the American Bankers Association served as notice that AMOA is not going away and will continue to press

Use these tools to overcome sales objections

By Beth Standlee
CEO, TrainerTainment

How many times, when booking a birthday party, have you heard one of these phrases:

- "Let me talk to my husband."
- "I'm just shopping around."
- "I need to think about it. Can I call you back?"
- "It costs too much."

These are just a few of the money objections I have heard during my years of booking birthday parties. Objections are very common during the sales process and there are ways to handle them that will get you further in the sales process and closer more sales.

Let Me Talk To ...

Let me talk to my child, husband, mom, dad, grandma, grandpa or dentist is one of the



Beth Standlee

Objections are very common during the sales process, and there are ways to handle them that will get you ... closer to sales.

most common phrases used when booking a birthday party. A great response would be:

"I'm so glad you told me that! We always want to be sure that our party is the best choice for you and your child. May I ask what you think your husband will think about having Susie's party here?"

When asking this type of question, you are gathering more information about what it will take to book the party. You are finding out what the customer's needs are and how we can meet those needs.

I'm Just Shopping Around ...

When a birthday caller tells you "I'm just shopping around," it's the perfect opportunity to sell them on why they don't need to shop around, that you

are the only and best option for Susie's birthday party. Don't let this question derail you from using the Birthday Sales Qualification Form (BDSQF). If they call and say they just wanted to see how much your birthday

Appeal

from Page 5

Welch. The suit was filed in U.S. District Court for the Northern District of Georgia, which is headquartered in Atlanta.

The Court of Appeals also rejected a motion by the defendants to reconsider its decision. The defendants can appeal the decision to the state Supreme Court, which would then decide whether to take the case.

The Bartletts, arrested and charged following a Peach County sting in May 2015 at their restaurant in Byron called Captain Jack’s Crab Shack, contended that prosecutors and police fabricated evidence and violated their civil rights. In the four-plus years since that sting, the Bartletts have lost their family businesses, filed for bankruptcy, were jailed for more than 30 days, and were denied travel to a medical specialist to deal with a life-threatening illness.



Paul Tash photos

CHRIS ANULEWICZ, left, and Mike Bowers, right, are attorneys representing Ronnie Bartlett in his legal battle.

With strong support from the entire COAM industry, the Bartletts were represented by Chris Anulewicz and Mike Bowers, a former Georgia attorney general, of the Balch & Bingham law firm in Atlanta.

Following a jury trial in February 2018, Ronnie Bartlett was convicted of one count of commercial gambling, one count of possession of a gambling device, and one

count of keeping a gambling place. Several other counts were dismissed.

In their lawsuit, the Bartletts alleged that the defendants had a “pattern and practice” of seizing assets from businesses operating “bona fide coin-operated amusement machines” and extorting a resolution in which they keep a portion of the money “improperly seized” while threatening criminal

prosecution.

At the time of the May 2015 raid, the Bartletts owned and operated Captain Jack’s Crab Shack in Byron, Friends Bar & Grill in Macon, Chevy’s of Warner Robins in Warner Robins and Peach Auto Sales in Byron. All four businesses have “been destroyed” due to the prosecution and the related civil seizure proceedings filed under the state’s Racketeer Influenced and Corrupt Organizations Act, according to their suit.

In the suit, the plaintiffs said their electronic gaming machines were legal and no money laundering occurred. They also contended that Welch and Bickford admitted during a 2015 court hearing that authorities had no evidence that false reports had been filed with the Georgia Department of Revenue or that money laundering had occurred, according to the suit.

The Bartletts also made issue of Ronnie Bartlett being forced to wear an ankle monitor despite his never being a threat to law enforcement.

Standlee

from Page 5

parties are, your response is to jump right into the BDSQF and reassure them they have called the right place.

During closing, the caller is likely to say, “Thanks for the information. Like I said, I’m just shopping around.” Be prepared and know your competition!

“I understand. Maybe I can save you some time. We have details on other parties in the area. I’m happy to share that information with you.”

