

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



Your weekly supplement to  
**Public GAMING International Magazine**  
**October 17, 2005**

## COMPANY ANNOUNCEMENTS

**PGRI CHOOSES WYNN LAS VEGAS FOR SMART-TECH 2006 AND EXPO/ILAC 2006.** The Public Gaming Research Institute, publisher of Public Gaming International, is pleased to announce that it has selected The Wynn in Las Vegas as its venue for SMART-Tech 2006 and EXPO/ILAC 2006. SMART-Tech 2006 will take place February 27 – March 2<sup>nd</sup>, 2006, and EXPO/ILAC 2006 will take place July 16-19. Get a sneak preview of what you'll see at the Wynn at [www.wynnlasvegas.com](http://www.wynnlasvegas.com).

**NIEDERSACHSEN CHOOSES SCIENTIFIC GAMES.** Scientific Games announced that its German subsidiary Scientific Games Honsel GmbH was awarded two contracts with Toto-Lotto Niedersachsen GmbH, the state lottery of Niedersachsen based in Hanover - one to supply instant lottery tickets, and the other for distribution and consulting services. The two contracts begin March 1, 2006 and will run for five years, with options to extend for additional two-year increments. Scientific Games Honsel will handle the supply and distribution of instant tickets throughout Lower Saxony for Toto-Lotto Niedersachsen, including shipping, warehousing, communications, and will advise on game design and marketing issues. Revenues to Scientific Games Honsel will be based on a percentage of sales.

**INTRALOT SIGNS WITH MONTANA.** Intralot announced a contract with the Montana Lottery for the supply of the Lottery's new On-Line and Instant Gaming System.



Commencing on March 31, 2006, the term of the contract is for seven years with three 1-year extension options. The project entails a technology upgrade including new technologically advanced gaming equipment, software and related services with significant emphasis placed on increasing sales through the development and implementation of customized and innovative marketing and promotional programs. INTRALOT will install its LOTOS™ O/S On-line and Instant Gaming Computer System on the IBM AIX platform and provide the Lottery with a minimum of 750 of its CORONIS full-function, high-end compact terminals for retailer locations across the state. In addition, INTRALOT will be installing a state-of-the-art satellite network to link retailer terminals to the central system. The Montana Lottery expects to save as much as \$14 million over the next seven years with the new contract. The per-transaction cost will be 5.8%, which is an estimated \$2.1 million less than the other offers.



**MDI POKER BRANDS AT THE TOP OF THEIR GAME.** MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation has cornered the market in Casino-style/poker game play, with their unequalled World Series of Poker® and World Poker Tour™ games, two of the most popular sporting events in the world. To date, 14 lotteries have offered the games with Texas Hold 'Em style play in their instant ticket line up, with three states reprinting a new version of the game. The price points ranged from \$2 to \$10. Five more states will be launching similar games within the next four months. Virginia was the first state to sell the WSOP instant ticket, and sales indexed 70 percent above average for the first 12 weeks of the game and remained well above average during the life of the game.

**OREGON EXTENDS WITH OGT.** Oberthur Gaming announced that the Oregon Lottery has decided to extend the term of their agreement with OGT for an additional three years until July 2008. The original contract, executed as of July 28, 2004, named OGT the Lottery's Primary Instant Ticket Contractor and included the option to extend for five additional years.

## PEOPLE

WPT Enterprises, Inc. has added noted format sales consultant **Matthew Ody** to its sales team at MIPCOM, as part of the company's introduction of its hugely successful WORLD POKER TOUR® (WPT) format into the international market. Ody will assist WPT as it unveils at the show a new type of format sale -- designed to produce substantially higher broadcaster returns through built-in, ancillary revenue streams. Ody has held high profile roles at Endemol Entertainment, NBC International and Reeves Entertainment, before launching his independent film and television production company, focusing on consulting and international distribution for the film and TV production community. He currently represents TNA Entertainment, Debmarm-Mercury, Hallway Group Productions and Go-Kart Films, Inc.



New Mexico Department of Public Safety spokesman **John Francis** was named as a board member to the New Mexico Lottery Authority by Gov. Bill Richardson. His appointment is subject to approval by the senate during the next legislative session. As a police officer, Francis will be expected to help improve the security of the building and the equipment used by the Lottery. In addition, he will look to make retail locations and Lottery customers safer.

