Velva L. Price District Clerk **Travis County** D-1-GN-14-005114 **Adrian Rodriguez** 

## Cause No. D-1-GN-14-005114

JAMES STEELE, et al.,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
	§	TRAVIS COUNTY, TEXAS
VS.	§	
	§	
GTECH CORPORATION,	§	201 <sup>ST</sup> JUDICIAL DISTRICT
Defendant		

# PLAINTIFFS' RESPONSE IN OPPOSITION TO GTECH'S NO-EVIDENCE MOTION FOR SUMMARY JUDGMENT ON PLAINTIFFS/INTERVENORS' FRAUD BY NON-DISCLOSURE CLAIMS

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### I. SUMMARY OF ARGUMENT

GTECH designed and sold to the Texas Lottery Commission ("TLC") an instant scratch-off game known as the "Fun 5's." GTECH composed and printed instructions on the face of the "Fun 5's" ticket that promised that players would win a prize if their ticket revealed a Money Bag symbol. The instructions state, "Reveal a Money Bag 's' symbol in the 5x BOX, win 5 times that PRIZE."

Initially, the parameters for the game called for the winning Money Bag symbol to appear only on winning tickets. That meant every player who revealed a Money Bag symbol would win a prize as promised by GTECH's instructions. However, before the tickets were printed, GTECH changed the game parameters and placed the Money Bag symbol on not only winning tickets but also on 25% of the non-winning tickets. Therefore, some tickets that revealed a Money Bag symbol would win a prize, and some tickets that revealed a Money Bag symbol would not.

After changing the parameters, but before printing the tickets, GTECH performed three reviews of the ticket to see if the instructions needed to be altered to reflect the parameter change. GTECH decided to keep the wording of the instructions the same, even though not all tickets that revealed a Money Bag symbol would win a prize as promised. Plaintiffs purchased tickets that revealed a Money Bag symbol, but none of their tickets validated as winning tickets.

Following its unsuccessful attempt to avoid the merits of this case entirely by claiming sovereign immunity, GTECH now argues it is entitled to summary judgment on Plaintiffs' fraud by non-disclosure claims because it owed no duty to Plaintiffs. However, the Supreme Court has recognized three exceptions to the general rule that there is no duty to disclose without evidence of a confidential or fiduciary relationship. *Bombardier Aerospace Corp. v. SPEP Aircraft* 

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<sup>&</sup>lt;sup>1</sup> Ex. 1 (Dale Bowersock Deposition Exhibit 98, GTECH-000184-205), at GTECH-000187.

Holdings, LLC, 572 S.W.3d 213, 220 (Tex. 2019). Each of those exceptions applies to GTECH's conduct about which Plaintiffs complain.

GTECH owed a duty to Plaintiffs because its instructions on the "Fun 5's" ticket created a substantially false impression. It also owed a duty to Plaintiffs because it discovered new information that made its earlier representation untrue or misleading. Finally, GTECH owed a duty to Plaintiffs because it did not disclose the whole truth after voluntarily disclosing information about how to win the game. For these reasons, GTECH's Motion should be denied.

## II. SUMMARY JUDGMENT EVIDENCE

Plaintiffs rely on the following summary judgment evidence:

Exhibit 1	Dale Bowersock Deposition Exhibit 98, GTECH-000184-205
Exhibit 2	Deposition of Joseph Lapinski
Exhibit 3	Lapinski Deposition Exhibit 12
Exhibit 4	Penelope Whyte Deposition Exhibit 26, GTECH-000017-38
Exhibit 5	Exhibit 28 to Whyte Deposition, GTECH-000095-101
Exhibit 6	Penelope Whyte Deposition Exhibit 29, GTECH-000154-157
Exhibit 7	Deposition of Laura Thurston
Exhibit 8	Deposition of Penelope Whyte
Exhibit 9	Deposition of Joseph Lapinski as Corporate Representative of GTECH
Exhibit 10	Plaintiffs' Fourth Amended Petition
Exhibit 11	Plaintiffs' Original Petition
Exhibit 12	Affidavit of Dr. Ronald Butters

