

Minutes
Marketing and Retailer Relations Committee
South Carolina Education Lottery Commission
October 4, 2007
10 a.m.

The Marketing and Retailer Relations Committee of the South Carolina Education Lottery Commission met on Thursday, October 4, 2007, at 10:00 a.m. in the Third Floor Conference Room at 1333 Main Street, Columbia, South Carolina.

The following Marketing and Retailer Relations Committee members were present:

Ashley Landess, Chair

Moffatt Burriss, Commission Treasurer; Dr. Edward Keith; Nathaniel Spells, Sr.; and Tim Madden, Ex-Officio, participated via teleconference.

The Chair called the meeting to order.

MegaMatch 6

David Barden, Director of Marketing and Product Development, was recognized to present an overview of the development of MegaMatch 6, the new online game. The MegaMatch 6 game is a six-number game to fill a niche between Palmetto Cash 5 and Powerball® with multiple winning experiences. The jackpot prize level starts at \$550,000 with a minimum increase of \$25,000 per draw when the jackpot is not won. The average jackpot is expected to be approximately \$1.2 million. The prize payout is approximately 65.4% and overall odds are 1 in 7.20. Mr. Barden explained that drawings will be held on Tuesday and Friday evenings so not to compete with Powerball®. Staff previously reported that a quantitative study was conducted at the \$5 price point and findings indicated the game would be well received among the player base in South Carolina, especially among households with income in excess of \$50,000, and MegaMatch 6 would enhance the current product mix offered.

Motion Adopted

Commissioner Keith made a motion to recommend the Commission approve the launch of the new MegaMatch 6 online game and to further direct the Executive Director to implement rules for the game as necessary and to update the Commission on all rules

which are subject to further refinement by the Commission. Commissioner Spells seconded the motion, which was unanimously approved.

Powerball® Matrix Change

Ernie Passailaigue, via teleconference, was recognized to update the Committee members regarding proposed changes to the Powerball® game. He explained that the Multi-State Lottery Association (MUSL) Development Committee is in the process of proposing a matrix change to the Powerball® game to make the game more competitive with Mega Millions. By changing the matrix, the odds of winning the jackpot will increase and should produce higher jackpots. A matrix change will also guarantee a \$1 million Match 5 prize for every winner who matches 5 numbers and who also purchases the Power Play® option. Mr. Passailaigue reported that as a member of the Powerball® Development Committee, he attended a Powerball® meeting where the Group voted to conduct research before any matrix change is approved by the Powerball® Group. The research may take a month or longer. Though the Powerball® Group has not sanctioned such a change, if and when a vote is called for, SCEL will have already vetted the issue through the Committee structure and prepared the matter for full Commission approval. In addition, if the Commission approves the recommended game modifications, receiving Committee approval early will allow staff the necessary time to implement all programming, media, and POS changes, if and when the changes are adopted by the Powerball® Group. Mr. Passailaigue mentioned that when the time comes to finalize any changes to the Powerball® game, South Carolina will either have to adopt the rules or drop out of the Powerball® game.

Motion Adopted

Chairman Madden made a motion to recommend the Commission authorize the Executive Director to proceed with making any Powerball® proposed matrix changes that are adopted by the MUSL group, including any corresponding changes to the game rules and advertising materials, and to further direct the Executive Director to update the Commission on all changes which are subject to further refinement by the Commission. Commissioner Burriss seconded the motion, which was unanimously approved.

Printing Equipment Procurement

David Barden explained that staff is seeking authorization to issue an RFP for the leasing of a digital copier. The five-year (5) lease is expiring on the existing copier and the unit needs to be replaced. The lease cost of the new equipment was included in the budget approved by the Commission for the fiscal year 2008, and SCEL has forwarded a request to the Budget and Control Board to approve the issuance of a Request for Proposals (RFP) for a new digital color copier. The copier that will be replacing the existing copier exceeds the \$50,000 Commission oversight threshold established by a motion adopted by the Commission on August 27, 2002.

Motion Adopted

Commissioner Burriss made a motion to recommend that the Commission authorize the issuance of an RFP in order to lease a digital copier. Chairman Madden seconded the motion, which was unanimously approved.

Official Lottery Seal

Commissioner Landess explained that four drafts of an Official Seal were transmitted to the Committee members in advance of the meeting. The Official Seal is intended to be a permanent emblem for Commission use on official documents and correspondence. Commissioners exchanged comments about the drafts presented and the consensus is that draft number “two,” with input from the new advertising firm Mad Monkey, presents a simple, clean, and crisp image and reflects the professionalism of the organization.

Motion Adopted

Chairman Madden made a motion to recommend that Official Seal draft “two,” or something substantially similar, be recommended to the Commission for approval as the South Carolina Education Lottery’s Official Seal. Commissioner Burriss seconded the motion, which was unanimously approved.

Reports

Advertising and Media Placement Contract

“Mad Monkey” was selected as SCEL’s new advertising firm pursuant to an advertising RFP issued by the Commission. Mr. Barden introduced two members of the firm, Laurie and Tim Gardner and announced that they would be working closely with SCEL staff. Commissioner Landess and Committee members extended a warm welcome to the Gardners.

Other Business

As information only, Mr. Passailaigue reminded Committee members that SCEL joined an International Game Group several years ago. There appears to be renewed international interest, especially from the European lotteries, for an international game developed between EuroMillions and MUSL. Mr. Passailaigue will attend a follow-up International Game Group meeting while attending the annual NASPL conference. It is expected EuroMillions and MUSL will work together to explore possible joint game ventures.

Adjournment

There being no further business, the meeting was adjourned.

_____/s/
Ashley Landess, Chair

Date

As required by Section 30-4-80, notification for this meeting was posted at SCEL headquarters, 1333 Main Street in Columbia. As provided in the Commission bylaws, the meeting notice and agenda were also posted on the SCEL website, sceducationlottery.com, and sent via facsimile transmission pursuant to requests made by media outlets and other organizations. These notifications included the time, date, place and agenda of the meeting.