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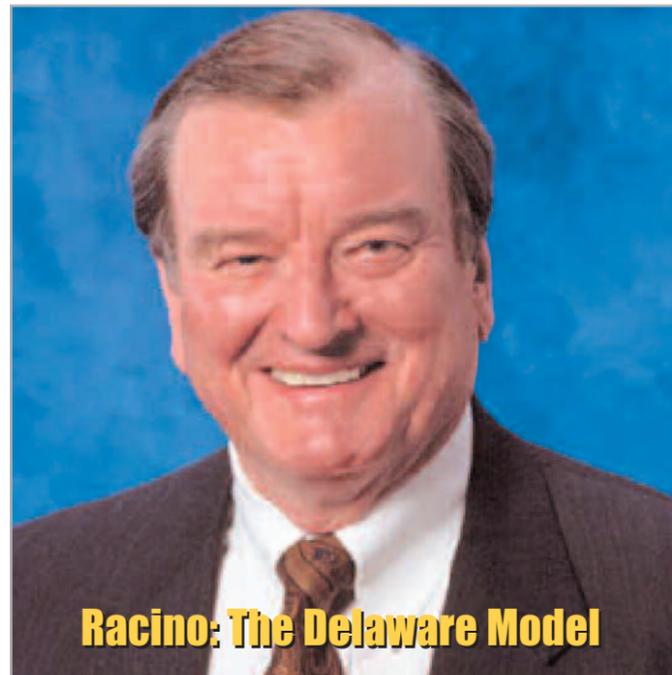
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On the Cover:
 Wayne Lemons, Director,
 Delaware Lottery; Tom Shaheen,
 Director, North Carolina Lottery.

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Best Practices for Setting Up A Government-Sponsored Racino Program

By Robin Drummond, Senior Director, Government Sponsored Gaming, GTECH



Many states are debating the issue of whether or not to expand gaming. Most often, the idea of offering gaming at existing racetracks is discussed. Racinos, or racetrack environments with electronic gaming machines, have recently experienced increased popularity in the gaming environment. Racinos offer the ideal mix of age-controlled environments and the ability to provide new streams of revenue to both states and the pari-mutuel industry, without increasing the number of gaming establishments.

Over the past decade, several states have chosen this path with positive results. In the process, significant additional revenues have been generated for the respective states, along with enhanced purses that stimulate greater interest in the pari-mutuel industry and new sources of funding for local communities. Experience has demonstrated that these venues go hand in hand with the other lottery products without cannibalizing existing revenue. What follows is a review of a few key considerations that should be part of the evaluation.

Competitive Tax Rate

When deciding what to tax the gaming machine revenues for an individual jurisdiction, there are a few points that need to be closely considered. A higher tax rate does not necessarily produce more revenue. Currently, there are at least 10 states considering legislation to offer gaming at pari-mutuel venues. The tax rates under consideration range from 20 and 60 percent. Tax rates impact the ability of a pari-mutuel facility to invest in creating an entertainment experience for the players. The level of investment needed to offer an attractive facility, the geographical proximity to competing facilities, and the tax rate of those competing facilities are major considerations that will affect the success of a program.

With the expansion in the gaming industry over the past decade, virtually every state will soon find itself in the vicinity of a competitive electronic gaming facility. Policy makers need to appreciate that simply putting electronic gaming machines under the grandstand of an old racetrack isn't going to create an attractive or competitive entertainment experience. An effective tax rate will allow the venues to invest in amenities and create destination facilities that will maximize revenues. These destination facilities can result in additional employment, capital investment, and create a better experience for customers.

Generally, the tax rate becomes one of the most contentious parts of the policy discussion, with all parties wanting to maximize their revenues. It is difficult to suggest a tax rate that is effective for all markets; any jurisdiction considering an expanded gaming program should carefully review the competitive landscape prior to setting the tax rate.

Multiple Terminal Suppliers

Another factor that helps to create a competitive environment and maximize revenues is the selection of terminal vendors. Competition is one of the keys to a successful video lottery program. Multiple terminal

vendors should be selected to provide a variety of games. In participation based markets such as Rhode Island, Delaware, and New York, vendors place their terminals in exchange for a percent of net revenue. A performance test known as the "efficiency period" is conducted to evaluate vendor performance. Vendor terminals are judged by the proportion of revenue generated relative to market share. Low-performing terminals are replaced by another vendor whose terminals performed well during the efficiency period. The competitive risk of losing gaming terminals motivates the vendor to put the best possible product in place to maximize the revenue per machine.

In an environment where the machines are owned outright by the facility operator, having multiple vendors encourages the suppliers to introduce content that produces top net revenue to maintain their space on the floor. In both situations, multiple vendors provide better gaming options and create a more diverse product mix and a better experience for the player.

Oversight of the program

A key element for a rapid launch is having a knowledgeable regulatory body in place to run the program. Many markets have experienced significant start-up delays while the regulatory body navigates through the details of implementing the program. Choosing a gaming regulatory body that is already in place has significant advantages. The staff is usually familiar with the industry and can implement the new program faster than a group starting from scratch. This ensures that the revenue stream associated with the racino initiative starts to flow as soon as possible. It can also be more cost efficient to incorporate this additional business into the existing agency.

Conclusion

These are just a few of the many issues that should be considered prior to implementing a new or expanded gaming program. Racinos are an expansion concept with a considerable amount of program experience from which to draw on. Many states have experience in establishing an expanded gaming program which gives new markets the benefit of taking the best elements from each to develop the most effective program for their jurisdiction. By focusing on the "best practices" outlined in this article, gaming programs can dramatically increase revenues to local jurisdictions and provide the pari-mutuel industry with a powerful tool to regain its competitiveness with other forms of gaming and entertainment. ♣



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Industry News



Scientific Games Chosen by Vermont, Maryland and Hessen

Scientific Games was recently awarded contracts from three lotteries: Vermont, Maryland and Lotterie-Treuhandgesellschaft mbH Hessen.

Scientific Games was named the apparent successful bidder for the Vermont Lottery's instant ticket contract. The contract is set to begin in December of 2005 for an initial term of two years.

In Maryland, the company was awarded the online lottery contract to supply a new range of lottery management services and equipment to the Maryland Lottery. The contract has an initial term of five years, expiring in June of 2011, and provides for a single five-year extension. The contract is valued at approximately \$81 million over its initial term.

In addition to full facility management services, Scientific Games will provide telemarketing sales and support for instant tickets, a service currently not being provided to the Lottery. The company will also supply the Lottery at start-up with new gaming equipment including approximately 4,200 Extrema® terminals, 3,200 monitors for Keno and other monitor games, 300 player-activated terminals, and the telecommunications network for the entire Maryland Lottery system.

Finally, Scientific Games' German subsidiary Scientific Games Honsel GmbH was awarded a contract with Lotterie-Treuhandgesellschaft mbH Hessen, the state lottery of Hessen, based in Wiesbaden, to supply instant lottery tickets and other lottery services. The contract begins February 1, 2006, and will run for five years, with options to extend for additional two-year increments.

Scientific Games Honsel will handle the manufacturing and distribution of instant tickets throughout Hessen, including shipping, warehousing, telemarketing, retailer recruitment and will advise on game design and marketing issues. Revenues to Scientific Games Honsel will be based on a percentage of sales.

JCM American Receives Exclusive Contract from new Hollywood Slots at Bangor

When Maine's first casino opened in November, it was the second new casino in the U.S. to open this year equipped exclusively with JCM's UBA (Universal Bill Acceptor) and Sentry.

Hollywood Slots at Bangor, a Penn National Gaming property, celebrated its grand opening November 4, and each of the casino's 475 slots were fitted solely with JCM's UBA and Sentry. The UBA made its world premiere earlier this year at Wynn Las Vegas, which was also exclusively equipped with the UBA.

JCM Vice President for Gaming Solutions Tom Nieman said, "Bass Park in downtown Bangor has hosted many historic events, including the first airplane flight in Maine, and it is fitting that the state's first casino should also be there. We are very happy to be a part of this new history in Maine and to have a strong relationship with Penn National."

The groundbreaking UBA is the next generation bill validator that can accept multiple currencies simultaneously in one version of software. The UBA sports the latest sensing technology, utilizing magnetic and optical sensors; a self-centering mechanism; three-time automatic retry feature; on-board memory; and front-access USB download port. The

UBA is completed by its forward/backward-compatible, high-impact Plastic Cash Box. Casino Journal recently named the UBA as one of the Top 20 Most Innovative Gaming Technology Products for 2004.

JCM's Sentry is an innovative small bill acceptor entry designed with easy-to-read LED indicators. The brilliant green, orange, red and blue LEDs can be seen easily seen on the casino floor, making customer service faster and problem detection fast and easy. Six different icons indicate the type of service necessary, and a last-bill denomination indicator helps settle disputes. The Sentry's design is adaptable to nearly every slot machine configuration or software protocol.

GTECH Signs with New Jersey, Teams with Dresser Wayne Nucleus® for New POS Platform

GTECH announced that it is the apparent successful bidder by the State of New Jersey for a new integrated online and instant ticket lottery system, terminals, and communications network, following a competitive procurement. The proposed five-year contract is expected to commence on June 20, 2006, and provides for five one-year extension options. The New Jersey Lottery, using existing lottery-revenue levels as a constant for the contract's initial five-year term, estimated the contract will generate approximately \$107 million, not including items that were requested in the proposal as potential options that the Lottery could select. GTECH will issue an updated revenue estimate upon contract signing.

In other news, GTECH Holdings Corporation and Dresser Wayne, a business unit of Dresser Inc., announced the successful integration of GTECH's Lottery Inside technology into Dresser Wayne's Nucleus Point of Sale platform. Dresser Wayne and GTECH have combined efforts to offer the speed, security, and cost efficiency of lottery ticket sales and services on Dresser Wayne retail petroleum equipment. Wayne and GTECH jointly demonstrated the technology at the National Association of Convenience Stores (NACS) show Nov. 15-18 in Las Vegas.

Lottery Inside enables the sale of lottery tickets without a dedicated lottery terminal. With Lottery Inside, a retailer's PC-based POS device connects to a Lottery Inside software application on a network to conveniently perform lottery ticket functions. This will equip the modern retail environment with the necessary middleware applications and open technology solutions required to connect with lottery central system processing.

"This collaboration represents a great example of how flexible GTECH's technology has become for the retail industry. By offering lottery as a simple menu option on Wayne's Nucleus POS terminal, retailers can regain counter space and reduce labor through simplified sales accounting," said GTECH Vice President of Corporate Marketing, Chris Lyons.

The successful use of GTECH's lottery applications in the retail fueling industry will lead to cost savings, increased revenue, and increased ease of use for the retailers using Wayne's Nucleus POS platform.

Virgin Games Selects Boss Media

Boss Media has signed up Virgin Poker, part of the Virgin Games Group, to its platform, ending a long search by Virgin to find the ideal partner for the relaunch of its Poker game. A condition of the Agreement is that Boss will imminently be relocating to Malta, which will satisfy

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Industry News

... continued from page 4

Virgin's requirement to be regulated in a white list jurisdiction.

MDI Signs Five Exciting Properties

MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation, was recently awarded the license to produce state-wide lottery games based on four new properties: The Flintstone™, The Jetsons™, Underdog™, MAD Magazine, and American Idol®. The Flintstones, Jetsons and Mad Magazine all come courtesy of Warner Brothers Consumer Products, while Underdog was signed through Classic Media, Inc., and American Idol from FremantleMedia.

Flintstones and Jetsons: Through MDI, individual state lotteries will have access to games incorporating likenesses of all related characters associated with The Flintstones and The Jetsons brands. As part of this agreement, MDI also has the rights to specific footage and sound effects from both cartoon series to be used in advertising campaigns. MDI also has rights to create and distribute merchandise related to lottery promotions. MDI is currently working with Warner Bros. Consumer Products to create unique television spots that will support the launch of these new lottery games.

"With their rich heritage, *The Flintstones* and *The Jetsons* have a unique ability to speak to an adult audience – after all, entire generations have grown up with them," said Steve Saferin, President of MDI.

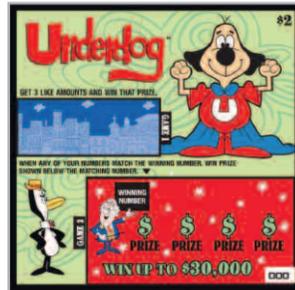
Underdog: Then there's the world's most lovable superhero, Underdog™. With super strength, x-ray vision and bionic hearing, the famous rhyming caped canine is now available to lotteries along with the likenesses of his TV reporter girlfriend Sweet Polly Purebred and his arch-rivals, mob boss Riff Raff and mad scientist Simon Barsinister.

"Underdog is a classic. Whether you recall his original television adventures, or his beloved balloon in the Macy's Thanksgiving Day Parade, Underdog's popularity spans many generations," said Steve Saferin, MDI president. "We know our players love fun games that bring back fun memories. The entertaining Underdog will be a hit with lottery players and a nice instant ticket addition."

Underdog is currently starring in a national advertising campaign for Visa Check Card and was recently seen on the #37 Dodge NASCAR. A live action/CGI Underdog feature film is also currently in development with Spyglass Entertainment and Disney.

Mad Magazine: The famous gap-toothed mascot Alfred E. Neuman has something new to smile about, now that MDI has been awarded the license to produce lottery games based on MAD Magazine and its irreverent cast of characters.

Lotteries will now be able to offer players new games that feature



the freckle-faced Alfred E. Neuman plus the trouble-making Spy vs. Spy characters, MAD's signature masters of espionage who have kept readers and viewers entertained for generations.

"For half a century, MAD Magazine has been poking fun at popular culture, politics, movies, television, celebrities and every day life. And today, it continues to be the longest-running humor magazine in the country," said Steve Saferin, MDI president. "Lottery players like a choice of whimsical games that enhance the fun of playing and nothing tops that category like MAD!"

