

**MARYLAND STATE LOTTERY COMMISSION
AUGUST MINUTES**

DATE: August 27, 2003
TIME: 10:00 a.m.
PLACE: Maryland Lottery Headquarters

PRESENT: Chairman Frank C. Bonaventure
Commissioner Osborne Payne
Commissioner Carl Hein, III
Commissioner Bruce Reeder
Commissioner E. Randolph Marriner

Buddy Roogow, Director
Andrea Johnson, Principal Counsel
Gina Smith, Assistant Director and CFO
Sandra Johnson, Chief Information Officer, Information Technology
Tchicaya Ellis, Ph.D., Director, Research and Planning
Tracey Cohen, Director, Product Development
Jimmy White, Director, Communications
Deborah Sharpless, Controller, AFO
Frank Hemberger, Sales Manager
Carole Everett, On-line Product Manager
Larry Simpson, Human Resources Director
Marie Torosino, Executive Associate

**OTHERS
PRESENT:**

Ray Shaffer, IGT Online Entertainment Systems
Michael DeGuilmi, IGT Online Entertainment Systems
David Blum, Eisner Communications

CALL TO ORDER

Chairman Bonaventure called the meeting of the Maryland Lottery Commission to order at 10:10 a.m.

Chairman Bonaventure welcomed Mr. E. Randolph Marriner, the newest member of the Lottery Commission.

APPROVAL OF MINUTES

Chairman Bonaventure asked if there were any changes or corrections to the Minutes for July. Hearing none, Commissioner Payne made a motion that the Minutes be approved and Commissioner Hein seconded the motion. The Minutes were approved by unanimous vote of the Commission. Commissioner Marriner abstained from the vote because he was not a member of the Commission at that time and thus was not present at that meeting.

REPORTS

Legal Division – **Andrea Johnson, Principal Counsel**

Ms. Andrea Johnson distributed her report to the Commission. She stated there were no revocations to present to the Commission this month.

Ms. Johnson stated that Lottery agent Chance Market requested an appeal hearing before the Commission. Ms. Johnson asked the Commission if they wished to hold the hearing on the October 22, 2003 meeting date and that the hearing would last for approximately two hours. The Commission agreed to hold the appeal hearing on October 22, 2003. The Commission meeting would begin at 9:00 a.m. and the appeal hearing would be held after the meeting at 11:00 a.m.

Ms. Johnson stated at the July meeting she informed the Commission that as a result of a denial of an application for a lottery terminal at the reconsideration level, two requests were received for hearings before the Commission. Both applicants withdrew their requests for these hearings. The Director offered the applicants a four-month trial test period approval for a lottery terminal and the applicants agreed and accepted this.

Ms. Johnson stated as a result of an audit finding, her Division has been assisting the Lottery in drafting an Amendment to the IGT Contract for Liquidated Damages Provision. A copy of this Amendment was recently forwarded to the Commission. She asked the Commission if there were any questions at this time and asked for the Commission's approval of this Amendment. Chairman Bonaventure made a motion to approve the Amendment for Liquidated Damages and Commissioner Payne seconded the motion. The Amendment was approved by unanimous vote of the Commission.

Ms. Johnson stated she would be attending the Annual NASPL Attorneys meeting in San Francisco, California from October 15 to 17, 2003. The topics include procurement issues, negotiations, and lawsuit updates.

Ms. Johnson stated discussions with the other Mega Millions states concerning revisions to the contract documents that will be needed to admit the Texas Lottery as well as any other game changes have been ongoing. November is the tentative deadline when Texas will come on board.

Commissioner Reeder asked what is the total population of Texas. Mr. Roogow responded the population of Texas is approximately 20 million. This would increase the Mega Millions states' population to approximately 115 million.

DIRECTOR'S REPORT

Mr. Buddy Roogow asked Ms. Gina Smith to introduce the new Director of Human Resources. Ms. Smith introduced Mr. Larry Simpson and stated he had previously worked at Bethlehem Steel and Johns Hopkins and also taught as a professor in the school of business. The Commission welcomed Mr. Simpson.

Mr. Roogow then asked Ms. Tracey Cohen to introduce the new On-line Product Manager. Ms. Cohen introduced Ms. Carole Everett and stated she has background in marketing, advertising, and promotions. The Commission welcomed Ms. Everett.

Mr. Roogow stated the Lottery has had five record years of sales and revenues. However, the Lottery is seeing some issues relating to its games in terms of decline. Pick 3 has been declining for years. Ms. Cohen is working on ways to bring interest back to this game. Lottery players are gravitating toward higher payouts. Pick 4 has shown growth each year for the last four years and has shown growth again this year.