Use this as an opportunity to keep them on the phone with you, showcase your center and its incredible value, and convince them you are the best place for birthday parties.

It Costs Too Much ...

To overcome this obstacle, you need to know your competition and truly believe that you are more valuable than going somewhere else. Be sure to focus on the conversation and answer their questions, but follow the script.

Remember, don’t give price first! If you do, it will ALWAYS

be too much. When the caller asks, “I’m calling to get the price on your parties,” acknowledge they want the price and jump right into the script. You can help combat this by wording it this way:

“I’m so glad you called. We have the best parties in town. Let me get you the prices, but can I get a little information first to be sure we get you the right party so you have the best time?”

We have learned that seven out of 10 times, this will go away if you follow the BDSQF and the closing process by ask-

ing one simple question:

“Of these parties, which party do you think Susie and her friends would enjoy the most?” Using this question during the closing process will make the focus all on Susie’s happiness and her birthday rather than the price.

Beth Standlee is founder and CEO of TrainerTainment, a sales-training company that helps grow people and as result grow businesses. She will lead a seminar at GAMOA’s Southern Amusement & Entertainment Expo in September.



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Retail Matters

GACS convention mixes education, fun

Georgia Amusement Journal

Participants in the Georgia Association of Convenience Stores' annual convention last month enjoyed a full agenda of educational seminars, networking opportunities, and vendor exhibits with plenty of time left for recreation on beautiful Amelia Island.

"The convention continues to draw a positive response from both retailers and vendors," GACS President Angela Holland said. "Every year our staff works hard to ensure the convention provides information convenience store owners and operators can use to help them run their businesses more effectively

and efficiently, while offering lots of options for networking."

The "Rising Tide" themed-convention, held June 23-25 at the Omni Amelia Island, attracted a variety of state legislators, including Sen. Mike Dugan (R-SD30), the Senate majority leader and several others who comprised a panel to discuss a variety of issues. They were Rep. Dale Rutledge, Rep. Alan Powell, Rep. Brett Harrell, Rep. Matthew Gambill, Sen. Sheikh Rahman, Rep. Wayne Howard, and Sen. Frank Ginn.

In addition, Scott Hilton, executive director of the Georgians First Commission, introduced the new

commission, an advisory board for small business. Other speakers included:

- Greg Wilson, from the Carl Vinson Institute of Government in Athens, who provided a variety of information on Georgia demographics that retailers can use to help operate successfully;

- Bonnie Herzog, a Wells Fargo analyst, who detailed trends in convenience stores and some specific product sectors, and;

- Keelan Gallagher, of Smoker Friendly International, and Chad Wilson, of the Georgia Public Safety Training Center, who spoke about alternative products, such as

kratom and CBD.

GACS also honored several of its members at the convention, including Laura Byrd of the Georgia Lottery Corp., who received the Supplier of the Year award, and Mike Hyde of Pit Stop Convenience Centers, for his dedicated service to the association. Rachel Mittal was announced as the 2019 recipient of the Brittany Schmeelk Scholarship.

Look for specific stories on several of the GACS seminars and panels on the following pages in this edition of the *Journal*. Next year the GACS convention will be in Asheville, N.C., and then return to Amelia Island in 2021.

Trends

from Page 1

changing," said Herzog, a leading analyst in the beverage, tobacco and convenience store sectors, adding that c-stores will need to adapt to those changing preferences.

Herzog said she has "a bullish outlook" on c-store growth for a variety of reasons.

"The U.S. Consumer Confidence Index is on the rise," she said, "and in-store promotions have increased."

In addition, Pepsi "is becoming a strong number two" behind Coke, with the two currently "playing nicely in the sandbox," she said, which strengthens the entire sector. And carbonated soft drink (CSD) volume declines "may have hit bottom," Herzog said, with new mini-cans and bottles that cost more per ounce selling well.

