

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING DECEMBER 21, 2023

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

COMMISSION MEMBERS

Robert D'Anton, Chairman (by phone)
Ian Leonard, Vice Chairman (by phone)
Munr Kazmir, Commissioner (by phone)
Michael Kanef, Treasurer's Designee (by phone)
Gary Terwilliger, Division of Investment Designee (by phone)

James A. Carey, Jr., Executive Director
Robert E. Kelly, Deputy Attorney General
Roza Dabaghyan, Deputy Attorney General (by phone)
Samuel Kovach-Orr, Governor's Auth. Unit

STAFF

Pat Coppel (by phone)
Scott Davis (by phone)
Missy Gillespie (by phone)
Jerry Guarino (by phone)
Shelina Islam
Robert Kersey (by phone)
Charlene Mello
Ellen O'Malley
Debbie Raub
Ryan Schaffer
Esther Werstler
John White

VISITORS

Adam Perlow, Northstar (by phone)
Kristen Connelly, Northstar (by phone)
Sam Fromkin, Northstar
Foster Krupa, Northstar (by phone)
Erin Leon, Northstar (by phone)

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 November 16, 2023 Commission meeting. Chairman D'Anton asked if there are any questions or comments. Hearing no questions, Chairman D'Anton requested a motion to approve the minutes of the November 16, 2023 Commission meeting. Vice Chairman Leonard made the motion to approve the minutes of the November 16, 2023 Commission meeting. Chairman D'Anton seconded the motion. Chairman D'Anton called for a vote and all the Commissioners voted yes. The motion carried.

DIRECTOR'S REPORT

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

All games total sales were: \$269.6 million
Lotto games total sales were: \$39.8 million
Daily machine games total sales were: \$79.5 million
Scratch-Off tickets total sales were: \$150.2 million

Executive Director Carey stated that Pick-6 had sales of \$6.0 million compared to \$4.5 million the prior year, which was an increase of 33.4%.

Executive Director Carey stated that CASH4LIFE had sales of \$5.0 million compared to \$5.3 million the prior year, which was a decrease of 4.7%.

Executive Director Carey stated that Mega Millions had sales of \$11.8 million compared to \$17.5 million the prior year, which was a decrease of 32.5%.

Executive Director Carey stated that Powerball had sales of \$16.9 million compared to \$82.3 million the prior year, which was a decrease of 79.4%. There was a \$1.9 billion Powerball jackpot in November 2022 and that drove sales.

Executive Director Carey stated that Pick-3 had sales of \$32.3 million compared to \$31.5 million the prior year, which was an increase of 2.5%.

Executive Director Carey stated that Pick-4 had sales of \$19.7 million compared to \$20.3 million the prior year, which was a decrease of 2.7%.

Executive Director Carey stated that Pick-3 and Pick-4 have been down about 8 to 10% compared to last year. Lottery ran a promotion called the "Straight Back Bonus Promotion" where players could have multiple ways to win on Pick-3. In the last weeks of the promotion, it was very popular with players.

Executive Director Carey stated that Jersey Cash 5 had sales of \$10.6 million compared to \$10.8 million the prior year, which was a decrease of 1.9%.

Executive Director Carey stated that Cash Pop had sales of \$5.2 million compared to \$4.3 million the prior year, which was an increase of 21.4%.

Executive Director Carey stated that Quick Draw had sales of \$7.4 million compared to \$8.0 million the prior year, which was a decrease of 7.1%.

Executive Director Carey stated that Fast Play had sales of \$4 million compared to \$4.1 million the prior year, which was a decrease of 1.7%.

Executive Director Carey stated that Scratch-Off games had sales of \$150.2 million compared to \$160.2 million the prior year, which was a decrease of 6.3%.

