

# THE QUARTER



**CHECK  
OUT OUR  
NEW  
LOGO!**

# *Kentucky* LOTTERY



*Fueling Imagination.  
Funding Education.*

**FIRST EVER \$30  
SCRATCH-OFF  
ON THE WAY**

**NEW DRAW  
GAME SET  
TO LAUNCH**

**SEVEN NEW KY  
MILLIONAIRES IN  
JUST FOUR WEEKS**



# THE PRESIDENT'S CORNER

I hope this message finds you well recuperated from the holidays, and that your sales of our Holiday Gold Scratch-offs were strong! This ticket opened very hot, and the addition of our "Grandma" TV campaign really helped push it to new heights.

I'd also like to congratulate you on helping us achieve a new milestone. In October, the near-world record Mega Millions jackpot run – in tandem with a Powerball jackpot run that rose to more than \$680 million – led to the most successful sales month in our nearly 30-year history.

Overall sales for the month were \$115.5 million, which is \$33.2 million (or 40.3%) more than budgeted. This shatters the previous record sales month from January 2016, when a world-record Powerball jackpot of \$1.6 billion led to sales of \$105.1 million.

Looking forward (and as you'll read more about in the pages ahead), our very first \$30 Scratch-off ticket will be heading your way in the coming weeks. This is set to help us celebrate our 30th anniversary which happens in April. In addition, look for a new draw game and new add-ons to some of our popular draw games already in the market. All this adds increased traffic to your store, helping increase your sales and commissions.

As always, thank you for your ongoing partnership. Let me know if you have any questions or concerns. You can always reach me at Tom@KYLottery.com. From all of us at the Kentucky Lottery, here's to a great 2019!



Tom Delacenserie  
Kentucky Lottery  
President and CEO



## QUARTER MAGAZINE NAMED BEST IN NORTH AMERICA

At the annual meeting of the North American Association of State and Provincial Lotteries (NASPL), The Quarter Magazine was selected as the best retailer newsletter in North America! This is an impressive win not only because we knocked off over a dozen competitors from much larger states and gambling organizations with many years' experience in this area, we won after submitting the very first edition of The Quarter! Seen here accepting the award (from left) are the Lottery's Vice President of Marketing Edie Frakes and President and CEO Tom Delacenserie, along with Allison Pitman, partner at Bandy Carroll Hellige, Kentucky Lottery's advertising agency.





# THE “NEW” KENTUCKY LOTTERY

## NEW LOGO LAUNCHES FOURTH DECADE



**Fueling Imagination.  
Funding Education.**

The new logo connects the Kentucky Lottery and Kentucky itself. The horse represents pride in Kentucky history, and the depiction of “fast motion” captures the Lottery’s commitment to innovation and forward thinking.

“We want consumers to think about the fun of the games and feel good about the lottery’s dedication to the state” says Gary Sloboda, Bandy Carroll Hellige Partner/Executive Creative Director and mastermind behind the logo development. “While the slogan does well at communicating the lottery’s mission, the new logo effectively reinforces that Kentucky is the focus of that mission.”

“The horse was the obvious choice for the logo because it represents Kentucky pride – the image means so much to so many, and we thought it played well into the Lottery’s mission. As Kentuckians, we should feel pride for what the Lottery is doing for education across the state,” says Sloboda. “We played around with a variation of designs and colors, but nothing spoke to our team quite like the thoroughbred. The stakes are high, creating something that will be consumed by so many – but we’re confident in our vision and how this represents the Kentucky Lottery.”

With the Kentucky Lottery’s 30th anniversary milestone around the corner, the idea to refresh the agency’s iconic logo was introduced.

“When I started here, we were approaching a thirty-year mark, and reflecting back, we had a very successful thirty years!” says Tom Delacenserie, President and CEO of the Kentucky Lottery. “The original logo served our purpose very well, but when I assumed my role, I wanted to develop a five-year plan to ensure that the next thirty surpassed the last thirty.”

It was determined during development that the most important aspects to capture within the new branding was that the company was modern, fun, and proud to serve Kentucky. The decided logo was vetted by focus groups and employees of the Lottery. “We’ve grown up - we’re a different organization than we were ten years ago and it’s time for a redo. We agreed this logo would continue to take us down the road, better than what we had before” said Delacenserie.

When asked about further development of Kentucky Lottery’s branding, Delacenserie notes that he recently assembled a group to discuss revising the mission statement to match the new modern logo. “It’s important that we develop language that focuses on where the money goes as well as the traditional key messaging we’ve used in the past – ‘fueling imagination, funding education’” says Delacenserie. “A lot of corporations have beautiful mission statements, but they’re so long that they don’t really mean anything. While we want ours to resonate with Kentuckians, the bottom line is, we feel we aren’t finished developing great ideas just yet, and we want to make sure that idea is incorporated into our mission long term.”

Vice President of Marketing, Edie Frakes, is looking forward to the changes the new logo will bring. “We are re-working all play center decals, vending machine toppers, premium items, and wearables. Our entire website is also being overhauled.” Frakes says. “Vendors should expect to see the new material after our public reveal on January 8. Media sponsorships will reflect the new brand, and consumers can expect all our new commercials to have the new logo represented. Additionally, Scratch-offs launching from February on will have the new logo. Our ticket stock for draw games will change, as well as our game playslips. It’ll be a revolutionary year for the Kentucky Lottery and we’re excited to see the public’s reaction to the new material”.

Included is a sneak peak of the Kentucky Lottery ticket stock with the company’s new branding initiative. This design will be distributed to the public after the January 8 reveal.

As a reminder to vendors, please replace all playslips containing the old Kentucky Lottery logo with the playslips containing the new logo that will be delivered to you on January 8 from IGT. Your lottery sales rep will pick up all playslips with the old logo but note the terminal will not reject them if players wish to use them.





# SCRATCH-OFFS GET SCIENTIFIC

For more than 29 years, the Kentucky Lottery has managed the fulfillment and distribution of instant Scratch-off games to more than 3,200 retailers across the Commonwealth. While this system has worked well, advances in technology within the industry have allowed for new partnerships to develop—and for new efficiencies.

In early September, the Lottery announced an expanded partnership with Scientific Games for full product category management. Through this partnership, every aspect of Kentucky Lottery Scratch-off tickets – including game development and portfolio management, ticket printing, advanced logistics for warehousing and distribution, and retail optimization – will be handled by Scientific Games. Kentucky is one of 13 states in North America that have taken this partnership approach with the company to grow Scratch-off game revenues.

“This new system will give us the opportunity to deliver record breaking results, remarkable sales growth and more efficient operations,” Kentucky Lottery President and CEO Tom Delacenserie said. “Scientific Games’ proven predictive ordering technology will allow us to meet the increasing consumer demand for our instant game category. It’s a true game changer.”

