

To: Lottery, Video Gaming & Racino Executives  
Interested in Growth, Expansion & added Success

**Public Gaming Research Institute Inc.'s**

# International Morning Report

Your weekly supplement to  
**Public GAMING International Magazine**  
May 31, 2004

**MA CELEBRATES 30 YEARS, NEW GAME.** Massachusetts State Treasurer Timothy P. Cahill hosted a gathering of political and lottery industry luminaries to celebrate the 30<sup>th</sup> anniversary of the instant ticket, which went on sale in Massachusetts last week in 1974. Cahill was joined at Massachusetts Lottery headquarters by former State Treasurers, former Massachusetts State Lottery executive directors, Massachusetts legislators and lottery industry officials to celebrate this milestone. Cahill also used this occasion to announce a new game with a unique prize structure not yet seen in Massachusetts. Cash WinFall, a jackpot game which features increased odds of winning, will commence in September. This game was developed with the success of instant tickets in mind – the odds of winning a prize are one-in-six and when the jackpot reaches \$2 million without a winner, the money is distributed to thousands of lower tier prizes. Cash WinFall will replace Mass Millions, which will be retired in September.

**ALC GOES FOR RECORD IN BIG PROMOTION.** During March and April, Atlantic Canada Scratch'n Win players collected and mailed in non-winning tickets for a chance to win a \$100,000 grand prize, two prizes of \$30,000 and seven prizes of \$5,000. The promotion culminated into a giant event held in Atlantic Canada's biggest movie theater – the Empire IMAX theatre in Halifax. Ten finalists will be competing for the prizes by taking turns scratching a giant ticket. In fact, the ticket is so big that ALC will be submitting a registration for this ticket to the Guinness Book of World Records to confirm that it is the largest Scratch'n Win ticket in the world.

**DREAM DRIVE.** Beginning June 7, 2004, the Michigan Lottery will add a Monday drawing to its current Wednesday and Saturday WINFALL drawing line-up. To kick the Monday drawings into high gear, the Lottery is offering players a chance to drive the summer away in their choice of a 2004 Ford Mustang convertible, Chrysler Pacifica, Buick Rendezvous or Dodge Ram 1500 during its 'Dream Drive' promotion!" Beginning June 7, players who purchase a single \$3 WINFALL ticket will automatically receive an entry coupon for the "Dream Drive" promotion. Each week through July 12, in four separate drawings, the Lottery will award not one, but three dream cars!

**IL GOING DIGITAL.** In an effort to enable the Lottery to rotate advertisements for Mega Millions, New Little Lotto



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and the Appreciation Celebration promotion in the same location, the Illinois Lottery is removing advertising from 15 of its 35 billboards located throughout the state and buying space on a digital billboard located in Chicago. The billboard is seen by an estimated 420,000 people per day. In addition to rotating advertisements, the digital board allows the Lottery to advertise jackpots for two games, while the other billboards could only display one jackpot amount. It's been estimated that each driver will see at least two advertisements, which makes it an excellent deal for the Lottery.

**CASINO MILLIONS.** Five lucky Michigan Lottery players will be one step closer to becoming an instant multi-millionaire on Friday, June 11, 2004. That is when the Michigan Lottery will be conducting a drawing to select five finalists who will participate in a grand-prize drawing for the "Casino Millions"

## **36 Lotteries from 16 countries confirmed Intern'l Lottery Expo & ILAC Congress 2004**

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instant game. The "Casino Millions" game is different from most other Michigan Lottery instant games because the \$2,000,000 top prize will be awarded through a drawing. Winners of \$1,000 prizes in the "Casino Millions" instant game are automatically entered into the finalist drawing. The grand-prize drawing will be held at Michigan International Speedway prior to a NASCAR race on Sunday, June 20, 2004.

**DUANE READE JOINS NJ RETAILERS.** Duane Reade, one of the fastest-growing drugstore chains in the industry, has bolstered its community presence in New Jersey by registering all twelve of its locations in the state as Lottery retailers. Store locations throughout Bergen, Essex, and Hudson counties now join 6,000 other businesses as registered agents of New Jersey Lottery products.

**RI HEATS UP WITH HOTTRAX.** The Rhode Island Lottery celebrated its 30<sup>th</sup> anniversary by launching HotTrax®, an auto race themed monitor game. The official game launch took place on Friday, May 28, 2004 at 50 Retailers across the Ocean State. Rhode Island is the first state to offer the game. Developed by GTECH, HotTrax® mixes the popularity of auto racing with the gaming style of Keno to create animated speedway action, complete with passing and occasional spinouts. Players may select various wager options on the order of the draw for the top three positions or choose all ten spots for the Super Progressive option. A new draw occurs every four minutes, opposite Keno draws. As part of the launch event held at a local Lottery Retailer, players were invited to enter their non-winning tickets, purchased and played on that day, into a drawing for two tickets to an upcoming NASCAR race at New Hampshire International Speedway.