Keno and Keno Doubler sales are running almost the same as last year. The Keno Doubler promotion ran in July and August. Players have an opportunity on each nth ticket to get a doubler and if they win, they double their winnings. Another promotion that is currently running is the Summer Blockbuster promotion. Bonus Match 5 has shown an increase in sales because of this promotion. However, the Keno Doubler promotion has not shown an increase in Keno sales. These promotions end on September 2, 2003. Instant games continue to perform well. Mega Millions has had a lack of big jackpots this year and the game has not been performing as well as was hoped. The jackpots are being hit more often. The Lottery was fortunate that it had a Mega Millions winner recently in Maryland. It has been great publicity for the Lottery.

Revenues are down because of the high payout in Pick 4. The number 1122 was drawn on August 15, 2003 and the Lottery paid out \$4 million more than it took in. Pick 3 has had very low payouts and the Pick 3 revenue is \$18.7 million. Pick 4 revenue is \$9 million this

fiscal year versus \$13 million last fiscal year. Other games have set payout amounts and there is no problem with their payouts.

Commission Reeder stated the projected revenue for fiscal year 2004 is estimated at \$470 million. In past years, the Lottery has met or exceeded the target that has been set. Mr. Roogow stated the Bureau of Revenue Estimates will meet in September and the Lottery will ask for estimate to be lowered. The In Win game will be implemented in February and that should help the Lottery with its revenue.

Chairman Bonaventure asked about the distribution of fund to the Maryland Stadium Authority. Mr. Roogow responded the amount is set by the Legislature and it is a quarterly distribution. The revenues come from the Mega Millions game. If Mega Millions revenue is up, then the distribution to the Stadium Authority is met more quickly.

Commissioner Hein asked wasn't Texas considering joining both Mega Millions and Powerball. Mr. Roogow responded that Texas asked that it be permitted to join both games. He stated that the sales of both games would be diluted. Texas asked the consortium that if they joined Mega Millions would they consider changing the matrix. The consortium did not want to guarantee a change to the matrix.

Mr. Roogow stated the Mega Millions game would have a new feature in the next few months similar to the Powerball multiplier. When a player purchases a Mega Million ticket, they are asked if they want the multiplier bonus for an additional dollar. The bonus would enhance the winnings for each tier. Each tier's prize amount would double except for the top tier jackpot prize.

The Lottery Director of California, who was formerly the Director of the Washington State Lottery, has expressed an interest in joining Mega Millions.

Mr. Roogow stated Bernadette Gietka, the Mega Millions winner, recently appeared on the Tonight Show. The re-run of that show on NBC will be shown on August 27, 2003.

Mr. Roogow stated that the NASPL Conference in New Orleans is in September and he would give the Commission a report upon his return.

Mr. Roogow stated there has been much discussion going on regarding video lottery and he will be meeting with the Speaker of the House next week.

REPORTS (continued)

Research and Planning – Tchicaya Ellis Ph.D., Director

Dr. Tchicaya Ellis distributed her report to the Commission. She stated recent analysis indicates that the Keno Doubler promotion did not show an increase as is normally seen. Compared to last year, the percentage of change is -2.9%. However, compared to previous

weeks it shows a percentage of change of +2.7%. Sales continued to be monitored in the areas around DC and the effects on Maryland Lottery Keno sales.

The June tracking study of advertising on a quarterly basis to estimate percentage has been completed. A copy of an Executive Summary detailing the results of the tracking study was attached to her report. Player participation for scratch-offs continues to gain at 28%. Player participation for Mega Millions is up 26%. Corporate image percentage is up slightly. Advertising recall was at one of the highest recall rates at 72%. Recall of Pick 3 television advertising was 58%. This ranks second in terms of recall with any advertising campaign. Regarding customer satisfaction, a majority of players are satisfied with the games. Awareness of the Cash Encounters game show was 22% and awareness of the Bay Bridge Tolls Promotion was 33%.

A study of gaming in Maryland was conducted via telephone interviews among 1,200 adult Marylanders during July 2003. Dr. Ellis will provide a brief summary at next month's meeting. The September 2003 Retailer Satisfaction survey of Lottery retailers is in the field and she should have a report in the next two months.

The FY2005 Managing for Results Plan was submitted to the Department of Budget and Management on August 16, 2003. In January 2004, the Steering Committee will begin work on the FY2006 Managing for Results Plan.