**Dr Anne Wright CBE** becomes Chair of the UK National Lottery Commission on October 16, 2005, taking over for **Timothy Hornsby**. **Sarah Thane CBE** has been appointed a Commissioner succeeding **Jo Valentine** whose term finished in September. **Dr Wright** holds a number of non-executive roles including Member of the Armed Forces Pay Review Body and Board Member, English Partnerships. Former posts include Chief Executive of the University for Industry and Vice-chancellor and Chief Executive of the University of Sunderland. Since 2001 she has been an e-learning consultant. **Sarah Thane** is an independent consultant on broadcasting regulation, currently advising the BBC Governors on regulatory and compliance matters. She is a non-executive director of Films of Record, an independent film production company, and has recently been appointed a Justice of the Peace in West Suffolk.

**Thomas M. Kauffman**, the first and only director of the Pennsylvania Horse Racing Association, is leaving his position to pursue other career opportunities. Chairman **Mike Jeannot** will take over as the contact person for the association, which will soon move its headquarters from Harrisburg to Pittsburgh. Cincinnati Mayor **Charlie Luken**, an outspoken supporter of bringing casinos to Ohio, has been appointed to the state commission that regulates and licenses horse racing. Luken,

who announced earlier this year that he will not seek re-election and whose term expires Dec. 1, was appointed to the Ohio State Racing Commission by Gov. Bob Taft. Luken replaces **L. Rainy Gates Stitzlein**, who resigned. Luken will fill the vacancy immediately, as state law allows Luken, a Democrat, to finish out his term as mayor while serving on the state commission, Rickel said. Luken has said he supports a movement that seeks to amend the Ohio Constitution so that residents of each city can decide whether to have casinos.

SMART-TECH 2006  
WYNN, LAS VEGAS  
FEBRUARY 27TH - MARCH 2ND  
[click here to register](#)

## VIDEO LOTTERY/RACINO

### MASSACHUSETTS SENATE CALLS FOR RACINOS.

The Massachusetts Senate approved a bill that would extend the state's simulcasting law through 2007, would allow the installation of 8,000 slots at the state's four racetracks, and would create a Lottery and Gaming Commission which would cover any lost Lottery revenue to cities and towns caused by the expanded gambling. The 26-9 vote, which included two recusals for ethical conflicts, means that if the bill passes the House and MA Governor Mitt Romney issues a veto there are enough votes in the Senate to override the veto. Under the bill four tracks would each add up to 2,000 slot machines, which the state would own, 60 percent of the machine revenue would go to the state and each track would be required to pay a \$25 million licensing fee every five years. The bill would send the estimated \$350 million-plus in annual revenue to local aid, the General Fund and the rainy day fund -- a budgetary reserve. If enacted, the law would require each track to pay a \$25 million licensing fee every five years. The bill now moves to the House.



### SCHOOL BOARD SUPPORTS KENTUCKY RACINO.

The Jefferson County School Board has decided to push Kentucky lawmakers to allow gaming machines at casinos in an effort to gain revenue for education. The Jefferson County Teachers Association has already voiced support for the racino issue. The Kentucky Equine Education Project, a horse industry lobby, is drafting a bill that would put expanded gambling on the ballot next year. Such a measure would need approval first from three-fifths of the General Assembly. Supporters have estimated that eight casinos in Kentucky would generate about \$400 million annually for the state.

**MAINE APPROVES BALLY SLOTS.** Bally Gaming announced the Maine Gambling Control Board unanimously approved issuing Bally a permanent license to distribute gaming devices and associated equipment in Maine, clearing

the way for Bally slot machines to be installed in the Hollywood Slots at Bangor gaming facility scheduled to open in November.

**MISSISSIPPI MACHINE ASSESSMENT.** The AP recently reported that Hurricane Katrina silenced about 18,000 slots at Mississippi's floating casinos. Some were washed into the sea. Looters ran off with others. And the vast majority, about 75%, were destroyed. Some machines are being sent back to machine vendors to be scrapped or repaired, but vendors may have to rewrite the machines' software for fear that a machine could have been broken into and stolen the software.



