

**NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
THURSDAY, MARCH 25, 2010 9:00 AM**

PRESENT:

Richard J. Campbell, Jr., Chairperson
Paul J. Holloway, Commissioner
Debra M. Douglas, Commissioner
Bill Bartlett, Acting Director
Diane Campbell, Administrative Assistant
Maura McCann, Programs Information Officer
Georges Roy, Administrator III
Barry Bodell, Admin. Services
Len Mannino, Security Director
Robert Preston, Instant Ticket Games Manager
Irene Nadeau, On-Line Games Manager
Rose Longo-White, Griffin, York & Krause, Inc. (GYK)
Kevin Flynn, GYK
Mel Woodbury, GYK
Moe Pepin, SGI
John Papile, Intralot
James Brown, Intralot
George Fotopoulos, Intralot
Terry Patterson, Intralot

Commissioner Campbell convened the Commission meeting at 9:00 a.m.

**1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES OF 2/16/10, 2/18/10
& 3/2/10:**

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to approve the 2/16/10, 2/18/10 and 3/2/10 commission meeting minutes. So voted, unanimous.

**COMMISSION VOTE TO APPROVE FINAL PROPOSAL FOR SW 5000,
RULES OF MULTI-STATE LOTTERY ASSOCIATION GAMES:**

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to approve the final proposal for Chapter Sw 5000, Rules of Multi-State Lottery Association Games. So voted, unanimous.

**3. COMMISSION VOTE TO REPEAL SW 400, NEW HAMPSHIRE LOTTERY
RULES FOR DISTRIBUTION OF PURSE MONEY TO RACE TRACKS, PER RSA
284:21-i, II, (b):**

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to

repeal Chapter Sw 400, New Hampshire Rules for Distribution of Purse Money to Race Tracks, per RSA 284:21-i, II(b). So voted, unanimous.

4. ON-LINE CONVERSION UPDATE:

Irene Nadeau, On-Line Games Manager, updated the Commission on the status of the Lottery's on-line conversion to the Intralot system, effective July 1, 2010. Ms. Nadeau reported that conversion newsletters and postcards regarding training will be distributed to the retailers. Training for the retailers will be the week of April 19th -April 23rd. John Papile, Irene Nadeau, Robert Preston and Len Mannino recently visited Intralot's primary test site in Vermont which was very informative. Installs for DSL connections are being conducted by Fairpoint., 507 retailers are going to have DSL connections, as of this week 42 have been completed. From a total of 346 VSAT connections, 202 have been installed at retailer locations. The installations for the 3G communications will be done between April 26 and May 28th. Intralot has completed the installation of five Microlot terminals for testing at the Lottery. An update was provided on the status of the terminal testing, retailer managing, commissions paid to retailers, security, and satellite connections.

Commissioner Holloway inquired about the schedule for Replay testing on the new system and the importance of Replay since the program represents a large investment for the Lottery. Ms. McCann assured the Commission that the Replay testing will definitely be done in time for the launch. Ms. McCann indicated there would probably be sample tickets shown on the Replay site from both the Scientific Games and Intralot systems so players will know exactly how to enter their non-winning tickets properly. Irene Nadeau offered to provide the Commission with the testing schedule for the Replay portion. Ms. Nadeau provided information on the upcoming training for retailers to learn how to operate the new Intralot lottery terminals.

5. INTERNET GAME UPDATE:

Robert Preston, Instant Games Manager, reported that the welcome page for the Internet Game is in the process of being designed. Mr. Preston gave a brief description of how the game will work. Mr. Preston stated Intralot has had the games for a period of time, and testing is expected to begin shortly. Animated graphics and characters will be used. Players will be able to click on a link from the Lottery's website home page or go directly to the new website listed on the tickets. Ms. McCann stated the New Hampshire Lottery will be one of the first lotteries to offer internet gaming. Ms. McCann stated the tickets will go on sale July 1, 2010.

6. FINANCIAL REPORT:

Georges Roy, Administrator III, discussed the Lottery's net revenue for this fiscal year and projections of lower than expected revenue. A discussion was held on a decreased sales pattern for the Salem lottery outlet since other neighboring states began selling Powerball at the end of January, 2010. Commissioner Holloway expressed his concern about the negative impact this may have on the lottery's sales. A brief discussion was held on the closing of the Portsmouth lottery outlet and its impact on sales.