MBE waiver requests were received from IGT and Interlott and they were requested to submit additional information. She will present these requests to the Director and Commission for review and a determination as to whether or not to grant the waivers. The MBE participation report for FY2003 is due in September 2003. The State's MBE goal is 25%. The Lottery is at 12.5%, but hopefully that should increase when some outstanding reports are received.

Administration, Finance and Operation – Gina Smith, CFO

Ms. Gina Smith distributed her report to the Commission. She stated the Commission had requested that the financial statement information be reported differently and presented in a new comparative format. The Commission also requested that she investigate the possibility of an Internal Auditor for the Lottery. The unaudited financial statement for the month of July 2003 was presented. Ms. Deb Sharpless has been working on preparing the financial information in the new format. If it is not how the Commission would like it presented, then she can make changes. Ms. Sharpless then gave a summary of the contents of the statement. She asked the Commission if they wished her to continue with this format or make changes. The Commission stated they would further review this format.

Ms. Smith stated she is responsible for the Administration, Finance and Operations Division and gave an overview of her Division.

Ms. Smith stated she is currently working on three budget years. They are completing the closeout for FY2003. The Department of Budget and Management reviewed and approved

the Lottery's \$1,200,000 in encumbrances. The final reversion was \$736,065. The budget for FY2004 is being allocated to the various Divisions. The FY2005 budget request is being prepared and is due to the Department of Budget and Management by August 29, 2003. The budget request cannot exceed the total final allowance for FY2004, which was \$50,918,994. The Department of Budget and Management is not allowing any adjustments to the budget for FY2005.

The Accounting and Finance Division handles the financial statements. Stout, Causey & Horning, the new accounting firm, have started working on July's statement.

Ms. Smith stated her report contains a list of ongoing procurement activities and activities of the Facility Management's area. The Commission was previously introduced to the new Human Resources Director, Larry Simpson. Mr. Bobby Sinclair, the previous HR Director, has retired with 20 plus years of State service.

The Legislative auditors have returned to the Agency to conduct follow up of the prior audit report recommendations. The Lottery is in good shape and she anticipates the auditors will be at the Lottery through the end of September.

Ms. Smith gave a brief report regarding the internal auditor function. She stated she feels it is necessary to have an internal auditor to ensure that the Agency is operating the way it should. This person should report to someone within Agency. The auditor would be responsible for coordinating the legislative audit, would work with the other managers to make sure that the Agency follows through on any recommendations, and any other audit issues. This position would insure that recommendations are continually implemented and would be proactive if items arise in the Agency in ensuring that adequate controls exist. She feels that it should be a Lottery employee versus an independent contractor. Chairman Bonaventure thanked Ms. Smith for this report and asked if the Commission needed to vote on this item. Chairman Bonaventure stated the Lottery should make a thorough review of this internal auditor position and the Agency has the support of Commission assuming they have no questions. Commissioner Reeder asked should the person report to the Lottery Director or AFO Director. Ms. Smith responded the position should report to the Lottery Director. She will work on obtaining the position. Chairman Bonaventure asked how long would it take to create the position and hire someone. Mr. Roogow responded it could take up to three months. He may ask the Commission to sit on an interview committee for this position.

Information Technology – Sandra Johnson, Chief Information Officer

Ms. Sandra Johnson distributed her report to the Commission. She stated the IT Division has been busy this month due to the Sobig.F virus. The Lottery has a very good computer system and the e-mail server/virus software quarantined approximately 5,000 e-mails in less than a month. She stated the Lottery also was prepared for the blaster worm virus months before it hit.

Ms. Johnson stated IT is working with Procurement and Legal to complete the modification

to the IGT contract that details how penalties are calculated and assessed. As a result of the modification, IT will have to follow additional steps to perform the calculations and obtain transaction information.

The 1,000,000 Keno drawing will occur in Spring 2004. IGT completed a draft of the Business Requirements Specifications to address this drawing. The Lottery has reviewed and commented on this. It now goes to the Clifton office for formal sizing.

IT is working with IGT to develop specifications for Sunday mid-day drawings for Pick 3 and Pick 4.

Ms. Johnson stated IT is working with other Lottery Divisions in the planning of a hybrid ticket, a two-sided instant ticket that may require some changes to the IGT Instant Game Module for distribution, processing and reporting.

This month procedures were developed and implemented for IT personnel to begin sending the agent's weekly EFT file and monthly claims file to the bank via the Internet.

