

Minutes of the
Special Telephonic Board Meeting
held on
Thursday, October 22, 2015
At 1:00 p.m.
at the
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut 06067

- Board Members Present: The following named members of the Board joined the meeting via telephone: Frank Farricker, Chairman of the Board; Meghan Culmo; Kia Floyd; Robert Morgan; Natasha Pierre; Michael Thompson, and Diane Winston
- Board Members Not Present: Board Members not in attendance provided the Connecticut Lottery Corporation with advanced notice of scheduling conflicts.
- Staff Members Present: Anne M. Noble, President & CEO; Chelsea Turner; Lana Glovach; Paul Granato; Michael Hunter; Jane Rooney; Cynthia Hadden, and Rebecca Lambert
- Call to Order: Chairman Farricker called the meeting to order at 1:00 p.m.

I. Approval of Minutes:

On motion made by Mr. Morgan seconded by Ms. Floyd, and unanimously approved, it was:

“Resolved, that the Board hereby approves the September 17, 2015 Board meeting minutes.”

II. Update on the Status of Keno:

Ms. Noble stated that the status of Keno is good. The Lottery entered into an agreement with the Tribes on October 6, 2015, and has had successful discussions with Scientific Games. Chairman Farricker asked how the vendor recruitment is progressing. Ms. Noble responded that recruitment is strong, and the CT Lottery Corporation (CLC) commenced advertising last week. Ms. Noble noted that there is interest from both chain stores and existing retailers.

IV. Update on Status of Multi-jurisdictional Games:

Ms. Noble stated that on October 9, 2015, the Iowa State Police made two additional fraud allegations related to the Tipton matter, one in Wisconsin and one in Colorado. The CLC does not sell the game that was involved in the Wisconsin and Colorado case. We have informed the DCP and at this time there is no reason to believe that Connecticut was a target of this fraud.

There are meaningful controls in Connecticut to prevent fraud, and the game for which we use a random number generator is a different style of game; the player cannot pick his/her number. A CLC Audit Committee meeting is scheduled for November 4, 2015 to further discuss this issue in greater detail.

V. Audit Committee Report:

Mr. Thompson reported that the Audit Committee held a telephonic meeting on October 20, 2015. The Committee discussed the Scientific Games contract as it relates to Keno. The Audit Committee will provide their recommendation to the Board after Executive Session.

VI. Executive Session:

At 1:04 p.m., Chairman Farricker called for a motion to enter into Executive Session. On motion made by Mr. Morgan, seconded by Ms. Pierre, and unanimously approved, the Board moved into Executive Session to discuss:

- Attorney/Client Communications Re:
 - Contract with Scientific Games
 - MUSL Governance

Ms. Noble, Ms. Turner, Ms. Glovach, Mr. Hunter, and Mr. Granato and Ms. Rooney were invited to stay for the Executive Session. The Board reconvened in regular session at 1:10 p.m. Chairman Farricker stated that no votes or actions took place during Executive Session.

VII. Old Business:

There was no old business.

VIII. New Business:

Gaming System Contract

On motion made by Mr. Thompson and seconded by Ms. Culmo, the following resolution was made:

Recognizing that approval of Keno game rules rests with the Corporation's Board of Directors and the Department of Consumer Protection, it is hereby

“Resolved, that the Board of Directors authorizes the CLC to exercise an option to extend the gaming system contract for seven (7) years from the date of commencement of Keno sales and authorizes the President, on the Corporation's behalf and for its benefit, to exercise an option to extend that contract, with the CLC to pay the \$5.4 million fee in equal monthly payments of \$225,000 for a two year period beginning with the Corporation's acceptance of the initial delivery of Keno terminals at the Scientific Games warehouse located in Connecticut.

The resolution passed unanimously.

IX. Adjournment:

Chairman Farricker called for a motion to adjourn today's meeting.

On motion made by Mr. Thompson, seconded by Ms. Winston, and unanimously approved, the meeting was adjourned at 1:12 p.m.

Respectfully submitted,

Chelsea Turner
Corporation Secretary/Connecticut Lottery Corp.