

Respondents, in answer to Relators' Complaint, state as follows:

1. Respondents deny each and every allegation not specifically admitted to below.
2. Respondents state that no response to Relators' preamble paragraph is required.

To the extent a response is required, Respondents deny the allegations contained in the preamble to the Complaint.

3. With respect to the allegations in paragraph 1 of the Complaint, Respondents admit that the electors of the State of Ohio have considered several different proposals offered by private persons or entities to establish casino-based gambling in Ohio and defeated those proposals. Respondents further admit that on July 13, 2009, after two continuing budget resolutions, the General Assembly included modifications to Chapter 3770 of the Revised Code as part of Am. Sub. H.B. 1. Further answering, Respondents deny the remaining allegations contained in paragraph 1 of the Complaint.

4. Respondents deny the allegations contained in paragraph 2 of the Complaint.

5. Respondents state that no response is required to the allegations in paragraph 3 of the Complaint. To the extent a response is required, Respondents state that Relators are not entitled to any relief.

6. Respondents are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 4 of the Complaint.

7. Respondents are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 5 of the Complaint.

8. Respondents are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 6 of the Complaint.

9. Respondents are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 7 of the Complaint.

10. Respondents admit the allegations contained in paragraph 8 of the Complaint.

11. Respondents admit the allegations contained in paragraph 9 of the Complaint.

12. Respondents state that Jonathan A. Allison is no longer a member of the Ohio Lottery Commission and that Mr. Allison was replaced by William N. Morgan effective August 7, 2009. Respondents admit the remaining allegations contained in paragraph 10 of the Complaint. Further answering, Respondents state that R.C. 3770.01 speaks for itself.

13. With respect to paragraph 11 of the Complaint, Respondents admit that the Ohio Lottery Commission is an agency of the State of Ohio created by the General Assembly. Further answering, Respondents state that R.C. Chapter 3770 speaks for itself.

14. In response to paragraph 12 of the Complaint, Respondents state that Article IV, § 2 of the Ohio Constitution speaks for itself.

15. Respondents state that paragraph 13 of the Complaint states a legal conclusion to which no response is required. To the extent a response is required, Respondents admit the allegations in paragraph 13 of the Complaint.

16. With respect to the allegations in paragraph 14 of the Complaint, Respondents state that R.C. 2721.03 speaks for itself.

17. Respondents state that paragraph 15 of the Complaint states a legal conclusion to which no response is required.

18. Respondents are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 16 of the Complaint. Further answering, Respondents state that they are prepared to participate if this Court orders oral argument.

19. Respondents deny the allegations in paragraph 17 of the Complaint to the extent any response is required. Further answering, Respondents state that *Mills-Jennings, Inc. v. Dep't of Liquor Control* (1982), 70 Ohio St.2d 95, speaks for itself.

20. Respondents admit the allegations contained in paragraph 18 of the Complaint.

21. Respondents admit the allegations contained in paragraph 19 of the Complaint.

22. With respect to paragraph 20 of the Complaint, Respondents admit that Ohio voters in 1990 rejected a ballot initiative for a casino in the City of Lorain. Respondents deny the remaining allegations in paragraph 20 of the Complaint.

23. With respect to paragraph 21 of the Complaint, Respondents admit that Ohio voters in 1996 rejected an amendment to the Ohio Constitution that would have permitted riverboat gambling. Respondents deny the remaining allegations in paragraph 21 of the Complaint.

24. With respect to paragraph 22 of the Complaint, Respondents admit that Ohio voters in 2006 rejected an amendment to the Ohio Constitution that would have permitted slot machines at Ohio horse racetracks. Respondents deny the remaining allegations in paragraph 22 of the Complaint.

25. With respect to paragraph 23 of the Complaint, Respondents admit that Ohio voters in 2008 rejected an amendment to the Ohio Constitution that would have allowed the building and operation of a casino in Clinton County, Ohio. Respondents deny the remaining allegations in paragraph 23 of the Complaint.

26. With respect to the allegations contained in paragraph 24 of the Complaint, Respondents admit that the Ohio General Assembly enacted Am. Sub. H.B. 1 on July 13, 2009. Further answering, Respondents state that R.C. 3770.03 and 3770.21 speak for themselves.

Respondents state that the remaining allegations in paragraph 24 of the Complaint state a legal conclusion to which no response is required. To the extent a response is required, Respondents deny the remaining allegations in paragraph 24 of the Complaint.

27. With respect to the allegations in paragraph 25 of the Complaint, Respondents state that Relators have alleged a legal conclusion and no further response is required. To the extent a response is required, Respondents deny the remaining allegations in paragraph 25 of the Complaint.

28. Respondents admit the allegations contained in paragraph 26 of the Complaint.

29. With respect to the allegations in paragraph 27 of the Complaint, Respondents admit that on July 13, 2009, Governor Strickland issued a Directive to the Ohio Lottery Commission entitled "Implementing Video Lottery Terminals." Further answering, Respondents state that the Directive speaks for itself and no further response is required. To the extent further response is required, Respondents deny the remaining allegations in paragraph 27 of the Complaint.

30. With respect to the allegations contained in paragraph 28 of the Complaint, Respondents state that the Governor's Directive speaks for itself and no further response is required. To the extent a response is required, Respondents deny the remaining allegations in paragraph 28 of the Complaint.

