

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING SEPTEMBER 15, 2022

Chairman D'Anton called the Commission meeting into session at 10:00 a.m.

COMMISSION MEMBERS (BY TELEPHONE)

Robert D'Anton, Chairman
Marilyn Blazovsky, Vice Chair
Ian K. Leonard, Commissioner
Michael Kanef, Treasurer's Designee
Gary Terwilliger, Division of Investment Designee

James A. Carey, Jr., Executive Director
Marc J. Marseglia, Deputy Executive Director
Robert E. Kelly, Deputy Attorney General
Roza Dabaghyan, Deputy Attorney General
Jamera Sirmans, Governor's Auth. Unit

VISITORS (BY TELEPHONE)

Adam Perlow, Northstar
Erica Helms, Northstar
Sam Fromkin, Northstar
Foster Krupa, Northstar
Joe Cavallo, Northstar
Kristen Connelly, Northstar
Erin Ziegler, Northstar

STAFF (BY TELEPHONE)

Nikki Apeadu
Patricia Coppel
Missy Gillespie
Jerry Guarino
Dean Ialacci
Shelina Islam
Jason Lee
Charlene Mello
Ellen O'Malley
Richard Pagnani
Steve Palmieri
Debbie Raub
Mary Ann Rivell
Ryan Schaffer
John White

Executive Director Carey took roll call.

Executive Director Carey stated that Commissioner Leonard was running late and was expected to join the Commission meeting later.

After the Pledge of Allegiance, Chairman D'Anton announced that the Lottery was in compliance with the provisions of the Open Public Meetings Act and that adequate notice of the meeting had been provided in the manner prescribed by law.

Chairman D'Anton requested a motion to approve the minutes of the August 18, 2022 Commission meeting. Treasurer's Designee Kanef made the motion, which was seconded by Investment Designee Terwilliger. Chairman D'Anton asked if there were any comments and there being none, the motion carried.

DIRECTOR'S REPORT

Executive Director Carey stated that all sales were down by approximately 5% in August. August sales followed a great month in July that had large jackpots in Powerball and Mega Millions. August is typically one of the slowest months of the year.

Executive Director Carey reviewed the Lottery's August's results and activities. Highlights were:

All games total sales were: \$290.5 million
Lotto games total sales were: \$35.8 million
Daily machine games total sales were: \$83.7 million
Scratch-Off tickets total sales were: \$170.9 million

Executive Director Carey stated that Pick-6 had sales of \$5.3 million compared to \$5.1 million the prior year, which was an increase of 3.3%.

Executive Director Carey stated that CASH4LIFE had sales of \$5.3 million compared to \$5.1 million the prior year, which was an increase of 3.5%.

Executive Director Carey stated that Mega Millions had sales of \$11.9 million compared to \$15.2 million the prior year, which was a decrease of 21.8%.

Executive Director Carey stated that Powerball had sales of \$13.1 million compared to \$15.9 million the prior year, which was a decrease of 17.5%.

Executive Director Carey stated that Pick-3 had sales of \$34.8 million compared to \$38 million the prior year, which was a decrease of 8.6%.

Executive Director Carey stated that Pick-4 had sales of \$22.0 million compared to \$23.8 million the prior year, which was a decrease of 7.5%.

Executive Director Carey stated that Jersey Cash 5 had sales of \$10.1 million compared to \$14.7 million the prior year, which was a decrease of 30.9%.

Executive Director Carey stated that Cash Pop had sales of \$4.9 million compared to \$4.0 million the prior year, which was an increase of 23%.

Executive Director Carey stated that Quick Draw had sales of \$8.3 million compared to \$9.5 million the prior year, which was a decrease of 12.7%.