While Delacenserie admits there have been growing pains to deploying an all-new system, the priority is making sure the Lottery’s retailers have the right Scratch-offs, at the right time, and that Scratch-off product inventory meets customer demand in their individual stores.

“Something I encourage all retailers to do is to trust the system and communicate consistently,” Delacenserie said. “Work with your inside and outside sales reps constantly. The system is designed and equipped to keep inventory levels correct and distribution efficient. The more we know, the more we learn and that is what will help drive our business forward.”

At Scientific Games’ new 41,000-square-foot facility in south Louisville, the company’s employees work to make sure Kentucky Lottery retailers state-wide have optimum levels of Scratch-off inventory, continually.

This process starts with a team of “Tel-Sell” inside sales staff who work with each retailer to fill their orders for Scratch-off games. And while retailers are still able to call in and request specific Scratch-off games, Scientific Games’ advanced technology is designed to automatically order instant games for each retailer based on consumer demand in their individual stores.

To optimize the product mix and inventory levels at retail, over the years, Scientific Games enhanced its instant category management program with OrderCast™. The patented predictive ordering system tracks how and why an instant game performs.

The OrderCast system actually “learns” over time, becoming smarter with every set of data collection. OrderCast continually adjusts recommendations based on the data it receives, and then communicates revised recommendations to the Tel-Sell team.

The bottom line benefit is there is no guesswork involved in this important aspect of managing instant products. The system predicts the ideal product mix and inventory levels required for a specified sales period for each individual retailer in the lottery’s network to help ensure optimal sales at each location. The Tel-Sell team can review the order and customize further based on their communication with the retailer before the order is finalized and shipped.

Once ticket orders are added to the system and confirmed, the requests go to the “back of the house” – an area of the warehouse facility where the “picking and packing” takes place by a group of diligent employees who typically fulfill 600-800 orders per day. Retailers should pay particular attention to games that arrive in special packages and with “new game” stickers – these indicate new Scratch-off tickets are enclosed and should be put immediately into in-store product dispensers.

Regular reorders should be put out immediately or when tickets run out. The system will report if a retailer has declined an order or if they’ve run out of tickets early.

“When we partner closely with customers like the Kentucky Lottery to provide consumer insights, game design and manufacturing and product distribution, we’re delivering full category management, our proven formula for success,” explains Cherie Norman, Executive Director Scientific Games Enhanced Partnerships. “We’ve worked very hard with our lottery partners and their retailers to advance the technologies behind our full instant product management, and we are driving growth like no other program in the industry.”

All U.S. lotteries using the instant game program’s services are generating per capita sales that outpace the industry by 40 percent, the program’s operating scale accounts for approximately one-third of total U.S. retail sales. Based on real results achieved for customers, according to Scientific Games it is currently the most successful and effective category management program in the industry.





# LOTTERY PROVIDES ADDICTION AWARENESS MATERIALS TO KY MIDDLE SCHOOLS

Over a decade ago, the KLC launched “Choices – There’s Always a Right One.” The in-school exercise remains a valuable responsible gambling and addictive behavior awareness package targeting primarily middle school youth in Kentucky’s public-school system. In the last year, more than 50 Choices curriculum packets were distributed, adding to the more than 200 previously in circulation. According to the 2016 Kentucky Incentives for Prevention survey of 120,000 Kentucky public school students, since Choices was introduced in 2006, the lifetime gambling frequency for high school seniors has decreased from 49.4 percent to 30.1 percent.

The Lottery sponsors the program, which is administered by the Kentucky Council on Problem Gambling. For more information, go to KYCPG.org.



# LOTTERY PROCEEDS AT WORK

Administered by the Kentucky Higher Education Assistance Authority (KHEAA), the Kentucky Lottery has provided all funding ever awarded as part of the popular KEES scholarship program. Our proceeds have also funded the need-based College Access Program and Kentucky Tuition Grants program. 95 cents of every dollar of non-loan student financial aid awarded by the Commonwealth comes straight from the sale of Kentucky Lottery tickets, so your terrific work truly is Fueling Imagination and Funding Education!

These schools and counties received the highest total of scholarship and grant funds from Lottery proceeds in FY18.

SCHOOL	NUMBER OF SCHOLARSHIPS	\$ AMOUNT AWARDED
University of Kentucky	14,052	\$26,627,247
University of Louisville	10,851	\$19,582,314
Eastern Kentucky University	11,223	\$18,784,533
Western Kentucky University	10,506	\$18,104,686
Northern Kentucky University	6,130	\$10,144,442

COUNTY	NUMBER OF SCHOLARSHIPS	\$ AMOUNT AWARDED
Jefferson	16,000	\$34,874,073
Fayette	6,432	\$13,787,297
Kenton	3,445	\$7,352,228
Boone	3,327	\$6,906,441
Warren	2,818	\$5,849,097



# MARKETING AND POS UPDATE

## KENO

Our Keno "Bartender" TV spot introducing the new Bulls-eye game enhancement debuted December 26th. This is a follow up and will be used in conjunction with our successful commercial from last spring – Keno Like a Boss. Both do a great job of explaining how to play the game while keeping the product fresh and top of mind. Future plans for advertising this product include opportunities to showcase Keno for sale at more traditional lottery locations, coming full-circle to show that people truly can play Keno their way, in social establishments, at traditional retailers and even online.



## RE-BRAND

30 years is a long time to be in business and maintaining the growth on which the entire Commonwealth depends! In 2017, the KLC became a BILLION-dollar sales organization, so to celebrate and embrace that milestone (along with our 30th birthday) we are re-branding our logo to a seal that accurately reflects Kentucky heritage and our image as a billion-dollar corporation. See full feature story page 4.

## GRANDMA RE-CAP

In support of our Holiday games, we hope you enjoyed our TV commercial, "Grandma". This was a great follow-up to the Bob Newhart – North Pole Focus group campaign from last year. And while Grandma was a huge hit (and run), the Holiday Gold family of tickets and your support at retail were the real stars of the 2018 holiday season! Way to keep those dispensers full and push everyone's favorite add-on gift – Holiday Scratch-offs!



# LOTTERY AS A DRIVER

## HOW DOES SELLING LOTTERY BENEFIT YOUR IN-STORE SPEND?

According to an August 2018 report by NACS (the National Association of Convenience Stores), convenience stores sell approximately half of all lottery tickets sold in the United States. On any given day, a convenience store serves around 1,100 customers a day: 300 at the gas pump and around 800 inside the store to buy drinks, snacks, and other convenience items, including lottery tickets. In Kentucky, convenience stores accounted for just over 75% of total lottery sales in FY2018.

Lottery products are a great traffic driver for convenience stores. According to the report, 95% of lottery customers buy at least one additional item inside the store. The overall market basket - or "spend" for items by lottery customers in convenience stores - is \$10.35, **65% higher** than the \$6.29 spent by non-lottery customers (from NACS – Industry Resources, 8/2/18).

