

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING OCTOBER 27, 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
Foster Krupa, Northstar
Joe Cavallo, Northstar
Kristen Connelly, Northstar
Erin Ziegler, Northstar

STAFF (BY TELEPHONE)

Nikki Apeadu
Missy Gillespie
Jerry Guarino
Dean Ialacci
Shelina Islam
Robert Kersey
Kelly Laird
Jason Lee
Jack Leo
Charlene Mello
Ellen O'Malley
Joe Oleszkiewicz
Steve Palmieri
Debbie Raub
Ryan Schaffer

Executive Director Carey stated that today's Commission meeting was originally scheduled for October 20, 2022 and was rescheduled due to a conflict.

Executive Director Carey took roll call.

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 September 15, 2022 Commission meeting. Commissioner Leonard made the motion, which was seconded by Treasurer's Designee Kanef. Chairman D'Anton asked if there were any comments and there being none, the motion carried.

DIRECTOR'S REPORT

Executive Director Carey noted that the Powerball jackpot for the drawing to be held on Saturday, October 29, was \$800 million.

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

All games total sales were: \$287.9 million
Lotto games total sales were: \$38.5 million
Daily machine games total sales were: \$84.5 million
Scratch-Off tickets total sales were: \$164.7 million

Executive Director Carey stated that Pick-6 had sales of \$5.5 million compared to \$5.6 million the prior year, which was a decrease of 1.8%.

Executive Director Carey stated that CASH4LIFE had sales of \$4.8 million compared to \$4.9 million the prior year, which was a decrease of 1.2%.

Executive Director Carey stated that Mega Millions had sales of \$14.8 million compared to \$15.9 million the prior year, which was a decrease of 7.3%.

Executive Director Carey stated that Powerball had sales of \$13.3 million compared to \$31.1 million the prior year, which was a decrease of 57.3%.

Executive Director Carey stated that Pick-3 had sales of \$33.1 million compared to \$36.2 million the prior year, which was a decrease of 8.6%.

Executive Director Carey stated that Pick-4 had sales of \$21.1 million compared to \$22.7 million the prior year, which was a decrease of 6.9%.

Executive Director Carey stated that on November 14, Pick-3 and Pick-4 prizes will go from parimutuel prizes to fixed prizes and we expect improved sales. Pick-3 and Pick-4 sales have suffered a long-term decline over years.

Executive Director Carey stated that Jersey Cash 5 had sales of \$13.9 million compared to \$11.4 million the prior year, which was an increase of 21.9%. Jersey Cash 5 had the benefit of a few large jackpots, including a \$1.9 million jackpot on September 16 that was shared by two players.

Executive Director Carey stated that Cash Pop had sales of \$4.5 million compared to \$3.7 million the prior year, which was an increase of 22.8%.

Executive Director Carey stated that Quick Draw had sales of \$8.5 million compared to \$8.6 million the prior year, which was a decrease of 1.3%.

Executive Director Carey stated that Fast Play had sales of \$3.2 million compared to \$2.2 million the prior year, which was an increase of 41.4%.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$16.7 million compared to \$15.4 million the prior year, which was an increase of 8.5%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$15.5 million compared to \$15.2 million the prior year, which was an increase of 1.8%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$106.4 million compared to \$43.0 million the prior year, which was an increase of 147.6%.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$41.6 million compared to \$59.8 million the prior year, which was a decrease of 30.5%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$102.7 million compared to \$113.3 million the prior year, which was a decrease of 9.3%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$65.3 million compared to \$71.1 million the prior year, which was a decrease of 8.2%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$35.0 million compared to \$40.4 million the prior year, which was a decrease of 13.2%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$13.6 million compared to \$11.6 million the prior year, which was an increase of 17.1%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$25.6 million compared to \$28.3 million the prior year, which was a decrease of 9.3%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$9.9 million compared to \$7.1 million the prior year, which was an increase of 38.5%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$500.7 million compared to \$513.8 million the prior year, which was a decrease of 2.6%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$933.5 million compared to \$919.4 million the prior year, which was an increase of 1.5%.

Executive Director Carey stated that fiscal year to date the total contribution was \$279.8 million compared to \$274.2 million the prior year, which was an increase of 2.1%.

Executive Director Carey stated that net proceeds for the fiscal year to date exceeded \$279.8 million or 29.9% of sales. Fiscal year profits from lotto games were \$72.8 million or 40.3% of sales. Fiscal year profits from daily games were \$95.7 million or 37.9% of sales. Fiscal year profits from Scratch-Offs games were \$107.7 million or 21.5% of sales.

Executive Director Carey stated that the top three selling non-core games for September were "\$50,000 Loaded," which generated \$16 million in sales, "\$3,000,000 Platinum Club," which generated \$11.7 million in sales and "Lucky 7's Multiplier," which generated \$9.3 million in sales.

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

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

Executive Director Carey stated that all drawings for the month of September 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 we have had a number of Speaker's Bureau Events in September and October. Speaker's Bureau Events are an opportunity for Lottery staff to go out to the public and discuss how the Lottery operates, what the Lottery does and who the Lottery benefits. Executive Director Carey complimented Missy Gillespie, Mary Ann Rivell, Dean Ialacci, Jerry Guarino and Bob Kersey, who have all been working on Speaker's Bureau Events over the last few months to get the program back up and running.

Executive Director Carey stated that he attended the New Jersey School Boards Association Workshop in Atlantic City this week with the staff of the Lottery's Public Information Office, Deputy Executive Director Marseglia and Northstar's Promotions Team. The Lottery wants to talk to the people who benefit most from the Lottery and our contribution to the state. We wanted to remind educators that the New Jersey Lottery supports education and we do that by supporting teachers. The Lottery will also attend the New Jersey Education Association's Convention and at the League of Municipalities Convention in November. We are going to keep getting that message out of what we are doing for the State of New Jersey and our beneficiaries.

