

**MINUTES**  
**ARKANSAS LOTTERY COMMISSION**  
**Wednesday, August 26, 2009**  
**1:30 p.m.**  
**UA System Board Room**  
**Little Rock, Arkansas**

Arkansas Lottery Commissioners present were Commissioners Ray Thornton, Chairman; Dianne Lamberth, Vice Chairman; Derrick Smith, Secretary-Treasurer; Mike Malone; Ben Pickard; Patty Shipp; Susan Ward-Jones and Joe White.

Arkansas Scholarship Lottery staff in attendance: Director Ernie Passailaigue; David Barden, Vice President Gaming Operations; Ernestine Middleton, Vice President Administration; Julie Baldridge, Bridgette Frazier, Bishop Woosley, Kevin McCarthy, and Patricia Vick.

The meeting was called to order by Chairman Thornton. By motion made, seconded, and unanimously carried, the minutes of August 19 were approved.

Chairman Thornton recognized several of the Bureau of Legislative Research (BLR) officers and staff members whose work, to end September 1, has been crucial in the remarkable progress during the first four months of the Arkansas Lottery Commission. A Resolution commending the Bureau was read and by motion of Commissioner Pickard, seconded by Commissioner Lamberth, the Resolution was approved. The Commissioners stood and thanked Director David Ferguson and others from BLR who were present.

Chairman Thornton then announced that the first retailer license would be presented to Murphy Oil USA of El Dorado, a company with 57 locations in Arkansas and more than 1,000 locations nationwide. He pointed out that the Murphy family businesses had contributed greatly to the economy of Arkansas and commended the company for its "El Dorado Promise" scholarship program for seniors at El Dorado High School, calling the scholarship mission of Murphy and the Arkansas Lottery Commission (ALC) "a perfect fit." He also noted a newspaper report that just the week before, a Powerball ticket purchased at a Murphy USA location in Columbia, S.C., had produced a \$260 million jackpot. He recognized Mr. Hank Heithaus, Mr. Carl James, and Mr. Kyle Williams of Murphy to come forward. Gathering at the front of the room, the Commissioners applauded as Mr. Passailaigue presented the ceremonial certificate of licensure to the Murphy representatives.

Next, Mr. Passailaigue recognized Mr. Woosley. He suggested postponement of the agenda item on Directors and Officers Insurance and informed the Commissioners that the Employee Fidelity Bond invitation for bid would soon be available to post. He also discussed the issue of surety for the Bank of the Ozarks, and recommended a Certificate of Deposit of \$30,000 in Southern Bancorp of Arkadelphia, an institution which focuses on development loans in South Arkansas and the Delta, to secure the banking contract. Discussion followed, and following motion and second, the approval of the \$30,000 CD proposal was adopted unanimously by the Commission.

Mr. Passsailaigue recognized Ms. Middleton for a report on the development of locations for Claims Centers. Ms. Middleton reported that she and Ms. Baldrige had traveled to Jonesboro and Springdale to visit various sites, and that consideration of a final selection in each city was underway. She further reported that a visit to the Warren/El Dorado/Camden area was scheduled and that the Little Rock Claims Center would be ready for operation on September 14.

Mr. Passailaigue reported on the progress of retailer licensure in Arkansas, noting a rapid pace of licensing and that 473 contracts have been mailed out to license approximately 700 retailer locations. He said terminal installations and out-of-box testing would start right away. He reported that 19 Marketing and Sales Representatives had been hired and were being trained, in anticipation of the retailer recruitment mission scheduled for the upcoming weeks. He said it was possible that he would approve 'provisional' licensure.

Mr. Passailaigue recognized Mr. Steve Beck of Intralot, who said there would be 16 training sessions staffed by Intralot, Scientific Games, and ASL personnel. He said Intralot was ready to perform 700 installations right away and had assembled a nine person marketing group in Arkansas. He said that Intralot had secured an operations center in Maumelle, investing \$450,000 in the facility, and had purchased 15 vehicles from a minority-owned dealership in Bentonville. He said the Company would continue its partnership with the state, doing business in Arkansas. Mr. Passailaigue noted that Scientific Games representatives also were present at the meeting and said that the Company had scheduled press time to print the ASL inaugural instant tickets. He remarked on SGI's facility at Alpharetta, Georgia, noting that the presses could print ticket sheets at 800 feet per minute, and said that Commissioners should visit the plant.

For the next hour, the Commissioners were presented with an overview of "A Lottery at Work," an audio-visual workshop led by Mr. Passailaigue and Mr. McCarthy.

In other business, Mr. Passailaigue announced that a Multi-State Lottery (MUSL) security representative was on the way to Arkansas and that the Random Number Generator would be procured through MUSL.

Ms. Frazier addressed the status of the rules, noting that the Public Comment period for the Operational Rules ends September 7.

Mr. Barden outlined the information that would be presented to the public as a part of the marketing program, including the fact that comprehensive odds would appear on each ticket, including overall and break even. He said that the marketing strategy included print media.

Chairman Thornton announced that the next meeting would be held at the UA System location beginning at 10 a.m. on September 2, expected to last until around 3 p.m., and would consist of interviews of seven Internal Auditor candidates.

There being no further business, the meeting was adjourned.