These in-store sales are critical because stores also have low margins selling fuel. Over the past five years, the net margin on fuels (before expenses) has been 6.2%. After expenses, retailers only make around a nickel per gallon profit selling fuel.

There's no question that there is an excitement in stores as customers dream of the possibilities of winning a large jackpot. It gives retailers a chance to shine and enjoy the excitement in their communities. And it's great to hear the conversations in these communities across the state about what people would do to possibly use the winnings – or dream about a better future.





# GET READY TO MULTIPLY YOUR SALES WITH THE NEW "X THE CASH" FAMILY

It's a brand-new year and time for a brand-new family! Get ready to ramp up the excitement with the launch of our "X THE CASH" family. You've all seen how popular 100X THE CASH has been since launching back in September, and now we have four more games to add to the mix at the \$1, \$2, \$5 and \$10 price points. Now everyone can enjoy the fun and excitement at whatever price they choose to "treat" or "indulge" themselves.

**\$1 - 5X THE CASH** offers a \$5,000 top prize and over \$5.5 million in cash prizes.

**\$2 - 10X THE CASH** offers a \$10,000 top prize and over \$7.4 million in cash prizes.

**\$5 - 20X THE CASH** offers a \$50,000 top prize and over \$27.9 million in cash prizes.

**\$10 - 50X THE CASH** offers a \$250,000 top prize with over \$43.6 million in cash prizes, including over \$20.2 million in prizes between \$50 and \$5,000!

Your lottery sales rep will be posting new POS materials featuring the entire family, including 100X THE CASH. Our TV and Radio ads have also been refreshed and will now include the whole family as well. Now that's a lot to get excited about!



## NEW \$30 GAME COMING IN FEBRUARY

February may be one of Kentucky's coldest months, but your Scratch-off sales are going to be red-hot starting February 23rd when we introduce our very first \$30 game as part of the year-long celebration of our 30th year in business. And we're not talking about just another game, we're bringing back an Old Kentucky Home-grown favorite...Break Fort Knox!

This ticket is re-imagined with bright, beautiful new graphics and a great prize structure like nothing you've ever seen before. Not only does it have over \$207.6 million in cash prizes and more than 924,500 prizes between \$50 and \$10,000, it features our highest top prize ever on a Kentucky Lottery Scratch-off - not \$1 million, not \$2 Million, but \$3 MILLION! In fact, it has FOUR top prizes of \$3 million!

Winners of the top prize will have the option of receiving \$150,000 a year for 20 years or a lump sum cash payment of \$2,244,000 less minimum required taxes. Those four lucky retailers who sell the \$3 Million winning tickets will receive a 1% selling bonus of \$30,000!

As if that's not big enough news, in June, we'll introduce a whole BREAK FORT KNOX family, with versions at \$10, \$5, \$2 and \$1 so that people can play this popular game at whatever price points fit into their budget. Stay tuned, because once the holidays are behind us your Lottery Sales Rep will be talking more to you about this exciting new game and opportunity to really impact your sales and your bottom line!

## MARCH MADNESS ISN'T THE ONLY THING CREATING BLOWOUTS!

On March 30th, another Kentucky staple hits the street with a major makeover - BLUEGRASS BLOWOUT! This \$10 long-standing fan favorite has been re-designed into a 2-sided ticket with all new graphics, extra play value and a new top prize of \$200,000! Now that's a "slam dunk"!

As you can see, Q3 is going to be super exciting but we're not stopping there - get ready for even bigger sales as we chart the course into Q4 for the final stretch of the year. Until then, Happy Sales!





# BIG CHANGES COMING TO THE DRAW GAME PORTFOLIO

FY19 has been dubbed “Year of the Draw Games” as we have already introduced several new features to existing draw games, with even more exciting changes planned for the remainder of the year!

The first half of the year saw the introduction of the new 1-OFF® wager for Pick 3 and Pick 4, enhancements to 5 Card Cash, and the introduction of the new Bulls-Eye feature for Keno. In February, we’re launching a new game called Kentucky’s Quick Bucks (see more below), followed by a pilot test of a new game called Win Place Show. Both of these will only be offered in Kentucky.

Then in May, we’re introducing a new instant win add-on feature for Kentucky Cash Ball 225 called EZmatch (more details to come in the next edition of The Quarter).

## KENO BULLS-EYE

Launched on December 16th, this new add-on feature to Keno is called the Bulls-Eye. Players can add the Bulls-Eye to their base Keno wager for a chance to win additional prizes. Adding Bulls-Eye will double the cost of the base Keno wager. For example, if a player wagers \$5 on their base Keno game, adding Bulls-Eye will cost an additional \$5.

For every drawing, a Bulls-Eye number is selected by the computer from one of the 20 winning Keno numbers drawn. If any of a player’s numbers match the Bulls-Eye number, the player wins a Bulls-Eye prize in addition to any base Keno winnings. Bulls-Eye prizes cannot be multiplied.

The KLC has an aggressive goal of achieving \$100M in annual Keno sales in the next 2 years. In FY’18, Keno surpassed Powerball as the 3rd best seller behind Scratch-offs and Pick 3. Keeping this game exciting for players and providing them with even more ways to play will not only help us reach our sales goal, but will ultimately help us achieve our primary goal – to fund college scholarship programs for Kentucky students!



## WIN PLACE SHOW

Starting March 24th, a new lottery game based on the results of live horse racing will be offered in select locations across the Bluegrass state. The game, Win Place Show, will be offered in limited release at approximately 45 stores in the Louisville, Lexington and Northern Kentucky regions. The test pilot is expected to last 90 days. Participating retailers were selected based on store location and sales.

Each \$2 Quick Pick ticket will feature three horses and their numbers based on their post position at the designated track, along with basic racetrack information and post time. Players can watch the featured races live or on replay and see if they’ve won with the Win Place Show mobile app.



## KENTUCKY’S QUICK BUCKS

The Kentucky Lottery will be the first state to offer a new draw game concept launching February 24th called Kentucky’s Quick Bucks.

Similar to Cash Ball 225, players pick 4 numbers from a field of 31, and one “Kentucky Ball” number from a field of 5. Each play costs \$1 and drawings are held daily. Players can win as little as \$2 for matching only the Kentucky Ball, and up to the top prize of \$50,000 by matching all 4 numbers plus the Kentucky Ball.



There are a few features of this game that make it unique compared to any other draw game offered by the KLC. First, players can win by matching their first four numbers to the numbers drawn in exact order or in any order. After a player selects their four numbers, the terminal will assign the order of their numbers on their ticket. They can win by matching two or more of their numbers to the numbers drawn in any order, but if they match two or more of their numbers in exact order they win even more!

