

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
TUESDAY, SEPTEMBER 7, 2010 10:00 AM

PRESENT:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner
Charles McIntyre, Executive Director
Diane Campbell, Administrative Assistant
Maura McCann, Programs Information Officer
Barry Bodell, Administrative Services
Georges Roy, Administrator III
Robert Preston, Games Manager
Irene Nadeau, On-line Games Manager
Len Mannino, Security Director
Rose Longo-White, GYK
John Papile, Intralot
Terry Patterson, Intralot
Jim Brown, Intralot
Liz Dimmick, Scientific Games (SGI)
Jim Bouley, Dennehy & Bouley
Arthur Klemm

Chairman Douglas convened the Commission meeting at 10:00 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Chairman Douglas, to approve the July, 2010 commission meeting minutes. So voted, unanimous.

2. A discussion was held with Intralot relative to the lottery system conversion. The Commission expressed their concerns over a number of issues since the July conversion relating to lottery terminal communication problems causing terminals to freeze or go offline; inaccurate delivery of the number of lottery tickets to the retailers through the I Predict automated system; possible loss of retailers and lottery players due to frustration; and the negative effects these issues could have on retailers and the integrity of the lottery.

Terry Patterson and John Papile of Intralot responded to the Commission with an apology and a summary of the issues and system fixes to be implemented. Mr. Patterson indicated that a calendar of deliverables of matters to be addressed would be provided to the Lottery by tomorrow.

The three types of lottery terminal communications being used with the new system were reviewed. Also discussed were possible solutions for retail locations that were

experiencing problems. Intralot representatives stated that once the terminal communication issues have been resolved, they were open to running promotions that might help encourage players or retailers who may have had a negative experience, to continue to participate with the New Hampshire Lottery.

A discussion was held regarding Fairpoint and a large number of retailers who qualify for the DSL communication network to be converted to DSL as soon as possible, in an effort to resolve terminal communication problems. Chairman Douglas emphasized the importance that this be done quickly. Intralot responded that once they receive the list of qualified retailers from Fairpoint, they would move quickly to convert the specified retailers to DSL network within 30-60 days maximum.

Intralot informed the Commission of Win Station issues involving ticket jams and play display boards for one row of the instant games. Notification of a manufacturer recall on the play display boards and any failed boards in these Win Stations was received and the faulty parts will be replaced shortly. Also the Win Stations that have had problems dispensing on-line tickets will now be cabled directly to the Microlot terminal instead of through a wireless device.

Software and terminal releases through the Back Office System (BOS) were mentioned. Intralot stated that they will offer more thorough training of BOS to lottery staff where needed and provide a manual for reference. A discussion was held comparing the Intralot system used at the Vermont Lottery to the New Hampshire Lottery's system. Intralot indicated that the system fix scheduled for this weekend would hopefully resolve most of the terminal communication issues. The plan is to move away from the satellite and 3G wireless communication networks at retail locations where problems have existed and convert them to a DSL platform. Terry Patterson of Intralot assured the Lottery that a schedule of deliverables addressing system issues for completion within the next 120 days would be provided to the Lottery by tomorrow.

A discussion was held on the ticket delivery system and any adjustments that were needed for improvement. Beginning this October approximately 50% of retailers will be contacted on a regular basis by Intralot personnel using TelSel, which is a telemarketing operation to communicate with retailers for the purpose of recommending and generating adequate ticket shipments.

Former NH Lottery Commissioner Arthur Klemm provided first hand knowledge of the problems that his retail locations had experienced as a result of the conversion. Also, Mr. Klemm commented on the negative effect the 10% state gambling tax and Massachusetts joining Powerball had made on his stores' sales. Intralot responded that they would send one of their employees to Mr. Klemm's site to witness lottery sales activities and they will send their personnel to other lottery retail sites where issues have been reported. Director

McIntyre requested of Terry Patterson that a retailer panel be developed for the purpose of Intralot responding to retailers feedback and questions.

Chairman Douglas initiated a discussion on the adequacy for the number of technicians dispatched for service calls and gave an example of retailer who had waited a number of hours after placing a call for assistance. Intralot stated they would review the records and provide the information to the Commission.

Commissioner Holloway initiated a discussion regarding the late delivery of the 25 year Megabucks promotional software by Intralot to the Lottery and the negative effects that have resulted. Chairman Douglas commended Irene Nadeau for her time spent working extended hours over the past weekend on the 25 year Megabucks promotion.

Commissioner Holloway made a motion, seconded by Chairman Douglas, to move into Executive Session to discuss a personnel matter. So voted, unanimous.

Commissioner Holloway made a motion, seconded by Chairman Douglas, to accept Director McIntyre's recommendation as presented in his memorandum dated August 20, 2010 regarding eight different areas of the New Hampshire Lottery. So voted, unanimous.

Commissioner Holloway made a motion, seconded by Chairman Douglas, to adjourn the meeting at 12:55 p.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner