



**MINUTES OF THE MEETING OF
THE OHIO LOTTERY COMMISSION**

**HELD AT:
THE FRANK J. LAUSCHE BUILDING
SECOND FLOOR AUDITORIUM
615 WEST SUPERIOR AVENUE - CLEVELAND, OHIO 44113**

**SEPTEMBER 21, 2009
1:00 P.M.**

Present at the meeting were the following:

Members of the Commission:

Jaladah Aslam
Otto Beatty III
Paul M. Burens
Ernie Cade
Matthew Cox
Allan C. Krulak
Patrick McDonald
William N. Morgan
Rudy M. Stralka

Executive Staff of the Commission:

Kathleen Burke, Director
Pamela A. DeGeeter, Chief Legal Counsel
Dennis Berg, Deputy Director, Finance
John Martin, Deputy Director, Sales
Candace S. McGraw, Deputy Director, Charitable Gaming
John O'Donnell, Deputy Director, Security
Gwen Penn, Deputy Director, Product Development
Michael Petro, Deputy Director, Information Technology
Jeannie Roberts, Deputy Director, Communications
Terri Tancredi, Deputy Director, Marketing
Christine T. Jasica, Administrative Assistant, Legal

Also Present Were:

Jim Manley, Asst. Legal Counsel, Legal
Matthew Koppitch, Admin. Asst., Legal
Debbie Warren, Admin. Asst., Legal
Carol Brown, Internal Audit Supervisor
Traci Konesky, Admin. Asst., Finance
Maureen Hall, Admin. Asst., Marketing
Ron Fornaro, Instant Gaming System Manager Product Development
Ken Adams, Asst. Deputy Director, Sales
Jim Bonnette, Licensing & Bonding Supervisor, General Services
Karen Russo, Public Information Officer, Communications
Peggy Shea, Admin. Asst., General Services
Laurence Synder, Asst. Attorney General
Janice Farley, Eclipse Compliance Testing
Nick Farly, Eclipse Compliance Testing
Joe Rice, Intralot
Terry Patterson, Intralot
John Hadley, Intralot
Christopher Che, Hooven Dayton
Tracy Blevins, Hooven Dayton
Gregory Stein, Ulmer & Byrne
Sean Athey, Scientific Games
John Oberle, Raceway Park
Bryan O'Neill, Ulmer & Berne
Brent Reitz, Thistledown
Michael McMenamain, Williams Gaming
Mark Willis, Northlich Advertising
Zack Holzapfel, Gaming Lab International
Theresa Birtalain, M3 Gaming
Sarah Weigand, M3 Gaming
Steve Zbin, Future Logic
Paul Ertel, Nautica Complex, Jacobs Investment
Tom Sheehan, Associated Press
Mike O'Mara, WKYC TV3
Mike Leonard, WKYC TV3

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Ohio Lottery Commission ("OLC") meeting of September 21, 2009, was called to order at 1:00 P.M. at the Frank J. Lausche Building, Second Floor Auditorium by Chairperson Krulak.

ROLL CALL

The following members of the Commission answered present to the Roll Call: Jaladah Aslam, Paul M. Burens, Ernie Cade, Matthew Cox, Allan C. Krulak, Patrick McDonald, William Morgan and Rudy M. Stralka. Commissioner Beatty arrived shortly following roll call.

INTRODUCTION OF ATTENDEES

Chairperson Krulak requested all attendees to stand and introduce themselves.

APPROVAL OF MINUTES

Chairperson Krulak requested a Motion approving the minutes of the August 17, 2009 meeting. Commissioner Morgan made a Motion which was seconded by Commissioner Cade. The Motion was affirmatively voted upon by all Commissioners present except Commissioner Cox who abstained.

Chairperson Krulak announced that the Ohio Lottery received noticed today that the Supreme Court of Ohio issued a decision in the State ex rel. LetOhioVote.org, et al v. Ohio Secretary of State, Jennifer Brunner case regarding Video Lottery Terminals and, as a result, the agenda has been revised and all items regarding the Video Lottery Terminals rules have been removed from the agenda. Deputy Director Reports, game rules and other agenda items will now proceed as indicated on the agenda.

In addition, Chairperson Krulak called for an emergency Commission meeting to be held on Thursday, September 24, 2009 at 1:00 p.m. to discuss the Video Lottery Terminal program and the pending litigation.

DIRECTOR'S REPORT, KATHLEEN BURKE, DIRECTOR

- Director Burke recognized Jon Herdman who is retiring after 33 years of dedicated service to the Ohio Lottery. Director Burke thanked Mr. Herdman for his outstanding contribution to the Ohio Lottery Commission.
- The Director explained that she has been familiarizing herself with the daily activities performed by the Lottery's Deputy Directors and staff and their efforts to make the Ohio Lottery the best in the nation.

- Director Burke pointed out that through the Lottery's diligence and despite the challenging economic environment, the Lottery realized a record sales month in August.
- Director Burke stated that the Lottery is in the process of reviewing today's Supreme Court decision regarding VLTs, and would be sharing further information after the review is completed.