Mr. Roy stated the Governor had signed off on the proposed Lottery reductions submitted to him.

7. TRI-STATE REPORT:

Commissioner Campbell reported that the Tri-State Commission meeting was held on March 5, 2010. The Financial Report indicated that Tri-State sales year to date increased 22.7%, with New Hampshire's share at 16.81%. The Tri-State net profit increased \$3 million or 25% comparing last year to this year. Maura McCann, stated a player survey regarding Weekly Grand, was conducted in Maine, New Hampshire and Vermont. The survey revealed player interest primarily for the name of the game and a chance to win \$1,000 a week for 20 years, viewing the possible win as an additional paycheck.

A brief discussion was held on jackpot alerts advertising and the cost effectiveness of the jackpot alerts. Ms. McCann stated with the jackpot alerts on the air, the Megabucks Plus jackpot is garnering attention and our sales are increasing. Commissioner Holloway suggested doing a year to date comparison for the number of tickets sales for the Megabucks Plus. Commissioner Holloway stated the test will be to look at the next couple of weeks to see if we are driving the number of tickets per period being sold. Ms. McCann stated she would provide this information to the Commission.

Commissioner Campbell stated the Tri-State Commission approved the 2 year extension for the Tri-State advertising portion of the GYK contract. The Tri-State Commission also approved a \$3,000 increase to the Trademark Attorney to complete his trademark work.

8. ADVERTISING:

Maura McCann showed the Commission the new halo sign which the lottery sales staff will hang from the ceilings at retailer locations, as part of the Lottery's branding effort. Ms. McCann stated the sign will be available in three sizes and will help easily identify the lottery. Ms. McCann updated the Commission on the billboards used to advertise the Powerball and Mega Millions jackpots.

Ms. McCann stated a promotion was about to begin called the SuperFan promotion where people can go to a "Super Fan" link on our website and sign up to win a number of items from the Monarchs/Fisher Cats: season passes, autographed jerseys, a chance to do a play by play commentary, meet/greets, etc. Ms. McCann stated sales for the \$5.00 Aerosmith Dream On instant game have exceeded 50%, so the first drawing for the Dirico motorcycle will be held on April 30, 2010 at Merchants Auto.com stadium in Manchester, New Hampshire. A second Dirico motorcycle will be awarded at a second drawing later on when the instant game closes.

Ms. McCann stated the Bass Pro Shops instant ticket will launch Memorial Day weekend at the I-93 Northbound Liquor Store. The current Ultimate Replay prize is a partnership with the New Hampshire Motor Speedway offering tickets to the Lenox Industrial Tools 301 June race in Loudon, New Hampshire and the Camping World Truck race in Las Vegas, Nevada in September.

A brief discussion was held on the possibility of selling lottery tickets at the New Hampshire Motor speedway. Rose Longo-White stated she would like to hold a ½ day workshop to discuss Replay. Ms. Longo-White stated a representative from the company hired to conduct an indepth data analysis on the Replay will do the presentation. Commissioner Holloway requested that Replay costs to the Lottery be provided to the Commission and Director.

9. OTHER BUSINESS:

Director Bartlett stated he met with George Fotopoulos of Intralot and he has provided him with the milestones and their plans of implementing the conversion. It was agreed that a weekly report will be provided by Mr. Fotopoulos including timeframes for plans and completion dates.

Director Bartlett stated the advertising for the instant tickets will be reviewed, to make sure there is sufficient promotion and advertising for the instant games, since instant sales are a large part of the Lottery's revenue.

10. NEXT MEETING:

Commissioner Campbell made a motion, seconded by Commissioner Douglas, to schedule the next Commission meeting for May 5, 2010 at 9:30 a.m. A public hearing will be held on the repeal of the racetrack rules that day. So voted, unanimous.

Commissioner Douglas made a motion, seconded by Commissioner Holloway, to adjourn the meeting at 10:30 a.m. So voted, unanimous.

Richard J. Campbell, Jr., Chairperson

Paul J. Holloway, Commissioner

Debra Douglas, Commissioner