

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING NOVEMBER 17, 2022

Vice Chair Blazovsky 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
Christopher Kay, Deputy Attorney General
Jamera Sirmans, Governor's Auth. Unit

STAFF (BY TELEPHONE)

Jerry Guarino
Shelina Islam
Robert Kersey
Kelly Laird
Jason Lee
Jack Leo
Charlene Mello
Ellen O'Malley
Joe Oleszkiewicz
Rick Pagnani
Debbie Raub
Ryan Schaffer

VISITORS (BY TELEPHONE)

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

Executive Director Carey took roll call.

After the Pledge of Allegiance, Vice Chair Blazovsky 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.

Vice Chair Blazovsky requested a motion to approve the minutes of the October 27, 2022 Commission meeting. Commissioner Leonard made the motion, which was seconded by Treasurer's Designee Kanef. Vice Chair Blazovsky asked if there were any comments and there being none, the motion carried.

DIRECTOR'S REPORT

Executive Director Carey stated that October was a very strong month lead by the extraordinary Powerball jackpot. The \$1.9 billion jackpot was won on November 7.

Chairman D'Anton stated that he joined the call.

Executive Director Carey stated that Vice Chair Blazovsky was chairing the meeting because Chairman D'Anton was travelling, but he was on the call.

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

All games total sales were: \$332.7 million
Lotto games total sales were: \$80.2 million
Daily machine games total sales were: \$85.5 million
Scratch-Off tickets total sales were: \$166.9 million

Executive Director Carey stated that Powerball had sales of \$55.5 million compared to \$26.7 million the prior year, which was an increase of 108%. Carey compared an average week of Powerball sales of about \$2.5 million to the last week of October, when sales were \$43 million.

Executive Director Carey stated that Pick-6 had sales of \$4.9 million compared to \$5.3 million the prior year, which was a decrease of 8.4%.

Executive Director Carey stated that CASH4LIFE had sales of \$5.1 million compared to \$5.0 million the prior year, which was an increase of 2.2%.

Executive Director Carey stated that Mega Millions had sales of \$14.6 million compared to \$10.9 million the prior year, which was an increase of 33%.

Executive Director Carey stated that Pick-3 had sales of \$33.4 million compared to \$36.4 million the prior year, which was a decrease of 8.2%.

Executive Director Carey stated that Pick-4 had sales of \$21.4 million compared to \$23.5 million the prior year, which was a decrease of 8.7%.

Executive Director Carey stated that on November 14, Pick-3 and Pick-4 prizes went to fixed prizes. Our outreach indicated that players were in favor of going to fixed prizes with Pick-3 and Pick-4. It will be good for players and will help sales.

Executive Director Carey stated that Jersey Cash 5 had sales of \$13.5 million compared to \$14.7 million the prior year, which was a decrease of 7.7%.

Executive Director Carey stated that Cash Pop had sales of \$4.5 million compared to \$3.6 million the prior year, which was an increase of 23.3%.

Executive Director Carey stated that Quick Draw had sales of \$8.4 million compared to \$9.4 million the prior year, which was a decrease of 10.7%.

Executive Director Carey stated that Fast Play had sales of \$4.1 million compared to \$3.0 million the prior year, which was an increase of 36.3%.

Executive Director Carey stated that in November, Lottery will be launching our holiday Scratch-Offs, and the "Peppermint Payout" Scratch-Off ticket smells like peppermint.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$21.7 million compared to \$20.8 million the prior year, which was an increase of 4.1%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$20.7 million compared to \$20.3 million the prior year, which was an increase of 1.9%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$121.0 million compared to \$53.9 million the prior year, which was an increase of 124.2%.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$97.1 million compared to \$86.5 million the prior year, which was an increase of 12.3%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$136.2 million compared to \$149.8 million the prior year, which was a decrease of 9.1%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$86.8 million compared to \$94.7 million the prior year, which was a decrease of 8.3%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$48.6 million compared to \$55.1 million the prior year, which was a decrease of 11.8%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$18.1 million compared to \$15.3 million the prior year, which was an increase of 18.6%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$34.0 million compared to \$37.7 million the prior year, which was a decrease of 9.6%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$14.0 million compared to \$10.1 million the prior year, which was an increase of 38%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$667.6 million compared to \$683.0 million the prior year, which was a decrease of 2.3%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$1.26 billion compared to \$1.22 billion the prior year, which was an increase of 3.2%.

Executive Director Carey stated that the monthly contribution was \$102.0 compared to \$92.4 the prior year, which was an increase of 10.4%.

Executive Director Carey stated that net proceeds for the fiscal year to date exceeded \$381.8 million or 30.1% of sales. Fiscal year profits from lotto games were \$105.3 million or 40.4% of sales. Fiscal year profits from daily games were \$128.7 million or 38% of sales. Fiscal year profits from Scratch-Offs games were \$143.9 million or 21.5% of sales.

Executive Director Carey stated that the top three selling non-core games for October were "Power 50X," which generated \$16.8 million in sales, "\$50,000 Loaded," which generated \$11.3 million in sales and "\$3,000,000 Platinum Club," which generated \$9.7 million in sales. These were all \$30 games.