Executive Director Carey stated that the monthly contribution was \$78.5 million compared to \$108.6 million the prior year, which was a decrease of 27.7%, and represents 29.13% of sales.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$33.3 million compared to \$26.2 million the prior year, which was an increase of 27.2%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$26.7 million compared to \$26 million the prior year, which was an increase of 3%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$132 million compared to \$138.5 million the prior year, which was a decrease of 4.7%.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$193.5 million compared to \$179.4 million the prior year, which was an increase of 7.9%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$161.2 million compared to \$167.8 million the prior year, which was a decrease of 3.9%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$98.3 million compared to \$107.1 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 \$53.1 million compared to \$59.4 million the prior year, which was a decrease of 10.6%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$25.2 million compared to \$22.4 million the prior year, which was an increase of 12%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$39 million compared to \$42 million the prior year, which was a decrease of 7.3%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$26.4 million compared to \$18.1 million the prior year, which was an increase of 45.4%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$763.6 million compared to \$827.9 million the prior year, which was a decrease of 7.8%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$1.55 billion compared to \$1.61 billion the prior year, which was a decrease of 3.9%.

Executive Director Carey stated that fiscal year to date the contribution was \$483.2 million compared to \$490.5 million the prior year, which was a decrease of 1.5%, and represents 31.12% of sales. We are 8.5% over budget for this year.

Executive Director Carey stated that fiscal year profits from lotto games were \$161.1 million or 41.7% of sales. Fiscal year profits from daily games were \$152 million or 37.6% of sales. Fiscal year profits from Scratch-Off games were \$166.7 million or 21.8% of sales.

Executive Director Carey stated that because all the Commissioners are currently on the phone, he will keep the remainder of the Director's report short.

Executive Director Carey stated that during the month of November and the first half of December the Lottery had extra resources devoted to our Validations Unit. Staff worked overtime and the Lottery has caught up with the backlog of paying claims. It is currently taking four to six weeks to pay a claim, which includes not only the Lottery's processing time, but also mailing times and the production of checks. Executive Director Carey congratulated and thanked the Validations Unit and Esther Werstler, the Lottery's Supervisor of Operations, for the great work that they did on resolving those issues with the claims.

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 strong Pick-3 and Pick-4 numbers that Executive Director Carey read were November sales. The "Straight Back Bonus Promotion" ran in October, so the Lottery is seeing the benefit of that promotion. He noted that the prior week was the best sales week of this fiscal year for Scratch-Off tickets. He also stated that the "9's in a Line" game is the best-selling \$5 Scratch-Off ticket that the New Jersey Lottery has ever produced.

Executive Director Carey concluded the Director's report.

Chairman D'Anton asked if there are any questions or comments regarding the Director's report. Hearing questions, Chairman D'Anton requested a motion to approve the Director's report. Commissioner Kazmir made the motion to approve the Director's report. Treasurer's Designee Kanef seconded the motion and all the Commissioners voted yes. The motion carried.

PUBLIC COMMENT ON AGENDA ITEMS

There was no public comment.

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.

Executive Director Carey stated that Quick Draw sales are down this year. There is an opportunity to grow Quick Draw with a core group of players and introduce new players to that game. The Commissioners were asked to approve four sets of Quick Draw game rules.

Executive Director Carey explained that the name of the game will be changed from Quick Draw to Quick Draw Progressive. The new format will automatically enter players into a progressive jackpot pool, with the amount that players can win depending on the amount of the wager, similar to Fast Play. A \$1 Quick Draw wager, could win 10% of the progressive jackpot and on a \$10 wager could win 100% of the progressive jackpot. He explained that 2.5% of sales from all Quick Draw wagers will be used to fund the progressive jackpot. Executive Director Carey explained that the payout for the new game is estimated to be 59.84%.

Executive Director Carey explained that another new feature that is included in the new rules is that Lottery is introducing an E-Z Play wagering option, which is similar to a Quick Pick option. He explained that the E-Z Play option selects the number of spots, the type of game a person is going to play and it randomly selects the player's numbers.

Executive Director Carey stated that Quick Draw Progressive will also have a new add on called Double Bullseye. Currently, for \$1 wager a person can play the base game and for a second \$1 they can play the Bullseye option, which has its own prize structure and increases prizes. Double Bullseye offers a third option to win prizes based on a second Bullseye number selection.

