

LOUISIANA LOTTERY, BOARD OF DIRECTORS MEETING
October 7, 2011

Chairman Verge Ausberry called the meeting to order at 10:00 a.m. in the Board Conference Room located at the Louisiana Lottery Corporation Headquarters, 555 Laurel Street, Baton Rouge, Louisiana. All stood to recite the Pledge of Allegiance.

I. Attendance

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

II. Approval of the Minutes of Prior Board Meetings

Chairman Ausberry proposed the approval of the August 26, 2011, Board meeting minutes. Director Taylor **moved**; Vice-Chairman Fitzpatrick **seconded**. There being no objection, the minutes were **approved**. The meeting was then turned over to President Rose Hudson for the President's report.

III. President's Report

President Hudson welcomed John Pittman, Intralot's Vice President of Marketing. Next, she described a contest she hosted for Lottery employees to win attendance to the NASPL Conference in Indianapolis, inspired a suggestion by an employee during one of her visits to LLC Regional offices. Employees were invited to submit a creative video, poem or email, explaining why they wanted to attend the conference. Ms. Hudson stated she was pleased with the response and picked 6 employees to attend.

Ms. Hudson congratulated the Marketing Department by highlighting awards they received at the annual Southern Public Relations Federation conference. She noted the Lottery received a Lantern award for Integrated Marketing and Communications Program and Brand Management for the 2010 Holiday Campaign, Awards of Excellence for the Exchange and the Lottery's Twitter presence and a Certificate of Merit for the "What Would You Do With \$20 Million?" video. Ms. Hudson emphasized the hard work of Communications Director Kimberly Chopin and her team for their public relations efforts.

Ms. Hudson reminded the Board of the discussion from the August 26, 2011, Board meeting regarding an analysis the courier contracts for the delivery of Instant Tickets. Included in the meeting documents in front of them was a memo reiterating the discussion regarding the option for the Lottery to cut costs by utilizing procurement efforts of the Louisiana Office of State Purchasing.

Ms. Hudson continued by recognizing Janet Price for all her efforts in the renewal of the Lottery's quality assurance best practices verification by NASPL. The Lottery became the very first lottery in the country

to receive this industry verification in 2006, and received its latest verification in September. This process must be completed every two years. Chairman Ausberry presented Janet with a plaque for her efforts in this process.

Ms. Hudson then turned the floor over to Sr. Vice President Karen Fournet to present the financial report via Power Point (hard copy attached).

Chairman Ausberry asked Karen what the Louisiana Lottery's success can be attributed to, as other state gaming revenue is declining. Karen attributed these figures to the distribution of our instant products, including Louisiana-based games like Choot 'Em and New Orleans Saints 2011, higher prize payouts from the savings on the Intralot contract, the ezmatch add-on feature, as well as Pick 3 and Pick 4 continuing to grow due to winning experiences. Rose added that winner publicity is also a factor.

IV. Board Committee Reports

Personnel Committee-No report at this time

Finance Committee-No report at this time

By-Laws Committee-No report at this time

V. Other Business

Resolution 2011-10-7-1: relative to adoption of Amendments to the Corporation's On-line Lottery Games General Rules- regarding introduction of a new on-line game, **Mega Millions**. Chairman Ausberry invited a motion to approve the resolution. Director Reardon **moved**, Secretary Carver **seconded**. **Those in favor:** (5) Chairman Verge Ausberry, Jr., Vice Chairman John Fitzpatrick, Secretary Kim Carver, Lisa Reardon, James T. Taylor; **Those opposed:** (1) **Heather Doss**. By majority vote, the resolution was **adopted**.

Resolution 2011-10-7-2: relative to proposed amendments to the 2011-2012 Fiscal Year Budget relative to the introduction of a new on-line game, **Mega Millions**. Chairman Ausberry invited a motion to approve the resolution. Vice Chairman Fitzpatrick **moved**; Secretary Carver **seconded**. **Those in favor:** (5) Chairman Verge Ausberry, Jr., Vice Chairman John Fitzpatrick, Secretary Kim Carver, Lisa Reardon, James T. Taylor; **Those opposed:** (1) **Heather Doss**. By majority vote, the resolution was **adopted**.

Bonny Botts, Vice President of Marketing and Public Relations, provided a presentation of the Mega Millions game to the Board. She explained the Powerball changes, effective in January 15, 2012, including the price increase to \$2 and the duality of Mega Millions with Powerball as both are currently \$1 games offering million-dollar jackpots. Additionally, because Mega Millions has different draw dates, it will be advantageous in generating increased sales activity. Ms. Botts highlighted the Marketing and Communications plan for the Mega Millions rollout. For retailers, this will entail sending a retailer letter, a Mega Millions sell-in brochure and extensive coverage in the November/December issue of the

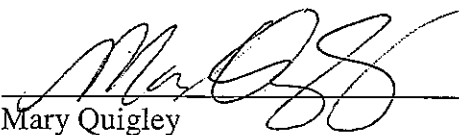
Exchange. For players, there will be a "How to Play" brochure, a strong Mega Millions presence on the Lottery's website, social media and Club Lotteaux awareness, a news release and point-of-sale materials. She then showed the story board for a planned Mega Millions TV commercial, with a cameo appearance by Troy and Jacob Landry. President Hudson pointed out that cost of the Mega Millions plan presented is factored into the current advertising budgeted.

Chairman Ausberry reminded the board and staff that it is an election year and they are not permitted to make campaign donations as board members.

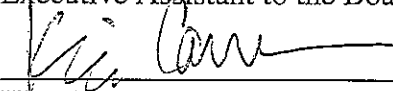
VI. Adjournment

The next Board of Directors meeting was set for 10:00 a.m. December 14, 2011, to be held in the Board of Directors conference room of the Louisiana Lottery Corporation Headquarters located at 555 Laurel Street, Baton Rouge, Louisiana. There being no further business, Chairman Ausberry invited a motion to adjourn the meeting. Secretary Carver **moved**; Vice-Chairman Fitzpatrick **seconded**. There being no objection, the **motion carried** and Chairman Ausberry adjourned the meeting at 10:42 a.m.

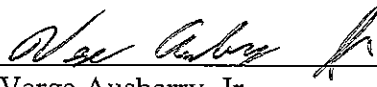
Date Approved: 12/14, 2011.



Mary Quigley
Executive Assistant to the Board of Directors



Kim Carver
Secretary to the Board of Directors



Verge Ausberry, Jr.
Chairman of the Board of Directors

Attachment(s): (1) Hard Copy Financial PowerPoint Presentation