



**Meeting of the Board of Directors of the
Connecticut Lottery Corporation
DRAFT MEETING TRANSCRIPTION**

Held on

Thursday, August 13, 2020 at 12:00 p.m.

via teleconference

Board Members Present: Robert Simmelkjaer, Board Chair; Wilfred Blanchette Jr.; John Flores; James Heckman; Manny Langella; Patti Maroney; and Michael Thompson (all via teleconference).

Staff Members Present: Gregory Smith, President and CEO; Peter Donahue; Paul Granato; Jodi Ketchale; Matthew Stone; and Annmarie Daigle.

I. Welcome:

(R. Simmelkjaer): Good afternoon everyone. This is a regularly scheduled meeting of the Connecticut Lottery Corporation Board of Directors on Thursday, August 13th. My name is Rob Simmelkjaer, Board Chair, calling the meeting to order at 12:05 p.m. Before we begin I'd like to turn it over to our General Counsel, Matt Stone, to go over the rules of the meeting we are operating under.

(M. Stone): Thank you Mr. Chair. This is Matt Stone, General Counsel for the Lottery and a reminder that we continue to operate under Governor Lamont's Executive Order regarding public access to meetings. We have the public on a different line listening in, as there is no in-person public attendance for this meeting. That phone line will be taken out of the room when the Board goes into Executive Session and that line will be kept open and active and then brought back into the meeting after the Executive Session. A reminder that speakers should identify themselves by name each time they speak, and this is particularly important for Board members when making motions, seconding motions, voting no or abstaining from a vote, so that the public knows which members took what actions. And finally, this meeting is being recorded, audio only, and we will post the recording transcript on our website after the meeting, which will serve as the meeting minutes. That is all I have, thank you Mr. Chair.

II. Approval of June 11, 2020 Board Meeting Minutes:

(R. Simmelkjaer): Thank you. With that, we'll move on to Item II on the agenda which is approval of the board minutes from the June 11, 2020 Board Meeting. Are there any questions or comments concerning the minutes? Hearing none, I will ask for a motion to approve the minutes.

(M. Thompson): Mr. Chair, Michael Thompson, so moved.

(W. Blanchette): Second, Blanchette.

(R. Simmelkjaer): OK, all those in favor of approval?

(All): Aye.

(R. Simmelkjaer): Any opposed? The minutes pass.

III. Lottery Report:

a. Financial Report:

(R. Simmelkjaer): We will move on to the Lottery Report, starting with the Financial Report from Mr. Granato.

(P. Granato): Thank you. Good afternoon Board members, CLC staff, DCP and other guests. The FY20 financials are currently undergoing our annual financial audit, with Blum Shapiro LLC. Blum Shapiro is working remotely.

The Connecticut Lottery Corporation is considered a component unit of the State of Connecticut and under Governmental Accounting Standards we are required to report our proportionate share of the unfunded liability of the State of Connecticut for pensions and other post-employment benefits. We receive supporting documentation from the Office of the State Comptroller regarding pensions, however, we have not received the supporting documentation for Other Post-Employment Benefits (OPEB). I believe we are still on track to have the audited financial statements completed and available for the October Meeting – if that changes I will advise the Finance Committee.

Moving on to the financial summary for FY2020 - On page three. The CLC closed out the year with very strong sales – averaging over \$4 million dollars a day through June compared to \$3.6 million in the prior year, over 16% year over year. Those strong sales lifted us to \$1.3 billion in total sales for the year. Total sales were down \$28.6 million or 2.1% from the prior year. Prize expense also was strong throughout June. Most of the increased sales went back to players in the form of prizes. Prizes totaled \$822 million in both the current and prior year. Prize expense exceeded 68% in the month of June. You can see the percentage increase, on a year-to-date basis, from 61.7% in the prior year to 63.0% in the current year.