Executive Director Carey explained that the Commission would vote on four sets of rules. The first set are the Quick Draw Progressive game rules, the rules for the base game. The Multiplier Addendum is the second set of rules. The Multiplier Addendum has no substantive changes to it, but it does note the change of the name of the game from Quick Draw to Quick Draw Progressive. The Bullseye Addendum is the third set of rules. The rules note that there is now a Double Bullseye option and other changes related to the progressive jackpot. The fourth set of rules is a completely new set of rules, which are rules and a payout structure for the Double Bullseye Addendum. There is no change to the base game structure in the new Quick Draw game rules. The prizes remain the same. The core base game remains unchanged except with the addition of the progressive jackpots. He concluded the introduction to the Quick Draw Progressive game rules.

The first item of new business was the approval of the amendments to the Quick Draw Progressive Game Rules.

Executive Director Carey asked if there were any questions regarding the approval of the amendments to the Quick Draw Progressive game rules. Hearing no questions, Executive Director Carey requested a motion to approve the Quick Draw Progressive game rules. Commissioner Kazmir made the motion to approve the Quick Draw Progressive game rules. Treasurer's Designee Kanef seconded the motion and all of the Commissioners voted yes. The motion carried.

The second item of new business was the approval of the amendments to the Quick Draw Progressive Multiplier Addendum game rules.

Executive Director Carey asked if there were any questions regarding the approval of the amendments to the Quick Draw Progressive Multiplier Addendum game rules. Hearing no questions, Executive Director Carey requested a motion to approve the Quick Draw Progressive Multiplier Addendum game rules. Commissioner Kazmir made the motion to approve the Quick Draw Progressive Multiplier Addendum game rules. Treasurer's Designee Kanef seconded the motion and all of the Commissioners voted yes. The motion carried.

The third item of new business was the approval of the amendments to the Quick Draw Progressive Bullseye Addendum game rules.

Executive Director Carey asked if there were any questions regarding the approval of the amendments to the Quick Draw Progressive Bullseye Addendum game rules. Hearing no questions, Executive Director Carey requested a motion to approve the Quick Draw Progressive Bullseye Addendum game rules. Investments Designee Terwilliger made the motion to approve the Quick Draw Progressive Bullseye Addendum game rules. Commissioner Kazmir seconded the motion and all of the Commissioners voted yes. The motion carried.

The fourth item of new business was the approval of the amendments to the Quick Draw Progressive Double Bullseye Addendum game rules.

Executive Director Carey asked if there were any questions regarding the approval of the amendments to the Quick Draw Progressive Double Bullseye Addendum game rules. Hearing no questions, Executive Director Carey requested a motion to approve the Quick Draw Progressive Double Bullseye Addendum game rules. Commissioner Kazmir made the motion to approve the Quick Draw Progressive Double Bullseye Addendum game rules. Investments Designee Terwilliger seconded the motion and all of the Commissioners voted yes. The motion carried.

Executive Director Carey noted that these game changes will be implemented in March.

The fifth item of new business was game rules for four Scratch-Off games.

"It Takes 2" 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 63.12%, and an anticipated on-sale date of April 1, 2024.

"Triple Golden Cherries" 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 64.02%, and an anticipated on-sale date of April 1, 2024.

"Power Play" 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 64.01%, and an anticipated on-sale date of May 6, 2024.

"\$1,000,000 Spectacular" is a \$10 ticket, a ticket quantity to be printed of 9.6 million tickets, a top prize of a \$1,000,000 annuity, a prize payout of 66.51%, and an anticipated on-sale date of June 3, 2024.

Executive Director Carey asked if there were any questions regarding the approval of the four Scratch-Off ticket game rules. Hearing no questions, Executive Director Carey requested a motion to approve the four Scratch-Off ticket game rules for "It Takes 2," "Triple Golden Cherries," "Power Play" and "\$1,000,000 Spectacular." Vice Chairman Leonard made the motion to approve the four Scratch-Off ticket game rules. Treasurer's Designee Kanef seconded the motion and all of the Commissioners voted yes. The motion carried.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Executive Director Carey asked for a motion to adjourn the Public meeting. Vice Chairman Leonard made the motion to adjourn. Commissioner Kazmir seconded the motion and all the Commissioners voted yes. 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 December 21, 2023.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ 11th _____ day of

____ January _____, 2024 _____



James A. Carey, Jr.
Executive Director