



A WORLD OF POSSIBILITIES

Proposal to the Texas Lottery Commission

• FOR LOTTERY OPERATIONS AND SERVICES •

Technical Proposal for RFP No.: 362-10-0001 • June 30, 2010 • COPY

BOOK 1 OF 4

A WORLD OF POSSIBILITIES

PRINTED PRODUCTS • LOTTERY SYSTEMS
DIVERSIFIED GAMING



**TEXAS
LOTTERY**

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Texas Lottery Commission

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Lottery Operations and Services

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Technical Proposal



SCIENTIFIC GAMES®



TEXAS LOTTERY

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TEXAS LOTTERY

ELECTRONIC MEDIA





ELECTRONIC MEDIA

In accordance with RFP Section 2.8.8, Scientific Games provides behind this page one copy of the text portion of its Technical Proposal, excluding the Cost Proposal, on a compact disk in a searchable PDF file.

In addition, the following CDs/DVDs are also provided:

- Supplemental Documentation for **Parts 4, 6, 7, and 10**
- Pennsylvania Lottery Conversion DVD as referenced in **Section 4.2.1** and **Section 10.1.2.1**
- Financial Information as required by RFP Section 4.7.1.1
- Sample Training Material as referenced in **Section 6.8.2.7** and **Section 7.12.0.4**
- Training Manuals and QRCs as referenced in **Section 6.8.2.7** and **Section 7.12.0.4**
- Reports Specification Catalog
- WAVE™ Demonstration as referenced throughout **Section 7.12**
- Scientific Games' Online Game Library Portfolio and Second Chance Promotional Game Samples as referenced in **Section 7.2.1.3**



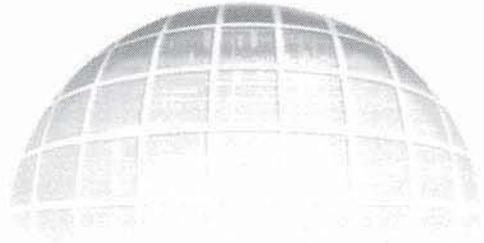
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TEXAS LOTTERY

OPTIONS MATRICES





OPTIONS MATRICES

To provide the Texas Lottery with a lottery gaming system that has the features and functions that truly fit its needs, our Texas Account Team has met often in the past year to discuss options they believe would be useful to your lottery jurisdiction. Over the course of those meetings, they created an options package customized for the Texas Lottery.

The end results are the Options Matrices presented on the following pages. These are the options that Scientific Games believes will enhance your day-to-day operations and help generate more revenue for your beneficiaries.

The Options Matrices are separated into three Tables:

1. Specified Options offered in response to products or services noted as such in the RFP. Scientific Games understands that a Specified Option must be proposed by the Proposer; however, the Texas Lottery does not commit to any quantity or timing for acquisition of a Specified Option. A Proposal may be rejected if a Specified Option is not included.
2. Invited Options are noted in the RFP as being of specific interest to the Texas Lottery. We understand, however, that the Texas Lottery makes no commitment to any quantity or timing for acquisition. The Proposer is not obligated to include an Invited Option in the Proposal.
3. Offered Options that our Texas Account Team believes will be of significant interest to the Lottery management staff as well as valuable tools that will help you better serve the citizens of Texas. Scientific Games understands that the Texas Lottery in the RFP makes no commitment to quantity or timing for acquisition of Offered Options. A Proposer is not obligated to include an Offered Option in the Proposal.



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GLOSSARY



GLOSSARY OF ACRONYMS AND ABBREVIATIONS



The following glossary defines all acronyms and abbreviations used in the Scientific Games' Technical Proposal.

ACRONYM/ ABBREVIATION DEFINITION

ACD	• Automatic Cell Distribution	
ACH	• Automated Clearing House	
AD	• Active Directory	
ADDIE	• Analysis, Design, Development, Implementation, and Evaluation	
ADM	• Automated Drawing Machine	Information Redacted
	•	§552.101/466.022/552.139
AES	• Advanced Encryption Standard	
API	• Application Program Interface	
APR	• Acoustic Pulse Recognition	
ASQ	• American Society for Quality	
ATM	• Asynchronous Transfer Mode	
AWP	• Amusement-With-Prize	
AWPS	• Average Weekly Packs Sold	
BC/DR	• Business Continuity/Disaster Recovery	
BCLC	• British Columbia Lottery Corporation	
BCP	• Business Continuity Plan	
BIA	• Business Impact Analysis	
BICSI	• Building Industry Consulting Service International	
BOL	• Bill of Lading	

GLOSSARY OF ACRONYMS

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ACRONYM/ ABBREVIATION	DEFINITION
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
CAB	• Change Advisory Board
CAD	• Computer Aided-Design
CBN	• Canadian Bank Note
CCDA	• Cisco Certified Design Associate
CCDP	• Cisco Certified Design Professional
CCM	• Change Control Management
CCNA	• Cisco Certified Network Associate
CCNP	• Cisco Certified Network Professionals
CCSP	• Cisco Certified Security Professionals
CCTV	• Closed Circuit Television
CCVP	• Cisco Certified Voice Professional
CDMA	• Code Division Multiple Access
CFE	• Communication Front End
CIO	• Chief Information Officer
CIS	• Contactless Image Sensor
CLC	• Connecticut Lottery Corporation
CLN	• Consorzio Lotterie Nazionali
CLR	• Certified Lottery Retailer
CMN	• Capability Maturity Model
CONEG	• Coalition of Northeast Governors
COO	• Chief Operating Officer
CPM	• Certified Purchasing Manager
CPU	• Central Processing Unit

ACRONYM/ ABBREVIATION DEFINITION

CRC	• Cyclic Redundancy Check
CSL	• China Sports Lottery
CSLP	• China Sports Lottery Printing, Ltd.
CSP	• Cooperative Services Program
CSQE	• Certified Software Quality Engineer
CSR	• Customer Service Representative
CSSGB	• Certified Six Sigma Green Belt
CSTE	• Certified Software Technical Engineer
CSV	• Comma Separated Value
CTO	• Chief Technology Officer
DCA	• Data Centers of the Americas
DETL	• Data Extraction, Transformation, and Loading
DIOH	• Day of Inventory on Hand
DMZ	• Demilitarized Zone
DRAM	• Dynamic Random Access Memory
DSL	• Digital Subscriber Line
DSR	• Dispatch Services Representative
e-CSP	• e-Cooperative Services Program
EFT	• Electronic Fund Transfer
EIS	• Executive Information System
EMC	• Emerging Market Council
EPOH	• Estimated Packs on Hand
ESD	• Educational Services Department
ESN	• Equipment Serial Number
EST	• Electronic Scratch Tickets

GLOSSARY OF ACRONYMS

ACRONYM/ ABBREVIATION

DEFINITION

EVDO	• Evaluation, Data Only	
FIFO	• First-In-First-Out	
FSC	• Forest Stewardship Council	
FST	• Field Service Technician	
FTP	• File Transfer Protocol	
GAAP	• Generally Accepted Accounting Principles	
GAAS	• Generally Accepted Auditing Standards	
GLI	• Gaming Laboratories International	Information Redacted
	•	\$552.101/466.022/552.139
GMU	• Global Management Utility	
GPS	• Global Positioning System	
GPS	• Global Position Satellite	
GSA	• Gaming System Architecture	
GUI	• Graphical User Interface	
HDI	• Help Desk Institute	
HDTV	• High Definition Television	
HP	• Hewlett-Packard	
HTTP	• Hypertext Transfer Protocol	
HUB	• Historically Underutilized Business	
HVAC	• Heating, Ventilating and Air Conditioning	
ICMP	• Internet Control Management Protocol	
ICS	• Internal Control System	
IDS/IPS	• Intrusion Detection System/Intrusion Prevention System	
IEEE	• Institute of Electrical and Electronic Engineers	
IETF	• Internet Engineering Task Force	

ACRONYM/ ABBREVIATION DEFINITION

IOS	• Cisco Internetwork Operating System
IP	• Internet Protocol
IPSEC/VPN	• Internet Protocol Security/Virtual Private Network
ISACA CGEIT	• Certified in the Governance of Enterprise IT
ISACA CISA	• Certified Information Systems Auditor
ISACA CISM	• Information Systems Audit and Control Association Certified Information Security Manager
ISC2 CISSP	• International Information Systems Security Certification Consortium, Inc. Certified Information System Security Professional
ISFCE CCE	• International Society of Forensic Computer Examiners Certified Computer Examiner
ISO	• International Organization for Standardization
ISO/IEC	• International Organization for Standardization/International Electrotechnical Commission
ISR	• Integrated Service Router
ISR	• Inside Sales Representative
IT	• Information Technology
ITIL	• Information Technology Infrastructure Library
ITSM	• Information Technology Service Management
ITVM	• Instant Ticket Vending Machine
IVR	• Interactive Voice Response
J2ME	• Java-Enabled Phones
KPI	• Key Performance Indicators
LAN	• Local Area Network
LC	• Lane Controller
LCD	• Liquid Crystal Display
LCG	• Linear Congruential Generator
LEC	• Local Exchange Carrier

GLOSSARY OF ACRONYMS

ACRONYM/ ABBREVIATION

DEFINITION

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	<ul style="list-style-type: none"> • [Redacted]
	<ul style="list-style-type: none"> • [Redacted]
	<ul style="list-style-type: none"> • [Redacted]
LMR	<ul style="list-style-type: none"> • Lottery Marketing Representative
LMR	<ul style="list-style-type: none"> • Lottery Marketing Representative
LMS	<ul style="list-style-type: none"> • Learning Management System
	<ul style="list-style-type: none"> • [Redacted]
LSR	<ul style="list-style-type: none"> • Lottery Sales Representative
LTVM	<ul style="list-style-type: none"> • Long-Term Video Monitoring
MCDBA	<ul style="list-style-type: none"> • Microsoft Certified Database Administration
MCP	<ul style="list-style-type: none"> • Microsoft Certified Professional
MCSE	<ul style="list-style-type: none"> • Microsoft Certified Systems Engineers
MHEW	<ul style="list-style-type: none"> • Multi-Hand Easy Win
MIB	<ul style="list-style-type: none"> • Management Information Base
MIEE	<ul style="list-style-type: none"> • Membership of the Institute of Electrical Engineers
MMS	<ul style="list-style-type: none"> • Multimedia Message
MOM	<ul style="list-style-type: none"> • Microsoft Operations Manager
MPLS	<ul style="list-style-type: none"> • Multi-Protocol Label Switching
MRI	<ul style="list-style-type: none"> • Mediamark Research Incorporated
MSLA	<ul style="list-style-type: none"> • Maryland State Lottery Agency
	<ul style="list-style-type: none"> • [Redacted]
MSR	<ul style="list-style-type: none"> • Magstripe Reader
MTBF	<ul style="list-style-type: none"> • Meantime Before Failure
MUSL	<ul style="list-style-type: none"> • Multi-State Lottery Association
NACS	<ul style="list-style-type: none"> • National Association of Convenience Stores

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ACRONYM/ ABBREVIATION DEFINITION

NAICS	• North American Industry Classification System	
NAID	• National Association for Information Destruction	
NASPL	• National Association of State and Provincial Lotteries	
NCM	• Network Configuration Management	
NDC	• National Data Center	
NFPA	• National Fire Protection Association	
NMC	• Network Management Center	
NMS	• Network Monitoring System	
NOAA	• National Oceanic and Atmospheric Administration	
NOC	• Network Operations Center	
NPM	• Network Performance Monitors	
NRC	• National Response Center	
NRO	• National Rollout Office	
NSI	• NASPL Standards Initiative	
NTP	• Network Time Protocol	Information Redacted §552.101/466.022/552.139
	•	
OCR	• Optical Character Recognition	
ODBC	• Open Database Connectivity	
ODU	• Optical Data Unit	
OEM	• Original Equipment Manufacturer	
OGT	• Oberthur Gaming Technologies	
OLAP	• Online Analytical Processing	
OLEDB	• Object Linking and Embedding, Database	
OLGC	• Ontario Lottery and Gaming Corporation	
OMR	• Optical Mark Reader	

GLOSSARY OF ACRONYMS

ACRONYM/ ABBREVIATION	DEFINITION
OS	• Operating System
PACS	• Physical Access Control System
PAS	• Process Automation System
PAT	• Player Activated Terminals
PCI	• Payment Card Industry
PCI DSS	• Payment Card Industry Data Security
PDC	• Primary Data Center
PDCA	• Plan-Do-Check-Act
PDU	• Power Distribution Unit
PIN	• Protected Identification Number
PLU	• Price Look Up
PM	• Preventive Maintenance
PMBOK	• Project Management Body of Knowledge
PMI	• Project Management Institute
PMO	• Project Management Office
PMP	• Project Management Professional
POS	• Point-of-Sale
PPSF	• Product Per Square Foot
PRC	• People's Republic of China
QA	• Quality Assurance
QAI	• Quality Assurance Institute
QC	• Quality Control
QDC	• Quantum Data Center
QMS	• Quality Management System
QOS	• Quality of Service

GLOSSARY OF ACRONYMS

ACRONYM/ ABBREVIATION	DEFINITION
QRC	• Quick Reference Cards
QRG	• Quick Reference Guide
RAFT	• Reporting At Your Fingertips Dashboard
RCC	• Retailer Care Center
RCS	• Retailer Care Specialist
RD	• Regional Operations Director
RDB	• Relational Database
RFA	• Request for Action
RFC	• Request for Change
	•
RNG	• Random Number Generator
ROHS	• Restriction of Hazardous Substances
ROI	• Return On Investment
RPMM	• Remote Power Management Model
RSS	• Really Simple Syndication
RST	• Retailer Service Technician
RTM	• Requirements Traceability Matrix
SAS	• Statement of Auditing Standards
SAW	• Surface Acoustic Wave
SC	• Store Controller
SCGZ	• Second Chance Game Zone
SDLC	• Software Development Life Cycle
SFTP	• Secure File Transfer Protocol
SGR	• Scientific Games Racing
SIC	• Standard Industry Code

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GLOSSARY OF ACRONYMS

ACRONYM/ ABBREVIATION

DEFINITION

SIT	• System Incident Tracking
SLA	• Service Level Agreement
SMS	• Short Messaging Service
SNMP	• Simple Network Management Protocol
SOAP	• Simple Object Access Protocol
SONET	• Synchronous Optical Network
SRAM	• Static Random Access Memory
SRS	• System Requirements Specification
SVM	• Secure Visitor Management
SWP	• Skill-With-Prize
TCP	• Transmission Control Protocol
	•
	•
TLC	• Texas Lottery Commission
TMO	• Transition Management Office
TPC-C	• Transaction Processing Performance Council
TPM	• Transactions Per Minute
TPS	• Telecommunication Provisioning Services
TPSS	• Total Physical Security Solution
TRCC	• Texas Retailer Call Center
TSR	• Technical Support Representative
TTY	• Text Telephone
TVM	• Ticket Vending Machine
TXE	• Transaction Engine
UAT	• User Acceptance Testing

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ACRONYM/ ABBREVIATION DEFINITION

UDDI	• Universal Description Discovery and Integration
UDP	• User Datagram Protocol
UPC	• Unique Product Identifier Code
UPS	• Uninterrupted Power Supply
USB	• Universal Serial Bus
USP	• Unique Selling Premises
VDS	• Version Distribution System
VDS	• Virtual Download System
VGA	• Video Graphic Array
VLAN	• Virtual Local Area Network
VPN	• Virtual Private Network
VSAT	• Very Small Aperture Terminal
VSC	• Video Spectral Comparator
WAN	• Wide Area Network
WBS	• Work Breakdown Structure
WML	• Extensible Markup Language
WSRP	• Web Services for Report Ports
XML	• eXtensible Mark-up Language

GLOSSARY OF ACRONYMS

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TEXAS LOTTERY

ATTACHMENTS





ATTACHMENTS

Scientific Games understands that all attachments and appendices listed in the RFP Table of Contents, and all materials provided to a prospective proposer pursuant to the non-Disclosure Statement required under RFP Section 2.4 are incorporated into and expressly made a part of this RFP.

Based on the RFP, subsequent RFP amendments, and answers to questions in Rounds 1 and 2, only Attachment A (Proposer's Commitment), Attachment B (Financial Commitment and Responsibility), and Attachment D-1 (Background Information Certification) are required to be completed and submitted with this Technical Proposal. These attachments can be found following this overview.

The following is a list of all RFP attachments indicating where the completed attachment can be found or if it was only informational:

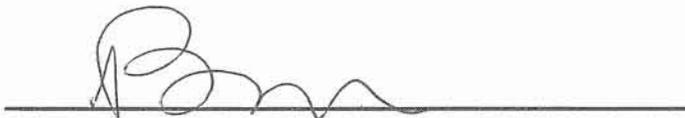
- **Attachment A: Proposer's Commitment** – As specified in RFP Section 2.8.5, Attachment A is provided as part of the Technical Proposal. In addition, as specified in RFP Section 2.15.1, Attachment A is also provided as part of the Cost Proposal. As required when provided with the Cost Proposal, it is in a separately sealed envelope.
- **Attachment B: Financial Commitment and Responsibility** – As specified in the response to Question No. 134 in the Responses to Proposer's Questions and Amendments to the RFP, dated February 26, 2010, Attachment B is provided as part of the Technical Proposal.
- **Attachment C: Policy on the Utilization of Historically Underutilized Businesses** – As specified in RFP Section 5.2.1 and the response to Question No. 60 in the Responses to Proposer's Questions and Amendments to the RFP, dated February 26, 2010, Attachment C is provided as part of the signed original and two copies of Part 5.
- **Attachment C-1: HUB Subcontracting Plan (HSP) Form Checklist** – RFP Attachment C-1 is included in the RFP for informational purposes only and no response is required.



- **Attachment D: V.T.C.A. Government Code 466.155** – RFP Attachment D is included in the RFP for informational purposes only and no response is required.
- **Attachment D-1: Background Information Certification** – As specified in RFP Section 3.63.1, Attachment D-1 is provided as part of the Technical Proposal.
- **Attachment E: Vendor Background Investigation Form Apparent Successful Vendor** – As specified in RFP Section 4.8.2.b, Attachment E is only to be completed by the Apparent Successful Vendor.
- **Attachment E-1: Personal Background Disclosure Form** – As specified in RFP Section 4.8.2.c, Attachment E-1 is only to be completed by the Apparent Successful Vendor.
- **Attachment E-2: Background Information Certified List of Vendor Principals** – As specified in RFP Section 4.8.2.a, Attachment E-2 is only to be completed by the Apparent Successful Vendor.
- **Attachment F: Sample Performance Bond** – As specified in RFP Section 3.36.1, Attachment F is included in the RFP for informational purposes only and no response is required.
- **Attachment G: Scoring Matrix** – As specified in RFP Section 2.20.5, Attachment G is included in the RFP for informational purposes only and no response is required.
- **Attachment H: Cost Proposal** – As specified in RFP Section 2.15.7, Attachment H is provided as part of the Cost Proposal.
- **Attachment I: Non-Disclosure Statement** – As specified in RFP Section 2.3, proposers were required to submit the Non-Disclosure Statement and present it at one of the two mandatory pre-proposal conferences. Scientific Games submitted this form on January 20, 2010.
- **Attachment J: Start-Up Costs** – As specified in RFP Sections 2.15.1 and 4.7.2, Attachment J is provided along with the Cost Proposal. It is in a separately sealed envelope as required.
- **Appendix K: Texas Lottery Current State Operations** – RFP Attachment K is included in the RFP for informational purposes only and no response is required.
- **Appendix L: Potential Subcontracting Opportunities** – As specified in Sections 5.6.2 and 5.6.3, RFP Attachment L is included in the RFP for informational purposes only and no response is required.

**ATTACHMENT A
PROPOSER'S COMMITMENT**

I hereby commit SCIENTIFIC GAMES INTERNATIONAL to provide the goods and services described in the attached Proposal for Lottery Operations and Services required by the Requests for Proposals for the Texas Lottery Commission.

SIGNATURE: 
Steve Beason

TITLE: **PRESIDENT LOTTERY SYSTEMS AND CHIEF TECHNOLOGY OFFICER**

DATE: **JUNE 25, 2010**

**ATTACHMENT B
FINANCIAL COMMITMENT AND RESPONSIBILITY**

This financial commitment and responsibility statement is to be completed by the parent corporation chief financial officer.

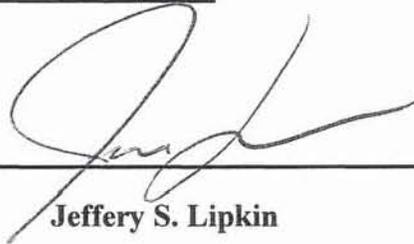
SCIENTIFIC GAMES INTERNATIONAL, INC. is a wholly-owned subsidiary of

SCIENTIFIC GAMES CORPORATION and that, as such, SCIENTIFIC GAMES

CORPORATION is fully responsible for any and all financial obligations of

SCIENTIFIC GAMES INTERNATIONAL, INC.

SIGNATURE: _____



Jeffery S. Lipkin

TITLE: SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

DATE: JUNE 25, 2010

**ATTACHMENT D.1
BACKGROUND INFORMATION CERTIFICATION
TEXAS GOVERNMENT CODE §466.155**

Pursuant to Texas Government Code §466.103, the Executive Director of the Texas Lottery Commission may not award a contract for the purchase or lease of facilities, goods or services related to lottery operations to a person who would be denied a license as a sales agent under Texas Government Code §466.155.

SCIENTIFIC GAMES INTERNATIONAL, INC.

certifies that it has reviewed Texas Government Code §466.155 and that it would not be denied a license as a sales agent pursuant to said section.



(Signature of the person authorized to contractually bind the Proposer)

STEVE BEASON

(Printed Name)

PRESIDENT LOTTERY SYSTEMS AND CHIEF TECHNOLOGY OFFICER

(Title)

JUNE 25, 2010

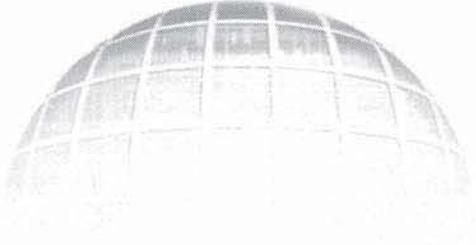
(Date)



TEXAS LOTTERY

BONDS





BID BOND/PROPOSAL SURETY AND PROTEST/LITIGATION BOND

In accordance with RFP Section 2.9.1, Scientific Games provides in this section our Bid Bond/Proposal Surety in the amount of \$100,000 as required by the RFP.

Additionally, in accordance with RFP Section 2.10.1, Scientific Games provides in this section our Protest/Litigation Bond in the amount of \$500,000 as required by the RFP. We understand that the Protest/Litigation Bond shall remain in effect for a period of three years after receipt of the Proposal.



LITIGATION BOND

KNOW ALL BY THESE PRESENTS: That we, Scientific Games International, Inc., as Principal (hereinafter referred to as "Principal") and the Westchester Fire Insurance Company, as Surety (hereinafter referred to as "Surety") are holden and firmly bound jointly and severally unto Texas Lottery Commission, as Obligee (hereinafter referred to as "Obligee") in the sum of Five Hundred Thousand and no/100 Dollars (\$500,000.00) to which payment well and truly to be made, we hereby bind ourselves, our successors, and assigns, firmly by these presents.

WHEREAS, Texas Lottery Commission issued a Request for Proposal (hereinafter referred to as "RFP") dated January 4, 2010 and in response to the RFP the Principal has submitted a proposal for Lottery Operations and Services,

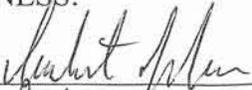
WHEREAS, the RFP requires the Principal to submit with its proposal a bond in the amount of Five Hundred Thousand and no/100 Dollars (\$500,000.00).

NOW, THEREFORE, the condition of this obligation is such that in the event that (I) the Principal files suit against the Texas Lottery Commission, any employee of the lottery, the lottery, or any individual member thereof, challenging the award of the lottery contract pursuant to the above referenced RFP, (ii) the Principal does not prevail in said suit, and (iii) a court determines that the action or any portion thereof was frivolous, was brought in bad faith, or was not brought upon any reasonable grounds, then the Obligee shall have reason to file claim against this bond to recover damages for lost revenue resulting from a delay in implementation of the lottery contract due to such a suit brought by the Principal.

This obligation shall remain in full force and effect for three (3) years from the proposal submission date; however, the vendor may request, and the lottery may grant a release of the bond after six (6) months from the proposal submission date in return for a release and covenant not to sue in a form acceptable to the Lottery, signed by the vendor, notarized, and accepted by the lottery. The successful vendor may request such release, and release may be granted, at the time of contract executions.

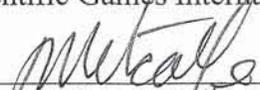
IN WITNESS WHEREOF, the above parties have executed this instrument under their several seals this 29th day of June, 2010.

WITNESS:



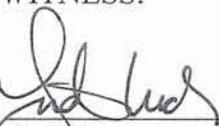
ROBERT J. JOYCE

Scientific Games International, Inc. _____

BY: 

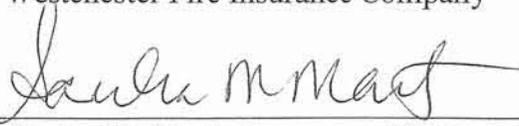
JAMES METCALFE UPTAX

WITNESS:



Judi Lucky

Westchester Fire Insurance Company



Sandra M. Martinez Attorney-in-fact

Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the State of New York, having its principal office in the City of Atlanta, Georgia pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

FURTHER RESOLVED, that the Resolution of the Board of Directors of the Company adopted at the meeting held on November 8, 1999 relating to the authorization of certain persons to execute, for and on behalf of the Company, Written Commitments and appointments and delegations, is hereby rescinded.

Does hereby nominate, constitute and appoint Debra J Doyle, Diane M O'Leary, Douglas M Schmude, Jennifer L Jakaitis, Jessica B Yates, Judith A Lucky, Karen E Bogard, Karen L Daniel, Kimberly Bragg, Linda M Iser, Marvin O Rivera, Robert E Duncan, Sandra M Martinez, Sandra M Nowak, Susan A Welsh, Susan J Preiksa, William P Reidinger, all of the City of CHICAGO, Illinois, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Twenty Five million dollars & zero cents (\$25,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 29 day of April 2010.

WESTCHESTER FIRE INSURANCE COMPANY



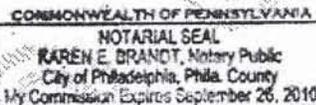
Stephen M. Haney

Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 29 day of April, AD. 2010 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



Karen E. Brandt
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 29 day of June 2010



William L. Kelly
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER April 29, 2012.

DOCUMENT REDACTED BY TLC - 12-5-10

ACKNOWLEDGEMENT BY SURETY

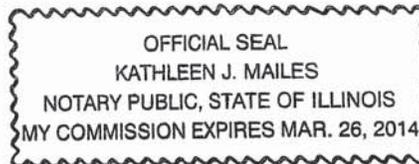
STATE OF ILLINOIS
COUNTY OF KANKAKEE

On this 29 day of June, 2010, before me, Kathleen J. Mailes, a Notary Public, within and for said County and State, personally appeared Sandra M. Martinez to me personally known to be the Attorney-in-Fact of and for Westchester Fire Insurance Company and acknowledged that she executed the said instrument as the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.



Notary Public in the State of Illinois
County of Kankakee





an ACE Company _____

Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that we SCIENTIFIC GAMES INTERNATIONAL, INC.
as Principal, hereinafter call the Principal, and Westchester Fire Insurance Company, 436 Walnut Street, Philadelphia, Pennsylvania, a corporation duly organized under the laws of the State of New York, as Surety, hereinafter called Surety, are held and firmly bound unto TEXAS LOTTERY COMMISSION

611 East 6th Street, Austin, TX, 78701

as Obligee, hereinafter called the Obligee, in the sum of One Hundred Thousand and 00/100 (\$ 100,000.00) for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for
Lottery Operations and Services

Now, Therefore, If the Obligee shall accept the bid of the Principal within the period specified therein, or, if no period be specified, within sixty (60) days after opening, and

- A. the Principal shall enter into a contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or contract documents with good and sufficient surety for the faithful performance of such contract and for the prompt payment of labor and material furnished in the prosecution thereof, or
- B. in the event of the failure of the Principal to enter such contract and give such bond or bonds, if the Principal shall pay to the Obligee the penalty hereof, or
- C. in the event that the Obligee accepts the bid of the Principal and does not require a performance or labor and material payment bond to support said contract,

Then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 22nd day of June, 2010

Robert J. Joye
Witness

SCIENTIFIC GAMES INTERNATIONAL, INC.
Principal (Seal)

James McCall
Signature VP-Tax (Name and Title)

Westchester Fire Insurance Company
Surety (Seal)

Judi Lucky
Witness
000CG005

Sandra M. Martinez
Sandra M. Martinez
Attorney-in-Fact

Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the State of New York, having its principal office in the City of Atlanta, Georgia pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

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- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

FURTHER RESOLVED, that the Resolution of the Board of Directors of the Company adopted at the meeting held on November 8, 1999 relating to the authorization of certain persons to execute, for and on behalf of the Company, Written Commitments and appointments and delegations, is hereby rescinded.

Does hereby nominate, constitute and appoint Debra J Doyle, Diane M O'Leary, Douglas M Schmude, Jennifer L Jakaitis, Jessica B Yates, Judith A Lucky, Karen E Bogard, Karen L Daniel, Kimberly Bragg, Linda M Iser, Maryin O Rivera, Robert E Duncan, Sandra M Martinez, Sandra M Nowak, Susan A Welsh, Susan J Preiksa, William P Reidinger, all of the City of CHICAGO, Illinois, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Twenty Five million dollars & zero cents (\$25,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 29 day of April 2010.

WESTCHESTER FIRE INSURANCE COMPANY



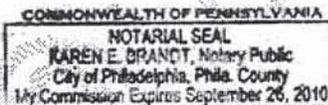
Stephen M. Haney

Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 29 day of April, AD. 2010 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



Karen E. Brandt
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 22 day of June 2010



William L. Kelly
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER April 29, 2012.

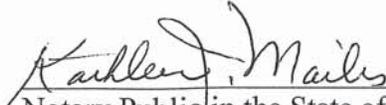
DOCUMENT REDACTED BY TFC - 12-5-10

ACKNOWLEDGEMENT BY SURETY

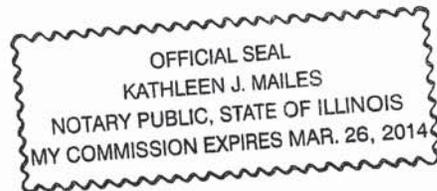
STATE OF ILLINOIS
COUNTY OF KANKAKEE

On this 22 day of June, 2010, before me, Kathleen J. Mailes, a Notary Public, within and for said County and State, personally appeared Sandra M. Martinez to me personally known to be the Attorney-in-Fact of and for Westchester Fire Insurance Company and acknowledged that she executed the said instrument as the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.



Notary Public in the State of Illinois
County of Kankakee





TEXAS LOTTERY

TRANSMITTAL LETTER





June 30, 2010

Angela Zgabay-Zgarba
Contracts Administrator
Texas Lottery Commission
P. O. Box 16630
Austin, TX 78761-6630

Dear Ms. Zgabay-Zgarba:

Scientific Games International, Inc. is pleased to provide its response to the Texas Lottery Commission's Request for Proposals for Lottery Operations and Services pursuant to Request for Proposal No. 362-10-0001.

As your committed partner for nearly two decades, Scientific Games International, Inc. ("Scientific Games") has had the pleasure of watching the Texas Lottery grow into one of the largest and most successful operations of its type. This growth was particularly exciting given the important role played by instant tickets—a product we have proudly provided to organization since its inception in 1992.

While analyzing the Texas Lottery Commission's strategic business plan and each of the business and social objectives expressed within, it became readily apparent that the core values of our two organizations were in complete alignment, including a corporate-wide commitment to fiscal accountability, integrity and responsibility. Throughout our 18 year history together, Scientific Games has endeavored to protect the reputation of the Texas Lottery through a comprehensive commitment to honest and professional behavior, while delivering a secure and high quality product that appeals to Texans in every demographic.

As the Texas Lottery Commission ("TLC") strives to grow its sales in a socially responsible manner in an effort to become the nation's preeminent Lottery and Charitable Bingo agency, it must avail itself of a partner with a track record of innovation and a demonstrated ability to grow sales based on a thorough understanding and commitment to marketing and research. Scientific Games' objective is to demonstrate throughout its proposal that it is the best positioned of all competing alternatives to ensure the TLC meets its objectives of efficiently operating the Texas Lottery to optimize returns to the Foundation School Fund by focusing on security and integrity while working with minority business in the provision of goods and services.

Scientific Games is unique among its competitors as we are not a transaction processing company, but rather a marketing company that uses sophisticated and reliable technology to facilitate sales activity at the retail level. Our proven track record of effectively marketing lottery products and growing lottery sales and profits are among the reasons Scientific Games is supremely confident that it is the company most capable of delivering unprecedented growth to the Texas Lottery. We also represent a safe choice for the TLC based on nearly 40 years experience in providing innovative systems and services to many of the world's largest lotteries as evidenced by our successes in Pennsylvania where we process sales of nearly the magnitude of Texas, and in Italy and China where our systems connect to approximately 50,000 terminals in each jurisdiction and process \$15 billion in annual aggregate sales. These successes, and many others, point to Scientific Games' ability to deliver the Texas Lottery system solution well within the required timeline and at no appreciable risk to the TLC.

Scientific Games International, Inc.
1500 Bluegrass Lakes Parkway Alpharetta, GA USA • 30004 • 770.664.3700 • Fax: 678.624.4115
www.scientificgames.com

Following is a summary of just of few of the key discriminators contained in our proposal:

- Our rigorous compliance program is governed by independent board directors and administered by our Chief Compliance Officer who served as the Deputy Director of the FBI for Operations, and our General Counsel who served as a Presidential appointee to the US Department of Justice;
- We are proposing a proven, stable and secure central system solution that has been in production for over five years and is currently powering the lotteries;
- Our track record of growing the online sales of our U.S. customers over the last seven years by 9.3%, while the remainder of the industry averaged just 5.1%;
- The proposed Scientific Games Account Team has an average of 24 years lottery experience in large lottery jurisdictions ranging from California and Florida to Texas and China;
- We intend to significantly increase the number of field sales staff resulting in an enhanced focus on the retail point-of-sale environment and incremental lottery sales;
- The instant ticket cooperative services program proposed by Scientific Games has been proven to dramatically increase sales of instant tickets as evidenced by the performance of the 11 US lotteries utilizing this integrated approach to growing this valuable product line;
- We are the market leader in the introduction of new types of games, all complemented by a proprietary library of over 450 online game promotions and the largest library of licensed properties in the lottery industry—all of which will all be leveraged to enhance the attractiveness of the Texas Lottery's product offerings;
- Our experience in converting and starting up 27 secure warehouse and distribution operations around the globe entirely mitigates any transition risk in Texas;
- We are proposing an extremely low risk two phase conversion plan that enables the early implementation of retailer equipment and communications infrastructure at each retailer location by integrating Scientific Games' terminals with the legacy central system, which streamlines the terminal implementation process, eliminates the need for the retailer to accommodate two terminals, and avoids the risks associated with a state-wide, big bang cut-over, and;
- Our offer includes goods and services well beyond the requirements of the RFP, including employee retention and incentive programs, use of our industry-leading licensed product portfolio, production and delivery of printed license games, significant annual investments in R&D geared toward revenue enhancement, additional terminals for retailer optimization, and infrastructure investment into our Properties Plus services.

As you read our proposal, we trust that you will agree that Scientific Games' commitment to teamwork, open customer communication and an unwavering dedication to the continuous improvement of every aspect of our gaming offering make us the ideal partner for the TLC, and the company best positioned to help you deliver excellence in every aspect of your operations.

As an officer and the individual legally authorized to negotiate for and contractually bind Scientific Games, please feel free to contact me on any additional matters concerning the accompanying proposal.

Sincerely,



Mike Chambrello
President & Chief Executive Officer

Pursuant to Section 2.12.1 of the RFP, Scientific Games certifies the following:

- The entity submitting the proposal under this RFP is Scientific Games International, Inc. (Scientific Games), a Delaware company located at 1500 Bluegrass Lakes Parkway, Alpharetta, Georgia 30004.
- Scientific Games will provide the goods and services required by the Texas Lottery in this RFP.
- The proposal is valid for 365 days from the day after the date that the Technical Proposal is delivered to the Texas Lottery.

Pursuant to Section 2.12.2 of the RFP, Scientific Games hereby accepts the terms and conditions set forth in Part 3 of this RFP and acknowledges that they will be included in any contract resulting from this RFP.

EXECUTIVE SUMMARY OF SCIENTIFIC GAMES' RESPONSE TO THE TEXAS LOTTERY COMMISSION'S REQUEST FOR PROPOSAL

The Texas Lottery Commission's (TLC) well defined strategic business plan and focus on security and integrity is consistent with Scientific Games' operating philosophy. We believe that our core competencies gleaned from nearly four decades of experience servicing the global lottery industry will ensure that the TLC is able to optimize its retail network; expand its distribution with new technologies; launch games that bring new growth to its current game plan; enhance its marketing efforts; further extend its relationship with both players and retailers, and introduce greater efficiencies in its supply chain and logistics operations management to maximize profits for Foundation School Fund.

As discussed throughout our proposal and this Executive Summary, Scientific Games International (Scientific Games), a wholly owned subsidiary of Scientific Games Corporation (SGC), has exceptional experience in delivering results of the type sought by the TLC in large, diverse and complex lottery jurisdictions ranging from China and Italy to Florida and New York. Although each lottery is unique, and Texas is no exception, Scientific Games has demonstrated time and again that it is able to deliver comprehensive lottery solutions to the world's largest and most demanding lotteries, while meeting delivery timelines and rigidly adhering to customer specifications.

What sets Scientific Games apart from other suppliers is the company's pervasive focus on marketing. Scientific Games is not a transaction processing company and not an infrastructure company, but rather a marketing company that uses sophisticated and reliable technology to facilitate sales activity at the retail level. By partnering with a company focused on your sales and net profit growth, rather than transaction processing, the TLC will avail itself of a highly motivated team of diverse lottery professionals that share its core values and business objectives and are dedicated to delivering strong sales and profit growth through the application of innovative products and marketing strategies.

In addition to summarizing the key provisions contained in our Technical Proposal, this executive summary includes a table that references each of the sections of the bid in which Scientific Games proposes goods or services provided in the Base System and Services that are beyond those specifically requested and superior to those specifically requested by the TLC. Scientific Games also demonstrates in the attached proposal that the company understands the goods and services requested by the TLC and hereby certifies that it meets each of the requirements contained in the TLC's Request for Proposals.

PART 4 – REQUIRED INFORMATION

Scientific Games has experience implementing and operating lotteries of the complexity and scale of Texas so the TLC can rest-assure that its new system and supporting infrastructure will be delivered in a timely fashion without risk to sales or hardship to your retailers.

Although the TLC operating contract is unique in the United States, Scientific Games has experience in other large and complex jurisdictions, such as Pennsylvania, Florida, Maryland, China, and Italy. For example, Scientific Games implemented the instant central system and corresponding infrastructure in Italy that supports more than 55,000 terminals processing in excess of \$12 billion in instant lottery sales per year. In another equally complex implementation, Scientific Games was able to build and launch a national instant ticket lottery infrastructure in all 31 political jurisdictions in China. Within five months of contract execution, nearly 50,000 Scientific Games validation terminals were connected, with an additional 40,000 terminals delivered and awaiting implementation in 2010. Another important barometer of Scientific Games' ability to seamlessly transition from the incumbent vendor in Texas is its unqualified success in implementing and operating the Pennsylvania lottery, which is the sixth largest lottery in the United States in aggregate sales boasting a healthy per capita sales performance of more than \$250 per year.

Scientific Games Corporation has the largest and most diverse customer base in the industry, which will be leveraged at every level to ensure the TLC reaches unprecedented levels of success with its current and future portfolio of games.

With 37 years experience in the global lottery industry, and more than 400 customers in 50 countries on six continents, Scientific Games has a well-earned reputation as the most innovative partner in the industry. By way of example, and of particular importance to Texas, is Scientific Games track record of growing online sales of its U.S. customers in the last seven years by 9.3%, while the remainder of the industry averaged just 5.1% growth. Scientific Games is also recognized as the global industry leader in licensed properties, with exclusive rights to such brands as Harley Davidson®, Price is Right® and Deal or No Deal®. In addition, Scientific Games was the first to launch a players club with loyalty points, and created the cooperative services approach (CSP) to instant ticket design, delivery, marketing and sales. In fact, Scientific Games is far and away the world leader in the production and supply of instant tickets, with contracts to supply instant games to 43 of the 44 U.S. lotteries, with 11 of these lotteries also customers of our CSP services.

Scientific Games values integrity and responsibility and is keenly aware of the high priority that the TLC appropriately places on the ethical and socially-responsible operation of the Texas Lottery.

Scientific Games, like the TLC, works hard to maintain the public's trust by protecting and ensuring the integrity of our vendors, suppliers, customers, employees, consultants, and operational facilities. We value and require ethical behavior by our employees and all parties conducting business with Scientific Games and abide by a compliance regime that is governed by three independent board directors and administered by our Chief Compliance Officer who formerly served as the Deputy Director of the FBI and our General Counsel who was a presidential appointee to the U.S. Department of Justice. It is Scientific Games' dedication to integrity that has made us a socially responsible partner of the TLC since its launch in 1992. During these years of service and partnership, Scientific Games has always acted in the best interests of the TLC and has vigilantly guarded against any lapses in corporate conduct that could embarrass the lottery or damage its reputation with the public.

PART 5 – HUB SUBCONTRACTING PLAN (HSP)

Scientific Games is dedicated in support of the TLC outreach initiatives and economic development goals, which we recognize as being critically important to the economic and social health of your constituents.

Scientific Games is poised to continue identifying capable Historically Underutilized Businesses (HUB) in our subcontracting efforts in the state of Texas. As we have demonstrated in our current contractual relationship with the Texas Lottery, Scientific Games is dedicated in support of the outreach initiatives and economic development goals of Texas Administrative Code (TAC) §20.14. As members of the National Minority Supplier Development Council, the United States Hispanic Chamber of Commerce, and the Women's Business Enterprise National Council, Scientific Games has developed and maintained long-term relationships with minority and women-owned businesses in jurisdictions around the country, including Pennsylvania, Arkansas, Florida, and Tennessee just to name a few. Our response contains good faith efforts in all facets of our goods and services offer and we pledge to continue our efforts throughout the contract term.

PART 6 – ACCOUNT MANAGEMENT AND ADMINISTRATION

Scientific Games has proposed TLC Account Team leaders with the most diverse skills in the lottery industry to ensure a smooth, secure and low risk transition.

Scientific Games' proposed TLC Account Team, has an average of 24 years of lottery experience. The team is led by TLC Account Director, John Osenenko, who has 19 years of lottery experience, including 11 years with GTECH, and served as Scientific Games' General Manager of the Florida Lottery contract. John is assisted by several seasoned lottery resources, including Tony Molica, a 25 year lottery veteran who previously served as the Executive Director of the California Lottery and the Executive Director of the Washington Lottery; David Douglas, a 23 year lottery veteran who guided the creation of GTECH's Data Centers of the Americas (DCA) in and; Scott Ross, a 29 year lottery veteran with management experience in Arizona, Florida, New Mexico, and China.

Scientific Games' Educational Services Department has trained over 75,000 retailers since 2005 and is, therefore, well-positioned to provide efficient and effective training to the Texas Lottery's retailer infrastructure.

Scientific Games' retailer training sessions have the highest participation rate of any other lottery vendor-provided training. In fact, we recently trained over 17,000 attendees during the system conversion in Pennsylvania.

Scientific Games' Corporate Quality Programs rely on industry standards to ensure that only acknowledged best practices are used in the provision of goods and services to the TLC.

Scientific Games is proud to have been the first lottery systems vendor to receive two major NASPL Standards Initiatives (NSI) certifications for Best Practices including (1) NSI Quality Assurance Requirements Definition for Vendors, and (2) NSI Quality Development Process. In 2009, Scientific Games also became the first instant vendor to be assessed and approved by QAS International and thereby ISO 27001:2005 certified. Scientific Games has also integrated the IT Infrastructure Library (ITIL) and IT Service Management (ITSM) best practices and we maintain business continuity plans for all 13 of our U.S. online customers.

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PART 7 – LOTTERY GAMING SYSTEM

Scientific Games is an experienced lottery gaming system supplier offering a stable, secure and highly adaptable gaming system capable of exceeding the TLC's current and future requirements.

Scientific Games's latest generation lottery gaming system, which will be implemented in Texas has been in production for over five years, and is an evolution of the company's diverse engineering and gaming experience. It is powering lottery system operations today in Pennsylvania, Maryland, and Connecticut and soon in Indiana.

Scientific Games' WAVE™ retail terminal is designed for speed, reliability, performance and ease of use so the Texas Lottery retailers will be able to seamlessly transition to the industry's most advanced terminal.

Brought to market in early 2008, the WAVE™ is now installed in over 30,000 retail stores. In addition to providing the TLC 17,500 WAVE™ terminals meeting both the standard and mid-range terminal requirements, Scientific Games is providing 3,500 PlayCentral™ Player Activated Sales Terminals, 17,500 Player Activated Self Check Terminals and 40 hand-held terminals. Overall, Scientific Games has delivered over 320,000 gaming devices worldwide.

Scientific Games' SciTrack™ technology streamlines inventory & tracking management for instant games through a Predictive Ordering solution that ensures your retailers will always have the best games in stock.

Scientific Games can help optimize the TLC's already proven instant game portfolio with the introduction of SciTrak™, which is a product of unequalled performance in controlling instant game inventory and retailer supply management so the right games will be in the right stores at the right time. At the core of SciTrak™ is Predictive Ordering. This product forecasts the optimum instant game sales mix, by game and by retailer, based on a regularly updated 30 week sales cycle, and is powered by [™] that includes game data from more than 22,000 instant games.

PART 8 – SALES AND MARKETING

Scientific Games is proposing additional resources to improve retail sales performance and drive innovation.

Scientific Games is proposing to increase the current field sales personnel by 25 with a total of [™] Lottery Sales Representatives (LSRs), and; 20 additional Lottery Marketing Representatives (LMRs) to help drive incremental sales at top selling retailers. Additionally, Scientific Games is proposing 5 Corporate Chain Account Liaisons; 1 Retail Execution Manager; 1 Online Product Specialist, and 1 Instant Product Specialist.

Scientific Games is the industry leader in online and instant ticket game innovation allowing the TLC to offer its customers a much more diverse and attractive portfolio of gaming products designed to drive sales.

To complement our industry-leading library of over 22,000 instant games, Scientific Games has innovated new categories of online games offered at a variety of price points. Scientific Games leads the market in the introduction of new types of games, including monitor games, extension games, instant [™] in, Screenplay™, Linked Games, and Booodle™ games. Complemented by our library of over 450 online game promotions and the largest library of licensed properties in the lottery industry, a partnership with Scientific Games ensures the TLC will have access to the largest and most diverse game library in the industry — a key element to driving sales.

Scientific Games is the industry leader in market research, which will be made available to the Texas Lottery to ensure the TLC is able to base its game launch decisions on quantifiable data gleaned from local and national research and proven successes.

Scientific Games has conducted more than 1,000 research studies in the last 10 years. We've worked with nearly every U.S. domestic lottery and many international ones to compile the most comprehensive database of secondary lottery information in the world, including our State-of-the-State Analysis that provides insight into current game strategies among the top 16 U.S. lotteries. No other vendor can offer this depth of institutional knowledge.

PART 9 – WAREHOUSE AND DISTRIBUTION

Scientific Games is the industry leader in the delivery and operation of instant ticket-management programs — something that should give the TLC confidence in our ability to transition this important aspect of your business without risk of service interruption or delay.

Our worldwide experience converting and starting up 27 secure warehouse and distribution operations means the TLC's current operations will be transitioned with no interruption of service to your retailers. In addition, our proposed Cooperative Services Program (CSP) plan has been successfully deployed in several locations similar in scope to the TLC, including domestically in Florida and Pennsylvania, and internationally in Italy for "Gratta e Vinci," and in China for the China Sports Lottery. Most importantly, Scientific Games' CSP processes have helped our customers realize sales growth that significantly exceeds the overall industry average.

Scientific Games is proposing the most advanced Automatic Sorting System available in the marketplace, which maximizes the efficiency and security of the instant ticket distribution operation while helping guarantee that your retailers receive the right tickets at the right time.

The Scientific Games' Automatic Sorting System is the most efficient and accurate process for managing, fulfilling and storing instant ticket orders in the industry today. This system has been operating in Pennsylvania since August 2007 and in [™] since early 2009. This benefits the TLC by increasing operational efficiency, providing real-time tracking capabilities, and higher work flow accuracies for a key distribution activity.

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PART 10 - CONVERSION

Scientific Games will deploy Project Management best practices that rely on continuous communication with the TLC to ensure a smooth and timely implementation of the system and supporting infrastructure.

Scientific Games' well-defined Project Management Process includes project oversight by senior management, a Project Management Office (PMO) responsible for training project managers and integrating industry best practices. Proactive risk management approach, and a highly structured approach of utilizing customer communications techniques, project reviews and reporting mechanisms designed to ensure the project stays on-track will be implemented.

Scientific Games will utilize a low-risk, two-phase conversion plan that eliminates the risks associated with a state-wide "big bang" system cut-over.

Scientific Games' Two Phase Conversion Plan is a low-risk approach that enables the early implementation of retailer equipment and communications infrastructure at each retailer location. This is accomplished by the integration of Scientific Games' terminals with the legacy central system, which streamlines the terminal implementation process, eliminates the need for the retailer to accommodate two terminals, and avoids the risks of a big bang cut-over.

Scientific Games is pleased to offer the TLC the following goods and services not specifically requested:

Texas National Service Center - Scientific Games is committed to working in close cooperation with the TLC in our efforts to meet the goals set by the Texas State Certified Minority Owned Business Enterprises and the Texas State Certified Woman Owned Business Enterprises. To that end, Scientific Games is committed to establishing our Texas National Service Center (TNSC) in the Austin area with many resources sourced from minority and woman owned businesses. Our TNSC will house several key components of our national service infrastructure including: National Response Center (NRC), Terminal Maintenance Center (TMC), and System Delivery Center (SDC). The establishment of the TNSC enhances our ability to exceed the service level requirements of the TLC, and provides expanded opportunities for minority and woman owned businesses of Texas. We will also mitigate any negative economic impact of the contract transition by implementing a plan designed to ensure that there is no loss of jobs associated with your selection of Scientific Games.

Transitional Incentive Plan — After consulting with the TLC, Scientific Games will provide a one-time incentive payment of 5% of the annual salary of any current operator employee that Scientific Games deems to have the institutional knowledge and work ethic necessary to add value to the TLC operation. This program is provided in the base offering at no additional cost to the TLC.

Terminal Program to Support Retail Optimization and Expansion — Scientific Games, as part of its base offering and at no additional cost to the TLC, will provide an additional 500 Wave™ or Flair™ Terminals to help optimize the retail infrastructure.

Licensed Game Program, Properties Plus™, Boodle™ and Screenplay™ — Scientific Games will provide the TLC with the free use of our expansive third-party portfolio of online and instant licensed properties, as well as free game design, customer service, security programming, manufacturing and warehouse delivery in Texas for all Scientific Games printed licensed games, which generated \$137,410,757 million in sales for the Texas Lottery in 2009. Scientific Games will also provide the infrastructure and services to manage a player loyalty club web site, Play it Again™ program, Easy Entry™, second chance and promotional games, as well as the new Boodle™ and Screenplay™ terminal games. These goods and services are proposed as part of our base offering and at no additional cost to the TLC.

Full Wide Area Network (WAN) Redundancy — Scientific Games will provide full WAN redundancy by using is a primary path and a 3G cellular network as an alternate path for communications to the Lottery Gaming System in the event the primary WAN link becomes unavailable.

Texas Research and Development Investment Plan — This Plan, funded by Scientific Games at up to \$2.5 million per year (on a non-accruing basis and offered as part of the base offering at no cost to the TLC), will support revenue enhancing initiatives in numerous areas, including retailer and player development, pilot programs, retail sales programs, research, game development, marketing point-of-sale, and advertising.

In addition to the above highlighted goods and services, Scientific Games proposes additional goods and services provided in the Base System and Services that are beyond those specifically requested and superior to those specifically requested by the TLC, which are listed in Figure 1 of the Executive Summary.

Our Executive Summary outlines the key provisions contained in our technical proposal, and highlights the exceptional elements that will deliver critical support to the TLC as you enter the next chapter of your lottery product offering to the people of Texas. We stand ready to support the TLC in these exciting times and trust that you will conclude that Scientific Games International is your partner of choice.

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Figure 1: Goods and services provided in the Base System and Services that are; (1) beyond those specifically requested ("Beyond Requirements") and; (2) superior to those specifically requested ("Superior Value").

#	Topic	Section Reference	Beyond Requirements	Superior Value	In Base System and Services	#	Topic	Section Reference	Beyond Requirements	Superior Value	In Base System and Services
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TEXAS LOTTERY

PART 1: GENERAL INFORMATION





PART 1 GENERAL INFORMATION

COMPLIES: Scientific Games has read, understands, and complies with all sections in this Part of the RFP.

Please note, in accordance with RFP Section 1.9.1, Scientific Games has specified confidential information by marking confidential on each page containing such information.

In response to RFP Section 1.9.1, Scientific Games provides the specific and detailed reasons for each item marked Confidential.

We understand that vague and general claims to confidentiality are not acceptable.

In accordance to the Texas Lottery's answer to Question No. 4 in the Responses to Proposers' Questions and Amendments to the RFP, dated February 26, 2010, we have provided on the following pages in a separate table listing our confidential information. This table includes the proposal section number, title, the confidential item, and the reason for the claim for confidentiality.



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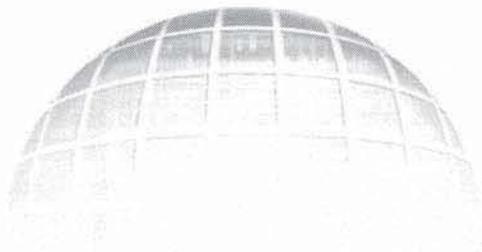
PART 2: PROPOSAL PROCESS





PART 2 PROPOSAL PROCESS

COMPLIES: Scientific Games has read, understands, and complies with all sections in this Part of the RFP.



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TEXAS LOTTERY

PART 3: CONTRACTUAL TERMS & CONDITIONS





PART 3 CONTRACTUAL TERMS AND CONDITIONS

3.1 INTRODUCTION

RFP Requirement: This part sets forth terms and conditions applicable to the procurement process as well as terms and conditions that will become part of any Contract for Lottery Operations and Services executed pursuant to this RFP. The Texas Lottery reserves the right to incorporate additional provisions in any Contract in the best interest of the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.2 GOVERNING LAW

RFP Requirement: The procurement process, the award procedure, and any Contract resulting from this RFP shall be governed by, construed and interpreted in accordance with the applicable laws of the State of Texas. Any and all actions or suits brought by a Proposer or any related party regarding this RFP or any Contract resulting therefrom shall be brought in the state district court located in Austin, Travis County, Texas. By submitting a Proposal, a Proposer is deemed to waive the right to bring any action in any other court. This section is purely a venue provision and shall not be deemed a waiver of sovereign immunity.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.3 CONTRACT ELEMENTS

3.3.1 GENERAL CONTRACT FORMAT

RFP Requirement: Any Contract between the Texas Lottery and the Successful Proposer will follow the general format specified by the Texas Lottery. The Texas Lottery reserves the right to negotiate provisions in addition to those stipulated in this RFP. The contents of this RFP, as modified by published addenda, and the Successful Proposer's Proposal will be incorporated into the Contract. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the written Contract, the RFP, and the Successful Proposer's Proposal. Specific exceptions to this general rule may be noted in the written Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.



3.3.2 HSP CONTRACT PROVISION

RFP Requirement: The Texas Lottery has determined that subcontracting opportunities are probable under this RFP. Therefore, the Texas Lottery requires the submission of an HSP as a part of each Proposal, as discussed further in Part 5 of this RFP. The HSP, if accepted by the Texas Lottery, will become a provision of any Contract awarded as a result of this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.3.3 FULL FORCE

RFP Requirement: If any term or provision of this RFP or a Contract executed pursuant to this RFP is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the RFP or Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.4 AMENDMENTS

RFP Requirement: Any Contract resulting from this RFP may be amended only by a written agreement signed by both parties.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.5 WAIVER

RFP Requirement: The failure of the Texas Lottery to object to or to take affirmative action with respect to any conduct of the Successful Proposer which is in violation or breach of the terms of any Contract resulting from this RFP shall not be construed as a waiver of the violation or breach, or of any future violation or breach.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.6 CLARIFICATION OF LOTTERY'S INTENT

RFP Requirement: It is the responsibility of the Successful Proposer to address and resolve all questions with the Texas Lottery's designated staff members, and achieve a clear understanding of all Texas Lottery requirements during each stage of the Contract term. The Texas Lottery will use reasonable efforts to provide timely responses to questions of policy or procedure as they may affect the Successful Proposer's performance. Key Texas Lottery staff will be available to the Successful Proposer on a reasonable basis, but may not be available on State or national holidays, as defined in Section 662.003 of the Texas Government Code, or weekends. The Texas Lottery's normal office hours are from 8:00 a.m. to 5:00 p.m., Central Time, Monday through Friday of each week of the Contract term, except State holidays.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.7 LOTTERY'S FINANCIAL OBLIGATIONS

RFP Requirement: The financial obligations of the Texas Lottery under any Contract resulting from this RFP are payable solely out of the receipts of the Texas Lottery and are subject to statutory restrictions and appropriations. Performance by the Texas Lottery under any Contract resulting from this RFP is subject to acts of the Texas Legislature. The Texas Lottery shall have no responsibility or liability for any damages, losses, financial obligations, breach of contract, or other claims in the event that performance by the Texas Lottery is compromised or terminated by acts or omissions of the Texas Legislature (e.g. if the Texas Lottery is discontinued or not funded by the Texas Legislature).

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.8 RELATIONSHIP OF THE PARTIES

RFP Requirement: The Successful Proposer and the Texas Lottery agree and understand that the Successful Proposer shall render the goods, services and requirements under any resulting Contract as an independent contractor, and nothing contained in the Contract will be construed to create or imply a joint venture, partnership, employer/employee relationship, principal agent relationship or any other relationship between the parties. Employees of the Successful Proposer will not be considered employees of the Texas Lottery within the meaning of any federal, state, or local law, ordinance, or regulation including, but not limited to, laws, ordinances, or regulations concerning unemployment insurance, social security benefits, workers compensation, or withholding requirements. The Successful Proposer shall be responsible for complying with any such laws, ordinances, or regulations, and shall indemnify and hold harmless the Texas Lottery from any costs or damages, including attorney's fees, sustained by the Texas Lottery resulting from the Successful Proposer's breach of its obligations under this section. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.9 PAYMENT

3.9.1 PAYMENTS FOR GOODS AND SERVICES

RFP Requirement: All payments will be made in accordance with Texas Government Code Ann. § 2251 et seq. ("Payments for Goods and Services"). The Successful Proposer shall submit invoices weekly for the previous week's services, noting the Contract number and detailing services rendered and date of services. Pursuant to Texas Government Code Section 2251.025, interest is not due on a payment until it becomes "overdue". A payment is not "overdue" until the 31st day after the latter of: (1) the date the Texas Lottery receives the goods or services covered by the contract; (2) the date the performance of the service under the contract is completed; or (3) the date the Texas Lottery receives an invoice for the goods or services. Tex. Gov. Code Section 2251.021. Services are "completed" when determined by the Texas Lottery as explained above.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.9.2 INVOICES

RFP Requirement: Invoices may be submitted by mail to the Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630, Attn: Accounts Payable or by email to AccountsPayable@lottery.state.tx.us. Payments will be made only upon the completion of services or after the delivery of goods authorized in an approved invoice.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.9.3 PAYMENTS OWED

RFP Requirement: The Successful Proposer agrees that if the Texas Comptroller of Public Accounts is prohibited from issuing a warrant to the Successful Proposer under section 403.055 of the Texas Government Code, any payments owed to the Successful Proposer under any Contract resulting from this RFP will be applied towards the debt or delinquent taxes that the Successful Proposer owes the State of Texas until the debt or delinquent taxes are paid in full.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.9.4 HOLD BACK

RFP Requirement: The Successful Proposer acknowledges that the State of Texas requires consistent, high quality performance during the entire term of any Contract resulting from this RFP and during any transition to another vendor. The Successful Proposer agrees that, to ensure such consistent high quality performance and an orderly transition to another vendor, the Texas Lottery will withhold ten percent (10%) of all weekly payments due the last year of any Contract resulting from this RFP (the "Hold Back"). At its sole discretion, the Texas Lottery may withhold an additional fifteen percent (15%) of weekly payments during the last year of any Contract resulting from this RFP, if the Successful Proposer fails to fully and completely perform its duties during any transition to another vendor. In the event that the Successful Proposer fully and completely performs all of its duties under any Contract resulting from this RFP, and the Texas Lottery determines that the successful transition to another vendor has been completed, then upon such completion the Texas Lottery shall pay the Hold Back to the Successful Proposer. The Hold Back amount will be paid as soon as reasonably possible following successful completion of duties under any Contract resulting from this RFP, but no sooner than thirty (30) Days from successful completion of duties. Services will not be considered complete until transition to another vendor is successful. In the event that the Successful Proposer fails to fully and completely perform all of its duties under any Contract resulting from this RFP, or the transition to another vendor is unsuccessful, and such failure is proximately caused in whole or part by any act or omission of the Successful Proposer, the Texas Lottery shall be entitled to retain the Hold Back or such portion thereof as the Executive Director deems equitable.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.10 ASSIGNMENTS

RFP Requirement: No right or obligation of the Successful Proposer under any Contract may be assigned by the Successful Proposer without the prior written approval of the Texas Lottery, and in the event of any such approval, the terms and conditions hereof shall apply to and bind the party or parties to whom the right or obligation is assigned as fully and completely as the Successful Proposer is hereunder bound and obligated. No assignment shall operate to release the Successful Proposer from its liability for the timely and effective performance of its obligations hereunder. Assignments made in violation of this provision shall be null and void.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.11 SUBCONTRACTING

3.11.1 SUBLETTING, CONVEYING, ASSIGNING

***RFP Requirement:** The Successful Proposer is prohibited from subletting, conveying, assigning or otherwise disposing of all or any portion of any Contract resulting from this RFP, its rights, title, or interest therein, or its power to execute such agreement without the previous written approval of the Texas Lottery. If any part of any Contract between the Texas Lottery and the Successful Proposer is to be subcontracted, the Successful Proposer must obtain prior written approval from the Texas Lottery, and the Subcontractor must comply with all applicable requirements of the Texas Lottery. The Texas Lottery reserves the sole right to require the Successful Proposer to terminate any Subcontractor with or without cause.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.11.2 PROPOSER RESPONSIBILITY

***RFP Requirement:** In the event the Texas Lottery approves of the use of any Subcontractor in performance of the Contract, the Successful Proposer is not relieved of its responsibility and obligation to meet all the requirements of this RFP.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.11.3 ADDITIONAL OBLIGATIONS

***RFP Requirement:** The Texas Lottery will incur no additional obligations and the obligations of the Successful Proposer will not be reduced as a result of any such subcontracts.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.11.4 INDEMNIFICATION

***RFP Requirement:** The Successful Proposer agrees to indemnify and hold the Texas Lottery harmless from any of the claims or actions of its subcontractors. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.11.5 TIME FOR PAYMENT BY VENDOR

RFP Requirement: *The Successful Proposer's obligation to pay Subcontractors is governed by Texas Government Code Ann. § 2251.022 ("Time for Payment by Vendor"), as it may be amended.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.12 LOTTERY APPROVAL OF STAFFING

3.12.1 EMPLOYMENT OF UNFIT OR UNQUALIFIED PERSONS

RFP Requirement: *The Successful Proposer shall not employ or contract with or permit the employment of unfit or unqualified persons or persons not skilled in the tasks assigned to them. The Successful Proposer shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by any Contract awarded pursuant to this RFP. Unfit is defined as any person convicted of a felony, criminal fraud, gambling or gambling-related offense or a person convicted of a misdemeanor involving moral turpitude whose sentence, parole, mandatory supervision or probation ended less than 10 years ago. The Successful Proposer shall be responsible to the Texas Lottery for the acts and omissions of the Successful Proposer's employees, agents (including, but not limited to, lobbyists) and subcontractors and the Successful Proposer shall enforce strict discipline among the Successful Proposer's employees, agents (including, but not limited to, lobbyists) and subcontractors performing the services under the Contract.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.12.2 PERSONNEL CHANGE NOTIFICATION

RFP Requirement: *The Successful Proposer shall provide the Texas Lottery written notification and justification within three (3) Working Days of any personnel changes involving key management positions, as defined in Section 4.3.2. The Successful Proposer must provide the Texas Lottery the resume of the person who is hired or placed and must receive written approval from the Texas Lottery prior to the person working on the account. The Texas Lottery must approve key management personnel leaving the Texas Lottery account for another position within the Successful Proposer's company.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.12.3 NOTIFICATION OF SIGNIFICANT ORGANIZATIONAL CHANGES

RFP Requirement: *The Successful Proposer shall provide the Texas Lottery advanced written notification of any significant organizational changes to the proposed staffing for the Texas Lottery Account. Significant is defined as any reductions-in-force, elimination of positions, etc. The Texas Lottery must approve such changes before they are implemented. This provision shall apply to the period between the submission of a Proposal and Contract Award, as well as the duration of any resulting Contract.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.12.4 REMOVAL

RFP Requirement: Notwithstanding anything herein to the contrary, any person employed by the Successful Proposer shall, at the written request of the Texas Lottery, and within the Texas Lottery's sole discretion, be removed forthwith by the Successful Proposer from work relating to the Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.13 BACKGROUND INVESTIGATIONS

3.13.1 BACKGROUND INVESTIGATIONS INITIATION

RFP Requirement: The Texas Lottery Commission may initiate investigations into the backgrounds of (a) the Successful Proposer; (b) any of the Successful Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in Texas Government Code Ann. § 466.155, (collectively, Successful Proposer Principals); (c) any of the Successful Proposer's employees; (d) any of the Successful Proposer's subcontractors, or subcontractors' officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Successful Proposer it deems appropriate. The Texas Lottery Commission may also request background information for a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Successful Proposer, any Successful Proposer Principals, or Successful Proposer employees described above. Such background investigations may include fingerprint identification by the Texas Department of Public Safety, the Federal Bureau of Investigation, and any other law enforcement agency. The Texas Lottery may terminate any Contract resulting from this RFP based solely upon the results of these background investigations.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.13.2 ONGOING BACKGROUND INVESTIGATIONS

RFP Requirement: The Successful Proposer agrees that, during the term of the Contract and any renewal thereof, it shall be obligated to provide such information about any Successful Proposer Principals, Successful Proposer employees, and Subcontractor Personnel as the Texas Lottery may prescribe. The Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.13.3 EMPLOYEE OBJECTION BY LOTTERY

RFP Requirement: Upon notification by the Texas Lottery to the Successful Proposer that the Texas Lottery objects to an employee based on a background investigation, the Successful Proposer shall prevent that employee from working on the Texas Lottery account and shall deny that employee access to the Texas Lottery systems. Per Amendment No. 5, The Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons at the expense of the Successful Proposer.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.14 COMPLIANCE

RFP Requirement: The Successful Proposer agrees to comply with all applicable laws, rules and regulations, including without limitation those involving non-discrimination on the basis of race, color, religion, national origin, age, sex and disability.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.15 TERM OF CONTRACT

3.15.1 EFFECTIVE CONTRACT DATES

RFP Requirement: Any Contract resulting from this RFP will be effective upon execution and continue through August 31, 2018 subject to the termination provisions in this RFP and subject to the Texas Lottery being continued and funded by the Texas Legislature.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.15.2 COMPENSATION

RFP Requirement: The Successful Proposer will receive no compensation prior to successful conversion. The conversion period is expected to last approximately twelve (12) months. The Texas Lottery expects the Successful Proposer's System to be fully operational with Retailers' selling Lottery Products on September 1, 2011.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.15.3 CONTRACT EXTENSIONS

RFP Requirement: The Texas Lottery reserves the right to extend any Contract resulting from this RFP, at its sole discretion, for up to four (4) additional two-year periods, at a mutually agreed upon rate, prior to the end of the initial Contract period, or any extension thereof, or at a time mutually agreed upon by both parties.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.15.4 STATE OF READINESS

RFP Requirement: *The Successful Proposer must maintain the Proposer's System in a state of readiness for a period of ninety (90) Days after the termination of the Successful Proposer's role as the operator of the Lottery Gaming System, if a different vendor has been chosen to replace the Successful Proposer as Lottery Operator. At any time during this ninety (90) Day period, the Texas Lottery may require the Successful Proposer to resume its role as the operator of the Lottery Gaming System for up to two (2) additional years. Exercising this right (i.e., the 90-day extension) shall not be construed as conferring any right or expectation for the Successful Proposer to continue operating under the Contract after the expiration of any such ninety (90) Day period. Per Amendment No. 5, The Successful Proposer shall be entitled to compensation during the renewal period at the then-current contract rate, but only for transactions processed by the Successful Proposer's System.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.16 TERMINATION AT WILL

RFP Requirement: *The Texas Lottery, in its sole discretion, may terminate, in whole or in part, any Contract resulting from this RFP at will and without cause upon no less than thirty (30) Days' advance written notice. The Texas Lottery also may terminate any contract immediately with written notice if the Executive Director, in his or her sole judgment, believes that the integrity or security of the Texas Lottery is in jeopardy and it is in the best interest of the Texas Lottery to do so. The Texas Lottery's right to terminate for convenience any Contract resulting from this RFP is cumulative of all rights and remedies which exist now or in the future.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17 TERMINATION FOR CAUSE

RFP Requirement: *The Texas Lottery reserves the right to terminate, in whole or in part, any Contract resulting from this RFP upon no less than five (5) Days' notice upon the following conditions:*

(a) *A receiver, conservator, liquidator or trustee of the Successful Proposer, or of any of its property, is appointed by order or decree of any court or agency or supervisory authority having jurisdiction; or an order for relief is entered against the Successful Proposer under the Federal Bankruptcy Code; or the Successful Proposer is adjudicated bankrupt or insolvent; or any portion of the property of the Successful Proposer is sequestered by court order and such order remains in effect for more than thirty (30) Days after such party obtains knowledge thereof; or a petition is filed against the Successful Proposer under any state, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or receivership law of any jurisdiction, whether now or hereafter in effect, and such petition is not dismissed within thirty (30) Days, or*

(b) *The Successful Proposer files a case under the Federal Bankruptcy Code or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, receivership or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any case or petition against it under any such law, or*

(c) *The Successful Proposer makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee, or liquidator of the Successful Proposer or of all or any part of its property; or judgment for the payment of money in excess of \$50,000.00 (which is not covered by insurance) is rendered by any court or governmental body against the Successful Proposer, and the Successful Proposer does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within thirty (30) Days from the date of entry thereof, and within said 30-Day period or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while providing such reserves therefore as may be required under generally accepted accounting principles; or a writ or warrant of attachment or any similar process shall be issued by any court against all or any material portion of the property of the Successful Proposer, and such writ or warrant of attachment or any similar process is not released or bonded within thirty (30) Days after its entry, or*

(d) *A court of competent jurisdiction finds that the Successful Proposer has failed to adhere to any laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or*

- (e) The Successful Proposer fails to communicate with the Texas Lottery as required by the Contract, or
- (f) The Successful Proposer fails to remove any person from work relating to the Contract upon written notice from the Texas Lottery, or
- (g) The Successful Proposer breaches the RFP's standard of confidentiality with respect to this RFP or the goods or services provided thereunder, or
- (h) The Texas Lottery makes a written determination that the Successful Proposer has failed to substantially perform under the Contract and specifies the events resulting in the Texas Lottery's determination thereof, or
- (i) The Successful Proposer fails to comply with any of the terms, conditions or provisions of the Contract, in any manner whatsoever, or
- (j) The Successful Proposer engages in any conduct that results in a negative public impression including, but not limited to, creating even an appearance of impropriety with respect to the Texas Lottery, Texas Lottery games, the Successful Proposer, or the State of Texas.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.A ORDER OF DECREE

A receiver, conservator, liquidator or trustee of the Successful Proposer, or of any of its property, is appointed by order or decree of any court or agency or supervisory authority having jurisdiction; or an order for relief is entered against the Successful Proposer under the Federal Bankruptcy Code; or the Successful Proposer is adjudicated bankrupt or insolvent; or any portion of the property of the Successful Proposer is sequestered by court order and such order remains in effect for more than thirty (30) Days after such party obtains knowledge thereof; or a petition is filed against the Successful Proposer under any state, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or receivership law of any jurisdiction, whether now or hereafter in effect, and such petition is not dismissed within thirty (30) Days, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.B FEDERAL BANKRUPTCY

RFP Requirement: The Successful Proposer files a case under the Federal Bankruptcy Code or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, receivership or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any case or petition against it under any such law, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.C ASSIGNMENT

RFP Requirement: The Successful Proposer makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee, or liquidator of the Successful Proposer or of all or any part of its property; or judgment for the payment of money in excess of \$50,000.00 (which is not covered by insurance) is rendered by any court or governmental body against the Successful Proposer, and the Successful Proposer does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within thirty (30) Days from the date of entry thereof, and within said 30-Day period or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while providing such reserves therefore as may be required under generally accepted accounting principles; or a writ or warrant of attachment or any similar process shall be issued by any court against all or any material portion of the property of the Successful Proposer, and such writ or warrant of attachment or any similar process is not released or bonded within thirty (30) Days after its entry, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.D FAILURE TO ADHERE TO LAWS, ORDINANCES

RFP Requirement: A court of competent jurisdiction finds that the Successful Proposer has failed to adhere to any laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.E FAILURE TO COMMUNICATE

RFP Requirement: The Successful Proposer fails to communicate with the Texas Lottery as required by the Contract, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.F FAILURE TO REMOVE PERSONS

RFP Requirement: The Successful Proposer fails to remove any person from work relating to the Contract upon written notice from the Texas Lottery, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.G BREACH OF CONFIDENTIALITY

RFP Requirement: The Successful Proposer breaches the RFP's standard of confidentiality with respect to this RFP or the goods or services provided thereunder, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.H FAILURE TO PERFORM

RFP Requirement: The Texas Lottery makes a written determination that the Successful Proposer has failed to substantially perform under the Contract and specifies the events resulting in the Texas Lottery's determination thereof, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.I FAILURE TO COMPLY

RFP Requirement: The Successful Proposer fails to comply with any of the terms, conditions or provisions of the Contract, in any manner whatsoever, or

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.17.J NEGATIVE CONDUCT

RFP Requirement: The Successful Proposer engages in any conduct that results in a negative public impression including, but not limited to, creating even an appearance of impropriety with respect to the Texas Lottery, Texas Lottery games, the Successful Proposer, or the State of Texas.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.18 TERMINATION FOR IMPOSSIBILITY OF PERFORMANCE

RFP Requirement: The Texas Lottery reserves the right to terminate, in whole or in part, any Contract resulting from this RFP upon no less than five (5) Days' notice upon any of the following conditions:

- (a) The failure of the Texas Legislature to appropriate funds to the Texas Lottery for any Contract resulting from this RFP.*
 - (b) Any act or omission by the Texas Legislature which renders performance by the Texas Lottery impossible.*
-

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.18.A APPROPRIATION OF FUNDS

RFP Requirement: The failure of the Texas Legislature to appropriate funds to the Texas Lottery for any Contract resulting from this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.18.B ACT OR OMISSION

RFP Requirement: Any act or omission by the Texas Legislature which renders performance by the Texas Lottery impossible.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.19 TERMINATION WITHOUT PENALTY

RFP Requirement: Pursuant to Texas Government Code ANN. § 466.014(c), the Executive Director is permitted to terminate any Contract entered into as a result of this RFP, without penalty, if an investigation reveals that the Successful Proposer would not be eligible for a sales agent license under Texas Government Code ANN. § 466.155.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.20 NO LIABILITY UPON TERMINATION

RFP Requirement: If any Contract entered into as a result of this RFP is terminated for any reason, the Texas Lottery and the State of Texas shall not be liable to the Successful Proposer for any damages, losses, financial obligations, breach of contract, or any other claims or amounts arising from or related to any such termination. However, the Successful Proposer may be entitled to the remedies provided in Gov't Code, Chapter 2260.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.21 EFFECT OF TERMINATION

RFP Requirement: Upon any termination or expiration of this Contract, the following terms shall apply:

(a) The permissions, licenses and authorizations granted by the Successful Proposer to the Texas Lottery pursuant to the terms of this RFP or any resulting Contract shall remain in full force and effect.

(b) The Texas Lottery may, at its option, purchase the Lottery Gaming System equipment at its depreciated value as determined by the lower of the GAAP basis or Federal Tax basis.

(c) In the event that the contracts and assets related to the Lottery Network have not been assigned by the Successful Proposer to the Texas Lottery, the Successful Proposer shall immediately assign all such contracts and assets to the Texas Lottery. Upon such assignment, the Successful Proposer shall provide a detailed inventory and network diagrams of the Lottery Network, which shall include all components necessary for the operation of the Lottery Network.

(d) The Successful Proposer shall immediately surrender to the Texas Lottery all memoranda, notes, records, drawings, manuals, computer software, and other documents or materials (and all copies of same) pertaining to the Works, reports, and other data or materials generated or developed by the Successful Proposer or furnished by the Texas Lottery to the Successful Proposer, including all materials embodying any Texas Lottery confidential information, regardless of whether the works or materials are complete or incomplete; provided however, that as to memoranda, notes, records, drawings, manuals, computer software and other documents or materials pertaining to the Works, the Successful Proposer shall be required to provide only copies thereof, and the Successful Proposer shall be entitled to retain copies thereof to facilitate its exploitation of the Works as permitted by this Contract. This section shall apply to all materials made or compiled by the Successful Proposer, as well as to all materials furnished to the Successful Proposer by the Texas Lottery or by anyone else that pertain to the Works.

(e) If this Contract is terminated for cause by the Texas Lottery, the Texas Lottery shall be entitled to receive delivery of the source code for all of the software necessary for operation of the Lottery Gaming System from the source code escrow established pursuant to the requirements contained in this Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.21.A PERMISSIONS, LICENSES AND AUTHORIZATIONS

RFP Requirement: The permissions, licenses and authorizations granted by the Successful Proposer to the Texas Lottery pursuant to the terms of this RFP or any resulting Contract shall remain in full force and effect.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.21.B OPTION TO PURCHASE

RFP Requirement: The Texas Lottery may, at its option, purchase the Lottery Gaming System equipment at its depreciated value as determined by the lower of the GAAP basis or Federal Tax basis.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.21.C CONTRACT AND ASSET ASSIGNMENT

RFP Requirement: In the event that the contracts and assets related to the Lottery Network have not been assigned by the Successful Proposer to the Texas Lottery, the Successful Proposer shall immediately assign all such contracts and assets to the Texas Lottery. Upon such assignment, the Successful Proposer shall provide a detailed inventory and network diagrams of the Lottery Network, which shall include all components necessary for the operation of the Lottery Network.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.21.D SURRENDER OF MATERIALS

RFP Requirement: The Successful Proposer shall immediately surrender to the Texas Lottery all memoranda, notes, records, drawings, manuals, computer software, and other documents or materials (and all copies of same) pertaining to the Works, reports, and other data or materials generated or developed by the Successful Proposer or furnished by the Texas Lottery to the Successful Proposer, including all materials embodying any Texas Lottery confidential information, regardless of whether the works or materials are complete or incomplete; provided however, that as to memoranda, notes, records, drawings, manuals, computer software and other documents or materials pertaining to the Works, the Successful Proposer shall be required to provide only copies thereof, and the Successful Proposer shall be entitled to retain copies thereof to facilitate its exploitation of the Works as permitted by this Contract. This section shall apply to all materials made or compiled by the Successful Proposer, as well as to all materials furnished to the Successful Proposer by the Texas Lottery or by anyone else that pertain to the Works.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.21.E DELIVERY OF SOURCE CODE

RFP Requirement: If this Contract is terminated for cause by the Texas Lottery, the Texas Lottery shall be entitled to receive delivery of the source code for all of the software necessary for operation of the Lottery Gaming System from the source code escrow established pursuant to the requirements contained in this Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22 WARRANTIES

3.22.1 ORGANIZED AND CONSTITUTED

RFP Requirement: The Successful Proposer warrants and agrees that it is lawfully organized and constituted under all applicable national, international, state and local laws, ordinances and other authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.2 LEGAL AUTHORITY AND CAPACITY

RFP Requirement: The Successful Proposer warrants and agrees that it has the legal authority and capacity to enter into and perform any Contract resulting from its response to this RFP, and that it has the financial ability to perform its obligations under such Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.3 DULY AUTHORIZED

RFP Requirement: The Successful Proposer warrants and agrees that it has been duly authorized to operate and do business in all places where it will be required to do business under any Contract awarded pursuant to this RFP; that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.4 THIRD PARTY ASSIGNMENT

RFP Requirement: The Successful Proposer warrants and agrees that it has no present interest and shall not acquire, or assign to any third party, any interest that would conflict in any manner with its duties and obligations under any Contract awarded pursuant to this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.5 PERFORMANCE STANDARDS OF GOODS AND SERVICES

RFP Requirement: The Successful Proposer warrants and agrees that all goods and services it supplies in its performance under any Contract awarded pursuant to this RFP shall meet the performance standards required thereunder and shall be performed in a prompt, high quality, professional and competent manner using only qualified personnel.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.6 SPECIFICATIONS AND DESIGN CONFORMANCE

RFP Requirement: The Successful Proposer warrants and agrees that its tickets, games, goods and services shall in all respects conform to, and function in accordance with, Texas Lottery-approved specifications and designs.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.7 ACTION

RFP Requirement: The Successful Proposer warrants and agrees that it shall not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in this RFP without the express written consent of the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.8 SALES AGENT LICENSE

RFP Requirement: The Successful Proposer warrants that it is eligible for a sales agent license under Texas Government Code Ann. § 466.155 (Chapter 466 is also known as the State Lottery Act).

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.9 PAYMENT OF MISPRINTED TICKETS

RFP Requirement: Per Amendment No. 6, The Successful Proposer warrants that it will pay and agrees to pay any amount paid by the Texas Lottery and any costs incurred by the Texas Lottery as the result of and/or in connection with a misprinted On-Line Ticket. Altered tickets are not misprinted tickets. If an On-Line Ticket appears to be a winner in all respects (e.g., numbers shown on the ticket match the numbers selected in the drawing, no evidence of tampering/alteration, etc.), but the host computer record does not match the data printed on the physical ticket, the Successful Proposer warrants that it will pay and agrees to pay any amount paid by the Texas Lottery and any costs incurred by the Texas Lottery as a result of and/or in connection with the misprinted ticket.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.10 EQUIPMENT CONDITION AND REPAIR

RFP Requirement: The Successful Proposer warrants and agrees that it shall keep all equipment, related to the performance of any Contract resulting from this RFP, in good condition and repair and will not permit anything to be done that may materially impair the value thereof. The Successful Proposer shall use such equipment only in the ordinary course of its performance under this Contract and shall not permit such equipment to be used in violation of any applicable law, regulation or policy of insurance, nor for any other lawful purpose (e.g., issuing/renewing hunting and fishing licenses, paying utility bills, etc.) unless expressly authorized in writing by the Texas Lottery. The Successful Proposer agrees to develop an equipment maintenance and replacement schedule subject to approval by the Texas Lottery and agrees to comply with that schedule.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.11 GOODS AND PROPERTY

***RFP Requirement:** The Successful Proposer warrants and agrees that it shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods or system proposed in response to the RFP or any interest therein, or permit any of it to become a fixture or accession to other goods or property.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.12 UNAUTHORIZED OR DISABLING OF GAMING SYSTEM

***RFP Requirement:** The Successful Proposer warrants and agrees that the Lottery Gaming System shall be free from any code which would, or is designed to, disable the Lottery Gaming System (or any component of the Lottery Gaming System) automatically after the passage of time or under the control of a person other than the Texas Lottery and free from any code which would permit unauthorized access to the Lottery Gaming System (or any component of the Lottery Gaming System), such as a virus. The Successful Proposer's use of remote diagnostic software to disable any portion of the Lottery Gaming System (other than as necessary for support or maintenance) or to gain unauthorized access to the Lottery Gaming System will be deemed a breach of this warranty.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.13 CLOCK, COUNTER, VIRUS

***RFP Requirement:** The Successful Proposer warrants and agrees that the Lottery Gaming System delivered to the Texas Lottery under this Contract shall be free from any clock, counter, virus or other limiting design or routine that will cause the Lottery Gaming System to be erased, made inoperable, or otherwise become incapable of being used by the Texas Lottery after being used a certain number of times, or after the lapse of a certain period of time, or after the occurrence or lapse of any other triggering event.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.14 DATA INTEGRITY

***RFP Requirement:** The Successful Proposer warrants and agrees that the Lottery Gaming System shall maintain the integrity of the data that is used or displayed by the Lottery Gaming System throughout the Contract term and any renewal periods.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.15 INTRUSIONS AND UNAUTHORIZED USE

***RFP Requirement:** The Successful Proposer warrants and agrees that the Lottery Gaming System shall operate in a secure manner and shall be designed and operated so as to prevent intrusions and unauthorized use. The Successful Proposer warrants that it shall immediately report to the Executive Director any intrusions or unauthorized uses of the Lottery Gaming System.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.16 RIGHT TO LICENSE

RFP Requirement: The Successful Proposer warrants and agrees that it has good and marketable title to and/or the right to license, all of the Lottery Gaming System, free and clear of all liens, security interests and other encumbrances.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.22.17 OUTSTANDING ASSIGNMENTS, GRANTS, LICENSES

RFP Requirement: The Successful Proposer warrants, informs, discloses and represents that it has no outstanding assignments, grants, licenses, encumbrances, obligations, or agreements which relate to the Lottery Gaming System, whether written, oral or implied, and are inconsistent with this Contract or the rights, duties, and obligations stated in this Contract.

All of the above warranties contained in this section 3.22 shall survive expiration or termination of the Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.23 LICENSES AND PERMITS

RFP Requirement: The Successful Proposer shall obtain, maintain and pay for all licenses, permits and certificates including all professional licenses required by any statute, ordinance, rule or regulation. The Successful Proposer shall immediately notify the Texas Lottery of any suspension, revocation or other detrimental action against its licenses, permits or certificates.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.24 SUCCESSFUL PROPOSER SITE VISITS

RFP Requirement: The Texas Lottery shall have the free and unrestricted right, acting by itself or through its authorized representatives, to enter the premises of the Successful Proposer and any subcontractors, and to enter any other sites involved in providing goods and/or services under any Contract resulting from this RFP, to examine their operations and to inspect and copy the records of the Successful Proposer and/or subcontractors pertaining to goods and services provided under any Contract resulting from this RFP. The Successful Proposer agrees that the Successful Proposer and its subcontractors shall implement all reasonable quality control and security procedures requested by the Texas Lottery or representatives as designated by the Texas Lottery. The Texas Lottery will use reasonable efforts not to disrupt the normal business operations of the Successful Proposer (or subcontractor, as applicable) during site visits announced or unannounced.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25 INTELLECTUAL PROPERTY RIGHTS

3.25.1 OWNERSHIP

RFP Requirement: *As between the Successful Proposer and the Texas Lottery, the Works and Intellectual Property Rights in the Works are and shall be owned exclusively by the Texas Lottery, and not the Successful Proposer. The Successful Proposer specifically agrees that all Works shall be considered works made for hire, and that the Works shall, upon creation, be owned exclusively by the Texas Lottery. To the extent that the Works, under applicable law, may not be considered works made for hire, the Successful Proposer hereby agrees that the Contract resulting from this RFP transfers, grants, conveys, assigns, and relinquishes exclusively to the Texas Lottery all right, title and interest in and to the Works, and all Intellectual Property Rights in the Works, without the necessity of any further consideration, and the Texas Lottery shall be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Works, subject to any exceptions with respect to pre-existing or third party rights as set forth below.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.2 OWNERSHIP OF PRIOR RIGHTS BY THE TEXAS LOTTERY

RFP Requirement: *All property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed or owned by the Texas Lottery prior to the issuance of this RFP or execution of any Contract resulting therefrom (e.g., copyrights, trademarks, etc.) shall continue to be exclusively owned by the Texas Lottery, and the Successful Proposer shall have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible and intangible items solely for the purposes set forth in this RFP or resulting Contract, if any, and only for the duration of such Contract.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.3 OWNERSHIP OF PRIOR RIGHTS BY THE SUCCESSFUL PROPOSER

RFP Requirement: *Per Amendment No. 7, All property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed or owned by the Successful Proposer prior to the issuance of this RFP shall continue to be exclusively owned by the Successful Proposer, and the Texas Lottery shall have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible or intangible items solely for the purposes set forth in this RFP or resulting Contract, if any. All tangible and intangible items relating to the goods and/or services set forth herein or under the Contract, including the Intellectual Property Rights in those tangible or intangible items, that were created, developed or licensed by the Successful Proposer prior to the issuance of this RFP or the execution of the Contract, or during the term of the Contract, to the extent such tangible or intangible items are not considered "works" as defined above, shall be, and are, licensed to the Texas Lottery on a non-exclusive, perpetual, irrevocable, royalty-free, worldwide basis, to allow the Texas Lottery or its designees to provide, and continue to provide, the goods and services set forth herein or under the Contract, including after the expiration or termination of the Contract.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.4 FURTHER ACTIONS

RFP Requirement: *The Successful Proposer, upon request and without further consideration, shall perform any acts that may be deemed necessary or desirable by the Texas Lottery to evidence more fully the transfer of ownership of all Works to the Texas Lottery to the fullest extent possible, including but not limited to the execution, acknowledgement and delivery of such further documents in a form determined by the Texas Lottery. In the event the Texas Lottery shall be unable for any reason to obtain the Successful Proposer's signature on any document necessary for any purpose set forth in the foregoing sentence, the Successful Proposer hereby irrevocably designates and appoints the Texas Lottery and its duly authorized officers and agents as the Successful Proposer's agent and the Successful Proposer's attorney-in-fact to act for and in the Successful Proposer's behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further any such purpose with the same force and effect as if executed and delivered by the Successful Proposer.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.5 WAIVER OF MORAL RIGHTS

RFP Requirement: *The Successful Proposer hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Works which the Successful Proposer may now have or which may accrue to the Successful Proposer's benefit under U.S. or foreign copyright laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. The term "Moral Rights" shall mean any and all rights of paternity or integrity of the Works and the right to object to any modification, translation or use of the Works, and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.6 CONFIDENTIALITY

RFP Requirement: *All Works and all materials forwarded to the Successful Proposer by the Texas Lottery for use in and preparation of the Works, shall be deemed the confidential information of the Texas Lottery, and the Successful Proposer shall not use, disclose, or permit any person to use or obtain the Works, or any portion thereof, in any manner without the prior written approval of the Texas Lottery.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.7 INJUNCTIVE RELIEF

RFP Requirement: *The RFP and Contract are intended to protect the Texas Lottery's proprietary rights pertaining to the Works, and the Intellectual Property Rights therein, and any misuse of such rights would cause substantial and irreparable harm to the Texas Lottery's business. Therefore, the Successful Proposer acknowledges and stipulates that a court of competent jurisdiction should immediately enjoin any material breach of the intellectual property, licensing, and confidentiality provisions of the RFP or Contract, upon a request by the Texas Lottery, without requiring proof of irreparable injury as same should be presumed.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.8 RETURN OF WORKS

RFP Requirement: Upon the request of the Texas Lottery, but in any event upon expiration or termination of any Contract resulting from this RFP, the Successful Proposer shall surrender to the Texas Lottery all documents and things pertaining to the Works, including but not limited to drafts, memoranda, notes, records, drawings, manuals, computer software, reports, data, and all other documents or materials (and copies of same) generated or developed by the Successful Proposer or furnished by the Texas Lottery to the Successful Proposer, including all materials embodying the Works, any Texas Lottery confidential information, or Intellectual Property Rights, regardless of whether complete or incomplete. This section is intended to apply to all Works made or compiled by the Successful Proposer, as well as to all documents and things furnished to the Successful Proposer by the Texas Lottery or by anyone else that pertains to the Works.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.25.9 SUCCESSFUL PROPOSER'S NAME OR LOGO

RFP Requirement: The Successful Proposer shall not affix its company name, label, logo, or any other similar identifying information to or on any products, equipment or any other goods provided under any Contract resulting from this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.26 PRE-EXISTING AND THIRD PARTY RIGHTS

3.26.1 GRANT OF RIGHT AND LICENSE

RFP Requirement: To the extent that any pre-existing rights and/or third party rights or limitations are embodied, reserved or reflected in the Works, the Successful Proposer shall either (a) grant to the Texas Lottery the irrevocable, perpetual, non-exclusive, worldwide, royalty free right and license to (i) use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such pre-existing rights and any derivative works thereof and (ii) authorize others to do any or all of the foregoing, or (b) where the obtaining of worldwide rights is not reasonably practical or feasible, provide written notice to the Texas Lottery of such pre-existing or third party rights or limitations, request the Texas Lottery's approval of such pre-existing or third party rights, obtain a limited right and license to use such pre-existing or third party rights on such terms as may be reasonably negotiated, and obtain the Texas Lottery's written approval of such pre-existing or third party rights and the limited use of same. The Successful Proposer shall provide the Texas Lottery with documentation indicating a third party's written approval for the Successful Proposer to use any pre-existing or third party rights that may be embodied, reserved or reflected in the Works. The Successful Proposer shall indemnify, defend and hold the Texas Lottery harmless from and against any and all claims, demands, regulatory proceedings and/or causes of action, and all losses, damages, and costs (including attorneys' fees and settlement costs) arising from or relating to, directly or indirectly, any claim or assertion by any third party that the Works infringe any third party rights. The foregoing indemnity obligation shall not apply to instances in which the Texas Lottery either (y) exceeded the scope of the limited license that was previously obtained by the Successful Proposer and agreed to by the Texas Lottery, or (z) obtained information or materials, independent of the Successful Proposer's involvement or creation, and provided such information or materials to the Successful Proposer for inclusion in the Works, and such information or materials were included by the Successful Proposer, in an unaltered and unmodified fashion, in the Works.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.26.2 WRITTEN AGREEMENTS

RFP Requirement: *The Successful Proposer agrees that it shall have and maintain, during performance of any Contract arising from this RFP, written agreements with all employees, subcontractors, or agents engaged by the Successful Proposer in performance hereunder, granting the Successful Proposer rights sufficient to support all performance and grants of rights by the Successful Proposer. Copies of such agreements shall be provided to the Texas Lottery promptly upon request.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.27 REMEDIATION

RFP Requirement: *If the Works or the Intellectual Property Rights therein become the subject of a lawsuit or claim of infringement, or the Successful Proposer becomes aware that such items are likely to become the subject of a lawsuit or claim of infringement, the Successful Proposer shall exercise one (1) of the following two (2) options in order to provide the Texas Lottery with continued and uninterrupted use of the Works and Intellectual Property Rights therein: (a) obtain for the Texas Lottery the right to continue the use of the alleged infringing Works at no additional cost to the Texas Lottery, or (b) obtain alternative, substitute or new Works for the allegedly infringing Works, which are of equivalent or superior quality to the allegedly infringing Works, at no additional cost to the Texas Lottery, and subject to the acceptance of the Texas Lottery in its sole discretion.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.28 INTELLECTUAL PROPERTY SEARCH

RFP Requirement: *The Successful Proposer, at its expense, shall conduct all appropriate intellectual property searches (e.g., full copyright, trademark or service mark or patent searches) for all proposed Works, to ensure that the proposed Works are protectable by the Texas Lottery and do not infringe the Intellectual Property Rights of any third person or entity. The Successful Proposer holds the Texas Lottery harmless from the infringement of such Works, as set forth above. The Texas Lottery retains the right and option to obtain or secure registration of the Works in its own name, and on its own behalf, without the substantive involvement of the Successful Proposer. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.29 ACCOUNTING RECORDS

RFP Requirement: *The Successful Proposer and its subcontractors are required to maintain its books, records, information and other materials pertaining to any Contract awarded pursuant to this RFP in accordance with generally accepted accounting principles. These records shall be available to the Texas Lottery, its internal auditor or external auditors (and other designees) and the Texas State Auditor at all times during the Contract period and for a period of five (5) full years after (i) the expiration date of any Contract awarded pursuant to this RFP, or (ii) final payment under any Contract awarded pursuant to this RFP, whichever is later.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.30 RIGHT TO AUDIT

RFP Requirement: The Successful Proposer understands that acceptance of state funds under this Contract acts as acceptance of the authority of the State Auditor's Office, or its designee, to conduct an audit, other assurance services or investigation in connection with those funds. The Successful Proposer further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit, other assurance services or investigation, including providing all records requested. The Successful Proposer shall ensure that this provision concerning the State Auditor's Office's authority to audit state funds and the requirement to cooperate fully with the State Auditor's Office is included in any subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of the Successful Proposer relating to this Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.31 AUDIT REQUIREMENTS

RFP Requirement: The Successful Proposer must meet specific auditing obligations:

(a) The Successful Proposer shall be required to have a complete financial audit conducted annually. A copy of the Successful Proposer's audited financial statements shall be provided to the Texas Lottery annually.

(b) In addition, a complete internal control audit, in compliance with Statement on Auditing Standards No. 70 (SAS 70) requirements, of the Successful Proposer's Texas operations shall be conducted annually by an independent certified public accounting firm. The Successful Proposer shall pay for all audit services. This audit shall be conducted pursuant to SAS 70, as issued by the American Institute of Certified Public Accountants as it may be updated or amended from time to time. The Texas Lottery reserves the right to specify the type of report and the control objectives to be examined as well as the accounting firm to perform the audit. The Texas Lottery reserves the right to designate the annual period to be covered by the report relating to the internal control audit. The Successful Proposer agrees (i) to fully cooperate with any auditor retained to perform such audit; (ii) to generally release and waive any and all claims against the auditor other than those based upon intentional misconduct occurring during such audit; and (iii) to indemnify and hold harmless any auditor retained to perform such audit. The Successful Proposer agrees that any such auditor is a direct and intended third party beneficiary of this provision.

(c) The Texas Lottery's internal auditor or external auditors (and other designees) and the Texas State Auditor shall be given the right to review the work papers of the audits conducted by any independent certified public accounting firm, if considered necessary or desirable by the Texas Lottery.

(d) The Texas Lottery's internal auditor and Executive Director shall be given a copy of all reports including any management letters issued as a result of the specified audits within ten (10) Days of issuance. Ten (10) additional copies of all reports must be made available to the Texas Lottery upon request.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.31.A ANNUAL FINANCIAL AUDIT

RFP Requirement: The Successful Proposer shall be required to have a complete financial audit conducted annually. A copy of the Successful Proposer's audited financial statements shall be provided to the Texas Lottery annually.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.31.B INTERNAL CONTROL AUDIT

RFP Requirement: In addition, a complete internal control audit, in compliance with Statement on Auditing Standards No. 70 (SAS 70) requirements, of the Successful Proposer's Texas operations shall be conducted annually by an independent certified public accounting firm. The Successful Proposer shall pay for all audit services. This audit shall be conducted pursuant to SAS 70, as issued by the American Institute of Certified Public Accountants as it may be updated or amended from time to time. The Texas Lottery reserves the right to specify the type of report and the control objectives to be examined as well as the accounting firm to perform the audit. The Texas Lottery reserves the right to designate the annual period to be covered by the report relating to the internal control audit. The Successful Proposer agrees (i) to fully cooperate with any auditor retained to perform such audit; (ii) to generally release and waive any and all claims against the auditor other than those based upon intentional misconduct occurring during such audit; and (iii) to indemnify and hold harmless any auditor retained to perform such audit. The Successful Proposer agrees that any such auditor is a direct and intended third party beneficiary of this provision.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.31.C RIGHT TO REVIEW

RFP Requirement: The Texas Lottery's internal auditor or external auditors (and other designees) and the Texas State Auditor shall be given the right to review the work papers of the audits conducted by any independent certified public accounting firm, if considered necessary or desirable by the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.31.D REPORT COPIES

RFP Requirement: The Texas Lottery's internal auditor and Executive Director shall be given a copy of all reports including any management letters issued as a result of the specified audits within ten (10) Days of issuance. Ten (10) additional copies of all reports must be made available to the Texas Lottery upon request.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.32 RIGHT TO ADDITIONALLY AUDIT THE SUCCESSFUL PROPOSER'S TEXAS OPERATIONS

3.32.1 RIGHT TO AUDIT RECORDS AND OPERATIONS

RFP Requirement: The Texas Lottery reserves the right to audit the Successful Proposer's records and operations as they relate to the Texas Lottery. The Successful Proposer's records are subject to audit by the Texas Lottery and the state auditor. For the purpose of this provision, the Texas Lottery or state auditor may examine all books, records, papers, or other objects, as well as data and systems that the Texas Lottery or state auditor determines are necessary for conducting a complete examination. The Texas Lottery or state auditor may also examine under oath any officer, director, or employee of the Successful Proposer. The Texas Lottery or state auditor may conduct an examination at the principal office or any other office of the Successful Proposer or may require the Successful Proposer to produce the records at the office of the Texas Lottery or state auditor. If the Successful Proposer refuses to permit an examination or to answer any question during the course of an audit, the Successful Proposer is subject to sanctions as provided in the Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.32.2 AUDIT COOPERATION

RFP Requirement: The Successful Proposer agrees (i) to fully cooperate with any auditor retained to perform such audit; (ii) to generally release and waive any and all claims against the auditor other than those based upon intentional misconduct occurring during such audit, and (iii) to indemnify and hold harmless any auditor retained to perform such audit. The Successful Proposer agrees that any such auditor is a direct and intended third party beneficiary of this provision.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.33 INDEMNIFICATION

3.33.1 INDEMNIFIED PARTIES

RFP Requirement: The Successful Proposer shall indemnify, defend and hold the Texas Lottery, its commission members, the State of Texas, and its agents, attorneys, employees, representatives and assigns (the "Indemnified Parties") harmless from and against any and all claims, demands, causes of action, liabilities, lawsuits, losses, damages, costs, expenses or attorneys' fees (collectively, "Claim."), and including any liability of any nature or kind arising out of a Claim for or on account of the Works, or other goods, services or deliverables provided as the result of any Contract resulting from this RFP, which may be incurred, suffered, or required in whole or in part by an actual or alleged act or omission of the Successful Proposer, or a subcontractor of the Successful Proposer, or any person directly or indirectly employed by the Successful Proposer or a subcontractor of the Successful Proposer, whether the Claim is based on negligence, strict liability, intellectual property infringement or any other culpable conduct, whether frivolous or not. The foregoing indemnity obligations of the Successful Proposer shall not apply to Claims arising out of or related to the exceptions (y) and (z) set forth in Section 3.26.1 above.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.33.2 INDEMNIFIED PARTIES LIABILITY

RFP Requirement: The Successful Proposer's liability shall extend to and include all reasonable costs, expenses and attorneys' fees incurred or sustained by the Indemnified Parties in: (a) making any investigation and in prosecuting or defending any Claim arising out of or in connection with the Works, or other goods, services or deliverables provided under any Contract resulting from this RFP (including but not limited to any claim that all or any portion of the Works infringes the patent, copyright, trade secret, trademark, confidential information, or other Intellectual Property Rights of any third party); (b) obtaining or seeking to obtain a release therefrom; or (c) enforcing any of the provisions contained in this RFP or the Contract. The Texas Lottery will withhold all indemnification costs and related expenses and fees (incurred or sustained by the Indemnified Parties) from payments to the Successful Proposer under any Contract resulting from this RFP, or if no contract payments are to be made, the Texas Lottery will make demand of payment from the Successful Proposer or seek recovery against the Successful Proposer's Performance Bond. The Indemnified Parties, upon giving notice to the Successful Proposer, shall have the right in good faith to pay, settle or compromise, or litigate any Claim under the belief that the Claim is well founded, whether it is or not, without the consent or approval of the Successful Proposer. The Texas Lottery has sole discretion as to the choice and selection of any attorney who may represent the Texas Lottery. To the extent that the Successful Proposer makes any payments to or on behalf of the Indemnified Parties under the Contract, and to the extent permissible by law, the Successful Proposer shall be fully subrogated to all rights and claims of the Indemnified Parties in connection therewith. In any event, the Indemnified Parties shall provide reasonable notice to the Successful Proposer of any Claim known to the Indemnified Parties to arise out of the Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.34 BONDS AND INSURANCE

RFP Requirement: All required bonds and insurance must be issued by companies or financial institutions which are financially rated Excellent or better as rated by A.M. Best Company and duly licensed, admitted, and authorized to do business in the State of Texas. The Texas Lottery shall be named as the obligee in each required bond. Each insurance policy, except those for workers' compensation, employer's liability and professional liability, must name the Texas Lottery (and its officers, agents and employees) as an additional insured on the original policy and all renewals or replacements. Insurance coverage must include a waiver of subrogation in favor of the Texas Lottery, its officers, and employees for bodily injury (including death), property damage or any other loss. The insurance shall be evidenced by delivery to the Texas Lottery of certificates of insurance executed by the insurer or its authorized agency stating coverage, limits, expiration dates, and compliance with all applicable required provisions. Upon request, the Texas Lottery shall be entitled to receive, without expense, certified copies of the policies and all endorsements. Except as otherwise expressly provided herein, required coverage must remain in full force and effect throughout the term of the Contract and any extensions thereof, and provide adequate coverage for incidents discovered after termination of the Contract. Insurance coverage shall not be canceled, non-renewed or materially changed except after thirty (30) Days' notice by certified mail to the Texas Lottery. The Successful Proposer must submit original certificates of insurance for each required insurance contract, and any renewals thereof, within fifteen (15) Days after contract execution. Renewal certificates shall be submitted prior to or within fifteen (15) Days after expiration of the existing policy. Proposers must submit required bonds when and as provided in sections of this RFP outlining bond requirements.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.35 SELF INSURANCE

RFP Requirement: The Successful Proposer may not elect to provide entirely or in part for the insurance/bond protections described in this RFP through self-insurance. A deductible provision contained in an insurance policy that meets the requirements of this RFP is not considered as self-insurance unless the deductible amount exceeds ten percent (10%) of the face amount of the insurance policy.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.36 PERFORMANCE BOND

3.36.1 ORIGINAL PERFORMANCE BOND

RFP Requirement: The Successful Proposer shall provide an original performance bond (as shown in Attachment F attached hereto and incorporated for all purposes) in the amount of thirty five million dollars (\$35,000,000) within fifteen (15) Days of execution of the Contract. Failure to have and keep a bond in place shall constitute a breach of any Contract entered into as a result of this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.36.2 FULL FORCE AND EFFECT

RFP Requirement: The bond must be maintained in full force and effect for the initial term and any renewal term of the Contract. The bond shall be forfeited to the Texas Lottery if the Successful Proposer fails to perform as required by the Contract, pay sanctions or liquidated damages, or indemnify the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.37 GENERAL LIABILITY INSURANCE

RFP Requirement: The Successful Proposer must maintain general liability insurance coverage with limits of not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate, two million dollars (\$2,000,000) products/completed operations aggregate and two million dollars (\$2,000,000) personal and advertising injury. Policy shall be endorsed to include the Amendment of Aggregate Limits per location.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.38 PROPERTY INSURANCE

RFP Requirement: The Successful Proposer must maintain insurance on all buildings, furniture, fixtures, computer and communications equipment used in operating and supporting the Successful Proposer's operations under any Contract resulting from this RFP in an amount equal to or greater than the actual replacement cost thereof. Coverage must include an All Risk Property Floater to insure personal property including contents, equipment, and mobile items against fire, theft, collision, flood, etc. The Texas Lottery will not be responsible for insuring any equipment or facilities included in or associated with the Successful Proposer's operations.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.39 ERRORS AND OMISSIONS INSURANCE

RFP Requirement: The Successful Proposer must maintain professional liability errors and omissions insurance of not less than ten million dollars (\$10,000,000), to be in force and effect during the term of the Contract including any extension thereof and one year thereafter. Coverage must indemnify the Texas Lottery for direct loss due to errors, omissions, or problems of any type arising out of the performance of or failure to perform system services or out of the failure of hardware or software to perform the function or serve the purpose intended, for which the Successful Proposer is legally liable.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.40 CRIME INSURANCE

RFP Requirement: The Successful Proposer must maintain crime insurance with a limit of not less than five million dollars (\$5,000,000) protecting the Texas Lottery against losses, including lost income, lost profits, extra expenses and other consequential losses suffered by the Texas Lottery, resulting from loss of property (including money, securities and Texas Lottery tickets) by robbery, burglary, or theft, computer fraud or the loss of money, securities or Texas Lottery tickets because of destruction or disappearance. The policy also must include employee dishonesty coverage with a minimum of five million dollars (\$5,000,000) per person endorsed to cover third party property and no conviction clause.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.41 AUTOMOBILE LIABILITY INSURANCE

RFP Requirement: The Successful Proposer must maintain automobile liability insurance covering drivers and vehicles employed by the Successful Proposer. The Successful Proposer must require each subcontractor to carry the same coverage and limits as those required of the Successful Proposer. The automobile liability insurance must have limits of not less than two million dollars (\$2,000,000) for bodily injury to each person, four million dollars (\$4,000,000) for bodily injury each accident, two million dollars (\$2,000,000) for property damage, and a combined single limit of not less than four million dollars (\$4,000,000).

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.42 WORKERS' COMPENSATION & EMPLOYERS LIABILITY INSURANCE

RFP Requirement: The Successful Proposer must maintain Workers' Compensation insurance coverage in accordance with statutory limits, and Employers Liability insurance coverage with minimum limits for bodily injury:

(a) by accident, \$100,000 per each accident; and

(b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.

Coverage must include a waiver of subrogation in favor of the Texas Lottery Commission, its officers and employees.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.42.A ACCIDENT

RFP Requirement: by accident, \$100,000 per each accident; and

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.42.B DISEASE

RFP Requirement: by disease, \$100,000 per employee with a per policy aggregate of \$500,000.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.43 DISCLOSURE OF LITIGATION

RFP Requirement: The Proposer must include in its Proposal a complete disclosure of any material civil or criminal litigation or indictment either threatened or pending involving the Proposer. "Threatened litigation" as used herein shall include governmental investigations and civil investigative demands. "Litigation" as used herein shall include administrative enforcement actions brought by governmental agencies. The Proposer must also disclose any material litigation threatened or pending involving subcontractors, consultants, and/or lobbyists. For purposes of this section, "material" refers to, but is not limited to, any action or pending action that a reasonable person knowledgeable in the gaming industry would consider relevant to any gaming operation or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the gaming industry and its operations, together with any litigation threatened or pending that may result in a substantial change in the Proposer's financial

condition, as described in Section 4.7. This is a continuing disclosure requirement, any litigation commencing after submission of a Proposal (and for the Successful Proposer, after Contract Award) must be disclosed in a written statement to the Texas Lottery's General Counsel within fifteen (15) Days of its occurrence. The Successful Proposer shall be required to file with the Texas Lottery comprehensive monthly reports regarding all threatened or pending litigation involving the Successful Proposer's Texas operations and all threatened or pending litigation that may be considered material to the overall operations of the Successful Proposer, as well as all procurement protests or responses to procurement protests involving the Successful Proposer or its parents, subsidiaries or affiliates.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

As required by the RFP, Scientific Games discloses below any material civil or criminal litigation or indictment either threatened or pending involving Scientific Games.

We understand that this is a continuing disclosure requirement, and that any litigation commencing after submission of this proposal (and for the successful proposer, after contract award) must be disclosed in a written statement to the Texas Lottery's General Counsel within 15 days of its occurrence.

Scientific Games will file with the Texas Lottery comprehensive monthly reports regarding all threatened or pending litigation involving Scientific Games' Texas operations and all threatened or pending litigation that may be considered material to the overall operations of Scientific Games, as well as all procurement protests or responses to procurement protests involving the Scientific Games or its parents, subsidiaries or affiliates.

PENDING LITIGATION

**Confidentiality Claimed
Not released**

**Confidentiality Claimed
Not released**

**Confidentiality Claimed
Not released**

Confidentiality Claimed
Not released

**Confidentiality Claimed
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Confidentiality Claimed
Not released

**Confidentiality Claimed
Not released**

3.44 DISCLOSURE OF SANCTIONS AND LIQUIDATED DAMAGES

RFP Requirement: Per Amendment No. 8, The Proposer must include in its Proposal a complete list of all sanctions and liquidated damages assessed against the Proposer during the last five (5) years prior to submission of the Proposal for the following: (i) a single sanctionable event under any contract that occurred five (5) times or more in a rolling calendar year or (ii) any sanction or liquidated damage under any contract totaling fifty thousand dollars (\$50,000) or more. The Proposer must also include in its Proposal a complete account of all goods or services provided in consideration of contractual sanctions or liquidated damages that would have been assessed, including the jurisdiction, the reason for the penalty or liquidated damages and the goods or services provided in lieu of the assessment. This is a continuing disclosure requirement, any sanctions or liquidated damages assessed after submission of the Proposal must be disclosed in writing within fifteen (15) Days of its occurrence. The Texas Lottery reserves the right to request an updated report of all sanctions and/or liquidated damages assessed against the Successful Proposer during the term of any Contract resulting from this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

Please see **Section 4.2.5.B** for the disclosure of sanctions and liquidated damages that are required to be included in Scientific Games' proposal.

3.45 FORCE MAJEURE/DELAY OF PERFORMANCE

3.45.1 DELAY OR PERFORMANCE FAILURE BY FORCE MAJEURE

RFP Requirement: Except as otherwise provided, neither the Successful Proposer nor the Texas Lottery shall be liable to the other for any delay in, or failure of performance of, any covenant contained herein caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. For purposes of this RFP and any Contract resulting therefrom, "force majeure" is defined as "an act of God or any other cause of like kind not reasonably within a party's control and which, by the exercise of due diligence of such party, could not have been prevented or is unable to be overcome". The Successful Proposer must inform the Texas Lottery in writing within three (3) Days of the existence of any such force majeure or otherwise waives this right as a defense.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.45.2 NOTIFICATION OF DELAYS IN PERFORMANCE

RFP Requirement: The Successful Proposer shall immediately upon discovery notify the Executive Director in writing of any delays in performance regardless of responsibility, fault or negligence. If the Successful Proposer contends that the delay is the responsibility, fault or negligence of Texas Lottery staff, the Successful Proposer must provide written notice within three (3) calendar Days of the discovery, and to the extent possible, identify the event or individual responsible so that the Executive Director may take appropriate action to remedy the situation. Failure to provide such notice to the Executive Director as required in this Section 3.45 shall constitute a waiver of the Successful Proposer's right to assert the Texas Lottery's action/inaction as a defense.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.46 SECURITY REQUIREMENTS

3.46.1 SECURITY PROGRAM

RFP Requirement: Prior to beginning operations under any Contract awarded pursuant to this RFP, the Successful Proposer shall establish a security program, subject to the prior written approval of the Texas Lottery as specified in this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.46.2 ADDITIONAL SECURITY MEASURES

RFP Requirement: The Texas Lottery reserves the right to require at any time such further and additional security measures as deemed necessary or appropriate to ensure the integrity of the Successful Proposer's goods and services.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.47 TAXES, FEES AND ASSESSMENTS

3.47.1 PAYMENT OF TAXES

RFP Requirement: The Texas Lottery shall have no responsibility whatsoever for the payment of any federal, state or local taxes which become payable by the Successful Proposer or its subcontractors, or their agents, officers or employees. The Successful Proposer shall pay and discharge when due all such taxes, license fees, levies, and other obligations or charges of every nature.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.47.2 RESPONSIBILITY FOR PAYMENT OF TAXES

RFP Requirement: The Successful Proposer shall be responsible for payment of all taxes attributable to any Contract awarded pursuant to this RFP and any and all such taxes shall be identified under the Successful Proposer's federal tax identification number. The Successful Proposer shall pay all federal, state and local taxes of any kind, including without limitation income, franchise, ad valorem personal property, sales, use, lease, payroll, consumption, distribution and storage taxes, for the goods, services and systems relating thereto provided by the Successful Proposer, whether or not such taxes are in effect as of the date the Contract resulting from this RFP is signed or scheduled to go into effect, or become effective during the initial term and any and all renewal terms, if any.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.48 ADVERTISING

RFP Requirement: The Successful Proposer shall not issue any news releases or publish information to the public pertaining to this procurement process or the performance of any Contract awarded by the Texas Lottery without prior written approval of the Texas Lottery. For any required disclosure or any public release of information of any kind, including a nonrequired disclosure, that is under a deadline imposed by any statutory or regulatory authority, the Successful Proposer shall seek approval from the Texas Lottery no less than two (2) Working Days prior to the deadline for the release of the information. In any case in which a deadline for the release of information exists, approval of the release by the Texas Lottery shall neither be construed as an endorsement of the release, as assent to the content of the release, as an indication of the accuracy of the information in the release, nor as any admission of any kind regarding any subject covered in the release.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.49 NEWS RELEASES

3.49.1 USE OF NAME, LOGO, IMAGES

RFP Requirement: The Successful Proposer agrees not to use the Texas Lottery's name, logos, images, nor any data or results arising from this procurement process or Contract awarded pursuant to this RFP as a part of any commercial advertising, or to promote the Successful Proposer in another jurisdiction's procurement process, without prior written approval by the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.49.2 PRE-APPROVED USE OF ADVERTISING, PROMOTIONS AND POS

RFP Requirement: Any advertising, promotions and point of sale material produced by the Successful Proposer under the Contract or proposed for use by the Successful Proposer in Texas must be pre-approved by the Texas Lottery in writing.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.50 HIRING OF TEXAS LOTTERY PERSONNEL

3.50.1 EMPLOYMENT OFFERS OR BUSINESS ARRANGEMENTS

RFP Requirement: At all times following issuance of this RFP and ending with either the award of a Contract or the rejection of all Proposals, prospective Proposers are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any Texas Lottery employee involved in the evaluation of Proposals, the Contract Award, or contract negotiations. A prospective Proposer making such an offer or proposition may be disqualified from further consideration.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.50.2 SERVICES OF STATE OF TEXAS EMPLOYEES

RFP Requirement: At all times following the issuance of this RFP and ending with either the award of a Contract or the rejection of all Proposals, Proposers shall not engage the services of any State of Texas employee while such person remains employed by the State without the written consent of the Texas Lottery. During the term of the Contract, the Successful Proposer shall not engage the services of any State of Texas employee while such person remains employed by the State without the written consent of the Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.51 HIRING OF LOBBYIST, CONSULTANT AND/OR ADVISOR; SUPPLEMENTAL INFORMATION

RFP Requirement: The Proposer shall list the names, addresses and telephone numbers for all lobbyists, consultants, and/or advisors who will perform services related to the Proposer's operations or interests in the State of Texas, pursuant to previously executed contracts, or during the three (3) years prior to the issuance of the RFP, who have performed services related to the Proposer's operations or interests in the State of Texas for the Proposer or any subcontractors of the Proposer. The Proposer shall immediately notify the Texas Lottery in the event of change of lobbyist, consultant, or advisor information.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

The names, addresses and telephone numbers for all lobbyists, consultants, and/or advisors who will perform services related to Scientific Games' operations or interests in the state of Texas, pursuant to previously executed contracts, or during the three years prior to the issuance of the RFP, who have performed services related to the Scientific Games' operations or interests in the state of Texas for the Scientific Games or any subcontractors of Scientific games are given below.

Scientific Games will immediately notify the Texas Lottery in the event of change of lobbyist, consultant, or advisor information.

LOBBYISTS

- Gib Lewis
1504 San Antonio Street
Austin, TX 78701
512.478.1890
- Debbie Mitchell
1504 San Antonio Street
Austin, TX 78701
512.478.1890
- Russ Keene
The Monument Group
515 Congress Avenue, Suite 1755
Austin, TX 78701
512.450.5170

CONSULTANTS

- John Osenenko
L2P Group, LLC
500 Glen National Drive
Alpharetta, GA 30004
770.815.2009
- Steve Parker
Active Strategies, Inc.
1115 San Jacinto Boulevard, Suite 275
Austin, TX 78701
512.391.1777

ATTORNEYS

- Al Axe
Winstead P.C.
401 Congress Avenue
Suite 2100
Austin, TX 78701
512.370.2806

3.52 NOTICES

RFP Requirement: The Proposer shall indicate in its Proposal the name and address of the person to whom any notices shall be given. Notices to the Texas Lottery shall be made by personal delivery or by certified (or registered) mail return receipt requested to the Texas Lottery at the address below unless the Proposer is notified in writing by the Texas Lottery of any change:

Texas Lottery Commission

Attention: Contracts Administration

P.O. Box 16630

Austin, Texas 78761-6630

Fax (512) 344-5058

Contracts@lottery.state.tx.us

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

The name and address of the person whom any notices will be given is as follows:

- Steve Beason
President, Global Lottery Systems and CTO
Scientific Games International
1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004
770.664.3700

A copy should also be addressed to the Legal department at the same address.

3.53 NON-DISCLOSURE

RFP Requirement: In addition to maintaining confidentiality of information as prescribed in the Non-Disclosure Statement (Section 2.4), the Successful Proposer shall maintain as confidential, and shall not disclose to third parties without the Texas Lottery's prior written consent, any Texas Lottery information including but not limited to the Texas Lottery's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.54 USUFRUCT

RFP Requirement: If, for any reason other than breach of contract by the Texas Lottery, the Successful Proposer should lose its ability to service a Contract resulting from this RFP, the Texas Lottery shall acquire a usufruct in all contractual items owned by the Successful Proposer in conjunction with the Contract and which are necessary to provide such services. Said usufruct shall be limited to the right of the Texas Lottery to possess and make use of such contractual items solely for the use and benefit of the Texas Lottery in operating, maintaining, altering, replacing and improving the programs and systems being used by the Texas Lottery under the Contract. Such usufruct shall be limited in time to the duration of the Contract and any extension thereof, and in scope for programs, systems, and other items being used by the Texas Lottery under the Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.55 TICKET PURCHASE

RFP Requirement: In accordance with Texas Government Code ANN. § 466.254 (Purchase of Ticket by or Payment of Prize to Certain Persons), no member, officer or employee of the Successful Proposer shall purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game. No spouse, child, brother, sister, or parent of such member, officer or employee who resides in the household of such member, officer or employee (collectively, "Family Members"), shall purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game. The Successful Proposer shall ensure that these statutory prohibitions are made known to each member, officer and employee of the Successful Proposer, prior to that person becoming involved in selling or leasing the goods or performing the services that are the subject of the Contract. The Successful Proposer shall require its members, officers and employees to make the statutory prohibition known to Family Members. The Successful Proposer shall promptly notify the Texas Lottery of any violation of Texas Government Code ANN. § 466.254.

Following contract execution, the Successful Proposer agrees to provide to the Texas Lottery the name, address, and any other identifying information requested by the Texas Lottery, of all members, officers and employees of the Successful Proposer, or of any subcontractor(s), providing goods or

performing the services that are the subject of the contract with the Texas Lottery. The Successful Proposer agrees to update such information when there is a change in the direct involvement status of any of Successful Proposer's members, officers and employees, or of any subcontractor(s).

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.56 END OF CONTRACT CONVERSION

3.56.1 CONVERSION COOPERATION

RFP Requirement: The Texas Lottery shall be solely responsible for the identification of and time for conversions (transfers) of retailer terminals and the Successful Proposer shall cooperate fully and in good faith in said conversion (transfer). Cooperation may include, but is not limited to, sharing of liability files and cross-validation of winning tickets.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.56.2 EQUIPMENT AND MATERIALS REMOVAL

RFP Requirement: At the direction of the Texas Lottery, the Successful Proposer shall remove all equipment and materials relating solely to the Successful Proposer's System from each Retailer location within fourteen (14) calendar days after the successful conversion (transfer) of the location to the new system.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.56.3 TRANSITION OF ADMINISTRATION OF RESPONSIBILITIES

RFP Requirement: The Successful Proposer must cooperate fully with the Texas Lottery throughout the period in which the administration of responsibilities under the Contract is transitioned or turned over to the Texas Lottery or a third party. The Successful Proposer must continue to provide all goods and services required under the Contract without interruption or degradation in service levels during the turnover period. The Successful Proposer must support the successor, including the sharing of files, until the Texas Lottery determines that the successor can satisfactorily maintain contract services without interruption. The Successful Proposer shall provide to the Texas Lottery or its designee promptly and without delay, at no cost, copies of all current software specifications, data files, job control language, program designs, procedures and all other elements required to install and operate the games in machine readable form and/or to perform the other services required of the successor. Required technical, user and programmer documentation as the Texas Lottery may require must also be provided promptly and without delay by the Successful Proposer to the Texas Lottery or its designee. The Texas Lottery will determine when the Successful Proposer's transition services are not necessary and will provide written notice to the Successful Proposer.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.56.4 SUFFICIENT PERSONNEL

RFP Requirement: Through the conversion period, the Successful Proposer shall provide sufficient experienced personnel, resources and facilities to assure that the system and services called for by the Contract are maintained at a high level of proficiency.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.57 EQUIPMENT

RFP Requirement: The Successful Proposer hereby represents and warrants that all equipment provided shall be new, shall be free from defects in materials and workmanship, shall be merchantable and fit for the purpose for which it is intended, and shall meet or exceed the performance standards and specifications required in this Contract. Any equipment, or component thereof, used by the Successful Proposer pursuant hereto that does not conform to the foregoing shall be repaired or replaced by the Successful Proposer without cost to the Texas Lottery in addition to other amounts the Texas Lottery may be entitled to in law or in equity, or as specified in the Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.58 PROGRAMS

3.58.1 SYSTEMS DESIGN AND PROGRAMS

RFP Requirement: The Successful Proposer represents and warrants that all systems analysis, systems design and programming prepared or done, or to be prepared or done, by the Successful Proposer, its Subcontractors, or its officers, employees or agents in providing all required goods and services under the Contract has been and shall be prepared or done in a professional manner. All systems analyses, systems design and programs shall be fully documented. All documentation must also include a security risk and analysis. The Successful Proposer further hereby represents and warrants that all programs provided under the Contract shall meet the performance standards required in the Contract and shall correctly and accurately perform their intended functions.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.58.2 MAINTAINABLE AND REUSABLE GAMING SYSTEM SOFTWARE

RFP Requirement: The Successful Proposer hereby warrants that all Lottery Gaming System software is maintainable and reusable. The Successful Proposer warrants and represents that all software used by the Successful Proposer in the performance of any and all Contract requirements in the Lottery Gaming System shall be written in languages that can be maintained and supported by the Texas Lottery and/or any third party contractor selected by the Texas Lottery. The Successful Proposer hereby warrants that all Lottery Gaming System software shall be documented. The Successful Proposer hereby warrants that all software developed for the Texas Lottery and all modifications to existing software developed pursuant to this Contract will be delivered in a format including both source code and object code, such that such software can be readily modified, compiled, and maintained by the Texas Lottery and/or a third party contractor selected by the Texas Lottery; provided however, that delivery of the source code format, to the extent such software does not constitute Works, will be only into escrow pursuant to Section 3.58.5, and subject to the terms and conditions of the Source Code Escrow Agreement contemplated by said Section 3.58.5.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.58.3 PROGRAMMING SUPPORT SOFTWARE

RFP Requirement: Programming languages, tools, and methodologies used by the Successful Proposer in performance of Contract obligations must be approved as supportable by the Texas Lottery prior to their use by the Successful Proposer. The Successful Proposer shall support all Lottery Gaming System software for the term of the Contract and any extension thereof. If the programming support software is not available in the open normal data processing market, then the Successful Proposer shall be required to supply to persons designated by the Texas Lottery all compilers and all normal programming support software, which is available to the Successful Proposer's software staff, as well as appropriate and necessary training.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.58.4 COPIES OF ALL WORKS

RFP Requirement: The Successful Proposer shall deliver copies of all Works to the Texas Lottery promptly after they are completed. If the Works include computer software, the Successful Proposer shall deliver copies of source code as well as object code of such software, and entity relationship diagrams, in addition to technical documentation sufficient for an average programmer to understand, modify, compile and execute the software. The Successful Proposer shall clearly label the media containing any Works to identify the Works contained in the media.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.58.5 SOURCE CODE ESCROW AGREEMENT

RFP Requirement: The Successful Proposer shall enter into a source code escrow agreement with the Texas Lottery and designate an escrow agent acceptable to the Texas Lottery for the source code and system and/or technical documentation for those portions of the software that do not constitute Works (the "Source Code Escrow Agreement"). The Successful Proposer shall be responsible for all charges associated with the escrow of the source code. The Successful Proposer shall continuously maintain and perform all of the respective obligations of the Source Code Escrow Agreement in accordance with the terms of the Source Code Escrow Agreement. At a minimum, the Source Code Escrow Agreement shall provide for release of the source code to the Texas Lottery in the event of termination for cause of this Contract under Section 3.17. The Source Code Escrow Agreement shall not permit the Successful Proposer to give contrary instructions to the escrow agent in the event that the Texas Lottery sends the agent a certified letter indicating that a release condition has occurred. The Texas Lottery shall have full rights of inspection during the term of the Source Code Escrow Agreement. By executing the Contract, the Successful Proposer grants the Texas Lottery a non-exclusive, worldwide, perpetual, irrevocable, and royalty-free right and license to use, have used, modify, have modified, compile, have compiled, execute, have executed, display, have displayed and operate and have operated the source code for the software necessary to operate the Lottery; it being understood, however, that the Texas Lottery shall only exercise its rights under this license with respect to the source code released from the source code escrow pursuant to the terms and conditions of the escrow agreement. In such event, the Texas Lottery may allow access to the source code by third party contractors, but only if the Texas Lottery enters into a non-disclosure agreement with such third party requiring the third party to maintain the source code in confidence, not to use the source code for any other purpose other than to support the Texas Lottery, and naming the Successful Proposer as a third party beneficiary of such non-disclosure agreement. The Texas Lottery and the Successful Proposer intend that the Texas Lottery shall have all rights afforded to licensees under section 365(n) of the U.S. Bankruptcy Code (and any successor thereto) in connection with any bankruptcy of the Successful Proposer.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.59 LOTTERY PURCHASE OPTION

RFP Requirement: In the event that the Texas Lottery exercises its option to purchase the Lottery Gaming System equipment pursuant to section 3.21(b) of this RFP or any resulting Contract, the Texas Lottery shall have an irrevocable, perpetual, worldwide, royalty-free right and exclusive license to use third party software or software developed by the Successful Proposer and received by the Texas Lottery from the Successful Proposer under the Contract in order to operate in Texas any equipment provided under the Contract by the Successful Proposer.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.60 SANCTIONS AND REMEDIES SCHEDULE

3.60.1 GENERAL

RFP Requirement: Section 2261.101 of the Texas Government Code requires that all state contracts contain a remedies schedule, a graduated sanctions schedule, or both. Pursuant to that statutory provision, sanctions and remedies will apply for the incidents specified in this section. The sanctions and remedies will be referred to as "sanctions".

