

LOUISIANA LOTTERY, BOARD OF DIRECTORS MEETING
August 26, 2011

Vice Chairman John Fitzpatrick 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. Vice Chairman Fitzpatrick stated that Board Member Roy Robichaux and Assistant State Treasurer Ron Henson were unable to attend the meeting today. Chairman Ausberry was also unable to attend today and therefore Vice Chairman Fitzpatrick was asked to conduct the meeting. All stood to recite the Pledge of Allegiance.

I. Attendance

- A. Members Present:** Vice Chairman John Fitzpatrick, and Secretary Kim Carver, Directors: Lisa Reardon, Heather Doss, and J.T. Taylor
- B. Members Absent:** Chairman Verge Ausberry, Roy Robichaux and Ron Henson
- 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

Vice Chairman Fitzpatrick proposed the approval of the June 24, 2011, Board meeting minutes. 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

Ms. Hudson reported that the NASPL conference held in New Orleans was a big success and the conference had record attendance. She thanked the lottery employees that participated in the conference by helping with registration and assisting with seminars. In addition, Troy and Jacob Landry made an appearance at the conference and greeted guests and signed autographs. Ms. Hudson stated the Landrys were a huge hit with everyone.

Ms. Hudson mentioned that the Board Members had been called and asked to change the October board meeting date to October 7, 2011. The reason for that being the introduction of a new online game called Mega Millions. Ms. Hudson stated that the Louisiana Lottery is now seeking legislative approval to sell Mega Millions through the administrative procedure process and gave a brief explanation of the process. After approval by the legislature is obtained, the Board will then be asked to approve the new game by a vote at the October 7, 2011 meeting. Vice Chairman Fitzpatrick wanted to make clear for the record that public notice had been given. Ms. Hudson assured him that notice had been published and no responses were received. Ms. Hudson also discussed the Powerball price change to \$2 per ticket and the matrix change.

The Powerball jackpot will start at \$40 million instead of \$20 million and the second tier prize will increase as well. The cost of a Mega Millions ticket is \$1 for a \$12 million starting jackpot.

Ms. Hudson then turned the floor over to General Counsel John Carruth who gave a brief explanation of our courier service contract procurement process which is up for renewal. The Lottery's current courier service is UPS and they deliver instant tickets to approximately 2,800 retailers statewide.

Mr. Carruth further stated that the Louisiana Lottery Corporation Law authorizes the Lottery to make use of the Office of State Purchasing if desired. The Lottery has determined that better rates can be obtained by utilizing the Office of State Purchasing, which is part of the Western States Contracting Alliance. The State, through the Western States Contracting Alliance, put both Federal Express and UPS under contract. The Lottery will determine which courier service offers the best rate and will report back to the Board with a recommendation. Mr. Carruth advised the Board that he would be happy to answer any questions.

Ms. Hudson then informed the Board that the \$2 *Choot 'Em* scratch off tickets were nearly sold out after only two weeks and it was necessary to do a total reprint of the ticket. Choot 'Em has become the Lottery's most successful \$2 scratch-off game of all time with 66 percent of the reprint sold thus far. A video clip from a New Orleans TV station was shown featuring the Choot 'Em scratch off ticket.

Ms. Hudson also talked briefly about the New Orleans Saints 2011 scratch-off ticket which is scheduled to go on sale August 29, 2011. The popular NFL team-branded ticket features five top prizes of \$100,000 and coveted Saints prize packages and autographed merchandise.

Lastly, Ms. Hudson pointed out the new 20th anniversary t-shirt which was given to each board member and explained the art design contest. A video of the 20th anniversary ticket commercial was shown featuring commemorative anniversary tickets that will launch on September 6th: Louisiana Treasures, Play Oh! and Celebrate!.

Ms. Hudson then turned the floor over to Sr. Vice President Karen Fournet to present the financial report via Power Point (hard copy attached). Ms. Fournet did point out that the Lottery would be at a disadvantage if we did not sell Mega Millions since our bordering states, Texas and Arkansas, did sell Mega Millions and in order to sustain our sales level in the multi-state jackpot arena, the Louisiana Lottery would have to sell Mega Millions also.

Ms. Fournet also mentioned that the Lottery had a surplus of \$1.6 million which was transferred to the state.

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

No other business.

VI. Adjournment

The next Board of Directors meeting was set for 10:00 a.m. October 7, 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, Vice Chairman Fitzpatrick invited a motion to adjourn the meeting. Director Taylor **moved**; Director Reardon **seconded**. There being no objection, the **motion carried** and Vice Chairman Fitzpatrick adjourned the meeting 10:42 a.m.

Date Approved: 10/7, 2011.


Stephanie Fonte
Executive Assistant


Kim Carver
Secretary to the Board of Directors


Verge Ausberry
Chairman of the Board of Directors

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