

Audit Committee

Minutes Of Special Meeting

Held on
Wednesday, November 28, 2012 at 11:00 a.m.
at
777 Brook Street
Rocky Hill, Connecticut 06067

Committee Members Present:

Martin Stauffer, Chair of the Audit Committee; Robert Dakers; Michael Thompson; Steve Bafundo; and Patrick Birney (who arrived at 11:09 a.m.)

Other Attendees:

Frank Farricker, Chair of the Board (who arrived at 11:12 a.m.); Gale Mattison, Vice Chair of the Board (who arrived at 11:38 a.m.); Anne M. Noble, President & CEO; Chelsea Turner; Diane Patterson; Paul Granato; Michael Hunter; and Lana Glovach

Call to Order:

Mr. Stauffer called the meeting to order at 11:07 a.m.

I. Approval of Minutes:

On motion made by Mr. Dakers, seconded by Mr. Thompson, and unanimously approved by all Committee members (except Mr. Birney, who had not yet arrived), it was:

“Resolved, That the minutes of the November 13, 2012 Special Meeting of the Audit Committee are approved.”

II. Executive Session:

Mr. Stauffer proposed a motion to enter into Executive Session to discuss the following attorney-client communications in the following order of discussion:

- Walker Digital, LLC et al v. MUSL
- Draft Engagement: Financial Auditors
- Online Gaming System Contract

On a motion made by Mr. Bafundo, seconded by Mr. Birney, and unanimously approved, the Audit Committee entered into Executive Session at 11:10 a.m. Ms. Noble, Ms. Turner, Ms. Patterson, Mr. Granato, Mr. Hunter, and Ms. Glovach were invited to attend the entire Executive Session.

Mr. Birney left the room prior to the discussion about the online gaming system contract.

At 12:19 p.m., the Audit Committee reconvened in regular session, at which point Mr. Birney returned to the room. Mr. Stauffer stated that no actions or votes had taken place during the Executive Session.

III. Old Business

None

IV. New Business

A. Review and Possible Action re: Online Gaming System

On motion made by Mr. Thompson, seconded by Mr. Bafundo, and approved by all Committee members except Mr. Birney, who abstained from voting, it was:

Resolved that the Audit Committee has reviewed a term sheet containing proposed amendments to the CLC's existing online contract with Scientific Games, including extension of the contract period beyond the time stated in that contract. The Audit Committee has determined that the presented terms are valuable to the Corporation and, further, that the proposed contract amendment, including the extension of the term, without open or competitive bidding, is in the Corporation's best interests and consistent with the Corporation's statutory authority and Purchasing Policy.

Therefore, the Audit Committee recommends that the Board of Directors: (a) approve such contract amendment and extension as described in that term sheet; and (b) authorize the President, on the Corporation's behalf, to complete the negotiations and execute a contract amendment consistent with the term sheet.

V. Adjournment:

Mr. Stauffer proposed a motion to adjourn. On a motion made by Mr. Birney, seconded by Mr. Thompson, and unanimously approved, the meeting was adjourned at 12:22 p.m.

Respectfully submitted,

/s/

Lana M. Glover
General Counsel
Connecticut Lottery Corporation