Operating expenses are not finalized as of yet – pending the completion of the aforementioned items from the Office of the State Comptroller. The operating expenses will change as a result of pension and healthcare expense that we are required to recognize, however, there is no cash flow impact. And General Fund transfers were \$347.7 million – the second largest General Fund transfer in our history. The return was 26.6% - the CLC average over the past 5 years is 27.5%. The impact of the prize expense can be seen here. Moving on to the next slide, our financial summary for the month of July. Strong sales continued through July totaling \$123.9 million – again averaging \$4 million dollars a day compared to \$3.4 million a day in the prior year. That is a nearly 18% increase year over year. Double digit growth in all CT games, except for jackpot dependent games, Lotto and Powerball. Prizes expense reversed during the month of July. Prizes as a percent of sales fell below 60% - below statistical payouts. Total cost of sales were \$83.5 million leaving \$40 million in gross profit in July. We transferred \$37.7 million to the General Fund and notice the increased percentage to over 30%. Obviously a great way to start the year – averaging over \$1.2 million in profits daily to the General Fund. That concludes my report. Does anyone have any questions?

(R. Simmelkjaer): Thank you Mr. Granato. Any questions? I have one – what influences the percentage that goes to the General Fund, what causes that to go up and down, is it just a function of expenses as a percentage of game revenue?

(P. Granato): Yes, expenses as a percentage of game revenue, correct. So the individual games have various payouts – our scratch tickets as a group have generally about 70% of each dollar we take in go back out in prizes vs. our daily games where with each dollar in revenue 50% goes back in prizes. So that averages 62% for the year. When those daily games perform differently where we have higher prize payouts, that will affect the overall contribution to the General Fund.

(R. Simmelkjaer): Ok, so a mix of what games are generating the most revenue vs. other games and prize payouts, thank you.

(P. Granato): In the June statements I mentioned the higher payouts – that was in the daily games, the daily Play 3 and Play 4 games where we had repeating numbers and the like, we have higher payouts in those games.

(R. Simmelkjaer): Thank you. Any other questions on the Financial Report?

(J. Flores): This is John. On the Chronic Gamblers' Fund – this may be more for Greg – does the State report back to us on what activities they do or do we just put money into the fund?

(G. Smith): The Lottery's contribution to the Chronic Gamblers' Fund, to DMHAS specifically, helps to fund their activities and the activities of the Connecticut Council on Problem Gambling. While we don't know specifically the use of every one of those dollars, we are aware of the efforts each of those organizations makes.

(J. Flores): Ok, thank you.

(R. Simmelkjaer): Anything else for Mr. Granato?

b. Marketing Report:

(R. Simmelkjaer): Ok. Next we'll move on to the Marketing Report, Mr. Donahue.

(P. Donahue): Good afternoon. This is Pete Donahue, Senior Director of Marketing with the Lottery. I'm going to take you through the Marketing Report, highlighting some of the games that represent what Paul has already shared with you from a numbers perspective. Looking at some of the game specifics, All Games, sales through July, you can see the big increase year-over-year and compared to budget. Much of what Paul discussed is reflected in these numbers, strong scratch sales, strong daily game sales and strong sales all around. All good news and that of course leads to a strong General Fund contribution, about \$10 million over budget and up over last year. Instant games are showing incredible sales, we have a strategy where we are pumping out a lot of games with shorter game runs and this has been very effective for us. You can see there has been a significant increase over budget and a significant increase when comparing it to actual for 2020. We have a very solid game mix out there and we are showing growth in just about every price point. We are going to continue with that strategy and hopefully produce consistent strong sales throughout the course of fiscal 2021. Paul alluded to this in his discussion, Powerball and Mega Millions are so heavily influenced by that jackpot; they are lagging compared to actual and lagging compared to budget. What we wanted to do is highlight how many times the Powerball and Mega Millions jackpots were hit because sales are so dependent on them. We have an update to this chart as Powerball did get hit yesterday, we just can't seem to get a long jackpot run into that magical \$300, \$400, or \$500 million range and although that is something that is not in our control, we continue to market these games and hope for some big jackpots and stronger sales. On to Keno. Keno continues to be one of our shining stars,