Another unique feature of this game is the WHEEL Bet. For just \$5, players can play all 5 Kentucky Balls with their four numbers for five chances to win and a guaranteed minimum \$2 prize. For example, a player chooses the numbers 1, 2, 3, 4, and selects the Wheel Bet. Below is an example of how the player’s numbers could print on the ticket.

- 3 – 1 – 4 – 2 1 Kentucky Ball Pays \$6 for matching two in exact order
- 3 – 1 – 4 – 2 2 Kentucky Ball Pays \$6 for matching two in exact order
- 3 – 1 – 4 – 2 3 Kentucky Ball Pays \$12 for matching two in exact order + KY Ball
- 3 – 1 – 4 – 2 4 Kentucky Ball Pays \$6 for matching two in exact order
- 3 – 1 – 4 – 2 5 Kentucky Ball Pays \$6 for matching two in exact order

If the winning numbers drawn were 5, 1, 4, 8 and Kentucky Ball 3, the player would match two in exact order on four of the plays, and two in exact order PLUS the Kentucky Ball on one play. The total prize won in this example would be \$36.

NUMBERS MATCHED	PRIZES WITHOUT THE KENTUCKY BALL	PRIZES WITH THE KENTUCKY BALL
4 in exact order	\$1,000	\$50,000
3 in exact order	\$40	\$8
2 in exact order	\$6	\$12
4 in any order	\$50	\$100
3 in any order	\$7	\$14
2 in any order	\$2	\$3
Kentucky Ball Only		\$2



# SECURITY UPDATE

Field investigators for the Lottery's Security Division cover each region of the Commonwealth, investigating lottery-related complaints and crimes.

**KEVIN NALLY**, the Eastern Regional Investigator, retired as a captain from the Kentucky State Police after 23 years of service. Through Kevin's various roles with KSP, he spent the majority of his career in investigative positions, undercover drug operations, the training academy and as the commander of the Special Response Team. Kevin has been the KLC Eastern Regional Investigator for the past 5 years and covers the Lexington and Prestonsburg Regional areas.



Western Regional Investigator **JEFF SURATT** also retired from the Kentucky State Police as a captain with 23 years of service. His KSP career included operational and investigative assignments throughout Central and Western Kentucky, finishing out his career as the commander of the Columbia Post. Jeff has been the Western Regional Investigator since 2016 and covers the Madisonville Region.



The Central Regional/Corporate Investigator is **TONY HAMMOND**. Tony served with two police departments in the Louisville area, retiring with 20 years of service from the Jeffersontown Police Department and with 10 years of service from the Louisville Metro Police Department. Tony's law enforcement career included several years in the patrol division, retiring as a district detective in the 7th Division with LMPD. Tony has been employed as the Central Regional/Corporate Investigator since April, 2018 and covers the Louisville Regional area.



The Kentucky Lottery Security Division is managed by **BILL HICKERSON**, Senior VP of Security, and Greg Baird, Manager of Security Operations.

Bill retired with 23 years of service from the former Jefferson County Police Department as a detective in the Violent Crimes Division and has been with the Kentucky Lottery for 21 years.



**GREG BAIRD** retired as a captain from the Kentucky State Police with 24 years of service, including operational and investigative assignments throughout the Commonwealth, undercover drug operations, Internal Affairs, Dignitary Protection and retiring as the commander of the Columbia Post. Greg has been employed by the Kentucky Lottery Corporation since 2012 and has been the Manager of Security Operations for 6 years.

Collectively, the Kentucky Lottery Corporation Security Division sworn investigators have a total of 152 years of investigative experience and training, and are available to assist retailers with lottery-related complaints at (502) 560-1804 during regular business hours and 1-800-937-8946 after hours and on weekends. If an investigator is not readily available, someone will return your call at our earliest convenience.

## ILLEGAL GAMBLING MACHINES COULD COST YOUR LICENSE

A recent raid by authorities in Casey County led to the confiscation of 22 machines described as "video poker and other electronic gambling devices".

You should be aware that it is a Class A misdemeanor to be in possession of a gambling device and, by law, a conviction related to operating illegal gambling machines will result in the loss of your retailer license.

The Lottery may terminate the Retailer License Agreement for violating the statutes and regulations governing lottery retailers, or for engaging in conduct that prejudices the public's confidence in the lottery or the integrity of the lottery. This means we can't continue to do business with retailers convicted of illegal gambling activity.

Also, a retailer's license may be suspended or terminated if it sells products or services that may be deceptively similar to or in competition with the KLC's products.

If Lottery security investigators are at your store and see products that appear to be electronic gaming machines or illegal gambling machines, we reserve the right to take further administrative action at our discretion.

If you have any questions about illegal gambling machines, we recommend that you seek legal advice.



Machines seized during raid by Casey County Sheriff's personnel. Courtesy of Casey Co. Sheriff's Office



# WINNERS WINNERS EVERYWHERE!

Over the course of four weeks, the Kentucky Lottery created SEVEN new millionaires! Here are just a few of their stories:



## ASHLEY EGGEN OF ELIZABETHTOWN - \$1,000,000 MEGA MILLIONS WON: OCTOBER 5, 2018; CLAIMED: OCTOBER 9, 2018

Ashley Eggen of Elizabethtown has dreamed of owning her own home. Now after winning \$1 million playing Mega Millions, she plans to do just that!

Eggen matched the five white ball numbers but not the Mega Ball to win the game's second prize from the October 5th drawing. On the morning of the drawing, Eggen purchased a single set of numbers for \$2. She chose the Quick Pick option, allowing the vending machine to pick them for her.

Eggen told lottery officials she doesn't usually check her tickets right away, but while waiting on her five-year-old son to get ready Saturday morning she decided to pull the winning numbers up on her laptop. "I normally look at the Mega Ball number first and saw that wasn't a match. But then I noticed where I had 28, then 27 and before I knew it, they all matched," Eggen said.

"I just sat there a minute. I thought, wait a second, that's a million dollars. I just started screaming," she said. Before she knew it, her son was screaming along with her.

The first person Eggen tried calling was her mom but was unable to reach her. "I noticed where I had seven missed calls from her. I thought for sure something was wrong," Eggen's mom, Gail said. When Eggen finally talked to her mom, she said, "You're never going to believe this, I just won \$1 million dollars!" "I'm so happy for her," Gail said.

The only thing Eggen wants is to buy a house for her and her son. "It just needs to have a basement and a porch," she said. Eggen's son has bigger plans. He told her he'd like it to have a pool. "When I hear of someone winning the lottery, I think, man they got lucky. I never thought I'd be sitting here," Eggen told lottery officials, as she waited to get her check.



## RONNIE PARKER OF DAWSON SPRINGS - \$1,000,000 MEGA MILLIONS WON: OCTOBER 16, 2018; CLAIMED: OCTOBER 17, 2018

Ronnie Parker, 65, of Dawson Springs, was working the morning he realized he was holding the Mega Millions ticket from the October 16th drawing worth \$1 million.

