

Lottery Commission Meeting
February 25, 2016
Lottery Headquarters
Olympia, WA

MINUTES

COMMISSION MEMBERS PRESENT

Chair Valoria Loveland, Commissioners Laura Cantrell, Peter Bogdanoff, Fred Finn, and Judy Guenther.

LOTTERY STAFF PRESENT

Director Bill Hanson, Deputy Director Jim Warick, Director of Sales and Marketing Ron Smerer, Director of Legal Services Jana Jones, Director of Finance and Administration Beckie Foster, Director of Human Resources and Customer Service Debbie Robinson, Director of Security Dan Devoe, Marketing Assistant Director Randy Warick, Sales Assistant Director Lance Anderson, Instant Product Manager Gaylene Gray, Lean Consultant Russell Burgess, Vancouver Regional Sales Manager David Dean, Business Development Manager Kurt Geisreiter, Internal Audit Manager Ilene Frisch, and Executive Assistant Debbie Meyer

OTHERS PRESENT

Eric Sonju Attorney General's Office; Becky Bogard of IGT; Nadine Tull, Jennifer Voss, and Mike Doherty of Cole & Weber, Ann Marie Ricard of Curator; Ron Miguel of Sci Games

CALL TO ORDER

9:30 a.m. Chair Loveland called the meeting to order.

INTRODUCTIONS

Chair Loveland asked for self-introductions from all attendees.

APPROVAL OF MEETING MINUTES

Chair Loveland entertained a motion to adopt the minutes of the October 22, 2015 Commission Meeting.

Commissioner Finn asked for an editorial change in the minutes. This change was noted.

*Commissioner Guenther **so moved** and Commissioner Bogdanoff **seconded**.*

*A vote was called for to approve the minutes of the October 22, 2015 Commission Meeting with the correction. Ayes were unanimous. **Motion carried.***

2016 Lottery Commission Meeting Dates - Revised

There was an error in the June meeting date; the schedule showed June 22 as the meeting date, when it should have been June 23.

Chair Loveland entertained a motion to adopt the revised 2016 meeting schedule.

*Commissioner Guenther **so moved** that we approve the revised schedule. Commissioner Finn **seconded**.*

*A vote was called for to approve the revised 2016 Commission meeting schedule. Ayes were unanimous. **Motion carried.***

DIRECTOR'S UPDATE

Director Bill Hanson shared all the enthusiasm around the recent Powerball run that saw a top jackpot prize of \$1.5B. He shared that many of the DSR's were out in the field making sure that there was enough supplies for the retailers so that they could keep printing tickets. Many DSR's helped players at the vending machines that had never purchased tickets before.

During 5:00 – 6:00 of the day of the last draw we did almost \$1.8M in sales in that last hour for Powerball.

Chair Loveland commented that we need to continue to remind everybody that relies on us that it is gambling and we will adjust the figures accordingly but we can't expect this to happen every year, though she believes that changing the odds gives us a lot better chance of having large jackpots.

Bill shared a couple of other things. Bill introduced Dan Devoe to the Commissioners. Bill has known Dan for many years. He retired from the State Patrol and has worked for Department of Licensing and Employment Security. He took the Security Director's position that was vacated by Len Brudvik when Len decided to retire last year. Dan has been a great asset to us in the few short months he has been here.

You have all met our Lean Consultant, Russell Burgess. He came to us from the US Airforce. Debbie Robinson has been mentoring him since he came to our agency; Bill has decided that he should be part of our management team and he is now reporting directly to Jim.

Bill mentioned the issue with Eddie Tipton who formerly worked for MUSL as the security director. Mr. Tipton was sentenced to 10 years in prison for rigging a Hot Lotto game in Iowa and the case is on appeal. He is now accused of tampering with lottery drawings in four states over the past six years. There are 35 states involved with MUSL that sell Powerball. Washington is a Mega Millions state. There have been countless phone calls and meetings around these issues. The Mega Millions states have been asking MUSL for assurances around how they are beefing up their security so this doesn't happen again. There also has been some talk around MUSL and MegaMillions joining together but Bill doesn't think this will happen, he thinks the animosity between the two groups won't change.