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.60.2 ASSESSMENT OF SANCTIONS

RFP Requirement: Once the Texas Lottery has determined that sanctions are to be assessed, the Executive Director or Executive Director's designee may notify the Successful Proposer of the assessment(s). Failure or delay in notifying does not impact the Texas Lottery's assessment of sanctions and providing notice is not a condition precedent thereto. The Texas Lottery will withhold sanctions from payments to the Successful Proposer, or, if no payments are to be made, the Texas Lottery will make demand of payment of sanctions. The Successful Proposer must make payment within ten (10) Days of the Texas Lottery's demand. In the event the Successful Proposer fails to pay within the ten (10) Day period, the Texas Lottery may make a claim for payment against the performance bond under Section 3.36, with or without notice to the Successful Proposer.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.60.3 FAILURE TO ASSESS SANCTIONS

RFP Requirement: The failure of the Texas Lottery to assess sanctions in any instance where the Texas Lottery is entitled to sanctions pursuant to the terms of this RFP and/or the Contract shall not constitute waiver in any fashion of the Texas Lottery's rights to assess sanctions.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.60.4 SEVERABILITY OF INDIVIDUAL SANCTIONS CLAUSE

RFP Requirement: *If any portion of this sanctions schedule is determined to be unenforceable, the other portions of this schedule shall remain in full force and effect.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.60.5 SANCTION SCHEDULE

RFP Requirement: *For the purpose of the sanctions schedule, the following definitions apply:*

- *Section* – references the applicable provision(s) of the RFP. The section references are not exclusive.
- *Description* – detailed description of the sanction.
- *Amount* – sanction assessment amount and frequency.
- *Trigger Examples* – how the sanction may be applied. The trigger examples are not exclusive. *Measure* – basis for the sanction assessment.
- *Performance Target* – the Contract requirement.
- *Formula* – shows how the sanction will be calculated.
- *Maximum Sanction* – the maximum sanction amount, if any, per incident.
- *Exceptions* – identifies any exceptions to the sanction.
- *Measure Interval* – identifies the interval for assessment of a sanction.
- *Reporting Period* – identifies the reporting frequency for the sanction. For sanctions with a Reporting Period requirement, the Successful Proposer must submit written reports based on the required frequency, even if there were no noted incidents during the reporting period. The use of the term 'none' only means there is no reporting requirement for the applicable sanction.
- *Measurement Basis* – the basis for measuring the start and end of an incident.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.61 LIQUIDATED DAMAGES

3.61.1 LIQUIDATED DAMAGES SCHEDULE

RFP Requirement: *For the purpose of the liquidated damages schedule, the following definitions apply:*

- *Section* – references the applicable provision(s) of the RFP. The section references are not exclusive.
- *Description* – detailed description of the liquidated damage.
- *Amount* – liquidated damage assessment amount and frequency.
- *Trigger Examples* – how the liquidated damage assessment may be applied. The trigger examples are not exclusive.
- *Measure* – basis for the liquidated damage assessment.
- *Performance Target* – the Contract requirement.
- *Formula* – shows how the liquidated damage will be calculated.
- *Maximum Liquidated Damage* – the maximum liquidated damage amount, if any, per incident.
- *Exceptions* – identifies any exceptions to the liquidated damage assessment.
- *Measure Interval* – identifies the interval for assessment of liquidated damages.

- *Reporting Period* – identifies the reporting frequency for the liquidated damage assessment. For liquidated damages with a Reporting Period requirement, the Successful Proposer must submit written reports based on the required frequency even if there were no noted incidents during the reporting period. The use of the term 'none' means there is no reporting requirement for the applicable liquidated damage assessment.
 - *Measurement Basis* – the basis for measuring the start and end of an incident.
-

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.61.2 GENERAL

RFP Requirement: It is agreed by the Texas Lottery and the Successful Proposer that:

- (a) If the Successful Proposer does not provide or perform the requirements referred to or listed in this RFP or fulfill the obligations of the Contract, damage to the Texas Lottery will result;
- (b) establishing the precise measure of damages in the event of default by the Successful Proposer may be (i) costly, (ii) time consuming, or (iii) difficult or impossible to calculate;
- (c) the liquidated damage assessments contained herein represent a good faith effort to quantify the damages that could reasonably be anticipated at the time of execution of the Contract;
- (d) the damages set forth herein are just and reasonable;
- (e) nothing contained in this section shall be construed as relieving the Successful Proposer from performing all Contract requirements whether or not said requirements are set forth herein; and
- (f) the Texas Lottery may, therefore, in its sole discretion, deduct damages from the compensation otherwise due to the Successful Proposer.

All assessments of damages shall be within the sole discretion of the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.61.3 LIQUIDATED DAMAGES ASSESSMENT

RFP Requirement: Once the Texas Lottery has determined that liquidated damages are to be assessed, the Executive Director or Executive Director's designee shall notify the Successful Proposer of the assessment(s). Failure to notify does not impact the Texas Lottery's assessment of damage and is not a condition precedent thereto. The Texas Lottery will withhold liquidated damages from payments to the Successful Proposer, or, if no payments have been made, the Texas Lottery will make demand of payment of liquidated damages. The Successful Proposer must make payment within ten (10) Days of the Texas Lottery's demand. In the event the Successful Proposer fails to pay within the ten (10) Day period, the Texas Lottery may then make a claim for payment against the performance bond, with or without notice to the Successful Proposer.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.61.4 SEVERABILITY OF INDIVIDUAL LIQUIDATED DAMAGES CLAUSES

RFP Requirement: If any portion of this liquidated damages provision is determined to be unenforceable, the other portions of this provision shall remain in full force and effect.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.62 DISPUTE RESOLUTION

RFP Requirement: The dispute resolution process provided for in Texas Government Code Chapter 2260 and 16 Texas Administrative Code Ch. 403 must be used by the Successful Proposer to attempt to resolve any disputes brought by the Successful Proposer arising under this Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.63 CERTIFICATIONS

3.63.1 ATTACHMENT D

RFP Requirement: Pursuant to Texas Government Code Ann. § 466.103, the Executive Director may not award a contract for the purchase or lease of facilities, goods or services related to lottery operations to a person who would be denied a license as a sales agent under Texas Government Code Ann. § 466.155. All Proposers must read and be familiar with Texas Government Code Ann. § 466.155, attached hereto as Attachment D. All Proposals shall include a completed Background Information Certification Form, attached hereto as Attachment D-1, which certifies that the Proposer has reviewed Texas Government Code Ann. § 466.155 and neither the Proposer nor any of the following persons would be denied a license as a sales agent pursuant to said section: (a) Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in Texas Government Code Ann. § 466.155 (collectively, Proposer Principals); or (b) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Proposer or any of the Proposer Principals.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

Please note that Attachment D-1 can be found behind the Attachments tab card in Book 1 of the Technical Proposal.

3.63.2 TEXAS FAMILY CODE

RFP Requirement: Under § 231.006 of the Texas Family Code, the Proposer certifies that the individual or business entity named in the Proposal or Contract is not ineligible to receive the specified grant, loan or payment and acknowledges that any Contract resulting from this RFP may be terminated and payment may be withheld if this certification is inaccurate. Furthermore, any Proposer subject to Section 231.006 must include names and social security numbers of each person with at least 25% ownership of the business entity submitting the Proposal. This information must be provided prior to Contract Award.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.63.3 FINANCIAL PARTICIPATION

RFP Requirement: Under Section 2261.053 of the Texas Government Code, a state agency may not accept a bid or award a contract that includes proposed financial participation by a person who, during the five year period preceding the date of the bid or award, has been: (1) convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (2) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005. In submitting a Proposal under this RFP, the Proposer certifies as follows: "Under Section 2261.053 of the Texas Government Code, the contractor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate."

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.63.4 GIFTS

RFP Requirement: The Proposer certifies that: (a) the Proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted Proposal; and (b) neither the Proposer nor the firm, corporation, partnership, or institution represented by the Proposer, nor anyone acting for such firm, corporation, partnership, or institution has violated the antitrust laws of the State of Texas (Tex. Bus. & Comm. Code Sec. 15.01, et seq.), or the antitrust laws of the United States (15 U.S.C.A. Section 1, et seq.), nor communicated directly or indirectly the submitted Proposal to any competitor or any other person engaged in such line of business.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.63.5 CODE COMPLIANCE

RFP Requirement: The Proposer certifies that it is in compliance with Texas Government Code, Title 6, Subtitle B, Section 669.003 of the Government Code, relating to contracting with the executive head of a state agency. If Section 669.003 applies, the Proposer will complete the following information in order for the Proposal to be evaluated:

Name of Former Executive

Name of State Agency

Date of Separation from State Agency

Position with Proposer

Date of Employment with Proposer

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.63.6 TEXAS RESIDENT BIDDER

RFP Requirement: By signing this Proposal, the Proposer certifies that if a Texas address is shown as the address of the Proposer, the Proposer qualifies as a Texas Resident Bidder as defined in Texas Administrative Code, Title 34, Part 1, Chapter 20.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.63.7 PRESIDENT'S EXECUTIVE ORDER

RFP Requirement: The Texas Lottery is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it via cross-referencing respondents/vendors with the Federal General Services Administration's Excluded Parties List System (EPLS, <http://www.epls.gov>), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.63.8 COMPENSATION

RFP Requirement: Pursuant to Section 2155.004 of the Texas Government Code, the Proposer has not received compensation from the Texas Lottery for participating in the preparation of the specifications for this RFP and certifies as follows: "Under Section 2155.004, Government Code, the vendor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate."

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.64 PREFERENCES

RFP Requirement: Any bidder or Proposer entitled to a preference(s) under Texas law shall claim the preference(s) in its Proposal.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.65 DECEPTIVE TRADE PRACTICES; UNFAIR BUSINESS PRACTICES

RFP Requirement: The Successful Proposer represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Tex. Bus. & Com. Code, Chapter 17, or allegations of any unfair business practice in any administrative hearing or court suit and that the Successful Proposer has not been found to be liable for such practices in such proceedings. The Successful Proposer certifies that it has no officers who have served as officers of other entities that have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and that such officers have not been found to be liable for such practices in such proceedings.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.66 IMMIGRATION

RFP Requirement: The Successful Proposer represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986, the Immigration Act of 1990 and the Illegal Immigrant Reform and Immigrant Responsibility Act of 1996 regarding employment of any individual who will perform labor or services under any Contract entered into as a result of this RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.66.1 STATE OF TEXAS ACCESSIBILITY

RFP Requirement: Effective September 1, 2006 state agencies and institutions of higher education shall procure products which comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.66.2 VOLUNTARY PRODUCT ACCESSIBILITY TEMPLATE (VPAT)

RFP Requirement: The Successful Proposer shall provide DIR with the URL to its Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration "Buy Accessible Wizard" (<http://www.buyaccessible.gov>). Proposers not listed with the "Buy Accessible Wizard" or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the "Buy Accessible Wizard" or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.67 ELECTRONIC AND INFORMATION RESOURCES ACCESSIBILITY STANDARDS, AS REQUIRED BY 1 TAC CHAPTER 213 (APPLICABLE TO STATE AGENCY AND INSTITUTIONS OF HIGHER EDUCATION PURCHASES ONLY).

3.67.1 ELECTRONIC AND INFORMATION RESOURCES

RFP Requirement: Effective September 1, 2006 state agencies and institutions of higher education shall procure products which comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.67.2 VOLUNTARY PRODUCT ACCESSIBILITY TEMPLATE

RFP Requirement: The Successful Proposer shall provide DIR with the URL to its Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration "Buy Accessible Wizard" (<http://www.buyaccessible.gov>). Proposers not listed with the "Buy Accessible Wizard" or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the "Buy Accessible Wizard" or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.68 FALSE STATEMENTS; BREACH OF REPRESENTATIONS

RFP Requirement: By submitting a Proposal, the Proposer makes all the representations, warranties, guarantees, certifications and affirmations included in its Proposal. If a Proposer signed its Proposal with a false statement or is selected as the Apparent Successful Proposer and signs any Contract resulting from this RFP with a false statement, or it is subsequently determined that Proposer has violated any of the representations, warranties, guarantees, certifications or affirmations included in the RFP or resulting Contract, the Proposer shall be in default and if the determination is made before Contract Award, the Texas Lottery may reject the Proposal or if the determination is made after Contract Award, the Texas Lottery may terminate the Contract for cause and pursue all other remedies available to the Texas Lottery under the RFP, Contract and applicable law.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.69 LIMITATION ON AUTHORITY; NO OTHER OBLIGATIONS

RFP Requirement: The Successful Proposer shall have no authority to act for or on behalf of the Texas Lottery or the State of Texas except as expressly provided for in this RFP or any resulting Contract. The Successful Proposer may not incur any debts, obligations, expenses or liabilities of any kind on behalf of the State of Texas or the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.70 PROPOSER ASSIGNMENT

RFP Requirement: The Successful Proposer hereby assigns to the Texas Lottery any and all claims for overcharges associated with any Contract resulting from this RFP arising under the antitrust laws of the United States, 15 U.S.C.A. Section 1, et seq., and the antitrust laws of the State of Texas, Tex. Bus. & Comm. Code Sec. 15.01, et seq.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71 CODE OF CONDUCT

RFP Requirement: The Texas Lottery is an extremely sensitive enterprise because its success depends on maintaining the public trust by protecting and ensuring the security of Lottery Products. The Texas Lottery incorporates the highest standards of security and integrity in the management and sale of entertaining lottery products, and lottery vendors are held to the same standards. Therefore, it is essential that operation of the Texas Lottery, and the operation of other enterprises which would be linked to it in the public mind, avoid not only impropriety, but also the appearance of impropriety. Because of this, the Successful Proposer shall:

- (a) Offer goods and services only of the highest quality and standards.*
 - (b) Use its best efforts to prevent the industry from becoming embroiled in unfavorable publicity.*
 - (c) Make presentations in a responsible manner and when it is felt necessary to point out the superiority of its goods or services over those of its competitors, do so in such a manner as to avoid unfavorable publicity for the industry.*
 - (d) Avoid activities, operations, and practices that could be interpreted as improper and cause embarrassment to the Texas Lottery and/or to the industry.*
 - (e) Report security problems or potential security problems with any services provided pursuant to this RFP immediately and only to the Texas Lottery.*
 - (f) Otherwise comply with the State Lottery Act (Texas Gov't Code Ann. Ch. 466) and Texas Lottery rules, procedures and policies.*
 - (g) Provide best practices related to security and integrity standards within the industry.*
-

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71.A QUALITY AND STANDARDS

RFP Requirement: Offer goods and services only of the highest quality and standards.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71.B BEST EFFORTS

RFP Requirement: Use its best efforts to prevent the industry from becoming embroiled in unfavorable publicity.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71.C PRESENTATIONS

RFP Requirement: Make presentations in a responsible manner and when it is felt necessary to point out the superiority of its goods or services over those of its competitors, do so in such a manner as to avoid unfavorable publicity for the industry.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71.D IMPROPER ACTIVITIES

RFP Requirement: Avoid activities, operations, and practices that could be interpreted as improper and cause embarrassment to the Texas Lottery and/or to the industry.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71.E SECURITY PROBLEMS

RFP Requirement: Report security problems or potential security problems with any services provided pursuant to this RFP immediately and only to the Texas Lottery.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71.F COMPLIANCE WITH STATE LOTTERY ACT

RFP Requirement: Otherwise comply with the State Lottery Act (Texas Gov't Code Ann. Ch. 466) and Texas Lottery rules, procedures and policies.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.71.G BEST PRACTICES

RFP Requirement: Provide best practices related to security and integrity standards within the industry.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.72 CONTACT WITH TEXAS LOTTERY COMMISSION

3.72.1 MEETINGS AT TEXAS LOTTERY HEADQUARTERS

RFP Requirement: Except when circumstances require otherwise, employees and Commissioners of the Texas Lottery and employees, subcontractors and agents of all prospective Proposers and employees, subcontractors and agents of the Successful Proposer should meet only at Texas Lottery headquarters.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.72.2 GIFTS

RFP Requirement: Employees, subcontractors and agents of all prospective Proposers and employees, subcontractors and agents of the Successful Proposer may not offer or give a gift to a Texas Lottery employee. For purposes of this section, "gift" has the meaning as defined in Tex. Gov't Code Ann. § 467.001(4) and as may be subsequently changed or amended by acts of the Texas Legislature.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.72.3 NONPROFESSIONAL SOCIALIZATION

RFP Requirement: Employees, subcontractors and agents of all prospective Proposers and employees, subcontractors and agents of the Successful Proposer should not engage in nonprofessional socialization (socialization outside of a work context) with a Texas Lottery employee. There may be circumstances, however, in which nonprofessional socialization is acceptable, for example, because of family relationships, common acquaintances, or common outside activities. The restrictions on nonprofessional socialization are not meant to apply to unplanned, incidental social contact. In such circumstances, employees, subcontractors and agents of all prospective Proposers and employees, subcontractors and agents of the Successful Proposer should not discuss Texas Lottery business.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.72.4 PROFESSIONAL SOCIALIZATION ACTIVITIES

RFP Requirement: Professional socialization at activities such as industry trade conferences and site visits is permitted.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.73 INCIDENTS AND ANOMALIES

3.73.1 SIGNIFICANT INCIDENTS AND ANOMALIES

RFP Requirement: The Successful Proposer shall report immediately all significant incidents and anomalies to the Texas Lottery, followed by a written report to be submitted within one workday of the incident or anomaly. At a minimum, incident and anomaly reporting shall include a description of the incident, its cause, and corrective action taken. For purposes of this section, "significant" incidents include, by way of illustration only, any occurrence that affects the Texas Lottery, lottery retailers, or players, and deviation from established procedures and those items where sanctions or liquidated damages are applicable.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.73.2 INVESTIGATOR

RFP Requirement: The Texas Lottery will assign an investigator to monitor the Successful Proposer throughout the contract term and during any renewal period. The Successful Proposer shall maintain close contact and regular communication with the investigator regarding all matters under the Contract.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.74 ATTACHMENT OF THIRD PARTY SYSTEMS, TERMINALS OR PRODUCTS

3.74.1 REQUIRED ACCESS AND SUPPORT

RFP Requirement: The Texas Lottery reserves the right to require the Successful Proposer to allow any required access to, and provide support to, the Texas Lottery and to a Texas Lottery vendor or Retailer in attaching to the Lottery Gaming System or otherwise installing terminals, terminal peripherals, products, or systems other than those required by the Lottery Operator RFP.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.74.2 SUPPORT AND ACCESS FOR ADDITIONAL PRODUCTS

RFP Requirement: The Successful Proposer must supply the Texas Lottery specifications to permit products other than products produced by the Successful Proposer to attach to the Lottery Gaming System and carry out all functions and capabilities required by the Texas Lottery. The Successful Proposer must provide support and access to the Texas Lottery and to a Texas Lottery vendor or retailer for additional products including, but not limited to, providing facilities and support to allow other parties to attach, install and/or test products. The Texas Lottery will monitor progress to ensure full cooperation.

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.74.3 INTELLECTUAL PROPERTY CONFIDENTIALITY AGREEMENTS

RFP Requirement: *The Successful Proposer is solely responsible for ensuring its interests in its intellectual property are protected by appropriate confidentiality agreements. Should the Texas Lottery propose to add terminals, products or systems not provided for in this RFP or the Contract but for which the Successful Proposer would be responsible, appropriate compensation to the Successful Proposer would be negotiated.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

3.75 RECORDS RETENTION

RFP Requirement: *The Successful Proposer shall review the Records Retention Schedule prepared by the Texas Lottery and approved by the Texas State Library and Archives Commission (the "Retention Schedule"), including periodic revisions thereto, and, in cooperation with the Texas Lottery, determine which records generated or held by the Successful Proposer are subject to the Retention Schedule. The Records Retention Schedule will be provided to the Successful Proposer after Contract Award. The Successful Proposer shall conform to the Retention Schedule and other applicable law regarding retention of records, including Texas Government Code Section 441.180 et seq. The Successful Proposer shall give the Texas Lottery at least thirty Days advance notice of any planned destruction of records subject to the Retention Schedule. No record subject to the Retention Schedule or Texas Government Code Chapter 441 shall be destroyed without prior written approval from the Texas Lottery.*

COMPLIES: Scientific Games has read, understands, and accepts this RFP requirement.

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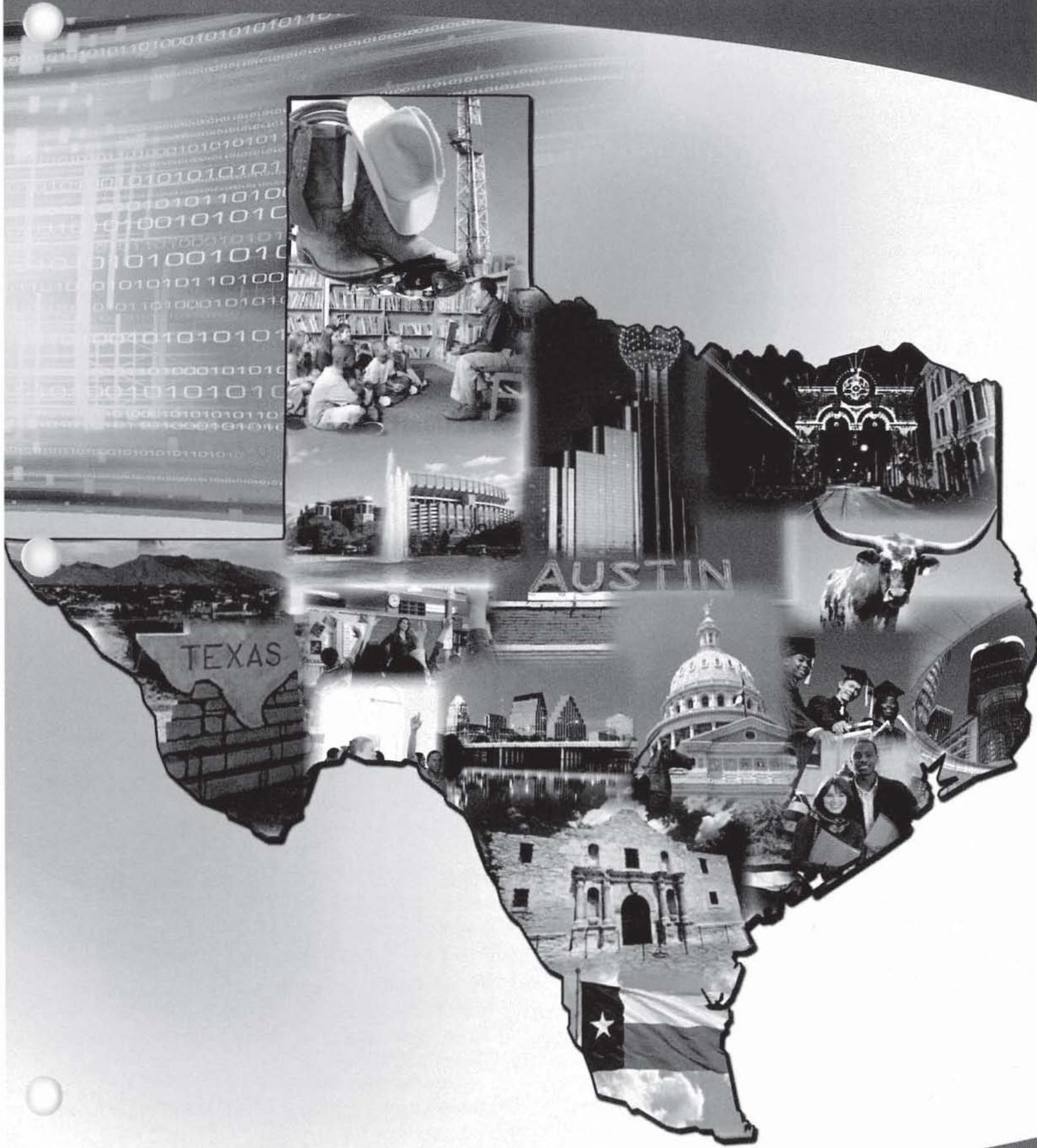


TEXAS LOTTERY

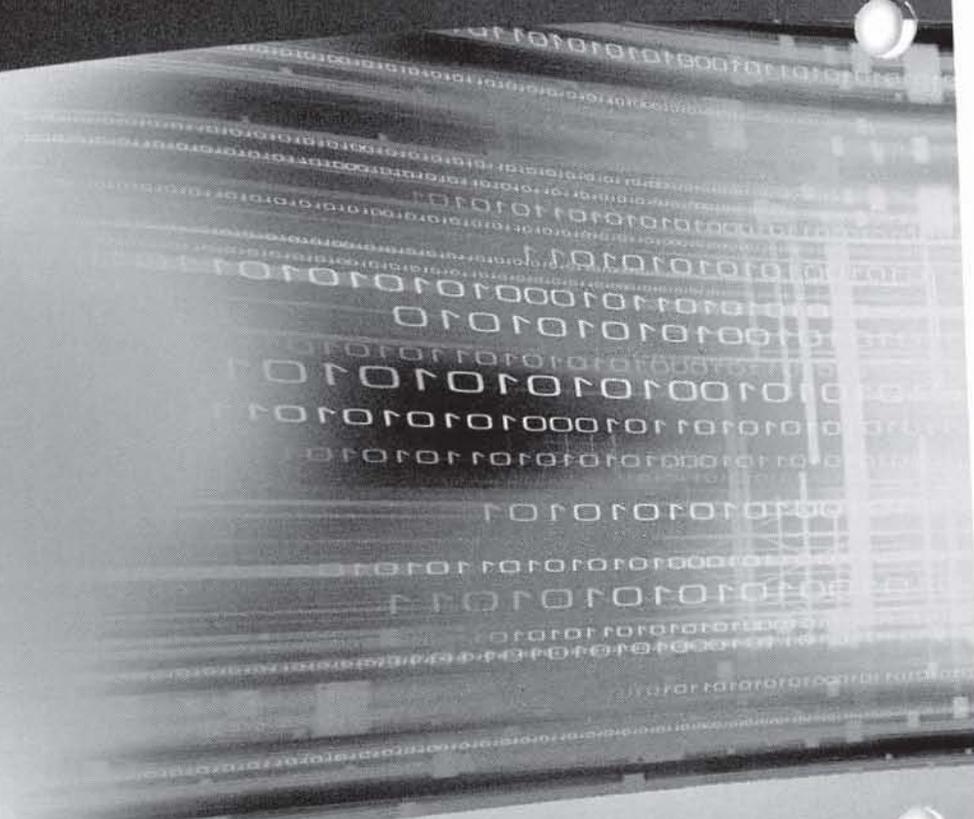
PART 4: SUMMARY



PART 4: REQUIRED INFORMATION



**CONFIDENTIALITY CLAIMED
NOT RELEASED**



**CONFIDENTIALITY CLAIMED
NOT RELEASED**



TEXAS LOTTERY

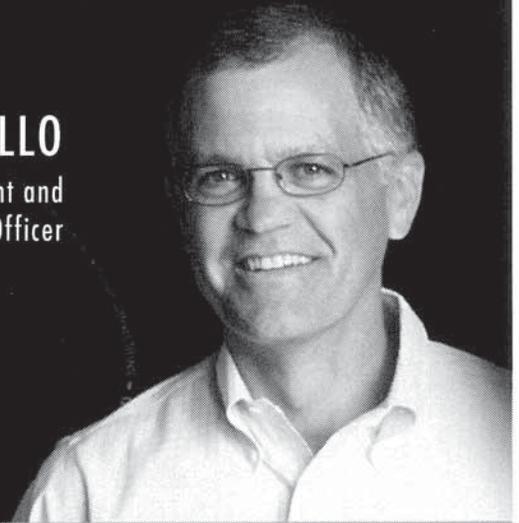
PART 4: REQUIRED INFORMATION



A WORLD OF POSSIBILITIES

MIKE CHAMBRELLO

President and
Chief Executive Officer



A MESSAGE FROM MIKE CHAMBRELLO

Chief Executive Officer

We feel extremely fortunate to have this opportunity to submit our response to the Texas Lottery Commission's Request for Proposals for Lottery Operations and Services. Scientific Games has had the pleasure of watching your operation grow into one of the largest and most successful lotteries in the world. This growth was particularly exciting given the important role played by instant games—a product we have proudly provided to the Texas Lottery since its inception in 1992. Our long-term relationship has afforded Scientific Games the opportunity to study and truly understand the uniqueness of the Texas Lottery environment.

At Scientific Games, our passion for marketing is unique in the industry and is one of the reasons why Scientific Games is confident we are most capable of driving the sales of the Texas Lottery to unprecedented levels. We are confident our response offers not only the optimal solution for helping the Texas Lottery meet its increasing revenue demands, but the best possible platform to support your future growth.

Scientific Games' implementation, marketing, and service offerings combine to create unique value that distinguishes our revenue generating strength from others. Throughout our response, we've highlighted the significant growth opportunities we see in the core business of the Texas Lottery. A key differentiator in our response is the company's commitment to provide the Texas Lottery with goods and services well beyond the requirements of the RFP, including use of our industry-leading licensed product portfolio, production of Scientific Games printed licensed games, significant annual investments into research and development of revenue enhancing initiatives within the Texas Lottery, and additional terminals for retailer optimization and expansion. These commitments are all designed to build stronger relationships with players and enhance your growth prospects.

We've complimented our response with an expansive organization of lottery industry leaders dedicated to Texas and our corporate commitment to house several key components of our national service infrastructure in the Austin area. Scientific Games will also commit additional resources to ensure we retain as many outstanding, qualified employees as possible from the current Texas Lottery operator and augment these valuable resources with some of the most knowledgeable and experienced resources in the industry.

In summary, our response reflects a tangible commitment to create value through a true partnership with the Texas Lottery Commission that fully leverages our respective core competencies and our mutual commitment to open and honest communication. On behalf of our 4,200 dedicated employees in the U.S. and around the world, I offer you my personal assurance Scientific Games stands ready to deliver a sophisticated, secure and reliable technical solution and an unmatched commitment to marketing and socially responsible sales growth to the Texas Lottery Commission.

A handwritten signature in black ink, appearing to read "Mike R. Chambrello".



A WORLD OF POSSIBILITIES

PAT MCHUGH

Vice President
North American Operations



A MESSAGE FROM PAT MCHUGH

Vice President, North American Operations

Texas holds special meaning to me as I began my career in the Lottery industry in 1992 with the initial launch of the Texas Lottery. I oversaw the implementation of the retailer terminal and communications network for the online launch. I have carried that tremendous experience with me across the globe throughout my career in managing some of the industry's most complex projects and operations. I am truly excited about the opportunity to participate in a new phase for the Texas Lottery Commission.

Selecting the right staff, establishing effective service delivery processes, and working in an environment supportive of continuous improvement are the core elements of Scientific Games' ongoing efforts to ensure we meet and exceed our customer's expectations. I am very proud of our efforts to secure an outstanding Texas-based management team that is likely unmatched in broad industry experience by any other vendor account team in the world.

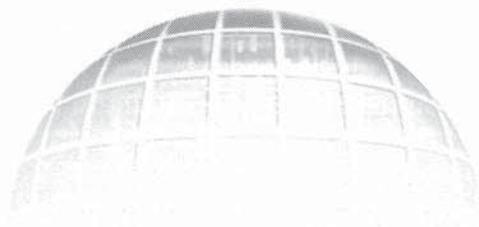
Scientific Games believes the Lottery will better benefit with an account team that will help focus retailers on selling and driving revenue — rather than one that seeks to minimize local staff. To accomplish this, we are proposing an expansive staffing plan that will be able to address each component that impacts revenue, including game design, marketing, promotions, retailer incentives, new business channels, recruiting, training, service delivery, inventory management, and research and analysis. Our account leadership team averages more than 20 years of senior management experience in vendor and state lottery management roles. This leadership team is well-prepared to guide your ongoing operations and support the Lottery's revenue enhancing activities.

My commitment to your success begins with an efficient transition to ongoing operations and extends through the continual achievement of the Lottery's business goals. Our team stands ready to achieve the challenging goals established by the Lottery, utilize a team approach, and generate additional revenue for the state of Texas.

A handwritten signature in cursive script that reads "Pat McHugh".

1





PART 4 REQUIRED INFORMATION

4.1 STATEMENT OF UNDERSTANDING

4.1.1 PROPOSER CERTIFICATION

RFP Requirement: The Proposer shall include with its Technical Proposal a certificate executed by an authorized representative of the Proposer certifying that (i) the Proposer has read this RFP prior to the submission of its Proposal, (ii) the Proposer understands the information contained in this RFP, (iii) the Proposer has had an opportunity to consult with any experts it deems knowledgeable or helpful in any way, (iv) the Proposer is a sophisticated business entity capable of analyzing the risks and potential benefits inherent in responding to this RFP and in entering into any Contract resulting from this RFP, (v) the Proposer has been and is represented by counsel of its choice, (vi) the Proposer has fully investigated any facts that it deems relevant, (vii) the Proposer is not under duress to respond to this RFP or to enter into any Contract resulting from this RFP, and (viii) after careful consideration and investigation, and after receiving the advice of counsel, the Proposer has analyzed the risks associated with responding to this RFP and with performing under any Contract resulting from this RFP, and the Proposer has decided to accept such risks of its own free will in order to compete to obtain the benefits associated with any Contract resulting from this RFP. The Proposer waives any claim that the exercise by the Texas Lottery of any of the rights or remedies specified hereunder, to which Proposer has not objected and negotiated out from inclusion in any Contract resulting from this RFP based upon due process concerns, violates Proposer's rights of due process.

Following this subsection, Scientific Games provides a certificate executed by an authorized representative certifying the eight points listed in RFP Section 4.1.1.



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PROPOSER CERTIFICATE

In accordance with RFP Section 4.1.1, Scientific Games hereby certifies that:

- i. Scientific Games has read RFP No. 362-10-0001 for Lottery Operations and Services prior to the submission of our Proposal;
- ii. Scientific Games understands the information contained in RFP No. 362-10-0001;
- iii. Scientific Games has had an opportunity to consult with any experts it deems knowledgeable or helpful in any way;
- iv. Scientific Games is a sophisticated business entity capable of analyzing the risks and potential benefits inherent in responding to RFP No. 362-10-0001 and in entering into any Contract resulting from the RFP;
- v. Scientific Games has been and is represented by counsel of its choice;
- vi. Scientific Games has fully investigated any facts that it deems relevant;
- vii. Scientific Games is not under duress to respond to RFP No. 362-10-0001 or to enter into any Contract resulting from the RFP; and
- viii. After careful consideration and investigation, and after receiving the advice of counsel, Scientific Games has analyzed the risks associated with responding to the RFP and with performing under any Contract resulting from the RFP, and Scientific Games has decided to accept such risks of its own free will in order to compete to obtain the benefits associated with any Contract resulting from the RFP. Scientific Games waives any claim that the exercise by the Texas Lottery of any of the rights or remedies specified hereunder, to which Scientific Games has not objected and negotiated out from inclusion in any Contract resulting from the RFP based upon due process concerns, violates Scientific Games' rights of due process.

Signature: _____

A handwritten signature in black ink, appearing to be 'B. ...', written over a horizontal line.

Title: President Lottery Systems and Chief Technology Officer

Date: June 25, 2010

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4.1.2 EXCEPTIONS TO THE REQUIREMENTS

RFP Requirement: Any exceptions to the requirements contained in this RFP must be specifically and clearly stated at the time the certificate described in the preceding paragraph is delivered. The Proposer should be aware, however, that exceptions taken to any requirements set forth in this RFP may, at the sole discretion of the Lottery, result in (i) rejection of the Proposal submitted, and/or (ii) disqualification from submitting any Proposal to this RFP.

Scientific Games has made no exceptions to the requirements of the RFP.

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4.2 EXPERIENCE OF RESPONDING FIRM AND PRODUCT

RFP Requirement: The Proposer shall provide the following information relating to its experience:

The following subsections present Scientific Games' experience providing products and services to the global gaming market and lotteries worldwide.

4.2.1 YEARS OF EXPERIENCE

RFP Requirement: The Proposer must indicate the number of years' experience the Proposer has in providing the services as specified in this RFP and shall include detailed descriptions documenting its experience for all engagements of comparable complexity and scale for the past ten (10) years.

Scientific Games is a global leader focused on delivering an ever-expanding portfolio of gaming products and services to the world's government-regulated and government-sponsored entities. Scientific Games believes it differentiates itself through our entertainment and content portfolio, the security of our offerings, our knowledge of retail, and our proven ability to deliver world-class technology and network solutions through our products and unparalleled services to our customers.

Founded in 1973, Scientific Games is a publicly traded (NASDAQ:SGMS) company headquartered in New York City. Scientific Games has manufacturing and operational facilities in North America, South America, Europe, Asia, and Australia, with additional facilities throughout the U.S. and around the world, based on its customer requirements (Figure 4.2-2).



Figure 4.2-1: Scientific Games' Lottery Operations Center of Excellence



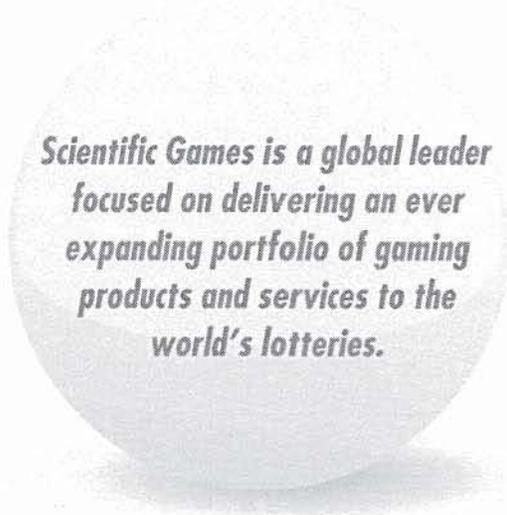
Figure 4.2-2: Global Footprint of Scientific Games

Scientific Games' global reach is made possible through the expertise, skill, and dedicated efforts of our approximately 4,200 employees who serve lottery and gaming customers in more than 50 countries on six continents.

Scientific Games is committed to the highest levels of security, integrity, compliance, and ethical standards, as well as to the industry's responsible gaming principles and sustainable best practices. In 2009, the company's game programming groups in Alpharetta, Georgia (USA) and Leeds, England earned ISO 27001 security certification. A dedicated internal team continually seeks ways to reduce waste, use energy more efficiently, and operate more sustainably.

Scientific Games' comprehensive, sophisticated, and integrated array of products and services includes:

- Instant ticket manufacturing, systems and management services
- Lottery gaming systems
- Licensed branded games
- Operations management services
- Video gaming suites (systems, software and terminals)
- Server-based systems and gaming machines
- Amusement-With-Prize (AWP) and Skill-With-Prize (SWP) betting terminals
- Sports betting solutions
- Interactive content for the regulated gaming industry



Scientific Games currently serves all 44 government-authorized lottery jurisdictions in the United States, as well as lottery organizations in more than 50 other countries, and in 2009, lotteries represented 78% of our revenue. Scientific Games' North American presence is illustrated in Figure 4.2-3.



Figure 4.2-3: Scientific Games' North American Lotteries

Scientific Games has delivered a continual stream of innovations over the last 37 years that has had a positive and enduring impact in the lottery industry. With a relentless focus on developing new game content and leading-edge technology and systems solutions, Scientific Games now serves more than 150 lottery customers around the globe, including many of the world's highest revenue producing lotteries.

Since developing the lottery industry's first back-office system for instant game accounting and validation in 1975, our sophisticated systems technology has played an important role in the worldwide lottery sector. Scientific Games is the world's largest instant ticket lottery company, one of the world's largest online lottery companies, a global leader in sports wagering solutions, one of the fastest growing companies in fixed odds betting and video lottery solutions, and a leader in the market of interactive products as a result of our partnership agreement with Playtech.

Information Redacted
§552.101/466.022/552.139

LOTTERY SYSTEMS GROUP

Scientific Games' Lottery Systems Group, which represented approximately 28% of our revenues in 2009, is a leading provider of sophisticated, customized computer software, software support, equipment, and data communication services to government sponsored and privately operated lotteries in the U.S. and internationally. We have contracts with 13 of the 45 U.S. jurisdictions that operate online lotteries. We are a recognized leader as the second largest online lottery provider in Europe. Internationally, we have lottery systems operating in Argentina, Canada, China, the Dominican Republic, France, Germany, Hungary, Iceland, Latvia, the Republic of Korea, Mexico, the Netherlands, Norway, the Philippines, Spain, Sweden, Italy, and Switzerland. In addition, we are the exclusive national lottery ticket sales system provider to the China Sports Lottery.

Our Lottery Systems Group offerings includes the provision of transaction processing software for the accounting and validation of both instant and online lottery games, point-of-sale terminals, central site computers, communications technology, and ongoing support and maintenance for these products. Central computer systems, terminals and associated software are typically provided in the U.S. through facilities management contracts, under which we deploy and operate the system on behalf of the lottery, and internationally through outright sales, which often includes a service and maintenance component.

Today, our [redacted] platform provides an open, flexible framework for lottery services. This framework drives interoperability across all lottery systems, from game management and back-office to internal control and administrative management. LGS is the gaming platform successfully deployed and operating the transaction and lottery business networks for 32 of Scientific Games' lottery customers worldwide.

Scientific Games' [redacted] incorporates a value-added architecture that advances the capabilities of the traditional gaming system model. No longer do lotteries have to replace multiple systems and functions or change business processes to realize integration and effective business management; our LGS plugs into the current Lottery IT infrastructure and supports business integration management across the deployed elements like never before. By applying a standard set of technologies, tools, and methodologies, disparate systems and programs come together with our framework architecture, allowing business information management and decision-making to be taken to an advanced level for lottery managers.

[redacted] networking technologies connect the gaming system to the retail terminals and devices. We have engineered, deployed and supported wireless technologies, across our customer networks including satellite,

cellular and radio, as well as several landline solutions. Our networks support high-speed data transmissions and accommodate deployment of a wide range of interactive applications. We offer a diverse family of clerk-operated and self-service terminals that allow lotteries to customize their design configuration to accommodate retailer needs.

Supporting the gaming system infrastructure are dedicated departments comprised of groups of Scientific Games professionals who deliver services for retail operations management, sales support, marketing and planning, product advancement, network operations, project management and engineering.

Information Redacted
§552.101/466.022/552.139

Scientific Games has established an extensive centralized technology center in Alpharetta, Georgia U.S.A., and Vienna, Austria. These locations are staffed by degreed software and engineering professionals who are responsible for the development and maintenance of the lottery system technologies. Many of our project team members possess certifications from both the Quality Assurance Institute (QAI) and the American Society for Quality (ASQ) and more are scheduled to achieve these proven skill levels in the near future. In addition to their invaluable expertise and certifications, all key software personnel demonstrate their commitment to our customers by being on call around the clock.

Our dedication to training has been acknowledged within the industry. As previously stated, the majority of our team has achieved Certified Software Test Engineer (CSTE) status from the Quality Assurance Institute (QAI) and one member has received the highly esteemed Certified Software Quality Engineer (CSQE) honors from the American Society for Quality (ASQ). Our goal is to have 100% of our test engineers certified in software quality by the end of 2010.

PRINTED PRODUCTS DIVISION

Scientific Games' Printed Products group, which represented approximately 50% of our revenues in 2009, is primarily comprised of our instant lottery ticket business. We believe we are the leading provider of instant lottery tickets in the world. We supply instant tickets to 43 of the 44 U.S. jurisdictions that currently sell scratch tickets, and we sell instant tickets and/or related services to lotteries in more than 50 other countries. We operate six printing facilities across five continents and have the capacity to print in excess of 50 billion 2" x 4" standard instant ticket units annually. We believe that our extensive service offerings, coupled with our innovative products and extensive library of licensed properties, enable us to effectively support lotteries in increasing their retail sales of instant tickets.

We have started or provided the first instant scratch-off tickets to nearly 70 lotteries, including most lotteries in the United States. Our state-of-the-art production and operations facilities are located in the U.S. and Canada, South America, Europe, Asia, and Australia. Each location was carefully chosen and strategically positioned to optimize service and support of our customers.

Scientific Games' instant ticket and related services business comprise ticket design and manufacturing, as well as value-added services including game design, sales and marketing support, specialty games and promotions, inventory management and warehousing and distribution, and fulfillment services. Through our licensed properties business, we provide lotteries with access to some of the world's most popular entertainment brands, including Deal or No Deal[®], Major League Baseball[®], National Basketball Association[®], Price is Right[®], Harley-Davidson[®], Wheel-of-Fortune[®], Monopoly[™], and World Poker Tour[®]. We also provide lotteries with customized partnerships, or cooperative service programs, to help them efficiently and effectively manage and support their operations by lowering operating costs and achieving greater retail sales.

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We have the four most modern presses in the lottery industry. New presses came on line in 2007, 2008, and 2009. The start-up of four world-class lottery presses in three years is unprecedented in the instant lottery industry and demonstrates the depth of skill and technical compliance that our teams possess. In 2008, we finished the consolidation from our 2007 acquisition of Oberthur Gaming Technologies, a task that was accomplished, in part, by the increased printing capacity of our new high-speed printing press, [REDACTED] was custom-built to our specifications and we believe it to be the most productive lottery press in the world.

Beyond our sheer manufacturing and finishing capacity, we make extensive investments in research and development, game design, prize structure development, marketing support, ticket and point-of-purchase distribution, communication design, lottery management systems, validation, fulfillment, and administration. In 2009 we printed over 42 billion standard units of lottery tickets worldwide.

Scientific Games pioneered the concept of providing lotteries with customized partnership programs. Our cooperative services programs, or CSPs, enables us to manage a lottery's instant ticket operations as a means of reducing operating costs to the lottery, while increasing the lottery's retail sales. CSP contracts bundle instant tickets, systems, facilities management and/or other services, including the design and installation of game management software, telemarketing, field sales, accounting, instant ticket game design, inventory and distribution, sales staff training, managing staff, and advising with respect to security, maintenance, communication networks, and sales agent hot-line service for lottery jurisdictions.

We have CSP contracts with lotteries in Arkansas, Delaware, District of Columbia, Florida, Georgia, Maine, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Tennessee, and Virginia. Under these CSP contracts, we are typically paid a percentage of the lottery authority's total instant ticket revenues. Customers designate the services they want us to perform from a menu of cooperative services offered. We also have cooperative service-style offerings in the Ukraine and Germany, including five of Germany's state lotteries and have signed an agreement for a sixth state lottery. We expect to also begin a cooperative service-style arrangement with the Netherlands mid 2010.

DIVERSIFIED GAMING GROUP

Our Diversified Gaming group, which represented approximately 22% of our revenue in 2009, provides services and systems to private and public operators in wide area gaming markets, pari-mutuel wagering, and venue management. Our product offerings include, where authorized by law, server-based gaming machines, video lottery terminals, monitor games, wagering systems for the pari-mutuel racing industry, sports betting systems, and services. Video gaming and venue management are segments of this group that provide services that often times go in tandem with online services and may be of interest to the Lottery in the future, subject to applicable local and state law.

Scientific Games implemented the first online video lottery project in partnership with the state of Illinois 25 years ago and has set the standard for performance in video gaming ever since. One of the attractive features of our current fourth generation, [REDACTED] is that it can allow jurisdictions to begin video lottery gaming in a short period of time.

Our Video Control and Monitoring System is adaptable to all current video gaming business models.

Please note that, as with all of our internet offerings, the offerings described herein are limited to activities that are consistent with all applicable laws and Scientific Games' governance processes. We work with our lottery customers to ensure compliance with both local and federal law.

Sciplay™ Interactive

On January 21, 2010, Scientific Games and Playtech Limited announced the launch of a strategic partnership between the companies. Working together in a joint company approach, we launched Sciplay Interactive, a division dedicated to delivering interactive content to the regulated gaming industry and lottery organizations across the globe. Sciplay Interactive will provide lottery players with secure access to an exciting portfolio of new games on the internet, where permitted by law. Please reference the Sciplay Ad on the following page for further details.



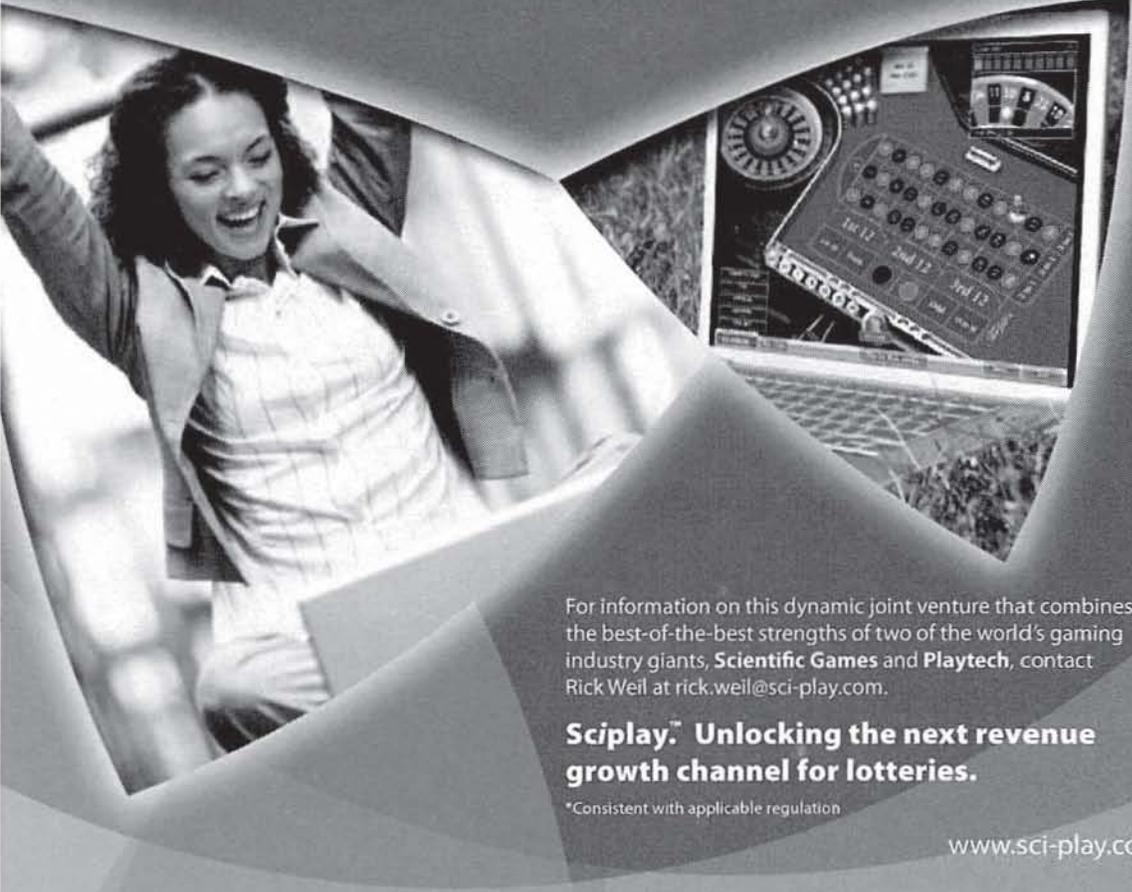
Please note that, as with all of our internet offerings, the offerings described herein are limited to activities that are consistent with all applicable laws and Scientific Games' governance processes. We work with our lottery customers to ensure compliance with both local and federal law.



Introducing sciplay™

Your New One-Stop Gaming Shop

There are a lot of parallels between interactive gaming* and instant games. Both deliver fast-action entertainment. Both require the best games, marketing, execution, licensed brands, and uncompromising security. **Sciplay™** is the *one name* that can deliver all of this as well as customized turnkey solutions to help effectively manage and support websites, while maximizing the value of every player visit.



For information on this dynamic joint venture that combines the best-of-the-best strengths of two of the world's gaming industry giants, **Scientific Games** and **Playtech**, contact Rick Weil at rick.weil@sci-play.com.

Sciplay™. Unlocking the next revenue growth channel for lotteries.

*Consistent with applicable regulation

www.sci-play.com

Figure 4.2-4: Sciplay – Your One-Stop Gaming Shop

Please note that, as with all of our internet offerings, the offerings described herein are limited to activities that are consistent with all applicable laws and Scientific Games' governance processes. We work with our lottery customers to ensure compliance with both local and federal law.

An associate member of the World Lottery Association, Playtech operates the ipoker network — the world's largest poker network — and is the world's leading supplier of business-to-business (B2B) internet gaming solutions. Playtech has built an impressive business portfolio with leading commercial customers around the globe; its play-for-money software is used by more than 50 operators globally. Playtech also offers a play-for-fun game environment. Playtech offers a single technology platform that provides enterprise-wide casino, poker, bingo, skill, casual, and sports products. Its support and delivery services range from full internet site start-up to online site marketing to player customer service and support. It is staffed with over 800 employees, 70% of which are developers.

In its venue-based business conducted through its Videobet subsidiary, Playtech offers an advanced casino management system, video lottery terminals and game development and engineering teams. Playtech has successfully pioneered the adoption of internet-style technology to land-based venues and provides operators with access to Playtech's leading products and content.

Our alliance with Playtech combines Playtech's industry-leading B2B gaming software and comprehensive portfolio of products with Scientific Games' proven ability to provide value-added, turnkey solutions to government-sponsored (B2G) and commercial (B2B) gaming operators.

Bringing Interactive Game Choices to Lottery Players — There is increased recognition across our industry that players are seeking interactive experiences that deliver on-demand, instant-win style games via the internet. Government lottery operators are increasingly positioning themselves to deliver these styles of gaming and play types, including using the internet as an additional distribution channel for existing lottery products, while building player loyalty. And they are doing so within a well-defined regulatory framework that incorporates responsible gaming practices and provides a safe, secure gaming experience.

By marrying Playtech's acclaimed commercial (B2B) internet gaming software and content with Scientific Games' government sponsored (B2G) expertise, we are able to offer Sciplay Interactive, a turnkey interactive gaming program that will provide access to Scientific Games' enriched game library, customized e-cooperative services (e-CSP) programs, a fair and responsible gaming platform, and advanced back-end management tools.

Since 2001, Scientific Games has designed and launched web services for 28 U.S. lotteries and has successfully supported over 200 U.S.-based internet second chance and promotional programs. Together with Playtech, we bring best-of-breed content, sophisticated player management systems, and nearly four decades of industry experience providing highly secure, regulatory-compliant products and services.

With the internet, email, and cell phones revolutionizing gaming delivery, Sciplay Interactive offers innovative and secure methods for generating revenue in gaming environments that want to expand into new channels. Sciplay Interactive brings a comprehensive internet gaming and lottery-oriented solution to government-sponsored and government-regulated lotteries.

Sciplay Interactive brings to market the latest internet technology and website design principles. It dynamically delivers a range of gaming content and gaming solutions that are consistent with the specific regulations of each gaming jurisdiction.

With Sciplay Interactive, the Lottery industry receives what it has always received from Scientific Games: proven marketing, advertising, promotional, operational and customer support services. Sciplay Interactive is ideal for gaming jurisdictions looking

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to expand into the internet space and for those jurisdictions who want to optimize their website with business tools, player programs, proven games, and growth strategies.

SCIENTIFIC GAMES – A DIVERSE GAMING COMPANY OFFERING A WORLD OF POSSIBILITIES

Scientific Games understands and appreciates that there is no standard lottery business model. Each and every lottery has a unique business structure and seeks vendor solutions across very diverse business areas. With a broad portfolio of product solutions for lottery markets, Scientific Games delivers products and/or services to every lottery in the United States, and many international lottery organizations. We are uniquely positioned to create customized program offerings for our customers.

The company is experienced in the full lifecycle of product support from game development to gaming system management, to retail support services and retail development. We execute along the supply chain to deliver a smart solution that seamlessly connects all lottery touch points and enables responsible revenue growth.

Throughout this section of our proposal we present our experience and provide quality of evidence as demonstration of our qualifications and capabilities. The Texas Lottery operating contract is unique in the United States: the size of the retailer network, the distribution of retail locations, the integration of sales management personnel into the private versus public sector, the logistics of instant game warehousing and distribution services all combine to create a significant and specialized lottery program. We selected the following four lottery contracts to showcase here that we have proven experience providing operations management services in large, complex environments. While none by itself mirrors exactly the unique Texas environment, each has specific elements that, when taken in whole, clearly demonstrate our experience and qualifications to be a business partner with the Texas Lottery.

China Sports Lottery – Nationwide deployment of infrastructure, network communications, facilities, and data management systems across 31 provinces and 400 city lotteries; roll-out of 55,000 retail terminals; delivery of customized training to nearly 17,000 lottery sales representatives; development of regional and national marketing and promotions plans for game launch strategies and schedules.

Italy Consorzio Lotterie Nazionali – Launch of a rebranded lottery program in Italy; design and supply of systems and technology infrastructure to support instant ticket validations and instant ticket warehousing and distribution to over 50,000 retailers; call center management tools and best practices for order management supporting on average two million outbound calls per year; marketing services and game best practices based on the 15 Determinants of Demand with dramatic sales results.

Scientific Games is a highly diverse organization containing global leaders with skills in an ever-expanding portfolio of gaming products and services.

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Commonwealth of Pennsylvania – Phased migration from an AWI legacy system to Scientific Games' gaming system; deployment of 8,700 WAVE™ retail terminals averaging over 100 installations per day; implementation of a redundant network; build-out and configuration of datacenter offices; delivery of retail sales training to over 17,000 retailers.

Florida Lottery – 2008 Instant Ticket and Services contract; successful, complete implementation in less than four months after contract signing; provided approximately 13,500 retailers with Florida Lottery instant ticket ahead of October 1, 2008 start-up date; no disruption to ongoing business operations; ticket sales tripled since inception with our Florida legacy system.

Each of these four contracts are described in more detail as follows to demonstrate our experience in providing engagements of comparable complexity and scale over the last 10 years.

CHINA SPORTS LOTTERY – A START-UP OF MAJOR PORTIONS (2008)

In terms of geographical scale, logistical complexity, speed of installation, and rapid sales growth, Scientific Games' China implementation was a phenomenal business achievement, and comparable to the upcoming Texas conversion the Texas Lottery is about to undertake.

In January 2008, Scientific Games agreed to supply a lottery ticket sales system and related services to the China Sports Lottery ("CSL") for the lottery market in the People's Republic of China ("PRC"). The national lottery ticket sales system was designed to track the distribution and validation of tickets throughout the PRC. Scientific Games also agreed to provide a national call center and 90,000 ticket validation terminals and related services such as game design, marketing and certain distribution services to the CSL provincial lotteries. Earlier, Scientific Games agreed to a contract for the manufacturing of tickets with China Sports Lottery Printing, Ltd. ("CSLP"), in the PRC. Scientific Games agreed to establish, working together with the CSLP, a state of the art ticket manufacturing facility in Beijing and operate the plant through a joint venture.

As one of the key sponsors of the Beijing Olympics scheduled to open on August 8, 2008, the CSL planned a very aggressive rollout of the system infrastructure, training, and ticket supply to ensure product availability and retailer presence in the majority of key population centers in the PRC by the opening of the Beijing Olympics. The goals of the CSL included deployment of more than 50,000 terminals, support for more than 150,000 retailers and training nearly 17,000 sales representatives in all regions across an enormous land mass with limited infrastructure.

The implementation plan scheduled the rollout of the Beijing-based main system infrastructure (data center, system hardware/software, call center, provincial warehouse, and primary warehouse/distribution infrastructure) in no more than 60 days from contract execution. Thereafter, the implementation plan scheduled the retailer infrastructure, training, data communication network, provincial warehouse and distribution infrastructure, and distribution of inventory in a rolling schedule throughout the

The China Sports Lottery's system infrastructure was deployed in 60 days. Growth to-date to 50,000 terminals and 150,000 retailers across six million square miles.

31 PRC provinces and initially focused on the 400 key population centers across the country. The successful execution of the provincial rollout was essential to ensure enough coverage of retailers, terminals, and Olympic themed tickets in advance of the Opening Ceremony of the Beijing Olympics. Additionally, the final component of the implementation infrastructure, a state of the art ticket manufacturing facility, was scheduled to launch 12 months after the contract execution, in late 2008.

Scientific Games mobilized a project team of experienced professionals from various locations around the globe to implement a truly national system on a scale unprecedented in the lottery industry. In late March 2008, Scientific Games successfully launched Olympic themed lottery tickets by the CSL in the PRC. The program debuted on Sunday, March 23rd, in the Shandong Province with over 1,500 initial retail locations, with the combination of distributed tickets and activations generating approximately 40 million Yuan, or US\$5.6 million, on the first day. The distribution and validation of CSL tickets were being tracked by a central system and retailer validation terminals that were provided by Scientific Games and operated by the CSL.

After the initial provincial launch in Shandong, the deployment of system infrastructure (retailer terminal, data communications network, and warehouse and distribution infrastructure) rapidly advanced as Scientific Games and the CSL efficiently trained the provincial lottery organizations and distributed ticket inventory throughout the installed provinces. From the date of the first activations on the system on March 23rd, the system grew from 1,500 terminals in one province to over 50,000 terminals deployed in 30 provinces with more than 99% of the population of China or 1.3 billion people with an opportunity to play the Olympic themed games by the Opening Ceremony of the Beijing Olympics.

Scientific Games China Metrics

- Nearly 55,000 terminals
- 17,000 sales representatives
- 500 warehouses
- 400 city lotteries

We are proud of our achievements in China in advance of the Beijing Olympic Games. Today, just over two years after the initial launch of the national lottery ticket sales system, nearly 55,000 terminals are deployed across the entire country supported by nearly 17,000 sales representatives and nearly 500 warehouses. There is really no way to compare our efforts around the world with those in China where we serve the China Sports Lottery in all 31 provincial lotteries and over 400 city lotteries. Many of these lottery entities are larger than one large state in the United States.

While Texas stands as one of the largest states in the United States with nearly 269,000 square miles, it is considerably smaller when compared to China's 6,000,000 square miles, which is slightly smaller than the entire United States. As the fourth largest country in the world, 22 of China's 31 provinces have larger populations than the entire state of Texas. In fact, China has nearly 60 cities with populations larger than one million citizens. While the topography of Texas rises gradually from east to west, reaching its highest point of nearly 8,800 feet, China is a land filled with mountains and high plateaus, with deserts in the west and plains, deltas, and hills in the east, and the highest point reaching nearly 30,000 feet above sea level.

The geographical scale and logistical complexities of this start-up are significant. Equally important to the Texas Lottery are the key leaders within Scientific Games who planned and executed this business achievement. Many of these leaders continue to

provide strategic and tactical guidance to the lotteries throughout the world today. Nearly all members of the proposed TLC Global Management Team for Lottery System Services provided executive leadership to the business efforts in China. Additionally, the proposed TLC Transition Team includes numerous contributors from the China implementation in areas of project management, software development, communications, and testing. The proposed Texas Account Director, John Osenenko, was an instrumental executive in the creation and implementation of the China business model during his tenure based in China.

This effort and the industry leadership demonstrated are testaments to Scientific Games' capacity to design and deliver a lottery of massive complexity and scale.

ITALY – CONSORZIO LOTTERIE NAZIONALI “CLN” (2004)

Prior to Scientific Games involvement in 1996, because of a technical error, a great number of winning tickets were sold in a small town in northern Italy, Curno. The Italian lottery governing body decided not to pay the winning tickets, and the citizens lost confidence in the game. Sales continued on a downward decline from that point until 2004 when Scientific Games joined a consortium of companies (Conorzio Lotterie Nazionali “CLN”) and led the re-launch of instant tickets in Italy.

Scientific Games agreed to design and supply the systems infrastructure to operate and support the distribution of instant tickets, provide instant tickets, game development services, and marketing support activities. The key components of the re-launch included the following:

- Deployment of Scientific Games systems technology to a retailer population that has grown to nearly 50,000 retailers today.
- Establishment of a proactive distribution approach and improved customer service standards that today generates more than 2,000,000 outbound calls per year, 8,000 deliveries per day and 48 hour delivery to anywhere in Italy.
- Increased prize payout and differentiation in both concept and point of sale.

While Italy is roughly the size of the state of Arizona, the Scientific Games systems relaunch comprised more than 24,000 retailers or approximately 40% more than the current retailer population in Texas. Italy has nearly 58 million citizens or nearly 2.5 times the population of Texas.

The results of this Scientific Games systems relaunch effort have been extraordinary. Retailers have grown by more than 100% in six years, the average selling price has grown by more than 100% and, most importantly, total sales have grown at an average rate of nearly 98% per year from 486 million Euros in 2004 to more than 9.4 billion Euros in 2009.

Scientific Games Italy Metrics

- Retail growth over 100% in six years
- Total sales growth of over 98% per year
- Sales grew from \$806.5 (U.S. equivalent) in 2004 to \$13,348 (U.S. equivalent) in 2009

Many of the proposed TLC Global Management Team for Lottery Services provided executive leadership to the implementation efforts in the creation and relaunch of the business in Italy. Additionally, numerous members of the proposed TLC Transition Team continue to provide support to our successful efforts in Italy.

This effort, and the industry leadership demonstrated, are testaments to Scientific Games' capacity to design and deliver system infrastructure to a lottery of comparable complexity and scale and to Scientific Games' capacity to deliver for the TLC Transition Team.

PENNSYLVANIA LOTTERY (2009)

Our success story in Pennsylvania was completed on June 16, 2009, only six months after the contract signing. The Pennsylvania implementation project involved the Two Phase migration from a legacy MasterLink™ system acquired from the company's acquisition of IGT-OES in 2003, to Scientific Games' . It involved nearly 9,000 retailers and WAVE terminals and peripherals.

Using a Two Phase migration approach to the conversion, we were able to have our communications network (largely VSAT with 3G CDMA) operational early. The WAVE terminals were able to be authenticated on our installation system when they were deployed and operationing on the then current MasterLink system prior to the "go live" date.

All of the retailers were upgraded to new WAVE terminals and peripherals and, by all accounts, the retailers that were upgraded to the new WAVE terminals and peripherals were very excited and satisfied with the performance, ease of use, and visibility to the players it has brought to their businesses. Retailers learned to use the new WAVE terminals at training sessions scheduled throughout the state and readily adopted them into their business long before the systems conversion. Scientific Games Educational Services Team trained over 17,000 attendees prior to conversion, including retailers and Lottery staff. The training schedule was designed to precede equipment installation by an average of a week or less, which meant the retailer was well-versed on terminal and peripheral functionality and could quickly apply the skills they learned using the WAVE's training mode. This Two Phase migration approach ensured that the final system conversion date was just another ordinary day of business for the retailers

At conversion date, 8,700 WAVE terminals were operational, each with a flat panel display, customer display unit, and a wireless ticket checker. In all, this implementation project encompassed well over 67,000 pieces of electronic equipment.



Benefits Older Pennsylvanians

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Scientific Games Pennsylvania Metrics

- Trained over 17,000 attendees prior to conversion
- Installed 8,700 terminals and over 67,000 pieces of electronic equipment

A DVD highlighting the process and experience of Scientific Games successful conversion of the Pennsylvania Lottery can be found behind the Electronic Media tab card in Book 1 of this Technical Proposal. This Pennsylvania lottery Conversion DVD includes testimonials from many of the same Scientific Games personnel proposed for the Texas conversion.

The efforts described above are a testament to Scientific Games' capacity to deliver for the TLC Transition Team.

FLORIDA LOTTERY (2008)

Scientific Games provides world-class instant ticket system and logistics support operations for the Florida Lottery under our long-term relationship to provide CSP services to the state. Scientific Games has been a longtime partner with the Florida Lottery, beginning with the implementation of our industry leading CSP system and services in the 1998. Since that time, we have supported the growth of their instant ticket sales from approximately \$300 million per year to the current \$2.1 billion in sales in 2009.



Our CSP system and services in the state of Florida are even more impressive when you consider the fact that our system and resources support well over 13,000 retailers with efficient delivery of instant tickets and provide very effective systems sales support through our operation. Scientific Games completes more than 660,000 calls annually to approximately 13,500 retailers.

Scientific Games brings a wealth of experience and expertise to any Lottery by virtue of the systems technology incorporated into all of our operations and the depth of our resources. Scientific Games was the first to investigate and invest in the automation technology necessary to maintain pace with the ever increasing needs of the lottery industry. In Florida, Scientific Games has introduced the Automated Sorter that allows for more precise and efficient instant game pack distribution and the ability to ensure retailer orders are packed and delivered exactly as requested through the Tel-Sell system. This Automated Sorter device is a uniquely engineered and process-integrated device that Scientific Games has pioneered through its development team. It provides for the full integration of our logistics support software, with the Lottery's central system instant game warehouse information to manage the allocation of instant ticket to retailers in Florida. The Automated Sorter enables us to break the daily orders into "waves," each containing 138 orders. On average five to six "waves," or more than 800 orders, can be completed every hour (assuming a three game launch). This compares to approximately 300 orders per hour that were packed under the previous pick/pack method.

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Scientific Games Florida Metrics

- \$2.1 billion in sales in 2009
- 660,600 calls annually to approximately 13,500 retailers
- Approximately 614,192 packages distributed per year

Our services and systems in Florida also include the development of instant game plans and allocation of key strategic elements of the instant game design, prize structure creation, and focused input on the launch of key instant games during the year. In addition to input on the games themselves, we have designed and supported innovative instant game promotional campaigns to reach Florida's instant game players. We distribute approximately 614,192 packages per year, including allocations (new games), from our facility.

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4.2.2 PREVIOUS LOTTERY EXPERIENCE

RFP Requirement: *Proposers must indicate any previous lottery experience or other relevant experience providing similar services, as noted in Section 1.1.4, to governmental or private entities, including name of the entity, type of work performed, and duration of project.*

In the previous proposal response **Section 4.2.1**, we presented our corporate experience as a global gaming company, summarized the key divisions within our company that deliver services to the industry, and included feature summaries for four large-scale projects as demonstration of our performance and experience in complex, multi-faceted transition projects: China, Italy, Florida, and Pennsylvania.

This section of our proposal, in response to RFP Section 4.2.2, details key areas of relevant lottery experience, including feature summaries for four recent domestic lottery gaming system implementation projects; a five year summary of the games Scientific Games has implemented for its domestic lottery customers, including sales results; a description of our key experiences on a number of acquisition and integration efforts; and an outline of Scientific Games' Texas National Service Center. Upon award of the contract to Scientific Games, we are committed to establishing our Texas National Service Center in the Austin area to support economic investment in Texas. Our Texas National Service Center will house several key components of our national service infrastructure and resources including:

Proven experience in providing transition management, implementations, and operations management services in large, complex environments.



Please reference **Section 4.2.1** for further details on Scientific Games lottery experience, including summaries for three large-scale projects as demonstrations of our past performance and experience in complete, multi-faceted transition projects: China, Italy, Florida, and Pennsylvania.

MARYLAND CONVERSION SUCCESS

In July 2006, Scientific Games successfully completed an eight-month migration from the Maryland State Lottery Agency's (MSLA) legacy MasterLink system to

MARYLAND  LOTTERY.

This project involved the integration of over 35,000 pieces of electronic equipment, including the installation of 4,200 terminals at 3,800 retailers.

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Our implementation strategy for the MSLA system conversion followed a Two Phase migration plan, which resulted in the most risk-free and least disruptive plan for the MSLA and its retailers. New network communications and retailer technology devices (terminals, ticket checkers, displays, signs, etc.) were deployed early to the retailers, communicating back to the legacy MasterLink system. On the day of system conversion, the switch-over to the new lottery gaming system was transparent to the retailers. The following describes the key milestones associated with the two-phase conversion plan executed by Scientific Games for the MSLA.

The MSLA awarded its online contract to Scientific Games in late October, 2005, which provided for an approximate eight month conversion period, culminating in early July, 2006.

- Three months from award (Definition Phase).
 - Project plan validation.
 - Terminal GUI design and terminal software emulation programming.
 - Equipment procurement and manufacturing.
 - Retailer communication planning.
 - Installation schedule validation.
 - Training plan logistics.
- Five months from award (Installation Phase).
 - Deployed over 35K pieces of equipment (communications, terminals, ticket checkers, keno monitors, servers, signs, displays).
 - 4,200 terminals to 3,800 retailers, 2,500 of which were keno retailers; addressed unique installation requirements associated with historical districts and government building locations.
 - Installed retailer sites during worst weather storm in 200 years—two weeks of torrential rain and extensive flooding.
 - Built out new primary and back-up data center facilities.
 - Trained 6,500 retailers, including 550 Korean retailers.
 - Trained 150 lottery personnel.
 - Deployed a unique terminal sales solution for visually impaired retailers.
- Six months from award (ongoing systems and marketing activities).
 - Launched two promotions on the legacy system (top of ticket and single use coupon) during the conversion period. Requirements definition, programming, and marketing support for these promotion launches completed successfully in parallel with required system conversion activities.

- Eight months from award (Conversion).
 - Successfully launched the [REDACTED] with 3,800 retailers over a largely [REDACTED]
 - Launched a new game promotion (Keno doubler), and a new Pick 3 promotion just three weeks after conversion. Requirements definition, programming, and marketing for new promotion launches on the new system completed successfully in parallel with required conversion activities.
 - Launched a new horse race monitor game, RACETRAX, and another new Pick 3 promotion less than 60 days after conversion to [REDACTED].
 - Designed requirements for our player activated terminal – PlayCentral.

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The implementation project effort was rewarded just eight months later when [REDACTED] easily handled the increased sales volume resulting from a \$390 million Mega Million jackpot.

CONNECTICUT CONVERSION SUCCESS

In early May 2008, Scientific Games successfully completed an eight month migration to the [REDACTED] gaming system, including 3,000 WAVE terminals and associated peripherals and lottery equipment for the Connecticut Lottery Corporation ("CLC").

The conversion introduced a number of next generation products including:

- 3,000 WAVE terminals
- 3,000 self-service ticket checkers
- [REDACTED]
- [REDACTED] management portal
- [REDACTED]



This project involved the integration of nearly 12,000 pieces of electronic equipment and the training of nearly 9,000 retailers.

INDIANA (HOOSIER LOTTERY) CONVERSION SUCCESS

Today, our team is engaged in the Indiana conversion, which is underway with a Two Phase migration approach of a legacy gaming system to an integrated [REDACTED]. On September 24, 2009 Scientific Games agreed to supply the [REDACTED] which included a full suite of online and instant ticket pas-through systems as well a range of lottery equipment, including more than 4,000 WAVE terminals and peripherals. The conversion date is scheduled for late August, 2010.



Installation of 4,000 retailers with WAVE terminals and wireless ticket checkers began in early April at a rate of nearly 350 retailers per week with retailer training scheduled just days ahead of the installation. In all, we expect to train nearly 8,000 retailers prior to conversion. The installed terminals are currently operating with the legacy gaming system and will be cutover to the [REDACTED] and a network comprised of both [REDACTED] in late August, 2010.

We are confident our successful conversion activities in Indiana will continue through the launch date and result in positive benefits to the Indiana players, retailers, and the Hoosier Lottery.

ARKANSAS SCHOLARSHIP LOTTERY CONVERSION SUCCESS

The start-up of the Arkansas Lottery Instant Ticket Services program in 2009 is an excellent example of the benefits of cooperative efforts. When faced with a very short time frame to be up and operating, the Arkansas Scholarship Lottery turned to Scientific Games to deliver an Instant Ticket sales and distribution system for them while they concentrated on their own operational start-up. The Arkansas Scholarship Lottery's faith in Scientific Games was rewarded when the first packs of tickets were activated on September 28, 2009 and a start-up record of 45 days after contract execution was established.



This success began with the confidence that the Arkansas Scholarship Lottery placed in Scientific Games. The record start-up was possible because Scientific Games relied on our most experienced and industry-savvy staff of lottery professionals to see this project through. From game design, to site selection, to site build-out, to hiring local personnel, to game delivery, to employee training, Scientific Games made sure that each component was agreed, achieved, and delivered for an on time start-up.

Despite the compact time line, the success continued once distribution and sales began, with sales exceeding projections by nearly 11% at the close of the first quarter. A few keys to the sales success were the initial launch of four instant ticket games at various price levels, adherence to industry best practices as more games were introduced, and a young but eager Tel-Sell staff that learned how to analyze sales data to insure that the right product was in the right retail location at the right time.

NEW GAME IMPLEMENTATION SUCCESS

During the last six years (2005-2010), we have worked very closely with our many domestic and international lottery partners to increase their revenue either by developing and implementing new games or designing enhancements to existing games. These changes have occurred seamlessly and on schedule. As evidenced in the following table (Figure 4.2-5), the game implementations are widely diverse and include various Raffle games; extended Monitor Games, Keno to Go, extension (Multi-Hand Easy Win) games, a \$5 Lotto game, and Instant Win games to name a few.



In the U.S. alone, Scientific Games' customers deployed more than 115 new games, game changes, game enhancements, and short-term promotional game launches (e.g., Raffles and Instant Win games) over the last five plus years with over \$3.8 billion in cumulative sales as of April 2010. Many of these game launches are still in the market and performing exceptionally well. To demonstrate the longevity and sustained sales of some of these games, the following table reflects the total sales since inception. This clearly shows that many very solid games have been developed and sales have been maintained since the game's introduction.



Scientific Games lottery customers have grown 9.3% in online games sales versus 5.1% for the rest of the industry.

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ACQUISITION INTEGRATION SUCCESS

Looking back over the last four decades, the major suppliers and providers in the lottery industry have grown and evolved their companies through a number of mergers and acquisitions. This activity provides the companies access to new technologies, expanded product offerings, patents, resources, facilities, and people.

Scientific Games has effectively completed merger and acquisition endeavors throughout the years, including the successful integration between the existing and the incoming organizations. Our experience in this area is an important aspect of business management for the TLC to consider and evaluate. Corporate integration performance related to a merger or acquisition often mirror those activities associated with a large-scale contract transition from an incumbent vendor to a new vendor, including:

- Adapting for change in reporting structures and management teams
- Understanding and respecting cultural values and beliefs
- Integrating program systems and training on new technologies and processes
- Preserving current best practices and accommodating evolving practices

The following summarizes four major acquisition integration projects completed by Scientific Games over the last seven years.

1. **Name of Entity:** IGT OnLine Entertainment Systems, Inc.

Type of Work Performed: Acquisition Integration

Duration of Project: Eight months – Deal completed in Nov. 2003

Scientific Games Corporation completed its acquisition of IGT OnLine Entertainment Systems, Inc., a subsidiary of International Game Technology, in November, 2003. As a result of the acquisition, Scientific Games' operation of online lottery systems grew to 15 states in the United States and the Caribbean, in addition to supporting systems in Korea, Norway, Switzerland, and Shanghai.

Integration activities covered the breadth of technology, reporting, people, and processes. A plan was developed to guide activities and ensure a fast, efficient, and minimally disruptive integration of business practices. A number of strategic meetings were facilitated to capture knowledge from the incoming management team to ensure the retention of developing technologies, research, productive service, and manufacturing processes. The key objective for this integration effort was to remain innovative, effective, and profitable during the transition period.



Expanding our portfolio of gaming products and services through organic growth initiatives and successful acquisition activities separates Scientific Games from the competition.

2. **Name of Entity:** EssNet, AB

Type of Work Performed: Acquisition Integration

Duration of Project: Six months – Deal completed in March 2006

Scientific Games Corporation completed its acquisition of EssNet AB in March, 2006. As a result of the acquisition, Scientific Games added seven states in Germany, the national lotteries of Hungary and Norway, Golden Casket, Tattersall's Lottery in Australia, and other national lotteries, to our portfolio of customers.

This integration effort was complex for Scientific Games as it spanned the globe from Europe to Australia. Early on in the process we recognized the importance of timely, informative communication. We established a Communications Task Team that created a communications plan to ensure members of the EssNet Team could learn what it meant to be a part of the new company. We knew that cultural differences could impact the operational effectiveness of the blended activities. By proactively putting strong communication tools in place, we effectively minimized the risk of disruption.

3. **Name of Entity:** Global Draw Limited

Type of Work Performed: Acquisition Integration

Duration of Project: Four months – Deal completed in April 2006

Scientific Games completed the purchase of Global Draw Limited and certain related companies in 2006. Global Draw was a leading supplier of fixed odds betting terminals and systems, and interactive sports betting systems. Global Draw strengthened Scientific Games' role in the worldwide sports betting and video lottery business.

The post-acquisition integration activities with Global Draw were largely centered around operational reporting areas. The product and technology areas were largely diverse and customer contracting areas were in place in varying non-traditional lottery markets. For operational reporting, a software integration effort and front-end reporting package was developed to allow the legacy systems to interface and share data with Scientific Games' operational and financial enterprise systems. This effort required a technology development project between the two organizations, including requirements definition, testing, corporate-wide and acceptance.



4. **Name of Entity:** Oberthur Gaming Technologies (OGT)

Type of Work Performed: Acquisition Integration

Duration of Project: Seven months – Deal completed in May 2007

Scientific Games completed its acquisition of Oberthur Gaming Technologies (OGT) in May, 2007. This acquisition gave Scientific Games increased printing capacity in several key markets, including Canada and Australia, and an important portfolio of printing-related intellectual property, as well as core competencies for extended play styles such as Bingo and Crossword.

The integration plan for OGT was the most complex in the history of our company. A dedicated team was carved out under the full-time leadership of a highly talented executive leader with excellent strategic and interpersonal skills to oversee the post acquisition integration process. This task team was allocated sufficient support and administrative staff to make sure the plan

was not only well defined but also well executed. Cross-functional groups met daily with sister organizations from customer service, manufacturing, plant operations, game design, systems engineering, finance, and human resources to bring together the two firms and leverage the best of the best. The level of dedicated focus and commitment from both companies resulted in the creation of a new Scientific Games that moved to the next level of success with its integration of OG0146sT business practices and people.

TEXAS NATIONAL SERVICE CENTER

Scientific Games is committed to working in close cooperation with the Texas Lottery and the Texas State Department of Economic Development in our efforts to meet goals set by Texas State Certified Minority Owned Business Enterprises and the Texas State Certified Woman Owned Business Enterprises as subcontractors and suppliers in this proposed contract. In order to mitigate economic impact of the online vendor transition, Scientific Games has developed a plan intended to remain job-neutral with the incumbent vendor for Texas-based employees through increased staff dedicated to the Texas Lottery operation, as well as investment in corporate infrastructure based in Texas through Scientific Games and our affiliates. Upon award of the contract to Scientific Games, we are committed to establishing our Texas National Service Center in the _____ area. This is an Offered Option included in the base price.

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Our Texas National Service Center will house several key components of our national service infrastructure and resources including:

- _____ – Currently housed on our corporate campus in _____, the NRC will be relocated to an _____ area facility and will have oversight for all our national call center operations, dispatch, incident management, and the _____. The _____ facility, currently handles customer service calls from 15 lotteries, including over 40,000 retailers. Within the first year of operations with the Texas Lottery, this facility will support over 57,000 retailers.
- _____ – This newly established center will be an in-state electronics and hardware repair facility responsible for the maintenance and repair of all terminals and associated retailer peripheral equipment for the Texas Lottery and our online lottery partners throughout the United States. In all, we anticipate the _____ will support nearly 40,000 WAVE and other associated terminals operating across the United States within the first year of operations with the Texas Lottery.
- _____ – This newly established center will house key skilled technology resources for dedicated Texas Lottery systems development and testing activities in addition to infrastructure for the potential operation of multi-jurisdictional systems operations.

The establishment of our Texas National Service Center will benefit the Texas Lottery, the Texas State Department of Economic Development, and the state of Texas in a number of manners, including:

Expanded Economic Opportunities – The Texas National Service Center will expand economic opportunities primarily in areas of facility rental, related facility build-out and ongoing support services; transportation and related courier/shipping services. Scientific Games anticipates the annual spend for the Texas National Service Center to exceed \$5 million.

Expanded Opportunities for Texas State Certified Minority/Woman-Owned Business Enterprises in the state of Texas – Scientific Games will continue our efforts to meet the goals of the Texas State Department of Economic Development in all areas of the establishment and operation of the Texas National Service Center.

Expanded Employment Opportunities for Texas Citizens – Scientific Games anticipates the Texas National Service Center will employ nearly 100 high value, service-based resources for full, part-time, and education related training programs. From lower skilled entry level technicians and call center operators to highly skilled certified quality assurance technicians and software development and testing resources, the majority of these resources will be sourced from qualified Texas citizens.

Expanded Opportunities to Partner with Local Technical Training Institutes – As many of the new employment opportunities will require varying levels of proficiency with technology, the establishment of the Texas National Service Center will provide Scientific Games and the Texas Lottery with an opportunity to partner with local technical training institutes and establish cooperative employment opportunities and/or workforce re-training programs with students/employees.

Higher Skilled Resources Supporting the Texas Lottery – Higher levels of customer service can be achieved by greater investment in tools and resources in consolidating the functions in the Texas National Service Center. Higher skilled resources will now be hired, trained and retrained. Terminal repairs, typically completed to a modular level for an in-state repair facility, will now be completed to the component level because of the high concentration of technical talent and tools available in the facility. Greater investment can be achieved due to economies of scale recognized by this consolidated infrastructure.

Scientific Games understands that the Texas Lottery reserves the right to approve all locations and agrees to work with your designee in assuring that the Texas National Service Center location, procedures and our staffing plans meet with your approval.

As with all Scientific Games' facilities, the Texas National Service Center will be designed, constructed, and maintained to be consistent with state and local building codes, including but not limited to, specifications to meet the Americans with Disabilities Act (ADA) requirements. Additionally, the facility will be compliant with all multi-jurisdictional association standards throughout the life of the contract, including any extensions thereafter.

Quality, accuracy and excellence are among Scientific Games' service goals. While Scientific Games is not prohibited by our commitments to other customers under other contracts to locate the Texas National Service Center in the State of Texas, we fully understand our primary obligation is to meet the service level requirements of the Texas Lottery, its retailers, and players. We look forward to working with the Texas Lottery to ensure the service level requirements are fully achieved with the establishment of the Texas National Service Center including the confirmation of all required business continuity plans.

The establishment of the Texas National Service Centers enhances our ability to exceed the service level requirements of the Texas Lottery, provides expanded opportunities for the state of Texas and its citizens, and highlights the benefits of your selection of Scientific Games as the preferred choice for your lottery operations and services.

4.2.3 PREVIOUS EXPERIENCE IN TRANSITION SERVICES

RFP Requirement: Proposers must indicate any previous experience in transition activities between vendors when providing similar services, in scope and size, as noted in Section 1.1.4. Proposers must include the name of the entity, type of transition/conversion work performed, duration of the project and any service interruptions encountered.

Figure 4.2-6 indicates previous experience in transition activities between vendors (i.e., a transition effort from another vendor to Scientific Games). As required, the name of the entity, type of transition, and duration is identified. There were no significant service interruptions during these transitions.

We believe it is important to note that over the past four to five years, Scientific Games has operated within a clearly defined business strategy for our Lottery Systems Group—its purpose being to ensure that we firmly concentrate on maximizing the relationship with our current lottery partners—maximizing their revenues and growth opportunities.