Parker, who helps his son-in-law Jeff with his towing service, was working a job where a semi-truck had overturned. He and Jeff were standing on the side of the road talking with a deputy sheriff when he told them someone in Madisonville had won a million dollars.

"The deputy asked me if I'd bought a ticket at Wicks." "I said, 'I sure did. I bought one ticket for \$2.'" The deputy sheriff pulled up the winning numbers on his phone and Parker discovered he was holding the winning ticket.

"We looked up and Ronnie was gone," Jeff told lottery officials. Parker had left to go check his ticket at the store where he had bought it. "Oh yeah, you've won it," the clerk told Parker after scanning the ticket. Parker then called Jeff and told him he was on his way back and that they were going to Louisville.

Parker doesn't have immediate plans for his winnings but told lottery officials that he lives paycheck to paycheck and that the extra money is really going to help. "I'm happy because I know I've got it," he said.

"I'm tickled to death," Parker said.



## LEXINGTON WOMAN - \$1,000,000 POWERBALL

WON: OCTOBER 17, 2018; CLAIMED: OCTOBER 22, 2018

While on her lunch break, a Lexington resident who wished to remain anonymous went to the Minit Mart on Leestown Road for a Powerball ticket. She later heard had sold a million-dollar winning ticket. "I bought my ticket there," she said.

She then took her ticket out of her purse, pulled the winning numbers up on her phone, and discovered she'd matched the five white ball numbers and won \$1 million!

"I wanted to tell everyone in the restaurant that I'd won," she said. "I was so excited." She thought better of it and began making plans to claim her prize.

"I never win anything. This is surreal. It feels like a dream," she told lottery officials, when asked about winning.



## ROBYN ZAPP OF JEFFERSONVILLE, IN & NIKKI WOLF OF CRESTWOOD - \$1,000,000 POWERBALL

WON: OCTOBER 24, 2018; CLAIMED: OCTOBER 26, 2018

Robyn Zapp, of Jeffersonville, Indiana, had been staying with her daughter, Nikki Wolf, while having renovations done on her house.

During the recent run, Robyn had given Nikki \$20 to buy Powerball and Mega Millions tickets. "I would go to the same store to buy the tickets," Nikki said. "I thought it might be lucky," she said. On Thursday morning, after the Powerball drawing, Nikki texted her mom. Here are how the text messages between she and her mom read:

Nikki: "Somebody in Crestwood won a million dollars!"

Robyn (mom): "Oh @#\$%, let me check."

Mom: OMG! Do not say anything, we won a million dollars, and this is not a joke."

"It's life changing," Nikki said. She and her husband have been working towards finishing their basement. "It's been my dream," she said. As for Robyn, she would like to travel and maybe take a trip to New York City.



## RADCLIFF MAN - \$1,000,000 POWERBALL

WON: OCTOBER 27, 2018; CLAIMED: NOVEMBER 2, 2018

"I had a panic attack. I thought I was going to have a heart attack," he told lottery officials, after finding out he was holding a \$1 million ticket.

"I usually play quick pick but since it was \$750 million, I thought, 'why not try my own numbers,'" he said. "To think I've been driving around with this ticket under the visor of my vehicle is crazy," he said.

His wife wasn't convinced they'd won until they turned the Powerball ticket over to lottery officials. "I still can't believe it," she said. "This is perfect, I'm happy," he said.

## Here are just a few of our other recent winners!

Chris Goodwin



Deborah Lanham



Douglas Browning  
Power Cruise Winner



Gregory Powell



Jamie Dunn



John Petitt



Julie Shrout



Patrick Lambert



Richard Mulders



Steven Leonard





# REGIONAL SPOTLIGHT

## LOUISVILLE SPOTLIGHT

Inventory management will be the key focus for Louisville in the upcoming months. We have partnered with Scientific Games to optimize inventory efficiency (SEE PAGE 6). Our team has committed to placing every retailer on a manageable plan-o-gram to showcase the state's top 25 selling games. We have seen a trend of decreased stale inventory in locations that follow these game-specific plan-o-grams.

The region will also look to heighten winner awareness – we've had several \$1,000,000 winners! We are also focusing on indoor/outdoor banner placement to heighten player awareness. The Louisville region has also expanded our footprint with the utilization of cold vault banners.

The Louisville region is also focusing on swift new game activations to increase sales. Sales trends have proven that retailers who activate new games upon arrival typically need reorders within three days. This leads to increased sales for our committed retailers. Our team takes pride in educating the retailers on the benefits of early activations.



Liquor Land in Louisville recently sold a Lucky for Life ticket worth \$25,000 a year for life. Gaurav Patel and Pulkit Patel proudly hold their bonus check for selling the big ticket!

**Top 3 retailers in Louisville Region, scratch sale percentage increase Q1 FY19 vs. Q1 FY18**

- #1: 019819-LIQUOR BARRELL
- #2: 013279-FAIRFIELD GROCERY
- #3: 098908-FAST LANE TOBACCO 319



Jennifer at Kroger L-400 in Louisville is keeping her eight-game display at the counter full and on plan-o-gram.



Liquor World #5 in Shelbyville is working to grow their sales and recently increased their dispenser count. Owners Sunil and Shilpa Patel love to display lottery POS both inside and outside the store.



Hiren Patel, one of the owners at Lee's White Lightning in Mt Washington, double faces his games and activates new Scratch-offs the first day of launch. His sales are up 36%!



Mohammad at Germantown Smoke and Craft has seen a 76% sales growth after adding a Gemini. He attributes his success to the confidence and confidentiality that the machine provides to the players.



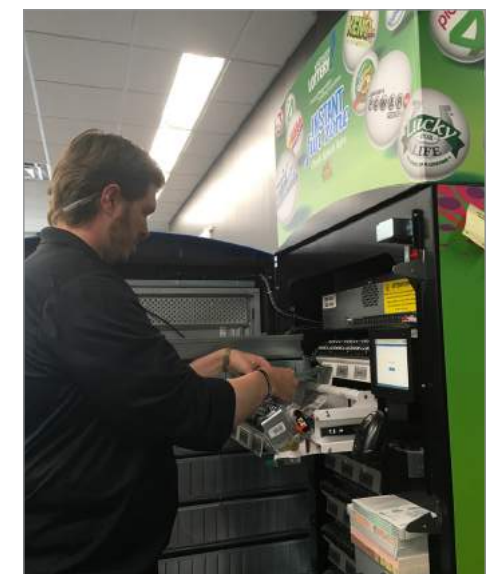
Shirron at Kroger L-327 in Louisville is keeping both Geminis full and set to plan-o-gram. This has resulted in a 52% increase in sales from last year and game availability for all lottery customers.



