NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, JUNE 21, 2012

Chairman Ragazzo called the Commission meeting into session at 11:00 AM in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

COMMISSION MEMBERS PRESENT
Frank Ragazzo, Chairman
Munr Kazmir, Vice Chairman (By Phone)
Al Alvarez, Commissioner (By Phone)
Robert D'Anton, Commissioner (By Phone)
Robert Slater, Commissioner (By Phone)
Thomas Tucci, Commissioner (By Phone)
Jennifer D'Autrechy, Treas. Designee

Carole Hedinger, Executive Director
Jennifer Linett, Deputy Attorney General
John Cascarano, Gov. Auth.Unit

STAFF
Regina Arcuri
Lou Cleary
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Karen Kokoll
Foster Krupa
Jean Lin
Dolores Matos
Steve Palmieri
Margaret Square

After the Pledge of Allegiance, 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.

Chairman Ragazzo requested a motion to approve the minutes of the May 17, 2012 Commission Meeting. Vice Chairman Kazmir made the motion, which was seconded by Commissioner D'Anton. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger stated that the sales for the month of May totaled $234.44 million, which represented an increase of 4.2% over last year's monthly sales. She stated that we are just under 0.9% for the budgeted amount for FY'12.

Executive Director Hedinger stated that overall for this fiscal year the games have performed very well. She stated that our marketing plan lifted sales and revenues.

Executive Director Hedinger stated that the receipts and deposits for the month of May were $208.6 million.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are over $22.5 million.

Executive Director Hedinger stated that the top selling instant games during the month of May were "$100,000,000 Spectacular", "10X Cash" and "Hold'Em Poker."

Executive Director Hedinger noted that there was no advertising during this month to support instant games.

Executive Director Hedinger reported that New Jersey Lottery continues leading in the social media area. She stated that our Facebook continues to be one of the most popular Facebook pages in all the State Lotteries. She noted that we are close to having 60,000 fans.

Executive Director Hedinger stated that we had a visitor from the Kentucky Lottery who looked at how we are using Facebook to stream our drawings every day. She stated that other States are also looking at the way we are streaming the drawings and are picking up that it is a very economical and modern way to reach the players.

Executive Director Hedinger stated that we continue to get a good amount of press coverage. She stated that we are reaching out to every kind of media.

Executive Director Hedinger stated that we released our video of the visit that we had with the Marie Katzenbach School for the Deaf and we will show the video at a future meeting.

Executive Director Hedinger stated that the retailer count for the end of May is over 6300. She stated that we are continuing to reach out for new retailers to get to the 6700 agent level.

Executive Director Hedinger reported that there were 128 security investigations and 58 random field inspections during the month of May.

Executive Director Hedinger reported that there was a total of $6,184.39 collected for the month of May through the efforts of the NJ Lottery/Division of Taxation Joint Investigation Project. She stated that the total collected for FY'12 is $119,012.80.

Executive Director Hedinger stated that the entire Lottery staff has been assigned new computers. She stated that on June 25 we will undergo a network switchover and there will be a security audit which will begin on Tuesday. She stated that because we are having changes to our technology, the MUSL association will send their auditor to do a security check to make sure that we are in compliance with their rules.

Executive Director Hedinger stated that the VIP Club increased its membership with 2,965 new registrations during the month of May and now has an enrollment of 229,615 active members.

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

Chairman Ragazzo asked if there were any comments on the Director's Report.

Commissioner Tucci congratulated Executive Director Hedinger and staff. He stated that he felt that the budget projections were very high this past year and for Lottery to come that close to the budgeted projections was a job well done.

Chairman Ragazzo agreed and stated that he also felt those projections were very high.

Commissioner Slater stated that he mentioned at the last meeting that Jersey Cash 5 needs some explanation because the trending of it is not great.

Executive Director Hedinger stated that Jersey Cash 5 was really a game that was on the upswing where the players caught on to the fact that the jackpots rose to half million dollars or higher with a lot of frequency and they also saw that the odds were very good. She stated that it became an extremely popular game and that started the jackpots getting hit much more often. She stated that there has only been a few times where the jackpot grew to $500,000 to $1 million. She stated that we did not put a lot of marketing support behind this game. She stated that it is in our plans to do a promotion with the Jersey Cash 5 this year.

Chairman Ragazzo asked if there were any other comments on the Director's Report and there being none asked for a motion to approve the Director's Report. Commissioner Tucci made the motion which was seconded by Commission Slater. 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 Ragazzo requested a motion to approve the instant ticket game rules for "Stocking Stuffer." Commissioner Slater made the motion which was seconded by Commissioner D'Anton. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

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

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Holiday Cash." Commissioner Kazmir made the motion which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Jingle Bell Bingo." Commissioner Kazmir made the motion which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Winner Wishes." Commissioner Kazmir made the motion which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Deputy Attorney General Linett stated that the election of officers will take place and requested a roll call:

Frank Ragazzo	Present
Munr Kazmir	Present
Robert D'Anton	Present
Robert Slater	Present
Thomas Tucci	Present
Al Alvarez	Present
Treasurer Designee D'Autrechy	Present

Deputy Attorney General Linett asked for a nomination for Chairman of the Lottery Commission. Commissioner Tucci nominated Frank Ragazzo, which was seconded by Commissioner Kazmir. Deputy Attorney General Linett asked if there were any comments and there being none asked for a roll call vote.

Frank Ragazzo	Abstained
Munr Kazmir	Yes
Robert D'Anton	Yes
Robert Slater	Yes
Thomas Tucci	Yes
Al Alvarez	Yes
Treasurer Designee D'Autrechy	Yes

Deputy Attorney General Linett stated that the motion carried and stated that Frank Ragazzo has been elected Chairman of the New Jersey Lottery Commission.

Deputy Attorney General Linett asked for a nomination for Vice Chairman of the Lottery Commission. Commissioner Kazmir nominated Thomas Tucci, which was seconded by Commissioner Slater. Deputy Attorney General Linett asked if there were any comments and there being none asked for a roll call vote.

Frank Ragazzo	Yes
Munr Kazmir	Yes
Robert D'Anton	Yes
Robert Slater	Yes
Thomas Tucci	Abstained
Al Alvarez	Yes
Treasurer Designee D'Autrechy	Yes

Deputy Attorney General Linett stated that the motion carried and Thomas Tucci has been elected Vice Chairman of the New Jersey Lottery Commission.

Executive Director Hedinger thanked Commissioner Tucci for his remarks and for the support of the other Commissioners. She stated that the staff worked very hard this year in a single-minded, focused effort to raise sales to new levels and she gives all the congratulations to the staff.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Chairman Ragazzo asked if there was any other business to be discussed and there being none, asked for a motion to adjourn. 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 June 21, 2012.

IN WITNESS WHEREOF, I hereby set my hand on

the 24th day of July, 2012.

Carole Hedinger
Carole Hedinger
Executive Director