Executive Director Carey stated that Fast Play had sales of \$3.4 million compared to \$2.2 million the prior year, which was an increase of 54.3%.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$11.2 million compared to \$9.8 million the prior year, which was an increase of 14.3%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$10.6 million compared to \$10.3 million the prior year, which was an increase of 3.2%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$91.6 million compared to \$27 million the prior year, which was an increase of 239%.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$28.2 million compared to \$28.6 million the prior year, which was a decrease of 1.2%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$69.6 million compared to \$77 million the prior year, which was a decrease of 9.6%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$44.1 million compared to \$48.4 million the prior year, which was a decrease of 8.8%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$21.1 million compared to \$28.9 million the prior year, which was a decrease of 27%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$9.0 million compared to \$7.9 million the prior year, which was an increase of 14.2%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$17.1 million compared to \$19.6 million the prior year, which was a decrease of 12.8%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$6.7 million compared to \$4.8 million the prior year, which was an increase of 37.3%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$335.9 million compared to \$348.2 million the prior year, which was a decrease of 3.5%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$645.6 million compared to \$610.9 million the prior year, which was an increase of 5.7%.

Executive Director Carey stated that fiscal year to date the total contribution was \$195.0 million compared to \$177.8 million the prior year, which was an increase of 9.6%.

Executive Director Carey stated that the total monthly contribution to the State was \$81.6 million compared to \$89.2 million the prior year, which was a decrease of 8.5%.

Executive Director Carey stated that net proceeds for the fiscal year to date exceeded \$195.0 million or 30.2% of sales. Fiscal year profits from lotto games were \$57.8 million or 40.7% of sales. Fiscal year profits from daily games were \$63.7 million or 37.9% of sales. Fiscal year profits from Scratch-Offs were \$72.5 million or 21.5% of sales.

Executive Director Carey stated that total to date FY23 net proceeds also include 30% of the current estimated forfeited prizes, which totals about \$1 million.

Executive Director Carey stated that the top three selling non-core games for August were "\$50,000 Loaded," which generated \$19.8 million in sales, "\$3,000,000 Platinum Club," which generated \$12.1 million in sales and "\$1,000,000 Gold Club," which generated \$7.7 million in sales.

Executive Director Carey stated that the Scratch-Off game "\$50,000 Loaded" launched on August 2. It is at the \$30 price point and received a nice response. Northstar provided metrics that showed that in its fifth week of sales continued to look very strong.

Executive Director Carey stated that new Scratch-Off games that launched on September 6 are the "Lucky 7's" family of games.

Executive Director Carey reviewed high tier winners throughout the state in August.

Executive Director Carey stated that the Jersey Cash 5 jackpot is currently \$1.6 million, the first jackpot in excess of \$1 million in a while.

Executive Director Carey stated that all drawings for the month of August were completed with no abnormalities.

Executive Director Carey stated that all on-line game pools were closed according to procedures with no abnormalities. All Powerball and Mega Millions Drawings were verified and processed with no abnormalities. The Internal Control System (ICS) was processed for each drawing without any imbalances. All appropriate winning number information was broadcast correctly to all media contacts. All in-house staff received appropriate information via email.

Executive Director Carey stated that the Lottery is working with Northstar's Promotions team to attend the New Jersey School Boards Association Workshop, which takes place from October 24 through 26. The New Jersey Lottery will be at the Workshop with the purpose of telling school boards, teachers and public officials that the New Jersey Lottery is there to benefit them and that we are helping to support their pensions.

Executive Director Carey stated that the Commission meeting that is currently scheduled for October 20, 2022 will be moved to October 27, 2022. Executive Director Carey and Deputy Director Marseglia will be attending the World Lottery Association's convention that week.

Executive Director Carey invited Adam Perlow, Vice President and Chief Operating Officer of Northstar, to provide an update on Northstar activities. Mr. Perlow stated that Northstar continues the popular "101 Days of Summer" with contests, about one every day and live events throughout the month. In August, "\$50,000 Loaded" launched, which is the new \$30 game. The Northstar team spent a good portion of

FY22 putting out bin top jackpot signs. They are miniature LED jackpot signs that go on top of Scratch-Off bins and show the Fast Play jackpot.

