

# WYOMING LOTTERY CORPORATION

## Board Meeting Minutes

October 29, 2020

Zoom Video Conference

**Board Members via Zoom:** Gerry Marburger-Chairman, Jim Willox- Vice Chairman, Ed Liebzeit- Secretary, Dave Bonner-Treasurer, Gina Monk, Sandra Wallop, Todd Peterson, and Mary Throne.

**Staff Members Present:** Jon Clontz-CEO, Robin Medina-COO, Loy Jackson-CFO, Dave Stevens-Chief of Security and Enforcement, Sarah Shoden- Executive Assistant and Social Media/ Events Coordinator and Arin Schlensker- Player Services Specialist.

**Guests Present via Zoom:** Matt Kaufman-Legal Counsel, Gale Geringer- Gale Geringer, LLC, Brandy Marrou of McGee, Hearne & Paiz, LLP (MHP)

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### **Establish Quorum:**

Chairman Gerry Marburger called the meeting to order at 8:30 a.m. with a roll call of board members and staff members. All guests were welcomed.

### **Agenda Approval:**

Chairman Marburger asked for any additions or edits to the presented agenda. With none presented, an approval was motioned by Board Member Todd Peterson and seconded by Board Member Gina Monk and passed with an unanimous 8/8 vote.

### **Approval of Meeting Minutes:**

The motion was made by Vice Chairman Jim Willox to approve the minutes from July 29 with amendments. The motion was seconded by Board Member Monk and the motion passed by a unanimous vote.

Amendments made by Board Treasurer Dave Bonner for the July 29 minutes:

- Update the number of approved votes when speaking of board approvals to “unanimous vote” after the first notation that includes the total number of members represented such

as (7/7 or 8/8). His recommendation for this was to account for any board members leaving or joining the meetings while still keeping the count accurate.

**CEO Report:**

Wyolotto CEO Jon Clontz presented the Quarter One (Q1) overview report.

Mr. Clontz began by covering the Powerball game change consideration of allowing Powerball to be an overseas game in Europe as well as the consideration to increase the amount of draws for the game. He further explained that many of the jurisdictions that are within the Powerball group, one of which being Idaho, are currently not allowed to sell products which are also sold overseas, meaning they could no longer sell Powerball if the change went forward. Mr. Clontz noted that many of the jurisdictions with this current restriction are actively looking to change their legislation concerning this, as they feel that the game change may be inevitable in the future. He then shared that Wyoming Lottery Corporation (WLC) is opposed to more game changes in general as the costs to update the games, testing and marketing materials each time are quite expensive. He further noted that WLC's sales for Powerball are doing very well and that it was the larger jurisdictions that were pushing for the changes as their sales are struggling in comparison to their historical numbers. He concluded that at this time the overseas sales, as well as the increase to a daily game did not seem to be moving forward. However the possibility of increasing it to a three times a week draw was being moved forward for further consideration.

Mr. Clontz then covered the changes coming for the Lucky for Life game. He noted that the consortium board for that game did vote and approve the change of making it a daily draw game in July of 2021. He noted that the WLC did vote against the change but was outvoted by the other jurisdictions. He further explained that going forward the two choices for the game are to either conform to the change and be ready to execute the daily game in July 2021 or discontinue sales of the game in general. Mr. Clontz shared the WLC's concerns about introducing a daily game shortly after the planned release of 2by2 which will be WLC's first daily game, planned to go live in March 2021. He explained that after a thorough review of the game and prize structure as well as market research conducted they felt confident that each game would still succeed. He concluded that going forward they will keep a close eye on the sales of each game to ensure that they are working well together within the full WLC's game portfolio. Vice Chairman Willox asked if there were any indications that Mega Millions would be considering the same game changes in the future. Mr. Clontz responded that there were currently conversations taking place within the game group about such topics, but that there

was not as much interest from the jurisdictions for the changes to occur to Mega Millions at this time. He concluded that they will continue to keep track of those types of conversations should they need to prepare for additional changes.

Mr. Clontz then noted that sales for the WLC this last quarter were doing very well and that his COO Mrs. Robin Medina would go into a more detailed review later on during the marketing presentation. He also made note of further legislative discussion which would take place during the Executive Session. He then shared that the WLC team was actively working toward the goal of launching the new game 2by2 by mid March of 2021 and that all was moving forward as planned.