**BANGOR RACINO MUNICIPAL BENEFICIARIES CHOSEN.** November 4 is set as opening day for Hollywood Slots at Bangor and the host city has come up with a plan on how to use its share of the slot revenues. At the top of the list is replacing Bangor Auditorium and Civic Center, which they expect to start by 2010. Other uses for the money include costs associated with relocating the Bangor State Fair, reimbursing the city's General Fund for costs related to bringing the racino to Bangor, and replenishing the city's unexpended fund balance when it falls below target. The City is estimating that it will take in \$1.5 million annually from the 475 slot facility. They expect that figure to rise substantially once Penn National launches the track's 1,500 machine facility.



**PENNSYLVANIA BOARD LIMITS LICENSE OPPORTUNITIES.** The Pennsylvania Gaming Control Board adopted final regulations that bar anyone seeking a slots license for a racetrack from also applying for a license for a stand-alone slot machine casino. The decision could have ramifications in Harrah's (owns 50% of Chester Downs Casino and Racetrack) and MTR's (building a new \$100 million thoroughbred racetrack and slots parlor in Erie called Presque Isle Downs) attempts to acquire a stand-alone slots casino license.

**SMARTGAMES OPENS KIEV FACILITY.** SmartGames has opened a production site in Kyiv and started selling medium-price slot machines (priced \$4,000 - \$6,000) for the Ukraine market. The company says it has installed 100,000 slots in Ukraine.

**\$417,565 JACKPOT HIT AT DELAWARE PARK.** A Wilmington-area resident and Delaware Park Player Rewards Club member, has won a \$417,565 jackpot on one of Delaware Park Racetrack & Slots' Wheel of Gold state-wide Progressive Machines. To date, this is the largest

single payout in Delaware video lottery history, far exceeding the previous record amount of \$160,000.



## INTERNET/WIRELESS

### OKLAHOMA LOTTERYPOST.COM.

Oklotterypost.com opened its virtual doors as an online resource for the millions of Oklahomans who hope to strike it rich playing the new Oklahoma Lottery. Oklotterypost.com is the latest creation of URLJet.com, a small local domain development firm based in Oklahoma City. The site is free and does not cost anything to join or post comments to the discussion boards. Oklotterypost.com aims to keep lotto players up to date with in-depth articles on how to play the lottery, spot scams, deliver timely news and resources, and foster a community spirit with lottery players all over Oklahoma through discussion forums. Oklotterypost.com offers instant lottery results and news through the "Lottery Alert" system. Lottery Alert gives instant notification of growing jackpots, winning numbers and tips on playing the Oklahoma lottery. <http://www.oklotterypost.com>

**PEGASUS SIGNS WITH ILLF.** Pegasus Gaming Corp. has completed a lottery licensing agreement with the International Lottery in Liechtenstein Foundation (ILLF). Under the terms of the agreement, Pegasus and its licensees will become authorized re-sellers for the government run National Lottery, and will share in a percentage of the revenues based upon a sliding scale.

**OKLAHOMA LAUNCHES LOTTERY.** Two hours after Oklahoma Lottery tickets went on sale at 5:05 a.m., one Tulsa convenience store had already sold nearly 400. The state's first winner was validated at 5:07 a.m. at an Oklahoma City retailer. Everything appeared to be going well. Beverly Hughes, director of sales and marketing for the Lottery, said all 1,200 locations appeared to be selling and cashing tickets. Lottery officials were in the field to provide help to stores that needed it, she said. Governor Henry bought a package of four tickets for \$10 in a ceremony on Tuesday and promptly gave them to Robyn Hilger, recently named Oklahoma teacher of the year.



**\$290 MILLION POWERBALL.** The Powerball jackpot soared to \$290 million last week. Wednesday's \$247 million jackpot attracted a lot of attention and had customer crossing

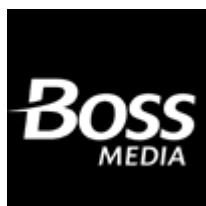
state lines to get at the tickets. If the jackpot isn't hit over the weekend the pot will top \$300 million.

**NEW YORK TO CAPITALIZE ON KING KONG.** The New York Lottery is preparing to launch two new lottery games that will coincide with the King Kong movie scheduled for release on December 14. The King Kong Millions scratch ticket will offer the Lottery's largest scratch prize ever - \$8 million, while a separate drawing on December 5 (conducted atop the Empire State Building) will have a jackpot of at least \$50 million. For the draw game, the Lottery is offering one play for \$2, three plays for \$5, and 7 plays for \$10. In addition to the \$50 million jackpot there will be five second-place prizes of \$1 million each and ten third-place prizes of \$100,000 each. The games launch on November 2.