C-store traffic will also benefit if "we keep gas prices below that \$3-per-gallon psychological level," she said. Stores can also improve traffic by capitalizing on their natural "nicotine pull" with aggressive pricing, loyalty programs and promotions on tobacco products.

Regarding specific sector trends, Herzog said while the CSD category has weakened, the packaged beverage sector is "on the rise." The increase in package beverages "is encouraging," she added, because it and tobacco are

"important drivers to convenience stores and boast the "best margins."

She called the energy-drink sector "very exciting" and expects an impressive growth of 12 percent in the next year. Monster and Red Bull have successfully launched new products, she said, with Monster's new Reign "total body" drink potentially reversing the leading energy drink maker's current decline.

Alcohol sales remain stable, Herzog said, thanks to the strength of Constellation products. Potential threats to alcohol sales, she said, include the "health and wellness

trend," the potential for "soda taxes" at the city level, and the "growing threat of plastics" used in packaging.

The tobacco sector faces some challenges, Herzog said. Cigarette prices are expected to continue rising, she said, though Marlboro sales have stabilized some. Tobacco 21, a nationwide movement pushing for a 21 minimum age limit to purchase tobacco, is gaining steam, she said. In fact, Altria, the manufacturer of Marlboro cigarettes, is supporting the effort, Herzog said.

Oral nicotine pouches, such as the ones sold by Zyn, are making an appearance, she added, while e-cigarette growth has been "huge and explosive" and now represents over 40 percent of the market.

And she called cannabis "an opportunity" for c-stores in the future.

"Stay tuned," she said.



BONNIE HERZOG

GA population, economy diversifying and growing

Georgia Amusement Journal

Greg Wilson, from the Carl Vinson Institute of Government in Athens, told attendees at the GACS convention last month that Georgia's economy "is robust, diverse and growing," while its population continues to grow and diversify, but not evenly across the state.

Wilson provided a variety of information on Georgia demographics that can help retailers understand and adapt to upcoming consumer trends.

Georgia's overall population climbed to about 10.5 million in 2018, driven primarily by strong growth in the metro Atlanta area. Rural areas, however, are losing population, he said.

Fewer babies are being born in Georgia, following a worldwide trend, Wilson said, with the birthrate (number of live births per 1,000 population) dropping from 73.4 percent in 2007 to 60.1 percent in 2017. However, Georgia remains a strong "net importer of people," with thousands moving to the state for the economic opportunities, warm climate and overall "way of life," he said. In fact, he said, only 55 percent of those living in Georgia currently were born here, which shows that Georgia is a "magnet for talents" from other places in the country.

Similar to the rest of the country, Georgia's population is aging.

The 70-74 age group in the state is estimated to grow from 250,000 in 2010 to 475,000 in 2020 and 650,000 in 2030, Wilson said.

"The aging population will have implications on the work force, economy and health care," he said.

Georgia retail will need to capitalize on the state's changing diversity, Wilson added. By 2030 Georgia is expected to become a "majority minority" state, with African Americans, Hispanics, and other minority groups in total outnumbering the white population.

The state's economy is diverse, as well, Wilson said. The state remains an "agricultural powerhouse," he said, while growth in financial services, textiles, telecommunications, transportation and forestry is strong. Growth industries in the future will likely include health care and the film industry, he added, while construction and government growth likely will slow.

In what might be surprising news for some, Wilson said the "gig economy," characterized by short-term contracts or freelance work as opposed to permanent jobs, symbolized by ride-sharing giant Uber and on-demand delivery services such as DoorDash, "isn't really growing."



GREG WILSON

Retail Matters



Paul Tash photo

SEN. SHEIKH RAHMAN, third from right, speaks during a legislative panel discussion during last month's Georgia Association of

Convenience Stores' annual convention. Others are, from left, Rep. Dale Rutledge, Rep. Alan Powell, Rep. Brett Harrell, Rep.

Matthew Gambill, Rep. Wayne Howard, and Sen. Frank Ginn. The seven legislators commented on a variety of topics.

