

## NEW JERSEY STATE LOTTERY COMMISSION

### PUBLIC MEETING NOVEMBER 21, 2019

Chairman D'Anton called the Commission meeting into session at 10:00 a.m. in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

#### COMMISSION MEMBERS PRESENT

Robert D'Anton, Chairman  
Marilyn Blazovsky, Vice Chair  
Dini Ajmani, Treasurer's Designee  
Gary Terwilliger, Division of Investment Designee  
(by phone)

James A. Carey, Jr., Acting Executive Director  
Robert E. Kelly, Deputy Attorney General  
Craig Ambrose, Governor's Auth. Unit

#### VISITORS

Adam Perlow, Northstar  
Erica Helms, Northstar  
Foster Krupa, Northstar  
Sarah Brennan, Northstar  
Sam Fromkin, Northstar  
Desiree Maurin, MSI  
Nicole Lobkowitz, PureRed

#### STAFF

Regina Arcuri  
Jill Dawson  
Fran Edwards  
Missy Gillespie  
Jerry Guarino  
Robert Kersey  
Kalliopi Kostis  
Jason Lee  
Charlene Mello  
Joseph Oleszkiewicz  
Richard Pagnani  
Steven Palmieri  
Debbie Raub  
Mary Ann Rivell  
Ryan Schaffer  
Margaret Square  
John White

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 October 24, 2019 Commission meeting. Vice Chair Blazovsky made the motion, which was seconded by Treasurer's Designee Ajmani. Chairman D'Anton asked if there were any comments and there being none, the motion carried.

#### DIRECTOR'S REPORT

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

All games total sales were: \$269.1 million  
Lotto games total sales were: \$29.6 million  
Daily machine games total sales were: \$83.7 million  
Scratch Off Tickets total sales were: \$155.6 million

Acting Executive Director Carey stated that Pick-6 had sales of \$4.3 million compared to \$10.1 million the prior year, which was a decrease of 57%.

Acting Executive Director Carey stated that CASH4LIFE had sales of \$4.8 million compared to \$3.4 million the prior year, which is an increase of 41.3%.

Acting Executive Director Carey stated that Mega Millions had sales of \$9.8 million compared to \$100.1 million the prior year, which was a decrease of 90%.

Acting Executive Director Carey stated that Powerball had sales of \$10.6 million compared to \$50.1 million the prior year, which was a decrease of 78%.

Acting Executive Director Carey stated that Pick-3 had sales of \$33.5 million compared to \$33.1 million the prior year, which was an increase of 1.1%.

Acting Executive Director Carey stated that Pick-4 had sales of \$21.9 million compared to \$21.1 million the prior year, which was an increase of 3.4%.

Acting Executive Director Carey stated that Jersey Cash 5 had sales of \$12.6 million compared to \$11.5 million the prior year, which was an increase of 9.3%.

Acting Executive Director Carey stated that Cash Pop had sales of \$3.5 million.

Acting Executive Director Carey asked Adam Perlow, Vice President and Chief Operating Officer of Northstar, if he would like to add anything about Cash Pop and its first month's results. Mr. Perlow stated that one of the most exciting things about Cash Pop is that in their research, Cash Pop is most popular in the 18-34 year old demographic. It is followed by the 35-44 year old demographic.

Chairman D'Anton asked what the percentage of the 18-34 year old demographics are.

Mr. Perlow stated that in the 18-34 year old age group, 90% said the game appealed to them. The 18-34 year old age group represents the strongest group of players.

Acting Executive Director Carey stated that Quick Draw had sales of \$10 million compared to \$12.4 million the prior year, which was a decrease of 19.1%.

Acting Executive Director Carey stated that New Jersey only games totals had actual sales of \$243.7 million compared to \$241 million the prior year, which was an increase of 1%.

Acting Executive Director Carey stated that fiscal year to date Pick-6 had sales of \$20.8 million compared to \$31 million the prior year, which was a decrease of 34%.

