

**NORTH CAROLINA EDUCATION LOTTERY
COMMISSION MEETING**

May 23, 2006

Conference Call

Meeting Minutes

Commissioners in Attendance: Dr. Charles Sanders, Chair
 Robert Farris
 Linda Carlisle
 Bridget-Anne Hampden
 Max Cogburn
 Robert Appleton

Commissioners not in attendance: John McArthur
 Dr. James Woodward
 Secretary Bryan Beatty

Meeting was held on May 23, 2006 at 9:30 am. The public was invited to attend the meeting by visiting the Main Conference Room at NCEL Headquarters, located on 111 Corning Road, Cary, NC or by dialing 919-501-4273.

I. Introduction and Opening

- Dr. Sanders called the meeting to order by reiterating the Commission's firm commitment to serving the people of North Carolina, by providing funds for education which should truly be additive and supplemental.

II. Approval of Minutes

- Mr. Cogburn made the motion to approve the minutes as submitted.
- Ms. Hampden seconded the motion.
- The minutes were approved.

III. TV Station ITB

- Mr. Shaheen presented his recommendation of WITN as the drawing station in Greenville. He stated that WITN will air the drawings in return for a larger share of the NCEL's advertising TV media buy.
- Ms. Carlisle made the motion to accept Mr. Shaheen's recommendation.

- Mr. Farris seconded the motion.
- The motion was passed to accept the recommendation of WITN as the Greenville area drawing station.
- Mr. Shaheen indicated that there are two television stations in Charlotte with interest in becoming drawing stations. He noted that the Powerball drawing would air on Wednesday, May 31 in the Raleigh, Greenville and perhaps Charlotte markets.

IV. Updates

- Mr. Shaheen stated that the NCEL is on track for the launch of Powerball on Tuesday, May 30. He informed the Commission that pre launch advertising would begin on Monday.
- Mr. Shaheen noted that as of Monday, May 22, the NCEL had 5507 active retailers selling lottery. He hopes to have close to 5700 active retailers on May 30.

V. Other Business

- Dr. Sanders made the motion that the Commission enter into closed session pursuant to NCGS §143-318.11 to discuss litigation between Scientific Game Corporation and GTECH Corporation.
- Mr. Cogburn seconded the motion.
- The Commission entered into closed session.
- The Commission returned to open session. Dr. Sanders asked Carla Archie, Deputy Executive Director Security/ Legal Counsel, to briefly summarize the closed session discussion.
- Ms. Archie stated that the Commission discussed pending litigation between Scientific Games Corporation and GTECH Corporation. Because of the litigation, the NCEL has received limited information regarding the Power Play feature, however; GTECH Corporation has offered to indemnify the NCEL for its use of Power Play.
- Ms. Archie stated that the indemnification agreement would protect the NCEL from any infringement claims based on its use of Power Play.

- Pursuant to the agreement, GTECH will assume financial responsibility for any cost associated with such a claim.
- Mr. Cogburn made the motion to approve the indemnification agreement.
- Mr. Appleton seconded the motion.
- The motion to approve the indemnification agreement between the NCEL and GTECH Corporation was passed.

The meeting was adjourned.