The IT Division hosted a Microsoft Windows 2003 training session on August 14 and 15, 2003. A Microsoft solutions provider conducted training and it was open to all State Agencies.

A new terminal program to correct the problem that caused some terminals to re-boot and process duplicate transactions will be installed tonight.

The NASPL Standard Initiatives groups will meet at the NASPL Conference in New Orleans next month and she will provide a report upon her return.

Communications – Jimmy White, Director

Mr. Jimmy White stated a copy of his report is contained in the Commission's folders. He then proceeded to give a review of his Division's responsibilities, including the televised drawings, handling of television, radio and print media, interviewing winners, and production of newsletters including the Promotional Partners newsletter, VIP newsletter, Winning Ways newsletter, the employee newsletter and the annual report,

The Communications Division was involved in events all over the State, including the Columbia International Day Festival, the Hagerstown Suns baseball game, the Bowie Bay Sox game in Prince George's County, a number of concerts at Merriweather Post Pavilion, and at Six Flags on two occasions along with two radio stations. Communications is involved in the Community Outreach Program where Lottery officials randomly select people buying Lottery tickets and reward them with Orioles tickets. His Division also participated at the Maryland Association of Counties Conference in Ocean City and his staff did an excellent job. Communications also participated in the two-day Kunte Kinte Festival in Anne Arundel County and approximately 20,000 people attended this event.

Two \$50,000 Bonus Match 5 winners came forward. One winner was from Owings Mills and the other winner was from Baltimore. Winners from Baltimore, Takoma Park and Garrett County won \$60,000 playing Keno. There were also some top tier winners in the scratch-off games.

Some upcoming events they will be involved in are a concert at Merriweather Post Pavilion, the Seafood Festival at Sandy Point Park and the Irish Festival in Baltimore.

Mr. White stated that approximately 70 press releases were issued, which resulted in 22 stories appearing in the newspapers. Eisner evaluated the news clips and determined that they were valued at \$20,642.

The \$5.7 million Lottery jackpot winner from July still has not come forward. The ticket was purchased at CJ's One Stop News Stop in Silver Spring.

The Lottery is involved with the State Fair again this year. The Lottery could not broadcast the drawings from the Fair due to the inclement weather. On Saturday from 4:00 p.m. to 7:00 p.m., the Lottery will be on stage outside the exhibit hall with a radio partner. Participants will be given a chance to play Lottery games and win prizes.

Sales – Frank Hemberger, Sales Manager

In Mr. Joseph Jason's absence, Mr. Frank Hemberger presented the Sales Division's report which is contained in the Commission's folders. He stated the Sales Division was able to fill six field rep vacancies and those field reps are currently being trained. Reorganization of the Sales Division continues. Corporate Accounts personnel are no longer working on the Eastern Shore and four field personnel are now covering the area.

Mr. Hemberger stated the Keno Doubler promotion has been extended for two weeks until September 14, 2003. Sales personnel are updating the signs at the retailer locations.

Mr. Hemberger stated in September 2003, the Lottery would begin receiving new 24-bin Instant Ticket Vending Machines (ITVM). This new ITVM was on display at the MACO Convention and is now on display at the State Fair. It has been well received by agents and field staff. A majority of the 24-bin ITVMs will be placed in retailer locations that currently have smaller bin ITVMs. Retailers that currently have 16-bin ITVMs and requested larger ITVMs will also receive 24-bin ITVMs. The older ITVMs taken from retailer locations will be brought back to the warehouse for refurbishing and then delivered to new retailer locations.

EISNER COMMUNICATIONS

Mr. David Blum, Vice President, stated the Lottery is involved in a number of sports sponsorships. The sponsorship with the Baltimore Ravens includes a television package

with WJZ, and new signage at Ravens stadium at both ends of the end zones. The Lottery is also working with WQSR Ravens Radio doing the Lottery Tailgate Patrol promotion.

The Maryland Lottery is sharing a signage package with the Virginia Lottery at Redskins Stadium. The Lottery was also involved with WJFK radio receiving advertising spots in pre-game and in-game programming. With Terps football, the Lottery is working with WBAL radio. Due to NCAA restrictions, we cannot place any signage. The new scratch-off First Down Doubler that launches next week will have some radio advertising associated with it. Mr. Blum then played the radio commercials associated with this scratch-off for the Commission.