Mr. Clontz then noted the kickoff of the University of Wyoming Football BOGO Promotion which would be further reviewed during the marketing section. Vice Chairman Willox asked if the change to the game nights, for example a Friday night game instead of Saturday, would change the date of the following BOGO promotion if the Pokes won. Mrs. Medina responded that the choice was made to always keep the BOGO promotion on Sunday for consistency for the WLC players. Mrs. Medina continued by explaining that to compensate for those games that do take place earlier in the week, the marketing efforts do increase in order to get the word out to players for Sunday.

Mr. Clontz then covered the current status of the Wyolotto App. He noted that they are continuing to see good numbers on downloads and have heard good response from players about it.

Mr. Clontz then noted that their audit results would be shared later on in the meeting and that due to scheduling issues the WLC was only able to hold two out of the three subcommittees prior to the board meeting. He then concluded his CEO report noting that the WLC staff evaluations would soon take place as well as some general business and game development.

Chairman Marburger asked if there was data to show how much of a percentage of the total Wyolotto customers were now using the app. Mr. Clontz responded that Mrs. Medina would be happy to cover that data as well as an overall report of the app during the marketing presentation.

This concludes the CEO report for Mr. Clontz.

## **FY'20 Audit Report:**

Mrs. Brandy Marrou of McGee, Hearne & Paiz, LLP (MHP) presented the following report of the Wyoming Lottery FY'20 Audit Report.

Mrs. Marrou began by reviewing the required communication with those charged with governance. She noted that there was a full description of the accounting processes in which CFO Loy Jackson works within the footnote (1) for reference as needed. She noted that a full explanation was included to explain the changes and addition of policies specific to Ragtime Raffle. She also mentioned the change that took place on August 25 of 2019 in which the gaming vendor commission was reduced from 11.89% to 11.64%. She noted the section which covered and explained the several changes to the Wyoming Lottery Act that took effect on July 1 of 2019, one of which is the definition of "net proceeds." She explained these changes were reflected in the remainder of the disclosures in the audit report.

Mrs. Marrou explained that within the review for any significant or unusual transactions that they noted that the WLC did terminate their existing 401(k) plan in October of 2019 and began offering the deferred compensation plan to their employees through the State of Wyoming. She summarized that in general those plans offer the same maximum contribution. She noted they are required to disclose any significant accounting estimates of which the WLC has one, where in the past there have been two. She further explained that within the prior legislation the calculation for the transfer to the state was not as clearly defined so that explanation was previously included but was omitted since the change. Mrs. Marrou then noted that the only significant estimate that was noted pertained to the liability associated with the defined benefit plan that the WLC employees participate within. She explained that her team did review the calculation and found it to be reasonably calculated and reported. She shared that there were no audit adjustments during this year's audit and there were no uncorrected statements and no disagreements with management throughout the audit process. She concluded the report by noting a significant issue they did encounter which was similar to the prior year in which the WLC discovered two validation errors for winning tickets; one for Cowboy Draw which was validated for the incorrect amount and the other for a Ragtime Raffle which was not correctly validated within the system. She explained that the WLC was able to identify the errors internally and were able to get them corrected prior to the prize payout to the winners. Vice Chairman Willox then asked how those errors took place and how they were corrected, he further noted that perhaps this was a matter to be discussed in more detail during the Executive Session for security reasons. Mr. Clontz responded that they could go into further detail during

the Executive Session. Mrs. Marrou noted that during their audit process they did have the same questions to management and received representations from the WLC's gaming vendor, Intralot, which explained the causes and the solutions to those errors. Board Member Liebzeit then had a question regarding the section which referenced the possibility of litigations or claims, and stated he assumed that the WLC did not have any and was confused on the wording within the statement. Mrs. Marrou explained that within their audit template the wording only dictates in the affirmative if there were or were not claims and being that the WLC had none, those are properly reported in the financial statements. Mrs. Marrou concluded that they work closely with the legal counsel for the WLC, Mr. Matt Kaufman to ensure that there are no legal issues that should be brought to the attention of the auditors.