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

Executive Director Carey stated that all drawings for the month of October 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 there was a delay in the Powerball drawing held on November 7. The delay was caused by a problem in Minnesota and the Minnesota Lottery issued a press release explaining that they had problems with their ICS system.

Executive Director Carey stated that in November, Division staff and Northstar's Promotions team were at the New Jersey Education Association's Convention and the League of Municipalities Convention. He explained that the goal was to spread the message about what the Lottery does for the State of New Jersey and our beneficiaries. Executive Director Carey thanked Northstar and the Promotions team, particularly Carolina Santacruz and Keon Jones, for their hard work. He also thanked Missy Gillespie, Mary Ann Rivell and Dean Ialacci in our Public Information Office for putting it together.

Executive Director Carey stated that the Validations Unit received and sorted 3,947 mailed claims during the month of October. There were 413 claims received in the drop box and 84 claims hand delivered during scheduled appointments. During the month of October there were 3,446 claims paid totaling \$13,200,130.00 in winnings.

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 the Powerball jackpot was a lot of fun and hard work for the Northstar and IGT teams.

Executive Director Carey concluded the Director's report.

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

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 four Scratch-Off ticket games.

"Blackjack Tripler" is a \$2 ticket, a ticket quantity to be printed of 4.80 million tickets, a top prize of \$10,000, a prize payout of 63.04%, and an anticipated on-sale date of June 5, 2023.

"Hit \$200" is a \$5 ticket, a ticket quantity to be printed of 4.68 million tickets, a top prize of \$200,000, a prize payout of 64.05%, and an anticipated on-sale date of March 6, 2023.

"\$1,000,000 Diamond Spectacular" is a \$20 ticket, a ticket quantity to be printed of 7.2 million tickets, a top prize of \$40,000 a year for 25 years or the equivalent cash value of \$1,000,000, a prize payout of 69.03%, and an anticipated on-sale date of June 5, 2023.

"Ultimate \$1,000,000 Spectacular" is a \$30 ticket, a ticket quantity to be printed of 9.12 million tickets, a top prize of \$40,000 a year for 25 years or the equivalent cash value of \$1,000,000, a prize payout of 70%, and an anticipated on-sale date of May 1, 2023.

Vice Chair Blazovsky asked if there were any questions regarding the approval of the four Scratch-Off ticket game rules. Hearing no additional questions, Vice Chair Blazovsky requested a motion to approve the Scratch-Off ticket game rules for the "Blackjack Tripler," "Hit \$200," "\$1,000,000 Diamond Spectacular" and "Ultimate \$1,000,000 Spectacular." Commissioner Leonard made the motion, which was seconded by Chairman D'Anton. Vice Chair Blazovsky 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 games.

"100X The Cash" is a \$20 ticket, a top prize of \$10,000 or 100% of the jackpot, a prize payout of 66.39%, and an anticipated on-sale date of January 3, 2023.

Vice Chair Blazovsky asked if there are any questions regarding the approval of the Fast Play ticket game rules. Hearing no questions, Vice Chair Blazovsky requested a motion to approve the Fast Play ticket game rules for "100X The Cash." Commissioner Leonard made the motion, which was seconded by Chairman D'Anton. Vice Chair Blazovsky asked if there were any questions or comments, and there being none, the motion carried.

The third item under new business was the general rules governing the Million Dollar Replay Program.

Executive Director Carey stated that Million Dollar Replay is a program where players can submit non-winning Scratch-Off tickets to be entered into a \$1,000,000 drawing. We conduct that drawing in the spring of every year and it is a big success. There are 400 finalists in the drawing. The rules need to be updated each year. The cash value of that jackpot will be \$638,000.00 and the annuity amount is

\$1,000,000.00. Next year, the Million Dollar Replay Event will take place on Friday, March 24 at Caesar's in Atlantic City.

Vice Chair Blazovsky asked if there were any questions or comments regarding the approval of the Million Dollar Replay Program. Hearing no questions, Vice Chair Blazovsky requested a motion to approve the general rules governing the Million Dollar Replay Program. Treasurer's Designee Kanef made the motion, which was seconded by Commissioner Leonard. Vice Chair Blazovsky asked if there were any questions or comments and there being none, the motion carried.

The fourth item of new business was approval of the 2023 meeting schedule.

Vice Chair Blazovsky asked if there were any questions or comments regarding the approval of the 2023 meeting schedule. Hearing no questions, Vice Chair Blazovsky requested a motion to approve the 2023 meeting schedule. Treasurer's Designee Kanef made the motion which was seconded by Investment Designee Terwilliger. Vice Chair Blazovsky asked if there were any comments and there being none the motion carried.

Vice Chair Blazovsky wished everyone a Happy Thanksgiving. She wanted to express her gratitude for the efforts of the Lottery staff and the Northstar staff for their hard work on behalf of the State of New Jersey.

Executive Director Carey thanked Vice Chair Blazovsky for chairing the meeting.

PUBLIC COMMENT

There was no Public Comment.

EXECUTIVE SESSION

There was no Executive Session.


ADJOURNMENT

Vice Chair Blazovsky 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 November 17, 2022.

IN WITNESS WHEREOF, I hereby set my hand on

the 8th day of December, 2022.


James A. Carey, Jr.
Executive Director