Remaining committed to this strategy entails limiting our bidding to those contracts that fall within the following parameters:

- First, that we are totally confident our products and services will be recognized as creating value for the contract;
- Second, that we are certain the prospective Lottery organization embraces a partner-relationship with their vendor; and
- Third, that the prospective Lottery is focused on growing their retail sales, which will enable increased returns to good causes in their state.

Of course with this proposal submission, we firmly believe the Texas Lottery meets these areas of business partnership.

In the last few years, Scientific Games has opted not to pursue several domestic systems bid opportunities. This has been the result of a deliberate, long-term business strategy that we have communicated publicly to the industry. While we would enjoy the opportunity to serve every lottery as their systems provider, the recent trend for low-cost bids is not healthy for the long-term growth of the industry, or for the long-term financial health of vendors who assume those contracts. Low-cost solutions that do not allow for investment in lottery retail sales growth do not support our lottery customers' missions. We have chosen to pursue opportunities that will allow us to serve our customers in achieving their mission of continued growth in returns to their beneficiaries. We believe Texas to be one of these value-based opportunities.

The four most recent domestic accounts that selected Scientific Games for advanced systems solutions, superior marketing services, and focused support plans were Pennsylvania, Maryland, Connecticut, and Indiana. These accounts, similar to Texas, did not place a heavy weight on a low-price as part of their selection process for their procurements, but instead recognized the value of a business partnership that invests in the success of the joint enterprise. Please note that these four recent conversion accounts, while they represent implementation, transition, and conversion experience for the company, are not listed below as they do not meet the required criteria for "between vendors." While these accounts were existing Scientific Games' customers at the time of conversion, three of these systems were conversions from legacy IGT-OES MasterLink systems that were later acquired by Scientific Games. This demonstrates the same process that we have proposed for Texas for interfacing new retailer terminals into a legacy system protocol, as well as conversion of legacy sales and ticket data.

MANAGED AND EXECUTED CONVERSIONS BETWEEN VENDORS

Figure 4.2-6: Transition Engagements Between Vendors

	NAME OF ENTITY/LOTTERY	TYPE OF WORK	PREVIOUS VENDOR
1.	Loteria Electronica (Puerto Rico)	Lottery Gaming System (LGS)	GTECH
2.	Islensk Getspa-Getraunir (Iceland)	LGS	GTECH
3.	Loto Catalunya (Spain)	LGS	GTECH
4.	Colorado Lottery	LGS	GTECH
5.	Philippines Charity Sweepstakes Office	LGS	GTECH
6.	Maine Lottery	LGS	GTECH
7.	New Hampshire Lottery	LGS	GTECH
8.	Vermont Lottery	LGS	GTECH
9.	Iowa Lottery	LGS	GTECH
10.	Hoosier Lottery (Indiana)	LGS	GTECH
11.	Atlantic Lottery Corporation	LGS	GTECH

Figure 4.2-7: Transition Engagements Between Legacy Systems

	NAME OF ENTITY/LOTTERY	TYPE OF WORK	PREVIOUS VENDOR
1.	Pennsylvania Lottery	LGS	IGT-OES MasterLink Legacy LGS
2.	Maryland Lottery	LGS	IGT-OES MasterLink Legacy LGS
3.	Connecticut Lottery	LGS	LGS
4.	Hoosier Lottery (Indiana)	LGS (in Progress)	IGT-OES MasterLink Legacy LGS

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Confidentiality Claimed Not released

4.2.4 DETAILED DESCRIPTION OF EXPERIENCE

RFP Requirement: The description of experience shall be detailed and cover all contracts the Proposer and any subcontractors have or have had that provided experience similar to this Contract which qualifies the Proposer to meet the requirements of this Contract, including but not limited to:

- (a) Size of contract.
 - (b) Reason for contract termination/expiration, if contract is no longer in effect.
 - (c) Types of services directly provided by the Proposer and whether the Proposer was the proposer or subcontractor.
 - (d) Term and type of contract, including effective dates.
 - (e) Any problems encountered.
-

Scientific Games' current and historical global lottery or relevant experience conducted over the past ten years is included on the following charts.

Each foldout includes the entity name, type of work performed, and duration of project.

In addition, each chart includes the following details required by RFP Section 4.2.4:

- Size of contract
- Reason for contract termination/expiration
- Types of services provided
- Term and type of contract
- Any problems encountered

DOMESTIC ONLINE CONTRACTS

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

Confidentiality Claimed
Not released

INTERNATIONAL ONLINE CONTRACTS

**Confidentiality Claimed
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**Confidentiality Claimed
Not released**

DOMESTIC CSP/INSTANT CONTRACTS

**Confidentiality Claimed
Not released**

Confidentiality Claimed
Not released

**Confidentiality Claimed
Not released**

INTERNATIONAL CSP/INSTANT CONTRACTS

Confidentiality Claimed
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Confidentiality Claimed
Not released

VIDEO CONTRACTS

**Confidentiality Claimed
Not released**

Confidentiality Claimed
Not released

4.2.5 FIVE-YEAR DISCLOSURE

RFP Requirement: The Proposer shall state in its Response whether or not any of the following have occurred during the last five (5) years:

- (a) The Proposer has had a contract terminated and, if so, shall provide full details, including the other party's name, address and telephone number.
- (b) The Proposer has been assessed any sanctions or liquidated damages under any existing or past contracts with any state, provincial or other lottery, and if so, note the jurisdiction, the reason for and the amount of the sanction or liquidated damages for each incident. (See Section 3.44 for continuing disclosure requirement.)
- (c) The Proposer has provided goods or services in consideration of contractual sanctions or liquidated damages that would have been assessed, and if so, note the jurisdiction, the reason for the penalty or liquidated damages and the goods or services provided in lieu of the assessment.
- (d) The Proposer has had any material or significant audit findings.
- (e) The Proposer was the subject of (i) any disciplinary action for substandard work and unethical practices or (ii) any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Proposer to engage in any business, practice or activity.
- (f) The Proposer has been involved in any material civil or criminal litigation or indictment either threatened or pending as fully described in Section 3.43.
- (g) The Proposer has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a gaming license of any kind, or had fines, penalties sanctions or liquidated damages assessed against its gaming license, contract or operation, and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or terminated or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the revocation, termination, non-renewal or the failure to receive such a license shall be disclosed.

Scientific Games, like the Texas Lottery, works hard to maintain the public's trust by protecting and ensuring the integrity of our vendors, suppliers, customers, employees, consultants, and operational facilities. We value and require ethical behavior by our employees and all parties conducting business with Scientific Games and abide by a compliance regime that is governed by three independent board directors and administered by our Chief Compliance Officer who formerly served as the Deputy Director of the FBI and our General Counsel who was a presidential appointee to the US Department of Justice. It is Scientific Games' dedication to integrity that has made us a socially responsible partner of the Texas Lottery since its launch in 1992. During these years of service and partnership, Scientific Games has always acted in the best interests of the Texas Lottery and has vigilantly guarded against any lapses in corporate conduct that could embarrass the lottery or damage its reputation with the public. As your primary service provider, Scientific Games will continue to ensure that its employees and services providers conduct themselves in a manner that will maintain the public confidence in the fair and ethical operation of the Texas Lottery and its games.

Below, Scientific Games provides full and complete disclosure whether or not any of the following have occurred during the last five years.

4.2.5.A CONTRACT TERMINATION

RFP Requirement: The Proposer has had a contract terminated and, if so, shall provide full details, including the other party's name, address and telephone number.

Scientific Games has not has a contract terminated for default or cause during the last five years.

4.2.5.B ASSESSED SANCTIONS OR LIQUIDATED DAMAGES

RFP Requirement: The Proposer has been assessed any sanctions or liquidated damages under any existing or past contracts with any state, provincial or other lottery, and if so, note the jurisdiction, the reason for and the amount of the sanction or liquidated damages for each incident. (See Section 3.44 for continuing disclosure requirement.)

Scientific Games understands that the Texas Lottery is seeking information from Proposers related to any sanctions or liquidated damages that their company has been assessed over the past five years. We believe that the following listing responds to the requirement by outlining sanctions or liquidated damages that Scientific Games has been assessed in the areas of defined services as required under the terms and conditions of this RFP and as required by Amendment No. 8.

**Confidentiality Claimed
Not released**

**Confidentiality Claimed
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Confidentiality Claimed
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Confidentiality Claimed Not released

When evaluating Figure 4.2-9, the Lottery should bear in mind that, over the years, all major industry vendors have had assessments of, or paid liquidated damages, penalties, or other sums that were related to performance, or lack thereof, on their respective contracts to provide lottery services and/or equipment.

4.2.5.C GOOD OR SERVICES

RFP Requirement: The Proposer has provided goods or services in consideration of contractual sanctions or liquidated damages that would have been assessed, and if so, note the jurisdiction, the reason for the penalty or liquidated damages and the goods or services provided in lieu of the assessment.

Scientific Games understands that the Texas Lottery is seeking information from Proposers relating to any good or services that their company has provided in consideration of contractual sanctions or liquidate damages. Scientific Games has not provided goods or services in consideration of contractual sanctions or liquidated damages that would have been assessed.

4.2.5.D AUDIT FINDINGS

RFP Requirement: The Proposer has had any material or significant audit findings.

Scientific Games does not have any material or significant audit findings to report.

Scientific Games' Form 10-K for the fiscal year ending December 31, 2009 was submitted to the United States Securities and Exchange Commission and contained the following report of an independent registered public accounting firm (Deloitte & Touche LLP), dated March 1, 2010:

We have audited the internal control over financial reporting of Scientific Games Corporation and subsidiaries (the "Company") as of December 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2009 of the Company and our report dated March 1, 2010 expressed an unqualified opinion on those financial statements and financial statement schedule based on our audit and the report of other auditors.

This report can be found in the full 10-K provided on the Financial Information CD after the Electronic Media tab card in Book 1 of our technical proposal.

4.2.5.E DISCIPLINARY ACTION

RFP Requirement: The Proposer was the subject of (i) any disciplinary action for substandard work and unethical practices or (ii) any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Proposer to engage in any business, practice or activity.

During the last five years, Scientific Games was not the subject of (i) any disciplinary action for substandard work and unethical practices or (ii) any order, judgment, or decree of any federal or state authority barring, suspending, or otherwise limiting the right of Scientific Games to engage in any business, practice or activity.

4.2.5.F LITIGATION OR INDICTMENT

RFP Requirement: The Proposer has been involved in any material civil or criminal litigation or indictment either threatened or pending as fully described in Section 3.43.

Please reference **Section 3.43** for Scientific Games' response to this RFP requirement.

4.2.5.G GAMING LICENSES

RFP Requirement: The Proposer has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a gaming license of any kind, or had fines, penalties sanctions or liquidated damages assessed against its gaming license, contract or operation, and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or terminated or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the revocation, termination, non-renewal or the failure to receive such a license shall be disclosed.

During the last five years, Scientific Games has applied for, has pending, has received and/or has sought renewal of, the following gaming licenses:

1. **Ontario** – Ontario investigators requested separate filing by Scientific Games Corporation after reviewing the application submitted by Scientific Games International, Inc. We await scheduling of corresponding interviews requested by the regulator.
2. **Manitoba** – Scientific Games has submitted its application for a gaming supplier license and await response from the regulator.

During the last five years, Scientific Games has not been denied or has had revoked a gaming license of any kind, or had fines, penalties sanctions or liquidated damages assessed against its gaming license.

Please reference **Section 4.2.5.B** for Scientific Games' response regarding penalties, sanctions or liquidated damages assessed against its relevant contracts or operations, during the last five years.

4.3 EXPERIENCE OF PERSONNEL

Scientific Games has been a leader in the lottery marketplace for over 37 years. Being a leader means a lot of things, but as it relates to this section, it specifically means doing things in a way that displays comprehensive mastery of the lottery business. As the industry's original fully integrated vendor, offering a Fullline™ suite of instant and online products, Scientific Games and our employees worldwide understand the challenges the Lottery faces as it strives to build on the more than \$17 billion support provided to the Foundation School Fund since the Lottery's start in 1992.

Scientific Games is a highly diverse organization containing global leaders with skills in an ever-expanding portfolio of gaming products and services to the world's government regulated and government sponsored entities. Scientific Games believes this diversity differentiates our leadership team and enhances our proven ability to deliver world-class solutions to our customers in more than 50 countries on six continents.

In the pages that follow, we believe we have exceeded your RFP requirements by not only proposing on-site support staff that have lottery-specific experience, but by proposing corporate support from the TLC Global Management Team comprised of experienced and diverse lottery professionals, and a seasoned Transition Team with a proven track record of delivering smooth, secure, and timely conversions of domestic and international lottery operations. We are also proposing forward-looking approaches and industry revolutionizing tools that we are confident will convince the Lottery that Scientific Games is the industry provider best suited to support the Texas Lottery for the term of the next contract.

Resumes for all Scientific Games corporate directors/officers, key management, and staff members who will be engaged to provide direction or oversight, work on the transition project, and provide ongoing support for the Texas Lottery account can be found in the Supplemental Documentation at the end of **Part 4**.

4.3.1 ORGANIZATIONAL CHART

RFP Requirement: *Proposers must provide an organizational chart which identifies all staff who will support the Texas Lottery account. The organizational chart should include the position titles, number of positions, and where applicable names of personnel (e.g., key management staff). The organizational chart should include corporate directors and/or officers who will provide direction or oversight to the Texas Lottery account.*

Scientific Games wants to be your lottery operations and services PARTNER. We have had the privilege of serving the Texas Lottery as your instant ticket vendor since your Lottery's inception in 1992. We look forward to the opportunity to grow our



Scientific Games is the industry's only fully integrated vendor offering a Fullline suite of instant and online products.

relationship and provide an integrated and cohesive approach to meeting the Lottery's immediate and long-term goals. We understand the enormous challenges that you face in continuing to grow your total sales and we look forward to helping you meet your core objectives while optimizing revenue for the Foundation School Fund. One way that we believe this can be accomplished is by providing the Lottery with an optimum blend of experienced lottery professionals and qualified local hires. This will benefit the Lottery by enhancing the Texas-based TLC Account Team with personnel that can offer solid backgrounds in lottery operations as well as significant depths of industry knowledge and strength, while bringing on-board fresh eyes and ears and enthusiastic new ideas and energies.

YOU GET MORE WITH SCIENTIFIC GAMES AS YOUR PARTNER

Scientific Games continues to evolve and grow while consistently providing the industry's highest levels of professional support to our customers and our site operations. The more immersed a company is in an industry, the more knowledgeable its staff becomes. Scientific Games has a wealth of personnel who see the whole of the lottery industry in a way that companies with a less diversified perspective do not. Scientific Games' staff includes many of the leading experts in online and instant lottery, diversified gaming, and interactive games.

Like the Lottery, Scientific Games values the importance of innovative leadership to an organization's overall success. As such, we have invested heavily in our personnel to ensure that they have the tools, products, and resources to deliver a fully integrated project that provides a unified approach to the Texas Lottery's operations and services. A few examples of the investments we make in our personnel include:

- **Training** – Training is a key component in support of our personnel. In addition to new employee orientation and training and safety training, we offer a wide variety of skill-enhancement seminars. A sample of our 2010 seminar schedule includes Moving from Employee to Manager, Better Business Writing, Win – Win Negotiations, Civil Treatment for Employees, and Interviewing and Employee Selection. Our on-site personnel receive ongoing training that directly relates to their business area. They are also given the opportunity to train in areas that afford them the opportunity for advancement or a change in career paths either through our internal HR programs or through our tuition reimbursement program.

A Partnership with Scientific Games Guarantees:

- Continual access to market trends
- Best practices and execution skills to potential market opportunities

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- **Product Innovation** – Using input from our field staff, the WAVE™ terminal's innovative design was developed, in part, to accommodate ease of maintenance. This allows our field service technician's (FSTs) to work quickly and more effectively in the field to service terminals at retailer locations. Our design means the only tool an FST needs is a The WAVE™ terminal is discussed in detail in **Section 7.12.0.2.1**.

- **Technology Advancements** – Our Lottery InSite Executive provides our personnel with a technologically advanced portal into online and instant ticket transaction engines and the system's historical database allows personnel to better serve our customers through the analysis of ticket data, game trends, sales performance and ranking, and call center data to name a few S is discussed in detail in **Section 7.1**.

- **Process Improvements** – Through the use of Information Technology Infrastructure Library (ITIL) and Information Technology Service Management (ITSM) best practices, our customer service staff, including technicians and call center operators, are able to provide "best in class" customer service to our clients and their retailers. This process is part of initial and ongoing customer service training and integrated into our Field Services program. ITIL and ITSM are discussed in detail in **Section 7.12.2**.



Figure 4.3-1: WAVE™ Retailer Terminal

Scientific Games is pleased to outline a staffing structure that not only meets, but exceeds the Texas Lottery's RFP requirements and fully supports the Lottery's vision and mission.

FOUR-TIERED MANAGEMENT MODEL

Scientific Games deploys a Four-Tiered Management Model to guide the transition period between contract award and the launch of lottery operations and services. Our previous successful deployments of this management model significantly enhances Scientific Games' ability to meet the transition objectives of the Texas Lottery. The primary benefits of this management model include:

- **Integration** – A highly integrated structure between key strategic, tactical, functional, and execution resources to ensure seamless alignment with the Texas Lottery transition objectives.
- **Executive Sponsor** – Nomination of a key senior management Executive Sponsor to continuously advocate Texas Lottery concerns, issues, and points of view at the highest levels of the company throughout the transition.
- **Transition** – A seamless hand-off of the delivered products and services through the launch of operations and to the Texas Lottery.

Each tier in the Four-Tier Management Model consists of a team with specific roles and responsibilities that will cohesively guide the transition along each phase to a timely and successful completion.

The teams that comprise our Four-Tiered Management Model are described below:

1. TLC Global Management Team

Primary Roles and Responsibilities – Provide strategic guidance and corporate oversight, nominate the TLC's Executive Sponsor, and ensure Texas Lottery's ongoing satisfaction.

Team Structure – This team includes members of Scientific Games' senior management team.

Proposed Team Leader and TLC Executive Sponsor – Steve Beason, President Lottery Systems and Chief Technology Officer (CTO) will be the TLC Executive Sponsor.

Working in concert with the Texas Lottery, this team will execute key strategic decisions to ensure the Texas Lottery transition objectives are satisfied and that adequate company resources are allocated.

2. TLC Project Steering Committee

Primary Roles and Responsibilities – Provide tactical leadership, corporate direction/ownership, and ensure Texas Lottery's ongoing satisfaction.

Team Structure – This team includes Scientific Games executives from the key functional areas comprising the delivery of product and services in response to the Texas Lottery RFP. Team members will be from functional areas including project management, systems development, engineering, operations, network engineering, sales and marketing, instant ticket services, and retail solutions. Other functional areas may be added, as needed.

Proposed Team Leader – Steve Beason, President Lottery Systems and Chief Technology Officer (CTO), as the TLC Executive Sponsor will lead this team. Steve will receive senior executive support from Jim Kennedy, Senior Vice President Sales and Global Marketing.

Under the leadership of the TLC Executive Sponsor and guided by the TLC Global Management Team, this team will ensure the resources required for the implementation and post-transition activity are properly allocated, key milestone dates are met, and ongoing operations function in a way that meets the needs of the Texas Lottery and its retailers.



SUPERIOR VALUE

Our four-tiered management model is the optimal staffing model to transition the Texas Lottery's operations and services.

3. TLC Transition Team

Primary Roles and Responsibilities – Provide implementation leadership and transition execution, functional expertise, and ensure Texas Lottery's satisfaction.

Team Structure – This team includes Scientific Games' experienced implementation resources and external contributors. Team members comprise key delivery resources from functional areas including project management, central systems, software development, communications, equipment installation, facilities construction, security, operations, manufacturing, training, instant ticket services, and sales and marketing. Other functional areas may be added, as needed.

Proposed Team Leader – Dan Grace, Project Director, will lead this team. Dan will receive support from Cory Bonogofsky, Senior Project Manager.

Under the leadership of the TLC Project Director and guided by the TLC Project Steering Committee, this team will lead the transition activities for the lottery operations and services delivery to the Texas Lottery.

4. TLC Account Team

Primary Role and Responsibility – Provide ongoing operations and ensure Texas Lottery's continued satisfaction.

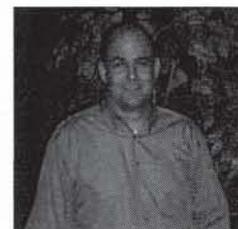
Team Structure – This team includes all staff that will provide dedicated ongoing support to the Texas Lottery. Team members will be from functional areas including; executive management, data center/operations, call center, sales and marketing, and warehouse and distribution. Other functional areas may be added, as needed.

Proposed Team Leader – John Osenenko, the proposed TLC Account Director, will lead this team.

Under the leadership of the proposed TLC Account Director, this Texas-based team will have responsibility for all contracted products and services, and accountability to the Texas Lottery for performance levels that ensure satisfaction with service level performance.

Scientific Games believes the Four-Tiered Management Model is the optimal solution to transition the Texas Lottery lottery operations and services. Additionally, we believe the key leaders comprising each tier of our management model have the highest level of skill, management strength, and the highest diversity of gaming-related experience in the industry.

When complemented by additional contributors from our local hires in Texas, Scientific Games is confident in our ability to facilitate a smooth transition of the Texas Lottery's lottery operations and services and offer the strongest management team for innovation and growth in the future.



John Osenenko

SCIENTIFIC GAMES' STAFFING MODEL

In the pages that follow, Scientific Games provides detailed organizational charts that identify all of the key staff who will support the Texas Lottery. The charts include position title and, where applicable, names of personnel. In addition, we identify Scientific Games' corporate directors and/or officers who will provide direct oversight for the Texas Lottery.

The organizational structures provided include the following Texas Lottery-specific teams:

1. TLC Global Management Team
2. TLC Project Steering Committee
3. TLC Transition Team
4. TLC Account Teams:
 - a. Executive Management
 - b. Data Center/Operations
 - c. Call Center
 - d. Sales and Marketing
 - e. Warehouse and Distribution

Partnering with Scientific Games guarantees a fresh team of diverse lottery professionals that share the same core values and business goals.

TLC GLOBAL MANAGEMENT TEAM

Comprised of a diverse set of experienced and dedicated lottery executives focused on the delivery and effectiveness of our global product offerings, Scientific Games' executives embrace their dual role through:

1. Active participation in the corporate environment, including advocacy for our customers and support for their mission to increase growth for higher returns to lottery beneficiaries; and
2. Dissemination of their lottery expertise and best practices to support the TLC Account Team and their commitment to operational improvements that enhance our partnership with the Lottery.

Scientific Games has made a strategic investment in the recruitment and retention of the most knowledgeable and experienced lottery personnel in the market today. Collectively, our TLC Global Management Team has hundreds of years of industry and institutional knowledge. Over the past several years, we have realigned our corporate support groups to be even more customer-centric and focused on rapid delivery of services directly to our lottery customers.



As part of the realignment process, we instituted an Executive Sponsorship program to help us to better assist our customers and on-site staff during project implementation and throughout the life of the contract. Executive Sponsorship is intrinsically linked to the TLC Project Steering Committee. An Executive Sponsor actively participates with the TLC Transition and Lottery Account teams. Scientific Games believes this approach provides the infrastructure and continual support that a solid staffing business model requires to meet NASPL best practices. Our executives are visible during implementation and readily available during ongoing operations to provide their considerable lottery expertise.

Key members of the TLC Global Management Team who will provide corporate oversight of the Texas account — and their lottery-specific experience — are described on the following pages.

*The TLC Global Management Team
has some of the most
knowledgeable and experienced
lottery personnel in the market
today.*

Mike Chambrello, Chief Executive Officer of Scientific Games

Mike Chambrello is our CEO and has a hands-on philosophy when it comes to our customers and his management of Scientific Games' day-to-day worldwide activities. Mike has a distinguished career of more than 25 years of executive leadership in the lottery industry. Since joining Scientific Games in 2005, he has focused on improving operating efficiencies, enhancing customer satisfaction, and leading new product and global business development.



Mike Chambrello

Mike had a major executive leadership role in the planning and implementation of the initial Texas Lottery project in 1992. In fact, Mike has had strategic input on the creation and operation many of the world's largest lotteries, including the United Kingdom, China, Italy, and numerous states in the United States. Mike's leadership ensures that the Texas Lottery has one of the premier lottery executives in the industry focused on making certain we exceed the Texas Lottery's expectations.

Steve Beason, President Lottery Systems and Chief Technology Officer (CTO)

Scientific Games' goal to drive effectiveness and efficiency throughout the service organization is led by Steve Beason, a 25-year veteran of the lottery industry. He is the key executive determining the next generation of equipment and services offered to customers. Steve directs overall strategy, including software design, development, communications, research and development, and operations service. Steve played a primary role in approving the equipment and services being proposed to the Texas Lottery. In his earlier career while working for GTECH, Steve was the Vice President of Software for the Texas Lottery start-up in 1992.



Steve Beason

Scientific Games is proud that Steve received the 2007 nomination of award for the Georgia Chief Information Officer (CIO) of the Year by the Georgia CIO Leadership Association. This organization is committed to recognizing excellence among executives in Information Technology (IT). Being the Chief Technology Officer of a company with over 2,500 IT users and

multinational operations, Steve was nominated within the global category alongside executive representatives from Coca-Cola, Delta Airlines, and Equifax.

As a demonstration of our commitment to our partnership with the Lottery, Steve Beason will be the TLC's Executive Sponsor. In this capacity, he will provide advocacy for the Lottery's concerns, issues, and points of view at the highest levels of our company and serve as a direct link to Mike Chambrello to ensure a quick response to any of the Lottery's business concerns.

Jim Kennedy, Senior Vice President Sales and Global Marketing

With over 25 years in the industry and with Scientific Games, Jim brings a wealth of experience and perspective to the TLC Global Management Team. Jim will provide corporate management, support, and direction of the Sales and Marketing Team assigned to serve the Texas Lottery. He will also direct marketing and product development to create customer value and drive revenue.

Jim has managed the instant and online sales and global marketing in 39 domestic lottery jurisdictions, representing over \$20 billion in retail sales annually with double-digit growth. He has also developed hundreds of annual marketing plans for North American and international lotteries, from the largest in the United States (California and Texas) to the smallest (South Dakota and Montana). His lottery experience includes Arizona, Arkansas, California, Colorado, Connecticut, Delaware, DC, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, Asia, Australia, Canada, Europe, Latin America, and Mexico.



Jim Kennedy

In addition to our key TLC Global Management Team members highlighted above, other executive members include Ira Raphaelson, Corporate Legal Counsel; Jeff Lipkin, Chief Financial Officer; Larry Potts, Corporate Compliance and Security; John Walsh, Global Sales and Service, Steven Saferin, Chief Creative Officer; and Jim Trask, Global Printed Products.

Ira Raphaelson, Corporate Legal Counsel

Ira joined Scientific Games as its Vice President-General Counsel on early 2006 and has four years of lottery experience. As the Company's Chief Legal Officer, Ira supervises the Legal Department and is responsible for overseeing the company's legal affairs in the U.S. and around the world. He also serves as the legal advisor to the Company's compliance function and in June 2006 was elected as Board Secretary.

Ira is a nationally recognized author and lecturer on corporate governance and compliance. Before joining the Company, Ira was a partner in O'Melveny & Myers' Washington DC office where he was a member of the firm's global enforcement defense practice and a litigator for ten years. He has represented some of the world's largest companies and a number of prominent public officials and corporate executives in connection with governance and accounting issues in numerous countries. Ira is an accomplished trial and appellate lawyer who also serves as a deal advisor on international due diligence involving billions in M&A.



Ira Raphaelson

For three years, prior to joining O'Melveny, Ira was a litigator at Shaw Pittman in Washington DC. Prior to entering private practice, Ira was a state and federal prosecutor in Chicago for 13 years where he was also U.S. Attorney for nine months. In 1991, the first President Bush appointed and the Senate confirmed Ira to serve as Special Counsel for Financial Institutions within the Justice Department—a position he held until the change in administrations.

Jeff Lipkin, Chief Financial Officer

Jeff joined Scientific Games on early 2009 as Vice President and Chief Financial Officer. In this role, Jeff works closely with the finance and executive teams to manage the company's fiscal vision and direction in order to maximize the success of our business operations and overall profitability. He plays a leading role in managing our assets, providing oversight of our balance sheet, ensuring accurate financial reporting and analyses, and is a primary interface with financial institutions, investors and analysts.

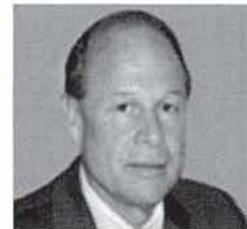


Jeff Lipkin

Prior to joining Scientific Games, Jeff was a Managing Director at Credit Suisse in the Media & Telecom group within the Investment Banking division. In that capacity, he focused on providing a broad range of corporate finance and advisory services to media and entertainment clients. Prior to Credit Suisse, Jeff spent five years in the Investment Banking division at Merrill Lynch & Co and four years as an auditor with Coopers & Lybrand L.L.P.

Larry Potts, Vice President Corporate Security and Compliance

Larry joined Scientific Games in late 2004 as Vice President of Security and Compliance and in 2006 he was designated Chief Compliance Officer and Corporate Director of Security. Larry has more than six years of lottery experience. Prior to joining Scientific Games, he was Chief Operating Officer of Investigative Group International, an investigative and security-consulting company headquartered in Washington, D.C. His duties there included the day-to-day management of operations and personally conducting investigative and consulting jobs involving complex internal inquiries and due diligence matters.



Larry Potts

Larry served as a Special Agent for the Federal Bureau of Investigation from 1974 to 1997 during which time he worked violent crimes, white-collar crimes, and organized crime as a street agent. He also served as the Chief of the Public Corruption Unit where he developed guidelines for conducting public corruption investigations. He was named Inspector-In-Charge of the VANPAC Task Force involving the mail bombing deaths of a Federal judge and a civil rights attorney. He supervised multi-agency task force of several hundred investigators, which resulted in the successful prosecution of the individual responsible. He held numerous management positions in the FBI to include Assistant Director in Charge of the Criminal Investigative Division and Deputy Director.

John Walsh, Senior Vice President Global Sales and Service

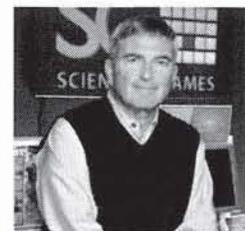
John has more than 24 years of lottery experience and has been integral in developing and enhancing the components of Scientific Games' Cooperative Services Program (CSP). John currently serves as our Senior Vice President, Global Sales and Services where he leads the worldwide instant ticket services activities, manages the international instant ticket sales organization, and serves on numerous company boards of directors, including the business operations in Italy and China. Earlier in his career, John held numerous executive leadership positions in the creation and operation of instant tickets service activities.



John Walsh

Steven Saferin, Chief Creative Officer

In late 2003 Steve was appointed Vice President of Scientific Games Ventures. Scientific Games Ventures serves as the incubator to ensure emphasis on emerging growth opportunities and for new products and marketing initiatives, including Account Play, promotional games, and online game development. Steve also oversees Scientific Games International's marketing communications efforts.



Steve Saferin

In January of 2003, MDI, which was founded by Steve, was acquired by Scientific Games. Prior to founding MDI, Steve was Director of Program Acquisitions at ESPN from 1982 to 1986. He supervised a 16 person department in the areas of product acquisition and scheduling. From 1978 to 1982, he was active in cable television franchising as a vice president with Viacom Communications and Warner Amex Cable.

Prior to entering business, Steve was an Attorney-Advisor to the Cable Television Bureau of the Federal Communications Commission, as well as a member of the law department of Viacom International, Inc.

Jim Trask, Senior Vice President Worldwide Printed Products

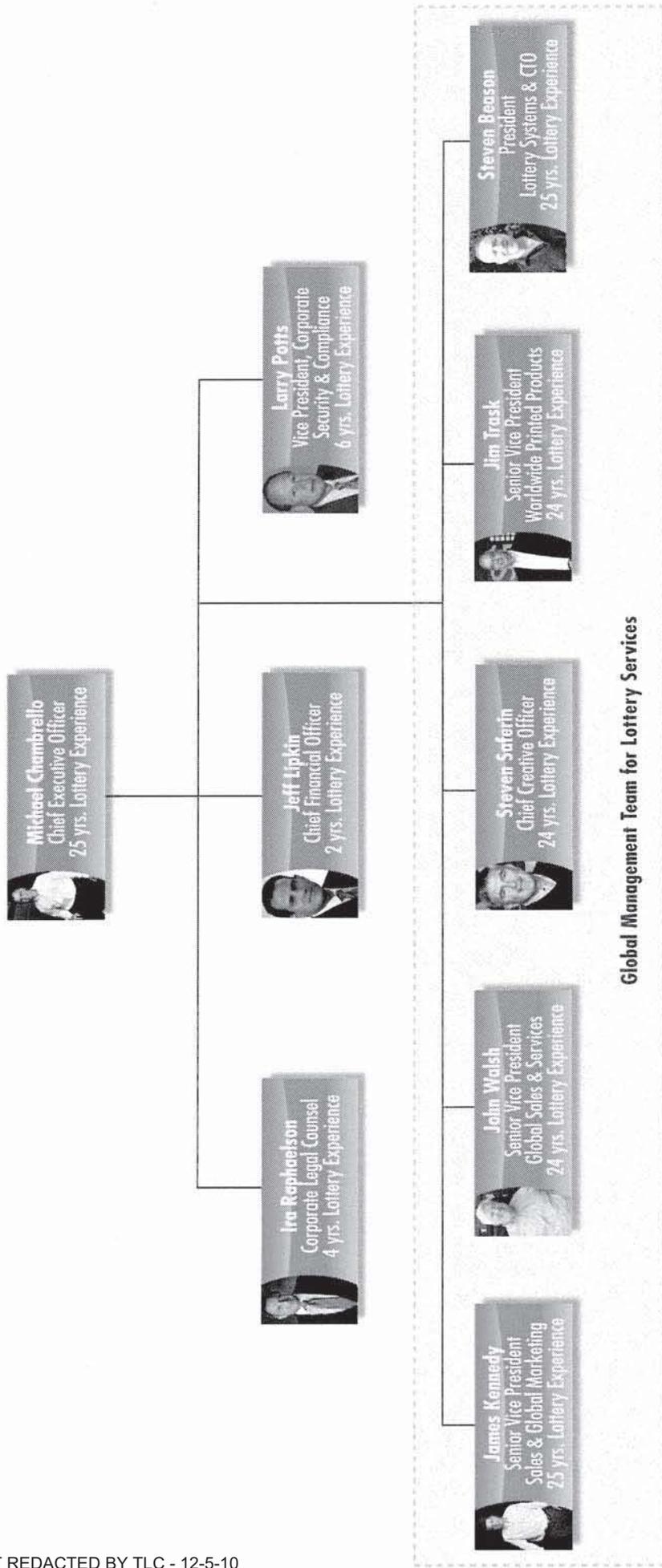
Jim has 24 years of lottery experience with a broad base of executive knowledge in security printing and lottery operations. Prior to joining Scientific Games in 2002, Jim was President and Chairman of Creative Games International, Inc., a leading scratch lottery ticket printer in the United States. He also served as President of Canadian Bank Note Company (CBN), a lottery systems provider in Canada. Earlier in his career, Jim was Senior Vice President with Oberthur Gaming Technologies (OGT).



Jim Trask

Scientific Games' organizational structure for the Global Management Team for Lottery Services is presented in Figure 4.3-2.

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Global Management Team for Lottery Services

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TLC PROJECT STEERING COMMITTEE

Scientific Games' corporate organization will interface with the TLC Transition Team through Scientific Games' TLC Project Steering Committee. Taking direction from Steve Beason — the Lottery's executive sponsor — our TLC Project Steering Committee is comprised of corporate representatives from many of Scientific Games' key departments such as corporate marketing, hardware engineering, marketing, and systems development. The committee will ensure that adequate resources are allocated to support the transition and ongoing Texas operations, ensure key milestone dates in the transition plan are met, and that ongoing operations function in a way that meets the requirements and the needs of the Lottery and its retailers.

The TLC Project Steering Committee's collective lottery-specific experience spans decades and proficiencies. In addition to Steve Beason and Jim Kennedy, whose backgrounds were detailed previously, the Lottery will also benefit from the wisdom, expertise, and talent of the following organizational heads:

Pat McHugh, Vice President North American Operations

Texas holds significance for Pat, as he began his lottery career working on the launch of the Texas Lottery in 1992. During the launch, Pat was responsible for managing the online retailer network and terminal installations for both the start of online sales and for the post-launch expansion. In this role, Pat resided in Austin and managed the online vendor's installation 'war-room' which coordinated the logistics for deploying the retailer network and terminals. In addition, Pat and his staff worked closely with the Texas Lottery's retailer licensing group in tracking qualified retailers scheduled for installation, notifying retailers of installation schedules, as well as reporting back to the Lottery on status and exception reporting. Pat was instrumental in developing tools and processes for managing large scale lottery deployments within the industry. And he understands the unique and challenging requirements of Texas, including the geographical logistics, quality, and governance oversight required by the Texas Lottery Commission and its retailers.

After Texas, Pat spent many years as a Senior Project Manager leading some of the most complex lottery start-ups and conversions around the world. Pat established the Project Management Office (PMO) at three companies and supervised project managers worldwide on lottery start-ups and conversions. As part of his current role, Pat's organization is responsible for Scientific Games' Network Rollout Office (NRO), which manages the retailer network and terminal installations as Pat did at the



The committee's lottery-specific experience spans decades and proficiencies.



Pat McHugh

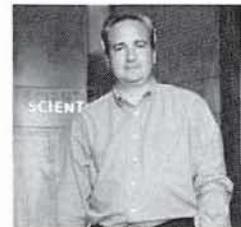
start of his career in Texas. Pat's significant experience has evolved the people, tools, and processes Scientific Games uses to provide the most successful network and terminal deployments in the industry today.

As Vice President of North American Lottery Operations, Pat is responsible to the ongoing operation of our Lottery Systems Group contracts in North America, as well as a number of corporate-based support groups including our National Response Center and Service Management organization. Our proposed Texas Account Director, John Osenenko, will report directly to Pat. Pat has implemented operational standards and a support infrastructure that has improved our ability to meet and exceed our customers' expectations. Under Pat's leadership, our lottery operations organization has enhanced the services and competencies of the staff to meet and exceed the levels that our customers expect and deserve. Pat ensures that the proper infrastructure is in place to support ongoing operations that deliver value-based services. His organization leverages industry best practices and support to our customers and local site operation. Reporting to TLC's Executive Sponsor Steve Beason, Pat's primary focus is to ensure an efficient transition to ongoing operations.

His portfolio of lottery projects include Texas, New York, Massachusetts, Georgia, Pennsylvania, Connecticut, Maryland, Oklahoma, Washington, Michigan, Oregon, Sweden, Switzerland, Spain, Belgium, The Netherlands, The Czech Republic, and Mexico.

John Schulz, Vice President Instant Ticket Services

John started with Scientific Games in 1985 at the company's first ever "Cooperative Service" (CSP) contract with the New York Lottery. Since that time, John has led and implemented 34 different projects consisting of new lottery start-ups, terminal installations, instant ticket back-office systems, online implementations, and commercial game operations. His lottery experience includes Arizona, Arkansas, Delaware, DC, Florida, Georgia, Iowa, Kentucky, Maine, Nebraska, New Mexico, New York, Oklahoma, Ohio, Pennsylvania, South Carolina, Tennessee, West Virginia, Australia, China, Italy, Mexico, Peru, Puerto Rico, St. Thomas VI, Spain, Italy, and China.



John Schulz

Throughout the life of the contract, John will oversee and provide daily corporate support to the Texas warehouse and distribution activities.

Pam Lee, Senior Regional Sales Director

Pam has more than 17 years of strategic marketing experience in the lottery industry, including 15 years with Scientific Games. Pam is well known to the Texas Lottery having served as Regional Sales Director for the Texas Lottery since 2005. Pam's experience also includes providing sales expertise and guidance to the Arizona, Indiana, Massachusetts, Missouri, Kentucky, and Connecticut lotteries.



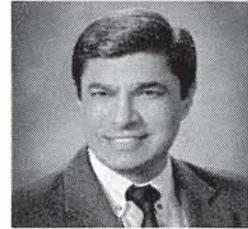
Pam Lee

Pam will continue to partner with you to grow sales and revenue by providing strategic marketing promotional and brand management support, distribution strategies, and development and execution of all new product and consumer programs for a variety of retail styles. Pam is responsible for game planning, sales forecasting, troubleshooting, and production and shipping logistics. She will represent Scientific Games at regularly scheduled

vendor, marketing, and commission meetings, provide day-to-day account oversight, and serve as a liaison between the Texas Lottery and Scientific Games.

Ajay Ghia, Vice President Engineering and Manufacturing

Ajay manages the terminal hardware engineering and manufacturing groups. Ajay is responsible for all Scientific Games hardware, development of firmware and drivers, and for the procurement, manufacture, and quality control of WAVE™ terminals, player-activated terminals, and associated peripherals. Ajay is a 37-year veteran in the fields of engineering, manufacturing, and product management. He has held leadership positions in hardware development and manufacturing process control at major companies throughout the world.



Ajay Ghia

Todd Hopkins, Vice President Project Management

Todd has 25 years of experience in the lottery industry. His project work includes California, Colorado, Connecticut, Delaware, Indiana, Maryland, Michigan, Nebraska, Ohio, Oregon, Pennsylvania, South Dakota, Wisconsin, BCLC, Catalunya, Mexico, New Zealand, and the United Kingdom.

He will provide executive oversight to the project and report directly to the TLC's Executive Sponsor, Steve Beason on project status and all related matters. Todd will be focused on the overall project schedule and tracking progress, and, if necessary, will allocate resources to ensure that the project plan is successfully implemented and meets the timelines and budget. He has ultimate management oversight of the teams delivering the end-to-end solution.



Todd Hopkins

Bill McArthur, Vice President Information Services and Technology

Bill has 11 years of lottery experience and has participated in more than ten implementations. Bill's lottery experience includes Colorado, Connecticut, Delaware, DC, Florida, Indiana, Maryland, Michigan, Multi-state, New Mexico, Oklahoma, Pennsylvania, West Virginia, Catalonia, Iceland, Mexico, Pacific Lottery Puerto Rico, and Switzerland.

He will provide executive oversight for the management of the technical infrastructure for central system installation and configuration, operational training, and emergency escalation of production problems post-start-up. Bill leads the technical infrastructure groups, including operations support and telecommunications.



Bill McArthur

John McCormack, Vice President System Development

John will put into practice the valuable lessons learned from Scientific Games' recent implementations in Pennsylvania and Connecticut, as well as the other implementations he has managed or participated in during his 18 years in the lottery industry. His project experience includes Connecticut, Delaware, Florida, Indiana, Maryland, Minnesota, South Dakota, West Virginia, ALC, Catalonia, Iceland, Korea, Leeward Islands, Mexico, Norway, Puerto Rico, and the Shanghai Fengcal Lottery.

He will provide corporate oversight of the central system development to ensure certified industry standards are met. John leads the team that will manage software development for the central system and terminals in Texas.



John McCormack

Jennifer Welshons, Vice President Global Marketing

Jennifer has 10 years of lottery experience and her project portfolio spans North America, Europe, and Asia. She has worked with the following lotteries: Arizona, Arkansas, California, Colorado, Connecticut, DC, Delaware, Florida, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, ALC, United Kingdom, China, Ukraine, Germany, Puerto Rico, Italy, and Spain.

Jennifer will provide corporate oversight and support to the Texas Lottery for market research services. She has been in the research industry for over fourteen years. Her experience includes consumer research, analysis, and project management. Jennifer will serve as the lead in identifying and gathering the proper resources and information to support the Lottery's research efforts.