Cox's Smokers Outlet #18 in Louisville was ready for the holidays. Paige reset her Gemini to the new holiday plan-o-gram.



Joe Pereira, Manager, and Lead Assistant Marlea Pierce, at Speedway #9392 in Louisville are shown with their local favorites tower. It's used to display games that are not currently in their plan-o-gram but still popular with customers.



Mike at Thornton's #163 in Louisville is training on his brand-new Gemini Touch.



# BLUEGRASS SPOTLIGHT

The first half of the fiscal year was an exciting one with the \$1.5 billion Mega Millions jackpot - and if that wasn't enough, the \$687 Million Powerball jackpot! The Bluegrass Region retailers did a fantastic job activating new games, promoting the jackpots and keeping their dispensers and vending machines full. Our goal for the 2nd half of the year is to celebrate our 30th anniversary with a new \$30 Break Ft. Knox ticket and family of games, and to continue educating our retailers on how important it is to keep dispensers and vending machines full, keeping proper inventory so they don't run out of games and sticking with their plan-o-gram.

We have a lot of new faces in the Bluegrass Region for the first time in 30 years, and they are willing and able to help you in any way they can (SEE PAGE 29). They are armed with your specific sales information, will go over your business review on a regular basis, and will work with you on a plan to increase your sales and help you generate more revenue!



Redi Mart #5 in Lawrenceburg celebrates selling a \$10,000 Mega Millions ticket. Pictured left to right are Kim, Kathy and Kristen.

**Top 3 retailers in Bluegrass Region, scratch sale percentage increase Q1 FY19 vs. Q1 FY18**

**#1: 019501-ALL STAR**

**#2: 019558-YELLOW ROSE**

**#3: 015336-FAST LANE TOBACCO 306**



Andover BP in Lexington shows off their new Mega Millions/Powerball banner they hung during the large jackpot run.



Deters & Daughters Liquor in Fort Wright held their annual Scratch Out Cancer Fundraiser in October in memory of KLC sales rep Jennifer Vastine. Pictured are sisters - Jennifer Deters, Rose Merritt and Pauline Hon.



Mandie credits Bluegrass Discount Tobacco in Falmouth's success with lottery on their huge selection of Scratch-off games. They have 60 dispensers, always full of the best games.



While installing the new Gemini Touch at Speedway #9210 in Richmond, District Manager Bruce Whitaker stopped in for a visit while traveling through for a meeting.



Karen Mali, manager, at River Bend BP in Frankfort is always looking for ways to increase sales. She is adding 10 more games, so they can double up on games and keep all the local favorites.



Patty Sanders at Joe's Food Mart in Nicholasville loves serving up hot food and selling lottery tickets. Sales are up 11% with 98 choices of tickets to play!



Owner Komel Patel at Southern Hills Food Mart in Richmond loves displaying her tickets and winners.



Jimmy at Kroger L-784 in Lexington is showing players the new \$10 Powerball and Mega Millions gift cards that are available at all Kroger stores.



Ravi and Komal Patel of Liberty Shell in Liberty say sales have been great and out of stocks are at a minimum since going with automatic order.



Leeann Walls and her son Ty at Eubank Valero in Pulaski County love showing off their great looking display of dispensers. They have increased Scratch-off sales 21% on 13-week average.



# EASTERN SPOTLIGHT

Hundreds of retailers in Eastern Kentucky are maximizing their profits in FY19. How are they doing it? Each quarter, they're achieving all of the markers required to be a successful KLC retailer:

- Selling a minimum of 24 or more games at retail including at least 8 games on the counter
- Following plan-o-gram
- Placing at least one game-specific point-of-sale item
- Having 10% or less in out-of-stocks when LSR arrives at your store
- Activating new games by Wednesday of launch week

The Eastern Region's reps are armed with all of the necessary tools to help you succeed - a truckload of colorful signage to hang inside and outside your store, your sales history and a business review specifically for YOUR store, and years of experience making YOU money selling lottery tickets!

This New Year, let's resolve to keep those dispensers full and on plan-o-gram with all of the best-selling games. If we do, the Eastern Region could be #1 again!!!



Sherri, manager of Minit Mart #657 in London, was really excited about the combined \$1 Billion jackpots.

**Top 3 retailers in Eastern Region, scratch sale percentage increase Q1 FY19 vs. Q1 FY18**

**#1: 027904-BROCK'S MARKET**

**#2: 019119-IRVINE FOOD MART**

**#3: 013727-GO TIME 2**



LSR Clint Mills gave Village Market in London a dispenser makeover. He reduced their dispenser count from 48 to a 24-game plan-o-gram with a 4-game tower of local favorites. Scratch-off sales have already increased 10%!



Clerk Brandi, Manager PJ, and Clerk Jordan at Racer's Food Mart #4 in Olive Hill wearing their (huge!) jackpot stickers.



For a school project, high school student Alex Maxwell produced an impressive video interview with retailer Sam Habash and his son Salem about their popular Mt. Sterling convenience store and diner.



Adding 12 games + moving tickets to front counter + following plan-o-gram = INCREASED SALES AND COMMISSIONS! Sales increased 55% for Mona and Mark Vice at Vice's Corner Market in Carlisle.



Kasyap Patel from Quick Mart #3 in Paintsville enjoyed the excitement from the \$1.6 Billion Mega Millions jackpot. Store manager Danny Patel wore jackpot stickers and made sure the jackpot signs were updated.



Big jackpot mania was enjoyed at Morehead Shell. Pictured are Clerk Crystal, Manager Jessica, and Clerk Sabrina.



Murphy USA #7061 in Hazard reminded gas customers to come in to buy Powerball and Mega Millions tickets!



No one has to ask, "What's the jackpot?" at The Extra Mile in Pikeville! Donita and Ashley pose under the digital jackpot sign while wearing jackpot stickers.



Renee, manager of South #1 Double Kwik in Pikeville, sold lots of Mega Millions tickets! Pictured (standing) left to right: Becca, Trish, Jessica, & Charlotte; Manager Renee is kneeling.



# WESTERN SPOTLIGHT

The Western Region has been having a lot of winners lately! During Q2 in just three weeks we had three winners of \$1 million dollars in Radcliff, Elizabethtown and Madisonville. Those were exciting times and it was great celebrating with the retailers and the winners. It is always good to know that we are changing someone's life by them winning that kind of prize.

The sales reps in our region are continuing to step it up by giving the retailers quality, game-specific point-of-sale items such as pole wraps, dispenser cards, danglers, counter mats, window clings and much more.

We're excited at the growth we're seeing in Scratch-offs for the region. The minute we went to game specific plan-o-grams, the growth has been great - and you're seeing it in your retailer incentive checks. The stores that are seeing significant growth are both chain accounts and independents, large and small. One key the sales reps are continuing to communicate to each retailer is how it is best practice for growth to maintain plan-o-gram and out of stocks.