**NY GOV. WANTS GAMBLING COMMISSION.** New York Gov. George E. Pataki introduced a plan to create an all-encompassing state gambling commission. The commission members, who would be appointed by the governor would have broad authority over all state-sanctioned gambling activities.

**NEW FL TAX PROCEDURE.** The Florida Lottery's new tax procedure for Lottery winners began Monday, May 24. Previously, winners collecting prizes of more than \$599.99 were required to complete the Florida Lottery's Winner Claim Form and have proper identification such as a valid driver's license when collecting their prizes. Now, in addition to completing the Lottery's Winner Claim Form and providing proper identification, winners will also have to complete the W-9 Form.

**TURKISH LOTTERY PARTNERS TO BE ANNOUNCED.** This week, Alarko and Dogus Holding will determine their foreign partners for the privatization of the Turkish National Lottery, Milli Piyango. The Lottery's net profit rose by 58.4 percent to TL 248.7 trillion in 2003.

**UTHINGO GUARANTEES JACKPOT.** Players in North Western South Africa will experience first-hand the excitement of LOTTO as Uthingo's biggest game makes its way to Mmabatho. The live LOTTO and LOTTO Plus draws will be conducted in front of an expected five thousand people at the Mmabatho Civic Centre. To mark this special

occasion, Uthingo is offering players a guaranteed R20-million Jackpot on Saturday, June 5.

**THAI LOTTERY FOR SOCCER CLUB.** Lottery tickets to finance Thailand's proposed 4.3-billion-baht investment for a 30% stake in the Liverpool football club were scheduled to go on sale today. The 10 million Government Lottery Office tickets will be offered through Government Savings Bank branches and online at its web site for 1,000 baht each. Prize money and administrative expenses will absorb half of the 10 billion baht raised, with the remaining funds financing the Liverpool investment. In an effort to gain publicity, the Lottery is offering a prize of one-billion baht (roughly US\$28.5 million).

## **\*NEW\* RACINO NEWS**

**PENN SCHEDULES IMPROVEMENTS AT CHARLES TOWN.** Penn National Gaming, Inc. announced that the track at Charles Town Races & Slots, located in West Virginia, will be undergoing upgrades and renovations, including a new surface, banking the turns, replacement of the lighting system and other significant improvements, to further enhance live racing at the historic track. Work on the track is scheduled to begin on August 2, and will be completed on August 25. During this period, live racing will not be conducted at Charles Town. Charles Town Races will continue to offer simulcast racing and wagering, and there will be no disruption to the facility's slots operation, food court or other amenities.

**TX HIRES EXPERT GAMING MACHINE LAW FIRM.** The Texas Lottery Commission has reportedly hired the law firm Lionel, Sawyer and Collins, experts in gaming machine law, to draft legislation for legalizing video lottery in Texas. A recent proposal to legalize video lottery failed in the Texas House, but Gov. Rick Perry has expressed interest in reviving the issue if there is another session on school finance.

**OH VLT BILL FAILS.** A bill that would have put VLTs on the ballot in Ohio passed the Senate but narrowly missed (57-40) the two-thirds majority it needed to pass the House.

**WV COUNTY ENACTS VLT ORDINANCE.** West Virginia's Wood County enacted an ordinance to place restrictions on where VLT operators can set up business. According to the ordinance, video lottery establishments can't be within 1,000 feet of any church, school, playground, park, recreation area, residence, hotel, library, state highway interchange or corridor or any other state facility. Under the ordinance, violators can be charged a \$1,000 a day fine.

**LA BOAT BILL.** A Louisiana bill would allow for gambling to be added to the American Queen (only while it's sailing), a riverboat that sails between New Orleans and St. Francisville. Though not defined, 110 gambling positions would be allowed. Slots and video poker are being considered.

## **COMPANY ANNOUNCEMENTS**

**"I LOVE LUCY" EXTENDS WITH MDI.** MDI Entertainment has signed a three-year extension through December 2007 with Desilu, too, LLC and CBS Entertainment

for the names, marks and images associated with "I Love Lucy," the world's all-time favorite sitcom. In addition to instant scratch tickets covered in the initial agreement, the new agreement enables lotteries to license "I Love Lucy" for use on pull-tab tickets and in association with terminal-generated matrix lottery games marketed in the U.S. and Canada. Rights include use of the famous heart-shaped "I Love Lucy" logo as well as images of classic scenes from the funniest "I Love Lucy" episodes that include the show's legendary stars. "I Love Lucy" lottery games also include special promotional opportunities like second chance drawings and customized media events.