## III. FACTUAL BACKGROUND

## A. GTECH CREATED THE DECEPTIVE "FUN 5'S" TICKET.

GTECH is the U.S. subsidiary of an Italian gaming company that runs lotteries all across the world.<sup>2</sup> It operates more than half of the state lotteries in the United States,<sup>3</sup> including the Texas Lottery.<sup>4</sup> GTECH has an exclusive contract with the State of Texas to operate the Texas Lottery.<sup>5</sup> Under its contract with the State of Texas, GTECH receives 2.21% of the sales revenues from tickets sold in Texas.<sup>6</sup> If the TLC chooses to purchase one of GTECH's instant scratch-off games, GTECH receives an additional fee based on a "per-thousand-tickets" basis.<sup>7</sup> Under this arrangement, GTECH has a financial incentive to maximize ticket sales in Texas.<sup>8</sup> GTECH provides, at each retail location, a computer terminal which is linked to a central GTECH computer.<sup>9</sup> It is GTECH's computer system that tells a retailer which ticket should be validated as a winner and which ticket should be validated as a non-winner.<sup>10</sup>

<sup>&</sup>lt;sup>2</sup> Ex. 2 (Lapinski Deposition), at 14:22 - 15:2.

<sup>&</sup>lt;sup>3</sup> *Id.* at 14:15-17.

<sup>&</sup>lt;sup>4</sup> *Id.* at 6:19-21.

<sup>&</sup>lt;sup>5</sup> *Id.* at 19:21-20:1.

<sup>&</sup>lt;sup>6</sup> *Id.* at 24:24 – 25:15.

<sup>&</sup>lt;sup>7</sup> *Id.* at 26:10-19.

<sup>&</sup>lt;sup>8</sup> *Id.* at 28:24-29:1.

<sup>&</sup>lt;sup>9</sup> *Id.* at 31:4-33:8.

<sup>&</sup>lt;sup>10</sup> *Id*.

In March 2013, GTECH presented to the TLC examples of scratch-off games.<sup>11</sup> One of those examples was "Fun 5's"—a game that GTECH previously operated in Nebraska, Indiana, Kansas, and Western Australia with much financial success.<sup>12</sup> The TLC selected "Fun 5's" as a game that it intended to offer during the 2014 fiscal year.<sup>13</sup> GTECH prepared the initial draft working papers for the game.<sup>14</sup> The initial draft closely mirrored GTECH's "Fun 5's" game in Nebraska.<sup>15</sup> For "Game 5," the fifth of the five games on the ticket, GTECH proposed a tic-tactoe style game that appeared as follows:

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<sup>&</sup>lt;sup>11</sup> *Id.* at 53:23-54:4; Ex. 3 (Lapinski Deposition Exhibit 12).

<sup>&</sup>lt;sup>12</sup> Ex. 2 (Lapinski Deposition), at 54:11-57:11; Ex. 3 (Lapinski Deposition Exhibit 12).

<sup>&</sup>lt;sup>13</sup> Ex. 2 (Lapinski Deposition), at 54:24-55:15.

<sup>&</sup>lt;sup>14</sup> Ex. 4 (Penelope Whyte Deposition Exhibit 26, GTECH-000017-38).

<sup>&</sup>lt;sup>15</sup> Ex. 2 (Lapinski Deposition), at 57:16-23.



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In April 2014, the TLC requested that GTECH modify the instructions to Game 5 by changing the Dollar Bill symbol to a "5" symbol, and changing the "5" symbol to a Money Bag symbol. The TLC also requested that GTECH change the game parameters to include the Money Bag symbol in the "5X" box on both winning and some non-winning tickets. The reason the TLC requested the Money Bag symbol to appear on some non-winning tickets was because the TLC was concerned that the tickets, as originally prepared by GTECH, would be easy targets for microscratching, since only the "5X" box would need to be scratched to determine if the ticket was a

<sup>&</sup>lt;sup>16</sup> Ex. 4 (Penelope Whyte Deposition Exhibit 26, GTECH-000017-38), at GTECH-000020.