Legislators talk on variety of topics

By Paul Tash, Georgia Amusement Journal

Seven legislators took center stage to comprise a legislative panel during the Georgia Association of Convenience Stores' annual convention last month to briefly discuss a variety of issues, from alcohol policy to fueling help for disabled drivers.

Moderated by GACS lobbyist Sheila Humberstone, the panel included Rep. Dale Rutledge, Rep. Alan Powell, Rep. Brett Harrell, Rep. Matthew Gambill, Sen. Sheikh Rahman, Rep. Wayne Howard, and Sen. Frank Ginn. Following are highlights some of the remarks each panelist made.

Sen. Ginn said he was happy the General Assembly found "common ground" on alcohol policy last session, allowing earlier Sunday alcohol sales for on-premise consumption and "tastings" at liquor stores. Humberstone praised the Sunday alcohol action and Ginn's role to make it happen.

Ginn added that every convenience store should become a member of GACS to enhance their business environment.

"There's strength in numbers," he said.

He also encouraged business owners to contact him with concerns or suggestions.

"You're the ones who count," he said. "All you have to do is call me."

Rep. Howard encouraged the state's convenience stores to develop a policy to help physically disabled drivers to fuel their vehicles. Disabled drivers have a difficult time fueling if their ramp is on the passenger side, the same side the fuel pump is often on, and they can't get out to fuel on their own vehicle, said Howard, who is disabled.

The 600,000 Georgians between the ages of 21-64 who are disabled "need access to the pump," he said. He asked c-stores to place a sign on their pumps "with a phone number to call to get assistance" from store clerks, though he ac-

knowledged that assistance couldn't happen if only one clerk was working.

Those in the industry agreed that assisting disabled drivers to fuel up is a good idea. Such a policy would make "a meaningful difference" and wouldn't be "overly burdensome," Humberstone said. In response, GACS has developed signage for pumps. Retailers can contact GACS to order pump decals.

In his remarks, **Rep. Gamble** urged those in the convenience store industry to contact their local legislators about issues important to them.

"We can't be experts on everything," he said. "We depend on you folks to educate us."

In fact, he said, now is "the best time to talk to your legislator" while the session is out.

He also praised GACS and its advocacy, saying, "I appreciate the role this association plays."

Rep. Harrell, who has opposed a cigarette tax hike in the past, said "border retailers" are affected the most when cigarette prices are not competitive with neighboring states. Harrell said he supports a task force to study taxation policy in general to ensure "a rhyme and reason" exists for tax hikes and ensure "appropriate tax revenue."

Harrell also supported the finally passed Sunday alcohol sales, saying a level playing field among alcohol retailers "is critically important."

As a former convenience store owner, **Rep. Powell** said he's "very familiar" with c-store operations.

"I know how tough it is," he said.

Powell is chair of the House Regulated Industries Committee, which he said will become more involved in the "oversight" of the Georgia Lottery Corporation (GLC). Committee members actually met recently for the first time to discuss the GLC, and Powell said "some positive aspects" came out of the meeting.

Legislation to approve such gaming activities

as horseracing and destination casinos have had little success, and Powell said such activity likely won't happen unless "driven by the people," possibly in the form of a constitutional amendment.

Sen. Rahman, who recently finished his first session in the Georgia Assembly, brought an interesting perspective to the panel as the first Muslim to serve as a state legislator.

"I think my story is an American story," he said. "I'm proud to be an American and a Georgian."

A former owner of a convenience store, Rahman said he understands the difficulties convenience store owners face.

"It's not an easy business," he said.

His first taste of the legislative process was positive, he said, adding he sees the Assembly as the place to improve all of Georgia, not just certain regions or populations.

"We work together for all people in Georgia," he said.

Rep. Rutledge, the Assembly's "transportation expert," said he continues to work on balancing the need to ship cargo via trucks with efforts to ease traffic congestion.