Bill said he is happy to report that Mr. Tipton has never been at Washington's Lottery.

Chair Loveland stated that if there is as much consternation as you have indicated between MUSL and the Mega Millions, her advice is that until the court case is settled that you suspend the idea of having discussions about coming together. For one thing, in the real world people don't know the difference between Mega Millions and MUSL and secondarily when your attorney's are advising you to not share any information because you are in the middle of court cases for potential lawsuits that really puts MUSL in a position where they can't do anything.

She believes we should stay as well informed as possible and if she were MUSL she wouldn't like any outside pressure either because they are likely on the defensive. If they haven't completed all their investigation it could go further than it already has.

Commissioner Cantrell asked how this case came too light; how it was discovered.

Deputy Director Jim Warick shared that they basically discovered it because there was a Hot Lotto jackpot in the state of Iowa and it was coming up on the 180 days when it would expire and after a lot of advertising for the winner to come forward, a gentleman from Texas came forward and tried to claim the jackpot as a limited liability corporation and the Iowa Lottery got suspicious about it and they withheld the payment and started doing some digging into it.

Bill shared that they were able to find the video of the ticket purchase and someone identified Eddie Tipton as the person purchasing the ticket.

When we conduct a drawing there is always two people that go in to the drawing room and we also have a third party auditor that views the drawing.

Bill stated that if any of the commissioners wanted to watch a drawing or just want to see the random number generator machine that he could make arrangements for that to happen.

DEPUTY DIRECTOR'S UPDATE

Deputy Director Jim Warick shared information on the recent record setting jackpot for Powerball. When you start looking at the numbers it is pretty amazing to see what happened. This draw actually started on November 7, 2015 and went for 20 draws and on January 13, 2016 was won by three winners.

The national sales for Powerball in that timeframe was \$3.2B and they roughly figure that about \$1.3B of that went in to contributions to benefit state programs.

During the week of January 3 our Powerball sales were \$21.7M. The following week our sales were almost \$27M. Our retailers were hoping it would be hit because they were bringing additional staff on to deal with the sales. It will be interesting to see what happens if another jackpot reaches this level.

At the end of the day what does all mean; our November ERFC forecast had sales listed at \$624M and the February forecast has us at \$690M in sales. When you break that down even further, our contributions were \$152M and it will now be \$172M and this is where we have to be a bit careful because we talk about what happened with Powerball that it benefits students but the reality is that the benefit is the general fund and this goes back to that funky rule. Our November forecast showed that we would be giving the general fund \$5M and the February forecast shows us giving it \$27M. WOPA will continue to grow; we will have a great year for WOPA because we are having a great year with scratch and some of our other games. All that money continues to fund WOPA. Jim believes we are forecasted to give WOPA almost \$120M this year.

Jim was happy to report that our new gaming system is going well. We will start rolling out the new terminals and new communication systems in March to our retailers; the communication systems won't change but will be upgraded with new wiring and cables and this task should be completed in April and then we will start installing the new touch machines. Our "Go Live" date is scheduled for June 26, 2016 and we are doing everything in our power to make sure the switch is flipped on the 26th.

Ilene, as part of her audit functions, has met with the implementation team and talked with IGT about the most recent conversion they had with Missouri and so they reached out and talked with the lottery staff in Missouri about any issues they had during the conversion process. Overall they were very positive about their experience but did share a couple of things to look out for.

Jim gave a heads up to the commissioners on legislative activities. Both the house and the senate passed bills that has deferred a McCleary Plan for another year. They are saying now that the 2017 legislative session will be when they solve this problem. With the forecast that came out by the Revenue Forecast Council they also showed that there was going to be a half a billion dollar shortfall from what they had projected in November. Jim said he is fully expecting in September or October as an agency we will start looking at our shutdown plan again. He believes that 2017 will be a crazy session.