**IOWA CHOOSES POLLARD.** Pollard Banknote is the Iowa Lottery's choice for instant-scratch and pull-tab vending machines. Under the terms of a four-year contract (with two additional one-year options) worth approximately \$6.7 million, the Lottery will purchase more than 1300 vending machines with a maintenance contract. Pollard Banknote's American Games operation in Council Bluffs, Iowa will manufacture the machines.

**MA CHOOSES E-SUCCESS.** e-Success Incorporated has been selected by Massachusetts State Lottery Commission (MSLC) as the apparent successful vendor to provide a computer platform for displaying monitor games at agent locations. Currently, the only monitor game offered by the MSLC is Keno. There are approximately 1,735 agents currently selling Keno in Massachusetts. The computer platform proposed by e-Success includes its Webshow Multimedia Display Software residing on a Windows PC. The WebShow technology has the potential to be easily extended to other monitor games and retail locations for MSLC.

**MDI SIGNS WITH DAIMLERCHRYSLER.** MDI Entertainment signed an agreement with DaimlerChrysler Corporation that makes available to lotteries the Dodge and Dodge Ram Head logos, vehicle trade dress, and Dodge's Grab Life by the Horns theme line and shield logo for use on lottery tickets and related advertising. Four popular Chrysler Group Dodge vehicles will be available as instant scratch off prizes, including the sleek, sporty Dodge Viper SRT-10 roadster, voted one of the *Top Five Sports Cars of 2003* by Consumers' Research Magazine and winner of Motor Trend's *What's Your Favorite Car of All Time* poll. MDI will handle fulfillment of all vehicles awarded as lottery prizes, and lotteries will purchase vehicles at the time such prizes are claimed. Other Dodge vehicles featured on lottery tickets are: Dodge Durango, Dodge Ram 1500, Dodge Ram 2500, Dodge Ram SRT-10, and Dodge SRT-4, known as "the fastest car in America for under \$20,000" and Sport Compact Car magazine's Car of the Year award winner.

**-NM AWARDS RNG CONTRACT TO SMARTPLAY.** Smartplay International, Inc. has been awarded a contract to supply its Origin™ digital drawing system to New Mexico Lottery Authority. Per Tom Romero, Executive VP Security, the turnkey Origin system will enable easy, cost effective introduction of new games. A July installation is planned. New Jersey based Smartplay is gratified to have prevailed in the first domestic bid opportunity, since the Origin's introduction at NASPL 04. Smartplay has been a supplier to New Mexico Lottery since its inception, having provided traditional drawing equipment to serve various games.

**OGT PARTNERS WITH FUJITSU.** Oberthur Gaming announced that the company has established a strategic alliance with Fujitsu Consulting to market and deliver OGT's Global Operations and Lottery Distribution System ("GOLDS") to the lottery industry. Fujitsu Consulting will become an OGT integration partner, enabling both companies to capitalize on their capabilities and market coverage.

**OH DOUBLES HOLD 'EM POKER ORDER.** The Ohio Lottery's inaugural run of MDI's Hold 'Em Poker instant lottery game is being extended due to the hot player reception the game is receiving at retail. This week the Lottery doubled its order for \$25,000 Hold 'Em Poker tickets due to the strong demand. Measured against other instant games at this price point, Hold 'Em Poker is posting more than \$1 million a week in sales and is currently indexing at 154 against the average for Ohio Lottery \$2 games. Ohio's \$25,000 Hold 'Em Poker went on sale April 23. As many as six other U.S. lotteries are expected to follow Ohio's lead with similar games this year. The patented play style is based on the poker game known as Texas Hold 'Em, which has exploded onto the pop culture scene and become one of the hottest reality themes on TV, thanks to televised tournaments like the World Poker Tour, which has become the top-rated show in the 17-year history of The Travel Channel and one of the most popular programs anywhere on cable.

## PEOPLE

Oberthur Gaming is pleased to announce the promotion of **Paul Howell** as Executive Vice-President of Sales and Marketing worldwide, effective July 1<sup>st</sup>, 2004. The objective of this newly created position is to provide added focus on sales and marketing activities within the company, and leveraging the unique benefits through OGT's regionalized businesses. As Executive Vice-President of Sales and Marketing, Mr. Howell's primary mandate will be to support and accelerate all activities related to innovation and market intelligence, as well as to enhance the organization's responsiveness to OGT's worldwide clients in the lottery industry.

## HOTEL ALERT – EXPO/ILAC CONFERENCE

Loews Miami Beach Hotel, site of the EXPO/ILAC conference has advised us that the Hotel is busier than usual this year and recommends that you make your hotel reservations this week.

**After June 4 the Hotel cannot guarantee that additional rooms will be available. CALL 305-604-1601 FOR ROOM RESERVATIONS.**

The conference begins at 3 PM on June 28 and ends at 11AM on July 2.

**Submit material for next week's Morning Report by Wednesday of this week to [Toddpg2@aol.com](mailto:Toddpg2@aol.com)**