**MICHIGAN RETAILERS SEE COMMISSION BOOST.** Michigan retailers who sell a jackpot winning ticket for either Mega Millions or Classic Lotto 47 will now receive a boosted commission. For selling a jackpot-winning Mega Millions tickets, retailers will now be paid a \$50,000 bonus, up from \$2,000. And for selling a jackpot-winning Classic Lotto 47 ticket, retailers will now receive a \$5,000 bonus, also up from \$2,000. Of the 12 states that sell Mega Millions tickets, Michigan is now in the top five with regard to retailer commissions for the game.

**COLORADO SEEKS CONSULTANT.** The Colorado Lottery has requested bids from consultants to look over its operations and suggest improvements. The contract, which has a cap of \$150,000, will go to the bidder offering the lowest documented quote.



**UK BIDDING TO BEGIN SOON.** Several companies have confirmed their intention to bid for the UK National Lottery license. The confirmed candidates include Camelot; Intralot and Hilton-Landbrokes. Gala, who was rumored to also participate in the bid, has pulled out after acquiring Coral Eurobet, choosing to focus on the integration of two businesses.

**SOUTH AFRICA BIDDING BEGINS.** The bidding for the second South African National Lottery License has begun. The closing date for bid submissions is the end of November. Five companies have sent in their submission after paying a R50,000 fee. The NLB will not name the companies until after the tender closing date. The current license, held by Uthingo, will expire in March of 2007.

**GERMAN LOTTO TURNS 50.** Germany's Lotto game turned 50 last week. Germans reportedly spend more than five billion euros (US\$6 billion) each year on Lotto. In 2004 they spent a total of 30 billion euros on gambling games such as Lotto, roulette, and gaming [slot] machines.



**NZLC LAUNCHES BIG WEDNESDAY.** The New Zealand Lotteries Commission launched Big Wednesday, a game that combines a top cash jackpot with luxury goods. Tickets go on sale Monday, October 17 and the first draw will be Wednesday, October 26. The game was devised after research told the Lottery that Kiwis' ultimate lifestyle would be to have a lot of cash as well as luxury cars, boats, and overseas travel. In the first week, the top prize starts with \$2 million cash, a Porsche 911 Carrera and a Range Rover Vogue V8. If no one wins, the cash prize will roll over (up to a maximum of \$30 million) and even more luxury prizes will be added. NZLC will offer a weekly second chance prize of either \$25,000 or a Mercedes Benz.

**MIFAL HAPAYIS TO OPERATE ONLINE LOTTERY.** Mifal Hapayis will start running online lotteries within the next five to six months. The Lottery signed a contract with Intralot for design, development, supply and maintenance of a new interactive system – E-Payis. The new system, based on Intralot's B-On platform, will support five main games: Chance, 777, Keno, 123 and Lotto, including its variations (regular, subscriber, and group) and will support four languages, Hebrew, Russian, Arabic and English.



## POKER

**WPT AIMS FOR SECOND BIG HIT.** WPT Enterprises, Inc., the creator of the WORLD POKER TOUR® (WPT), will soon unveil its newest venture, the PROFESSIONAL POKER TOUR<sup>SM</sup> (PPT)—a series that capitalizes on the global poker mania, but showcases only the top 250 players in the game. "All pros...all of the time." Players must first qualify for their PPT Card based on a point system that takes into account previous performances, just like on the professional golf tour. The game remains the same, but the television shows will be distinctly different from the WPT. The PPT has a different commentating crew, including Mark Seif, who recently won two gold bracelets at the 2005 World Series of Poker. The PPT shows focus not just on the Final Table, but also highlights in the preliminary rounds...more of the famous faces laying it on the line and going "All-In." The tournaments are \$500,000 "free-rolls," which means that the PPT puts up the prize money—the players do not

have to “buy-in” with their own cash. Viewers will see a different and more muted color palette—including a navy blue felt table. Play is timed, so that each player must make a decision to call, raise or fold within 90 seconds or the hand is called dead. Count on even more exciting drama from the PPT! The PPT will be offered to the international market in time to debut the new shows in early 2006. There will be 48 hours of programming in the package.