"Trucks are a fact of life," he said, while acknowledging they add significantly to highway crowding. He said Georgia must figure out how to "best utilize and pay for infrastructure" to ease the problem and added that new toll lanes for trucks have helped.

Rutledge is starting important discussion on the state's infrastructure improvements and ways to pay for them with a meeting in August that will include a variety of state and industry representatives.

"I'm excited to get all the shareholders together," he said.

Rutledge also urged those in the c-store industry to contact him regarding transportation and "the struggles you face as a business owner."

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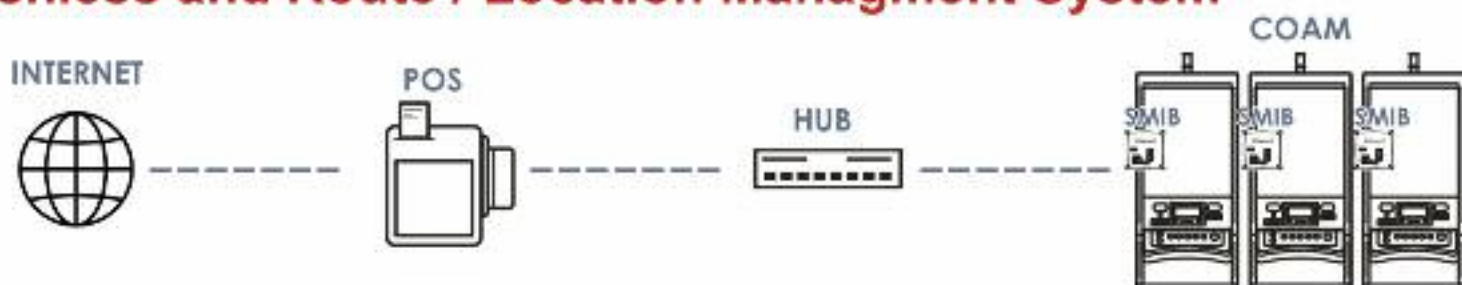
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Retail Matters

GACS honored for anti-trafficking effort

The Georgia Association of Convenience Stores (GACS) has been chosen as a 2019 Summit Award recipient for its work in the Convenience Stores Against Trafficking (CSAT) program. The award is the highest recognition under “The Power of A” campaign, presented by the American Society of Association Executives (ASAE). Among 114 entries, GACS received the top award in the Enriching Lives category.

“The Power of A” campaign brings attention to the association community’s contributions to society at the local, national and global levels.

“Harnessing the power of members to create change is at the heart of what associations do. This year’s winners are inspiring examples of the positive impact associations have throughout our communities,” said Sharon Swan, CEO of the American Society for Clinical Pharmacology & Therapeutics and this year’s chair of the “Power of A” judging committee.

CSAT shows how an association can muster its resources and capitalize on its unique position in the community it serves to help solve a critical problem.

GACS’ partnership to promote CSAT helps save lives

In 2018, GACS partnered with In Our Back-

yard (IOB), a nonprofit organization dedicated to eradicating human trafficking. With convenience stores serving approximately half the population daily, they are often the eyes and ears of their communities. The IOB’s CSAT is a no-cost program focused on equipping C-store employees with training and materials to safely recognize the signs and report human trafficking.

In the weeks leading up to the 2019 Super Bowl held in Atlanta, GACS and IOB stepped up efforts, in collaboration with local law enforcement, the FBI and GBI, and other community groups. GACS launched the program with a press conference held at Georgia’s State Capitol sponsored by Representative Chuck Efstrotation, GBI Director Venon Keenan, IOB Executive Director Nita Belles, International Human Trafficking Institute Director Deborah Richardson, Clipper Petroleum Foundation Director Haley Bower, and GACS President Angela Holland. In November, at the Southern Convenience Store & Petroleum Show in Macon, GA, GACS offered free training to all retailer attendees.