the game has rebounded nicely producing very strong sales and we expect that to continue throughout the course of the year. Play 3 and Play 4, these games have been doing very well, most likely to do with the significant win contributions – the players that win on the 7-7-7 or 1-1-1-1, the wins from those draw results tend to come back to us in the form of sales when people are winning and there is a lot of chatter about the games. We are seeing great growth in the Play 3 Day and Night.

I am going to take you through what is happening in Marketing. When we met back in June I told you that we were very excited and looking forward to the Fast Play launch that we were well prepared for and excited to see the results of. Today I can tell you that we indeed have a very successful launch and that was due to a ton of planning from a lot of people on this call and a lot of people in this building and I just wanted to send a personal thank you to everyone including our vendors that were integral in making sure that it was a success. Some early stats on Fast Play, we were projecting that the jackpot would be funded in approximately a day or day and a half based on our projected sales and I am very happy to report that the jackpot was fully funded by 1:00 p.m. on launch day. Just to recap how that jackpot is funded, there's a \$1, \$2, and \$5 game that contribute ten cents on every dollar to the jackpot, once that funding gets to \$5,000, which is the minimum jackpot, the jackpot starts to roll. So by 1:00 p.m. on launch day the jackpot started to roll and three days later we had our first jackpot winner. The jackpot was up over \$80,000 and our first win was on a \$1 Jumbo Bucks ticket so they won twenty percent of the jackpot which was over \$16,000, which is a very nice win for a \$1 player. The beauty of that was we produced a great win and the jackpot reset back down to \$65,000 it didn't go all the way down to \$5,000 and it continued to roll because it was fully funded. A couple of days later we had our first \$5 jackpot winner, they won 100% of the jackpot, a very nice win which was over \$120,000. Sales per capita have been very strong at about 39 cents per capita and we are looking forward to continued growth from Fast Play. Our social media was ready right out of the gate to congratulate our first winner, and we were able to get the graphic up on the LIM and let everyone know, continuing to generate excitement. As far as support out in the field we had plenty of POS to call attention to the fact that there was a new game, we did produce nice winner signs and we continue to update and add to them when we have new winners.

I told you a little bit about television at our last meeting, just to recap – we were scheduled to do our live action TV spot on March 18th and 19th out of state and that of course got interrupted by the pandemic so we took a step back and through the miracle of technology we were able to record a computer generated spot, "As Seen on TV" and you may have seen it, we will play it for you now. We think the spot did a great job of introducing the concept, doing a little education, have a little fun and getting the word out about Fast Play. It wasn't plan A but we think it was a really solid plan B. Speaking of plan B, last week, right from this room we were able to be part of the live action TV spot and give direction on it. That is the graphic you will see as part of the spot, done in Spanish and English. It will be a really fun spot, talking about Fast Play, all the different ways to win, all the prizes and benefits of playing Fast Play. So that is our marketing of Fast Play and hopefully you are seeing these efforts out in the field.

What's next for Marketing is the Play 3 and Play 4 enhancement that we have coming at the end of 2020 or early 2021. It is called Wild Ball, it is a bet type, an exciting new feature that is going to offer players more chances to win. It is an extra ball drawn after the main Play 3 or Play 4 draw. It is an extra dollar to play and you have more chances to win. We think it's going to be exciting, it's shown very good success in other states and we are looking for big things and an even bigger increase in Play 3 and Play 4. Some of the other things we are looking into doing are a consumer feedback study. We want to be sure that all of our advertising methods are successful, that we are hitting the mark. Our partners do a great job in showing us statistics on digital click-through rates and things like that but we are always looking for new

ways to optimize our advertising methods and increase visibility at retailers whether it's POS, different ways to position digital, different ways to draw attention to the vending machines. We continue to look for ways to get better and better. With that I'll turn it over to Greg.