<sup>&</sup>lt;sup>17</sup> Ex. 5 (Exhibit 28 to Whyte Deposition, GTECH-000095-101), at GTECH-000097.

<sup>&</sup>lt;sup>18</sup> Ex. 6 (Penelope Whyte Deposition Exhibit 29, GTECH-000154-157), at GTECH-000154, 000157.

winner.<sup>19</sup> In May 2014, GTECH confirmed that "[t]he 'MONEY BAG' Play Symbol will appear in the 5X Box in approximately 25% of the tickets with non-winning combinations in Game 5."<sup>20</sup>

After changing the game's parameters, GTECH performed three reviews of the ticket and determined that no additional changes needed to be made to the instructions to make them not misleading.<sup>21</sup> In all three reviews, GTECH made the unilateral decision to use the same wording it had used when the Money Bag symbol appeared only on winning tickets, even though it knew that a significant percent of non-winning tickets would also contain Money Bag symbols.<sup>22</sup> GTECH's decision to use misleading wording after changing the parameters forms the basis of Plaintiffs' fraud by non-disclosure claims.

The instructions for Game 5 on the ticket, as printed and sold to consumers in Texas, including Plaintiffs, states: "Reveal a Money Bag 's' symbol in the 5x BOX, win 5 times that PRIZE."<sup>23</sup> A copy of the ticket is below:

<sup>&</sup>lt;sup>19</sup> *Id.*, at GTECH-000154.

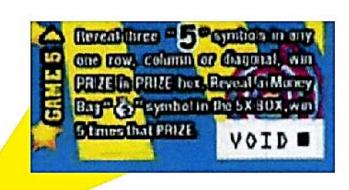
<sup>&</sup>lt;sup>20</sup> Ex. 1 (Dale Bowersock Deposition Exhibit 98, GTECH-000184-205), at GTECH-000202.

<sup>&</sup>lt;sup>21</sup> GTECH's Laura Thurston "reviewed" and "examined" the changes to the language of the instructions as compared to the change in game parameters and "felt it was clear." Ex. 7 (Thurston Deposition), at 127:2-128:3. GTECH's Penelope Whyte reviewed the instructions, the requested changes, and the executed working papers after the requested changes had been implemented, and she determined "that they didn't need to be changed." Ex. 8 (Whyte Deposition), at 39:19-40:23, 46:9-17. Derek Batchelor in GTECH's Software department also reviewed the requested changes. Ex. 7 (Thurston Deposition), at 128:5.

<sup>&</sup>lt;sup>22</sup> *Id*.

<sup>&</sup>lt;sup>23</sup> Ex. 1 (Dale Bowersock Deposition Exhibit 98, GTECH-000184-205), at GTECH-000188.





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# B. GTECH KNEW AND INTENDED THAT CUSTOMERS WOULD RELY ON THE INSTRUCTIONS.

Joseph Lapinski, GTECH's corporate representative and account development manager for Texas, testified to the importance of the instructions on scratch-off tickets. <sup>25</sup> Lapinski is the person most knowledgeable at GTECH about lottery operations in Texas. <sup>26</sup> According to Lapinski, "the instructions printed on a scratch-off ticket [a]re very important…because they tell the player what symbols he has to get or she has to get on the ticket in order to win a prize." "The instructions

<sup>25</sup> Ex. 2 (Lapinski Deposition), at 6:11-24; Ex. 9 (Lapinski Corp. Rep. Deposition), at 7:2-6.

<sup>&</sup>lt;sup>24</sup> *Id*.

<sup>&</sup>lt;sup>26</sup> Ex. 2 (Lapinski Deposition), at 6:22-24.