The agreement between MDI and Warner Bros. Consumer Products also gives lotteries the rights to offer merchandise featuring the title MAD, the likeness of Alfred E. Neuman and the Spy vs. Spy characters for promotional opportunities, incentives and second-chance drawings.

"MAD's two million monthly readership is proof that MAD continues as a vital source of humor," Saferin said.

American Idol: American Idol®, the hit reality show that has rapidly become a television phenomenon over four seasons, is about to become a star with lottery players. MDI has obtained exclusive rights to use the show's name, image and logos for instant scratch lottery tickets in the US and Canada. In addition, MDI will provide an incredible line of custom and unique American Idol merchandise for use in promotions, 2nd-chance drawings and incentive programs.

From the East Coast to the West, 22 states are currently represented by American Idol finalists, almost all of which operate lotteries. To date, three state lotteries have already committed to carrying the game with more indicating they want the game in their line up by March, when the intensity of the show skyrockets with the finalists being voted off.

OGT Acquires Rights to Classic Game Shows and PopCap Games

Oberthur Gaming welcomes Card Sharks™, Password™, and Press Your Luck™ to OGT's Winning Concepts® portfolio. These games perfectly complement OGT's already top-rated "Family of Game Shows", which includes The Price is Right™ and Family Feud™. OGT has been granted rights from FremantleMedia for all three classic game show properties.

Oberthur also announced the signing of a three-year contract with PopCap Games for the exclusive use of three of the most popular casual games worldwide: Bejeweled, Bookworm and Zuma. The license agreement encompasses all lottery products, including instant scratch games and pull tabs, as well as Internet and online games. ♦

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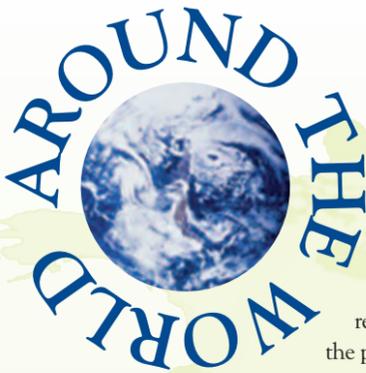
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Australia

SA Lotteries contributed a record amount of \$89 million to the State Hospitals Fund in 2004-05, increasing the total returned since SA Lotteries was established in 1967 to \$1.6 billion. Sales for '04-'05 were \$348.8 million, reflecting an increase of \$3.7 million over the previous year.

Lotterywest has been rated as Western Australia's third strongest brand in this year's Branding Awards conducted by WA Business News. The two strongest rated brands were BankWest, a major Western Australian Bank, and Bunnings, a well known hardware chain. In 2004 Lotterywest was ranked fifth in the same awards.

Channel Islands

The Channel Islands Lottery printed more than a million Christmas tickets in anticipation of an expected rush for this year's draw. The tickets went on sale Wednesday, November 16. Last year, 825,000 Christmas tickets were sold across the Islands. The draw will be held on Tuesday December 20 with a minimum top prize of £150,000.

Ghana

In an effort to stop the pirating of its draws by private lotto operators, Ghana's Department of National Lotteries has stopped the live broadcast of its winning numbers on television and radio.

European Union

The European Parliament voted in favor of a law that would allow countries to maintain lottery monopolies and block online gambling. If it clears all hurdles the new rules are expected to come into force in 2009 or 2010.

Finland

Veikkaus launched its first customer magazine in November. The magazine is targeted principally at the Lottery's active customers, most of whom are players registered in its internet gaming service. In the beginning, the circulation of the magazine will be around 150,000 - 200,000 copies. The name of the magazine is X, i.e. the cross players make on their entry form while participating in a game.

Guatemala

The G Gaming Group of Guatemala City launched its new online lottery when sales began on Tuesday, November 15th. The first drawing of the Pick3 game PISTO3 was conducted on TV channel 7 at 8:30 P.M. and the winning number 317 was drawn with GEM™ drawing machines purchased from Smartplay International.

Israel

Mifal Hapayis' revenue for January - June 2005 totaled NIS 1.6 billion, NIS 91 million more than in the same period last year, and NIS 40 million more than the lottery's initial goal. The Lottery's goal for July through December is NIS 1.7 billion. The Lottery's big seller was Lotto at NIS 497 million, followed by the Lottery's version of a VLT, Hish Gad (NIS 442m), and Chance (404m).

Italy

Lottomatica announced that its new €5 Scratcher, "Miliardario", sold 10 million tickets in its first 30 days, achieving sales of €50 million. Winnings in the same period reached €35 million.

Jamaica

GTECH has signed a five-year contract extension with Supreme

Ventures Limited to continue providing online lottery products and services in Jamaica through January 11, 2016. Under the terms of the five-year extension, GTECH will continue providing lottery products and services under an integrated services arrangement, including operation and maintenance of the central system; maintenance of the terminals and communications network; marketing support; hotline management; and field service.

New Zealand

The New Zealand Lotteries Commission signed a four-year contract to have Telecom replace the NZ Lotteries' current data communications network with an Internet Protocol (IP) network, linking its more than 800 lottery retail outlets. Telecom's Gen-i will play a key role in delivering and managing the IP network. Gen-i will manage and provide security, monitoring and reporting services for the network and the new NZ Lotteries data centre.

Norway

Hypercom Corporation has received an order to provide the Optimum P1100 PIN entry payment devices to Norsk Tipping. In connection with the initial US\$1 million order, the state-owned gaming firm will install the EMV-compliant P1100 at hundreds of national lottery and betting sites throughout the country to enable consumers to use gambling smart cards within various electronic games.

Pakistan

EssNet will expand the ELOS system that was supplied to Comset Services International earlier this year to also include an SMS solution to enable the participation in the 'Hero Card' draw via mobile phones in Pakistan. The Hero Card is a pick 6 out of 49 collector's scheme currently sold via a network of 2,000 terminals, connected online to the ELOS system. The Hero Card, a project of the Pakistan Sports Trust, was launched in the beginning of 2005. A draw is performed once a week live on TV. Following the Islamic Banking model, the Hero Card was developed by Comset Services International to keep its 'play and win' concept legal and acceptable in Pakistan and other Islamic countries.

Philippines

A unit of publicly listed Prime Gaming Philippines, Inc. will expand the online lottery operations of the Philippine Charity Sweepstake Office in Luzon to 3,000 from 1,600.

UK

Camelot announced interim results showing that National Lottery ticket sales rose by more than £55 million in the first six months of this financial year – a year-on-year increase of 2.3%. This means The National Lottery® is now experiencing the longest period of growth in its 11-year history. Total sales for the half year to September 24 grew to £2,409.8 million – an increase of £55.2m on the figure of £2,354.6m for the same period last year.

A major development for the National Lottery has been the success of London's bid to host the 2012 Olympic and Paralympic Games. Since launch on July 28, the Go For Gold scratchcard has achieved sales of over £1 million a week, with £2.7 million already raised towards the 2012 Games. The first edition of Go For Gold was the fastest-selling of all the 60 new £1 scratchcards launched by Camelot since November 2002. A second edition of the game featuring 20 million more scratchcards is now on sale with plans for other dedicated games currently in development.

Ticket sales were also boosted by the continued double-digit growth of the non-Lotto portfolio, driven in particular by EuroMillions, Thunderball, National Lottery Scratchcards, and online Instant Win Games. Overall, National Lottery players raised a further £622.1 million for Good Causes in the first half of the 2005/6 financial year.



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Racinos: The Delaware Model

Who ever said that lotteries and casinos couldn't get along? For many years it was a widely held belief in the gaming industry that the two genres were destined to continually duke it out in competition for the common disposable dollar.

In the mid-90's an experiment developed on the east coast of the U.S. In an effort to save their racing industries, three states, Delaware, Rhode Island and West Virginia, put gaming machines at their race tracks and appointed their respective lotteries to run the operations. Racinos were born. At the 2005 Racino Conference in Dover, Delaware, Dover Downs Gaming & Entertainment President Ed Soutor declared the experiment, or at least Delaware's part in it, a success.

"The experiment worked and it continues to work," said Soutor. "There's been a dramatic increase in the amount of purses which has led to finer horses, better races and more races. We're up to fifteen a night... We were last in the United States in the total amount for purses. Now we're second in the United States right behind Maryland... I do believe it's delivered on its promise to help the horse racing industry."

Still, while the quality of racing is definitely improving in Delaware, and that improvement is causing the live betting handle to increase, as well as boosting the demand for simulcasting deals involving Delaware tracks, there is one result that tracks had hoped machines would bring that has yet to materialize – an increase in the number of fans who come to the track to watch live racing.

"We do see a crossover from harness coming to the slots," said Soutor. "I wish I could tell you it was likewise going the other way."

Our customers from the more immediate region that would come to the horse track to bet still bet on horses, but they do it from OTBs. Even though the amount bet on horse racing has gone up, the environ-

ment and the infusion of additional purses has not necessarily resulted in an increase in the number of attendees at our races. Betting is up, purses are up, it's proliferated more, but the actual number of attendees at the track itself hasn't actually increased from those levels in the '70's and '80's when horse racing was much more in its prime.

Delaware: The Experiment Begins

The fact that the racino experiment has, for the most part, delivered on its promise to help the horse racing industry is proof that putting the Delaware racinos under lottery control was a sensible move. It may not have been the only option that would have made sense, but when the racino legislation passed in Delaware, there were many on the casino side of the industry that thought that putting a lottery in charge of casino gaming was a bad idea. Unfortunately, some of the casino managers that were brought in to help get the Delaware operation off the ground were of that mindset.

"We did get a sense of that, but it wasn't so much from the racino ownership because the ownership was involved in getting the legislation passed – they understood it," said Delaware Lottery Director Wayne Lemons.

"Since none of the tracks had ever been involved in this type of operation they had to bring in managers to do it," Lemons continued. "The managers that they brought in were from the casino industry... they wanted to do things like a casino. In some cases that was okay, and in some cases it was not."

A state run racino may look, sound, smell and act like an Atlantic City or Las Vegas casino, but they are two different animals. The latter keeps the vast majority of machine revenue, while in the case of the



Delaware racinos, only 47 percent is directed back to the track.

"I know from my experience in Atlantic City that they can give away 30 percent of their revenue to customers in the form of comps and cash back," said Soutor. "We couldn't possibly do that here and be in business. There's absolutely a relationship to the tax structure in a state towards how much capital can be invested in the facilities and the hotels and the attractions."

The fact that Delaware racinos weren't able to keep up with Atlantic City casinos in terms of reinvestment didn't dissuade customers from entering the gates, and somewhere along the way the racino equation began to work. Now it seems that everyone – the Lottery, the tracks, the machine vendors – is pleased with how things turned out in Delaware.

"I'm not sure I can point to any steps that we took," said Lemons. "It just happened as everyone became more familiar with what we were doing."

One of the reasons everyone is happy is that everyone is profiting from the operation. The state is making a great deal of money from the operation (the state made \$204 million off sales of \$573 million in FY05), as a result, the tracks are not only seeing their racing product revitalized, they feel more confident about lobbying for gaming expansion. And, the vendors are happy because Delaware has created an environment where they can call many of their own shots in an attempt to create greater revenue for their companies.

"We have attempted to provide enough leeway in the operation of the floor to make it possible to keep the best machines that our vendors have on the floor and to change them frequently," said Lemons. "All our machines are leased... the vendors get a portion of the revenue that goes through their machines. We feel that's an incentive for the machine vendor to keep the best product on the floor. The more revenue you put through the machines the more income you're going to have, and consequently, the more income the state and the facility will have. We don't pick the games here. We depend on the business to put the best product out here."

Lemons believes the Delaware model provides its tracks with a competitive advantage over other racinos. "In looking at the (game) mix that we have here in Delaware, as compared to other lottery operated areas where they purchase the machines... I think you're going to see a very dramatic difference in the quality of games that are on the floor, and I think it will be in favor of the Delaware facilities."

The Lottery Racino Partnership

The Delaware Lottery, the racinos, the vendors and the regulators meet four times each year to evaluate the racino program and make recommendations to the state on how to keep them competitive. While this process has always been important, the sense of urgency has increased in the last year in anticipation of the launch of Pennsylvania's slot program.

"Pennsylvania will have a different level of impact at each of the three racinos," said Soutor. "Here at Dover Downs we only get about 6 percent of our business from Pennsylvania, but our friends to the North, Delaware Park get more."

The good news for Delaware is that the entities involved in the racino program truly recognize that they are all in this together. By creating a unified front they've been able to make a great deal of headway in their efforts to stay competitive. Now, on the cusp of what many believe will be their biggest challenge, they've asked for additional gaming. They are asking for the machine cap to be taken off, or at the very least to have the number of machines be determined by a regulator. They are also asking for 24-hour gaming and additional marketing support.

"In a highly competitive market – we're so close to Atlantic City – additional business is additional business," said Soutor. "We're also going to ask for additional marketing support. The Lottery now thinks of us as more like a partner and they've given us some leeway. We think it will have a dramatic effect on our ability to attract new customers to our state as well as to keep some of the old ones from going away and not coming back."

What about the saturation issue? In the next few years 61,000 machines will be installed by neighboring Pennsylvania. Maryland will likely follow at some point. Is there any concern that the market might not support additional machines?

"I'm certain at some point we could have too many machines in Delaware," said Lemons. "I can only say that we look forward to legislation early in the next calendar year that will permit us to expand the number of games in Delaware and we don't see any reluctance on the facilities part or the current

Continued on page 34...

Scientific Games Upgrades Delaware Lottery to AEGIS-Video™

Scientific Games will upgrade the Delaware Lottery's lottery control and monitoring system to the new AEGIS-Video™ system with the industry standard and most widely used communication protocol SAS 6.01 under terms of a recently announced contract. The AEGIS-Video system supports the configuration, operation, monitoring and accounting for Video Lottery Terminals (VLTs) and slot machines.

Set for implementation in early 2006, the new AEGIS-Video system is valued at \$3.8 million over the remainder of the contract, bringing the total value of the contract to \$18 million. It will run for 45 months, starting May 1, 2006, with five single-year extension options that could extend it into early 2015.