Chair Loveland stated that as long as we keep good communications with OFM, the legislature and the Governor's Office she feels that we will be fine. As far as the education thing for 2017, what she is hearing is that the court didn't continue to fine or further fine them for being in contempt. It sounds like at least preliminarily they are going to do something to help the charter schools through the balance of the year but there is no solution to that one either. She believes we need to play it by ear and don't get too excited, and we should play our part and the legislature will play theirs and hopefully it won't come to a shutdown. She doesn't believe the public will accept that because this has been on the radar for some time, it's not like they haven't had time to start resolving it.

Jim recognized Beckie and her team and Stephen Wade; they have done an outstanding job working with the ERFC.

LEGISLATIVE & LEGAL UPDATE

Legislative Services and Legal Director Jana Jones shared that she did not have a lot to report on. There is no pending litigation and just the usual business of lottery assignments and review of contracts; there are a lot of Lottery promotional events coming up this summer and she has been busy reviewing the contracts.

Jana shared an issue that came up with this huge Powerball jackpot with our Canadian players. You may have heard about it in the news or seen one of the articles in the paper. We have always had Canadians interested in buying our lottery tickets; they come across the border and they buy tickets and have done this for years. It has never been brought to our attention by the US Border Guards that there is an issue in transporting lottery tickets back across the border.

With this huge Powerball jackpot the interest was just enormous from the Canadians. We had many, many Canadians come across and buy hundreds of dollars' worth of Powerball tickets and the border guards began stopping them and telling them they could not transport those tickets and that it was a violation of the United States federal code to transport lottery tickets across the border. Jana had a couple of British Columbia news stations contact her and had several phone interviews.

The question presented was: Is it legal for Canadians to buy Washington lottery tickets and will they be paid the prize? Of course the answer from a state law perspective is yes and actually from a federal law perspective as well because in the United States Federal Tax Code it says that if a foreign national claims a lottery prize we have to withhold 30% income tax as opposed to 25% for a US citizen, however, we don't have jurisdiction over

the national border and that particular law that prohibits the transport of lottery tickets was and is being enforced by United States Customs Office. So what she has been messaging to the Canadian citizens that she is getting inquiries from is that if they continue to play our games, what do they do with the tickets. She is telling them that it is their decision and that she won't give advice on how to move these tickets around but her recommendation would be to get a lock box in the United States and store the tickets. You have 180 days to claim the prize and she believes there are a number of Canadians that do this. If they win how will they get in to the United States to claim their prize if the US Customs Office stops them? Jana has been telling them is that our director would work closely with the Attorney General and the US Customs Office to find a solution to get that Canadian in to the United States to claim their prize.

This didn't happen just on the Washington State border but it was across the United States that the Custom Office people began enforcing this law, so her hope is that there might be a change in the regulation, but that is an awful big hope.

Commissioner Guenther asked if they were confiscating tickets and Jana stated that sometimes the tickets were confiscated. Other times people would turn around and go back in to the United States and leave tickets with friends or family. She had a number of people ask if they could mail their tickets to their home and of course the United States mail code prohibits mailing lottery tickets as well. It is just an instance that we haven't had happen before. We will have to find a resolution because as these jackpots remain large and the interest in them is large, it will keep coming up.

Commissioner Bogdanoff asked what the logic is, if there is any, for allowing them to buy tickets, collect the prize as a foreign national but not be able to transport the ticket across the border – is there something he isn't seeing?

Jana shared that the law prohibiting the transport of lottery tickets is federal law enacted many years ago and she can't really explain what the logic is. I think there have been issues around illegal gaming and organized crime and these kind of issues have been around forever and that may be part of it but it seems to be a law ripe for revision.

Commissioner Guenther suggested one of our Senators could work with other border states in updating this law.

Jana shared that AAG Eric Sonju wasn't able to make the meeting and he is your legal advisor and she will contact him this afternoon and tell him that the commissioners had suggested making a change to the law. He would be the attorney that would draft something for you to review and then it can be sent on to Senator Patty Murray's office.