All of us in the Western Region are committed to do what it takes to drive sales for retailers in our region so we can deliver more "dollars for scholars"!



Colby Bryant has made big changes since becoming manager of Minit Mart 515 in Bowling Green. Scratch-offs were moved from the back counter to the front and are kept full and on plan-o-gram.



MAA UMIYA is a new retailer in Hopkinsville. They carry 40 games and keep their dispensers full. They also understand the importance of point of sale and the plan-o-gram.

**Top 3 retailers in Western Region, scratch sale percentage increase Q1 FY19 vs. Q1 FY18**

**#1: 019849-HUNTERS 1 STOP**

**#2: 017320-DAILY'S #3060**

**#3: 019860-62 STOP N SHOP**



Samantha and Vic from 101 Lotto in Oak Grove are great lottery partners, understanding the importance of new game activations and out of stocks. They carry 88 games on the counter and have a 28-game Gemini.



Quality Quick #9 in Henderson is promoting player awareness at their store by displaying the new holiday games on outdoor signage.



Matt Mudd, manager of Minit Mart 520 in Bowling Green, moved his tickets to the front counter and made other changes that led to a 35% sales increase in Scratch-off tickets!



George and Mike Patel, son and father owners of Ky Chek Mart 11 in Mayfield, showcase their new Gemini touch vending machine. George works hard to make sure out of stocks average less than 1% and sales are up!



Kim, Heather and Nerissa, all shift leaders, proudly show off their display at Minit Mart 543 in Mayfield. They added a vending machine and their instant sales are up 46%.



Manny of Manny Mart in Radcliff received a bonus check for always keeping his dispensers and vending machine full and on plan-o-gram.



Owner Jay Patel of Country Cupboard #6 in Henderson created "High Jackpot" awareness by advertising the Powerball & Mega Millions jackpots on his outdoor signage.



Tiffany and Andy at the Neighborhood Market in Elizabethtown are celebrating a \$1,000,000 Mega Millions ticket sold at their store.



Eagles on Triplet in Owensboro is excited to receive a large bonus check. Their sales continue to grow and so do their bonus checks. They are always a top performer on reducing out of stocks.



In Owensboro, IV Eagles' Priya Lalwani worked diligently to get their display 100% compliant with their plan-o-gram and the store rearranged for a new lottery vending machine.

**THE QUARTER: BEST PHOTO**

Congratulations to Garrett Trabue, winner of the best photo contest for his shot from Vine Grove!



Jeff, assistant manager, at Ideal Market #6 in Madisonville was excited to see his photo on the back of The Quarter Magazine.



Tonya at Minit Mart in Brownsville gets her customers in the holiday spirit by decorating the Gemini and placing scratch-off gift envelopes on the tree.



Dilip, Shilpa and Harry of Warren's Vine Grove Food Mart in Vine Grove are celebrating a \$100,000 5 Card Cash nightly draw ticket that was sold at their store.



Lotto Xpress in Guthrie has a wall displaying the big winners on the 100X the Cash Scratch-off game. Christina Johnson shows off oversized tickets they use to decorate around the store.



Manager Megan Hunley has lowered Exxon in Kuttawa's out of stocks from 20% to below 4%. As a result, Scratch-off sales are up 25%.



Brandi Birge, manager at Minit Mart 517 in Cave City, has increased sales at her store by following the plan-o-grams and decreasing her out of stocks by keeping her vending machine full.



RVS Market in Russellville has a new display with a clean, uncluttered look. Front and center are 40 of the KLC's finest games. Bob Patel (Uncle Bob) is proud of his store's new setup.





# RETAILER SPOTLIGHT PIKEVILLE DOUBLE KWIK

Corey Stump, manager of the Pikeville Double Kwik, realizes you can't make money on empty dispensers and his goal is to always keep them full for his customers.

For this issue we traveled to far eastern Kentucky. We spoke with lottery regional manager Ann Damron about the Pikeville Double Kwik. "This store is just magnificent," Ann gushes. She says Double Kwik has come a long way with lottery sales in their stores. "We really worked hard to get the chain on board with the plan-o-gram, keeping the Gemini and dispensers full and with point of sale visible to players. They now allow us to put signs outside and they never had before. They've really made an effort in their partnership with us," Ann said.

Here's what store manager Corey Stump had to say:

### What do you do to increase lottery sales?

We are conscious of out of stocks – we make sure our dispensers and vending machine are full. I check the vending machine at least once a day. I'm off on the weekends so I'll tape packs together so we don't run out of games over the weekend.

One of the biggest things for me though is communication with my sales rep. I let her know if I need something to get me through until my order comes or if I need something picked up. We really work together, and it creates a great partnership and great sales for my store.

### What makes your store stand out?

I think it's our commitment to customer service. Also, our food - the freshness and quality. We also have a new coffee guarantee. All of these bring customers into the store and not just staying at the pump.

### Why is the lottery important to you?

You can't make money on empty dispensers. My goal is to get below 1% in out of stocks. And I'm always in compliance with the plan-o-gram. If a new one comes out on Sunday, I come in on my day off and change it out. It's that important to me. The best way to get ahead is to get started.