Acting Executive Director Carey stated that fiscal year to date CASH4LIFE had sales of \$20 million compared to \$13 million the prior year, which was an increase of 53%.

Acting Executive Director Carey stated that fiscal year to date Mega Millions had sales of \$44.5 million compared to \$159.5 million the prior year, which was a decrease of 72%.

Acting Executive Director Carey stated that fiscal year to date Powerball had sales of \$40 million compared to \$85 million the prior year, which was a decrease of 53%.

Acting Executive Director Carey stated that fiscal year to date Pick-3 had sales of \$135.7 million compared to \$135.8 million the prior year, which was a decrease of 0.1%.

Acting Executive Director Carey stated that fiscal year to date Pick-4 had sales of \$86.4 million compared to \$85.4 million the prior year, which was an increase of 1%.

Acting Executive Director Carey stated that fiscal year to date Jersey Cash 5 had sales of \$46.5 million compared to \$53.2 million the prior year, which was a decrease of 12%.

Acting Executive Director Carey stated that fiscal year to date Quick Draw had sales of \$42.7 million compared to \$37.4 million the prior year, which was an increase of 14.3%.

Acting Executive Director Carey stated that fiscal year to date Fast Play had sales of \$6.7 million compared to \$8.3 million the prior year, which was a decrease of 19.1%.

Acting Executive Director Carey stated that fiscal year to date Scratch-Offs had sales of \$621.4 million compared to \$610.2 million the prior year, which was an increase of 1.8%.

Acting Executive Director Carey stated that fiscal year to date all games had total sales of \$1.069 billion compared to \$1.221 billion the prior year, which was a decrease of 12.4%.

The contribution to date to Pension Fund L for the fiscal year was \$305.5 million, which is a decrease of 19%.

Acting Executive Director Carey stated that net proceeds for the fiscal year to date were \$305.5 million or 28.5% of sales. Lotto games were \$48.2 million or 37% of sales. Daily games were \$122.2 million or 38% of sales. Instant games were \$131.4 million or 21% of sales.

Acting Executive Director Carey stated that total to date FY19 net proceeds, also include 30% of the current estimated forfeited prizes of \$3.7 million.

The three top selling non-core games for October were "\$200X the Money Bonus," which generated \$18.2 million in sales, "Hit \$2,000," which generated \$9.3 million in sales and "Hit \$500," which generated \$7.3 million in sales.

Total sales for Core and Family Games for the month were more than \$83 million. The "Crossword" family of games had \$27.8 million in sales, "Hit!" family of games had \$22.9 million in sales and the "Spectacular" family of games had \$10.9 million in sales.

Acting Executive Director Carey stated that new games launched on November 4 were "Holiday Luck," "Holiday Lucky Times 10," "Holiday Lucky Bonus" and "Winter Wishes."

Acting Executive Director Carey stated that new games launched on December 2 were "2020 Cash Celebration," "Win for Life," "Double Match Bonus" and "\$1,000,000 Spectacular."

Acting Executive Director Carey stated that Fast Play Progressive had a jackpot win of \$167,197 in October, 100% of the progressive jackpot.

Acting Executive Director Carey stated that there were a number of high tier winners throughout the state in October. Jersey Cash 5 had a \$673,126 winner in Ocean County on October 2. Jersey Cash 5 had a \$662,218 winner in Ocean County on October 13. Jersey Cash 5 had a winner of \$884,148 on October 26 in Passaic County.

Acting Executive Director Carey stated that the VIP Club increased its membership with 3,006 new registrations during the month of October. The VIP Club now has an enrollment of 507,064 active members.

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

Acting Executive Director Carey stated that all on-line game pools were closed according to procedures with no abnormalities.

Acting Executive Director Carey stated that the Public Information Office is working on the "Holiday Gifting Annual Awareness Campaign" press conference with Northstar and the Council on Compulsive Gambling.

Acting Executive Director Carey stated that there were 229 open investigations at the end of the month. There were 179 security investigations completed.

Acting Executive Director Carey stated that the random number generator at the business continuity site had its annual preventative maintenance serviced.