Commissioner Bogdanoff asked: What is the law was around resale of tickets?; so he is wondering if that might be the issue. Jana agreed that this could be a consequence of the law; it prevents people from acquiring large amounts of tickets and taking them across the border and reselling them.

Chair Loveland asked how things were going with the trademark. Jana stated that she knows it has been registered but she doesn't know if it has been granted at this point. She sent an inquiry to Eric about a month ago and she hasn't received a response back yet and she will follow-up on this as well.

REGIONAL UPDATE

David Dean is the regional sales manager for the Vancouver Office; he thanked the commissioners for having him there to share about the Vancouver region.

The region he covers has 10 counties that includes Thurston, Grays Harbor, Mason, Lewis, Pacific, Wahkiakum, Cowlitz, Clark, Skamania & Klickitat. There are five district sales representatives that handle around 544 retailers.

The boundaries go from the west coast from Westport and Long Beach; east all the way to Mossyrock. We go all the way to Camas to Goldendale and then Olympia. All the way down south he has to the Oregon border. The sales goal for FY2016 in the Vancouver region was \$90M.

David said: Our current focus as a sales staff is to meet the sales goals and using it with that winning, enthusiastic and productive sales team experience. The relationship is the key to our success and sharing with them the newest scratch games that come out and with like Powerball frenzy building that excitement and making sure that they are getting the best games and service we can offer.

We also promote retailers with sales and marketing campaigns, grand openings, anniversaries, and also we support headquarters and corporate account management sales and marketing campaigns with Albertsons and Safeway promotions.

Another current strategy we have is merchandising interior and exterior point of sale plan. We have custom signage that we create and we also help with EDGE stores, Edge stores are like super lottery stores on steroids. We are doing a great job out there.

David broke down his top selling retailers. The number 1 store is the Safeway in Yelm that is \$25,000 a week in sales; our other big corporate store is in Vancouver that is a Fred Meyer store and their sales are around \$23,000 each week.

For the independent stores there is the Tumwater Deli Mart and they average around \$16,500 in sales each week. The other independent that is tearing it up is Mickey's Deli in Shelton; their current average is \$14,384 each week in sales.

David shared that all these sales are great but he believes that it is also the relationships that the DSR's have with the store owners, the clerks and the managers. In the situations like Tumwater Deli or Mickey's Deli, they will do anything that we ask; there is that communication that we have there where our reps. are trusted.

David shared with the commissioners that when we had the history making Powerball run, his DSR's along with a full day at work, then went the extra mile and chose a store they would hang with and help with the flow of the new players that were coming in.

Another initiative he and his staff are involved in is called "Take Back the Space". In areas where we used to have lottery, we are trying to gain that space back again.

Vancouver's Retailer of the Year was Quickway Market in Vancouver; they do \$11,600 in weekly sales, which is a 33% increase from the previous year. Jim and Ron came down for the celebration. Jay and Robert are the store owners and we gave them a plaque and a check for \$500.00

Dean shared a picture of his team in the Vancouver office.

Sales Update

Sales & Marketing Director Ron Smerer shared the good numbers and he is excited about the numbers. We are way up on our fiscal year actual sales; we are at 113.1% as of February 13, 2016. It is just amazing what the group has done from the sales department, to marketing, the budget department; everybody has had to work together to come up with these numbers and we have worked as a team and it has been a fantastic year so far this year. Obviously Jim went over a lot of the numbers for Powerball but Ron threw in a few fun facts.

A lot of people think that you just sit back and watch the money come in when you have these big jackpots but there was a lot that went in to making things run smoothly including people from pretty much all the departments out in the field helping our retailers. The

lines at the stores as David showed you, they were tremendous. The Fred Meyer Store that Ron was at had a line that never ended and people continued to come right up to the drawing time and we had to cut the line off because there were too many people and they wouldn't have been able to purchase tickets for the drawing.

