

Oklahoma Lottery Commission Retailer Advisory Board (RAB) Minutes

Conference Room
Oklahoma Lottery Commission
3817 North Santa Fe
Oklahoma City, OK 73118

Wednesday, July 22, 2009
11 a.m.

1. Call to Order. Roll Call and Announcement of Quorum.

Meeting was called to order by Ricky McCullough 11:05 a.m. with roll call and attendance. Attendance had a quorum and meeting notice was properly posted.

Board Members in attendance:

Tom Hudson, Stripes	Larry Pooler, Phryogy's Town and Country
Sherry Hansen, Kum & Go	Kwai Wah Pang, Flash Mart
Mike Alberty, Snackers	Kenny Smith, Quick Stop
Tammy Williams, Station II	

Others in attendance:

Jim Scroggins, OLC	Ricky McCullough, OLC	Katy Smith, OLC
LaToshya Riley, OLC	Cheri Rule, SGI	Brandie Reisman, OLC

2. Announcement of Filing of Regular Meeting Notice and Posting of the Agenda in Accordance With the Open Meeting Act.

3. Approval of Minutes of the February 25, 2009 regular meeting.

Ricky McCullough made a motion for approval of the minutes – all favored, none opposed.

4. Introduction of New Members

5. Update from Lottery's Executive Director.

Jim Scroggins welcomed the new and current RAB members. Jim explained the purpose and expectations of the RAB meetings and the importance of the RAB meetings. Jim asked the Board for feedback or ideas that may help incorporate a better OK Lottery. He also mentions the Arkansas Lottery may be selling scratch tickets as early as October but we won't know the impact until they are actually up and running.

Jim Scroggins invited all members to attend both the Oklahoma Lottery Commission State Board Meeting, Tuesday, September 22, 2009 and the North American Association of State and Provincial Lotteries (NASPL) Conference, Tuesday through Friday, October 6-9, 2009. Jim Scroggins updated the Board about Oklahoma's funding progress for education is currently at \$279 million.

6. Sales Update

Ricky McCullough provided the sales update. Ricky explained there are 1,983 retailers, 22 second terminals and 125 active Player Activated Terminals (PAT). Our goal is to create a product mix to sell at a percentage of fifty percent of both online and instant games. The current online games are 64% while instant games are lacking at 36 percent.

Current FY '10 YTD sales are \$8,325,841 and the FY '10 goal is \$190,600,000 a 44% of goal year to date.

7. Presentation of new OLC Scratchers

Ricky McCullough presented new scratchers. New scratchers are \$1 7-11-21, \$1 Match 3 Tripler, \$1 The Money Game, \$2 Cash Invasion, \$2 Rockin' 7s, \$3 Crossword and, \$5 Texas Hold 'Em

Launching July 28: \$1 7-11-21, \$1 Match 3 Tripler, \$2 Cash Invasion and, \$3 Crossword

Launching August 25: \$1 The Money Game, \$2 Rockin' 7s and, \$5 Texas Hold 'Em

8. Presentation of new OLC promotions

Katy Smith presented the promotions. Mustang Money Promotion update consists of two previous winners: Drawing #1 Deana Bilyeu, Shattuck and Drawing #2 John Wilson, Heavener. There are two more drawings pending for Mustang Money: Drawing #3 is scheduled for Friday, July 31, 2009 and the final Mustang Money drawing is TBA which also includes cash prizes.

Upcoming promotions: World Poker Tour (WPT) Texas Hold 'Em is another \$5 price point game that will allow players to submit non-winning tickets for a chance to win items such as Rosewood Poker Tables, 500 Count Chip Sets w/ Oval Racks, Folding Table Tops and WPT Leather bags. Mailing in non-winning WPT tickets will enter players in a drawing to win a WPT Tournament trip. Online submissions will enter players to win both the trip and WPT merchandise.

Electronic Extravaganza is an online game promotion for both Powerball and Hot Lotto. Players must purchase \$5 in Powerball with power play (\$10 total transaction) or \$5 Hot Lotto with Sizzler (\$10 total transaction) to receive a "drawing" entry to win items such as: HDTV, Laptop, Car Video Players, ITouch, iPods etc. There will be a total of 8 drawings, starting September 14 through November 2.

Katy Smith explained that holiday promotions will be discussed during the next meeting.

Brandie Reisman asked what new instant games our consumers are seeking. Board members said they were glad to see new tickets, especially Crossword and Texas Hold 'Em.

9. Presentation of Game Development.

Brandie Reisman explained the Instant game development process. Brandie Reisman first stated that the OLC is currently thinking about creating a "Lotteria" instant ticket which is a game similar to Bingo. Prize distribution is

pre-determined in a prize structure, random computer generated formulas determined by placement of prizes.

Price points to consider are \$1 (300 tickets); \$2 (150 tickets); and \$5 (60 tickets) – each pack is valued at \$300. Overall odds of winning are printed on the back of instant tickets – odds vary on the number of tickets printed and available prizes.

Questions to consider when developing instant tickets: Price points, themes, play styles, features, quantities and payouts.

Theme types: Money, Gaming, Numbers, extended play, seasonal, sports/whimsical and licensed.

Play Styles: Key number match, tic-tac-toe, find the winning symbol, match 3 of 9, beat the dealer, poker, symbol match, key number match, add up, bingo, crossword, maze, Monopoly, Texas Hold 'Em.

Play Style Features: win-all (win all prizes on ticket), doubler (double the prize shown), multiplier (multiply prize by multiplier amount)

10. Discussion regarding POS in retail locations.

Ricky McCullough demonstrated and introduced the usage of the dual jackpot signs: Powerball and Hot Lotto as he explained these are being “tested” and currently aren’t available. Kenny Smith, Tom Hudson and other members did say they would like to use that particular POS. Ricky also handed out the Point of Sale signage/catalog and displayed the new dye-cut floor sign that says “Play Here.” Mr. Pang asked other board members to be aware of their city ordinances and Code of Enforcement pertaining to pole signs and window clings. Sherry Hansen stated Muskogee has a similar ordinance. Sherry Hansen suggested that she is still interested in a Lottery “next register” sign, but comments about OLC has done a good job with keeping POS simple. Ricky McCullough said we’re testing “edge lit” acrylic dispensers and hear that they are doing well in stores.

11. Discussion and Possible Action regarding remaining calendar year 2009 meeting dates for the Lottery Commission Retailer Advisory Board.

Ricky McCullough asked the Board if they would like to meet twice a year or quarterly. Sherry Hansen made a motion to continue board meetings to remain quarterly. Tom Hudson seconded the motion and all in favor were: Kwai Pang, Mike Alberty, Larry Pooler, Tammy Williams and Kenny Smith. The next board meeting is scheduled for Wednesday, October 21st at 11 a.m.

12. New Business

Tom Hudson explained a 16% increase in his overall sales of Stripes for prompting his stores to participate in the “Ask for the Sale” promotion. Michael Alberty explained “Ask for the Sale” is something that he may consider for his business. Mr. Pang also suggested the OLC create instant scratch tickets “bundle buy” for players. This bundle buy consists of multiple price point games that equal to \$20 that can be sold to the customers during holidays.

12. Adjournment

Ricky McCullough made a motion to adjourn. Michael Alberty seconded.

Adjourned at 1:02 p.m.