

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING APRIL 18, 2024

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

COMMISSION MEMBERS

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

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

STAFF

Nikki Apeadu (by phone)
Pat Coppel (by phone)
Scott Davis (by phone)
Jerry Guarino (by phone)
Dean Ialacci (by phone)
Shelina Islam
Robert Kersey (by phone)
Jason Lee (by phone)
Jack Leo
Ellen O'Malley
Joe Oleszkiewicz (by phone)
Rick Pagnani (by phone)
Steve Palmieri (by phone)
Debbie Raub
Ryan Schaffer

VISITORS

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

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 March 21, 2024 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 March 21, 2024 Commission meeting. Vice Chairman Leonard made the motion to approve the minutes of the March 21, 2024 Commission meeting. Commissioner Kazmir 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 stated that we would begin this month's meeting with a review of winners. In March, the New Jersey Lottery sold a \$1.13 billion Mega Millions winning ticket. The player purchased the ticket at the Saker ShopRite in Neptune. It is the largest jackpot in New Jersey Lottery history.

Executive Director Carey stated that the Mega Millions winner was not the only big winner in March. Pick-6 had a \$30 million jackpot that was won and split. One ticket was sold in Butler and one in Freehold. Jersey Cash 5 had two \$1 million jackpots during the month of March. March was the seventh highest month of sales in Lottery history and the fifth highest monthly contribution to the state in Lottery history.

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

All games total sales were: \$348.4 million
Lotto games total sales were: \$98.4 million
Daily machine games total sales were: \$85.5 million
Scratch-Off tickets total sales were: \$164.4 million

Executive Director Carey stated that Pick-6 had sales of \$9.2 million compared to \$4.7 million the prior year, which was an increase of 96.6%.

Executive Director Carey stated that CASH4LIFE had sales of \$5.4 million compared to \$5.3 million the prior year, which was an increase of 0.06%.

Executive Director Carey stated that Mega Millions had sales of \$41.3 million compared to \$16.9 million the prior year, which was an increase of 143.4%.

Executive Director Carey stated that Powerball had sales of \$42.4 million compared to \$12.6 million the prior year, which was an increase of 236.2%.

Executive Director Carey stated that Pick-3 had sales of \$33.2 million compared to \$34.7 million the prior year, which was a decrease of 4.4%.

Executive Director Carey stated that Pick-4 had sales of \$20.2 million compared to \$21.9 million the prior year, which was a decrease of 7.8%.

Executive Director Carey stated that Jersey Cash 5 had sales of \$11.9 million compared to \$11.2 million the prior year, which was an increase of 6.3%.

Executive Director Carey stated that Cash Pop had sales of \$5.6 million compared to \$5.4 million the prior year, which was an increase of 2.7%.

Executive Director Carey stated that Quick Draw had sales of \$9.3 million compared to \$9.2 million the prior year, which was an increase of 1.5%.

Executive Director Carey stated that Fast Play had sales of \$5.1 million compared to \$4.8 million the prior year, which was an increase of 4.9%.

Executive Director Carey stated that Scratch-Off games had sales of \$164 million compared to \$175 million the prior year, which was a decrease of 6.1%.

Executive Director Carey stated that the monthly contribution was \$113.5 million compared to \$88.7 million the prior year, which was an increase of 27.9%, and represents 32.6% of sales. That was the fifth best in New Jersey Lottery history. Powerball and Mega Millions were driving the sales and not Scratch-Offs.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$66.2 million compared to \$45.8 million the prior year, which was an increase of 44.5%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$47.4 million compared to \$47.08 million the prior year, which was an increase of 0.08%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$215.5 million compared to \$254.5 million the prior year, which was a decrease of 15.3%. Sales were 37% over budget.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$305.5 million compared to \$261.4 million the prior year, which was an increase of 16.8%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$289.9 million compared to \$297.3 million the prior year, which was a decrease of 2.5%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$177.1 million compared to \$188.7 million the prior year, which was a decrease of 6.2%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$105 million compared to \$99 million the prior year, which was an increase of 6%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$46.3 million compared to \$42.9 million the prior year, which was an increase of 7.9%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$71.6 million compared to \$75.6 million the prior year, which was a decrease of 5.4%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$44 million compared to \$35.8 million the prior year, which was an increase of 23%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$1.4 billion compared to \$1.5 billion the prior year, which was a decrease of 6.2%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$2.7 billion compared to \$2.8 billion the prior year, which was a decrease of 2.6%. Lottery is down compared to last year, but remains 1.8% over budget. The overall trend continues to be up for the Lottery but we are going to have some variation year over year.

Vice Chairman Leonard asked what the plan was with Pick-3 and Pick-4 if they continue on a downward trend. Executive Director Carey responded that we have been working hard with promoting the games and provided the example of moving to fixed prizes. The Lottery has regular conversations with Northstar regarding what else we can do with Pick-3 and Pick-4.

Chairman D'Anton asked what the odds are on Pick-6 versus Mega Millions. Pick-6 odds are 1 in 9.3 million. Mega Millions odds are 1 in 302.5 million. Chairman D'Anton asked if the Lottery advertises that those odds are better. Executive Director Carey responded that games other than Pick-6 have reasonably better odds. The odds to win the Fast Play progressive jackpot are 1 in 300,000. Several minutes later during the meeting, Executive Director Carey stated that his staff notified him that a Fast Play player had won 50% of the jackpot during the meeting, reducing the progressive jackpot from \$122,000 to \$61,000. Foster Krupa, Senior Director of Product Innovations from Northstar, stated that it was a \$5 ticket sold in Plainfield.

