

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery Commission
Concord, NH

November 6, 2009

Present: Maine: Orland McPherson, Dan Gwadosky, Lisa Rodrigue, Rich Sperlazzi, Michael Boardman, Denise Garland
New Hampshire: Richard J. Campbell, Rick Wisler, Maura McCann, Kassie Strong, Irene Nadeau
Vermont: Tom Scala, Mary Cassani, Hadley Melendy
NL Partners: Chris Nichols, Russ Leonard, Jennifer Cartmell
Griffin, York & Krause: Rose Longo-White, Mel Woodbury
Scientific Games: Liz Dimmick, Moe Pepin, Darrell Frecker
Intralot: Terry Patterson, John Pittman, Glenn Goulet, Pete Fotopoulos, George Fotopoulos, Scott Hoss

The meeting was called to order at 10:35 a.m.

ACCEPTANCE OF THE OCTOBER 2, 2009 MINUTES

A motion was made by Commissioner Campbell to accept the October 2, 2009 minutes as distributed. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE REPORT – Mary Cassani

There was a review of the September financials. Revenue for September has increased almost \$3 million dollars, or an increase of 18.29% compared to last year. The increase is in Megabucks sales which is a 40.31% increase for the three states. Daily Numbers sales are down almost \$700,000, or down 11.62%. Weekly Grand sales compared to Paycheck sales for last year are up \$693,000, which is a 38.89% increase. The Fast Play games are down \$146,000 or 19.75%, down from last year.

Net Profit through September has increased \$855,000, a 14.77% increase over last year. Compared to what we have budgeted, we are ahead of budget by \$2.8 million.

So far, the total operating budget has been under spent by \$284,000 and most of that is because Maine has under spent their advertising budget by about \$350,000.

The Weekly Grand winner for September 25th put the guaranteed jackpot contingency fund in the negative about \$189,000. Tuesday there was another winner. This negative situation is taken care of at the end of the fiscal year if there is still a negative contingency utilizing expired, unclaimed prizes. All the

other contingency funds are in the positive. Expired, unclaimed prizes are just under \$1.3 million.

There was a discussion last month about the T Strips that were purchased for the Megabucks winner that we didn't use as the winner chose cash. There was an August 1 winner and that person chose cash so we were not able to utilize the strips for that winner. We are still holding on to those strips, waiting for the rates to go down. Mary did discuss this with the auditors and there is no issue in holding on to them at this time.

MARKETING COMMITTEE – Maura McCann

Maura noted the New Hampshire Lottery's branding effort they are planning to incorporate over the next few years; similar colors, texture, etc. to identify the New Hampshire Lottery. Maura shared their advertising and new point-of-sale items. Next month Maine and Vermont will share their advertising materials.

DEVELOPMENT COMMITTEE – Lisa Rodrigue

Maine announced that they have retained NL Partners for the next three years with the option for two one-year renewals. The contract is not finalized for signature at this time.

Cross-selling issues with MegaMillions: New Hampshire and Vermont are scheduled to launch on January 31, 2010. Maine still needs approval so probably will not launch before July of 2010.

A new Fast Play game was going to launch after the holiday game but now we have to use one of the old games. A decision was made to use Lucky Dice. SG will not be able to put a new game out for us because of what they will have to do for NH and VT for MegaMillions.

Maine did launch Hot Lotto in October successfully. The Sizzler sales with the promo for the first few weeks were over 80%.

We are all set with the holiday promo entitled "Twelve Days of Winning" which will start December 14.

We are up to date on Pick 3/Pick 4. Vermont has completed their testing and they are all set to go. Maine will be starting next week and New Hampshire is starting next week as well.

There is a meeting today after the Tri-State meeting to go over the various promotions and money allocations.

DRAW COMMITTEE – Maura McCann

Draw Auditing Services RFP: The current contract expires June 30, 2010. Sealed bid proposals are due March 5, 2010 at 4 p.m. A copy of the RFP was included in the meeting packet.

OPERATIONS COMMITTEE – Lisa Rodrigue

The committee is meeting the first Wednesday of each month at 9 a.m. There isn't a lot going on other than getting ready for MegaMillions and working on the SRS and the Daily Numbers bet slip. Maine is also doing this so everything will be in line so they will be ready to launch MegaMillions. Holiday Bucks, the next Fast Play game, is all set to go.

SCIENTIFIC GAMES – Darrell Frecker

There is a lot going on with the three different states. SG is working with the Development Committee on promotions and getting things ready for moving into the promotion schedule for next year. They are also working on the Pick 3/Pick 4 release which is coming up in November as well as working on other SRSs and will continue into MegaMillions.

Liz thanked everyone for their cooperation.

ACCEPTANCE OF THE COMMITTEE REPORTS

A motion was made by Commissioner Scala to accept the reports as presented. Motion was seconded and voted in the affirmative.

OTHER BUSINESS

Pick 3/Pick 4 Rules: There was a discussion on the revised rules. A suggestion has been made to accept the rules with two minor corrections.

MOTION

A motion was made by Commissioner Scala to accept the updated Pick3/Pick 4 rules with two minor corrections. Motion was seconded and voted in the affirmative.

The next commission meeting is scheduled for Friday, December 4, 2009, at 10:30 a.m. at the New Hampshire Lottery Commission in Concord, NH.

A motion to adjourn was made at 11:13 a.m.

Orland McPherson, Chair