31. Respondents admit the allegations contained in paragraph 29 of the Complaint.

32. With respect to the allegations contained in paragraph 30 of the Complaint, Respondents state that the rules speak for themselves and that no response is required. To the extent a response is required, Respondents deny the remaining allegations in paragraph 30 of the Complaint.

33. Respondents admit the allegations contained in paragraph 31 of the Complaint.

34. With respect to the allegations contained in paragraph 32 of the Complaint, Respondents state that the Executive Order speaks for itself and no further response is required. To the extent a response is required, Respondents deny the remaining allegations in paragraph 32 of the Complaint.

35. With respect to the allegations contained in paragraph 33 of the Complaint, Respondent reincorporates by reference all responses to paragraphs 1-32 of the Complaint.

36. With respect to the allegations contained in paragraph 34 of the Complaint, Respondents state that the Relators have stated a legal conclusion to which no further response is required. Further answering, Respondents state that Article XV, § 6 of the Ohio Constitution speaks for itself.

37. Respondents deny the allegations contained in paragraph 36 of the Complaint.¹

38. Respondents deny the allegations contained in paragraph 37 of the Complaint.

39. With respect to the allegations contained in paragraph 38 of the Complaint, reincorporates by reference all responses to paragraphs 1-37 of the Complaint.

40. With respect to the allegations contained in paragraph 39 of the Complaint, Respondents state that Relators have stated a legal conclusion to which no response is required. Further answering, Respondents state that Article XV, § 6 of the Ohio Constitution speaks for itself. To the extent a response is required, Respondents deny the remaining allegations in paragraph 39 of the Complaint.

41. With respect to the allegations contained in paragraph 40 of the Complaint, Respondents state that Relators have stated a legal conclusion to which no response is required.

¹ Relators have omitted a Paragraph 35 from the Complaint.

To the extent a response is required, Respondents deny the remaining allegations in paragraph 40 of the Complaint.

42. With respect to the allegations contained in paragraph 41 of the Complaint, Respondents state that the Administrative Rules speak for themselves. Further answering, Respondents deny the remaining allegations in paragraph 41 of the Complaint.

43. With respect to the allegations contained in paragraph 42 of the Complaint, Respondents state that the Administrative Rules speak for themselves. Further answering, Respondents state that paragraph 42 of the Complaint contains legal conclusions to which no response is required. To the extent a response is required, Respondents deny the remaining allegations in paragraph 42 of the Complaint.

44. Respondents deny the allegations contained in paragraph 43 of the Complaint.

45. With respect to the allegations contained in paragraph 50 of the Complaint, Respondents reincorporate by reference all responses to paragraphs 1-43 of the Complaint.²

46. With respect to the allegations contained in paragraph 51 of the Complaint, Respondents state that Article II, § 15(D) of the Ohio Constitution speaks for itself. Further answering, Respondents state that Relators have stated a legal conclusion to which no response is required. To the extent a response is required, Respondents deny the remaining allegations in paragraph 51 of the Complaint.

47. Respondents deny the allegations contained in paragraph 52 of the Complaint.

48. Respondents deny the allegations contained in paragraph 53 of the Complaint.

49. Respondents deny the allegations contained in paragraph 54 of the Complaint.

² Relators have omitted Paragraphs 44-49 from the Complaint.

50. With respect to the allegations contained in WHEREFORE paragraphs of the Complaint, Respondents deny that Relators are entitled to any of the relief sought therein or to any relief whatsoever.

WHEREFORE, having answered Relators' Complaint, Respondents raise the following defenses, including affirmative defenses:

First Defense

51. The Ohio Lottery Commission has been constitutionally authorized to institute a game using Video Lottery Terminals since Ohio Voters adopted Art. XV, § 6 of the Ohio Constitution.

Second Defense

52. The emergency rules enacted by the Ohio Lottery Commission concerning Video Lottery Terminals do not violate Art. XV, § 6's requirement that "the entire net proceeds of any such lottery are paid into a fund of the state treasury that shall consist solely of such proceeds and shall be used solely for the support of elementary, secondary, vocational, and special education programs as determined in appropriations made by the General Assembly."

Third Defense

53. Am. Sub. H.B. 1 does not violate the constitutional requirement that legislation contain no more than one subject.

Fourth Defense

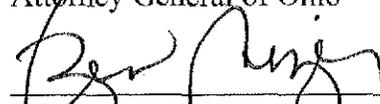
54. Amended R.C. 3770.21(E) provides that "any portion of this section or of section 3770.03 of the Revised Code . . . found to be unenforceable or invalid . . . shall be severed and the remaining portions remain in full force and effect."

Fifth Defense

55. Respondents reserve the right to include additional defenses, including affirmative defenses, as this litigation proceeds.

Respectfully submitted,

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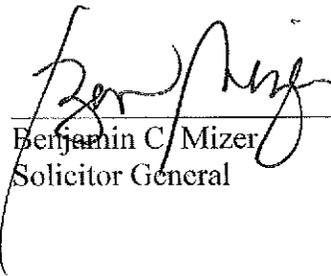
CERTIFICATE OF SERVICE

I certify that a copy of this Answer was served by U.S. mail on this 11th day of September 2009 upon the following counsel:

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