Jennifer Welshons

Janine Whiteman, Senior Director Retail Solutions

With 27 years of lottery-specific experience, including lottery start-ups, account management, site management, customer service, marketing, game design, research, and computer system design and implementation, Janine's extensive background and skills will be an asset to the Texas Lottery.

Janine's lottery experience includes Arizona, Colorado, Iowa, Maine, Missouri, Montana, New York, Oregon, Pennsylvania, South Carolina, Washington, West Virginia, Wisconsin, Columbia, Mexico, Taiwan, and WCLC.

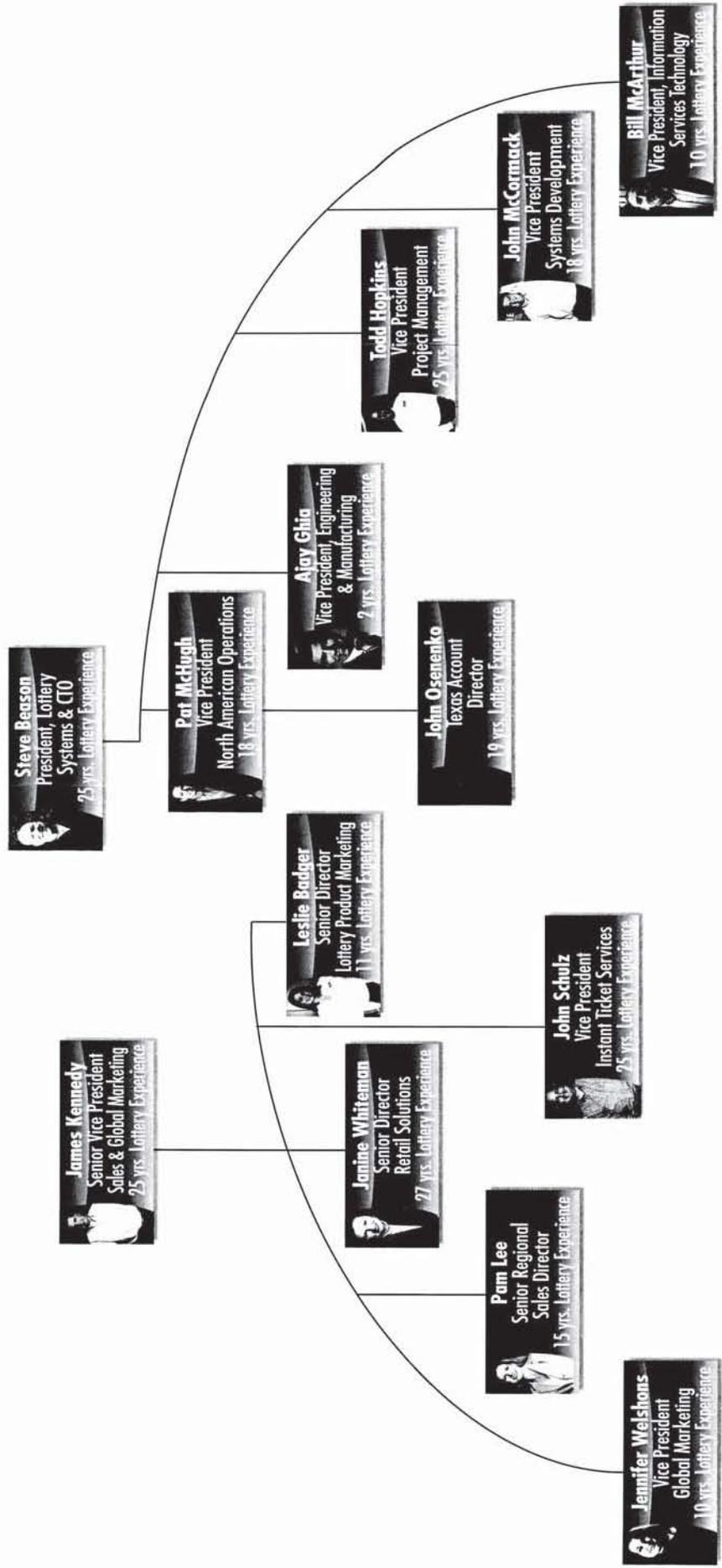
Janine is intimately familiar with the varied facets of instant ticket and online game marketing, as well as the operational aspects of all lottery products. She will serve as corporate sponsor for the WAVE™ terminal deployment and assist the on-site team in retail recruitment and deployment of new lottery solutions for specified retailers.

Scientific Games' organization chart for the TLC Project Steering Committee is presented in Figure 4.3-3.



Janine Whiteman

FIGURE 4.3-3: TLC PROJECT STEERING COMMITTEE



TLC TRANSITION TEAM

As a premier lottery vendor, we recognize the critical importance of a smooth, secure, and non-invasive lottery conversion. Not only is this of the utmost importance to us, we recognize and thoroughly appreciate that it is also of critical importance to the Texas Lottery, your lottery retailers, and players. System upgrades, a new communication infrastructure, and replacement of retailer equipment are all activities that must be accomplished with minimal impact to the retailer and, by extension, the player. And equally important to choosing the appropriate conversion method (see **Section 10.1** for details) is the choice of who will lead the enormous and complex transition effort in Texas.

Based on years of experience performing start-ups, conversions, and every type of installation or build-out project in between, we have learned that any project, no matter the size or complexity, deserves our full and focused support. This is why we not only have a Transition Team on-site, but also have provided for a corporate infrastructure that is specifically assigned to each project. This allows management to effectively provide support through consultation, assistance, and leverage.

As a demonstration of our commitment to a successful conversion experience, Scientific Games will provide the Lottery with a team of systems implementation professionals, all of whom have extensive lottery experience.

Functional Team Manager: Dan Grace, Project Director
Affiliated Group: TLC Project

The TLC Transition Team will be led by Dan Grace. Dan has over 10 years of experience implementing and managing broad-based lottery and IT programs including Connecticut, Pennsylvania, Maryland, and Indiana. Dan is a Project Management Institute (PMI) certified Project Management Professional and has managed teams that are responsible for determining pre-sales feasibility, defining business requirements, developing design and specification documents, assigning work, defining delivery objectives, and implementing project management methods and procedures for system development and quality assurance.



Functional Team Managers with nearly 20 years of lottery experience for each leader.



Dan Grace

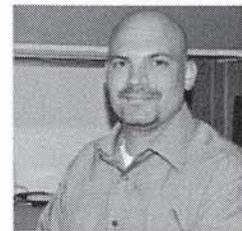
As the Project Director, Dan will oversee the system conversion and the installation of terminals, peripherals, and the new telecommunications network. He will have the responsibility of directing the Project Manager and project leads on all transition planning, requirements capture and development, product quality control, facilities build-out, systems, infrastructure, and all training activities related to the conversion.

Dan's extensive knowledge and experience will contribute to a seamless conversion that will minimally impact retailers and your players.

Functional Team Manager: Cory Bonogofsky, Senior Project Manager

Affiliated Group: TLC Project

Assisting Dan will be Cory Bonogofsky as the Project Transition Team's Senior Project Manager. Cory has been working with Scientific Games since 2004 and is a Project Management Institute (PMI) certified Project Management Professional. He has been involved in lottery projects in Pennsylvania, Connecticut, and Iceland. Cory has a total of 13 years of project management experience. Prior to coming to Scientific Games he worked with IBM on several major projects including Lucent, Avaya, and American Express. His background provides him with the skills, expertise, and on-site experience that this project requires. He will be a valuable asset to the Project Transition Team and the Texas Lottery.



Cory Bonogofsky

While having a strong Project Director and Senior Project Manager is an asset, other members of the TLC Transition Team and the leadership that supports them are equally important to ensure that the Texas Lottery is confident that the transition is being handled by highly qualified personnel. Additional members of the TLC Transition Team include:

Functional Team Manager: Cherie Peyton, Senior Project Implementation Manager for Warehousing and Distribution

Affiliated Group: Instant Ticket Services

Cherie will be on the ground in Texas during the implementation phase through start of instant ticket distribution from the new warehouse facility. Her contract functions include management of the procurement and installation of all equipment related to the instant ticket warehouse. She will assist Dan Grace with the execution of the implementation plan to ensure it is completed in a timely and efficient manner.



Cherie Peyton

Cherie possesses over six years of lottery specific experience and most recently served as project manager for the Florida conversion and start-ups for Puerto Rico and Arkansas. Cherie will be engaged throughout the life of the project.

Two dedicated PMI certified project management professionals will be on-site throughout the conversion exceeding the RFP requirement.

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Functional Team Manager: Adam Cormany, Gaming System Architect
Affiliated Group: Central Systems Architecture

Adam has played a key role in five lottery-specific deployments between 2003 and 2009. Adam has over eight years of Lottery experience as well as over 15 years overall experience in computer technology, and has personally been involved in every system start-up and conversion during his tenure. His implementation and engineering expertise was a major factor in Scientific Games' ability to implement the Oklahoma Lottery in record time, convert the Maryland Lottery's MasterLink central system to [REDACTED] and the seamless conversion of the Connecticut Lottery gaming system in May 2008. He recently participated in the Pennsylvania Lottery gaming system conversion in 2009 and is currently involved with the Hoosier Lottery project.

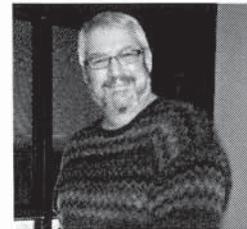


Adam Cormany

Functional Team Manager: Brad Bever, Production Systems Manager
Affiliated Group: Central Systems Implementations

With over eight years of lottery-specific experience, and certified [REDACTED]

[REDACTED] Brad will be responsible for receiving, assembling and configuring the Production, Test, QA and Development computer systems. Brad's team will ensure that all servers are assembled according to the contract specifications, as well as load operating systems and over-the-counter software. Brad's Production Systems Team builds the Texas Lottery gaming systems, including installation of the operating systems, databases, and third party applications. His team will also configure these servers into an [REDACTED] under which all user and software authentication will be based. Brad will be engaged throughout the life of the project.



Brad Bever

Functional Team Manager: Steve O'Connell, Corporate Operations Support Manager
Affiliated Group: Operational Computer Support

With nine years of lottery-specific experience, Steve will lead the Corporate Systems Support Team. This team installs and configures the Scientific Games proprietary software and supports the operations of the gaming systems. Steve will be engaged throughout the life of the project.



Steve O'Connell

Functional Team Manager: Stan Doling, Telecommunications and Network Communications Manager
Affiliated Group: Communications Network

With over nine years of lottery-specific experience, Stan will lead the Network Implementation Team. Stan is responsible for the LAN and WAN architecture and installation, including the gaming system network at the primary and back-up facilities and the terminal networks. Stan will be engaged throughout the life of the project.



Stan Doling

Functional Team Manager: Eric Deaton, System Project Manager**Affiliated Group: Software Engineering and Quality Control**

With almost five years of lottery-specific experience, Eric Deaton will be the primary point-of-contact for the Lottery regarding the implementation of the System. Eric will be assigned exclusively to this implementation and will be on-site during Lottery Acceptance Testing, conversion, and several weeks following conversion. He will also be responsible for managing the product development activities within the Manufacturing and Hardware Engineering group and ensuring that the prescribed activities are carried out in accordance with specified goals and objectives, and comply with customer contract requirements.

*Eric Deaton*

Eric will interface with Dan Grace as the key point of contact for product development, and will coordinate activities concerned with technical developments, scheduling, and resolving quickly any issues, questions, or challenges related to the engineering design and test problems. In addition, Eric will collaborate across Scientific Games' other teams in order to build mutual understanding and work effectively across the matrix. Eric will be engaged through the life of the project.

Functional Team Manager: Jessie Pack, Field Project Manager**Affiliated Group: Field Installations**

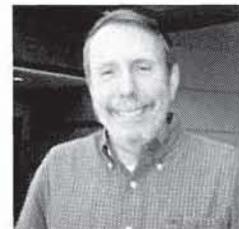
With over 25 years of lottery-specific experience, Jessie Pack will be the Field Project Manager. Jessie will work closely with Dan Grace, the Project Director. Jessie will be the primary point-of-contact for the Lottery regarding the conversion of the retailers including installation of the retailer communications network and all retailer devices. He will be assigned exclusively to this implementation and will be on-site during network installation, deployment of retailer devices, and several weeks following conversion. His contract functions will also cover the day-to-day responsibilities of the conversion including training, communications, and WAVE™ terminal installations. Jessie will be engaged through the life of the project.

*Jessie Pack*

Also under Jessie's direction, the Network Roll-out Office (NRO) is responsible for all new communications and WAVE™ terminal installations during the project, and ongoing field service corporate oversight of daily field operations.

Functional Team Manager: Maurice "Moe" Corrette, Director, Logistics and Planning**Affiliated Group: Facilities**

With over 14 years of lottery-specific experience, Moe will lead Scientific Games' Facility Logistics Team in the facility build-out. His team's contract functions include the overall building design, construction, and infrastructure equipment to be provided as part of the implementation project. Moe will interact on a daily basis with Dan Grace throughout the build-out process. Moe will be engaged throughout the life of the project.

*Moe Corrette*

Functional Team Manager: Carla Merrell, Engineering Project Manager**Affiliated Group: Manufacturing**

With over seven years of lottery-specific experience, Carla's contract functions include responsibility for managing the product development activities within the Manufacturing and Hardware Engineering group. She will also be responsible for ensuring that the prescribed activities are carried out in accordance with specified goals, objectives, and customer contract requirements. She will interface with Dan Grace as the key point of contact for product development and will coordinate activities concerned with technical development, scheduling, and quickly resolving any issues, questions, or challenges related to engineering design and test problems. In addition, Carla will work to collaborate across Scientific Games' other teams, to provide support and build a mutual understanding and work effectively across the matrix. Carla will be engaged throughout the life of the contract.

*Carla Merrell***Functional Team Manager: Kris-Ann Hosonitz, Educational Services Manager****Affiliated Group: Training**

With nearly seven years of lottery-specific experience, including the recently completed Pennsylvania conversion, Kris-Ann Hosonitz's contract functions begin with leading a team of individuals that are responsible for every aspect of training, from gathering training requirements, to designing learning solutions, to facilitating instructor-led classes, as well as managing Lottery UniverCity™ (discussed in **Section 6.8**) and evaluating the solution to ensure it meets the objectives set.

*Kris-Ann Hosonitz*

Kris-Ann will be the primary point-of-contact for the Lottery regarding retailers and lottery staff training prior to conversion. Kris-Ann will be on-site a few weeks prior to the start of retailer and Texas Lottery training and remains throughout the end of training and thereafter, as required. She will be engaged through the life of the project.

As an integral part of the project team, it is Kris-Ann's responsibility to work with Dan Grace on the following items:

- Ensure the required tools are available (software, terminals) to instruct end users
- Manage the vendors and facilities utilized during training
- Ensure that all learning solutions are implemented flawlessly
- Report on training participation
- Report on evaluation scores
- Determine the need for other learning solutions
- Ensure that learning opportunities are established and ready for the life of the contract

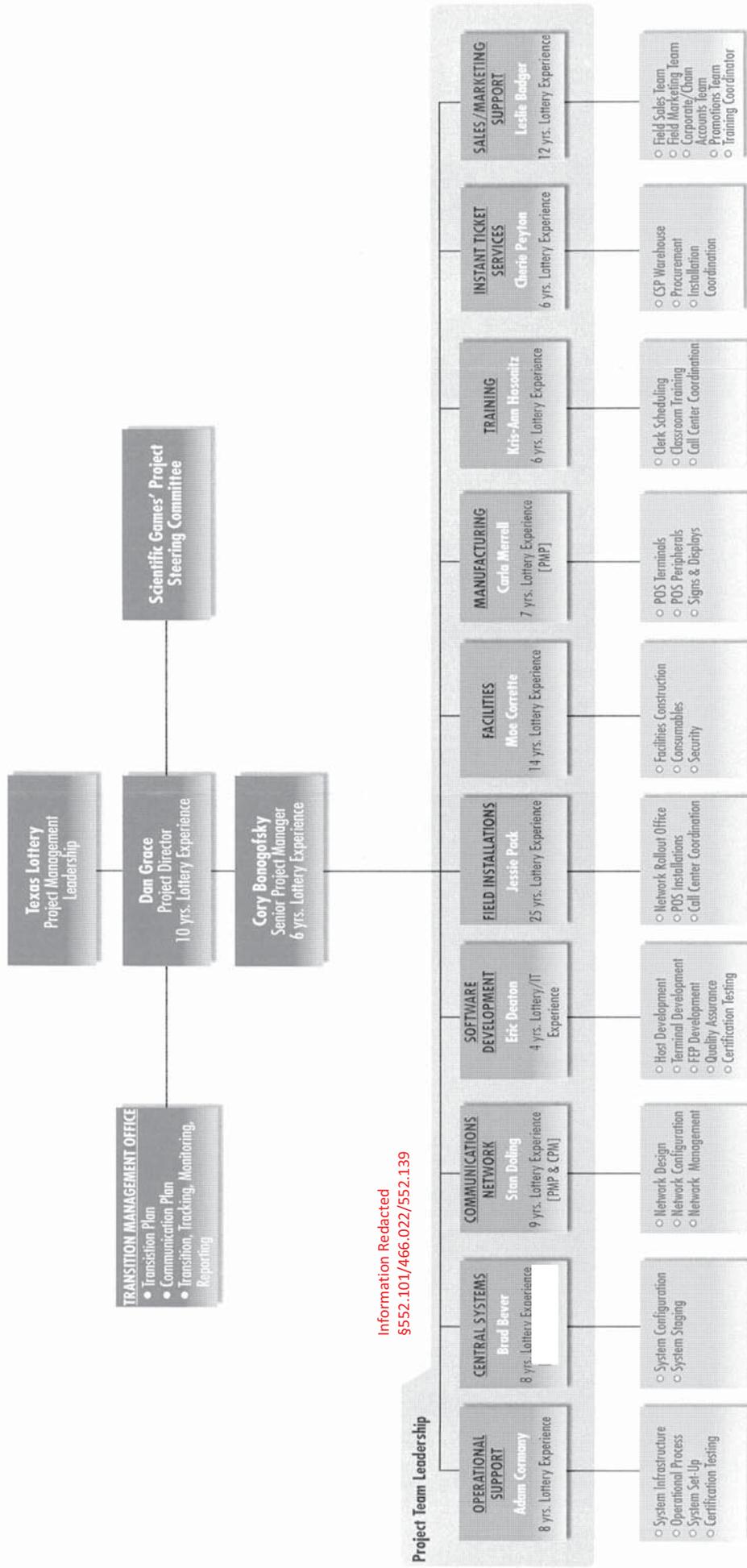
***Functional Team Manager: Leslie Badger, Senior Director Lottery Product Marketing
Affiliated Group: Sales and Marketing***

As previously discussed, Leslie has 12 years of lottery experience, including account management, game development, marketing, sales, promotions and research. Leslie will provide strategic marketing and planning of the online product line and facilitate development of new products and services for the Lottery. She will lead the corporate oversight for the marketing and sales personnel serving the Lottery and participate in the development and execution of marketing plans and promotions programs.



Leslie Badger

The TLC Transition Team organizational chart is provided in Figure 4.3-4.



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KEY STAFFING FEATURES UNIQUE TO TEXAS

With Scientific Games as your partner, the Lottery will receive unparalleled support from an expansive TLC Account Team made up of well over 400 employees, including lottery industry veterans with years of experience in providing services similar to those requested in the RFP. As part of our contract with the Texas Lottery, these resources will be dedicated to the ongoing support and oversight of the Lottery account.

To deliver on the Lottery's priorities, Scientific Games will employ a Texas Lottery-specific approach to the staffing model. We believe that the Lottery will better benefit with a support structure that will help focus retailers on selling and driving revenue – rather than one that seeks to minimize local staff. To accomplish this, we are proposing an extensive staffing plan that will be able to address each component that impacts revenue, including sales, marketing, promotions, retailer incentives, new business, training, equipment service, customer care, inventory management, and research and analysis.

Key staffing features include:



We are offering a staffing plan that blends industry veterans with extensive knowledge and new hires with new ideas and energies.

Executive Management

- A leadership team that averages more than 20 years of senior management experience in vendor and state lottery management roles.
- A Service and Compliance team dedicated to continuous monitoring of service level performance against contract terms with a reporting relationship to Scientific Games senior management.

Sales and Marketing Team

- 140 Lottery Sales Representatives (LSRs) including 10 District Sales Managers.
- 20 additional Lottery Marketing Representatives (LMRs) who, together with the LSRs, will provide retailer penetration and focused-service that addresses sales, product facings, inventory optimization, marketing, POS coverage, in-store promotions and programs, incentives, and best practices.
- A New Business Development team focusing on chain accounts by introducing chain/corporate liaisons that will be working through specific districts to assist the Chain/Key Account Manager with corporate programs, chain leads, and retailer relations.
- Additional key sales and marketing support staff, including:
 - Five Corporate Chain Account Liaisons
 - One Retail Execution Manager
 - One Online Product Specialist
 - One Instant Product Specialist

These are just a few highlights of our innovative staffing plan, which we believe far exceeds the requirements of the RFP. We are offering the Texas Lottery an organizational design that is both comprehensive and flexible, and will fully support the scope of work the Lottery expects and deserves.

Some highlights of our proposed TLC Account Team include the following individuals:

EXECUTIVE MANAGEMENT TEAM

Texas Account Director – John Osenenko

John has more than 19 years of lottery experience and will lead our TLC Account Team as the Texas Account Director. John has a successful track record across a broad range of business functions including general management, business development, government affairs, and program management. His extensive lottery industry experience includes more than 12 years creating and operating lottery ventures while living in Asia, Europe, South America, and Africa. Previously, John contributed to the company's expansion in China and the further development of the Australian gaming market. Most recently, John oversaw five business units comprised of domestic and international contracts. Earlier in his career, John served as the Scientific Games General Manager for the Florida Lottery. Prior to his employment with us, John worked for GTECH for 11 years managing teams in Europe, South America, South Africa and the United States. His wealth of experience will be of invaluable assistance to the Texas Lottery.

Job Responsibilities – John will act as the primary contact between the Lottery and Scientific Games and oversee all aspects of contract compliance. John will manage the TLC Account Team and contract deliverables to ensure that the Lottery's satisfaction with Scientific Games' remain high. John will lead the Executive Management Team.

John's portfolio of lottery projects includes Poland, Czech Republic, Slovakia, Argentina, South Africa, Germany, Belgium, Netherlands, Switzerland, Sweden, Florida, Australia, China, Korea, Philippines, West Virginia, Colorado, Oklahoma, Mexico, and Puerto Rico.



John Osenenko

***An Executive Management Team
with nearly 20 years of lottery
experience for each leader.***

Deputy Director of Technology – David Douglas Information Redacted
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David has more than 23 years of lottery experience. He currently provides corporate oversight and direction for all online systems, retailer services operations, all online operations data centers, and the National Response Center in . Earlier in his career, David was part of a GTECH's "Tiger Team" that provided direction and guidance for the creation of the Data Centers of the Americas (DCA) in . Upon award of the Texas Lottery contract, David will bring his skill set to the TLC Account Team as Deputy Director of Technology.



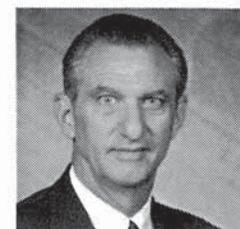
David Douglas

Job Responsibilities – David will direct the service delivery. He will meet with the Texas Lottery management staff regularly to provide status information and address issues and problems. David will lead the Data Center/Operations, Call Center, and Software delivery teams and direct the delivery of overall service and improvement plans. He will be responsible to ensure all service levels are met according to contract requirements. David will serve as an integral part of the TLC Executive Management Team and lead the TLC Data Center/Operations and TLC Call Center Teams.

David's portfolio of lottery projects include Texas, California, Pennsylvania, Florida, Connecticut, Maryland, Oklahoma, Washington, Michigan, Oregon, Kansas, Indiana, Kentucky, Wisconsin, Colorado, Idaho, Arizona, Louisiana, Tennessee, Wisconsin, Indiana, West Virginia, South Carolina, Delaware, United Kingdom, Mexico and many more smaller projects across most domestic states.

Deputy Director of Sales and Marketing – Anthony (Tony) Molica

Tony has more than 25 years of lottery experience at both the California and Washington lotteries, and operating his consulting business. He started as a District Sales Representative and rose through the ranks of the California Lottery Sales Division. His experience there included over 10 years as Chief of Key Accounts, where he was responsible for recruiting and maximizing sales from 130 different retail chains. He advanced to Director of Sales and later served as Chief Executive Officer. His experience with the Washington Lottery and the California Lottery has provided him with a unique understanding of the intricacies of government, including public policy and procedures.



Tony Molica

Job Responsibilities – Tony will be responsible for the oversight of all the sales and marketing activities in Texas, including new business development and retail network performance. He will develop and coordinate annual budgets, quarterly forecasts, and dashboard reports. Tony will directly manage the New Business Development Director, Marketing Director, and Sales Director. Tony will serve as an integral part of the TLC Executive Management Team and lead the TLC Sales and Marketing Team.

Deputy Director of Instant Ticket Services (Warehouse and Distribution) – Scott Ross

Scott has 28 years of lottery experience in a variety of instant ticket service management roles in Florida, New Mexico, and Arizona. Scott is currently leading the marketing activities for the Arizona instant ticket services account where he defines the overall business objectives in each area of the operation and develops short and long term plans for growth. Earlier in his career in Florida, Scott instituted a successful regional call cycle for contacting over 11,000 lottery retailers for the timely order of lottery instant tickets.



Scott Ross

Job Responsibilities – Scott will be responsible for the overall management of the central distribution warehouse and the inside sales department. He will work with the Texas Lottery management staff regularly to provide status information and address issues and problems. Scott will serve as an integral part of the TLC Executive Management Team and lead the TLC Warehouse and Distribution Team.

Scott's portfolio of lottery projects includes California, Arizona, New Mexico, Florida, New York, South Carolina, Ohio, Maryland, Indiana, Georgia, France, England, and China.

Director of Security – John Byers

John has more than two years of lottery experience and more than 25 years leadership experience in information security and operations. John has an extensive industrial security background and has actively planned and managed the installation of various law enforcement networks associated with the FBI, DEA, Customs, DOD, and Joint Chiefs of Staff. Currently, John serves the City of San Antonio as their Chief Information Security Officer and is responsible for the development of the City Information Assurance program.



John Byers

Job Responsibilities – John will oversee the overall security of all facilities and systems. He will supervise all security staff and ensure maintenance agreements are renewed with equipment vendors; conduct system and equipment tests as required on backups, fire, HVAC, and security equipment. John will serve as an integral part of the TLC Executive Management Team.

Human Resources Manager – Curtis Charlesworth

Curtis has more than 13 years lottery experience and nearly 25 years of human resources and employee relations experience. Currently Curtis is leading a human resource and training consulting firm supporting a variety of clients in human resource leadership activities. Earlier in his career, Curtis served as GTECH's Director of Corporate Human Resources where he directed the human resource activities for 11 global departments, introduced the company's first minority recruitment plan, and created a company-wide competency model for skill inventory.



Curtis Charlesworth

Job Responsibilities – Curtis will be responsible for all human resource activities including employment, compensation, labor relations, benefits, and training and development. He will develop and maintain relationship with local employment agencies, universities, technical schools, and other recruitment sources. Curtis will prepare and maintain on-site job documentation, and a job evaluation system. He will coordinate company equal opportunity programs to achieve diversity goals, and serve as an integral part of the TLC Executive Management Team.

DATA CENTER/OPERATIONS TEAM

Operations Manager – Mike Skibel

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Mike has more than 12 years of lottery experience in all areas of computer operations management and testing activities. Mike currently serves as the Operations Manager for our Maine account. Mike has been an active participant in the recent deployments in Connecticut, Maryland, and Pennsylvania and is highly skilled in testing procedures and MUSL compliance.

Job Responsibilities – Mike will lead the computer operations function including staff and service level management, and act as the primary interface with Texas Lottery on all computer operations service level issues. Mike will ensure 24/7/365 staffing, coordinate upgrade installations, and establish/maintain operation policies and procedures. Mike and his team will regularly participate in skill building activities. Mike will serve as an integral part of the TLC Data Center/Operations Team.

Mike's portfolio of lottery projects includes Pennsylvania, Connecticut, Maine, Maryland, South Carolina, Puerto Rico, and Great Britain.



Mike Skibel

***A Data Center/Operations Team
with nearly 15 years of lottery
experience for each leader.***

Communications Manager – Allen Ross

Allen has more than nine years of lottery experience and over 17 years of network deployment and leadership experience including the design, deployment, operations, migration, and systems engineering of high-availability/high-volume transaction processing multi-platform networks and supporting infrastructures. Earlier in his career at GTECH, Allen managed a team of technology managers, senior network engineers, and technical operations staff providing 24/7/365 infrastructure operations and engineering support. Allen developed both tactical and strategic initiatives that increased operational efficiencies, total system uptime, and service profitability.



Allen Ross

Job Responsibilities – Allen will oversee the monitoring and maintenance of the LAN/WAN network hardware and software system(s). He will perform diagnostics on local and wide-area networks to identify problems, such as outages and degradations, and acquire the necessary resources to resolve problems. Allen will provide ongoing training to lead operators and computer operators on telecommunications troubleshooting techniques. He will ensure service level adherence to company and Texas Lottery requirements of retail terminal connectivity. Allen will serve as an integral part of the TLC Data Center/Operations Team.

Allen's portfolio of lottery projects includes Texas, New York, California and 17 other US States as well as Puerto Rico, Barbados, Brazil, Columbia, Jamaica, Leeward Islands, Mexico, South Africa, and the United Kingdom.

Software Development Manager – Jonathan Ng

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Jonathan has more than 15 years of lottery experience and more than 25 years of technology experience. Jonathan currently leads a team of software professionals as Senior Software Development Manager and maintains lottery gaming systems for multiple lottery accounts. In addition, he has supported multiple lottery gaming systems including and MasterLink. Jonathan has been involved in software development, maintenance, and management for both domestic and international customers in Scientific Games, IGT-OES and Automated Wagering International (AWI).



Jonathan Ng

Job Responsibilities – Jonathan will be responsible for driving the entire application development process, which includes requirements definition, technical design specification, maintaining application/coding standards, unit testing, and the complete QA process. He will be responsible for the build and release process for all software upgrades, changes, or enhancements. Jonathan will serve as an integral part of the TLC Data Center/Operations Team.

Jonathan's portfolio of lottery projects includes Pennsylvania, Indiana, Maryland, Delaware, Minnesota, South Dakota, Florida, West Virginia, Puerto Rico, Chili, Norway, Vietnam, Iceland, Spain, Switzerland, Shanghai, Korea, Peru, and the Philippines.

CALL CENTER TEAM

Inside Sales Manager – William “BJ” Nugent

BJ has more than five years of lottery experience with expertise in inside sales management. BJ currently leads the inside sales team in Pennsylvania where he oversees the day-to-day activities of the inside sales representatives and supports the group in establishing goals, incentives, and departmental promotions. BJ played an integral role in the development and ongoing training activities of SciTrack Ultra, an instant ticket ordering application and predictive order module.

Job Responsibilities – BJ will be responsible for maintaining an agreed level of contact with retailers to maintain/increase the sale of instant tickets. His team will effectively present key features and benefits of instant tickets to the Texas Lottery retailers. BJ will work with other departments and the Texas Lottery to ensure business objectives and service level requirements are achieved. BJ will serve as an integral part of the TLC Call Center Team.

Call Center Manager – Donna Marshall

Donna has 11 years of call center experience with the Texas Department of Information Resources and Continental Airlines. Donna has designed, tested and implemented various analytical methods to identify and resolve a variety of issues within call center networks. Her skills include database logic and design, computer telephony integration, voice and data transfer logic for multiple call centers, and automatic call distribution (ACD) telescript management and configuration. Earlier in her career with Continental Airlines, Donna directed the daily operations of call center staffed with over 2,400 agents in a 24/7 production environment, and directed automatic call distribution routing and script management for domestic call centers to ensure consistency.

Job Responsibilities – Donna will manage all Hotline and Dispatch staff in the Texas Regional Call Center (TRCC). She will be responsible for overall hotline service levels, hold time, answer rates, scheduling, and tracking. She will oversee all of the hotline operators, dispatch operators, and supervisors and will analyze call activity and performance reports to ensure service level compliance. She will monitor call interaction to ensure service level performance goals are achieved. Donna will serve as an integral part of the TLC Call Center Team.



BJ Nugent



Donna Marshall

A Call Center Team with nearly 11 years of lottery experience for each leader.

Technical Services Manager – Dan Gholson

Dan has more than 17 years of lottery experience and more than 25 years of field service management experience. In the lottery industry, Dan has worked in some of the larger states in the U.S. including California, Michigan, and Illinois. Most recently, Dan served as a Senior Project Manager where he planned and directed the installation of various point of sale lottery devices, satellite dishes and modem interface equipment across multiple states. Earlier in his career with GTECH, Dan served as Senior Manager, Client Services in California where he led an organization with more than 130 technicians in day-to-day field service operations.



Dan Gholson

Job Responsibilities – Dan will manage the Texas Regional Call Center (TRCC) and the Field Service teams. He will ensure compliance with Texas Lottery policies and service level guidelines are met while providing guidance to the introduction of new games, promotions, and policies as presented by the Texas Lottery. He will work closely with the Warehouse Manager and Inside Sales Manager to ensure smooth uninterrupted service to retailers. Dan will serve as an integral part of the TLC Call Center Team.

Field Services Manager – Kyle Tolkecevic

Kyle has more than 22 years of lottery experience. Currently, Kyle serves as a Field Services Manager where he leads implementation and conversion activities for domestic and international accounts including employee recruitment/training, terminal testing and installation. Kyle also provides feedback to engineering, manufacturing, and executive management for service level improvement activities. Kyle has expertise in various field service functions, from technician to service manager, and was an integral part of the initial implementation in Florida and Indiana.



Kyle Tolkecevic

Job Responsibilities – Kyle will manage all District Field Managers and be responsible for overall service levels, scheduling, tracking, and oversight of the field, communication, and PAT technicians and supervisors within their region. Kyle will serve as an integral part of the TLC Call Center Team.

Kyle's portfolio of lottery projects includes Florida, Maryland, Minnesota, Pennsylvania, Delaware, Connecticut, Indiana, Oklahoma, Colorado, and Puerto Rico.

SALES AND MARKETING TEAM**New Business Development Director – Burbank Herndon**

Burbank has more than five years of lottery experience. Currently, Burbank provides consulting services in areas of sales management, product marketing, and project management. Earlier in his career with Scientific Games, Burbank served as General Manager, Retail Solutions where he presided over the product management of the WAVE™ terminal and managed the overall business performance of the PlayCentral™ and ConvenienceCentral™ products. Burbank also served on the NASPL Corporate Accounts subcommittee.



Job Responsibilities – Burbank will serve as corporate sponsor for the WAVE™ online terminal deployment and will assist the site team in retail recruitment and deployment of new lottery solutions for specified retailers. Burbank will serve as an integral part of the TLC Sales and Marketing Team.

Burbank's portfolio of lottery projects includes Georgia, Connecticut, Pennsylvania, Maryland, Oklahoma, Colorado, Tennessee, South Carolina, Washington, DC, United Kingdom, and Italy.



Burbank Herndon

Marketing Director – Christian Ross

Christian has more than 17 years of lottery experience with Scientific Games and GTECH. He has a broad base of marketing expertise in areas of game development, enhancements, and promotions. Christian currently serves as the Senior Marketing Manager for our Maryland account where he led the deployment of Racetrax™, a highly successful monitor game. Christian is highly skilled in the development and deployment of monitor games. Earlier in his career, Christian served in a variety of sales and marketing roles with staff management and planning responsibilities.



Christian Ross

Job Responsibilities – Christian will develop and execute marketing plans and programs, both short and long range, to ensure profit growth and expansion of the products and/or services. He will direct the preparation of new marketing and sales support materials for the LSR and LMR teams. Christian will directly manage the Retail Execution Manager, Instant Product Specialist, Online Product Specialist, and Research Associate. Christian will serve as an integral part of the TLC Sales and Marketing Team.

A Sales and Marketing Team with nearly 13 years of lottery experience for each leader.

Sales Director – Kelly Douglas

Kelly has more than 11 years of lottery experience and is a highly accomplished and experienced sales management professional. Kelly has solid analytical and team management skills as well as knowledge of all lottery sales processes. She has a proven track record of generating new business through strategic negotiation while cultivating new relationships with key decision makers. Kelly has a strong grasp of the lottery industry at retail and is able to use her knowledge mentoring LSR's. Kelly's lottery background includes leadership roles in Missouri, Florida, and with GTECH's GameScape.



Kelly Douglas

Job Responsibilities – Kelly will develop, manage, and guide the outside sales activities for the organization. She will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. She will be responsible for designing and applying sales strategies and sales plans and will directly manage the activities of the ten District Sales Managers. Kelly will serve as an integral part of the TLC Sales and Marketing Team.

Kelly's portfolio of lottery projects includes California, Maryland, Kansas, Washington, Oregon, Kentucky, Wisconsin, Colorado, Nebraska, Arizona, Florida, Missouri, and Wisconsin.

Promotions Manager – Ron Miguel

Ron has more than 23 years of lottery experience with both state lottery organizations and vendor account management. Ron currently serves as our Regional Director for a number of domestic and international accounts and provides support and guidance for game planning, sales tracking, and marketing. Previously, Ron served as the Vice President Sales/Marketing for the New Mexico Lottery Authority where he directed and supervised the sales staff, executed marketing objectives, and provided overall management direction. Earlier in his career, Ron served as Interim Assistant Secretary of Marketing for the Florida Lottery.



Ron Miguel

Job Responsibilities – Ron will work closely with the Texas Lottery and Scientific Games' TLC Sales and Marketing Team to identify, manage, and appropriately staff Lottery-sponsored and attended events throughout the year. He will coordinate chain and independent store events and promotions with the TLC Account Team. Ron will provide regular activity reports and ROI analyses of all events attended to better determine future event participation. He will directly manage the activities of the five Promotion Coordinators. Ron will serve as an integral part of the TLC Sales and Marketing Team.

Retail Execution Manager – Brooke Greene

Brooke has more than two years of lottery experience and currently serves as our Retail Development Manager, guiding the sales and merchandising program, SalesMaker, aimed at optimizing lottery product sales and creating ideal consumer environments. Brooke is actively working with the Ohio, Washington, and Florida lotteries in the deployment of this program. Earlier in her career, Brooke worked in various marketing and account management roles that engaged her in activities with several large grocery retail chains including Kroger and Publix.



Brooke Greene

Job Responsibilities – Brooke will oversee the provision of additional retail support and implementation of best retail execution practices for top performing store locations by directing and managing the team of 20 Lottery Marketing Representatives (LMRs). Brooke will work closely with the TLC Account Team to ensure a coordinated approach within the retail environment. Brooke will serve as an integral part of the TLC Sales and Marketing Team. Brooke's portfolio of lottery projects includes Ohio, Washington, and Florida.

Corporate Chain Accounts Manager – Rich Fedyniak

Rich has more than 23 years of lottery experience working for both Scientific Games and Automated Wagering International (AWI) in various marketing capacities. Currently, Rich serves as our Online Product Manager in Pennsylvania where he works with the lottery and sales team to review and monitor the health and performance of the online game portfolio. Previously he served as our Marketing Manager in Pennsylvania where he directed the marketing staff and customer service training program to foster increased customer satisfaction with corporate accounts.

*Rich Fedyniak*

Job Responsibilities – Rich will be responsible for the management of existing corporate chain and key accounts and the recruitment/integration of new chain accounts. He will maintain a positive relationship with trade associations and key account participation groups such as NACS and TPCA. Rich will serve as an integral part of the TLC Sales and Marketing Team.

Instant Product Specialist – Jason Durbin

Jason has more than 10 years of lottery experience with expertise in instant ticket market research, database development and analysis, and marketing product analysis. Currently, Jason serves as our Account Manager for the Florida Lottery instant ticket services account where he develops and implements the annual instant product launch strategy based on the past performance of games including the development of new artwork and game play style ideas. Jason also develops all prize structures for the instant product, manages instant product inventory on a weekly basis, and the production, distribution, and maintenance of working papers for the Florida Lottery account.

*Jason Durbin*

Job Responsibilities – Jason will provide instant product support to the Texas Lottery by assisting with annual planning, revenue projections, research, and industry trend analysis as well as sales, marketing, and customer service efforts to increase revenue for the Lottery. He will plan and manage the regular market research on current and new instant product concepts. Jason will also design and present the annual instant ticket launch schedule under the direction of Lottery personnel. He will perform inventory reporting and analysis and will provide marketing analysis and prize structure support through the duration of the contract. Jason will serve as an integral part of the TLC Sales and Marketing Team.

Online Product Specialist – Liz Dimmick

Liz has 21 years of lottery experience. Liz currently serves as our Regional Marketing Manager serving the Tri-State Lottery. Liz has comprehensive experience in the lottery industry, encompassing all aspects of game development, game implementation, and marketing strategies. Her background includes online game development and analysis, sales and revenue analysis, and development and implementation of marketing and promotional plans. Additionally, she has a broad overview of the entire lottery experience, including current discussions of the ramifications of gambling addiction as it relates to web-based gaming.

*Liz Dimmick*

Job Responsibilities – Liz will provide online game support to the Texas Lottery by assisting with annual planning, revenue projections, research, and industry trend analysis. Her main focus is to increase revenue for the Texas Lottery by developing and implementing various sales, marketing, and customer initiatives. Liz will serve as an integral part of the TLC Sales and Marketing Team.

Research Associate – Cameron Garrett

Cameron has more than two years of lottery experience providing expertise in an array of analytical support services. He has advanced skills in Excel, SQL, and experience in MEMRI and the Alteryx suite of analytical products. Cameron was instrumental in developing a retail optimization program to help lotteries assess and improve their retail network in a standardized, efficient, and actionable format.



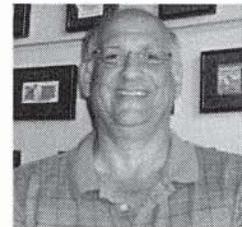
Cameron Garrett

Job Responsibilities – Cameron will be responsible for identifying, selecting, and procuring the appropriate research methodology and supporting techniques to meet a defined business objective. He will research, analyze, and monitor financial, technological, and demographics data to identify and capitalize on opportunities. He will assist the Lottery in evaluating market reactions to advertising programs and develop formulations to ensure the timely adjustment of marketing strategies. Cameron will serve as an integral part of the TLC Sales and Marketing Team.

WAREHOUSE AND DISTRIBUTION TEAM

Deputy Director, Instant Ticket Services, Scott Ross

Under the direction of our proposed Deputy Director of Instant Ticket Services, Scott Ross, our Warehouse and Distribution Operations team will work to provide the highest level of service possible. Scott will be located at the central warehouse in Austin and will be the primary point of contact for the Lottery on warehouse and distribution operational matters. He will coordinate the efforts of the local team and ensure that appropriate corporate resources are made available to the Texas Lottery as business needs dictate.



Scott Ross

Scott has managed the warehouse and distribution center in Arizona and provided recent start-up support in Arkansas. In addition, his recent participation in the China Sports Lottery start-up has further readied him for assuming a similar role in Texas. With over 29 years of lottery experience, Scott is the obvious choice to help the Texas Lottery achieve its sales goals and objectives. His industry knowledge ensures that the Texas Lottery has direct access to an expert well-versed in instant ticket games and services.

Job Responsibilities – He will be exclusively devoted to the warehousing and distribution of the Lottery's instant tickets and be directly responsible for:

- Managing operational budget
- Overseeing warehousing and distribution operations

- Overseeing instant ticket processing return
- Monitoring inventory control

Warehouse Manager – Jeremy Swanson

Jeremy has more than six years of lottery experience and is currently our Warehouse Manager for the Georgia account. Jeremy is responsible for the weekly distribution of more than \$50 million in instant lottery tickets to more than 8,500 retailers. He is actively promoting best practices to ensure speedy and accurate packaging and distribution of lottery products, and works collaboratively with Georgia Lottery officials to ensure service level compliance.