The Price is Right scratch-off game is a joint effort between the Maryland and Virginia Lotteries. Mr. Blum showed the Commission an example of the point of sale that will be going out to the retailers. The game will launch the second week of September. The Virginia Lottery is producing radio and television commercials. This will help the Maryland Lottery to advertise in a broad market and also save money. No other Lottery has done this.

A television commercial was developed from the footage of Mega Millions winner Bernadette Gietka's press conference in Annapolis. We are hoping the commercial will generate interest in the Mega Millions game.

On behalf of Eisner, Mr. Blum welcomed the new Commissioner. It was requested that a videotape of Lottery ads currently running be sent to the new Commissioner.

IGT ONLINE ENTERTAINMENT SYSTEMS

Mr. Ray Shaffer, Account Executive, stated IGT provides on-line computer systems and lottery services. Mr. Shaffer introduced IGT's new Director of Field Services, Michael DeGuilmi, who started with IGT in July. He has 20 years experience in the service industry.

Mr. Shaffer stated the one-millionth Keno drawing specifications were sent to Clifton for final sizing. IGT staff is working on specifications for terminal changes for the Sunday mid-day drawings. Retailers will be downloaded between 2:00 a.m. and 4:00 a.m. with a new program that will provide software pattern fixes. The SAS-70 audit was completed on September 2, 2003 and there were no significant findings.

REPORTS (continued)

Product Development – Tracey Cohen, Director

Ms. Tracey Cohen stated a copy of her report is contained in the Commission's folders.

Chairman Bonaventure stated he has asked Ms. Cohen to give her presentation of the instant games in a different format than in the past. He has requested a presentation of the financial projection of the instant games in the early stage of development so that the Commission would have an opportunity to provide some input into the development of the instant tickets. All of the instant tickets would be reviewed in the early stage and again in the last stage.

Mr. Cohen stated she would present an analysis of the Summer Blockbuster promotion to the Commission next month.

The Lottery will have Sunday mid-day drawings and is waiting for IGT to determine an implementation date.

Ms. Cohen stated the Lottery would like to introduce a licensed instant ticket game called "The Price Is Right." The name "The Price Is Right" is a trademarked name when used on lottery instant tickets. Thus, in order to utilize "The Price Is Right," the Lottery must purchase those rights through a licensing agreement with Oberthur Gaming Technologies Corp. The agreement authorizes the Lottery to print two million forty tickets for a cost not to exceed \$78,001.20. Ms. Cohen asked for the Commission's approval of this licensing agreement. Chairman Bonaventure stated copies of the licensing agreement were previously provided to the Commission. Chairman Bonaventure made a motion to approve the licensing agreement for "The Price Is Right." Commissioner Payne seconded the motion. The licensing agreement was approved by unanimous vote of the Commission.

Ms. Cohen stated there are nine instant tickets to present to the Commission today.

Game #440 *The Price Is Right* is a \$5.00 ticket with a top prize of \$75,000 and a ticket quantity of 2 million. It is a novelty theme with a payout of 70.00% and launch date of September 2003.

Game #431 *Dash for Cash* is a \$1.00 ticket with a top prize of \$1,500 and a ticket quantity of 2.5 million. It is a money theme with a payout of 58.08% and launch date of November 2003.

Game #432 *Fast Scratch* is a \$1.00 ticket with a top prize of \$1,000 and a ticket quantity of 2.5 million. It is a money theme with a payout of 58.87% and launch date of November 2003.

Game #433 *Wild 8's* is a \$1.00 ticket with a top prize of \$800 and a ticket quantity of 2.5 million. It is a numbers theme with a payout of 59.03% and launch date of December 2003.

Game #434 *Money Match* is a \$1.00 ticket with a top prize of \$1,000 and a ticket quantity of 2.5 million. It is a money theme with a payout of 59.00% and launch date of January 2004.

Game #435 *Pharaoh's Gold* is a \$5.00 ticket with a top prize of \$50,000 and a ticket quantity of 2 million. It is a money theme with a payout of 73.95% and launch date of January 2004.

Game #436 *Shell Game* is a \$1.00 ticket with a top prize of \$1,000 and a ticket quantity of 2.5 million. It is a gaming theme with a payout of 59.91% and launch date of December 2003.

Game #437 *Hot Dice Doubler* is a \$2.00 ticket with a top prize of \$10,000 and a ticket quantity of 2 million. It is a gaming theme with a payout of 63.96% and launch date of September 2003.

Game #443 *Trick or Treat Tripler* is a \$1.00 ticket with a top prize of \$1,200 and a ticket quantity of 2.6 million. It is a holiday theme with a payout of 58.80% and launch date of September 2003.

