

TRI-STATE LOTTO COMMISSION  
Teleconference Meeting  
September 18, 2009, 11:00 a.m.

Present: Maine: Orland McPherson, Dan Gwadosky  
New Hampshire: Richard Campbell, Rick Wisler  
Vermont: Thomas Scala, Alan Yandow, Carole Lacasse

The meeting was called to order at 11:05 a.m.

Director Wisler gave a report on a recent issue whereby New Hampshire Lottery staff advised a recent Megabucks Plus jackpot winner, Marie Moritz, that she could change her election of payment choice within five (5) business days, even after she had selected an annuity payment by signing a Grand Prize Election Form to that effect.

The winner came back within the five (5) days and wanted to change her mind to a cash payment. The New Hampshire Lottery found out that because the Grand Prize Election Form was signed by the winner, that the choice was final and irrevocable, as stated on the form, and the annuity strips had already been purchased, based on the signed form. The winner still wished to change the selection to cash and was under the impression, based on the information provided by the lottery staff, that she could do so.

Legal advice was sought from the Vermont Lottery legal counsel, as well as from the New Hampshire Lottery legal counsel. The New Hampshire and Vermont attorney's agreed that the Tri-State Commission has the authority to waive the rules, as they have the authority to promulgate those same rules.

Commissioner McPherson asked Director Gwadosky if this issue had been run by the Maine attorney to which he replied it had been. She agreed that any waiver of the rule must be done by a formal vote of the commission.

The issue before the commission today is a request to allow the winner to change her decision to cash. Commissioner Scala asked if the annuity had been purchased to which Director Yandow indicated it had been purchased.

Director Wisler expressed that he would like to resolve this to the benefit of the player, because the player is caught in the middle. The player should be held harmless; as she based her decision on information she received by New Hampshire lottery staff, which turned out to be incorrect.

Commissioner Scala asked what the financial implication would be of having purchased the annuity. Director Yandow indicated that there was no way to know what the financial implications would be until the strips already purchased were sold.

Director Yandow has been in contact with a representative at the bank with a request for a ballpark figure on what the difference would be.

Director Yandow asked that if a decision is to waive the rule, he would ask that there be documentation for the auditors (as it will appear on the statements as a loss) as well as future use by generations of Tri-State commissioners and directors of what led to the waiver of the rules. It would be to the commission's advantage to have some sort of statement outlining the situation that would be put in the file along with the minutes of this meeting.

There was a general discussion on whether the existing policies on exercising the Grand Prize Election Form needed to be changed in any way. The Tri-State Finance committee will be asked to take a look at existing rules and policies, and make a recommendation on whether any changes are necessary.

#### MOTION

Commissioner Campbell made a motion to waive Megabucks Plus Rule 11(c), sections 5 and 6, and allow Marie Moritz to change from annuity to a cash election based on the erroneous information that the winner was given relative to the five day claim period. Motion was seconded and voted in the affirmative.

Director Yandow questioned whether it is okay to pay the claimant a cash payment for this win based on the action taken at this teleconference meeting or does the commission feel that this action needs to be confirmed at the Tri-State Lotto Commission meeting in October, in order to take effect. The commission feels it should be taken care of now and at the October meeting the commission can take whatever action needs to be taken to prevent this from ever happening again. The check should be mailed out today. Director Wisler indicated that someone would get back to the Business Office as to how the winner's check will be forwarded to the winner; either by Fed Ex or direct deposit.

A motion was made by Commissioner Scala to adjourn at 11:38 a.m. Motion was seconded and voted in the affirmative.

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Orland McPherson, Chair