<sup>&</sup>lt;sup>27</sup> *Id.* at 8:16-18.

explain to them how to play and how you win."<sup>28</sup> Lapinski expects customers to rely on the instructions that are printed on scratch-off tickets.<sup>29</sup>

# C. PROCEDURAL HISTORY

Plaintiffs are purchasers of "Fun 5s" tickets who revealed a Money Bag symbol in the "5X" box.<sup>30</sup> They were misled by the instruction on Game 5 into believing that they would win five times the amount in the prize box if their tickets revealed a Money Bag symbol.<sup>31</sup> Plaintiffs filed suit against GTECH on December 9, 2014.<sup>32</sup> They allege claims against GTECH for common-law fraud and fraud by nondisclosure.<sup>33</sup> On February 25, 2016, the trial court overruled GTECH's plea to the jurisdiction. The Court of Appeals for the Third District in Austin, Texas affirmed the trial court's judgment as to Plaintiffs' claims for fraud and fraud by non-disclosure on January 11, 2018.<sup>34</sup> The Supreme Court affirmed the judgment of the Court of Appeals on June 12, 2020.<sup>35</sup> GTECH filed its No-Evidence Motion for Summary Judgment on March 26, 2021.

## IV. ARGUMENT AND AUTHORITIES

<sup>&</sup>lt;sup>28</sup> *Id.* at 12:8-9.

<sup>&</sup>lt;sup>29</sup> *Id.* at 10:7-13.

<sup>&</sup>lt;sup>30</sup> Ex. 10 (Plaintiffs' Fourth Amended Petition), ¶ 79.

<sup>&</sup>lt;sup>31</sup> *Id*.

<sup>&</sup>lt;sup>32</sup> Plaintiffs' Original Petition.

<sup>&</sup>lt;sup>33</sup> Ex. 10 (Plaintiffs' Fourth Amended Petition), ¶¶ 81-108.

<sup>&</sup>lt;sup>34</sup> GTECH Corp. v. Steele, 549 S.W.3d 768, 804 (Tex. App.—Austin 2018), aff'd sub nom. The Court of Appeals reversed and rendered judgment with respect to Plaintiffs' claims for aiding and abetting, conspiracy, and tortious interference. *Id.* at 796.

<sup>&</sup>lt;sup>35</sup> Nettles v. GTECH Corp., 606 S.W.3d 726, 739 (Tex. 2020).

## A. LEGAL STANDARD

After adequate time for discovery has passed, a defendant may move for summary judgment on the ground that there is no evidence of one or more essential elements of the plaintiff's claim. Tex. R. Civ. P. 166(a)(i); W. Invs., Inc. v. Urena, 162 S.W.3d 547, 550 (Tex. 2005). The burden is on the non-movant to produce summary judgment evidence raising a genuine issue of material fact. Tex. R. Civ. P. 166(a)(i); Merriman v. XTO Energy, Inc., 407 S.W.3d 244, 248 (Tex. 2013); Urena, 162 S.W.3d at 550. If more than a scintilla of evidence exists, it is legally sufficient and summary judgment cannot be granted. Minyard Food Stores, Inc. v. Goodman, 80 S.W.3d 573, 577 (Tex. 2002); Schronk v. Laerdal Medical Corp., 440 S.W.3d 250, 256 (Tex. App.—Waco 2013, pet. denied). "More than a scintilla of evidence exists if the evidence would enable reasonable and fair minded jurors to differ in their conclusions." Schronk, 440 S.W.3d at 256-57 (citing Hamilton v. Wilson, 249 S.W.3d 425, 426 (Tex. 2008) (per curiam)); Macias v. Fiesta Mart, Inc., 988 S.W.2d 316, 317 (Tex. App.—Houston [1st Dist.] 1999, no pet.) (citing Kindred v. Con/Chem, Inc., 650 S.W.2d 61, 63 (Tex. 1983)).

When considering a no-evidence motion for summary judgment, the court takes as true all evidence favorable to the non-movant, indulging in every reasonable inference and resolving any doubts in the non-movant's favor. *Merriman*, 407 S.W.3d at 248; *Schronk* 440 S.W.3d at 257.

### B. FRAUD BY NON-DISCLOSURE

"Fraud by non-disclosure, a subcategory of fraud, occurs when a party has a duty to disclose certain information and fails to disclose it." *Bombardier Aerospace Corp. v. SPEP Aircraft Holdings, LLC*, 572 S.W.3d 213, 219 (Tex. 2019).

