



DRAFT MEETING TRANSCRIPTION

Legislative & Games Committee

Special Meeting

August 13, 2020 at 11:00 a.m.

via teleconference

Committee Members: Margaret Morton, Chair of the Legislative & Games Committee; Wilfred Blanchette, Jr.; John Flores; Manny Langella; and James Heckman (all via teleconference).

Staff Members Present: Greg Smith, President & CEO; Matthew Stone; and Annmarie Daigle.

I. Welcome:

(M. Morton): Welcome everyone, I'd like to call our Special Meeting of the Legislative & Games Committee to order on Thursday, August 13, 2020 at 11:01 a.m. I'd like to start by asking Matt Stone to give us the meeting procedures per the Governor's orders.

(M. Stone): Thank you. This is Matt Stone, General Counsel for the Lottery. Just a reminder that we continue to operate under Governor Lamont's Executive Order regarding public access to meetings. There is no in person attendance at these meetings so we have the public on a different phone line listening in, and that phone line will be taken out of the room if there is an Executive Session. That line will be kept open and active and then brought back into the room after Executive Session. A reminder that speakers should identify themselves by name each time they speak, this is particularly important for Board members when making motions, seconding motions, voting no or abstaining from a vote, so that we have the record clearly reflect who took what actions. And finally, this meeting is being recorded, audio only, and we will post the recording transcript on our website after the meeting, which will serve as the minutes. That is all I have, thank you.

II. Approval of the June 4, 2020 Legislative & Games Committee Meeting Minutes:

(M. Morton): Thank you Matt. Our first order of business on the agenda is the approval of our June 4, 2020 Legislative & Games Committee Special Meeting Minutes. May I have a motion to approve?

(W. Blanchette): Will Blanchette, so moved.

(J. Flores): John Flores, second.

(M. Morton): Any questions? Hearing none, all those in favor?

(All): Aye.

(M. Morton): Opposed? Anyone abstaining? Ok, thank you, the minutes from June 4th are approved, as amended.

III. Review and Possible Action Re: Play 3 and Play 4 Game Rules:

(M. Morton): Next we are going to move onto the review and possible action of the Play 3 and Play 4 Game Rules. Can I turn that to you, Greg?

(G. Smith): Yes, this is Greg Smith. We have presented to the Committee members and ultimately the full Board the changes to the Play 3 and Play 4 game rules that we are recommending. It's important to note that Play 3 is actually two different games, Play 3 Day and Play 3 Night; and Play 4 is actually Play 4 Day and Play 4 Night. The changes we are making to the day and night rules are identical so there is no difference to what we are recommending. What we are recommending for both the Play 3 and Play 4 is to add the Wild Ball option to those games, and for the Play 4 game we are recommending adding the Pairs Betting option. The Pairs Betting option already exists in the Play 3 game, but was not applied to the Play 4 game. We think it will be a nice additional option for players to keep their interest in that game and a potential way for us to drive the sales of that game higher. With Pairs Betting, instead of having to choose all four numbers, you can choose the first two numbers, the last two numbers, or you could choose the first and last number and place a bet in that way. Regarding the Wild Ball option, it is essentially another drawn ball after the primary drawing and it's just like a wild card. It gives you a chance to put the Wild Ball in place of any other drawn numbers to see if they match your bet. When you choose Wild Ball, it doubles the price of your initial wager and then provides an additional payout; in case your base bet wins, you get the Wild Ball win as well, should that apply. And in case your base play does not win but the Wild Ball provides a win you get that Wild Ball win instead. We've provided you a written summary in addition to the game rules and some examples of how it would work on certain drawing results in the draft game rules you have in front of you. A couple of comments thinking of the industry as an example, Pairs Betting and options like Wild Ball are very common for states with successful daily numbers play. We are in the top 10 in play volume per capita in the U.S. Our combined play of our four games, Play 3 and Play 4 Day and Night is \$250 million a year. That is second only to our instant ticket portfolio sales, so these are good games for us and I think the additions of these play options will be positive features for our players.

(M. Morton): Thank you. Are there any questions for Greg about these rules changes? I have one question, I read that it doubles the price of the ticket, do we do this with our other games as well?

(G. Smith): This is Greg, yes so comparing it with Powerball we have a Power Play option for that game which is an additional dollar, it's not a doubling of the price but an additional expense that the player can choose.

(M. Morton): Thank you. Any other questions or suggestions?

(J. Flores): Greg, this is John Flores, do we have an anticipation of how much additional revenue this change will bring into the lottery or is it too soon to tell?

(G. Smith): I want to say it's a bit soon. These games are a strong part of our portfolio but they are also games where it is not normal to acquire a lot of players because not everyone understands the daily numbers play. It's not like a Powerball game where the jackpot can rise and you get this influx of a lot of players as numbers move along. This will give us another good marketing opportunity for these games for attracting new players to the game and giving

new interesting bet types. It should be good for existing players and should give us an opportunity to add additional players. If we were to succeed in getting use of the Pairs Betting and use of the Wild Ball feature for 5 to 10 percent of our player base, that would be considered successful.

(J. Flores): Thank you.

(M. Morton): Any other questions? May I have a motion to approve the changes and recommend to the Board the new rules for the Play 3 and Play 4 games?

(G. Smith): Chair Morton, this is Greg. Would you like me to read a resolution for each game and allow someone to make that as a motion?

(M. Morton): Yes. That would be helpful.

(G. Smith): Resolved, that, after review and due consideration, the Legislative and Games Committee recommends to the Board of Directors that the Board of Directors approve the Play 3 Day and Play 3 Night game rules changes as presented.

(M. Langella): Manny Langella, motion to approve.

(J. Flores): John Flores, second.

(M. Morton): Thank you. All those in favor?

(All): Aye.

(M. Morton): Abstentions? Hearing none. Ok. Thank you. Shall we do the second one?

(G. Smith): Ok, this is Greg. Resolved, that, after review and due consideration, the Legislative and Games Committee recommends to the Board of Directors that the Board of Directors approve the Play 4 Day and Play 4 Night game rules changes as presented.

(M. Morton): Thank you. May I have a motion to approve the resolution?

(M. Langella): Manny Langella, motion to approve.

(W. Blanchette): Blanchette, second.

(M. Morton): Thank you. All those in favor?

(All): Aye.

(M. Morton): Opposed? Abstentions? Hearing none. Ok. Thank you, they pass and we'll be presenting this to the Board later this afternoon.

IV. Adjournment:

(M. Morton): That is the end of our agenda, except for adjournment. Thank you everyone for getting together and thank you Greg for walking us through. I'd like to entertain a motion to adjourn.

(W. Blanchette): Will Blanchette, so moved.

(J. Heckman): Second, Jim Heckman.

(M. Morton): All in favor?

(All): Aye.

(M. Morton): Thank you everyone, we are adjourned at 11:15 a.m.

Respectfully submitted,

Matthew Stone
Corporation Secretary
Connecticut Lottery Corporation