Mrs. Marrou then reviewed the financial and compliance report. She noted the responsibilities for the financial statements between the auditors and the WLC management. She explained that all financial statements were presented fairly and all material respects for the financial position as well as any prospective changes in its financial position in cash flows. She noted that this was an unmodified opinion.

She then covered the statement of the WLC's net position. She began by noting that for 2020 the cash balances decreased by approximately \$316,000 which was a primary reflection of the WLC's decision to transfer more than required by statute. Mrs. Marrou also noted a difference in dues from MUSL balance which was due to a Lucky for Life winner who did not claim their prize until the subsequent year end. She then noted the section regarding liabilities had a reduction which was due largely to a drop in sales. She also made note of the reduction in unearned revenue which was a result of Ragtime Raffle revenue being recognized in two different fiscals. She concluded by noting the fluctuations in the pension related balances. She explained that this was due to the WLC's shared liability within the pension did go up, however, the overall liability went down which caused those balances to decrease. Vice Chairman Willox asked for clarification regarding the liability changes and if that would impact all those corporations that are a part of the group. Mrs. Marrou responded that regarding other state agencies that would be a safe assumption assuming as long as they did not have any significant changes in their proportionate group share. She concluded this portion of the report by stating that the net position for the WLC had increased to \$1.3 million.

Mrs. Marrou covered the sales comparisons and noted that overall, the WLC had a decrease in total operating revenues of \$12.8 million or 35%, direct costs were decreased by \$9.1 million

and gross profit decreased by \$3.8 million. She noted that the gross profit percentage did remain fairly consistent to the prior fiscal of 26% in comparison to 27% FY'19.

Mrs. Marrou made mention of the game payout reviews that they conduct as part of the audit and that they were comparable to the prior fiscal. She did note that the payout for Cowboy Draw did increase from 59% to 68%, which is expected as that is the goal payout for that game. She concluded that overall, the prize expense was 57% of sales which is far above the statutory requirement.

She reviewed the operating expenses for the WLC, noting that due to lower sales the staff did decrease budgets as much as possible in order to maximize the transfer to the state. She noted decreases in marketing, contract services and several other miscellaneous accounts, including travel and board expenses, which had a direct connection to the pandemic restrictions. She noted that the expenses had a decrease of \$127,000 in comparison to the prior fiscal and the transfers to the state had decreased by 50%. She did note that even with the decreases, there was an increase in the net position of \$304,000. Mrs. Marrou then briefly covered the statement of cash inflows and outflows for the organization. She noted that there was a net decrease in the cash balance of \$316,000 leaving an end of year balance within the restricted cash accounts of \$4.3 million.

She then covered the notes for the financial statements, noting that many had been covered previously. She reviewed within note (2) the disclosure on the cash balances, specifically the restricted cash of which there are two categories which relate to the fidelity funds and the other for the unclaimed prize funds. She continued that funds within the unclaimed prizes were utilized for compulsive gambling programs as well as for prize payouts for Cowboy Draw and Ragtime Raffle. She concluded that at the end of the year the overall total for the unclaimed prize funds was at \$928,137, which was a decrease from the prior year.

Mrs. Marrou covered the summary regarding the capital assets. She noted that the only significant change was the cost associated with building the Wyolotto App, which was launched in September of 2020. Vice Chairman Willox then asked for clarification on how the App would be depreciated and will not be a direct expense. Mrs. Marrou explained that since the App has a "useful life" and provides benefits within it for over a year and is over the capitalization threshold, that it does qualify.

She noted that there were no changes to the leases and that the line of credit for the WLC had not been drawn on and was then closed out. She continued with a summary of the Wyoming

commitment within the state retirement system. She noted the increase in annual contribution rates to 8.75% and 8.87%, however the WLC does elect to pay 4.13% of the employee's contributions. She noted the changes within the notes pertaining to the transfer calculations due to the legislative change in 2019.

Mrs. Marrou again noted the difference in the gaming vendor fee as well as the discount associated with the Ragtime Raffle that they offered to the lottery in the amount of \$348,000. She then noted the amendment to the Marketing contract which stated that the year expense will be no less than \$475,000 annually. She concluded the section noting the agreement with the University of Wyoming for \$94,000.