c. President's Report:

(G. Smith): This is Greg Smith, President of Connecticut Lottery. I'm going to stay primarily talking about sales but I'm going to share some information that was made available to us. For the past five months we've been studying what's been happening with lottery sales and trying to understand why we've gone through a drop off in sales, then a recovery, and why sales continue very strongly. While it's happening it's great to see. We're making sure we understand why it's happening so we can try and maintain it. Our gaming vendor, Scientific Games, has been very helpful in providing us some data, not only for Connecticut but for across the country. I thought it would be helpful to show you some of that so you could see what is taking place not only in Connecticut but in other areas as well. These slides will give you some view of the first seven months of the year and then a few snapshots as of April and again as of July. This first slide is a good picture of the first 31 weeks of 2020 you can see sales across the country with reasonably good fluctuations of increase. You can then see in the months of March and April the sales drop off occurred, and once we get into the beginning of May you can see that line cross up and keep what has been this incredibly positive experience occurring not only in Connecticut but across the country. If you look at the regions of the country that are in that lower portion, it's not so much tracking them by region but if you were to look -- pretty much everything was green through week 11 and you can see the lines start to trend toward the red color for the states of Washington and California -- aligned with the start of the virus in the U.S. But from week 11 through week 15 pretty much everyone was showing a decline in sales. From mid-March through mid-April, we knew as a country that things were changing, some stores were not selling and people were less adventurous as far as going out into the public. We had our pandemic restrictions in New Jersey, New York and Connecticut and they were pretty solid from mid-March all the way through the month of April and it shows there in red. Then things started opening up a bit for us and it all transitioned into positive growth and development and you can see that across the country as well. What's interesting to see and I'll be the first one to say I can't answer these questions because I don't know about every other state, but you can see some of these regions are showing 30, 40 and 50 percent sales increases compared to our single digit growth, and some in the teens. It's important to note that things are different state by state. Why these states are growing to that magnitude could be a result of their casinos being shut down, but their casinos might be commercial operators, and not tribal operators; they might have had stronger restrictions or less restrictions than we did. This is a picture of what was happening with instant tickets which was also a strong driver of what was happening with all of our games. I thought it was a very compelling view of what has been going on in the country, particularly with the New England area.

This next slide is focused on draw games, this picture is as of April 29, it is for our draw games, except Powerball and Mega Millions, and if a state does video lottery terminal games, those are also excluded. This gives you descriptions of what are those sections of the country and I think this is a good way to see for New England, by the end of April we were down, we had a number of stores not selling, we had quite a bit of population in some level of lock down so that they were staying home and not visiting retail more than necessary. Even though a number of stores were open, the traffic in those stores was lower. New York and New Jersey was similarly down in the mid-teens, the rest of the regions of the country were down, not as far as we were, and some of them were in less urgent and stringent restrictions than New England and the Mid-Atlantic states were in. Now this is that same picture as of August with the same

regions mapped out. This is a reflection of sales for the last four weeks -- so from early July through this first week of August -- compared to that same four week period last year. New England is up 12% for these draw games over the same period last year, a little less strong of an increase shown in the Mid-Atlantic, and then either stronger or weaker results across the country. It's interesting to see the changes by region and fair to say that some of the states have been more open and had less restrictions, but there may be some changes to what this looks like a month from now.

One of the things I was looking back at is we've had such a great, strong sales month for July and I was interested in looking at have we recovered from when the sales started to decline, so we mapped the sales from March 1 to July 31 and we have experienced the same level of sales from last year during that five month period. We are up \$4 million over last year. Another interesting thing from Paul's numbers, we were down \$11 million to budget in fiscal 2020 for our transfers and in July we were up almost \$11 million to budget in our transfers so not only is our sales recovery back on but we have effectively met our transfers as well, what I will call fully recovered back to even and now it's about trying to stay ahead and keep these results going so we can stay ahead of our budget line through fiscal 2021.