Kurt and Dean had to go out to the airport and pick up the money from the machines, the one deposit was over \$77,000 for a four day period, and there was also a \$53,000 deposit for a three day period. The kiosk at Southcenter did over \$23,000 in a three day selling period.

There is a little downside to the frenzy, we sold so much at some of our corporate accounts that we had EFT rejections which were because they had caps on their electronic funds transfers and the sales were over and above their EFT allowance, so Beckie's staff worked great with our people in resolving these problems.

Coming soon; we have new equipment. It looks like in a couple of weeks there will be new equipment being delivered out to the retailers. Ron attended a focus group where players had an opportunity to work the machine and buy things. It was tremendous. It was amazing from the young to old players, and even one player in a wheelchair were able to go up to the machine and figure out how to work it in a very short time. If you would like to take a look at this equipment we have it here at headquarters in our testing area and Ron would be happy to show it to the commissioners after the meeting.

Sales Update

Assistant Sales Director Lance Anderson shared that with putting about 2,000 of the new machines in the marketplace, we will be branding the machines as the imagination station and Randy and his team jumped on that quick as soon as he found out how dynamic the machine will be at go live.

Lance gave a brief update on some of the largest corporate accounts that the Lottery has.

At Safeway we are working on some grand openings for three of the ten Safeway/Albertsons Stores. We discussed at a previous meeting that Haggen's had purchased a number of stores and since then the landscape has changed and stores have closed and now there are new opportunities for those closed stores to be purchased by someone else.

We are also reviewing the promotional periods for FY17; Randy and Lance are making every effort to stay caught up on that and trying to work two years in advance. Next week

they will be meeting with the regional sales managers and will talk about closing out FY16 and then talk about what's in the pipelines for FY17 and start the discussion about FY18. We have secured standard point of sale (POS) in those stores and we are looking at having our graphics department change out some of the winter stuff and put in our summer POS.

Terri Killion and Ron Smerer are sharing our relationship that we have with Safeway with a vendor in the industry that has come up with a concept called Bouquets of Chance. At the end of the day what the Lottery gets out of this is a new point of distribution. What they are offering up is the opportunity to create bouquets that would have scratch tickets in them. This vendor has different pieces of merchandise that you can associate scratch tickets with and the lottery gets a new place of distribution with one of our corporate accounts.

We talk about the importance of relationships and we have two new buyers at Fred Meyer. Terri met with them last week and shared discussions with the previous buyers about our goals and expectations.

Lance shared that he is very excited about where Terri and Jenny are taking the business; there was a time when we would do several, individual promotions. What we are doing now is trade style promotions and the current Destination Getaway Promotion represents nearly 15% of our retailer base. If you see the POS that came out of our graphics department, it bumps up against the Department of Imagination. Our first prize is an ultimate travel package that allows our players to win vouchers and develop their own trip and the second prize package is more close to home and there is three winners in each.

Lance talked about the NextGen ProCall. In addition to the new equipment, we are getting a new gaming system, a back end system that will allow us to run reports and do the finances, etc. NextGen ProCall is really the tool that will replace what we call auto-order today and we are extremely excited about this. There were several Lottery staff that attended a three-day training to find out what it can do for us.

Lance gave an update on the EDGE program; we are down the road, nearly three phases in to this program. We are reviewing the program to see what's working and stopping in a sense to have a conversation with all the involved staff. Lance has had a meeting with Jim and the next conversation will involve the EDGE program manager and then next week the conversation will happen with the RSM's to get a field perspective – what's working and what's not working. After that, we will tie it in to the marketing side of the house. Randy and his team will then sit down and talk about what has been vetted out to work, how does this program look moving forward.

Commissioner Guenther asked if there were already things that we are seeing that don't work. Lance stated that in terms of things that don't work – we tried a lottery mat in the headquarters lobby area that looked great but when we put it in the retail environment you are dealing with mud and rain and the mat became slick so we pulled it.