**"The best way to get ahead is to get started."**

Corey Stump,  
Pikeville Double Kwik Manager

# NEW FACES



**TRAVIS DAY**  
Louisville Region  
Lottery Sales Representative



**MICHAEL HAYDEN**  
Western Region  
Lottery Sales Representative



**TELISA REID-RECH**  
Bluegrass Region  
Lottery Sales Representative



**TRACY FRENCH**  
Bluegrass Region  
Lottery Sales Representative

## NEW LEADERSHIP IN SALES AND MARKETING DEPARTMENTS

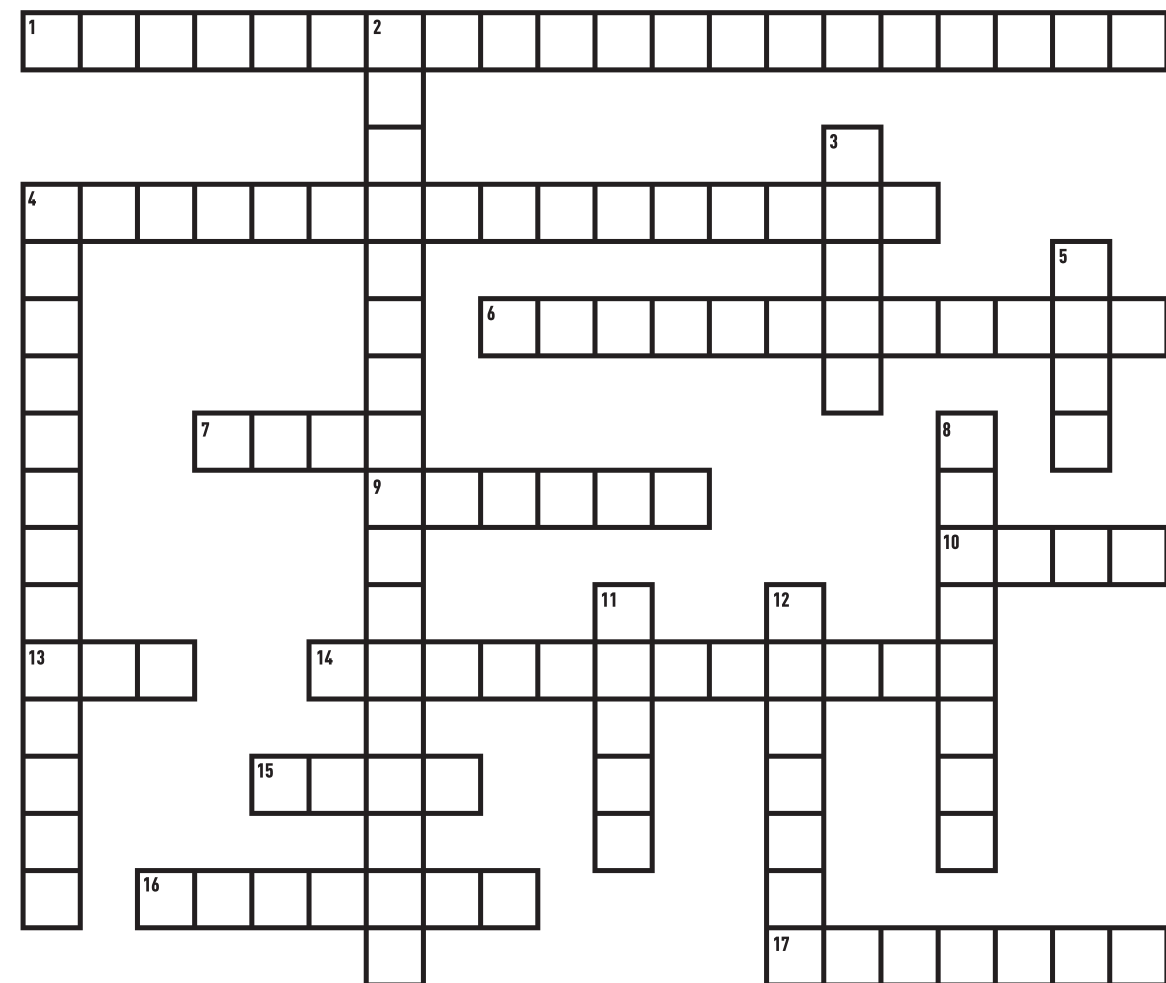
Mike Purcell has joined the KLC team as senior vice president of Sales and Marketing. He will be responsible for Sales, Marketing, Product, and Research, and will be a key member of the senior leadership team.

Mike has a strong lottery background, beginning with the Virginia Lottery and continuing to Florida where he started as Tampa district manager. He was promoted to Florida's director of sales in 2015 and deputy secretary of sales in 2017. In Florida, Mike worked closely with research, product development, marketing and sales. Under his leadership, sales continued to grow and new records were set. We look forward to the contributions Mike will make in Kentucky.





# CROSSWORD PUZZLE

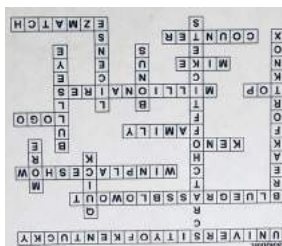


## ACROSS

- 1 This school awarded 14,052 scholarships totalling \$26,627,247 provided by lottery proceeds.
- 4 This favorite \$10 ticket is getting a makeover in March.
- 6 New lottery draw game based on live horse racing.
- 7 3rd best seller in KY Lottery products behind Scratch-offs and Pick 3.
- 9 "X the Cash": Upcoming \_\_\_\_\_ of games.
- 10 To help launch 30 years of winning in KY, we now have a new \_\_\_\_\_.
- 13 The \_\_\_\_\_ prize for the new \$30 Scratch-off is \$3 million!
- 14 The KLC created seven new \_\_\_\_\_ in four weeks!
- 15 New Senior VP Sales & Marketing
- 16 Vice's Corner Market moved tickets to the front \_\_\_\_\_ and increased sales 55%!
- 17 New add-on feature for Kentucky Cash Ball 225 beginning in May.

## DOWN

- 2 Everyone's favorite holiday gift.
- 3 Match all 4 out of 31 numbers and win \$50,000 playing Kentucky's \_\_\_\_\_ Bucks.
- 4 New \$30 game starting 2/23/19.
- 5 Lottery customers spend 65% \_\_\_\_\_ in convenience stores than non-lottery customers.
- 8 New Keno add-on feature.
- 11 If you sell one of the FOUR top prizes on Break Fort Knox, your store receives a \$30,000 \_\_\_\_\_.
- 12 Possession of a gambling device is a class A misdemeanor and, if convicted, will result in the loss of your retailer \_\_\_\_\_.



# PETE'S PERSPECTIVE

2018 was an INCREDIBLE year – it was one for the record books for sure:

- Mega Millions and Powerball each gave us fantastic October jackpots which - along with a huge Scratch-off sales month - shattered our previous monthly sales record.
- Extra vending machines deployed allowed even more retailers to supplement their counter with 24 or more games for player convenience.
- Scientific Games took over our ticket ordering system and helped drive double digit sales growth this fall.
- Holiday game sales reached a new high in sales and player enjoyment.

The Kentucky Lottery turns 30 in April 2019. My tenure at this fantastic company started 30 years ago in March 1989 – about one month before we sold our first ticket. As a company, we are commemorating 2019 as our 30th anniversary year with lots of activities and celebrations. We have even modernized our company logo. Lots of news is sure to come – including many more reasons to celebrate in our next retailer magazine.

For you, there is much to celebrate already! Whether you've been a retailer for 3 months or 30 years, there has never been a better time to sell Kentucky Lottery tickets. Scratch-off tickets sales are better than they've ever been with a fantastic variety of games and the blockbuster news of our \$30 Scratch-off ticket to commemorate our 30th year. Draw games will continue to shine as we introduce new options to some of our favorite games and launch some new games for players to enjoy. These enhancements will continue to drive customers into your stores which will grow sales and drive profits.

Exciting times, for sure. Let's continue to work together to Fuel Imagination and Fund Education!

Powerball Pete Ramsey

*Power Ball Pete* 😊  
VP of Sales







## HOW'D THEY DO IT?

**“Our sales rep recommended we move tickets to our front counter. This helped us grow sales by 55%!”**

*- Mona Vice, Vice's Corner Market, Carlisle*