Executive Director Carey stated that he had the opportunity to attend the World Lottery Association Conference in Vancouver in October. He stated that at the event, the North American Association of State and Provincial Lotteries (NASPL) presented awards for the best lottery products, advertisements and promotions during the past year. He was proud to announce that the New Jersey Lottery won a Batchy award for the best Radio Advertising for Lotto and Daily Numbers Games for our Pick-4 campaign. We were also nominated for an award on Corporate Communications for our Annual Report. Executive Director Carey noted that the Batchy Awards are named after Ralph Batch, who was the first Director of the New Jersey Lottery and the founder of NASPL.

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 winning the Batchy award was great. It was very nice to be recognized for the Pick-4 radio commercial. In total, the New Jersey Lottery was nominated for seven awards. In September, there was a Tier 1 advertising campaign for the "Lucky 7's" family of games. The Promotions Team will be at Giants, Jets and Rutgers football games this season. In September, we also had the promotions team at the Columbus Day parade and Italian Festival in Seaside Heights.

Executive Director Carey stated that there are 45 lotteries in the United States and they are all doing radio advertising. He complimented our advertising partner, PureRed, on their work.

Executive Director Carey concluded the Director's report.

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

Vice Chair Blazovsky stated that she just wanted to congratulate the Lottery for winning the Batchy Award, as it is a very coveted award. She added that she is glad to see that we are out at the sports events to remind players that there are alternatives to sports betting.

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

PUBLIC COMMENT ON AGENDA ITEMS

There was no Public Comment on agenda items.

NEW BUSINESS

The first item of new business was approval of Publication for Proposed Notice of Readoption of Regulations at N.J.A.C. 17:20 – to Readopt Lottery's expiring Regulations for an additional seven year period.

Executive Director Carey explained the Publication for Proposed Notice of Readoption of Regulations at N.J.A.C. 17:20 – to Readopt Lottery's expiring Regulations for an additional seven year period. The Lottery's existing package of regulations at N.J.A.C. 17:20 is due to sunset on December 29, 2022. He explained that the Proposal is purely a technical matter and there are no substantive changes to the regulations as part of this package.

Chairman D'Anton asked if there are any questions regarding the approval of the Publication for Proposed Notice of Readoption of Regulations at N.J.A.C. 17:20 – to Readopt Lottery's expiring Regulations for an additional seven year period. Hearing no questions, Chairman D'Anton requested a motion to approve the Publication for Proposed Notice of Readoption of Regulations at N.J.A.C. 17:20 – to Readopt Lottery's expiring Regulations for an additional seven year period. 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.

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 second item of new business was game rules for three Scratch-Off ticket games.

"High Card Poker" is a \$5 ticket, a ticket quantity to be printed of 5.76 million tickets, a top prize of \$150,000, a prize payout of 65.05%, and an anticipated on-sale date of December 30, 2022.

"Lady Luck 7's" is a \$5 ticket, a ticket quantity to be printed of 4.8 million tickets, a top prize of \$200,000, a prize payout of 65.01%, and an anticipated on-sale date of April 3, 2023.

"The Jersey Debate" is a \$5 ticket, a ticket quantity to be printed of 4.8 million tickets, a top prize of \$200,000, a prize payout of 64%, and an anticipated on-sale date of May 1, 2023.

Executive Director Carey stated that our partners at Northstar recommended that we have a little fun with some of our Scratch-Off tickets. "The Jersey Debate" is a pork roll themed ticket and it is very New Jersey.

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

Vice Chair Blazovsky stated that "The Jersey Debate" ticket is great. She commends the Lottery and Northstar in putting some effort into this.

Chairman D'Anton asked if this was Northstar's idea. Executive Director Carey responded that it was Northstar's idea and it was something they have been thinking about for quite a while.

Chairman D'Anton asked if there are any additional questions regarding the approval of the three 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 "High Card Poker," "Lady Lucky 7's," and "The Jersey Debate." Treasurer's Designee Kanef made the motion, which was seconded by Commissioner Leonard. Chairman D'Anton asked if there were any questions or comments, and there being none, the motion carried.

The third item of new business was game rules for three Fast Play games.

"Tic Tac Cash" is a \$5 ticket, a top prize of \$200 or 50% of the jackpot, a prize payout of 63.07%, and an anticipated on-sale date of November 18, 2022.

"Winter Word Search" is a \$5 ticket, a top prize of \$100 or 50% of the jackpot, a prize payout of 62.93%, and an anticipated on-sale date of December 16, 2022.

"Match 5 Doubler" 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 April 21, 2023.

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 "Tic Tac Cash," "Winter Word Search," and "Match 5 Doubler." 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.

Chairman D'Anton asked if the next Commission meeting is on November 17. Executive Director Carey responded that it is.

PUBLIC COMMENT

There was no Public Comment.

EXECUTIVE SESSION

There was no Executive Session.

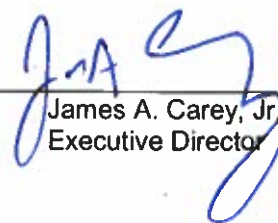
ADJOURNMENT

Chairman D'Anton asked for a motion to adjourn the Public meeting. Commissioner Leonard made the motion, which was seconded by Chairman D'Anton. 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 October 27, 2022.

IN WITNESS WHEREOF, I hereby set my hand on

the 3rd day of November, 2022.



James A. Carey, Jr.
Executive Director