

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS MEETING
December 18, 2013**

Chairman John Fitzpatrick called the meeting to order at 10:07 a.m. in the Board Conference Room located at the Louisiana Lottery Corporation Headquarters, 555 Laurel Street, Baton Rouge, Louisiana.

I. Attendance

- A. **Members Present:** Chairman John Fitzpatrick, Vice Chairman Kim Carver, and Secretary J. T. Taylor, Directors: Verge Ausberry, Jr., Heather Doss, Larry Katz, Lisa Reardon, and Roy Robichaux.
- B. **Members Absent:** Ron Henson.
- C. **Staff Present:** President/CEO, Rose Hudson, Senior Vice President/Secretary/Treasurer, Karen Fournet and Senior Vice President/General Counsel, John Carruth.

II. Pledge of Allegiance

Steve Rosales led the Board of Directors and all attendees in our Pledge of Allegiance.

III. Approval of the Minutes of Prior Board Meeting

Vice Chairman Carver **moved** to approve the October 25, 2013, Board Meeting Minutes. Director Robichaux **seconded** the motion. There being no objection, the minutes were **approved**. The meeting was then turned over to President Rose Hudson for the President's Report.

IV. President's Report

Ms. Hudson began by formally welcoming Reyon McCarthy, Vice President of Human Resources, to the team.

Ms. Hudson commended Kelly Spell, Senior Communications Specialist, on a job well done for the social media presentation she presented at the LaFleur's Lottery Symposium that was recently held in San Francisco, California.

Ms. Hudson advised that the recent Mega Millions Jackpot, which had grown to \$636 million, had winners in California and Georgia this week. She noted that the Louisiana lottery was preparing for the jackpot run's potential to reach \$1 billion and what that would mean for the Lottery. She also stated that jackpot fatigue is a continuing issue.

Ms. Hudson announced that the \$5 scratch-off Duck Dynasty™ launched on December 16, 2013. She noted that the game is already outpacing ticket sales for other popular brands like the New Orleans Saints and Choot 'Em. At this time, she asked Quinn Dossett, Vice President of Marketing, to further discuss marketing efforts in launching the game. Mr. Dossett explained that the team faced challenges getting approval from both MDI and A&E on TV and radio creative, but pointed out other unique advertising elements to be utilized in the campaign, including wrapped delivery trucks, TV and radio giveaways and social media promotions.

At this time, Ms. Hudson turned the floor over to Sr. Vice President & Secretary-Treasurer, Karen Fournet to present the financial report via Power Point Presentation.

Ms. Fournet provided a presentation of the financial performance of the Corporation for the first six months of the current fiscal year. Ms. Fournet indicated that sales were very strong as a result of several large jackpots for Powerball and the record \$656 million jackpot for Mega Millions bringing total online sales for the six months ending December 31, 2013 to \$143.7 million, \$3 million higher than this same time last year. Instant sales continue to reach record heights with sales totaling \$84.4 million.

With online and instant sales combined, total sales for the six months ending December 31st were \$228.1 million, 5.9% higher than the prior year.

Ms. Fournet also presented a summary of the general and administrative expenses as compared to budget for the four months ending October 31, 2013. Total G& A expenses were \$100,000 below budget.

In concluding, Ms. Fournet provided a recap of the state transfers on a calendar year basis since the inception of the lottery. Calendar year transfers for 2013 were \$164.7 million, the highest total in 21 years.

A copy of the financial presentation is attached.

Chairman John Fitzpatrick congratulated the entire Louisiana Lottery Corporation team on working so diligently to produce the Duck Dynasty™ Scratch-Off Tickets.

V. Board Committee Reports

Personnel Committee – No report at this time.

Finance Committee – Finance Committee Chairman Verge Ausberry stated that the Finance Committee met prior to today's Board Meeting and reviewed investments with JP Morgan Chase.

By-Laws Committee - No report at this time.

VI. Other Business

No other business at this time.

VII. Announcements

Ms. Hudson announced that her office would be contacting all board members to schedule the next Finance Committee Meeting and Board of Directors Meeting as these meetings will need to be held as soon as the budget is prepared for the upcoming year.

As a tribute to the holidays, Ms. Hudson shared the Louisiana Lottery's holiday video with the board members and all others in attendance.

VIII. Adjournment

There being no further business, Chairman Fitzpatrick invited a motion to adjourn the meeting. Director Robichaux made a **motion** and Director Taylor **seconded** the motion. There being no objection, the motion was **approved** and Chairman Fitzpatrick adjourned the meeting at 10:42 a.m.


Date Approved: February 7, 2013.



Wendy Reeves
Executive Administrative Assistant



J. T. Taylor
Secretary to the Board of Directors



John Fitzpatrick
Chairman of the Board of Directors