Mrs. Marrou also specifically pointed out note (11) which outlines the effects that the COVID-19 Pandemic had upon the WLCs operations. Further noting that a lengthier explanation was included within the management letter.

Mrs. Marrou covered the final financial report within the audit pertaining to internal controls and compliance with laws and regulations. She noted that during their audit her team did not identify any deficiency within internal controls that they deemed material weaknesses. Therefore, there were no internal control findings. She then noted that in respect to compliance with laws and regulations they disclosed no instances of noncompliance or other matters that need to be reported.

This concludes the FY'20 Audit by Mrs. Marrou.

The motion was made by Board Treasurer Bonner to approve the FY'20 Audit as presented. The motion was seconded by Board Member Peterson and the motion passed by a unanimous vote.

Chairman Marburger commended Mr. Clontz and the WLC team for a successful report.

At this time Mrs. Gale Geringer of Gale Geringer, LLC joined the call.

**Q1 Financials:**

Mrs. Jackson presented the following financial report:

She began with the balance sheet in comparison to the prior year, noting that FY'21 was off to a great start. She began with a review of the checking accounts which were at a total of \$6.2 million, which is an increase by the prior year by almost \$2.5 million. She noted the significant

changes within this account being within the transfer to the state which had an increase from the prior year of \$591,868 due to increased sales. She also noted the retained net proceeds account has \$808,000 which is also an increase from the prior year, she noted that the year prior only had one quarter of activity within that account. She also noted the prize fund increased by over \$1 million as a result of sales as well. Mrs. Jackson did note the decrease in unclaimed prize funds due to the use of those funds to pay out a portion of the Cowboy Draw jackpot in January 2020.

Mrs. Jackson noted the decrease in the retailer accounts receivable which was due to a calendar timing in which the prior year had nine days of sales within it while this report only had four days of sales. She then noted the MUSL receivable tied to the WLC's first grand prize winner for Lucky for Life. Board Treasurer Bonner asked if the Lucky for Life payout was a one time lump sum prize or if they had elected for the multiple payments. Mrs. Jackson responded that it was the one-time payout which is why it was the \$5.75 million amount.

Mrs. Jackson made note of the change within the non-current assets, noting that the Wyolotto App was moved into the capital assets. She further explained that it moved from the "work in progress" line item into this asset account. Mrs. Jackson also noted the changes to pension outflows and liabilities that took place June 30. She concluded that the total assets for the WLC were at \$13 million which is an increase over the prior year by \$7.5 million.

Mrs. Jackson covered the increase of \$182,000 in unearned revenue due to sales as well as the increase in the prize payable account. She summarized that the WLC had a net income of \$303,685 which is an increase over the prior year by \$258,670.

Within the profit and loss report, Mrs. Jackson made note of the great start that Q1 was having with an increase in all games' sales. She specifically called out the \$2 million increase in Cowboy Draw in comparison to the prior year. She further noted that with the higher sales the cost of goods sold (COGS) did increase as well. Mrs. Jackson noted that the total prizes paid out were over \$4 million which is \$455,000 over the prior year. She concluded for the section that commissions, validations, and the gaming vendor expenses did all increase as well.

Mrs. Jackson then covered the operating expenses noting the significant decrease in board expenses due to limited travel and video conferencing. She further noted the audit cost difference which was just based on an invoice timing change from the prior year. She also made note of the increase in legal fees which are tied to some ongoing legislative preparation taking



place as well as the decrease in marketing in comparison to last year. Mrs. Jackson noted that for marketing, a large portion was due to no events taking place which also affects the amount of swag items ordered that usually accompany these events.

Mrs. Jackson made note of the slight increase in benefits and salaries, noting that the change was due to the insurance increase and that salaries were slightly under from the prior year. Board Treasurer Bonner made mention of the planned rebate from Blue Cross Blue Shield that would take place in December. She shared that the WLC's net income prior to the transfer to the state was \$1.7 million which is an increase over the prior year by \$850,000. She concluded that the transfer to the state was at 82.64% which is above the 75% statute requirement.