To establish fraud by non-disclosure, the plaintiff must show: (1) the defendant deliberately failed to disclose material facts; (2) the defendant had a duty to disclose such facts to the plaintiff; (3) the plaintiff was ignorant of the facts and did not have an equal opportunity to discover them; (4) the defendant intended the plaintiff to act or refrain from acting based on the nondisclosure; and (5) the plaintiff relied on the non-disclosure, which resulted in injury.

*Id.* at 219-20. "In general, there is no duty to disclose without evidence of a confidential or fiduciary relationship." *Id.* at 220. However, "[t]here may also be a duty to disclose when the defendant (1) discovered new information that made its earlier representation untrue or misleading; (2) made a partial disclosure that created a false impression; or (3) voluntarily disclosed some information, creating a duty to disclose the whole truth." *Id.* 

# C. GTECH HAD A DUTY TO DISCLOSE THE TRUE FACTS BECAUSE IT MADE A PARTIAL DISCLOSURE THAT CREATED A FALSE IMPRESSION.

GTECH argues it is entitled to summary judgment on the element of duty. GTECH's Motion must be denied because GTECH made a partial disclosure to Plaintiffs that created a false impression, which gave rise to a duty to disclose the true facts about which tickets would and would not validate as winning tickets. *See id*.

The instructions for Game 5 read: "Reveal a Money Bag '&' symbol in the 5X BOX, win 5 times that PRIZE." That representation created a false impression that every player who revealed a Money Bag symbol would, in fact, win a prize. The instructions indicated that 100% of

<sup>&</sup>lt;sup>36</sup> Ex. 1 (Dale Bowersock Deposition Exhibit 98, GTECH-000184-205), at GTECH-000188.

the tickets with money bag symbols would be winning tickets. They do not state the true facts: that GTECH placed the Money Bag symbol on not only winning tickets but also on 25% of the non-winning tickets, and therefore a significant percentage of players who reveal a Money Bag symbol would not win a prize.

It was GTECH's duty to disclose the true facts. As the Supreme Court recognized in its opinion in this case, GTECH changed the parameters and chose the wording of the instructions:

GTECH was contractually obligated to design the tickets, and it submitted working papers to the Commission that included game specifications and instructions. The Commission did not tell GTECH how to write the instructions. The Commission did instruct GTECH to include the multiplier money-bag symbol on some non-winning tickets, and *GTECH changed the final working papers accordingly*. The Commission then approved those final working papers. Both before and after making the changes requested by the Commission, GTECH had discretion regarding the conduct at issue: choosing the wording of the game instructions. The Commission did not specify the manner in which that task was to be performed; it only approved GTECH's proposed instructions. GTECH points to nothing in the contract, the statute, or the evidence that left GTECH without discretion to propose complete and non-misleading instructions.

Nettles, 606 S.W.3d at 736-37 (emphasis added).

GTECH designed the tickets and submitted the working papers to the Commission.<sup>37</sup> GTECH implemented changes to the tickets and the game parameters, including changing the parameters so that the Money Bag symbol would appear on approximately 25% of the non-winning tickets.<sup>38</sup> After changing the parameters, GTECH performed three reviews of the ticket and determined that no additional changes needed to be made to the instructions to make them not misleading.<sup>39</sup> In all three reviews, GTECH made the unilateral decision to use the same wording

<sup>39</sup> Ex. 7 (Thurston Deposition), at 127:2-128:5; Ex. 8 (Whyte Deposition), at 39:19-40:23, 46:9-17.

<sup>&</sup>lt;sup>37</sup> Ex. 6 (Penelope Whyte Deposition Exhibit 29, GTECH-000154-157); Ex. 3 (Lapinski Deposition), at 54:5-57:23.