APPROVAL OF THREE (3) INSTANT GAME RULES IN PROPOSED AND FINAL FORM

Ron Fornaro brought before the Commission three (3) Instant Game Rules for approval in Proposed and Final Form. Mr. Fornaro presented the details of the games:

- Rule 3770:1-9-714, *\$300 Million Diamond Dazzler* (\$20.00)
- Rule 3770:1-9-715, *Winner Bingo Doubler* (\$5.00)
- Rule 3770:1-9-719, *Winter Green 7's* (\$5.00)

Chairperson Krulak requested a Motion to approve the three (3) Instant Game Rules in Proposed and Final Form. Commissioner Stralka made a Motion that was seconded by Commissioner Aslam. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF TWO (2) INSTANT GAME RULES IN PROPOSED FORM

Ron Fornaro brought before the Commission two (2) Instant Game Rules for approval in Proposed Form. Mr. Fornaro presented the details of the games:

- Rule 3770:1-9-725, *Valentine's Day Doubler* (\$1.00)
- Rule 3770:1-9-726, *Funky 5's* (\$2.00)

Chairperson Krulak requested a Motion to approve the two (2) Instant Game Rules in Proposed Form. Commissioner Cade made a Motion that was seconded by Commissioner Aslam. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF SIX (6) INSTANT GAME RULES IN FINAL FORM

Ms. DeGeeter brought before the Commission six (6) Instant Game Rules for approval in Final Form. The rules were approved in Proposed Form at the August 17, 2009 meeting.

- Rule 3770:1-9-716, *Old Man Winner* (\$1.00)
- Rule 3770:1-9-717, *2010 Doubler* (\$1.00)
- Rule 3770:1-9-718, *Candy Cane Cash* (\$2.00)
- Rule 3770:1-9-722, *EZPlay™ Reindeer Rally* (\$1.00)
- Rule 3770:1-9-723, *EZPlay™ Stocking Stuffers* (\$2.00)
- Rule 3770:1-9-724, *EZPlay™ Lucky Bet* (\$2.00)

Chairperson Krulak requested a Motion to approve the six (6) Instant Game Rules in Final Form. Commissioner Stralka made a Motion that was seconded by Commissioner Cade. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

LEGAL COUNSEL REPORT, PAMELA DEGEETER, CHIEF LEGAL COUNSEL

Ms. DeGeeter updated one item to the Legal Counsel Report which is a third Video Lottery lawsuit captioned State of Ohio, ex rel Ohio Christian Alliance v. Ted Strickland, Governor, et al. Ms. DeGeeter stated that the Commissioners should all have received a copy of the Complaint, however, it was not captured in the Legal Counsel Report.

Commissioner Aslam asked when that lawsuit was filed. Ms. DeGeeter responded that the lawsuit was filed on September 14, 2009.

COMMUNICATIONS REPORT, JEANNIE ROBERTS, DEPUTY DIRECTOR

Ms. Roberts offered one addition to the Communications Report which was the announcement that Frank Harvey, Executive Director of the Ohio Council on Problem Gambling has retired and has been replaced by Jenny Campbell-Roux.

FINANCE REPORT, DENNIS BERG, DEPUTY DIRECTOR

- Mr. Berg reported the sales highlights for the month of August. He noted that the \$219.8 million set an all-time sales record for the month of August. The *Mega Millions®* jackpot reached \$336 million on August 28th, the second highest jackpot offering in the game's history. *Mega Million®* sales of \$39.3 million broke an all-time sales record for any given

month for that game.

- The *Classic Lotto* jackpot reached \$36.1 million during the month, and was eventually hit on September 2nd at \$36.8 million. Last year at this time, the jackpot was set at roughly \$3 million.
- The *Rolling Cash 5* jackpot reached \$472,000 during the month of August, compared to last year's level of \$231,000.
- The Lottery transferred \$53.3 million to the LPEF. This exceeded transfer projections by \$1.8 million and exceeded last year's August transfer of \$322,000.
- Mr. Berg proudly reported that for the 12th consecutive year, the Lottery had been awarded a Certificate of Achievement for the Excellence in Financial Reporting Award for the Comprehensive Annual Financial Report submitted for the year end June 30, 2008.

GENERAL SERVICES REPORT, JIM BONNETTE, SUPERVISOR, LICENSING & BONDING

The General Services Report stands as written.

INFORMATION TECHNOLOGY REPORT, MIKE PETRO, DEPUTY DIRECTOR

- Mr. Petro pointed out that the transactions loads and sales volumes realized at peak times during the last day of the *Mega Millions*® jackpot as stated in his report, translated to about \$22,000 in sales per minute or about 15,000 transactions per minute. The Lottery's central system is capable handling over 100,000 transactions per minute, and during acceptance testing the Intralot system was able to process over 250,000 transactions per minute.
- Mr. Petro also reported that this past week the Lottery received its first bill from DAS under the new gaming system contract. The DAS bill has been cut in half under the new gaming system – from approximately \$10,000 -11,000 per month down to approximately \$5,200 per month.

MARKETING SERVICES REPORT, TERRI TANCREDI, DEPUTY DIRECTOR

Ms. Tancredi reminded that if anyone attends Browns games, to notice the signs promoting the Ohio Lottery.

SALES MANAGEMENT REPORT, JOHN MARTIN, DEPUTY DIRECTOR, SALES


The Office of Sales Management Report stands as written

GWEN PENN, DEPUTY DIRECTOR, PRODUCT DEVELOPMENT

The Office of Product Development Report stands as written.

ADJOURNMENT

Chairperson Krulak adjourned the meeting at 1:30 P.M.


Kathleen B. Burke, Secretary

Approved:


Allan C. Krulak, Chairperson