"With more than 6,500 VLTs at Dover Downs, Delaware Park and the Harrington Raceway, we have been responsible for monitoring and controlling some of the most successful racinos in the country," said Wayne Lemons, Director of the Delaware Lottery. "We've been happy with the performance of our existing Scientific Games system and with the enhancements in AEGIS-Video. The system will easily manage our existing slots and accommodate the addition of new SAS gaming machines that we expect to bring online next year."

"The Delaware Lottery has long relied on system technology from Scientific Games. We are excited about upgrading their control and monitor system to our latest open architected system that will provide them the most flexible and robust tools available," said Brennen Lawrence, Vice President and General Manager of Video Gaming Systems of Scientific Games. "AEGIS-Video is implemented using industry standard technologies, the same technologies that Scientific Games used in the AEGIS On-line Lottery System."

"The Delaware Lottery has one of the most efficient VLT operations in the United States and we're pleased that they are confident AEGIS-Video offers the solutions for their continued growth. AEGIS-Video provides a comprehensive set of gaming functionality that includes a complete suite of security mechanisms to ensure the integrity of the Delaware Video Lottery program."

Scientific Games has been the solution provider to the Delaware Lottery since 1995. In the decade since it was launched, Delaware Video Lottery has contributed more than \$1 billion to the state's General Fund. ♣



THE PHONE LINES ARE OPEN.

MDI is proud to bring you the hottest brand in the world of entertainment, "AMERICAN IDOL"! Let us show you why an American Idol game is certain to be a smash hit with the viewers of the show IN YOUR STATE.



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Christmas and More: Lotteries are Making the Most of the Holidays

It's that time of year again. For many lotteries the holiday season is tops for scratch ticket sales, and this year lotteries are pulling out all the stops to capitalize on the opportunity. The text below details several lotteries end-of-year campaigns, and you'll find everything from scratch-n-sniff tickets to a free CD singing the praises of fruitcake. Enjoy.

Arizona

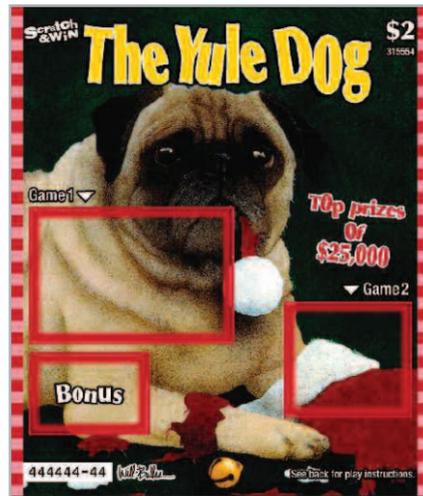
The beauty of Arizona has been packaged into a unique gift idea that gives a glimpse of some of the destinations that make the state so wonderful. "Give the Gift of Arizona" on sale now through Dec. 23, is a special one-of-a-kind offer that bundles products from the Arizona Lottery, Arizona Highways Magazine, Arizona Highways Television, the Phoenix Suns and Showup.com to create the perfect present this holiday season. Priced at \$26.95, "Give the Gift of Arizona," has something for everyone and is sure to become a popular item this gift-giving season.

People who like to "travel" from the comfort of their living room will particularly enjoy the customized Arizona Lottery "Where the Money Goes" DVD set from Arizona Highways Television – the featured component of "Give the Gift of Arizona." The DVD set transports viewers to some of Arizona's unique jewels that are supported by Arizona Lottery funds. The set contains two discs with eight episodes from Arizona Highways Television that feature natural and historic gems like Kartchner Caverns, Winslow's La Posada Hotel, Picacho Peak, Tonto Natural Bridge and numerous other locations throughout the state.

The DVD set is coupled with a one-year subscription to Arizona Highways Magazine, known for harnessing the grandeur of places like the Grand Canyon, but also for capturing the essence of intimate places like Jerome and Secret Canyon. The magazine often inspires readers to rekindle their love affair with the Arizona outdoors, as well as enticing people from other continents to visit the state.

"Give the Gift of Arizona" is topped off with five "We Got Your Ticket" Scratchers tickets from the Arizona Lottery, a 40 percent discount on a Phoenix Suns backpack, and two-for-one discounts from Showup.com-the online hub for arts and entertainment in Arizona.

Visit the Arizona Lottery website at www.arizonalottery.com to learn more about "Give the Gift of Arizona." Orders are being taken Nov. 14 through Dec. 23. Gift packages can be mailed directly to recipients. Gift recipients will receive: the limited edition Arizona Lottery "Where the Money Goes" DVD set – a picturesque tour of places in Arizona supported by lottery funds depicted through eight episodes from Arizona Highways Television; a year-long subscription from Arizona



Highways Magazine; five Arizona Lottery Scratchers Tickets; a 40 percent discount on an authentic Phoenix Suns backpack; and two-for-one discounts to arts and entertainment venues featured on Showup.com.

British Columbia

This holiday season, British Columbians have many ways to make lottery tickets a part of their gift giving.

The British Columbia Lottery Corporation (BCLC) has once again introduced festive Scratch & Win tickets. "It's our busiest time," says Mary-Margaret Bentley, Manager, Advertising & Promotions, "so we're always looking for ways to encourage the enthusiasm of buyers."

Seasonal Scratch & Win Tickets: BCLC is offering several ways to bring the excitement of Scratch & Win tickets to gift giving. Their Holiday Scratch Pack sells for \$10 and contains \$12 worth of tickets, ranging from bingo and crossword to tic-tac-toe, all with festive themes. And what's even more fun, every pack contains a winning ticket.

Artist Will Bullas has created three whimsical, seasonal images for a collection of \$2 tickets: The "Yule Dog" featuring a petulant pug; "Moosletoe," displaying a decorated moose, who is not happy to have his antlers used as an ornament hanger; and "Bearing Gifts," showing one polar bear offering the other a present.

Their "Season's Greetings" \$5 Scratch & Win tickets also double as greeting cards, complete with envelopes, so the gift giver can personalize the ticket.

There are also two seasonal \$1 tickets, "Stocking Stuffer" and "Dam you're hard 2 shop 4!"

The "New Year's Eve Countdown" Scratch & Win tickets become available December 12, 2005.

Holiday-themed Advertising: One of the many challenges of the holiday season takes centre stage in BCLC's new Scratch & Win TV and radio ads.

In an amusing TV spot, viewers visit a typical office where rich treats abound. There they see an employee with great intentions attempt to counteract the effect of the calorie-laden goodies. The ad reinforces the existing brand campaign, comparing the odds of losing weight over the holidays (1 in 500) to the odds of winning Scratch & Win (1 in 4).

On radio, the same message is communicated as a man fails in his effort to work off the plethora of shortbread that has appeared in his home. The radio spot also reminds listeners that Scratch & Win tickets make perfect Christmas gifts.

Point-of-sale material reinforcing this message is displayed at retailers.

Lottery gift cards: Capitalizing on the explosive popularity of gift cards, Petro-Canada, a nationwide gasoline and retail chain, in conjunction with BCLC, is offering \$25 Lottery gift cards. Available from November 1, 2005 through January 2, 2006, these cards allow customers to send the gift of winning to friends and family. The cards are redeemable at any Petro-Canada station, so recipients can play their favourite games no matter where they live in the country.

California

For this holiday season, the California State Lottery is offering 12 brightly colored holiday \$1 Scratchers. These theme appropriate Scratchers offer players an opportunity to shop for their favorite Lottery players and give a chance at winning too. With a top prize of \$500, these could very well be the favorite gift of the year.

The Lottery is also selling the \$3 Winnerland ticket – a colorful \$3 game that centers on a seasonal theme of snow flakes and Christmas trees with plenty of "green". The top prize for this game is \$20,000 with overall odds of winning at 1 in 3.08.



Colorado

The Colorado Lottery is offering five holiday-themed tickets this year: A Wreath of Franklins, selling for \$1 with a top prize of \$1,000; Winning Wishes, a \$2 game with a top prize of \$20,000; the \$3 game Gingerbread Dough with a top prize of \$40,000; the \$5 Winter Green, featuring a top prize of \$50,000; and Deck the Halls, offering a shot at \$100,000 for \$10.

The Colorado Lottery will begin its holiday advertising beginning the week of November 21. The Lottery will use the same television holiday brand advertising it has used the past two years. The ads feature the same characters that appear on this year's \$2 game, Winning Wishes. The characters, Winnie, Lucky and their dog Scratchy, appear

to be enjoying a winter wonderland. When the camera pulls out, we discover they are living in a snowglobe. The copy informs players that Lottery tickets would be a great holiday gift.

Also, the Colorado Lottery is offering players the opportunity to enter their non-winning holiday tickets into an Internet second-chance drawing. Players can visit the Lottery's Web site, enter the ticket information requested, and then be eligible for one of five \$500 second-chance drawing prizes.



Delaware

The Delaware Lottery is offering three holiday-themed tickets in 2005: Tis the Season (\$1), Holiday Cash (\$2), and Winter Winnings (\$3).

To promote the holiday offerings, the Lottery is providing talent and sampling at three bars/restaurants – one in each county. Each appearance also features a radio station remote.

Georgia

Georgia Lottery holiday offerings include four different instants at a variety of price points:



"America Voted," and "American Idol" has become the most watched show on television!

What's more, an American Idol game will help you to draw new players from the elusive 18-34 year old "emerging market" segment, which makes up 31% of the show's viewing audience!

Plug in to this incredible brand today. Your players will vote it a winner!

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OUR TWENTIETH YEAR
MID
 A SCIENTIFIC GAMES COMPANY



Holiday Cash (\$1); Season's Greetings (\$2); Frosty the Doughman (\$5); and Jingle Jumbo Bucks (\$10).

Season's Greetings features five different scenes. Jingle Jumbo Bucks is a spin-off of the GLC's immensely popular Jumbo Bucks family.

The Lottery is supporting its holiday instant games with radio and TV ads. All Georgia Lottery holiday instant games offer 10% sales commission to retailers.

Kansas

The Kansas Lottery has launched seven holiday-themed tickets for 2005: two \$1 tickets – Home Sweet Home and Merry Money; three \$2 tickets – Santa Paws and Santa Claus, Bingo Bells and Holiday Crossword; the \$5 \$25,000 Gift Card, and the \$10 Sleigh Bills.

Free Kansas Lottery scratch ticket gift envelopes are available at retailers.

At participating retailers, when a customer purchases \$10 or more worth of Kansas Lottery holiday instant scratch tickets, the customer will be allowed to select a gift envelope for a FREE prize! Inside each gift envelope there will be a piece of paper with a prize written on it for the customer to give to the store personnel to redeem for their prize.

The Lottery provides promotional items to each participating retailer; each retailer provides additional items to be given away as prizes.

Finally, on December 16-19 the Lottery will conduct on-site promotions and a special holiday display at a ticket selling location at West Ridge Mall in Topeka, Kansas.

Kentucky

The Kentucky Lottery Corporation launched six holiday-themed tickets this year: two \$1 games – Frozen Assets and Home 4 the Holidays; two \$2 games – Bah Humbugs II and Snow Bank; the \$5 Candy Cane Cash, and the \$10 Ho Ho 100 Grand.

All of the holiday games have special printing



treatments using gold and silver metallic inks and the KLC's \$5 game is printed on special holiday holographic paper.

The games will be promoted through direct mail to over 100,000 Kentucky residents in a piece featuring a candy cane themed holiday card with two different scratch-off offers.

The Lottery will also utilize both TV and Radio, print advertising in newspaper and monthly magazines to advertise the games. It is also promoting the games on its website, after televised nightly drawings and on its player hotline 'message on hold' system. Various in-store POS pieces are also being utilized to promote the games.



Louisiana

For 2005, the Louisiana Lottery launched one Thanksgiving-themed ticket, three traditional holiday tickets, one New Year's-themed ticket and one winter-themed ticket. \$1 games include Turkey Day, Sneaux Claws, Jack Frost and Ring in 2006. Bah Humbugs sells at the \$2 price point and Winner Wonderland, which comes in a series of three designs, sells for \$5.

Two of the three holiday games feature Louisiana themes and original artwork by the Lottery's in-house graphics staff. Winner Wonderland includes a series of three different nostalgic holiday scenes inside a snow-globe scratch-off area. Sneaux Claws features a whimsical crawfish dressed up as a snowman.

The number of holiday games for 2005 was reduced due to Hurricanes Katrina and Rita. While the storms have had a detrimental effect on overall sales over the last few months, scratch-off sales have picked up and are doing remarkably well especially considering the circumstances.

Holiday games have always been some of the Lottery's top-performers and this year they plan to repeat the successful formula of offering a variety of price points, a mass media campaign positioning scratch tickets as the "perfect gift" and complementary POS (this year the Lottery did a checkout counter mat featuring the tickets).

The Lottery is also developing a radio campaign with Winner Wonderland as the anchor. Winner Wonderland depicts three Louisiana traditions, Bonfires on the Levee, Lights on the River, and Holidays on the Bayou. The radio spot invokes memories of these Louisiana holiday traditions.



Massachusetts

On November 1st, the Massachusetts Lottery launched three holiday-themed instant tickets – Lucky Holiday (\$1), Mistletoe Doubler (\$2), and \$500,000 Holiday (\$5). They are the perfect presents for office grabs, to tuck inside a card, or as a stocking stuffer. At \$1, \$2, and \$5 price points, these instant games can fit into any holiday budget.

\$500,000 Holiday offers a total of 18 \$500,000 grand prizes, as well as over \$47 million in lower-tiered prizes.

The Lottery provided its 7,500 retail agents with holiday display boxes containing festive green envelopes that read "Here's A Holiday Greeting That Could Change Your Life". The

Lottery also provided retailers with "ornament" static clings that can be placed on doors, windows, displays, etc... The display's are intended to remind players that Lottery games make great holiday gifts.