As of January 2016, topline sales for EDGE stores were \$577,000, which exceeds the program's FY16 Sales & Marketing goal of \$322,000. The EDGE retailers had a Match 4 selling contest from October – November, 2016. This is not a promotion, it was simply designed for retailer engagement which is one of the core principles of the EDGE program. We saw a 24% growth in sales during that time period.

From September – December the EDGE program manager collaborated with regional sales managers and the district sales representatives to make appointments with our EDGE retailers across the state to go out and assess what needed to be done at the stores. We knew that we needed to rewrap some of the counters because the wraps were coming off. We found a different vendor that had a better product that we are now using. Lance showed the commissioners a number of pictures of the new wrapped counters.

We have been working with this new vendor and now have the ability to do window coverings of scenes that we can put on their stores with the Department of Imagination branding.

Marketing Update

Marketing Assistant Director Randy Warick asked to take the commissioners back to Christmastime and share some excitement through the Seahawks run and then we will get to what's happening today.

In the malls we had the holiday campaigns; we did a radio spot, digital, social and it was a play off of "Scratch it forward". You can give the gift of scratch to anyone - to your neighbor or your mailman because it is a great gift and it is fun and entertaining. Randy played the radio spot for the commissioners.

We also did campaigns around what players would do if they won; we asked our players to engage with us. Our players shared pictures of how they did and what they did with our scratch tickets – they built bouquets or they displayed the products. They took tickets to holiday parties. It was good to see their feedback. We had staff in our office that turned voided tickets in to Christmas trees that we used for our internal Holiday party and they turned out so good that we sent pictures of the trees to Cole & Weber and people wanted to buy the trees.

We once again did playoff events with the Seattle Seahawks; Kathy and Angela did an amazing job. We had Walter Jones at the first event and Dave Krieg at the second event. We have never had Dave Krieg at one of our events; he showed up three hours early and just walked around the mall until it was time for him to sign autographs.

We again had great news coverage; Curator does a fantastic job in getting the media at these events. At the first event the winner was in the crowd and he was a great winner and he shared his Minnesota experience and we put that out in social media.

During the second event we once again had great winners and they were present so it was a good experience for the winners to talk to the media. The second event was a bit more challenging because we were competing against the State of the State address.

The Seattle Seahawks are a great partner; here is an example of them sharing information in their social media on our playoff event at Southcenter. Their presence with fans is huge.

Randy shared our new branding campaign for the summer; you will start to see this in the mall's soon and it will be there through the summer. Who wouldn't like to have their own lazy river and you can't float by a coffee stand and pick up your favorite coffee. Who wants to sit in traffic when you can float in a river.

Randy shared the two newest commercials that are currently in the market – fishing and class reunion. We are very proud of these two spots and they were filmed locally.

We had a gigantic Powerball run recently; the round-the-clock media coverage blanketing the state was the largest volume, value and total impressions Curator has recorded for the Lottery. Socially everyone wanted to talk about this, we are getting some great conversations. We have been able to work with the Student Achievement Council and share information on the number of scholarships that are awarded because of the WOPA Account. Cole & Weber is using this information in building our beneficiary announcements.

Randy shared some PR updates on some great winners that we have had. We had a great story about a guy that didn't win the \$1.5B Powerball jackpot but he won \$2M playing scratch.

Powerball continues to touch all aspects of our business and because of Powerball we are at 160,000 downloads on our app. which is unbelievable. When Powerball was going crazy they wanted the app. because they could check their tickets. We had over 35,000

downloads over a 14-day period beginning on January 6 and we have over 273,000 tickets scanned after the January 13 draw because people trust it. We also had 13,236 players that subscribed to the push notifications, which means that they are accepting us to talk to them. Today you can only check your draw tickets and hopefully in the future we will be able to offer our players the opportunity to check scratch tickets too.

Commissioner Guenther shared an experience with a fund raising experience in Morton that she helped with. She helped decorate a Christmas tree poster that included scratch tickets that a friend had purchased. During the week it was on display people gravitated over to look at the display and a senior citizen lady was very interested in purchasing it. Commissioner Guenther thought it was a great idea and thought it would be a good idea for some event where there were more people.