Additionally, IOB followed up with retailers

on the show floor, answering questions and signing up participants. Activities also included distribution of Missing Children booklets and visits to hundreds of metro-area convenience stores to equip them to recognize and report human trafficking. Within three hours of the launch of this activity on Jan. 26, store managers and clerks had given two credible leads to law enforcement that led to arrest and rescue.

As of May 23, 2019, 29 of the 34 children in the Missing Children book have been recovered.

Seven adult victims have come out of their situations and received help.

Hundreds of store locations have received training and placed Freedom stickers in restroom stalls.

“Our participation in this program is a great fit – Enmarket is deeply involved in giving back to the community, and by posting this information in our restrooms and training our staff, we have joined a nationwide movement that is saving lives of the most vulnerable in our communities,” said Matt Clements of the Savannah-based chain that was first to partner with CSAT in the state of Georgia.



Georgians First panel begins effort to help small business

A new advisory board created earlier this year has already begun work to aid small business, the morning session of the GACS convention last month was told.

Scott Hilton, executive director of the Georgians First Commission, said Gov. Brian Kemp created the Commission in January with his first executive order with a goal of “streamlining” policy and eliminating “unnecessary regulation” to help small businesses thrive.

“Small business is truly the backbone of the Georgia economy,” he said.

Hilton said he is traveling the state “to talk to Georgia businesses” to get their input on changes and improvements in government policy they’d like to see. Though small business is generally defined as business with 300 or fewer employees, “most are less than 10,” he said. The commission wants to make “data-driven decisions” to improve innovation and enhance “best practices,” he said, and is even reviewing small-business policies in other states to see what successes Georgia might be able to incorporate.

The commission, he added, has created several task forces to study specific issues “important to small business” that will develop recommendations to the Commission and governor. One such task force, he said, will examine ways to enhance the “customer experience” small business has with government.

“We want to be more like Amazon and less like the Post Office,” he said.

Other task forces will focus on occupational licensing and permitting reform, state procurement, innovation bloc, tax reform and competitiveness, access to capital, minority-owned business, rural small-business development, industries (technology, healthcare, transportation, food service and agri-business), and economic development for small business.

He also encouraged business owners to go online at www.georgiansfirst.georgia.gov and “share your story” and provide input.

“The governor is passionate about small business, and he wants to help you,” Hilton said. “We believe in you.”

C-store trade show set for Sept. 11-12 in Athens

Those folks in the convenience store industry looking for education, advancement, and industry networking should consider attending the Southern Convenience Store and Petroleum Show in September.

Sponsored by the Georgia Association of Convenience Stores (GACS), the Show takes place at the Classics Center in Athens Sept. 11-12, according to a GACS news release. The show provides a key opportunity for convenience store vendors to showcase their products and services to decision makers from across Georgia during one of the state’s premier C-store industry trade shows. The show runs from 9 a.m. until 4 p.m. Thursday, Sept. 12. With more than 200 booths, many new items and services for retailers to try in their stores will be available to review.

“The Southern Show has consistently provided an avenue for fellow retailers and me to see new items, solidify our relationships with existing vendor partners, and meet potential new vendor partners,” said Ed Hong of Clipper Petroleum.

There is no cost for retailers to attend. Simply register online at www.gacs.com

This year GACS is offering a new way for exhibitors to gain additional exposure (in addition to purchasing a booth) by offering select sponsorship opportunities for as little as \$250. Visit www.gacs.com for booth contract information, to reserve a booth, or learn more about sponsorships at the show.

A seminar on creating a great customer-buying experience is scheduled for Thursday morning, Sept. 12. Of the 153,000-plus convenience stores, not one brand stands for a memorable customer-buying experience in the customers’ minds, the release said. Why? Because consistently delivering great service is hard. If it were easy, every brand would stand for great service. And therein lies the opportunity!

The seminar at this year’s show will serve as a blueprint for providing the best customer-buying experience in the industry, the release said. Attendees will receive a complimentary copy of the book *Customer Service: The Ultimate Differentiator*.

Exhibitor set-up and a cocktail reception is Sept. 11.

Visit www.gacs.com for more information.