The Massachusetts Lottery is also offering discounts to its "Season Ticket" subscription programs: Mass Cash, Megabucks and Mega Millions (all \$1.00 games) subscriptions discounts are as follow: 1 year -\$90.00-save \$10.00; 6 months- \$45.00-save \$5.00. 3 months-\$23.00-save \$2.00. Cash WinFall Game (\$2.00 game): 1 year-\$180.00-save \$20.00, 6 months \$90.00-save \$10.00, 3 months-\$45.00-save \$5.00.

In addition to the Season Ticket discount program, the Lottery sent 2,300 Massachusetts businesses a mailer advertising the discount program reminding employers that Lottery tickets make great employee gifts.

The Lottery's holiday media buy is pretty comprehensive. Massachusetts is running print ads in the daily newspapers throughout the state and promoting the holiday games on the top 5 radio stations in the state with scripted commercials and live reads.

Missouri

There will be thrills and chills this holiday season with the Missouri Lottery's "Yuletide Thrill Ride" promotion beginning Oct. 29. Through the promotion, Lottery players will have chances to win vehicles, gasoline and cash prizes.

A Ford Escape Hybrid plus \$500, a Chrysler Sebring plus \$500, and a Dodge Ram truck plus \$500 are the three grand prizes that will be awarded during the promotion. Also during the promotion, 60 players will win \$1,000 for gas and 150 players will win \$500 cash.

"The holiday promotion has become a seasonal favorite for our players," said Jennifer Kempker, promotions manager for the Lottery. "Our holiday Scratchers games are always popular. They make great gifts and are fun to play."

Five new holiday Scratchers games officially started Oct. 29 to kick off the holiday promotion. Players need to send in \$10 worth of these new holiday Scratchers tickets to enter the promotion for a chance to win these prizes.

The new holiday games are: "\$300,000 Season's Greetings," a \$10 game; "Merry Money," a \$5 game; "Cool Yule Bingo," and "Ho Ho Holidays," both \$2 games; and "Holiday Cash," a \$1 game.



"You're Going To Hollywood!!"

An "American Idol" game will give players the opportunity to win truly unique grand prize packages built specifically to appeal to the show's tremendous fan base! Prize possibilities include top shelf trips to Hollywood to see the show or backstage access to the "Idols on Tour" concert series. Players could also win great merchandise prizes like high end "American Idol" karaoke machines!



For more information, call your MIDI sales rep. toll-free at 1-800-572-7082. Visit our web site at www.americanidolentertainment.com



Three drawings will be held during the promotion to award the prizes. The Ford Escape Hybrid plus \$500 will be awarded through the first drawing. The winner will have the option between the vehicle and the cash value of the prize of \$31,000. The Lottery will pay the standard withholding taxes for each of the three grand prizes. There will be 20 winners selected for the \$1,000 for gas prize and 50 winners drawn for the \$500 cash prize during each of the three drawings.

The Chrysler Sebring plus \$500 will be awarded through the second drawing. The winner of the vehicle will again have the option to take the vehicle or the cash value of the prize of \$30,000. The Dodge Ram truck plus \$500 cash or its cash value of \$33,000 will be awarded through the third drawing.

Michigan

The Michigan Lottery is running four holiday-themed tickets this year: Gingerbread Dough (\$1), Holiday Magic (\$2), Silver Bell Bucks (\$5) and Merry Millions (\$10).

Silver Bell Bucks is a bell-shaped dye-cut ticket offering fourteen chances to win up to \$250,000.

There are five different scenes for Gingerbread Dough.

Montana

The Montana Lottery launched a \$1 peppermint scented scratch 'n' sniff instant ticket this season called Season's Greetings. The Lottery printed six different scenes for the ticket, each with gift tag qualities incorporated into the artwork.



The Lottery's holiday advertising consists of radio, billboard and indoor signage, and is themed around "Play some reindeer games."

New York

The New York Lottery's holiday lineup includes 6 beautifully designed instant tickets, which will be supported state-wide by advertising and promotions. Also, with the introduction of the \$10 "King Kong" instant ticket, and King Kong Millions (see page 19), the New York Lottery is confident that the 2005 holiday season will be a record-breaking one.

New York's 2005 holiday tickets include: Extreme Frosty (\$1); Winning Wishes (\$2); Winter Winfall (\$2); Holiday Grab Bag (\$5); Winter Green 7's (\$5); and King Kong (\$10).

"King Kong" will be available just in time for the holiday season. This \$10 game boasts New York's biggest payout ever...\$8,000,000!

Ohio

Eight holiday and winter-themed tickets are decorating the Ohio Lottery's instant ticket line-up this season. \$1 games include Holiday Cash, Freezing Your Bucks Off, and Winter Green Doubler. \$2 games include Bah Humbucks and New Year's Cash. The Lottery is also offering the \$5 Winner Bingo Double Play®, the \$10 Holiday Lucky Times Ten and the \$20 \$100,000 Holiday Wishes.

Holiday Cash is the staple \$1 holiday instant game players' love. The game includes a "to" and "from" section for gift-giving and than \$22.6 million in total cash prizes.

With Bah Humbucks players can win up to 10 times on a single ticket. The game offers more than \$1 million in cash prizes.

Holiday Lucky Times Ten offers a bonus number to multiply a ticket's total winnings. The game offers more than \$26 million in total cash prizes, and players can win up to 10 times on a single ticket. This is also a TPD game. Players who reveal a winning match with TPD listed as the corresponding prize take home \$2,000 upon making a claim, and are entered into the game's top prize drawing. The game includes a "to" and "from" section for gift-giving.

Players should take their time to play \$100,000 Holiday Wishes, which offers four mini games on each ticket. There's a prize on every ticket, ranging from \$5 to \$100,000. Players can win up to 16 times on a single ticket. The game includes a "to" and "from" section for gift-giving.

With Winner Bingo Double Play, players should check out the back of the ticket after enjoying the bingo games on the front. The back offers four more game opportunities. Prizes are split evenly between games on the front and the back of each ticket. Players can win up to 12 times.

The Lottery is supporting its holiday offerings with two flights of TV and radio commercials. October 31 through November 20 saw sixty second "Tasteful Gifts" ads featuring: Holiday Cash, Bah Humbucks, Holiday Lucky Times Ten and \$100,000 Holiday Wishes. "Tasteful Gifts" has sock puppets explaining the games and referring to products as "tasteful" gift options.

From November 28 through December 18, thirty second versions of the "Tasteful Gifts" ads and a thirty second "Winner Bingo Double Play" hit the air. The latter is a song parody of the Sonny and Cher hit, "The Beat Goes on", emphasizing the pull-tabs on the back.

Additional support is provided through "Tasteful Gifts" starlets



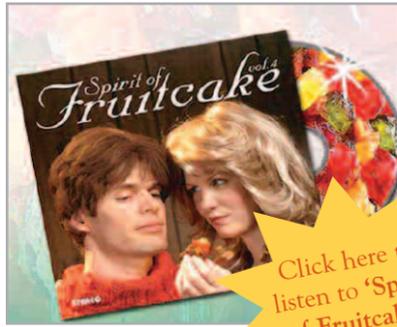
A single mind can generate millions of ideas.

Imagine how many you can get from the 5,300 at Spielo, a GTECH Company.



Creative inspiration: It's what's behind the most compelling game content and the most successful VLT solutions. Now that Spielo is a proud member of the GTECH family, 5,300 great minds come together as one creatively inspired company. We offer solutions that meet all your needs, from central systems, to an ever expanding library of high performance games playable on the industry's most reliable terminals. It's a powerful, globally proven lottery solution no one else can match. Some might call it - genius. Spielo. Driven to outperform.





Click here to listen to 'Spirit of Fruitcake'

and posters at retail locations, as well as in niche publications and media outlets. Individual tickets are also promoted weekly in niche publications throughout the month of December.

Oregon

The Oregon Lottery created a new ticket called Fruitcake Cash. It's a \$10 scratch'n sniff ticket that smells like real fruitcake. The Lottery chose the fruitcake theme because of the 'rich' creative opportunity to promote it. Who doesn't love to make fun of fruitcake?

The Lottery's advertising agency presented a TV spot that spoofs a popular commercial format featuring music CD compilations from various artists and/or styles of music. The Lottery's spot promotes a fictitious music CD called "Spirit of Fruitcake Vol. 4" and it features original and humorous songs about fruitcake that the Lottery created and produced. A 60 second version of the spot includes a title card with a phone number for TV viewers to call to order their "Spirit of Fruitcake Vol. 4" CD. A web address, SpiritOfFruitcake.com, is also included on the title card for viewers. The title card is interrupted by a Fruitcake Cash

ticket product shot and selling message for the ticket.

ticket product shot and selling message for the ticket.

It's at this point that viewers realize the commercial is a farce. However, if curious TV viewers decide to call the phone number they will be greeted by an entertaining message that redirects them to SpiritOfFruitcake.com to download the music for FREE. That's right, 5 entertaining fruitcake songs performed in styles ranging from opera to country are featured on the site. In addition to the TV spots, the Lottery has produced actual "Spirit of Fruitcake Volume 4" CDs for distribution through its radio partners to listeners through their "call-in" contests.

To hear these "instant" holiday classics (I'm sorry, I just couldn't resist), go to <http://spiritoffruitcake.com/>. Each song is between one and two minutes long.

The Oregon Lottery is also offering retailers an opportunity to win a \$500 Visa gift card. For every pack of tickets that a retailer activates beyond their base they will receive an entry into a drawing for the \$500 Visa gift card.

Quebec

Loto-Quebec is offering six holiday-themed tickets this season. At the \$1 price point is Noël d'argent. The \$2 price point has four products: Cadeau Surprise, Noël à vie, Mots-Cachés de Noël, and Bingo de Noël. The Lottery is also offering a \$20 ticket, Célébration 2006.

This year a brand new instant ticket takes place: "Noël à vie" (Christmas for life). The customer has to uncover 3 identical prizes in the same game and win that prize. If "Noël à vie" is uncovered 3 times, the participant wins \$5,000 per year for life at Christmas (or a one-time lump sum payment of \$100,000).

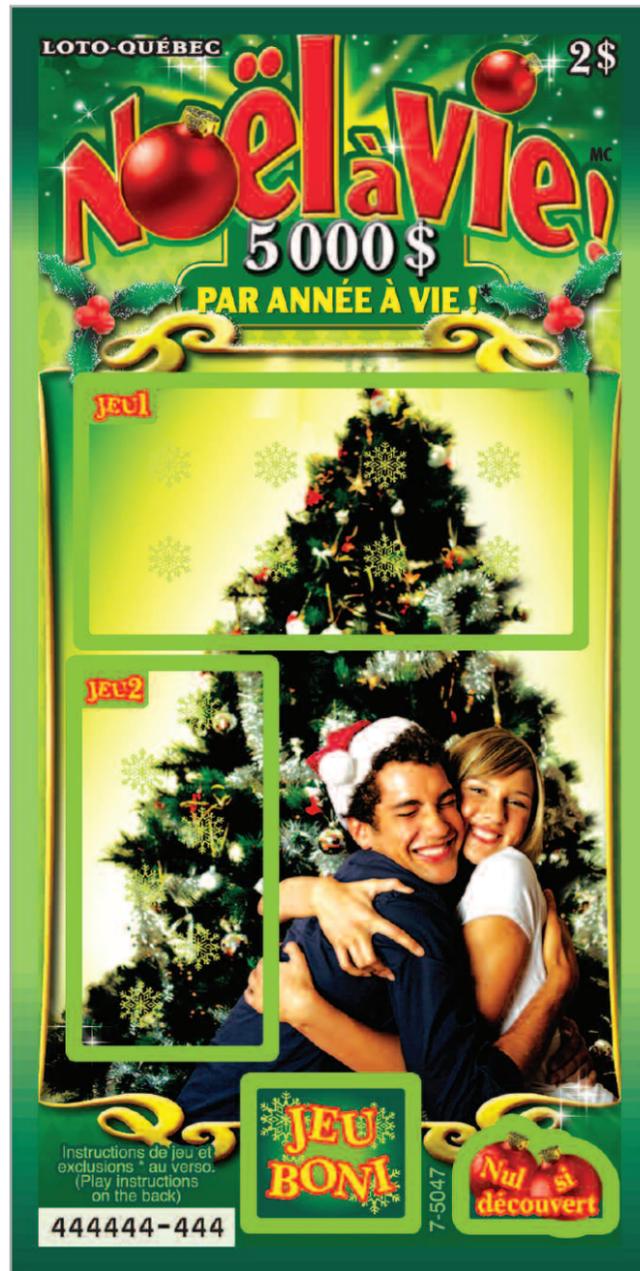
Cadeau Surprise is the only Instant lottery that offers gift prizes which cannot be claimed in cash. This lottery offers more than 54,000 gifts in prizes.

Célébration 2006 is a special edition ticket lottery and a variety show held on January 8th. This lottery offers four ways of winning: main draw-cash prizes, main draw-merchandise, daily draws on December 1st to 31st and an Instant part.

Cadeau Surprise, Noël à vie and Célébration 2006 are being promoted with their own unique combination of TV and/or radio ads, as well as POS material.

For Célébration 2006, the retailers will receive a 10 percent commission – that is \$2 per ticket sold. With the major accounts, some specifics retailer promotions will take place.

Continued on page 34...



Special Draws to Close Out Year in Pennsylvania and New York

Pennsylvania Raffle Will Award \$5 Million in Prizes on New Year's Eve

Millionaire Raffle, a groundbreaking new game developed by the Pennsylvania Lottery, will create four new millionaires on New Year's Eve. Millionaire Raffle tickets went on sale Tuesday, Nov. 22, at more than 8,000 Lottery retailers throughout the state. Each of the game's \$20 tickets offers a 1-in-125,000 chance of winning \$1 million. Those are the best odds ever offered by the Pennsylvania Lottery for winning a \$1 million prize. Only 500,000 tickets will be sold.