Acting Executive Director Carey stated that the Validations department received and sorted 3,819 mailed claim forms during the month of October and an additional 516 walk-in claims. Staff entered 4,186 claims

into the claims tracking system. During the month of October, there were 4,503 claims totaling over \$18.9 million that were paid to winners including annuity payments.

Acting Executive Director Carey concluded the Director's Report.

Chairman D'Anton asked if there were any questions or comments.

Treasurer's Designee Ajmani asked Adam Perlow how many retailers have signed on to sell Quick Draw between October of last year and October of this year.

Mr. Perlow stated that all of the traditional retailers sell Quick Draw and that is where about 2/3 of Quick Draw sales are sold. With the 1/3 of the social spaces selling Quick Draw, we have gained between 200 to 300 net. The process of signing on new social space retailers is moving slower than was hoped. Next March, Northstar will add 500 self-service vending machines, specifically for social spaces. That will make it easier to recruit some of the social spaces.

Chairman D'Anton requested a motion to approve the Director's Report. Vice Chair Blazovsky made the motion, which was seconded by Treasurer's Designee Ajmani.

## **NEW BUSINESS**

Acting 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.

Chairman D'Anton requested a motion to approve the instant ticket game rules for "10X The Money Bonus," "20X The Money Bonus," "50X The Money Bonus" and "100X The Money Bonus." Investment Designee Terwilliger made the motion which was seconded by Treasurer's Designee Ajmani. Chairman D'Anton asked if there were any comments and there being none the motion carried.

Chairman D'Anton requested a motion to approve the three on-line game rules for FAST PLAY. The game rules for approval were "Tic Tac Cash Progressive," "Lots of \$50S Progressive" and "Diamond Dollars Progressive." Investment Designee Terwilliger made the motion which was seconded by Treasurer's Designee Ajmani. Chairman D'Anton asked if there were any comments and there being none the motion carried.

Chairman D'Anton requested a motion to approve the revised game rules governing the Million Dollar Replay Program. Treasurer's Designee Ajmani made the motion which was seconded by Vice Chair Blazovsky. Chairman D'Anton asked if there were any comments and there being none the motion carried.

Chairman D'Anton requested a motion to approve the official game rules governing the Mega Millions with Megaplier and Double Play feature. Acting Executive Director Carey stated that the motion is subject to the condition that at least five states, including New Jersey, have agreed to participate in Double Play at the time the add-on is launched. The Board or Acting Executive Director may terminate New Jersey's participation in Double Play if there are not at least four other states with equivalent population to the anticipated participants (Michigan, Indiana, Rhode Island and Idaho) participating in Double Play when Double Play is scheduled to be launch. If one of those states were to drop out and New Jersey's prize liability were to be significantly increased, either the Board or the Acting Executive Director can terminate New Jersey's participation in the game. Vice Chair Blazovsky made the motion which was seconded by Treasurer's Designee Ajmani. Chairman D'Anton asked if there were any comments and there being none the motion carried.

Chairman D'Anton requested a motion to approve the 2020 meeting schedule. Vice Chair Blazovsky made the motion which was seconded by Treasurer's Designee Ajmani. Chairman D'Anton asked if there were any comments and there being none the motion carried.

**PUBLIC COMMENT**

There was no Public Comment.

**EXECUTIVE SESSION**

There was no Executive Session.

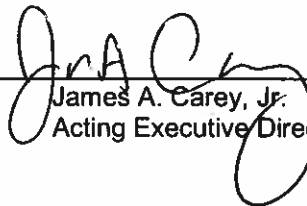
**ADJOURNMENT**

Chairman D'Anton asked for a motion to adjourn the Public meeting. Investment Designee Terwilliger made the motion which was seconded by Vice Chair Blazovsky. 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 November 21, 2019.

IN WITNESS WHEREOF, I hereby set my hand on

the 13<sup>th</sup> day of December, 2019.

  
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James A. Carey, Jr.  
Acting Executive Director