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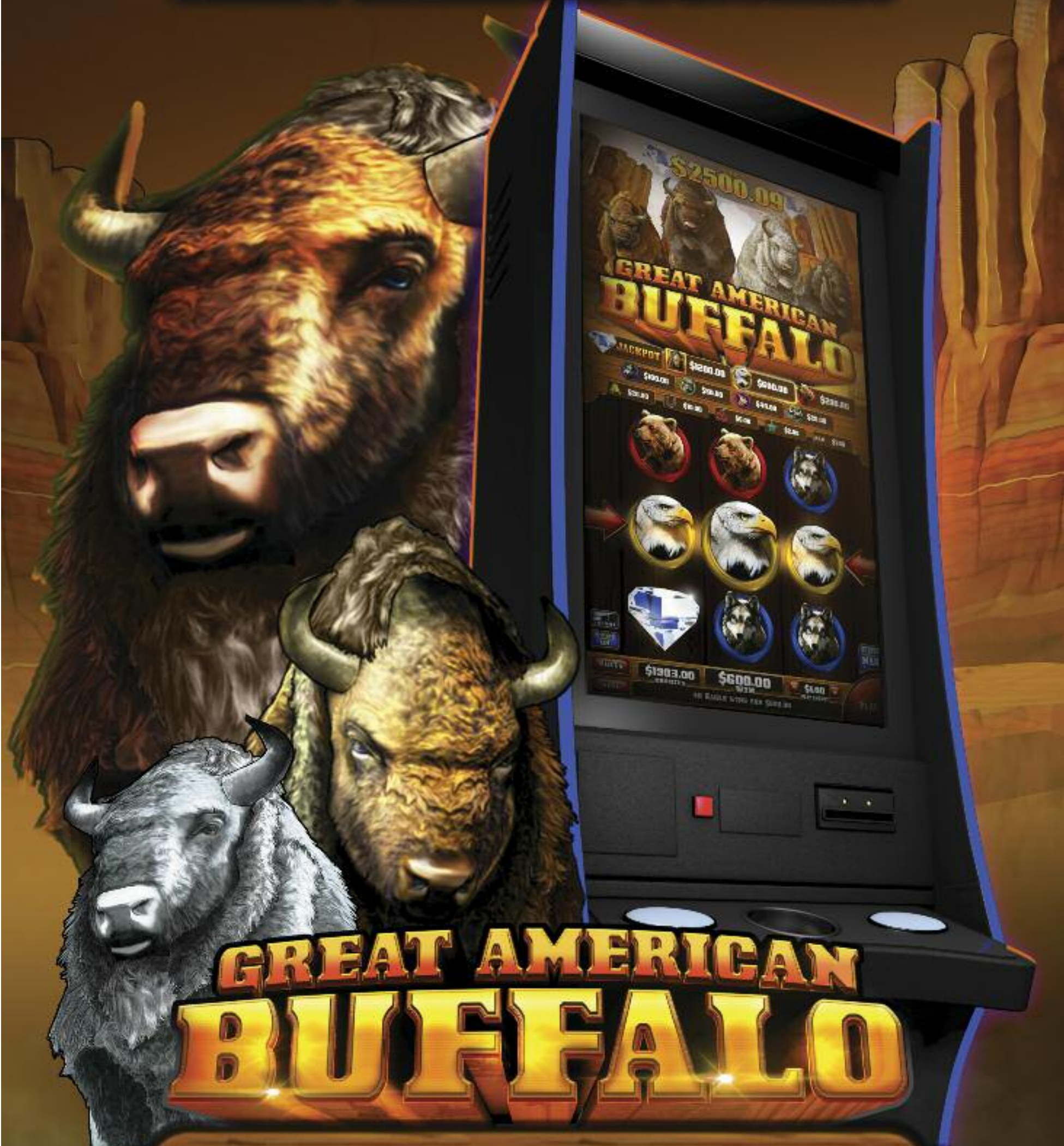


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