Mrs. Jackson then covered the budget versus actual report, noting that the amounts were very encouraging to begin the fiscal with. She began by noting that the total income was \$2.8 million over the budgeted amount, as was the prize payouts. She then noted that all the operating expenses were below budget. She noted the decreases were due to limited traveling, reduced marketing expenses and office costs. She concluded that currently Q2 was off to a bit slower start, so the positives within Q1 will work well to help offset that.

Mrs. Jackson reviewed the profit and loss for the responsible gambling budget. She noted that there has not been any activity on this account for several quarters, so the balance remains at \$62,841 which is also the budget available.

Board Secretary Liebzeit then asked if anything was taking place in the state regarding responsible gambling, particularly the gaming commission. Mr. Clontz responded that there was no action at this time and that at a recent legislative committee meeting there was little interest in adding the requirement of investing in responsible gambling onto other bills that pertain to the gaming commission. Mr. Clontz further explained that in the past, the work has been done by the WLC and the state health department in the initial setup of the responsible gambling commission and providing funds for further education. There has not been much action taken by others in the state. Board Secretary Liebzeit then asked if there was anything the WLC should be doing at this time to continue the work on this subject for the state. Mr. Clontz responded that the WLC has opened the opportunity to other gaming entities to join in the meetings and that there has been some interest from those at pari mutuel as well as the tribes, but the interest is limited. Chairman Marburger then asked what the perceived perception from the Wyoming Department of Health was on the matter and if they were too focused on the efforts around COVID-19 at this time. Mr. Clontz responded that initially there were some

hurdles to overcome with the department on the issue if there was truly a problem within the state and discussions on the amount of time it may take to participate within the council, which they were able to resolve. He added that the WLC has been able to fund further education for some addiction specialists to receive further training regarding gaming addictions. Mr. Clontz concluded that he did believe at this time the Department of Health's focus was primarily on the current pandemic and that it may be some time until they are able to relook at the responsible gambling coalition's next steps. Mr. Kaufman also noted that in the first few years of the WLC inception the most prominent voice pushing for problem gambling work was the late Mr. Ed Atchison. Mr. Kaufman noted that since the passing of Mr. Atchison there has not been a new presence pushing for problem gambling so strongly. Board Member Sandra Wallop asked if there had been any increase in the enrollment for the specific training that the WLC provides funds for. Mr. Clontz responded that other than the initial few that did partake in the training, there has not been any further interest in those. Mr. Clontz further noted that they will plan to follow up to see if there is any new interest in those training. Board Member Wallop responded that she is currently a licensed professional counselor with the Wyoming Behavioral Board and that she could send along the information to that board to send out an email blast to all those in the state to see if there was interest. Mrs. Medina followed up by noting that a year prior the WLC did receive information regarding a professor at Casper College who took the course who was trying to add the subject to their curriculum. Board Member Mary Throne then asked if the WLC is the only gaming entity that is required to provide funds for this coalition, to which Mr. Clontz responded that they were at this time. Mr. Kaufman also noted that when he had spoken to Mr. Charlie Moore at the gaming commission he had noted that per their statute and funding there is no mechanism for them to provide funds to support problem gambling at this time. Mr. Clontz noted that he felt that all gaming entities within the state should have to contribute to the funding for problem gambling to best support the issue. Board Member Wallop then asked if there was any way to get the legislature to acknowledge the absences of problem gambling support within the other gaming entities' bills. Mr. Clontz responded that at this time they are continuing to push for several legislative issues to be reviewed and approved and have included the question of the absence of problem gambling from other problem gambling entities' bills and will continue to push for those topics. He concluded that they plan to continue to involve the board in legislative pushes going forward and Mr. Kaufman agreed. Board Member Wallop then noted that she wondered when the WLC's bill was initially created why they felt so compelled to include mention of responsible gambling support within the bill that allowed the lottery to begin in Wyoming and who spearheaded that conversation. Mr. Clontz responded that it was former Representative Mr. Zwonitzer who led the creation of the bill, but that he was no longer a part of the legislature that drafted the bill in reflection of other state lottery bills which included the topic of responsible gambling. Vice Chairman Willox noted that he felt that the addition of daily games

to the WLC's game portfolio, it may be a good idea to prepare to rerun the prior responsible gambling marketing campaign to ensure that the WLC shows it's support of responsible gambling while also adding more ways to play the lottery, to which Mr. Clontz agreed.