Randy told the commissioners that if there are every these sorts of opportunities in the future he asked that they capture the idea with pictures and send them to him and he will forward to Cole & Weber who can post it on our social media.

Randy pointed out that even though we didn't have a Powerball winner; we had 2-\$1M winners, we had 7-\$50,000 winners and we had three people that played powerplay who got \$100,000 each so we did have winners and we shared this information with our staff.

Ron Smerer forgot to tell the commissioner's about the SeaTac Airport Kiosk; the kiosk is scheduled to be put together on March 10 & 11 and hopefully the next week we will be selling tickets from it. We are very excited about this!

COMMISSION REPORT – INSTANT TICKET ARTWORK REVIEW

Commissioner Bogdanoff had concerns about the artwork on two scratch tickets and one concerned him more than the other. He is concerned about the gold retriever with the dog. It seems too cartoonish to him and might directly appeal to kids.

The other one that he is less concerned about is the cherub Slingo and it seems like it could be appealing to children. He said he didn't know if there was a particular history with this game or not. Gaylene shared that these are the official symbols of Slingo.

Chair Loveland asked if this was the Year of the Rooster, and Gaylene shared it will be in 2017.

Chair Guenther also stated that she was concerned about the golden retriever ticket as well.

Chair Loveland asked what the commissioners wanted to do about the tickets in question. She asked if we could or couldn't make changes to the official symbols. Gaylene shared that we could take the image of the cherub off and still call it that and not use their image of the cherub.

Gaylene shared that she will rework the artwork on the two tickets where there are concerns and she will bring them back for review in April.

COMMISSION BUSINESS

Chair Loveland asked if there was any commission business to bring before the commission. There was none.

OTHER BUSINESS

Chair Loveland asked if there was any other business that needed to come before Commission.

Eric Sonju stated that he did have other business. He apologized for his tardiness. He wanted to share the news that he had received a letter three days ago from our private attorney to let him know that the Department of Imagination and the Dept. of Imagination slogans have been successfully trademarked.

Chair Loveland stated that she knows she has been the one that has talked about this the most but the other commissioners like the idea too. She keeps seeing it crop up in more places and she worries that someone is going to slip in there and get it before we do. She doesn't mind sharing it but she doesn't want us to be foreclosed from using it but it is one of the best tools we have for Washington's Lottery. It definitely lets you know that imagination is a possibility but isn't a guarantee.

Eric stated that the Lottery now has that protection and we can use the registered trademark symbol if we would like to.

This was very important to Chair Loveland because she had the experience when she was at the Department of Agriculture about the apple trademark and the Chinese were trying to use it on apples grown in their country.

Commissioner Cantrell congratulated Eric and the Lottery on getting this accomplished, but she wonders if it would be helpful at the next meeting to talk about if there is anything we need to do in terms of enforcement. Is there anything we need to do to maintain or not lose the trademark.

Eric Sonju shared that the registration lasts for a certain period of time before it has to be renewed. He thought it was five or eight years. This will be automatically tracked by the attorney and they will renew it.

Commissioner Cantrell stated that beyond renewal that if someone else does use the Department of Imagination and we know about it and we don't advise them that they do or do not have our permission. She believes there are some issues that we should know about. Eric stated he would look in to this for the next meeting.

Commissioner Guenther stated that the Lottery and commissioners should have a say in where it can be used.

PUBLIC COMMENT

Chair Loveland asked if there was any public comment and there was none.

FUTURE AGENDA ITEMS

Chair Loveland asked about future agenda items; and Commissioner Cantrell already suggested the enforcement of the Department of Imagination trademark that our AAG Eric Sonju can talk about at the April meeting.

ADJOURNMENT

11:58 a.m. *Chair Loveland adjourned the meeting.*

*February 25, 2016 Lottery Commission Meeting Minutes approved this _____ day of
_____, 2016.*

Respectfully submitted,

Valoria Loveland, Commission Chair

Debbie Meyer, Executive Secretary