"Like any raffle, the Pennsylvania Lottery's Millionaire Raffle will offer a limited number of tickets," said Lottery Executive Director Edward Mahlman. "When the tickets are gone, they're gone."

Because Millionaire Raffle tickets will be sold over a five-week period, Mahlman urged players to sign their tickets and keep them in safe place until the New Year's Eve drawing.

Millionaire Raffle will also offer five \$100,000 cash prizes and 500 \$1,000 cash prizes, for a total of 509 prizes worth \$5 million. The winning raffle numbers will be randomly selected at 7 p.m. on Dec. 31.

Each Millionaire Raffle ticket will contain a unique, eight-digit raffle number issued sequentially across the Commonwealth from the Lottery's central computer, starting with raffle number 00000001. The last raffle ticket issued for the game will contain the raffle number 00500000. When the last raffle number is issued, the game will be closed and no additional tickets will be available for purchase.

The Lottery's live drawing show on New Year's Eve will televise the selection of the four \$1 million top-prize raffle tickets and the five \$100,000 second-prize raffle tickets. The 500 \$1,000 winning raffle tickets will be selected, but will not be displayed due to time constraints. A complete list of all 509 winning raffle tickets will be available by 8 p.m., New Year's Eve, at Lottery retailers, as well as on the Lottery's web site at <http://www.palottery.com>.

The tickets will be selected by a random number generator certified by Gaming Laboratories International.

The eight-digit raffle number printed on the ticket must match the eight-digit raffle number combination selected in the drawing – in the exact sequence in which it was selected – to be considered a winning ticket and to be entitled to a Millionaire Raffle prize.

New York Goes Ape for King Kong

New York Lottery Director Nancy A. Palumbo announced the launch of King Kong Millions, the big jackpot game guaranteed to create the most millionaires ever on one drawing.

Tickets for the King Kong Millions game officially went on sale on November 17, and are only being offered for a limited time. The starting jackpot of \$50 million will grow based on sales. In addition to the large starting jackpot, King Kong Millions will also award a minimum of 5 \$1 million second prizes and a minimum of 10 third prizes of \$100,000.

"The New York Lottery is very excited about the launch of King Kong Millions," said Palumbo. "New Yorkers like the idea of multiple millionaires being produced from a single drawing. King Kong Millions is guaranteed to produce at least six new millionaires on this one drawing, the largest number

of individual millionaires created from a single jackpot drawing in the history of the New York Lottery!"

Lydia A. Ruth, Director of Public Relations and Special Events Coordinator at the Empire State Building and a close friend of Fay Wray, joined Lottery Director Palumbo at the Empire State Building to kick things off by purchasing the first ticket ever sold there for the King Kong Millions jackpot game.

"I am very excited to purchase the first ticket sold at the Empire State Building for the King Kong Million's game, which I am doing in Fay Wray's memory. As a good friend to me and the building, I know she would be thrilled," said Lydia A. Ruth, Director of Public Relations for the building. "The release of New York Lottery's King Kong Million's game and Universal Studios remake of the 1933 classic will bring a tremendous amount of publicity to the world's most famous building and obviously to the New York State Lottery. Wouldn't it be great if I won?"

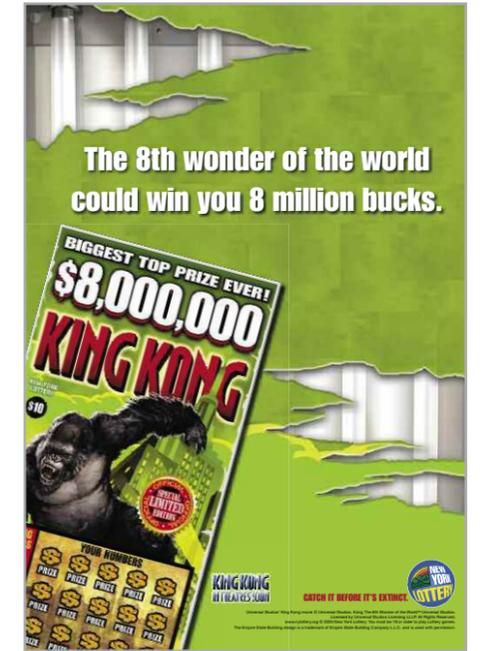
"King Kong, like the Empire State Building, is a New York icon. The King Kong Millions game is an exciting way to bring this fabulous icon back to New Yorkers and generate additional revenue for education. The New York Lottery is thrilled to have the opportunity to hold the drawing for this unique game at the Empire State Building and to partner with Universal Studios as they release the remake of the classic hit King Kong," said Palumbo.

New Yorkers can purchase their tickets at any New York Lottery retailer for four weeks leading up to the jackpot drawing, which will take place at the top of the Empire State Building on Monday, December 5, at approximately 10:45 PM. The drawing will be aired live on participating official New York Lottery draw stations.

Tickets for the King Kong Millions game will be sold at 1 for \$2, 3 for \$5 and 7 for \$10. For each game played, a unique 9-digit number will be generated. Since no duplicate numbers will be issued, King Kong Millions guarantees that all prizes will be awarded and none of the prizes will be shared. Players must match the complete 9 digit number in the exact sequence to win. Just like Lotto or Mega Millions, players can select a jackpot prize payment option of cash value or annual payments.

The Lottery is also offering a King Kong scratch ticket featuring its largest scratch prize ever – \$8 million.

New York Lottery created King Kong Millions to tie in with the release of Peter Jackson's remake of the 1933 classic King Kong movie which will arrive in theatres December 14th. ♦



Pennsylvania Update

Pennsylvania Slots Progress

The Pennsylvania Gaming Control Board unanimously approved a series of regulations governing the movement and possession of slot machines; ownership of gaming licenses; and "junkets," a gaming industry promotional practice. The regulations are available in their entirety on the Board's Web site, <http://www.pgcb.state.pa.us>.

Also available on the web site are the regulations governing the vendors that will provide non-gaming goods and services to gaming facility operators in the Commonwealth. The regulations were unanimously approved in early November.

"Act 71 gives the Board the 'power and duty' to adopt the regulations necessary to bring expanded gaming to Pennsylvania and ensure its integrity," said Board Chairman Tad Decker. "With each set of regulations we develop, we move a step closer to the day when expanded gaming can begin in the Commonwealth."

The PGCB also posted applications for Category 2 and Category 3 gaming facilities. Developers have until December 28 to submit applications.

State to Go with SAS 6.01

The Pennsylvania Department of Revenue announced that SAS 6.01 will be the initial communications protocol for slots gaming in the commonwealth. Revenue Secretary Gregory C. Fajt said SAS 6.01 is the most widely used communications protocol in the gaming industry and will ensure that the broadest possible range of manufacturers can participate in the rollout of slots gaming in Pennsylvania.

Senate Proposes Slots Law Revisions

In early November, the Pennsylvania Senate passed several changes

to the state's slots law.

The proposed revisions would prevent Gaming Control Board members from communicating with license applicants or licensees unless the communications take place in gaming board offices and are publicly logged. The proposal would also bar them from participating in political campaigns, including fund raising, and prevent them from using their gambling industry ties to raise funds for charities.

The bill would also prevent any state official or anyone in their immediate family from holding direct ownership in any gambling related company. The ban extends one-year beyond an elected official's term of office. The bill now heads to the House.

The original bill let state officials have a 1 percent stake in gaming companies.

PGCB Names DeFrank as Legislative Liaison

The PGCB named Stephen M. DeFrank, a veteran staffer in the Pennsylvania General Assembly, as its first legislative liaison.

"Part of our job is keeping open lines of communications between the Board and the Legislature, and Steve's long-time service on Capitol Hill will facilitate that kind of dialogue," said Decker. "He will be a tremendous addition to our staff."

DeFrank has been chief of staff to state Sen. Richard A. Kasunic since 2001 after serving as an executive assistant to the Senator beginning in 1994. He previously worked as a research analyst for Senator J. William Lincoln.

DeFrank earned a bachelor's degree in political science with a concentration in public policy from California University of Pennsylvania. ♣

Oklahoma Update

Oklahoma Launches Pick 3

The Oklahoma Lottery announced that its new Pick 3 computerized online game recorded first day sales of \$159,694. The winning three-digit number for the historic drawing was 8-6-7.

In all, 479 players won \$49,420 in cash prizes in the inaugural drawing.

There are five ways to win with Oklahoma's Pick 3. Players can win \$500 by picking the three-digit number in exact order; second prize, \$160, is won by picking the three-digit number in any order; two of the three digits in any order will win a player \$80; and the first two or last two digits in exact order each call for a \$50 prize.

The Pick 3 launch was the second of the lottery's three scheduled product launches covering a span of four months. In October, the lottery kicked off sales with the introduction of four instant scratch-off games. Phase three begins in January when Oklahoma joins the multi-

state Powerball game.

Pick 3 drawings are televised live every night at 9:10 CST on KOKH-Fox and KOCB-WB in Oklahoma City and on KWBT-WB in Tulsa. Results are also available immediately after each drawing on the lottery's official website at www.lottery.ok.gov. Additionally, the numbers are distributed to the media for television and radio broadcast as well as printed daily in newspapers throughout the state.

Prior to the Pick 3 launch, the Oklahoma Lottery raised nearly \$9-million in new funding for public education in its first four weeks of operations. The lottery commission says about \$29.4-million in instant scratch-off tickets were sold in the first four weeks of the lottery's first phase that began October 12th. Net proceeds after prizes and administration amounted to \$8.82-million. All net lottery revenues are earmarked for public education. ♣

North Carolina Update

Lottery Commission Names New Director

On November 17, Tom Shaheen was announced as the first Executive Director for the North Carolina Education Lottery. Shaheen, who was previously the CEO of the New Mexico Lottery Authority, will begin his new post sometime during the first week of December. During his tenure at NMLA, total lottery revenues increased 40 percent and the return to education increased 55 percent.

Combining strategic marketing with effective cost cutting measures, sales grew nearly every year under Shaheen's leadership, reaching a record high of \$148 million in fiscal year 2004. Lottery profits have exceeded \$30 million for three consecutive years with a high of \$35.9 million in FY 2004. Prior to his arrival, returns to education hovered in the low \$20 million range. Shaheen also lowered the lottery's administrative costs.

"Tom will be greatly missed but we certainly understand his desire to move on," said NMLA board chair Reta D. Jones. "He has been a tremendous asset to not just the Lottery but New Mexico education."

While New Mexico will miss him, they were gracious enough to release him from a clause in his contract that would have required him to stay for 30 more days. Otherwise, Shaheen couldn't have started in North Carolina until December 15.

Due to the early start in North Carolina, Shaheen expects to have the operation up and selling scratch tickets by early April. Shaheen has been promised a sizeable bonus if the lottery begins within four months of his start date.

Exit Video Poker?

While there's been no official word from the Commission on the fate of video poker in North Carolina, in a letter to the Commission, North Carolina Senate President Pro Tem Marc Basnight proposed

banning the sale of lottery tickets in venues housing video poker machines.

In a separate incident, NC's Gov. Easley stopped short of saying that he would ask the Lottery Commission to ban retailers who have machines from selling lottery tickets. But he also said he thought the Lottery would do away with the video poker industry. There are an estimated 8,000 video poker machines operating in North Carolina.

In other North Carolina Lottery news, the Lottery Commission is still experiencing some turnover. While the resignation of Kevin Geddings from the Commission has been getting a great deal of press, Malachi Greene also resigned, as did Gordon Myers, saying that a potential conflict of interest has made it difficult for him to contribute to the panel. North Carolina House Speaker Jim Black named Jim Woodward, a former chancellor at the University of North Carolina at Charlotte, to the commission to replace Geddings, and Shirley Frye was filling the spot vacated by Greene, but Frye had to decline the nomination due to a possible conflict of interest. ♣



North Carolina Governor Michael Easley



North Carolina Education Lottery Director Tom Shaheen

Tom Shaheen has a combined 18 years of lottery experience working within the Florida, Texas, Georgia and New Mexico lotteries. He began as a Sales Representative with the Florida Lottery and was eventually promoted to District Manager. From there he joined the Texas Lottery as Field Service Supervisor and later became the Marketing Operations Assistant Manager. In 1993, he was hired by the Georgia Lottery Corporation as Vice President of Sales. During his tenure he was promoted to Senior Vice President of Sales and Marketing, then Executive Vice President. On March 20, 2000, he was appointed as CEO of the New Mexico Lottery Authority where he served before being appointed to his most recent position in North Carolina.

In 2005, Shaheen served as the President of NASPL. He previously served as Chairman of the NASPL Standards Initiative Committee, and is currently Vice-Chairman of Powerball and Secretary of MUSL. Including his time in the lottery industry, Shaheen has more than 25 years of management experience. He is a 1975 graduate of Wayne State University with a degree in Business Administration. ♣

Video News

Israeli Police Claim Lottery Machines Illegal

The Israeli police have reportedly declared that, although the Ministry of Finance gave an operating permit for the machines, Mifal Hapayis' electronic 'Hish Gad' lottery game machines are illegal. The Lottery holds that the machines are merely an electronic version of Hish Gad tickets. Knesset Economics Committee chairman MK Amnon Cohen has told the Finance Ministry to review the police report and order Mifal Hapayis to take the machines off the market if the police reports are correct.

Singapore Makes Formal Casino Request

Singapore issued a formal request for proposals for a casino resort near the city center on Nov. 15. The successful bidder will be chosen based on the concept.

Applications for the casino resort at Marina Bay, the site of Singapore's new downtown, are due March 29, 2006. The winning bidder will be chosen based on the quality of its concept, with the price of the land fixed at 1.2 billion Singapore dollars (\$707 million).

Queensland Allows More Gaming Machines

Queensland will raise the number of gaming machines allowed by 1,200, to help pay for the State's under-funded public hospitals. The limit is now at 20,000.

Atronic Enters Rhode Island

Atronic announced its entry into the Rhode Island gaming market with its first VLT installation at one of Rhode Island's premier gaming venues, Lincoln Park.