**Budget Amendment:**

Mrs. Jackson reviewed the amendment to the budget to cover the expenses of the addition of the game 2by2. She reviewed the original budget which was approved in June in comparison to the proposed updated budget. She noted that the WLC's conservative projection for the game for the time period of March - June was sales of \$461,538. She explained the game expenses for 2by2 does include free plays as a prize so they predicted that the total would be at 52%. She concluded that the total COGS would be \$153,000 which would bring the gross profit to \$139,484 where she again noted that this would only be for 3 months of game play since the game is planned to launch in March. Mrs. Jackson then covered the costs to launch the games as they are always high in the first year of the game, which were estimated at \$592,000, which included testing of the game, brand development, campaign development, media purchasing, etc. She explained that due to these initial costs it will result in a net loss but only for the first year. She also made mention of the \$5,000 set aside to hire a part time draw coordinator as the draws for 2by2 would be daily and would overextend their current staff in place. She concluded that the total expenses in the first year for 2by2 would be \$598,000. She then explained the effect the costs would take on the transfer to the state, but due to a successful Q1 they are set up to still be able to maximize their transfer even with the added costs. Board Treasurer Bonner asked about the balance within the new game development budget and that the WLC will not need to take out a loan to support the funds needed for the launch of the game. Mr. Clontz responded that this was correct and that it would not need to take out a loan and that these funds had been set aside for the launch of the next Wyolotto game.

The motion was made by Board Secretary Liebzeit to approve the Q1 financials as presented including the amendment to the budget. The motion was seconded by Board Treasurer Bonner and the motion passed by a unanimous vote.

At this time Vice Chairman Willox noted that he would have to drop off the call for another obligation momentarily but would rejoin as soon as he was able to.

**Marketing & Sales Report:**

Wyolotto COO Robin Medina presented the Quarter One (Q1) Marketing Report.

## **Q1 Sales Report**

Mrs. Medina began by reviewing the total sales for FY'21 actual versus projection. She noted that the WLC sales were over projection by the end of the quarter by 46.19% or \$2 million. She contributed the growth to the high jackpot for Cowboy Draw as well as the BOGO promotion tied to Powerball which they were able to net over \$400,000.

She covered total sales this year as in comparison to last. She again noted that they were above the prior year by \$2 million. She noted that FY'20 did have consistently low jackpots which accounted for such low sales. Mrs. Medina also noted that in comparison to FY'19 which was a banner year for the WLC, the sales for Q1 of FY'21 were actually higher by \$213,000.

Mrs. Medina then reviewed the weekly sales comparison year over year and again noted the increase specifically Powerball due to the promotion and a higher jackpot. She then covered the total gross sales in comparison to the projection again noting the increase. She concluded by reviewing the product specific comparisons noting the increases. She made specific note of the sales for Powerball and how in comparison to other state lotteries Wyoming was only one of three states that actually saw increases in sales during this quarter while most other states did not. She also reviewed the sales for RoundUp noting that this product usually only sees a lift when at least 2 jackpots are high at the same time. Vice Chairman Willox then brought up the suggestion of doing a cross promotion of games in which you may as an example purchase a Powerball ticket and receive a free Mega. Mrs. Medina responded that they have been actively considering that option and are reviewing the data to ensure it would ROI. She continued by noting that the WLC staff is also considering adding this type of promotion to the launch of 2by2. Board Treasurer Bonner asked if COVID-19 had impacted the total amount of retailers and if any had been lost due to closures. Mr. Clontz responded that some retailers have had some COVID-19 positive results within their staff which has caused some different time changes for locations but otherwise there had not been any retailer closures.

## **Q1 Marketing:**

Mrs. Medina began by highlighting that the marketing section format had been updated to more focus on the marketing campaigns each quarter rather than noting the fluctuations in marketing channel growths. She began with a review of the Powerball BOGO promotion which took place in August. She shared that the promotion over achieved the initial goal by 140%. She made mention that the original plan was to launch the promotion in May but due to the restrictions in

place during that time, they decided to shift it to August when more things within the state were open.

