NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, October 17, 2013

Chairman Tucci called the Commission meeting into session at 10:00 AM in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

COMMISSION MEMBERS PRESENT
Thomas Tucci, Chairman
Al Alvarez, Commissioner (by phone)
Robert D'Anton, Commissioner (by phone)
Munr Kazmir, Commissioner (by phone)
Roger Cohen, Treasurer Designee

Carole Hedinger, Executive Director
John Custodio, Deputy Executive Director
Kellie Pushko, Deputy Attorney General
Peter Simon, Governor's Auth. Unit (by phone)

STAFF
Regina Arcuri
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Janice Eckstein
Karen Kokoll
Jean Lin
Dolores Matos
Richard Pagnani
Steve Palmieri
Debbie Raub
Mary Ann Rivell
Margaret Square

VISITORS
Sarah Brennan, Northstar
Lou Cleary, Northstar
Russ Knapp, Northstar
Foster Krupa, GTECH (by phone)
Gordon Medenica, Northstar
Joan Mueller, Brushfire
Bill Murray, Northstar

After the Pledge of Allegiance, Chairman Tucci announced that the Lottery was in compliance with the provisions of the Open Public Meetings Act, and that adequate notice of the meeting had been provided in the manner prescribed by law.

Chairman Tucci requested a motion to approve the minutes of the September 19, 2013 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Vice Chairman Alvarez. Chairman Tucci asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger stated that this report concludes the first three months of the fiscal year; which is representative of the operation of the Lottery in its entirety before the transition of Sales and Marketing activities to Northstar on October 1st.

Executive Director Hedinger reported that the sales results are the effort of the Lottery for those first three months. YTD sales were more than 7% ahead of the prior year, with net revenue that is more than 6% ahead of the prior year.

Executive Director Hedinger stated that every lottery game is up year over year.

Executive Director Hedinger noted that September ticket sales were up 5% ahead of last year. She stated that the growth came mainly from the draw games. She noted that we are right on target for revenue contributions.

Executive Director Hedinger stated that the receipts and deposits for the month of September were $327 million.

Executive Director Hedinger reported that there were 78 Electronic Fund Transfer failures during the month of September.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are over $5.7 million.

Executive Director Hedinger noted that the current balances in the annuity investment accounts total $246.4 million.

Executive Director Hedinger stated that the three top non-core instant game sales during September were close to $10 million and the core instant game sales totaled more than $62 million.

Executive Director Hedinger reported that seven new games were introduced in September. The highlight of these new game introductions is the "Win For Life" family of games, which is heavily supported by advertising as a family of games.

Executive Director Hedinger reported the Pick 3/Pick 4 "Red Ball Doubler" promotion concluded with a sales increase of more than 26%.

Executive Director Hedinger stated that the continuity of annual red ball/green ball promotions contributes to the increase in the Pick-3/Pick-4 games. The fact that we are back on television is also contributing to the increase.

Executive Director Hedinger reported that we now have almost 102,000 Lottery Facebook likes.

Executive Director Hedinger reported that the two most watched videos for the month of September were our latest "Behind the Ball" videos.

Executive Director Hedinger noted that our Twitter and YouTube sites are growing every month.

Executive Director Hedinger stated that there were multiple press releases during the month of September.

Executive Director Hedinger noted that there were two meetings held in conjunction with the Council on Compulsive Gambling regarding responsible play program.

Executive Director Hedinger stated that we have many Lottery events coming up in October to support local events.

Executive Director Hedinger reported that there were 135 security investigations and 106 random field inspections during the month of September.

Executive Director Hedinger stated that there are 6,686 licenses issued as of the end of September.

Executive Director Hedinger noted that we opened our first Wawa location in the beginning of October. Wawa is off to a successful start.

Executive Director Hedinger stated that the IMS staff is working with the Department of Treasury, Division of Revenue with testing the Business Continuity site for network connectivity.

Executive Director Hedinger reported that the IMS staff has met with OIT, Gtech and Northstar to discuss transferring Lottery's website to Northstar.

Executive Director Hedinger noted that the VIP Club increased its membership with 2,155 new registrations during the month of September and now has an enrollment of 262,015 active members.

Executive Director Hedinger stated that the Validation Staff received over 4,000 claim forms during the month of September and there were 33 social security matches between our files and various agencies for arrearages.

Executive Director Hedinger noted that all drawing and pool closings were held in accordance to established procedures with no abnormalities.

Executive Director Hedinger reported that all other activities among the call center, warehouse, operations and facilities were all normal procedural activities with no issues or problems.

Executive Director Hedinger stated that this concludes the Director's Report.

Chairman Tucci requested a motion to approve the Director's Report. Commissioner Kazmir made the motion which was seconded by Commissioner Alvarez. Chairman Tucci asked if there were any comments and there being none the motion carried.

NEW BUSINESS

Executive Director Hedinger certified that consideration for each game included, but was not limited to, intended target market, product family, seasonal factors, launch plans, overall market strategy, sales goals, prior experience, current market trends and market place demands.

Chairman Tucci requested a motion to approve the instant ticket game rules for "$150,000,000 Cash Spectacular." Commissioner Kazmir made the motion which was seconded by Commissioner Alvarez. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the instant ticket game rules for "Love to Win!" Commissioner Kazmir made the motion which was seconded by Commissioner Alvarez. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the game rules for Powerball "Hall of Fame" Promotion. A discussion was held regarding rules and regulations. Commissioner Kazmir made the motion which was seconded by Commissioner Alvarez. Chairman Tucci asked if there were any comments and there being none the motion carried.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Chairman Tucci asked for a motion to adjourn the meeting. Commissioner Kazmir made the motion which was seconded by Commissioner Alvarez. The motion carried.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on October 17, 2013.

IN WITNESS WHEREOF, I hereby set my hand on

the 19th day of November, 2013.

Carole Hedinger

Carole Hedinger
Executive Director