Executive Director Carey stated that net proceeds for the fiscal year to date exceed \$861.2 million or 31% of sales.

Executive Director Carey stated that fiscal year profits from lotto games were \$264 million or 41.6% of sales. Fiscal year profits from daily games were \$279.6 million or 38.09% of sales. Fiscal year profits from Scratch-Off games were \$308.8 million or 21.92% of sales.

Executive Director Carey stated that we discussed having an presentation this month on annuities but both members of our Finance Department that are responsible for running annuities were at a Lottery conference and the presentation will be at the May meeting.

Executive Director Carey stated that all drawings for the month of March were completed with no abnormalities except the evening drawing for March 14. On the evening of March 14, the draw machine failed to release two of the ten balls in the third canister on the Pick 4 Draw. Lottery management determined that a second draw was necessary. A back-up machine was brought into the studio and the second draw was conducted. The Lottery is honoring the results of both draws at a cost of an additional \$146,500 in prize expense. To mitigate against future such instances, additional drilling will be scheduled for all draw personnel.

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. CASH4LIFE Drawing results for Sunday March 17 and Sunday March 24 were not finalized until the next morning due to another state having difficulty balancing their sales.

Executive Director Carey stated that the Validations staff received and sorted 3,612 mailed claim forms during the month. The number of claims received in the drop box was 238. There were 182 claims hand delivered. Staff entered 5,004 claims into the claims payment system and edited 5,113 claims. During the month of March there were 5,929 claims paid totaling \$18.6 million in winnings were paid. We have had difficulties continuing to keep up with the claims and have gone back to paying claims staff overtime.

Executive Director Carey stated that there are currently three approved couriers in New Jersey. NJLotto doing business as theLotter.com was approved to be licensed as a courier in New Jersey.

Executive Director Carey invited Adam Perlow, Vice President and Chief Operating Officer of Northstar, to provide an update on Northstar activities. Mr. Perlow discussed the Quick Draw Progressive game launch. The Commission approved rules for the addition of a progressive jackpot and the addition of a third add on to the game called Double Bullseye and early results are very favorable. Mr. Perlow added that the Lottery is running a promotion called Straight Back Bonus for Pick-3 and Pick-4.

Mr. Perlow stated that the American National Association of Advertisers held the 41st annual Reggie Awards in California. He was proud to announce that the New Jersey Lottery won the award for New Product or Service Launch, for the Jersey Debate ticket. He thanked PureRed for doing a great job in working with us to launch that game.

Executive Director Carey thanked and congratulated Mr. Perlow.

Executive Director Carey concluded the Director's report.

Chairman D'Anton asked if there are any additional questions or comments regarding the Director's report. Hearing no additional questions, Chairman D'Anton requested a motion to approve the Director's report. Vice Chairman Leonard 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 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 games.

"Number-Rific!" is a \$5 ticket, a ticket quantity to be printed of 4.56 million tickets, a top prize of \$200,000, a prize payout of 64.02%, and an anticipated on-sale date of August 5, 2024.

"Double Cash" is a \$2 ticket, a ticket quantity to be printed of 4.8 million tickets, a top prize of \$20,000, a prize payout of 63.14%, and an anticipated on-sale date of October 7, 2024.

"Winning Streak" is a \$5 ticket, a ticket quantity to be printed of 4.32 million tickets, a top prize of \$200,000, a prize payout of 64.01%, and an anticipated on-sale date of October 7, 2024.

"\$1,000,000 Ultimate Spectacular" is a \$30 ticket, a ticket quantity to be printed of 9.12 million tickets, a top prize of \$1,000,000 annuity or the cash value of \$595,300, a prize payout of 70%, and an anticipated on-sale date of October 7, 2024.

Chairman D'Anton asked if there are any questions regarding the approval of the Scratch-Off ticket game rules for "Number-Rific!," "Double Cash," "Winning Streak" and "\$1,000,000 Ultimate Spectacular." Hearing no questions, Chairman D'Anton requested a motion to approve the Scratch-Off ticket game rules for "Number-Rific!," "Double Cash," "Winning Streak" and "\$1,000,000 Ultimate Spectacular." Vice Chairman Leonard made the motion to approve the Scratch-Off ticket 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 game rules for two Fast Play games.

"Jokers Wild™" 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 June 3, 2024.

"Diamond Spectacular 5X" is a \$5 ticket, a top prize of \$500 or 50% of the jackpot, a prize payout of 62.89%, and an anticipated on-sale date of July 1, 2024.

Chairman D'Anton asked if there are any questions regarding the approval of the Fast Play ticket game rules for "Jokers Wild™" and "Diamond Spectacular 5X." Hearing no questions, Chairman D'Anton requested a motion to approve the Fast Play ticket game rules for "Jokers Wild™" and "Diamond Spectacular 5X." Vice Chairman Leonard made the motion to approve the Fast Play ticket game rules for "Jokers Wild™" and "Diamond Spectacular 5X." 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.

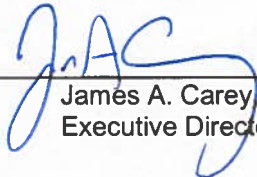
ADJOURNMENT

Chairman D'Anton asked for a motion to adjourn the Public meeting. Vice Chairman Leonard made the motion to adjourn. Treasurer's Designee Kanef 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 April 18, 2024.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ 6th _____ day of _____ May _____, 2024 _____.


James A. Carey, Jr.
Executive Director