

Arkansas Lottery Commission  
**LEGAL COMMITTEE MEETING**  
University of Arkansas System  
August 19, 2009

The meeting was called to order at 1:00 p.m.

Arkansas Lottery Commissioners in attendance were Derrick Smith, George Hammons, Patty Shipp, Ray Thornton, Diane Lamberth, Joe White, and Ben Pickard.

Arkansas Scholarship Lottery staff present: Director Ernie Passailaigue; David Barden, Vice President Gaming Operations; Ernestine Middleton, Vice President Administration; Bridgette Frazier, Staff Attorney; Bishop Woosley, Officer of Procurement; and Patti Vick, paralegal.

Commissioner Smith called the meeting to order. The minutes of the June 19, 2009, meeting were reviewed and approved after a motion by Commissioner Hammons and a second by Commissioner Shipp.

The second order of business was discussion of ALC insurance needs. Ms. Frazier reported that her informal survey of attorneys for other state lotteries revealed that most do not have separate D & O (Directors and Officers) insurance coverage, with the exception of Indiana. Ms. Frazier said Drew Carpenter, Arkansas Insurance Commission, had suggested that the Commission pursue D & O coverage. Ms. Frazier added that she could find no other state agencies that provide their commissioners with protection other than Arkansas Fidelity Bond, which cover for fraudulent acts but not individual commissioners. Commissioner Smith asked that Ms. Frazier solicit for coverage and forward responses to the Committee.

The next item on the agenda was the discussion of commission counsel. The discussion centered on private counsel as well as the services of the Arkansas Attorney General's office. The subject was tabled with unanimous agreement.

Ms. Frazier reported on ALC Rules, including Major Procurement Rules, Retailer Rules, Operational Rules, and Rules for Claims in Contracts and in Tort.

There being no further business, by a motion made by Commissioner Shipp, seconded by Commissioner Hammons, the meeting adjourned at 1:30 p.m.