Atronic has already provided Lincoln Park with 125 e-motion™ games, with an additional 50 machines to be installed by the end of the year. The new machines are part of the recent expansion of Lincoln Park, which opened October 31, 2005.

A large portion of the order consists of Cash Fever™, Atronic's new dynamic Linked Gaming System featuring four levels of progressive jackpots and exciting game themes in Atronic's innovative e-motion cabinet

Saskatchewan Liberals Want Gaming Machines Cut

Saskatchewan Liberals want significant cuts to the number of gaming machines located in the province. A resolution was passed at a convention in Saskatoon of the Saskatchewan Liberal Association, which includes federal and provincial party members. The party is working to set a definite target for number of

machines to be cut. There are more than 5,900 gaming machines in the province.

North Carolina Video Poker on the Ropes

In a letter to the state lottery commission, North Carolina Senate President Pro Tem Marc Basnight proposed banning the sale of lottery tickets in venues housing video poker machines.

In a separate incident, North Carolina Gov. Easley stopped short of saying that he would ask the Lottery Commission to ban retailers who have machines from selling lottery tickets. But he also said he thought the Lottery would do away with the video poker industry. There are an estimated 8,000 video poker machines operating in North Carolina.

Nova Scotia Turns Off Machines

Nova Scotia turned off 800, or 30 percent, of its VLTs. They are currently being removed from bars and restaurants. A formula has been set up for removing the machines. Retailers with 25 VLTs will lose nine of them. Those with four will lose one. In addition to the machines that have been turned off, 200 more will be lost to attrition.

Bally Honored at Gaming Awards

Bally announced that a prestigious panel of judges in the 3rd Annual Global Gaming Business Gaming & Technology Awards selected four winning Bally entries, including "Best Slot Product" for its breakthrough S9000 multi-coin, multi-line reel-spinning machine.

In the category of "Best Consumer Service Technology," Bally received a second-place award for its Bally System Games™ downloadable technology on the iVIEW™ display and a third-place award for its Bally Power Progressives™ bonusing technology. Additionally, Bally also received an Honorable Mention for its M9000-32 video slot in the "Best Slot Product" category.

Harrah's Honored

In 2004, a grant from Harrah's Entertainment, Inc. helped the University of Nevada, Las Vegas launch a formal training program for problem gambling counselors – the first time an American university had offered such a regimen. The BEST Coalition for a Safe and Drug-Free Nevada recently honored Harrah's for its assistance in helping make UNLV's ground-breaking program a reality. Harrah's was one of seven recipients of this year's "Best of the BEST Awards," presented to Nevada organizations and individuals in recognition of their efforts in building a safe, drug-free Nevada. ♣

WWW on the internet

British Columbia Launches Keno Online

The British Columbia Lottery Corporation announced the availability of Keno for play and purchase through its PlayNow web site located at bcl.com. Keno is the BCLC's only lottery that picks 20 numbers each new draw and gives players the chance to win up to \$100,000 every five minutes.

"The site is becoming more and more popular among lottery players," said Rhonda Garvey, BCLC's Director of eBusiness. "Adding Keno to the existing line-up of popular lottery products on PlayNow offers new customers increased choice and convenience."

Select lottery products have been available through PlayNow since October 2004 when the site launched with Sports Action products. In July 2005, BCLC launched more of its most popular lottery products online – Lotto 6/49, BC/49, Lotto Super 7 and Extra. Since its inception more than 20,000 lottery players have registered for an online account.

BCLC is responsible to conduct, manage and operate lottery gaming in the province, including offering lottery products through the Internet. The Corporation's commitment to responsible play is highlighted throughout the PlayNow web site with stringent safeguards, standards and codes of conduct for Internet play.

Furthermore, games are limited to adults who are B.C. residents. The site features online capabilities to encourage responsible play practices including a maximum weekly limit and a visible session log and purchase history. A voluntary online self-exclusion program that allows people to ban themselves from purchasing games through the site is also available.

Boss Media and Svenska Spel Prepare Internet Poker Launch

Boss Media and Svenska Spel are preparing to expand the companies' partnership, which already includes an instant gaming platform www.svenskaspel.se.

Svenska Spel has applied for and received a license for Internet poker. Boss Media and Svenska Spel are now expanding the current partnership surrounding the instant gaming platform by adding a poker product to svenskaspel.se.

"We are breaking new ground together with Svenska Spel. Internet poker is a very successful product, and the state operators are all very strong in their national markets," says Peter Bertilsson, President of Boss Media.

EGET, Stream Sign Mobile Gaming Alliance, Launch Poker Heaven

EGET announced a global mobile gaming alliance with a leading UK mobile content and applications provider. Under the agreement EGET and Stream Group plc, will work together to bring mobile gaming to new markets across the world. EGET will provide Stream with its WinOne™ Gaming Platform, enabling players worldwide to enjoy a substantial portfolio of products, ranging from bingo to casino games.

Players will be able to move seamlessly between mobile, internet and interactive digital television and enjoy the benefits of community-based

gaming. Starting next spring, the two companies will partner to enable Stream to offer a fully branded and managed "white label" gaming operation to other companies, again based on the EGET WinOne™ Gaming Platform.

The first results of this alliance is being realized, as Stream signed an exclusive agreement with The Poker Channel to provide and promote mobile poker and other mobile gaming products. The first product launched was a mobile poker game developed by EGET, which will be promoted by The Poker Channel under the online brand 'Poker Heaven.'

WPT Expands Cyber Presence

WPT Enterprises, Inc. made several moves to expand its Internet presence, including creating a social network, relaunching its Worldpoker.com site and inking a deal to appear on UK's iTV4.

WPT entered into a strategic partnership with Chipleaders Inc. (www.chipleaders.com) enabling the two to host an interactive global network of poker players and enthusiasts, combining the latest social networking technology with unique poker-related features, powered by Chipleaders' software. The site, accessible from the World Poker Tour® website, www.worldpokertour.com, will enable users to find other poker players, share their experiences, and to interact in a wide variety of ways. Chipleaders' technology allows users to create profiles, upload photos, communicate with friends, make new friends, e-mail, blog, organize activities, share information, participate in forums, rank profiles, and schedule events. WPT fans can join for free, and will be eligible to participate in regular promotions offered by the World Poker Tour and its affiliate site, wptonline.com.

WPT also unveiled its redesigned www.worldpokertour.com website and online store (<http://store.worldpokertour.com>). The WPT's growing fan base and poker players worldwide can now experience and purchase everything WPT-related with a couple of mouse clicks. www.worldpokertour.com offers everything from upcoming TV schedules and satellite/live tournament information to complete tournament recaps and comprehensive WPT player career winnings. Fans can also expect to see exclusive professional poker player biographies of Doyle Brunson, Phil Hellmuth Jr., John Juanda, Jennifer Harmon, Antonio Esfandiari, Gus Hansen and many more.

Finally, WPT inked an agreement for its World Poker Tour television series to be featured programming when the UK's much-anticipated iTV4 network kicks off on November 1. iTV4 is the latest addition to the powerful ITV family of networks broadcasting in the United Kingdom. The new network is an "entertainment channel providing quality programming to a discerning, up-market audience with a male bias." The deal grants iTV4 exclusive rights in the U.K. to broadcast the first two seasons of the World Poker Tour. The iTV4 launch will serve as a springboard for the World Poker Tour's international online poker venture, wptonline.com, in the United Kingdom.

IRG Approved by ORC

Youbet.com's International Racing Group subsidiary has become the

Continued on page 34...

RACINO NEWS

Hollywood Slots Opens in Bangor

On November 1, Hollywood Slots at Bangor opened with 475 machines. A red carpet and James Dean and Marilyn Monroe impersonators welcomed the first customers.

The opportunity for Mainers to play the slots followed more than two decades of debate in the state over casino gambling, and racino patrons did not disappoint. The first 11 days of business at Hollywood Slots generated more than \$12.5 million slots wagering.

Bangor's experience is expected to fuel the ongoing battle over whether Maine should have more slots parlors. The Passamaquoddy Tribe is working to open a racino in Washington County, and several proposals have been made in southern Maine in the past few years.

City leaders celebrated the opening of the slots parlor in a former buffet restaurant on Main Street. They worked for two years to get the slots operating, ever since voters approved the machines in a local and statewide referendum. Their hope is the machines will help stimulate the city's economy and make it more of a tourist destination. A portion of the slot revenues will pay to replace the Bangor Civic Center and Auditorium.

Hollywood Slots is only a temporary parlor. The Bangor City Council has approved a plan from Penn National that would see a permanent facility put up on Main Street where the Holiday Inn and the Main Street Inn currently stand. Penn National Gaming, will level the hotels and replace them with a \$71 million building that would hold up to 1,500 slots.

East Maine Racino Signature Drive

Supporters of a tribal racetrack casino in eastern Maine have collected more than 20,000 signatures in an effort to get a racino referendum on the 2006 ballot. Racino backers must submit at least 50,219 signatures to state election officials by Jan. 30, 2006 to get the referendum on the ballot.

Second Oklahoma Racino Opens

Oklahoma's second racino is now open at Remington Park in Oklahoma City. The combination horse-racing track and casino opened with 650 gaming machines on the second floor at the track. The casino includes a large dining area and an elevated stage for live performances. The first "racino" opened at Blue Ribbon Downs in Sallisaw in October. The third is expected to open in December at Will Rogers Downs in Claremore.

GTECH Puts New machines in Lincoln Park

GTECH has reportedly introduced 415 new machines at Lincoln Park in the past month. Tests show the new gaming machines bring in more money on average than traditional slot machines, meaning potentially more revenue to the state. A recent test showed a new machine, called Pompeii, took in \$1,040 a day, according to data provided by GTECH.

More Machines for Charles Town

Charles Town Races & Slots won permission to add 1,500 gaming machines as part of an \$80 million expansion plan, an investment that executives say helps keep the Eastern Panhandle track ahead of looming competition from neighboring states. The Lottery Commission's approval brings the number of machines the track can have to 6,000. The new machines will be added in batches of 500 to 800.

Charles Town's current expansion plans include: a second parking garage, which should open by July 2006; the 150-room Inn at Charles Town, likely to open in March 2007; and a new gambling hall that is still in the design stage. Construction could begin in the spring.

Fair Grounds Opens OTBs

Fair Grounds Race Course opened five of its Finish Line off-track betting locations on Wednesday, Oct. 26. Four of the OTBs reopening also offer video poker. The Finish Line OTB locations in Covington, Elmwood, Houma, LaPlace and Thibodaux will be the first to open since Hurricane Katrina struck southeast Louisiana nearly two months ago.

Tioga Downs Expected to Meet Projected Opening Date

The \$20 million Tioga Downs "racino" should meet its projected April 5, 2006 opening date. The new company has applied for licensing to the New York State Wagering and Racing Board for holding harness races 15 weeks per year and to the New York State Lottery Commission for a license to operate an estimated 750 VLTs. The track, itself, has been resurfaced to accommodate harness racing, and horse barns at the site have been reroofed. Tentative future plans call for the possibility of constructing a hotel at the site.

Progressive Hit in Saratoga

Saratoga Gaming and Raceway just had the largest individual jackpot ever won at a New York Video Gaming facility as one customer walked away with \$195,700. The progressive jackpot was hit by a \$2.25 max bet on SDG's "Jackpot Celebration" progressive nickel machine. Saratoga introduced progressive machines just over four months ago.

NYRA Reaches Video Gaming Agreements.

The New York Racing Association, New York Thoroughbred Horsemen's Association and New York Breeding and Development Fund announced that a revenue-sharing agreement has been finalized for the distribution of gaming revenue from Aqueduct's video lottery terminal operations. Video gaming is expected to open at Aqueduct late next year.

More than 90 percent of all video gaming bets will be returned to the public. The remainder will be paid to the State of New York Education Fund, the Lottery for administrative expenses, the horsemen through purse enhancements and the Breeding Fund for breeder's awards. When the planned 4,500 video lottery terminals are up-and-running the N.Y. Thoroughbred Horsemen's Association., representing owners and trainers, will get 7.5 percent of gross gaming revenue from the VLT's over the first three years, climbing to 7.75 percent.

Matzel Development Taps Partners for Poconos

Greg Matzel, President of Matzel Development, unveiled his team of partners and consultants hired to bring a world-class gaming resort to the Poconos.

Matzel's \$3 billion development plan for the Pocono Manor Inn & Golf Resort includes construction of a one-million-square-foot hotel and casino complex housing 5,000 slot machines and 750 rooms. Along with retail shopping, a spa, two golf courses and countless other amenities, the Pocono Manor property would be transformed into one of the

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RACINO NEWS

... continued from page 24

finest casino resort destination on the East Coast.

Leading the list of companies joining the Matzel team is Gomes Gaming Management, LLC. Matzel and President Dennis Gomes have inked an agreement that establishes GGM as the exclusive manager of Matzel's newly created gaming division, which will include the management and operation of the resort and casino to be developed at Pocono Manor. The balance of the impressive list of companies signed on to the project consists of some of the most respected names in the gaming industry including: Spectrum Gaming Group, Michael & Carroll, New England Design, Inc. / Thematic Design International, The S/L/A/M Collaborative, Vibrant Development Group, Urban Research & Development Corporation, Calyon, Morowitz & Company, Blank Rome, Newman, Williams, Mishkin, Corveleyn, Wolfe & Fareri, P.C., Cultural Resource Consulting Group, Pennoni Associates, Inc., and Neiman Group.

MLC Employees Seek Union Change

Unionized workers at the Manitoba Lotteries Corporation have voted to become members of the Teamsters Union. Approximately 70 percent of MLC unionized workers, currently represented by the Manitoba Government Employees' Union were in favor of the change.

Sungold Signs with Clinton Phipps

Sungold announced that Clinton Phipps Racetrack has signed a Letter of Intent to become an Authorized Racetrack Affiliate with a five year exclusive license agreement for the Horsepower® World Pool pari-mutuel product at their U.S. Virgin Island facility in St. Thomas. The proprietary "Quick 6® World Pool" and Horsepower® Pick 1 bets give the Clinton Phipps facility two exciting new wagering opportunities and the ability to sell advertising space to sponsors on the screens between virtual races.