Pete gave us great information about Fast Play and thinking of a larger view, for the first three weeks we had \$4 million in sales for this game. I think because of the strength of those sales it's safe to say this game has been well-received by our customers and they have been intrigued by this progressive jackpot and its movement. It's nice to say that in the first three weeks we've had 7 winners of the game, either full jackpot or partial jackpot and the game continues to sell strongly. Yesterday was either our third or fourth strongest selling day, all of the other days occurring in the first week. While we certainly had some difficulty with sales while the power was out last week, it's nice to see a full recovery from that as well. This game came in as we ended Lucky Links and I'd like to report Lucky Links was averaging about \$5 million a year and I expect Fast Play sales will exceed \$5 million by the end of August and replace the profits from a full year of Lucky Links in its first two months of operation. I think this is a good game for us to have and the results are stepping in very nicely for us so far.

That was all I have prepared for the Board, are there any questions on any of the topics I've presented?

(R. Simmelkjaer): Thank you Greg. This is Rob. On those maps that represented draw games, is Keno included in that?

(G. Smith): Yes, Keno would be included in that. What is excluded is Powerball and Mega Millions and any states that did video lottery terminal games.

(R. Simmelkjaer): Excellent. Any other questions for Greg before we move on?

Committee Reports:

a. Executive Committee:

(R. Simmelkjaer): So the next section of the meeting, the Committee Reports. I will start off with a brief Executive Committee Special Meeting. We met on July 9th and that meeting comprised of an operations update from Greg, including a discussion of additional positions that were posted by the Department of Consumer Protection with the role of those positions to oversee Connecticut Lottery. One of those positions is to replace an existing staff member and the other was a new position. Greg, do you know the status of those positions since we spoke in July?

(G. Smith): We don't. We support it based on our two-year plan we provided to DCP and we wanted you to be aware of it in case there was any mention of changes to that, but as far as the hiring and starting dates, we are not aware of that.

(R. Simmelkjaer): We also touched briefly on the real estate broker RFQ that was posted as our office lease will be running out in the next couple of years. And lastly we talked about one Board governance item that the Committee chairs should think about which is essentially having regularly scheduled meetings for the various committees, Audit, Legislative & Games, so that amendments and things can be easily added to the agendas of those meeting as they arise which can be done only at regularly scheduled meetings as opposed to special meetings. We talked about the value of having a standard plan for the year with meetings to be held at regular intervals, so the Committee chairs are all thinking about that going forward. That was it for Executive Committee. Any questions?

b. Audit Committee:

(R. Simmelkjaer): We will move on to Audit.

(M. Thompson): Thank you Mr. Chair, this is Michael Thompson. The Audit Committee last met on July 21st for a special meeting to cover some matters in Executive Session, pending claims and litigation that we will discuss later today in our Executive Session. We also discussed generally a quarterly update that Greg provides on liquidated damages according to our contract with Scientific Games, discussed some data privacy and security updates, procedures and reviews that the lottery is currently conducting. We also had a good discussion about disaster recovery and the ongoing efforts -- we've been discussing this topic for a number of years now and the lottery is making sure that it stays on top of any disaster recovery issues, the past week's storm shows things can pop up fairly quickly so we try to stay ahead of that. We also discussed the draw studio and where we might be doing draws in the future, working with a number of different possibilities on that front. Greg also provided us an update on the Keno selling bonus that's being implemented. Any questions?

(R. Simmelkjaer): Thank you very much Mr. Thompson.

c. Legislative & Games Committee:

(R. Simmelkjaer): Next up is the Legislative and Games and Mr. Blanchette will take us through that.