<sup>&</sup>lt;sup>38</sup> Ex. 1 (Dale Bowersock Deposition Exhibit 98, GTECH-000184-205), at GTECH-000202.

it had used when the Money Bag symbol appeared only on winning tickets, even though it knew that after changing the parameters a significant percent of non-winning tickets would contain Money Bag symbols.<sup>40</sup>

GTECH owed a duty to disclose the true facts because it knew and intended that customers, including Plaintiffs, would rely on the ticket's instructions when selecting the ticket and playing Game 5. Lapinski, GTECH's corporate representative and account development manager, testified that "the instructions printed on a scratch-off ticket [a]re very important...because they tell the player what symbols he has to get or she has to get on the ticket in order to win a prize." "The instructions explain to them how to play and how you win." Lapinski expects customers to rely on the instructions printed on the ticket.

Testimony by Plaintiffs' linguistics expert, Dr. Ronald Butters,<sup>44</sup> supports Plaintiffs' argument that the instructions created a false sense of impression:

Ordinary reasonable speakers of contemporary American English would conclude from examining GAME 5 of the Texas Lottery Commission (TLC)'s 2014 "Fun 5's" scratch-to-play game card that the purchasers had won a prize that

<sup>43</sup> *Id.* at 10:7-13.

<sup>&</sup>lt;sup>40</sup> *Id.* Notably, GTECH's instructions were fraudulent even before the game parameters were changed. As originally proposed by GTECH, the instructions for Game 5 represented to players that they could win a prize in two alternative ways: *either* by getting a tic-tac-toe combination *or* by uncovering the winning symbol. Ex. 8 (Penelope Whyte Deposition Exhibit 26, GTECH-000017-38), at GTECH-000020. Under GTECH's original parameters, this falsehood would never be discovered. Every ticket that revealed the winning symbol would have also revealed the winning tic-tac-toe combination. Players who were led to believe they could win in one of two ways would never know they had been misled because they would never uncover the winning symbol unless they had *also* won at tic-tac-toe.

<sup>&</sup>lt;sup>41</sup> Ex. 3 (Lapinski Deposition), at 8:16-18.

<sup>&</sup>lt;sup>42</sup> *Id.* at 12:8-9.

<sup>&</sup>lt;sup>44</sup> Dr. Butters is a linguistics professor in the English Department and the Linguistic Program at Duke University, who served as Chairman, the Director of Undergraduate Studies, and Director of First-Year Writing. Ex. 12 (Affidavit of Dr. Ronald Butters,) at 1-3.

the undisclosed parameters of the game may not have been designed to award. If a game player scratches off the box labeled "5X BOX" and finds a Money Bag "s" symbol and then scratches off the "PRIZE" box, this will cause the game player to understand that he or she has won a prize that is five times the amount exposed by scratching off the "PRIZE" box. The relevant language of the GAME 5 card is the independent sentence, "Reveal a Money Bag "symbol in the 5X BOX, win 5 times that PRIZE."45

The instructions that were created by GTECH and printed on the face of the ticket are a partial disclosure, which created a false impression regarding how to play and win Game 5. GTECH's partial disclosure gave rise to a duty to fully disclose the entire truth to customers, including Plaintiffs.

#### D. GTECH HAD A DUTY TO DISCLOSE THE TRUE FACTS BECAUSE IT DISCOVERED NEW INFORMATION THAT MADE ITS EARLIER REPRESENTATION UNTRUE OR MISLEADING.

GTECH also owed Plaintiffs a duty to disclose the true facts because it discovered new information that made its earlier representation untrue or misleading. See Bombardier Aerospace, 572 S.W.3d at 219-20. GTECH composed and presented the "Fun 5's" scratch-off game to the TLC as a game that the TLC could offer to Texas customers. 46 GTECH's instructions for Game 5 represented that any player who revealed the winning symbol would win a prize.<sup>47</sup> The TLC selected "Fun 5's" as a game that it intended to offer during the 2014 fiscal year. 48

After presenting the initial draft working papers for the "Fun 5's" game to the TLC, GTECH discovered new information that made its earlier representation untrue or misleading. The

<sup>&</sup>lt;sup>45</sup> *Id.* at 4.

<sup>&</sup>lt;sup>46</sup> Ex. 2 (Lapinski Deposition), at 53:23-57:11; Ex. 3 (Lapinski Deposition Exhibit 12).