Tornado Hits Ellis Park

A tornado inflicted significant damage at Ellis Park in Henderson, Kentucky last month. Horse barns and other buildings (including the grandstands) were damaged in the storm, and while no people were injured, some suffered minor injuries, and some horses were killed.

Ellis Park's 2005 racing season ended on Sept. 5, but an estimated 150 horses remained in training on the track's grounds.

New liquor Regulations for Evangeline Downs

Evangeline Downs Racino, in Opelousas, Louisiana, has fallen victim to a vote from the Opelousas Board of Alderman that prevents the Racino from serving alcoholic beverages between the hours of 2:30am and 6:00am. The new regulations come into effect on January 3.

Illinois House Votes to Sink Riverboats

The Illinois House voted 67-42 in favor of a bill that would create a statewide ban of riverboat gambling. The bill now heads to the Senate where it is not expected to be heard.

Bay Meadows to Stay Open – Elsewhere

As the San Mateo City Council moves closer to sealing a deal with the Bay Meadows Land Company to redevelop its aging race track,

another plan is under way to relocate the facility to cheaper land where it has a better chance of becoming a racino.

Bay Meadows Land Company hired Collier International real estate brokers to locate cheaper land outside the Bay Area where the racetrack could flourish with both horse racing and expanded types of gambling. For more than a year, Bay Meadows has claimed the only way to survive in the horse racing business is to add casino-like gaming.

Trump Resorts to Sell Riverboat Casino

Trump Entertainment Resorts Inc. has agreed to sell its riverboat casino and hotel in Gary, Indiana, to Majestic Star Casino LLC for \$253 million. Trump said the sale will bring it net proceeds of \$227 million, which it will use to invest in its Atlantic City properties and pursue other growth opportunities. The sale to Majestic, which owns a riverboat casino adjacent to the one it is buying, was likely to be completed by year-end. Trump and Majestic, which also owns casinos in Mississippi and Colorado, were also already partners in owning and developing all land and water-based activities in support of the two casinos at Buffington Harbor in Gary.

Calder Cancels Late October Dates Due to Damage from Wilma

Calder Race Course cancelled its live race cards scheduled for Thursday, Oct. 27, and Friday, Oct. 28, and was closed for simulcast wagering through Thursday, Oct. 27. The Miami-area racetrack closed temporarily as it awaited the restoration of electrical power and began on-site repairs related to Hurricane Wilma.

Calder sustained some damage to its stable area and clubhouse as a result of Hurricane Wilma, which passed through South Florida on Oct. 24. The racetrack property remains without electrical power.

Windsor Township Track Voted Down

The Windsor Township Board of Commissioners voted unanimously against a proposed race track and equestrian center in Ontario's Windsor Township. The Board said the developer didn't meet the township's requirement.

Youbet.com Picks up Two More Ohio Tracks

Youbet.com, Inc. has signed a two-year agreement with Beulah Park and River Downs race tracks in Ohio to simulcast and accept wagers on races at the two tracks.

The agreement with Beulah Park and River Downs, which has received approval from the Ohio Horsemen's Benevolent and Protective Association (OHBPA) and the Ohio State Racing Commission, means that Youbet customers once again will have access to live video and wagering on all thoroughbred races run in Ohio.

Millennium Purchases The Meadows

Millennium Gaming purchased The Meadows, a trotting-horse track about 30 miles southwest of Pittsburgh, on Nov. 8. Millennium looks to be making a bid for one of Pennsylvania's seven racino licenses. Millennium bought two-thirds of the track from Magna for \$225 million. Oaktree Capital Management owns the remaining portion. ♦

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People



It is with much regret and deep sadness that OGT informs the lottery industry that **Erich Kolmann**, Director of International Sales for OGT-Europe, died on Wednesday, November 16, 2005. Dr. Kolmann's funeral

took place on November 28 at 2pm in Pitten, Austria.

Dr. Kolmann worked with OGT for 15 years, and was responsible for servicing the Eastern and Central Europe markets where he successfully contributed to the development and the introduction of instant lotteries, namely in Russia, the former Soviet Union, where he introduced the first series of instant lottery tickets in 1989.

Dr. Kolmann was not only a true gentleman; he shone by the exceptional extent of his general culture and by the numerous languages he spoke. With his imposing stature and his eloquence, he inspired pride and respect. We, who frequented him, will keep a special memory of Erich and will remember him dearly. We address our more sincere condolences to Bubu Kolmann, his wife, to Philipp his son, and all his family.

Irish National Lottery Director **Ray Bates**, will leave the National Lottery in early 2006. After 40 years of public service, almost half of which has been spent in his current role. Ray (aged 58), is leaving to pursue other interests. To ensure a smooth transition and hand-over, Ray will remain as Director until early 2006 when **Dermot Griffin**, currently National Lottery Chief Operating Officer, will be appointed Director Designate and will take full responsibility for the running of the company.

The New Mexico Lottery Authority Board called a special meeting for Friday afternoon, November 18. It was anticipated that **Tom Romero**, Executive Vice President of Security, will be named Interim CEO. Romero replaces **Tom Shaheen**, who was recently named as the Director for the North Carolina Lottery. Shaheen had been with the NMLA since 2000. Romero has been with the lottery since its pre-inaugural start-up in 1996. A veteran of state and local law enforcement, Romero has served as the lottery's day-to-day operational "number two" for all three of the Lottery's CEOs.

Art Macias has been appointed as the new director of the Arizona Lottery. Macias is currently director of the state Department of Weights and Measures. Macias replaces **Katie Pushor**, who recently stepped down as executive director of the Arizona Lottery at the end of November to head the Greater Phoenix Chamber of Commerce. Pushor's last day at the lottery was Nov. 28 and she will start at the Chamber Jan. 2.

West Virginia native **James Toney** assumed his duties as the West Virginia Lottery's Deputy Director of Finance and Administration October 17, filling the vacancy created when **Virgil Helton** was appointed West Virginia State Tax Commissioner by Gov. **Joe Manchin** in January. A resident of Charleston, Toney brings to the Lottery more than 35 years in accounting management, including

comptroller for the governing body of West Virginia colleges and universities. He holds degrees in management and accounting from Marshall University and West Virginia State University. Toney earned his MBA from the University of Charleston.

Howard Fitch, the Deputy Director for Corporate Retailers & Off-Site Lottery Retailer Locations for the New Jersey Lottery, has claimed the Powers Award from NASPL. The award is presented in recognition of lottery employees across the United States and Canada who have made significant contributions to their lotteries. The award is named in honor of the late Edward Powers, a pioneer in the lottery industry.

GTECH announced that **Atul Bali** has been named Vice President of Corporate Development and Strategic Planning, reporting directly to **Jaymin B. Patel**, GTECH Senior Vice President and Chief Financial Officer. Mr. Bali will also serve as a Corporate Officer of the Company. As VP of Corporate Development and Strategic Planning, Mr. Bali will be responsible for analyzing key areas of value growth, identifying new verticals and markets, and building market-entry plans for these markets. Mr. Bali is also charged with developing business plans for the Company's larger investments and leading the activities relating to future mergers and acquisitions, joint ventures, and strategic alliances. In addition, Mr. Bali will continue to be responsible for the ongoing management of GTECH's Commercial Services business unit.

Mark Hutchinson, director of public gaming and international sales for JCM American, was recently elected as secretary of the Association of Gaming Equipment Manufacturers (AGEM) by a vote of 7-1. AGEM promotes and represents the interests and concerns of gaming manufacturers and operates as a trade association to the benefit of the industry of manufacturers.

The Board of Directors of Boss Media has appointed **Johan Berg**, 46, President of Boss Media. Berg has some 20 years of experience of the software industry. For the past 13 years, he has worked at Intentia, where his positions included President of Intentia Benelux, manager for Intentia's establishment of an international distributor network for South America, Eastern and Central Europe and head of Intentia's product development company. For the last 18 months within Intentia, Berg acted as Deputy CEO, with global responsibility for Intentia's partner strategy and service organization.

GLI has added a new team member in its European office. **Theo Vranken** joined GLI as Market Development Manager. Vranken will be based out of GLI Europe's offices in The Netherlands and will pursue GLI's development efforts in the rapidly growing Europe gaming market. Vranken has been active in the gaming industry for more than 20 years, most recently serving as the Export Manager of the Fair Play Centers in the Netherlands. He was also directly involved in its real estate management, and has consulted independently on AWP's. Roger Farrell, Director of Operations, GLI Europe said, "We are thrilled to have Theo join the GLI team. He brings with him an extensive knowledge of the gaming and AWP industries, and a key understand-

Continued on page 29...

Poker



British Columbia Lottery Hosts Poker Championship

The British Columbia Lottery Corporation, in partnership with River Rock Casino Resort, proudly hosted the biggest poker tournament in Canadian history from November 17 to 20, 2005.

BCLC continually strives to provide exciting gaming entertainment, comparable to other jurisdictions in Canada and the U.S. "Our goal is to offer a high-quality gaming experience that exceeds player expectations," said Brian Lynch, Vice-President, Casino Gaming. "Hosting the biggest poker tournament in the history of Canada is certainly a testament to that goal and adds to the overall entertainment value of casino gaming in B.C."

Four days of tournament play included three games of Texas Hold'Em – \$500,000 Pot Limit, \$750,000 Limit and \$1,250,000 No Limit, respectively. Each game had a maximum of 500 participants, with the top ten per cent of winners finishing in the money.

Attendance reached 74% of the maximum capacity, resulting in a total prize pool of just over \$2,000,000. The Pot Limit game on November 17 had a total prize pool of approximately \$379,000 while the Limit game on November 18 netted a total prize pool of approximately \$348,000.

The No Limit game on November 19 was sold out, with a total prize pool of \$1,275,000. The top 50 players from this game moved onto the finals on November 20, with each player going home with prize money ranging from approximately \$3,000 up to the top prize win of \$382,000. The excitement didn't end when the game ended though, as prize disbursement included \$375,000 in cash being brought out to the final table.

Satellite poker games were held at casinos throughout B.C. starting in early October 2005, allowing some tournament players to win their seat and buy-in to the Championship. For those who did not qualify through the satellite games, registrations were accepted up to 30 minutes before each event commenced. ♠

People... continued from page 28

ing of the emerging markets in eastern European countries."

The chairman of the Bulgarian Gambling Commission **Metodi Kirov** has filed his resignation. Kirov will remain at the helm of the Commission until his replacement is chosen.

Tabcorp Holdings Ltd chief financial officer **David Elmslie** will reportedly leave the gaming company on January 31, 2006. Mr. Elmslie will be succeeded by Hong Kong-based financial adviser **Matthias Bekier**. ♠



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RoundUP

Arizona

The Arizona Lottery and The Edge 103.9 invited Star Wars fans to strut around as their favorite saga character at the 'Arizona Lottery Backyard' at the Arizona State Fair. Participants could win a set of 16 Arizona Lottery Star Wars Scratchers tickets and authentic Star Wars merchandise. All participants received cool Edge 103.9 merchandise and free spins on the Arizona Lottery prize wheel. The winner was entered to win a Home Theater System valued at \$5,000.

Arizona Powerball sales soared to nearly \$33 million in October, fueling a record \$58.1 million in Lottery sales for the month. The Lottery's record Powerball sales for October were the result of the record \$340 million jackpot won by a family in Oregon.

British Columbia

Lottery players in British Columbia motored through Orange County Choppers™ ("OCC") lottery tickets making the OCC ticket one of British Columbia Lottery Corporation's ("BCLC") strongest \$5 games. BCLC launched OCC – an Oberthur Gaming licensed game – in July and it has done 20 percent better than BCLC's other \$5 games after only 11 weeks of sales.

Through its partnership with OGT, who has exclusive worldwide rights to the popular brand, BCLC is able to give away 200 authentic OCC prize packs and two custom OCC bikes. In addition to giving away fantastic prizes, BCLC geared up with a promotional tour showcasing an OCC bike and giving away free OCC lottery tickets.

California

California State Lottery officials were excited to announce that California sold its first MEGA Millions jackpot ticket. The winning number, announced on Tuesday, November 15, was for the \$315 million jackpot – the second largest in Mega Millions/Big Game history.

The California State Lottery announced Allan's Wine & Lotto, owned by Touni and Nick Assad has been named the California State Lottery's 2005 "Retailer of the Year." A special ceremony was held at Allan's Wine & Lotto on Wednesday, November 16, 2005 at 11:00 a.m. Touni Assad purchased the store in February of 2002 and in three years pushed Lottery sales up from an exciting \$34,000 a week to over \$45,000 a week.

DC

Since November 20, D.C. Lottery players have been getting on a roll. That's when the D.C. Lottery rolled out its latest game - ROLLING CASH 5. Rolling Cash 5 is the only daily numbers game in D.C. that rolls! Players pick five numbers from 1 to 35 and win by matching 2, 3, 4, or 5 numbers. The jackpot starts at \$20,000

and rolls each day until it is won.

Georgia

The Georgia Lottery Corporation announced the launch of King Kong, a new \$5 instant game with King Kong-sized prizes including a half-million dollar top prize. King Kong tickets went on sale statewide on November 15.

The Lottery celebrated the launch of King Kong at the Georgia Dome during halftime of the Atlanta Falcons game on Nov. 13. The Georgia Lottery unveiled the "World's Largest Lottery Ticket," setting a world record. In conjunction with the instant game King Kong, the Georgia Lottery is conducting the exciting statewide promotion 'Where's Kong' starting Dec. 14. For more information visit the Media Center at: www.galottery.com.

Kansas

Kansas Lottery players are now be able to play Keno an hour later every day. Starting on Monday, November 21, the last Keno drawing will be held at 1:52 a.m. Previously, the last Keno drawing was held at 12:52 a.m. The extended Keno play time also means that players have an extra hour to purchase or claim instant tickets and pull tabs, as well as Powerball, Super Kansas Cash, Pick 3, 2by2 and eScratch tickets. Lottery terminals are now operational from 5:00 a.m. to 2:00 a.m. every day.

