

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery Commission
Concord, NH
Friday, December 5, 2008, 10:30 a.m.

Present: Vermont: Tom Scala, Alan Yandow, Hadley Melendy, Mary A. Cassani and Carole Lacasse
Maine: Orland McPherson, Dan Gwadosky, Rich Sperlazzi, Lisa Rodrigue and Denise Garland
New Hampshire: Richard Campbell, Rick Wisler, Maura McCann, Robert Preston and Kassie Strong
NL Partners: Russ Leonard, Chris Nichols, John Ripley and Jen Cartmell
Griffin, York, Krause: Rose Longo-White and Mel Woodbury
Scientific Games: Darrell Frecker and Liz Dimmick

The meeting was called to order at 10:32.

ACCEPTANCE OF THE NOVEMBER 7, 2008 MINUTES

A motion was made by Commissioner Campbell to accept the November 7, 2008 minutes as distributed. Motion was seconded and voted in the affirmative.

RATIFY ACTIONS TAKEN AT THE NOVEMBER 7, 2008 MEETING

A motion was made by Commissioner Campbell to ratify actions taken at the November 7, 2008 meeting: Approval of \$6,500 to Gaming Laboratories and to increase the limit to our Trademark Attorney to \$5,000. Motion was seconded and voted in the affirmative.

FINANCE COMMITTEE – Mary Cassani

Gross revenues for Tri-State through October 2008 have decreased \$2,509,226, or 10.68% compared to last year. Of this decrease, Megabucks sales are down \$1,818,736, or 15.47%; Daily Numbers sales are up \$248,833, or 3.31%; Paycheck sales are down \$695,864, or 23.05%; the Fast Play games are down \$243,459, or 20.26% from last year.

Total Expenses through October 2008 are down from last year \$1,502,434. This represents a decrease in cost of sales of \$1,530,208 and an increase in operating expenses of \$27,774.

Net Profit through October 2008 decreased from last \$1,154,554, or 13.62%.

Compared to what we have budgeted, our sales are behind forecast a

total of \$1,103,489. Due to decreased sales, cost of sales is also under budget by \$701,727. All three states have under spent their operating budgets this year a total of \$714,264; \$702,681 was under spent in the advertising line item.

All contingency funds are in the positive at the end of October and expired, unclaimed prizes are over \$1.3 million.

MARKETING COMMITTEE – Maura McCann

The press clip report was distributed. Maine had about 90% of the press clip report for the month.

Maura has been approached by a press clip company from California who can provide the clips online. They would be received daily and forwarded to commission members. A fee would have to be negotiated. There was a brief discussion on interest in continuing the press clip report.

MOTION

A motion was made by Commissioner Scala to discontinue the use of the clip report. This would be a savings of about \$4,000 a year. Motion was seconded and voted in the affirmative.

Maura distributed New Hampshire Lottery's FY08 annual report. The Maine Lottery provided their point-of-sale material regarding Powerball changes and Weekly Grand point of sale and the Raffle they will conduct to promote Weekly Grand. New Hampshire showed some new television spots they've recently produced.

DEVELOPMENT COMMITTEE – Hadley Melendy

The committee has been conducting weekly teleconference meetings. The Powerball game change is scheduled for January 4th, the Fast Play game "Lucky Numbers" was launched three weeks ago. Sales are lower in all three states than originally expected. The Holiday Promotion being conducted in New Hampshire and Maine is scheduled to start December 21st in Maine and the 18th in New Hampshire.

Megabucks Plus is the name of the new \$2 game being explored. Vermont is comfortable moving forward using the 20% sales increase assumption. Guaranteed jackpots, etc. are yet to be decided. The business plan is not available for this game at this time. Plans are to distribute the plan before next month's meeting for review. A logo will also be included in the business plan. The scheduled go live date for this game is mid to late July 2009. Director Wisler asked if any decisions had to be made today in order for this game to go live as planned. Darrell feels everything is on line to date.

Director Wisler asked if Virginia and/or South Carolina is experiencing the same decline in Fast Play sales as we are. Liz will check for us.

Hadley mentioned a promotion in which an on-line ticket may be a prize in an instant game. This is being investigated. Rich Sperlazzi indicated that this would have to be a separate SRS.

DRAW COMMITTEE - Maura McCann

Maura informed the commission of an issue Thanksgiving night in which there was a cracked Pick 3/Pick 4 ball. Smartplay was contacted. They offered to replace the ball. Maura inquired about a guarantee as this set was put into rotation February 2007. The guarantee is only for one year. At that time, Maura requested Smartplay to replace the case at a cost of \$153.

MOTION

A motion was made by Commissioner McPherson to authorize the purchase of the new drawing balls at a cost of \$153. Motion was seconded and voted in the affirmative.

OPERATIONS COMMITTEE – Rich Sperlazzi

Changes have been made to the SRS for Megabucks. Software people are currently looking at this at this time. The committee plans to meet with the software people and pick up whatever time they can to eliminate any future delays. The committee reviewed SG testing. Robert Preston found something yesterday regarding Powerball and that is being corrected. This wasn't an issue in Maine and Vermont and Moe already has a fix in for the issue. States are conducting their testing now.

The committee has been talking about the Pick 3 and Pick 4 enhancements and are keeping an eye on milestones so this can continue along.

The General Managers of SGs are going to meet regarding the Fast Play games.

There are a couple Fast Play games that have not been used yet --Cash Cube and Jumbo Bucks.

The Pick 3/Pick 4 game enhancements are scheduled for mid November.

SCIENTIFIC GAMES – Darrell Frecker

SGs continues to support all the testing going on.

Darrell stated that it's very refreshing to be working on project after project where we are all working so hard to increase sales and

improve things, especially in light of the economy.

ACCEPTANCE OF THE COMMITTEE REPORTS

MOTION

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

OTHER BUSINESS

The next commission meeting is scheduled for January 9, 2009 at 10:30 a.m. at the New Hampshire Lottery Commission.

A motion to adjourn was made at 11:05 a.m.

Thomas Scala, Chair