(W. Blanchette): Thank you. We met this morning simply to review the proposed changes to the Play 3 and Play 4 game rules and I will let Greg fill you in on the fine points of it. The Committee did agree that the rules changes were appropriate. Greg?

(G. Smith): Mr. Chair would you like me to now review some of the details of that so when we get to the potential agenda item of voting on it that can be accomplished already?

(R. Simmelkjaer): Yes.

(G. Smith): The draft rules that we presented regarding Play 3 and Play 4, the day and the night games for both of those, include the idea of adding the Wild Ball option to all of those games and then for the Play 4 game we are also wanting to add the Pairs Betting option where a player instead of betting on all four numbers can bet on the first two, the last two or the first and the last numbers. That Pairs Betting option already exists with the Play 3 games and so we want to add it so it is the same for the Play 4 game. The Wild Ball option, as Mr. Donahue mentioned earlier in his presentation, is an addition to the drawing -- right after the main Play 3 drawing and Play 4 drawing a Wild Ball will be chosen. That result will allow

a player to replace any of the originally drawn numbers to see if it matches their game play. When they choose Wild Ball as a betting option, that will result in a potential win for them whether they win on their original bet or not. They can add to their win or they can have a different win if their original bet is unsuccessful. We provided a summary of that and some examples within that summary in addition to some sample results in the rules for you all to see. The language changes in the game rules are not voluminous because we are just describing what the Wild Ball is and what the bet results can be and the same for the Pairs Betting, it describes what it is and then offers what the outcomes could look like. When you think of the U.S. lottery industry, the states that are most successful with their numbers games as far as volume of play, most of them have these options. So while we've had that in Play 3, we want to extend the Pairs Betting into Play 4, and we also want the Wild Ball option so that we can continue to market these games well and use it to attract new players. I will stop there and ask if there are any questions, I'll be happy to answer them now or when we get to the voting item on the agenda.

(W. Blanchette): This is Will Blanchette again. As far as the Legislative and Games Committee, that was the limit to the discussions in this latest meeting.

(R. Simmelkjaer): Ok, thank you. I think we can hold any questions about the games rules to that agenda item if there are any, it's under New Business.

d. Personnel Committee:

(R. Simmelkjaer): Our last Committee Report is Personnel, back to Mr. Blanchette.

(W. Blanchette): We recently met to review the Affirmative Action Plan and the Professional Development Plan. The Professional Development Plan was changed modestly and clearly defined the eligibility for applicants to attend professional development courses and in reading the Affirmative Action Plan, the agency is not required by CHRO to submit to them but I can tell you that the plan that has been prepared is one of the most comprehensive that I have seen in a long time in my service to the State and we should be proud of it. We are not required as a Board to approve it, but required to review it and understand it. That concludes the Personnel report.

(R. Simmelkjaer): Thank you. One question that I have been thinking about, does the Plan touch on vendors at all? Any obligations on the vendor side as far as diversity?

(G. Smith): This is Greg Smith. The Affirmative Action Plan of the corporation is specific to us. We do encourage our vendors. We are actually a very strong participant in supplier diversity programs and outreach to use a number of different minority vendors. With some of our contracts or RFPs we will be strongly encouraging or requiring our vendors to report to us their diversified subcontracting efforts. An example of that will be our upcoming gaming system RFP, where that is such a significant spend, we will look for strong reporting on how that's done.

(R. Simmelkjaer): I think that's important. I will look at the plan and we can discuss it. A lot of vendors are keen to do business with us and other lotteries and there is a lot of ability for us to make an impact outside of just the walls of CLC, when it comes to having and following up on policies like that.

(G. Smith): Connecticut Lottery for a number of years has been a very strong participant in supplier diversity and even with our outreach for contracts and employment, we go above and beyond.

(R. Simmelkjaer): Great. Any other questions for Mr. Blanchette on Personnel?