#### **WPTONLINE.COM EXPLORES AFFILIATIONS.**

WPT Enterprises, Inc. will be debuting its media affiliate program for WPTonline.com at MIPCOM. In addition to having a variety of multiplayer poker games, ring table games, Sit & Go and Multi-table Series tournaments, WPTonline.com will feature a customized version of the WagerWorks Poker Software. Designed with the input of WPT, the software showcases a completely new graphic package to match the WPT television experience as well as advanced game features catered towards the avid poker player. The WPTonline.com website is a fully integrated poker room and casino offering a comprehensive suite of gambling products including top tier products such as Monopoly™, Blackjack, Roulette, Baywatch®, Wheel of Fortune® and The Price Is Right. WPTonline.com offers players unique promotions based on the WPT franchise. In addition to excellent land-based tournament opportunities, WPTonline.com plans to offer loyal players an exclusive membership to the “WPT ELITE MEMBERS CLUB,” where players earn rewards and WPT privileges. At WPTonline.com every night can be poker night.

#### **CYOP TARGETS CHINESE POKER MARKET.**

CYOP Systems International Inc. is embarking upon its strategy of marketing its new Chinese poker software to large portals and online companies. The Company is now in a position to expand its licensed online Chinese Poker software into the Asian markets by developing relationships with existing portals and gaming operators who are looking to increase their content. The Company's backend licensed CrediPlay financial systems and Poker games have been localized into Traditional and Simplified Chinese, allowing for the software to be deployed globally. The software may be viewed at [www.CrediPlay.cn/Poker](http://www.CrediPlay.cn/Poker)

## **PROBLEM GAMBLING**

#### **SINGAPORE LAUNCHES PROBLEM GAMING SITE.**

Singapore has launched a Web site for problem gamblers as part of the government's plan to address concerns over a possible spike in bankruptcies and gambling addiction, four years ahead of the scheduled opening of two casinos. The National Council on Problem Gambling Web site was officially launched last Monday, and contains stories from gambling addicts and a "self test" for citizens.

<http://www.ncpg.org.sg>

#### **SAZKA, a.s., ADOPTS TEN PRINCIPLES OF RESPONSIBLE GAMING.**

SAZKA, the largest lottery operator in the Czech Republic, has adopted a document entitled the *Ten Principles of Responsible Gaming*, which is

addressed to the non-gaming public as well as to the trouble free, hazardous and troubled groups of players. The document views betting and games as socially responsible entertainment, which offers excitement and interesting winnings to players and raises funds for public welfare purposes. *SAZKA's Ten Principles of Responsible Gaming* are as follows:

1. Betting, lotteries and games represent a legal form of entertainment in a regulated environment.
2. Gaming is a matter of free, competent and informed decision of every individual above eighteen.
3. Please perceive gaming as entertainment rather than a means of getting rich quickly and easily.
4. Play for joy. Never bet more than you can afford, never bet on the nod.
5. Be prepared to win, be prepared to lose.
6. Control your entertainment and excitement – keep track of time, game amounts, winnings as well as losses.
7. Chance and luck decide the games, do not believe in tricks, underhand tips or systems.
8. Study various games, their advantages and risks. Choose those, which suit you best.
9. Respect laws, get acquainted with and adhere to the rules of the game concerned. Adhere to the rules set by the lottery and the gaming house.
10. Bet and play only where gaming is legal and based upon clear and correct rules.

## **JOB MARKET**

#### **NORTH CAROLINA EDUCATION LOTTERY EXECUTIVE DIRECTOR OPPORTUNITY.**

The North Carolina Education Lottery is seeking a qualified individual to serve as its first Executive Director. The Executive Director will be responsible for the implementation and daily operation of one of the nation's largest state-run lotteries benefiting public education. The Executive Director will be accountable to and serve at the pleasure of the NC Lottery Commission. Qualified candidates should have significant management experience. Lottery operations experience and/or large business process, preferably start-up, experience is absolutely essential. This experience should include personnel management, contract and financial management, public relations, and a demonstrated record of leadership and integrity. Compensation will be commensurate with the level of qualifications and experience. For an application and more information on the position please visit our web site at [www.lottery.nc.gov](http://www.lottery.nc.gov). Please send your resume with a letter of interest that includes your salary requirements to Dr. Charles Sanders, Chairman, North Carolina Lottery Commission, c/o Fran Wilkinson, 20301 Mail Service Center, Raleigh, NC 27699-0301 or by email at [casanders@mindspring.com](mailto:casanders@mindspring.com). Application deadline is October 28, 2005.