Mrs. Medina covered the sponsorship with the University of Wyoming (UW). She noted that the pandemic this year did cause many changes to the original sponsorship plan to best accommodate for the athletic events. She noted the original plan to not have a season and that UW would only be replaying old classic games on the radio in replacement. Mrs. Medina then noted the quick change to plan once it was announced that the season would actually happen. She noted that they did decide to keep the BOGO promotions on the following Sunday after whatever day of the week the game is played. Mrs. Medina noted the aspects of the sponsorship package, which will not be fulfilled this year—particularly in person presence for the brand. She concluded that the WLC does still plan to sponsor several other winter sports but will be ready to be flexible based on what is and is not allowed for each.

Mrs. Medina shared the summary of the WLC's first \$1,000 a day for life winner with Lucky for Life. She noted that of the states that carry Lucky for Life, not many have actually hit the jackpot level so this was a particularly exciting thing for the WLC. She shared that it was sold in Afton and that the WLC staff executed many different corporate channels to celebrate the win as they were not able to conduct a retailer party due to cautions around the pandemic.

Mrs. Medina covered the launch for the new Wyolotto App. She noted that it did go public in September and that their goal for the launch was to have between 2,000 - 4,000 registered users by September of next year. She shared that since the launch in September to October 4th, which was only 12 days, there were 4,391 registered users and over 7,000 tickets had been scanned into the app by players. She noted that there had been over 5,800 visits to the app page on the website where players could receive more information on the app and find out how to download it. Mrs. Medina shared that the WLC has received a lot of positive responses from players in regards to the app and the functions. Mrs. Medina mentioned the question about if the introduction of the app had brought about any impact on overall sales. She explained that the correlation would be difficult to make at this time with the app, but plans to continue to grow the functionalities are in place and that this will also help educate the WLC on ways that players are playing the lottery games.

Mrs. Medina covered the collaboration taking place between the WLC and Mr. David Walsh and the "Wonders of Wyoming". She explained that they had the ability to make contact with Mr.

Walsh for the opportunity to partner together as the featured sponsorship for this radio program. She concluded that this was an exciting opportunity to get the WLC voice out there while celebrating Wyoming.

Mrs. Medina covered the plans for the upcoming game launch of 2by2 on March 14 of 2021. She shared that the tickets will be \$1 and that it will also be WLC's first daily draw game. She noted that this game has done well in the other states and that they see many winners from all levels of prizes. She noted that with the game structure this will likely entertain both current players as well as attract new players. Mrs. Medina shared that they are currently in development of the game launch campaign and that they were proud to display the updated logo for which was updated within the legal parameters to fit within the WLC branding.

Chairman Marburger then asked if the 2by2 game would be added within the RoundUp product, to which Mrs. Medina responded that it will therefore increasing the overall price for RoundUp by \$1.

This concludes Mrs. Medina's sales and marketing presentation for Q1.

**Governance Report:**

Chief of Security and Enforcement David Stevens presented the 2by2 group rules to the board. He noted that the rules had been reviewed and discussed during the Governance Subcommittee prior to the board meeting. Mr. Stevens noted that based on that meeting, there were updates and additions to the rules primarily reference to the "Party Lottery," which they had updated to include a clause explaining that the WLC was the "Party Lottery" in reference. Mr. Stevens noted the clause in regards to the "tickless transactions" which pertained to other state lotteries from which the rules had originated, they included a clause noting that WLC is unable to do those per statute. Mr. Stevens also noted the clause around the maximum purchase to note WLCs specific restriction, he also noted the addition of the "180 day claim period" to the prize payout section. Chairman Marburger then asked in regards to page four where there appeared to be a typo, Mr. Stevens agreed and planned to update that.

The motion was made by Board Secretary Liebzeit to approve the 2by2 rules as presented with the update on the typo on page 4. The motion was seconded by Board Member Monk and the motion passed by a unanimous vote.

At this time Mr. Clontz presented Mr. Kaufman with a plaque as a token of the WLC's board and staff appreciation for his ongoing work and dedication to the WLC.

**Meeting Adjournment:**

Chairman Marburger announced the closure of the meeting, with the motion being made by Board Secretary Liebzeit. The motion was seconded by Vice Chairman Willox and passed with a unanimous vote. The meeting was adjourned.