

**NORTH CAROLINA EDUCATION LOTTERY  
COMMISSION MEETING**  
August 3, 2006

*Meeting Minutes*

*Commissioners in Attendance:* Dr. Charles Sanders, Chair  
Robert Farris  
Bridget-Anne Hampden  
Max Cogburn  
Robert Appleton  
Dr. James Woodward  
John McArthur

*Commissioners not in Attendance:* Linda Carlisle  
Secretary Bryan Beatty

Teleconference meeting was held on August 4, 2006 at 5:00 p.m. The public was invited to attend by dialing 866-899-5399 and entering the room number \*2686635\* or by visiting the North Carolina Education Lottery Headquarters located on 2100 Yonkers Road in Raleigh.

**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**

- Dr. Woodward moved to accept the minutes as presented changing the meeting time from 1:00 a.m. to 1:00 p.m.
- Mr. Farris seconded the motion.
- The minutes were approved.

**II. GTECH/ Lottomatica Merger**

- Dr. Sanders invited Mr. Farris, Subcommittee Chair, to address the Commission regarding the GTECH/ Lottomatica Merger.
- Mr. Farris presented a fourteen (14) page report (*attached*) outlining the subcommittee's investigation and findings regarding the merger. Mr. Farris concluded that the subcommittee unanimously recommends the North Carolina Education Lottery (NCEL) approve the merger between GTECH and Lottomatica.

- Mr. Farris also shared that the Subcommittee provided GTECH with a list of nine (9) conditions they would like for them to consider; these items are included in the report. He noted that GTECH has agreed in writing to all nine conditions.
- Dr. Sanders thanked the Subcommittee for their diligence and thorough reporting.
- Dr. Woodward made the motion to accept the report and endorse the recommendation of GTECH to proceed with the Merger with Lottomatica.
- Mr. Appleton seconded the motion.
- The motion was approved.

#### **IV. Carolina Hurricanes Instant Ticket**

- Mr. Shaheen shared with the Commission that the NCEL has the opportunity to work with the Carolina Hurricanes and produce an instant ticket highlighting their Stanley Cup victory. He stated that MDI Entertainment, a subsidiary of Scientific Games, owns the exclusive license to use and to sublicense any NHL or affiliated team's logo for lottery games or tickets and related promotional items, including merchandise. Mr. Shaheen explained that roughly four percent of the prize fund would be used to purchase merchandise which would be included in the game in addition to cash prizes. He is seeking authority to approve that purchase.
- Mr. Appleton made the motion to grant Mr. Shaheen authority to purchase merchandise from MDI to be included as part of the prize structure in the Carolina Hurricanes instant ticket game.
- Ms. Hampden seconded the motion.
- The motion was approved.

#### **V. Other Business**

- Mr. Shaheen invited Carla Archie, Deputy Executive Director, Security and Legal Counsel to address the Commission regarding the vendor selection vote for the drawing machines and drawing balls. Ms. Archie informed the Commission that the NCEL would mail copies of the proposal recommendation along with a ballot to each Commission member. There will be a thirty (30) minute window of time in which each member shall fax their ballots to NCEL Headquarters. At that time the votes will be counted and publicly announced.
- Dr. Sanders, noting there was no opposition to this vote by ballot, agreed to proceed.

The meeting was adjourned.