Executive Director Carey asked if Commissioner Leonard joined the meeting. Commissioner Leonard responded that he has been on the call since Executive Director began the Director's Report.

Executive Director Carey concluded the Director's report.

Chairman D'Anton asked if there are any questions or comments. Hearing no questions, Chairman D'Anton requested a motion to approve the Director's Report. Commissioner Leonard made the motion, which was seconded by Vice Chair Blazovsky.

PUBLIC COMMENT ON AGENDA ITEMS

There was no Public Comment on agenda items.

NEW BUSINESS

Executive Director Carey certified that consideration for each game included, but was not limited to, intended target market, product family, seasonal factors, launch plans, overall market strategy, sales goals, prior experience, current market trends and market place demands. Additionally, as part of our overall responsible gaming initiatives, these games have been reviewed to identify any problematic elements that could present a risk to vulnerable problem gamblers.

The first item of new business was game rules for two Scratch-Off ticket games.

"Cash Climb" is a \$2 ticket, a ticket quantity to be printed of 4.8 million tickets, a top prize of \$10,000, a prize payout of 63.01%, and an anticipated on-sale date of March 6, 2023.

"Loteria Grande" is a \$5 ticket, a ticket quantity to be printed of 4.56 million tickets, a top prize of \$100,000, a prize payout of 65.01%, and an anticipated on-sale date of February 1, 2023.

Chairman D'Anton asked if there are any questions regarding the approval of the two Scratch-Off ticket game rules.

Vice Chair Blazovsky stated that she noticed with the images of the Loteria Grande game, there are certain boards that a player wins with and how is that embedded in the rule and conveyed to players so that they do not misunderstand when they have winner.

Executive Director Carey responded that there are instructions on the back of the ticket, which show what a winning result is. There is a barcode and data within the ticket that when it is scanned and validated will tell a player whether it is a winner. The rules on the back of the ticket clearly state under what circumstances you have a winner and then, as always, we have the validation process directly linked to the gaming system, which will also tell a player whether it is a winner or not.

Executive Director Carey asked Mr. Perlow if we have used this same format in past versions of Loteria Grande. Mr. Perlow responded that this is a game that has been on the market for approximately two years and there has not been any confusion. The instructions and play style have not changed at all over the course of that time.

Vice Chair Blazovsky asked if this grid approach has been used in the other rules that we have approved. Mr. Perlow responded yes.

Chairman D'Anton asked if there are any additional questions regarding the approval of the two Scratch-Off ticket game rules. Hearing no additional questions, Chairman D'Anton requested a motion to approve the Scratch-Off ticket game rules for the "Cash Climb" and "Loteria Grande." Commissioner Leonard made the motion, which was seconded by Chairman D'Anton. Chairman D'Anton asked if there were any questions or comments, and there being none, the motion carried.

The second item of new business was game rules for one Fast Play game.

"Money Mine" is a \$10 ticket, a top prize of \$500 or 100% of the jackpot, a prize payout of 65%, and an anticipated on-sale date of November 18, 2022.

Chairman D'Anton asked if there are any questions regarding the approval of the Fast Play ticket game rules. Hearing no questions, Chairman D'Anton requested a motion to approve the Fast Play ticket game rules for "Money Mine." Vice Chair Blazovsky made the motion, which was seconded by Treasurer's Designee Kanef. Chairman D'Anton asked if there were any questions or comments, and there being none, the motion carried.

PUBLIC COMMENT

There was no Public Comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Chairman D'Anton asked for a motion to adjourn the Public meeting. Commissioner Leonard made the motion, which was seconded by Treasurer's Designee Kanef. The motion carried.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on September 15, 2022.

IN WITNESS WHEREOF, I hereby set my hand on

the 12th day of October, 2022.



James A. Carey, Jr.
Executive Director