NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, AUGUST 22, 2013

Vice Chairman Ragazzo 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
Frank Ragazzo, Vice Chairman
Al Alvarez, Commissioner (by phone)
Robert D'Anton, Commissioner (by phone)
Munr Kazmir, Commissioner (by phone)
Roger Cohen, Treasurer Designee (by phone)

Carole Hedinger, Executive Director
John Custodio, Deputy Executive Director
Kellie Pushko, Deputy Attorney General

STAFF
Regina Arcuri
Lou Cleary
Denise Coleman
Duane Daniels
Janice Eckstein
Karen Kokoll
Foster Krupa
Jean Lin
Dolores Matos
Richard Pagnani
Steve Palmieri
Mary Ann Rivell

VISITORS
Debbie Krupa
Ed Krupa
Gordon Medenica, Northstar
Bill Murray, Northstar
Joan Mueller, Brushfire

After the Pledge of Allegiance, Vice Chairman Ragazzo 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.

Vice Chairman Ragazzo requested a motion to approve the minutes of the July 18, 2013 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the minutes of the special July 29, 2013 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Commissioner Alvarez joined the meeting by phone at 10:10 AM.

Vice Chairman Ragazzo excused Commissioner Kazmir from the meeting due to another conflict.

DIRECTOR'S REPORT

Executive Director Hedinger stated that we started the new fiscal year in July and sales were up 6.1%. She stated that she looked at the individual games for the past few years and is very pleased we were able to reverse the Pick 3 and Pick 4 declines and now have them in a positive growth category. She stated that the efforts of the repeated promotions to those games for the last three years have paid off and we should see a healthy Pick 3 and Pick 4 into the future.

Executive Director Hedinger stated that the receipts and deposits for the month of July were $217 million.

Executive Director Hedinger stated that there were 84 Electronic Fund Transfer failures during the month of July.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are $14.6 million.

Executive Director Hedinger stated that the current balances in the annuity investment accounts total $255 million.

Executive Director Hedinger stated that the three top non-core instant game sales during July were over $12 million and the core instant game sales totaled over $63 million.

Executive Director Hedinger reported that development and preparations were complete for the Pick 3/Pick 4 "Red Ball Doubler" promotion which starts in early September and the multi-state "Halloween Millions" raffle which begins in late September.

Executive Director Hedinger stated that the Mega Millions game enhancements are underway which is slated to begin in October.

Executive Director Hedinger stated that Lottery Facebook continues to be one of the most popular Facebook pages in all the State Lotteries with over 94,000 likes at the end of July.

Executive Director Hedinger reported that we had multiple press releases during the month of July.

Executive Director Hedinger noted that we began preliminary planning with the Council on Compulsive Gambling for the Annual "Not 18 Yet? No Bet" Awareness campaign.

Executive Director Hedinger stated that we participated in the Quick Chek Festival of Ballooning in Readington at the end of July.

Executive Director Hedinger noted that the retailer count at the end of July was 6,651.

Executive Director Hedinger stated that the Call Center handled 2,388 incoming calls and made 447 outgoing calls during the month of July.

Executive Director Hedinger reported that there were 155 security investigations and 158 random field inspections during the month of July.

Executive Director Hedinger stated that we are in the process of transitioning employees from Lottery employment to Northstar employment. She stated that two Lottery sales representatives moved into the Lottery Security Department. She stated that they qualified for new investigator positions which were created in Security.

Executive Director Hedinger noted that the VIP Club increased its membership with 1,768 new registrations during the month of July and now has an enrollment of 257,634 active members.

Executive Director Hedinger reported that the Validation Staff received over 4,000 claim forms during the month of July and there were 16 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 stated that this concludes the Director's Report.

Vice Chairman Ragazzo requested a motion to approve the Director's Report. Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo 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.

Vice Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Holiday Greetings." Commissioner D'Anton made the motion which was seconded by Commissioner Alvarez. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Holiday Lucky Times 10." Commissioner D'Anton made the motion which was seconded by Commissioner Alvarez. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Season's Gold." Commissioner D'Anton made the motion which was seconded by Commissioner Alvarez. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Merry Millionaire." Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the instant ticket game rules for "3 X Cash." Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Massive Money Bingo." Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Snow Me the Money." Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Vice Chairman Ragazzo requested a motion to approve the Revised 2014 Drawing Schedule for "Million Dollar Replay" rules. Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton. Vice Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Executive Director Hedinger thanked the Commissioners for their indulgence today in joining us so that these important votes could get done. She stated that we have a very aggressive schedule for the coming year and it is important that we meet all of the timing requirements that have to be met.

Executive Director Hedinger stated that we are well into the transition and it has been going very well. She noted that we have weekly meetings with Northstar and go over in detail all of the transition items that have to be taken care of and every other week we meet with the Deputy Treasurer to keep them up to date on transition activities. She stated that the hardest part was the transitioning of the employees, with all the interviews and job offers, and staff having to make decisions on whether there was a Lottery job available to them or if they would take a Northstar job. She reported that she thinks that every single impacted employee is in a job which she feels is an accomplishment and a testament to the cooperation between Northstar and the Lottery in making this transition as smooth as possible.

Vice Chairman Ragazzo stated that he also agrees that it went very smoothly.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Vice Chairman Ragazzo asked for a motion to adjourn the meeting. Commissioner Alvarez made the motion which was seconded by Commissioner D'Anton. 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 August 22, 2013.

IN WITNESS WHEREOF, I hereby set my hand on

the 20th day of September, 2013.

Carole Hedinger

Carole Hedinger
Executive Director