Louisiana

The Louisiana Lottery Corporation expressed appreciation to the management and staff of its instant ticket printing vendor, Scientific Games, after the company's outpouring of financial and in-kind contributions to local hurricane relief efforts. Scientific Games matched its employees' monetary donations and presented a total check for \$75,000 to the Louisiana Capital Area chapter of the American Red Cross.

Maine

The Maine State Lottery and the Maine Mall are teaming up during November & December to bring players Fun and Excitement! All the favorite Lottery games will be on sale at the customer information booth. These games include Megabucks, Powerball, Triple Play, Pick 3, Pick 4 and Instant Tickets.

Manitoba

The Special Olympics Canada (SOC) 2006 Summer Games organizing committee and Manitoba Lotteries Corporation (MLC) are pleased to announce their partnership for the upcoming Special Olympics Canada 2006 Summer Games in Brandon, Manitoba. MLC has been a long standing supporter of Special Olympics Manitoba and is pleased for the opportunity to extend its' support



Massachusetts Lottery receives "Best Institutional Recycling" award.

to the 2006 Summer Games as the Official Sponsor of the Volunteers and one of the six major Gold Sponsors of the Games. MLC's contribution of \$50,000 will assist Special Olympics Canada and the Brandon Games Organizing Committee in providing a memorable, once-in-a-lifetime experience to over 2000 Special Olympic athletes, coaches, and volunteers from across Canada.

Maryland

The Maryland Lottery announced that the final drawing for its Lotto game will take place on February 1, 2006. Since it began in 1983, Lotto has generated over \$1 billion in cash prizes and has produced a total of 622 millionaires over a 23-year span. To replace the current Lotto game, the Lottery will launch Multi-Match. Drawings will still be held on Wednesdays and Saturdays at 11:07 pm. The odds of winning a prize will be 1 in 8.5. For more information, log onto mdlottery.com.

Massachusetts

The Massachusetts State Lottery was presented with the "Best Institutional Recycling" award at MassRecycle's 2005 Annual Event & Recycling Awards. The Lottery received the award, which honors the municipality, manufacturer, or institution with the most comprehensive recycling plan, for the development of its successful instant ticket recycling program "Instant Replay".

Since the program's inception in August 2004, the Lottery has held 10 regional recycling events that have resulted in the collection of over 100 tons of instant tickets. To learn more about the "Instant Replay" program, visit: www.masslottery.com

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OUR TWENTIETH YEAR
A SCIENTIFIC GAMES COMPANY

Michigan

Michigan Club Keno players can now kick up their winnings by as many as 10 times if they select the new Kicker option. Immediately before each Club Keno drawing, a wheel spin on the Club Keno monitor will select a Kicker number of 1, 2, 3, 4, 5 or 10. Players can select the Kicker box on their play slip and pay \$1 for each dollar originally wagered. Wins on regular Club Keno drawings will be multiplied by the Kicker number, allowing players the chance to win up to 10 times their original prize amount. Kicker began on November 20 in all 2,000 locations selling Club Keno.

For the second consecutive year, the Michigan Lottery has contributed a record amount to the state School Aid Fund, with a fiscal year 2005 deposit of \$667.6 million. The contribution represents the largest net profit in the 33-year history of the Michigan Lottery, surpassing last year's \$644.8 million. The growth is expected to continue as the Lottery develops new games and options designed to increase player interest. For example, the Lottery recently launched Kicker, an option that allows a player to multiply Club Keno winnings by up to 10 times. In addition to setting a record for its School Aid contribution, the Lottery also set a record in FY 2005 for sales, passing the \$2 billion mark for the first time ever. Total ticket sales for 2005 were \$2.07 billion. The Lottery also set a record in prize payments at \$1.16 billion, and retailer commissions at \$152 million.

Nebraska

Once again, the Nebraska Lottery has posted record sales, and as with the previous year, various factors contributed to the continuing success. In addition to total sales of more than \$102 million, the activation of a new Lotto network and the introduction of new Scratch game products and features are among the highlights in the report. The Nebraska Lottery 2005 Annual Report and Resource Guide (33 pages, full-color) is available in PDF form at <http://www.nelottery.com/media/annualreport2005.pdf>. To request a full-color, bound copy of the Nebraska Lottery 2005 Annual Report and Resource Guide, email your name and mailing address to lottery@nelottery.com.

Oberthur Gaming announced that the Nebraska Lottery won OGT's prestigious Winning Partnership Award, which recognizes OGT's U.S. lottery client that has achieved the highest growth in instant ticket sales. For the second time since 2002, the Nebraska Lottery has received this recognition, with instant sales that increased by 21% in FY 2005.

New Hampshire

The New Hampshire Lottery Commission launched its new \$20 scratch tickets at more than 12,000 retail locations. The top prize is \$250,000 with two prizes of \$20,000 and ten prizes of \$10,000. Smaller prizes range from \$20 to \$500.

North Dakota

North Dakota Lottery Director Chuck Keller is reportedly planning to conduct a survey in fall 2006 to help determine the state's player base. According to an 'Associated Press' report Keller says that on a per capita basis, lottery sales tend to be stronger in western North Dakota than in such cities as Grand Forks and Fargo.

North Dakota Lottery Subscriptions for Powerball and Hot Lotto are now available for players to purchase for 26, 52, and 104 draws. Players must fill out a subscription application. Applications are available at all 400 Lottery retail locations and on the Lottery's website (<http://www.ndlottery.org/indexie.shtml>).

Oklahoma

The Oklahoma Lottery's new Pick 3 game recorded first-day sales of \$159,694 and saw 36 players picked the 8-6-7 Pick 3 combination for winnings of \$500 each. In all, 479 players won \$49,420 in cash prizes during the game's inaugural drawing.

Quebec

For the first time in its 35-year history, Loto-Quebec has set forth all of its contributions in detail within a single reference document made public recently. Entitled 'For a Responsible Contribution,' the publication is a thorough review of the Corporation's multitude of social responsibility initiatives, offering the public a unique opportunity to discover some of the lesser-known aspects of the organization's diverse activities while highlighting the means it employs to assure responsible management of gaming in the province. The initiative also represents a first within the entire Canadian lottery sector.

South Carolina

Beginning Monday, November 7, South Carolina Powerball players have the opportunity to enter a drawing to a Caribbean or Bermuda cruise courtesy of Tee Times and Totally Travel. When a player buys five \$1.00 Powerball® plays for a total of \$5 and five \$1.00 PowerPlays® for a total of \$5, all on one ticket for a total \$10 purchase, an entry form will dispense from the terminal. Players must complete the form and mail it in. From the seven finalists of the weekly drawings, two Grand Prize winners will be chosen. The remaining five finalists will each receive a Charleston Harbor Cruise provided courtesy of AquaSafaris, Inc. The promotion ends on Friday, December 30, 2005. The Grand Prize drawing is scheduled to take place in January 2006.

Tennessee

The Tennessee Lottery launched midday drawings for Cash 3 and Cash 4 games. Midday draws are held at 12:28pm CST, Monday through Saturday. Ticket sales began Sunday, November 20th.

The Lottery also announced that it will begin paying retailers a 1% commission when they redeem Cash 3 and 4 winnings. Retailers have been getting a 6.5% commission for selling the game, but there had been no cashing incentive. The lottery estimates the cashing incentive will cost \$300,000 annually.

Texas

Texas Lottery Commission Chairman C. Thomas Clowe reportedly asked the Lottery to look at the possibility of the state joining Powerball in addition to Mega Millions. The Lottery brought up the idea of joining both games when they were mulling over the idea of joining a multi-state game a few years ago. The Powerball group didn't have a problem with the idea at the time, but the Mega Millions group was against it.

The Texas Lottery Commission recently approved guaranteed Lotto Texas jackpots, a measure designed to win back player confidence and avoid more inflated prize estimates by the nation's third-largest lottery. Sales have dropped since the Lottery stopped advertising jackpots based on projected sales. The Lottery is now allowed to base jackpots on a 'fair and reasonable estimate' of projected sales.

Virginia

Virginians were big winners in the November 15 Mega Millions drawing. A total of 145,422 Mega Millions tickets purchased in Virginia won prizes in the November 15 drawing. Even more importantly, the Mega Millions jackpot run that ended with the November 15 drawing raised nearly \$14.8 million for Virginia's K-12 public schools. That is the amount of profit earned by the \$32.8 million in Mega Millions tickets sold in Virginia between September 16, when the previous Mega Millions jackpot was won, until 10:45 pm on Tuesday, November 15. The number of winning tickets in Virginia includes one ticket that won \$250,000.

Wisconsin

Wisconsin Lottery sales were up during the last quarter, despite volatile gas prices that impacted \$1 ticket sales. From July 1 through September 30, the Lottery posted sales of just over \$109.2 million as compared to \$108.2 in the same period last year. Sales for the recent record Powerball jackpot, hit in October, will show up on the second quarter.

All games over the \$1 price point posted solid sales; especially the new \$20 "Big Money Extravaganza" ticket introduced at the end of September. This \$20 ticket is contributing over \$685,000 a week in scratch sales and is out selling the top \$10 tickets and the most popular \$2 ticket. Pull-tab tickets have seen significant growth since mid-October of last year when a scannable validation code was added to the ticket. This addition has made it easier for the player to quickly redeem their prize at any retailer location. ➔



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An "American Idol" game will give players the opportunity to win truly unique grand prize packages built specifically to appeal to the show's tremendous fan base! Prize possibilities include top shelf trips to Hollywood to see the show or backstage access to the "Idols on Tour" concert series. Players could also win great merchandise prizes like high end "American Idol" karaoke machines!



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South Carolina

The South Carolina Education Lottery introduced four holiday-themed scratch tickets into its 2005 game mix: \$1 Candy Cane Cash, \$2 Holiday Cash, \$5 Season's Greetings, and \$10 Jingle Jumbo Bucks. Each instant features the Lottery's holiday slogan, "Give a little jingle."

The Lottery also launched an instant as an online add-on ticket. The \$1 Holly Day Add-A-Play ticket can be purchased with a Pick 3, Pick 4 or Palmetto Cash 5.

The Lottery's in-house creative team produced a "Holly Day - Add a Play" CDU frame that was placed at points of purchase.

Television and radio spots were produced to assist the Lottery in its marketing efforts. The Lottery re-edited (in-house) an existing holiday television spot to include 2005's new holiday tickets. The television spot also features the lottery's holiday slogan, "Give a little jingle".

South Dakota

The South Dakota Lottery is offering three holiday-themed tickets this year: Holiday Cheer (\$1); Snow Dough (\$2); and Holiday Treasures (\$5)

Holiday Cheer includes To: and From: spaces for personalization as a gift tag.

Snow Dough is the Lottery's first ever continuous scene game, with a



whimsical snowman taking a sled ride.

The Lottery also jazzed up its \$5 game with a bigger top prize, added a fast \$20 instant win play, and used a metallic ink border to give the ticket a richer look so that it will stand out in the ticket dispensers.

Point of sale posters that feature the holiday games have been deployed. Closer to the holidays, the Lottery will deploy an additional die-cut point of purchase display for retail counters. Promotional tickets are provided to radio station partners for on-air giveaways and contests.

Holiday tickets will be featured in :30 television and radio commercials. The ads began running the week of Thanksgiving.

Texas

The Texas Lottery is featuring six holiday-themed tickets for 2005. For \$1, players can purchase Holiday Cash, featuring a top prize of \$1,000 and a 60 percent payout. The \$2 price point offers two games - Sleigh Ride Riches and Holiday Bingo, offering top prizes of \$25,000 and \$30,000. \$100,000 Surprize Package offers a chance at \$100,000 for \$5. Winter Treasures, selling for \$10, features a 70 percent payout and a shot at \$500,000. The Lottery is also selling a \$30 ticket, Holiday Millionaire, featuring a top prize of \$2,000,000.

The Texas Lottery is supporting its holiday tickets with Television and radio ads, billboards, and POS material.

West Virginia

The West Virginia Lottery will celebrate its 20th Anniversary in January 2006 with an entire year full of monthly promotions, events, and second chance drawings. As a result of these large scale plans, the Lottery has not placed excessive emphasis on this 2005 Christmas holiday.

The Lottery is, however, featuring a few holiday offerings. The games, Freezing Your Bucks Off, Mint Money and Yuletide Treasures, are selling for \$2, \$1 and \$2 respectively. ♣

Racinos: The Delaware Model... continued from page 11

vendors that we have to not want to participate in that expansion.

"Also, there's been some effort to have an additional facility here in Delaware and there's no lack of people who would like to have another facility, in fact there are people that are trying to affect that. So, when will be the point that no one will be interested to add machines? I certainly cannot answer that.

"We only have 40,000 people here in Dover," said Soutor. "We have to build facilities in order to attract people from far away places and stay

overnight. So it's our intention to continue with our capital expansion... and continue to make this a destination casino. Plus, we have a ten year jump, we think we deliver the best level of customer service, and last but not least, we saw the same thing happen out in Nevada and California when the Reservation casinos opened. It didn't hurt Nevada. What it did was train a lot more people on the machines and then they went to Nevada to try the real thing. We think that now we will be exposed to some new customers in Pennsylvania that will be created." ♣

On the Internet... continued from page 23

first company of its kind to be licensed by a U.S. racing regulatory body. The Oregon Racing Commission approved IRG's application for a license to operate a multi-jurisdictional simulcast wagering hub under Oregon state law. IRG's license is separate and apart from California-based Youbet's Oregon license to operate a hub for Internet and telephone pari-mutuel wagering.

Guide to Remote Gaming 2005

Research and Markets announced the addition of Guide to Remote Gaming 2005 to their offering. This guide examines the current state of the remote gaming sector, the major developments within it and the opportunities for new entrants. For more information visit <http://www.researchandmarkets.com/reports/c26817>. ♣



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