<sup>&</sup>lt;sup>47</sup> Ex. 4 (Penelope Whyte Deposition Exhibit 26, GTECH-000017-38), at GTECH-000020.

<sup>&</sup>lt;sup>48</sup> Ex. 2 (Lapinski Deposition), at 54:24-55:15.

TLC requested that GTECH change the game parameters to include the winning symbol on both winning and some non-winning tickets.<sup>49</sup> GTECH implemented the change.<sup>50</sup>

After changing the parameters, GTECH performed three reviews of the ticket and decided that no additional changes needed to be made to the instructions to make them not misleading.<sup>51</sup> In all three reviews, GTECH made the unilateral decision to use the same wording it had used when the winning symbol appeared only on winning tickets, even though it knew that a significant percent of non-winning tickets would also contain the winning symbol because of the parameter changes.<sup>52</sup>

GTECH's discovery that the TLC wanted to change the parameters, and GTECH's implementation of the parameter changes, made its earlier representation untrue or misleading. GTECH knew that, because of the parameter changes, some players who revealed the winning symbol would win a prize, and some players who revealed the winning symbol would not.<sup>53</sup> GTECH's discovery of this new information gave rise to a duty to disclose the truth that not all players who revealed a winning symbol would win a prize.

# E. GTECH VOLUNTARILY DISCLOSED SOME INFORMATION, CREATING A DUTY TO DISCLOSE THE WHOLE TRUTH.

Finally, GTECH owed Plaintiffs a duty of disclosure for a third reason: it voluntarily disclosed some information, creating a duty to disclose the whole truth. See Bombardier

<sup>51</sup> Ex. 7 (Thurston Deposition), at 127:2-128:5; Ex. 8 (Whyte Deposition), at 39:19-40:23, 46:9-17.

<sup>53</sup> Ex. 6 (Penelope Whyte Deposition Exhibit 29, GTECH-000154-157), at GTECH-000154.

<sup>&</sup>lt;sup>49</sup> Ex. 6 (Penelope Whyte Deposition Exhibit 29, GTECH-000154-157), at GTECH-000154, 000157.

<sup>&</sup>lt;sup>50</sup> Ex. 1 (Dale Bowersock Deposition Exhibit 98, GTECH-000184-205), at GTECH-000202.

<sup>&</sup>lt;sup>52</sup> *Id.*; Ex. 6 (Penelope Whyte Deposition Exhibit 29, GTECH-000154-157), at GTECH-000154.

Aerospace, 572 S.W.3d at 219-20. GTECH voluntarily disclosed that players who revealed a "Money Bag 's' symbol in the 5x BOX" would win a prize.<sup>54</sup> However, since GTECH placed the Money Bag symbol on not only winning tickets but also on 25% of the non-winning tickets, GTECH knew that a significant percentage of players who reveal a Money Bag symbol would not win a prize.<sup>55</sup>

Therefore, there is a genuine issue of material fact precluding summary judgment on the element of duty, and GTECH's Motion should be denied.

## V. PRAYER

For the foregoing reasons, Plaintiffs pray that this Court deny GTECH's Motion for Summary Judgment.

Respectfully submitted,

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<sup>&</sup>lt;sup>54</sup> Ex. 1 (Dale Bowersock Deposition Exhibit 98, GTECH-000184-205), at GTECH-000188.

<sup>&</sup>lt;sup>55</sup> Ex. 6 (Penelope Whyte Deposition Exhibit 29, GTECH-000154-157), at GTECH-000154.

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## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument has been forwarded to all counsel in accordance with the Texas Rules of Civil Procedure on this the 10<sup>th</sup> day of June, 2020.

Kenneth E. Broughton Elizabeth C. Brandon Michael H. Bernick Arturo Muñoz REED SMITH LLP 2850 N. Harwood Street, Suite 1500 Dallas, Texas 75201

> <u>/s/ Natalie Armour</u> NATALIE ARMOUR

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Tracy Regner on behalf of Natalie Armour Bar No. 24070785 TAR@lanierlawfirm.com Envelope ID: 54289405 Status as of 6/11/2021 1:44 PM CST

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