IV. New Business:

a. Review and Possible Action: Play 3 and Play 4 Game Rules Changes

(R. Simmelkjaer): Let's move on to New Business and the first item is the new rules for Play 3 and Play 4 that we just talked about. This will be a motion for approval of these new rules?

(G. Smith): Yes, this is required voting. If it's easier for the Board I have the different resolutions for approval of these game rules. If it's helpful to read them now, I am more than happy to do so.

(R. Simmelkjaer): Sure.

(G. Smith): The first resolution covers the Play 3 Day and Play 3 Night and once you vote on that I'll follow with the Play 4 resolution.

Resolved, after due consideration and based on the recommendation of the Legislative and Games Committee, the Board of Directors hereby approves the Play 3 Day and Play 3 Night game rules changes as presented.

(W. Blanchette): Will Blanchette, so moved.

(J. Flores): John Flores, second.

(R. Simmelkjaer): Alright, we have a motion and a second. Any discussion? All those in favor of the motion?

(All): Aye

(R. Simmelkjaer): Any opposed? The motion carries. Greg can you read the second one?

(G. Smith): Resolved, after due consideration and based on the recommendation of the Legislative and Games Committee, the Board of Directors hereby approves the Play 4 Day and Play 4 Night game rules changes as presented.

(M. Thompson): So moved. Michael Thompson.

(J. Heckman): Jim Heckman, second.

(R. Simmelkjaer): Thank you. All those in favor of the motion?

(All): Aye.

(R. Simmelkjaer): Any opposed? The motion carries. Thank you Greg.

b. Review and Possible Action: Vice Chair Position.

(R. Simmelkjaer): The next agenda item is the Review and Possible Action: Vice Chair Position. Greg let me know within the last few weeks that we have been operating with the Vice Chair position vacant on a formal basis for some time. Obviously the Chair position was filled and the bylaws of the corporation state that the Vice Chair position shall be filled and the Board votes on the Vice Chair position every February. We talked about having someone step in and fill that position from now until February and then we will hold a new vote on a regular appointment in February of 2021. We spoke about it and Greg had the chance to discuss it with Mr. Thompson and Mr. Thompson was gratefully willing to step into that role for that period of time so with much appreciation I will move therefore that Mr. Thompson be voted by the Board to fill the position of Vice Chair with all the duties that are entailed with that position from now until February of 2021. Moved by me, Rob Simmelkjaer, Board Chair. Do I have a second?

(W. Blanchette): Second, Blanchette.

(R. Simmelkjaer): Any discussion on Mr. Thompson? Hearing none, all those in favor?

(All): Aye.

(R. Simmelkjaer): Any opposed? That is unanimous. Thank you Mr. Thompson.

(M. Thompson): Sure, thank you very much and let me know how I can help.

(R. Simmelkjaer): Much appreciated. That is it for New Business. The next item is Executive Session to discuss pending litigation and legal matters. We need a motion to go into Executive Session.

(M. Thompson): So moved, Michael Thompson.

(J. Flores): John Flores, second.

(R. Simmelkjaer): All those in favor?

(All): Aye.

(R. Simmelkjaer): Any opposed? So the Board will go into Executive Session and we will mute the public phone line at 1:00 p.m.

VII. Executive Session:

(G. Smith): I'd like to have Mr. Stone and myself present during Executive Session.

(Executive Session)

(R. Simmelkjaer): Thank you. We are back in regular session at 1:17 p.m. No actions or votes were taken during the Executive Session.

VIII. Adjournment:

(R. Simmelkjaer): With that we have covered the agenda, thank you all very much for your attendance. Can I have a motion to adjourn?

(J. Flores): John Flores, so moved.

(J. Heckman): Jim Heckman, second.

(R. Simmelkjaer): All those in favor?

(All): Aye.

(R. Simmelkjaer): Opposed? Any abstentions? Thank you very much, adjourned at 1:18 p.m.

Respectfully Submitted,

Matthew Stone
Corporation Secretary
CT Lottery Corporation