A question was raised regarding the range of payouts on the various instant tickets. The response was that on \$1.00 instant tickets the payout is generally 58% to 59%. On \$2.00 instant tickets the payout is usually 62% to 64%. On \$3.00 instant ticket the payout is usually 67%. On \$5.00 instant tickets the payout is usually 74%. On \$10.00 instant tickets the payout is usually 75% to 76%. The category determines the payout. The Lottery has raised its payouts to attract more players.

Chairman Bonaventure a motion to approve Games #440 *The Price Is Right*, #431 *Dash for Cash*, #432 *Fast Scratch*, #433 *Wild 8's*, #434 *Money Match*, #435 *Pharaoh's Gold*, #436 *Shell Game*, #437 *Hot Dice Doubler*, and #443 *Trick or Treat Tripler*. Commissioner Payne seconded the motion. The instant tickets were approved by unanimous vote of the Commission.

Ms. Cohen then distributed information to the Commission concerning instant tickets whose working papers have not yet been finalized. A detailed explanation was given to the Commission. The following pending instant games were presented to the Commission for their review and approval.

Game #448 *Let It Roll* is a \$1.00 ticket with a prize payout of 59.00%. If 95% of the tickets are sold, the profit would be \$676,454. If 100% of the tickets were sold, the profit would be \$712,057.

Game #450 *Cash Flurries* is a \$1.00 ticket with a prize payout of 58.37%. If 95% of the tickets were sold, the profit would be \$553,477. If 100% of the game were sold, the profit would be \$582,607.

Game #447 *Reindeer Games* is a \$1.00 ticket with a prize payout of 59.58%. If 95% of the tickets were sold, the profit would be \$529,796. If 100% of the tickets were sold, the profit would be \$557,680.

Game #451 14 *Karat Cash* is a \$2.00 ticket with a prize payout of 63.90%. If 95% of the tickets were sold, the profit would be \$890,499. If 100% of the tickets were sold, the profit would be \$937,367.

Game #449 *Winter Take All* is a \$2.00 ticket with a prize payout of 63.96%. If 95% of the tickets were sold, the profit would be \$888,150. If 100% of the tickets were sold, the profit would be \$934,895.

Game #446 *Tic-Tac-Mistletoe* is a \$2.00 ticket with a prize payout of 63.85%. If 95% of the tickets were sold, the profit would be \$892,456. If 100% of the tickets were sold, the profit would be \$939,427.

Game #439 *10 Times the Money* is a \$2.00 ticket with a prize payout of 63.92%. If 95% of the tickets were sold, the profit would be \$889,716. If 100% of the tickets were sold, the profit would be \$936,543.

Game #441 *Crossword* is a \$2.00 ticket with a prize payout of 64.60%. If 95% of the tickets were sold, the profit would be \$1,726,198. If 100% of the tickets were sold, the profit would be \$1,817,051.

Game #438 *Blackjack Tripler* is a \$2.00 ticket with a prize payout of 63.98%. If 95% of the tickets were sold, the profit would be \$887,367. If 100% of the tickets were sold, the profit would be \$934,071.

Game #445 *Seasons Greetings* is a \$3.00 ticket with a prize payout of 67.95%. If 95% of the tickets were sold, the profit would be \$1,097,927. If 100% of the tickets were sold, the profit would be \$1,155,713.

Game #444 *Polar Bucks* is a \$5.00 ticket with a prize payout of 73.22%. If 95% of the tickets were sold, the profit would be \$1,314,199. If 100% of the tickets were sold, the profit would be \$1,383,368.

Game #442 *Money Money Money* is a \$10.00 ticket with a prize payout of 75.73%. If 95% of the tickets were sold, the profit would be \$2,137,374. If 100% of the tickets were sold, the profit would be \$2,249,867.

Chairman Bonaventure requested a motion to approve the above instant tickets thus far presented. Commissioner Reeder made a motion to approve the instant tickets. Commissioner Marriner seconded the motion. The above instant tickets were approved by unanimous vote of the Commission.

Ms. Johnson stated the Legal Division is involved in the review of all instant tickets before the final stage.

DATE AND TIME OF NEXT MEETING

Chairman Bonaventure stated the next Commission meeting has been scheduled at Lottery Headquarters for Wednesday, September 24, 2003 at 10:00 a.m.

ADJOURNMENT

There being no further business, Chairman Bonaventure adjourned the meeting at 12:30 p.m.

Respectfully submitted,

Buddy Roogow