Jeremy Swanson

Job Responsibilities – Jeremy will plan, organize, direct, and control the activities of the Warehouse Supervisors to ensure ticket orders and deliveries are completed on schedule. Jeremy will maintain current inventory records for all materials within the warehouse and handle day-to-day maintenance for the facility. He will coordinate ticket destruction activity with the Texas Lottery and site security. Jeremy will serve as an integral part of the TLC Warehouse and Distribution Team.

Inside Sales Manager (Tel-Sell), William “BJ” Nugent

Rounding out this talented management team is William “BJ” Nugent, Inside Sales Manager, who brings over five years of hands-on inside sales experience and has successfully overseen and managed Scientific Games’ Pennsylvania CSP Tel-Sell operation.



William “BJ” Nugent

BJ will serve as a conduit between the Inside Sales Representatives (Tel-Sell) and the Lottery by quickly communicating any questions or problems encountered with retailers’ inventory to the appropriate parties at the Lottery. BJ is highly knowledgeable with _____ and our new automatic sorting system.

Information Redacted
§552.101/466.022/552.139

Job Responsibilities – In the role as Inside Sales Manager, BJ will:

- Oversee the ticket inventory/telemarketing operations
- Plan, organize, and direct the activities of all Inside Sales Representatives
- Train assigned personnel in effective ticket ordering concepts
- Serve as an additional Texas Lottery point-of-contact

These examples demonstrate the commitment that Scientific Games has made to ensure that the Texas Lottery’s proposed local warehouse and distribution team. Each possesses a wealth of lottery industry knowledge and more specifically, lottery warehouse operations.

TRANSITIONAL INCENTIVE PLAN AND TEXAS PERFORMANCE INCENTIVE PLAN

Scientific Games’ experience managing the transition of key human resources during transitional activities, including implementations and acquisition integrations, has shown that a successful transition process is further enabled by a financial

commitment to the key incoming personnel. In recognition of this, Scientific Games will commit the following resources to ensure we attract and retain as many outstanding, qualified employees from the current Texas Lottery operator:

Transitional Incentive Plan — After consultation with the Texas Lottery, Scientific Games will establish a Transitional Incentive Plan for those employees transitioning from the current Texas Lottery operator. We will provide a one-time incentive payment of 5% of the qualifying employee's annual salary upon completion of a successful Texas Lottery launch of operations and services and employment service of six (6) months with Scientific Games. We anticipate committing up to \$1.25 million to the Transitional Incentive Plan and believe these incoming employees will effectively complement the team of lottery industry leaders proposed.



Texas Performance Incentive Plan — Scientific Games has made a strategic investment to retain the most knowledgeable and experienced resources in the industry. We will continue this investment in our Texas Lottery Account Team with an annual commitment of up to \$2.0M to our Texas Performance Incentive Plan. This tiered incentive compensation program is based on performance and operations excellence with the Texas Lottery. The Texas Performance Incentive Plan is designed to motivate and reward Scientific Games participants for the achievement of annual objectives that directly contribute to the success of the Texas Lottery and Scientific Games.

These investments highlight the ongoing commitment of Scientific Games to attract and retain the most qualified employees to support the Texas Lottery. The Transitional Incentive Plan is an Offered Option included in the base price. The Texas Performance Incentive Plan is included in the Base System and Service at no additional cost.

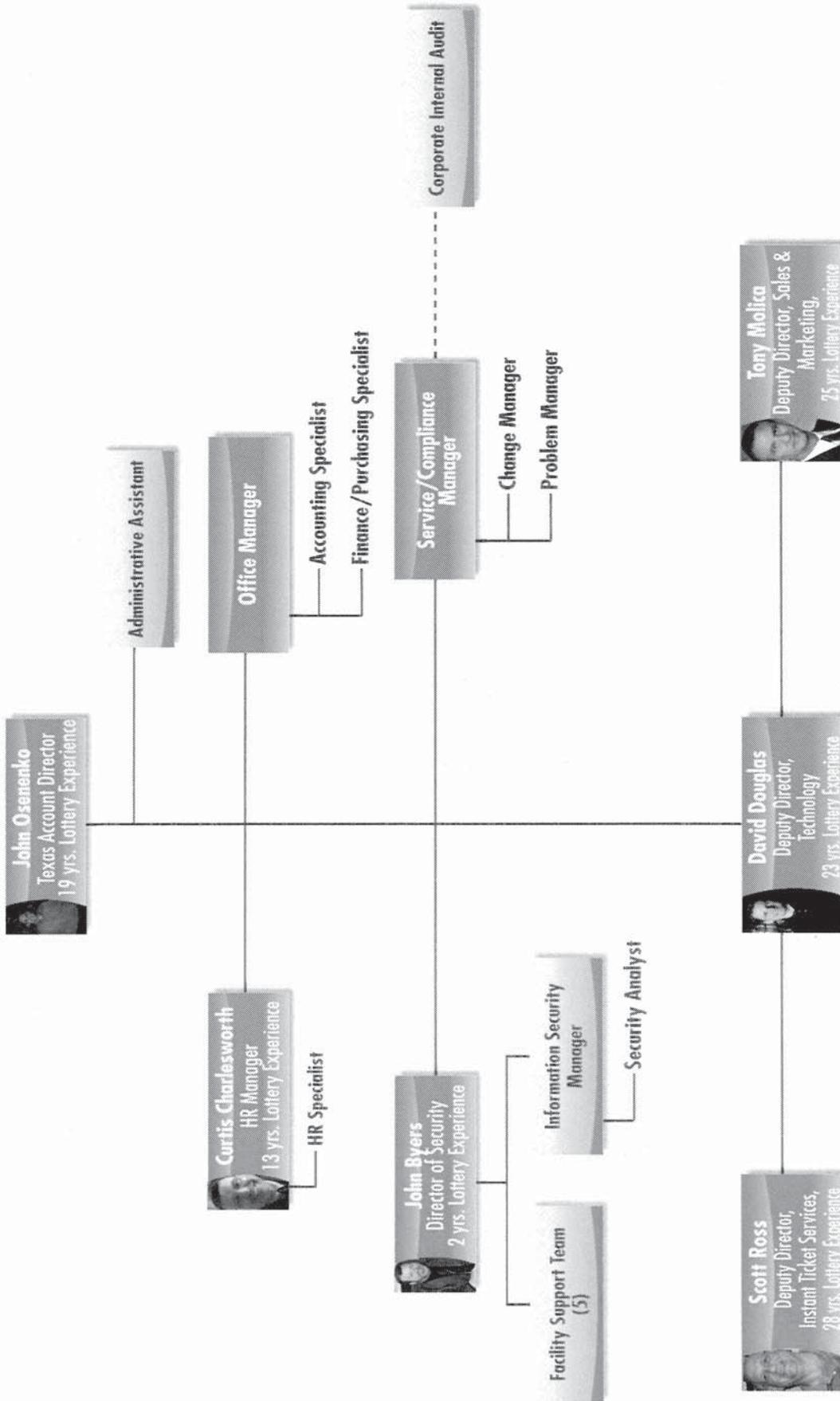
TEXAS RESEARCH AND DEVELOPMENT INVESTMENT PLAN

Scientific Games has delivered a continual stream of innovations over the last 37 years that have had a positive and enduring impact in the lottery industry. With a relentless focus on developing new game content and leading-edge technology and systems solutions, we are committed, in cooperation with the Texas Lottery, to drive further innovation into the lottery industry.

In support of our commitment, Scientific Games will create the Texas Research and Development Investment Plan. The primary objective of the Texas Research and Development Investment Plan will be to support revenue enhancing initiatives in numerous areas, including; retailer and player development, pilot programs, retail sale programs, research, game development, marketing point-of-sale, and advertising.

Scientific Games will contribute up to \$2.5 million annually in a non-accruing amount of goods and services to be invested in revenue enhancing areas at the discretion of the Texas Lottery. This investment, complemented by our current industry leadership position in lottery market research, ensures the Texas Lottery and Scientific Games will have a continual stream of available resources to drive innovation and revenue enhancing programs in Texas. The Texas Research and Development Investment Plan is an Offered Option included in the base price.





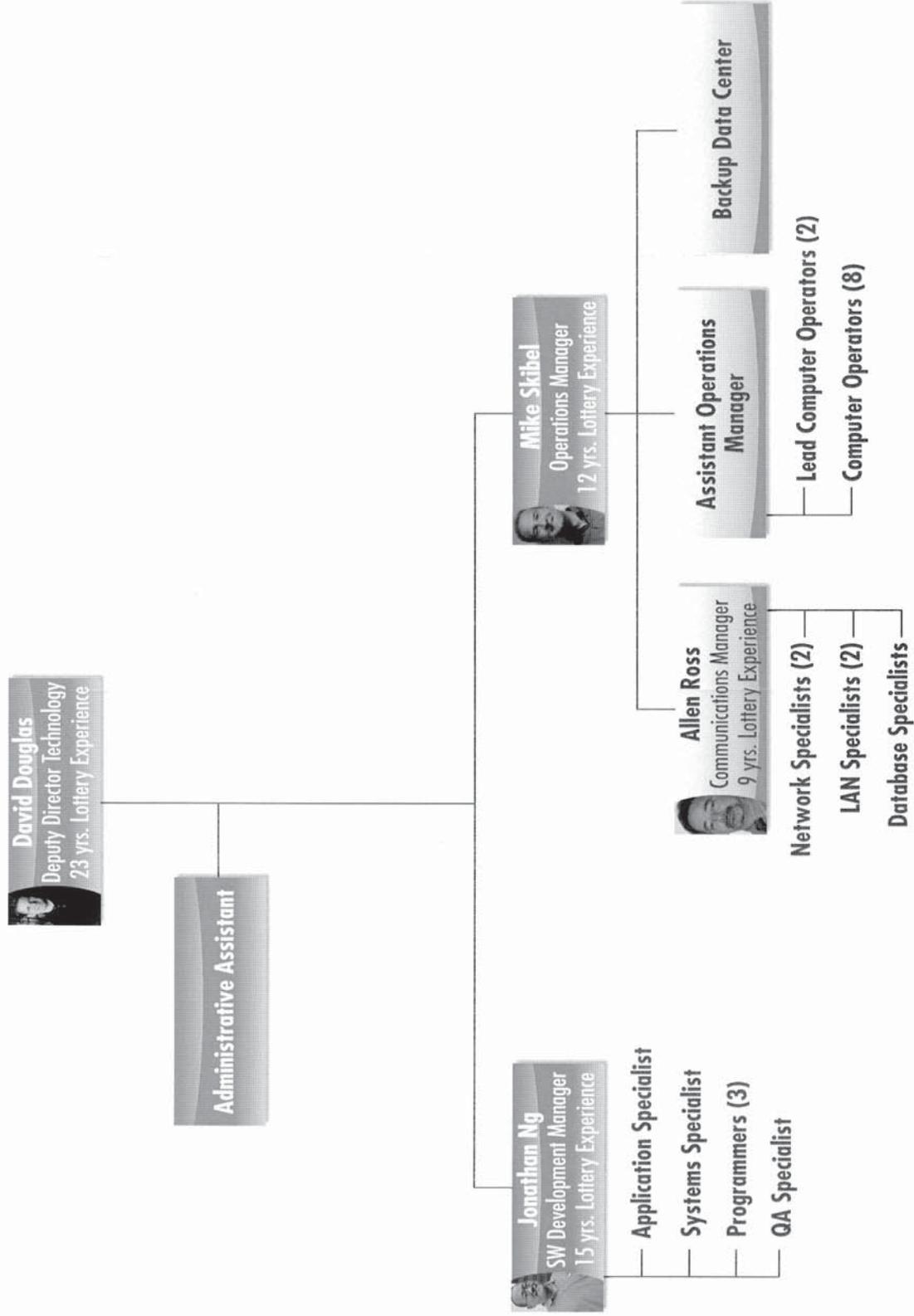


FIGURE 4.3-8: TLC CALL CENTER

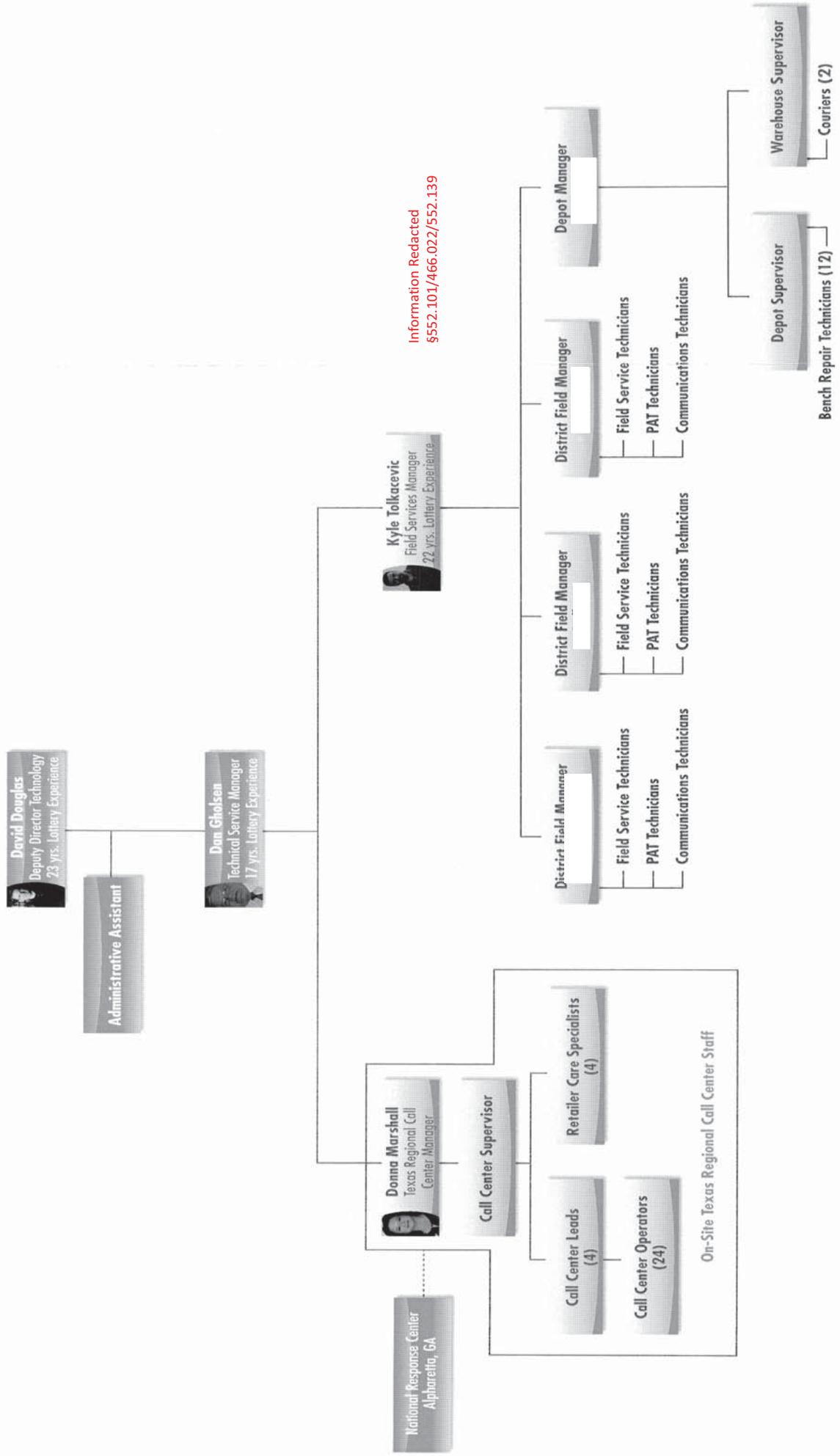
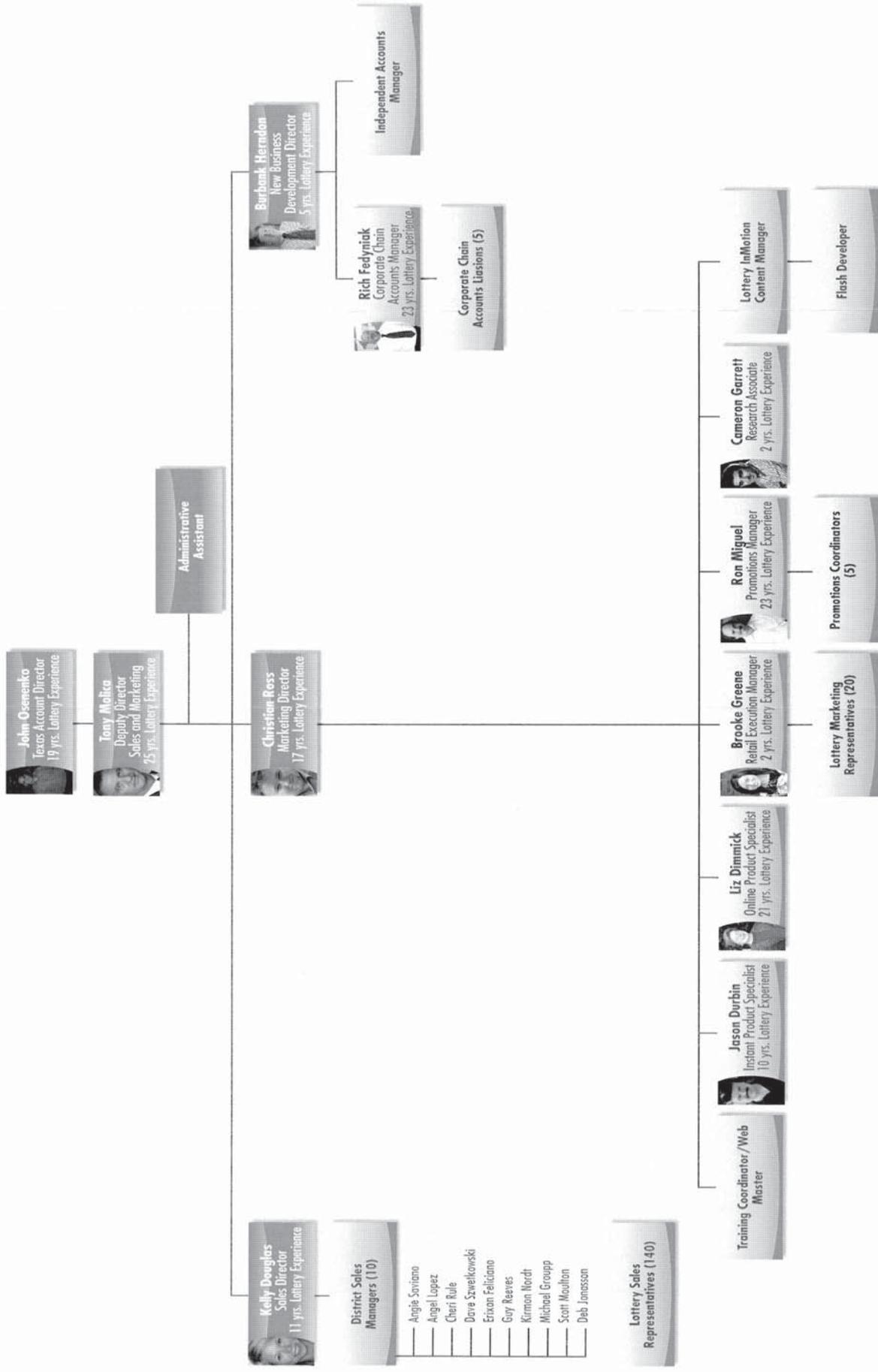
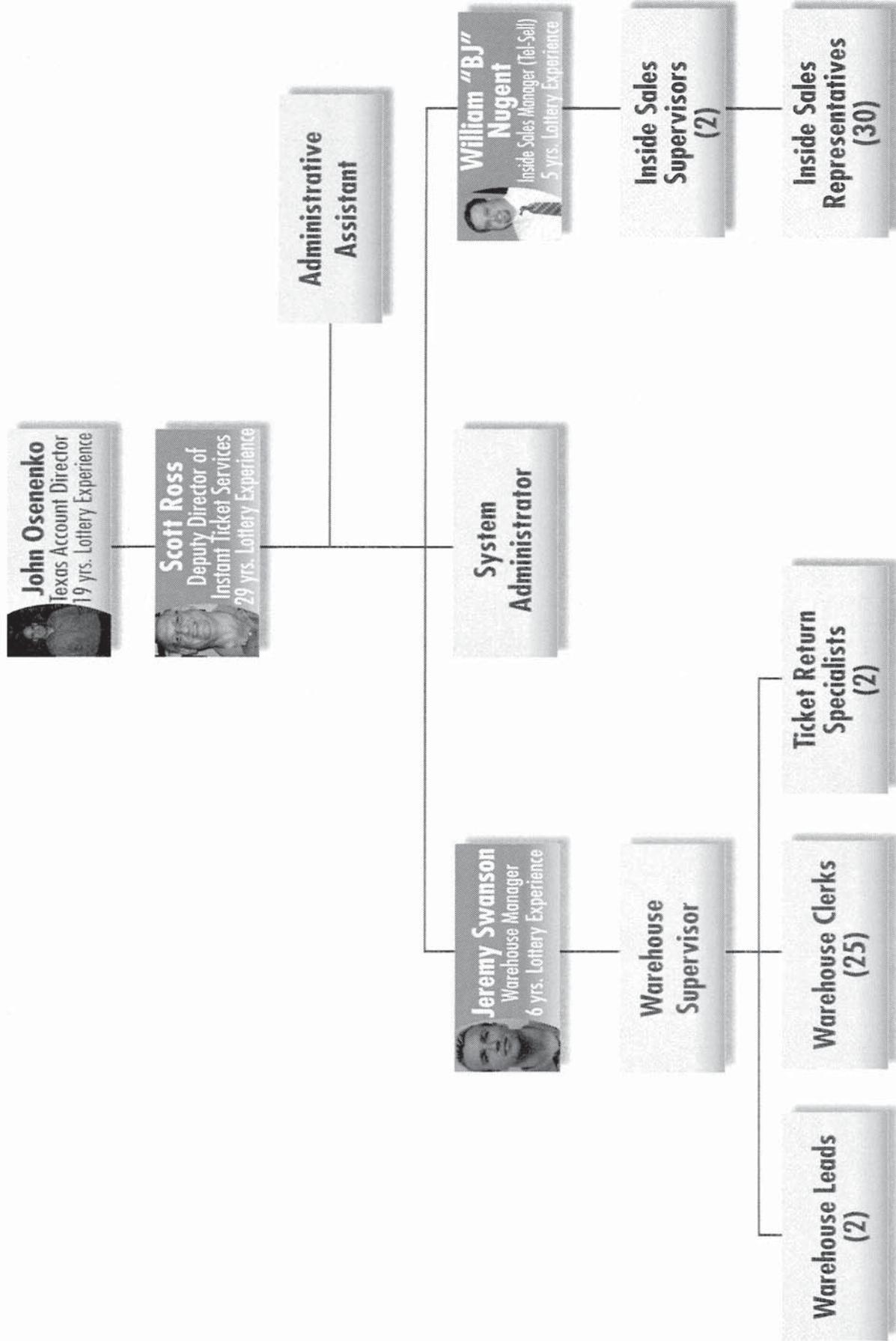


FIGURE 4.3-9: TLC SALES AND MARKETING ORGANIZATION





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4.3.2 KEY MANAGEMENT STAFF RESUMES

RFP Requirement: Proposers must provide resumes for all key management staff. This should include, without limitation, the following positions:

(a) *Executive Management* – General Manager/Site Director, Assistant General Manager, and any other officers or key personnel who will provide direction or oversight to the Texas Lottery account.

(b) *Data Center/Operations* – Data Center Supervisor, Software Development Manager, Texas Lottery Liaison and any other staff who will have oversight or manage system operations for the Texas Lottery account.

(c) *Call Center* – Call Center Manager, Retailer Support Supervisor, Dispatch and Supply Inventory Supervisor or other key personnel who will provide direction or oversight to the Texas Lottery account.

(d) *Sales and Marketing* – Sales Manager, Marketing Manager, Promotions Manager/Coordinator, District/field Sales Managers, Corporate/Chain Account Manager, New Business Development/Recruitment Manager, Research Associate, and any other staff who will provide sales or marketing input, direction or recommendations for the Texas Lottery account.

(e) *Warehouse and Distribution* – Warehouse Manager.

(f) *Transition Team* – Project Manager and key personnel assigned to the transition and implementation of the Texas Lottery account.

Resumes can be found in the Supplemental Documentation section at the end of **Part 4** as well as on the Supplemental Documentation CD found behind the Electronic Media tab card in Book 1 of our proposal. Scientific Games has provided resumes for all key management staff including, but not limited to the following positions:

- A. **Executive Management** – Texas Account Director, Deputy Director of Technology, Deputy Director of Instant Ticket Services, Deputy Director of Sales and Marketing, HR Manager, Service Compliance Manager and any other officers or key personnel who will provide direction or oversight to the Texas Lottery account.
- B. **Data Center/Operations** – Operations Manager, Communications Manager, Software Development Manager and any other staff who will have oversight or manage system operations for the Texas Lottery account.
- C. **Call Center** – Call Center Manager, Inside Sales Manager, Technical Services Manager, Field Services Manager, Depot Manager, Field Service and Bench Technicians, and any other key personnel who will provide direction or oversight to the Texas Lottery account.
- D. **Sales and Marketing** – New Business Development Director, Marketing Director, Sales Director, Promotions Manager, Retail Execution Manager, and any other staff who will provide sales or marketing input, direction or recommendations for the Texas Lottery account.
- E. **Warehouse and Distribution** – Warehouse Manager and any other key personnel who will provide direction or oversight to the Texas Lottery account.
- F. **Project Transition Team** – Project Director, Senior Project Manager and key personnel assigned to the transition and implementation of the Texas Lottery account.

TITLES AND JOB RESPONSIBILITIES OF PROPOSED POSITIONS

Figure 4.3-11 provides job titles and a brief description of job responsibilities for the TLC Account Team key management staff.

Figure 4.3-11: Titles and Job Responsibilities of Proposed Positions

TITLE	JOB RESPONSIBILITIES
EXECUTIVE MANAGEMENT STAFF POSITIONS	
Texas Account Director	Act as the primary contact between the Texas Lottery and Scientific Games and oversees all aspects of contract compliance. Serves as the leader of the TLC Executive Management Team.
Deputy Director of Technology	Directs the service delivery. Meets with the Texas Lottery management staff regularly to provide status information and address issues and problems. Leads the Data Center/Operations, Call Center, and Software delivery teams. Directs the delivery of overall service, improvement plans, and is responsible for ensuring all service levels are met. Serves as an integral part of the TLC Executive Management Team.
Deputy Director, Sales and Marketing	Responsible for the oversight of all the sales and marketing activities in Texas, including new business development and retail network performance. Develops and coordinates annual budgets, quarterly forecasts, and dashboard reports. Directly manages the New Business Development Director, Marketing Director, and Sales Director. Serves as an integral part of the TLC Executive Management Team.
Deputy Director, Instant Ticket Services	Responsible for the overall management of the central distribution warehouse and the inside sales department. Meets with the Texas Lottery management staff regularly to provide status information and address issues and problems. Meets regularly with key TLC Account Team management to review customer service issues and resolutions. Serves as an integral part of the TLC Executive Management Team.
Director of Security	Oversees the overall security of all facilities and systems. Supervises security staff. Ensures maintenance agreements are renewed with equipment vendors; conducts system and equipment tests as required on backup, fire, HVAC, and security equipment. Conduct background and drug testing for prospective employees. Manage the CCTV digital storage and key card equipment. Oversees ticket destruction with designated Texas Lottery staff. Serves as an integral part of the TLC Executive Management Team.

Figure 4.3-11: Titles and Job Responsibilities of Proposed Positions

TITLE	JOB RESPONSIBILITIES
Human Resources Manager	Responsible for all human resource activities including employment, compensation, labor relations, benefits, and training and development. Develops and maintains relationship with local employment agencies, universities, technical schools, and other recruitment sources. Prepares and maintains on-site job documentation, and job evaluation system. Coordinates company equal opportunity programs to achieve diversity goals. Serves as an integral part of the TLC Executive Management Team.
Service/Compliance Manager	Responsible for contract and service level monitoring. Provides contractual guidance to Texas Lottery team members and provides authoritative guidance to internal business teams on corporate goals and objectives relating to contract compliance. Serves as an integral part of the TLC Executive Management Team.
DATA CENTER/OPERATIONS STAFF POSITIONS	
Operations Manager	Responsible for the implementation of technology and direct supervision of the Operations Management Team. Leads the computer operations function including all staff, service level management, and as the primary interface with the Texas Lottery on all operational service level management. Ensures 24/7/365 staffing. Coordinates upgrade installations and establishes and maintains operation policies and procedures. Regularly participates in skill building activities.
Assistant Operations Manager (PDC)	Oversees system integrity through monitoring and back-ups. Runs various systems routines, initiates batch processing, and trouble shoots data communications. Takes ownership of appropriate level problems and escalates as necessary. Daily management and scheduling of on-operator staff.
Software Development Manager	Responsible for driving the entire application development process – requirements definition, technical design specification, maintaining application/coding standards, unit testing, and the complete QA process. Responsible for the build and release process for all software upgrades, changes, or enhancements.
Communications Manager	Oversees monitoring and maintaining of the LAN/ WAN network hardware and software system(s). Performs diagnostics on local and wide-area networks to identify problems, such as outages and degradations, and acquires the required resources to resolve problems. Provides on-going training to lead operators and computer operators on telecommunications troubleshooting techniques. Ensures service level adherence to company and Texas Lottery requirements of retailer terminal connectivity.

Figure 4.3-11: Titles and Job Responsibilities of Proposed Positions

TITLE	JOB RESPONSIBILITIES
CALL CENTER STAFF POSITIONS	
Call Center Manager	Manages all Call Center staff. Responsible for overall hotline service levels, hold time, answer rates, scheduling, and tracking. Responsible for oversight of the Call Center operators and supervisor. Analyzes call activity and performance reports to ensure SLR compliance. Monitors call interaction to ensure service level performance goals are achieved.
Call Center Supervisor	Supervises the Call Center support staff. Coordinates service levels based on contract service level guidelines. Responsible for the training of hotline and dispatch employees meeting proper customer service levels of all Texas Lottery retailers.
Technical Services Manager	Manages the Call Center and the Field Service Teams. Ensures compliance with Texas Lottery policies and service level guidelines, while providing guidance for the introduction of new games, promotions, and policies as presented by the Texas Lottery. Works closely with the Warehouse Manager and Inside Sales Manager to ensure smooth uninterrupted service to the retailers.
Field Services Manager	Manages District Field Managers and provides oversight for overall service levels, scheduling, tracking, of the field, communication, and PAT technicians, and field supervisors within their region.
District Field Manager	Responsible for the oversight of the day-to-day activities of the technicians assigned to their region including monitoring schedule adherence, evaluating call times, and monitoring service level compliance as it related to retailer service levels. May also assist in new equipment installation and difficult repair visits.
Depot Manager	Manages all Bench Repair staff. Responsible for overall service levels, MTBF, logistics, parts, scheduling, tracking, and oversight of the bench and warehouse technicians and supervisor.
SALES AND MARKETING STAFF POSITIONS	
New Business Development Director	Proactively identifies and recruits new and non-traditional chain retailer types such as big box retailers and pharmacies. Fosters and maintains a relationship with national and regional trade associations and local chambers of commerce. Directly manages the Corporate Chain Accounts Manager and Independent Accounts Manager.

Figure 4.3-1.1: Titles and Job Responsibilities of Proposed Positions

TITLE	JOB RESPONSIBILITIES
Marketing Director	Develops and executes marketing plans and programs, both short and long range, to ensure the profit growth and expansion of the products and/or services. Directs the preparation of new marketing and sales support materials for the LSR and LMR Teams. Directly manages the Retail Execution Manager, Instant Product Specialist, Online Product Specialist, Training Coordinator, and Research Associate.
Sales Director	Develops, manages, and guides the outside sales activities for the organization. Proposes and executes policies and programs to achieve maximum sales volume potential for lottery products. Designs and applies the sales strategy and sales plan. Directly manages the activities of the ten District Sales Managers.
Corporate Chain Accounts Manager	Responsible for the management of existing corporate chain or key accounts, and the recruitment and integration of new chain accounts. Maintains a relationship with trade associations with key account participation such as NACS and TPCA.
Independent Accounts Manager	Responsible for the management of existing independently-owned accounts, and the recruitment and integration of new accounts. Maintains a relationship with trade associations with independent retailer participation such as NACS and TPCA.
Retail Execution Manager	Oversees the provision of additional retail support and implementation of best retail execution practices for top performing store locations by directing and managing the team of 20 Lottery Marketing Representatives (LMRs). Works closely with the Directors of Marketing and Sales to ensure a coordinated approach within the retail environment.
Promotions Manager	Works closely with the Texas Lottery and Scientific Games marketing personnel to identify, manage, and appropriately staff Texas Lottery-sponsored and attended events throughout the year. Responsible for coordinating chain and independent store events and promotions with Corporate Chain Account Manager, Independent Accounts Manager, and the sales and marketing staff. Provides regular activity reports and ROI analyses of all events attended to better determine future event participation. Directly manages the activities of the five Promotion Coordinators.
District Sales Manager	Develops, manages, and guides sales activities for the Lottery Sales Representatives within his/her district. Proposes and executes policies and programs to achieve maximum sales volume potential for lottery products. Applies and monitors the sales strategies and sales plans for his/her district. Directly manages the activities of approximately 14 LSRs.

Figure 4.3-11: Titles and Job Responsibilities of Proposed Positions

TITLE	JOB RESPONSIBILITIES
WAREHOUSE AND DISTRIBUTION STAFF POSITIONS	
Warehouse Manager	Plans, organizes, directs, and controls the activities of the Warehouse Supervisors to ensure ticket orders and deliveries are completed on schedule. Maintains current inventory records for all materials within the warehouse and handles day-to-day maintenance for the facility. Coordinates ticket destruction activity with the Texas Lottery and site security.
Warehouse Supervisor	Manages the activities of the Warehouse Leads, Warehouse Clerks, and the Ticket Return Specialists to ensure ticket orders are correctly and efficiently processed. Responsible for shipping and receiving of all retailer instant ticket orders, POS materials and all other freight in or out of the Scientific Games central distribution warehouse.
Inside Sales Manager	Plans, organizes, directs, and controls the activities of the assigned Inside Sales Representatives to ensure an efficient flow of activity of order inception for the retailer. Analyzes retailer feedback and provides information requested or ascertains who can best provide the information and route the request to the proper person.

4.3.3 RESUME DETAILS

RFP Requirement: Each resume must include (i) the proposed position to which the individual will be assigned for the Contract; (ii) the position such individual currently holds with the Proposer or its subcontractor(s); (iii) a brief description of such individual's responsibilities for the Contract; and (iv) a description of the experience that qualifies the individual to perform such responsibilities.

Scientific Games resumes for all key management staff can be found at the end of **Section 4** as well as on the Appendices CD found behind the tab card for that section. In addition to all of the RFP required information, many of the resumes contain information as to why the proposed personnel are qualified specifically for the Texas Lottery conversion and/or ongoing operations.

4.3.4 RESUME VERIFICATION

RFP Requirement: The Lottery reserves the right to verify all information in the resumes submitted by the Proposer, including contacting previous employers or firms for which work experience is indicated. Intentional or negligent misstatements of experience, scope of prior projects or results of work on prior projects may be grounds for disqualification of the Proposal.

Scientific Games understands and acknowledges that the Texas Lottery reserves the right to verify all information in the resumes submitted by Scientific Games, including contacting previous employers or firms for which work experience is indicated. Furthermore, we agree that intentional or negligent misstatements of experience, scope of prior projects, or results of work on prior projects may be grounds for disqualification of the proposal.

4.3.5 STAFFING SCHEDULE

RFP Requirement: Proposers must provide a staffing schedule indicating the projected dates that each of the unfilled positions will be filled.

TEXAS EMPLOYEE TRANSITION PLAN

Scientific Games will immediately begin staffing activities for the Texas Lottery account upon contract award. As we have noted previously in this section, many employees have already been identified and named in the proposal. Other employees will be sourced locally from cities and towns throughout the state, while others will be sourced from existing on-site GTECH personnel. With the Lottery's approval, Scientific Games will reach out to GTECH employees currently servicing the Texas Lottery account. It is our desire to retain and employ as many outstanding, qualified employees from GTECH as possible in order to further provide the retailers with a sense of continuity and familiarity, especially during the transition period.

Employee Transition Agreement

After consulting with the Lottery, Scientific Games will look to GTECH to come to an agreement regarding the transition of selected employees. We recognize that GTECH must continue to service the Texas Lottery through the remainder of the contract. However, as the incoming vendor, we must be able to transition smoothly and confidently when conversion takes place. Assuming the Texas Lottery would like us to bring on existing GTECH personnel, we must come to an agreement on the number of employees to hire and at what point during the transition phase various positions may be filled by Scientific Games prior to the conversion date in 2011. We would like to request a GTECH point person to work with on employee transition issues, such as recommended names, timeframes to hire, and other issues that may arise.

Hiring GTECH Employees

Shortly after the contract award is announced, Scientific Games will hold a two day "Open House" meeting at hotels in the ten Texas Lottery districts. The intent at each of these meetings is to introduce GTECH employees to Scientific Games. During the informational meetings, we will present background information on Scientific Games, benefits for employees, the various positions to be filled, time frames for staffing, and our hiring process.

Various Scientific Games management personnel will be present to meet with and answer questions of those who attend. If GTECH employees are interested in pursuing a job opportunity with us, they may sign up for an interview time before they leave the meeting. If they leave without reserving an interview time, there will be a contact person for them to call by a predefined date to set up an interview. Applications can be filled out during the open house or taken home with the prospective employees.

After interviews are completed, Scientific Games managers will select employees to whom they would like to extend an offer. In addition, a desired start date will be assigned and later reviewed with GTECH. Some employees will need to start with Scientific Games sooner than conversion; others can start shortly before or at go-live.

The following table (Figure 4.3-12) provides a staffing schedule for each proposed position in Texas. It includes the location in which the person will work, the position title (and the total number of hires for a position, if applicable), the name of an individual that Scientific Games has proposed to fill the position, and the number of months prior to conversion in which the position will be filled. In some cases, such as field technicians, a range is given as hires will occur over a period of time, as needed.

Figure 4.3-12: Proposed Staffing Schedule

LOCATION	POSITION	NAME	MONTHS PRIOR TO CONVERSION
EXECUTIVE MANAGEMENT			
Austin	Texas Account Director	John Osenenko	11
Austin	Deputy Director Technology	David Douglas	11
Austin	Administrative Assistant – Texas Account Director		9
Austin	Administrative Assistant – Technology		9
Austin	Office Manager		9
Austin	Human Resources Manager	Curtis Charlesworth	9
Austin	Human Resources Specialist		9
Austin	Accounting Specialist(s)		9
Austin	Finance/Purchasing Specialist		9
Austin	Director of Security	John Byers	9
Austin	Information Security Manager		4
Austin	Security Analyst		2
Austin	Facility Support Associates (Total – 5)		1

Figure 4.3-12: Proposed Staffing Schedule

LOCATION	POSITION	NAME	MONTHS PRIOR TO CONVERSION
Austin	Service/Compliance Manager		2
Austin	Change Manager		2
Austin	Problem Manager		2
DATA CENTER/OPERATIONS			
Austin	Operations Manager	Mike Skibel	6
Austin	Assistant Operations Manager		6
Austin	Lead Computer Operator (Total – 2)		5
Austin	Computer Operators (Total – 8)		2
Austin	Communications Manager	Allen Ross	6
Austin	Network Communication Specialists (Total – 2)		2
Austin	LAN/Database Specialist (Total – 2)		2
Austin	Software Development Manager	Jonathan Ng	9
Austin	Software Programmer (Total – 3)		6
Austin	QA Specialist		6
Austin	Application Specialist		6
Austin	Systems Specialist		6
CALL CENTER			
Austin	Deputy Director of Instant Ticket Services	Scott Ross	9
Austin	Administrative Assistant		3
Austin	System Administrator		4
Austin	Inside Sales Manager	William "BJ" Nugent	2
Austin	Inside Sales Supervisor (Total – 2)		1
Austin	Inside Sales Rep (Total – 27)		1
Austin	Call Center Manager	Donna Marshall	6

Figure 4.3-12: Proposed Staffing Schedule

LOCATION	POSITION	NAME	MONTHS PRIOR TO CONVERSION
Austin	Call Center Supervisor		6
Austin	Call Center Operator (Total 24)		3 - 6
Austin	Technical Service Manager	Dan Gholson	6
Austin	Field Services Manager I	Kyle Talkacevic	6
Houston, Dallas, San Antonio	District Field Manager I (Total – 3)		6
	Field Service Technician (Total – 55)		3 - 5
Region 1 – 10	Communications Technician (Total – 10)		6
	PAT (PlayCentral) Technician (Total – 15)		5
Austin	Courier (Total – 2)		6
Austin	Warehouse Supervisor		6
Austin	Depot Manager		4
Austin	Depot Supervisor		4
Austin	Bench Repair Technician (Total – 12)		4
Austin	Retailer Care Specialist (Total – 4)		5
SALES AND MARKETING			
Austin	Deputy Director, Sales and Marketing	Tony Molica	11
Austin	Administrative Assistant – Sales		4
Austin	Director of Marketing	Christian Ross	9
Austin	Director of Sales	Kelly Douglas	9
Austin	Director of New Business Development	Burbank Herndon	6
Austin	Corporate Chain Account Manager	Rich Fedyniak	6
Austin	Independent Account Manager		6
Austin	Promotions Manager	Ron Miguel	4
Austin	Retail Execution Manager	Brooke Greene	4
Austin	Instant Product Specialist	Jason Durbin	4
Austin	Online Product Specialist	Liz Dimmick	4

Figure 4.3-12: Proposed Staffing Schedule

LOCATION	POSITION	NAME	MONTHS PRIOR TO CONVERSION
Austin	Research Associate	Cameron Garrett	4
Austin	Lottery InMotion Content Manager		
Austin	LIM Flash Developer (Total – 2)		4
Austin	Training Coordinator/Web Master		
Region 1	District Sales Manager # 1	Dave Szwetkowski	4
Region 2	District Sales Manager # 2	Angel Lopez	4
Region 3	District Sales Manager # 3	Kirmon Nordt	4
Region 4	District Sales Manager # 4	Gary Reeves	4
Region 5	District Sales Manager # 5	Michael Groupp	4
Region 6	District Sales Manager # 6	Scott Moulton	4
Region 7	District Sales Manager # 7	Cheri Rule	4
Region 8	District Sales Manager # 8	Angie Saviano	4
Region 9	District Sales Manager # 9	Erixon Feliciano	4
Region 10	District Sales Manager # 10	Deb Jonasson	4
Regions 1 – 10	Corporate/Chain/Key Account Liaison (Total – 5)		
	Regional Promotions Coordinator (Total 5)		2
	Lottery Sales Representative (Total – 140)		2
	Lottery Marketing Representative (Total – 20)		2
WAREHOUSE AND DISTRIBUTION			
Austin	Warehouse Manager	Jeremy Swanson	4
Austin	Warehouse Supervisor		2
Austin	Warehouse Lead (Total – 2)		1
Austin	Ticket Return Specialist (Total – 2)		1
Austin	Warehouse Clerk (Total – 25)		1

4.3.6 COMMENCEMENT OF SERVICES

RFP Requirement: Proposers must indicate when key management employees will be available to commence providing services under any contract awarded hereunder.

Our proposed management staff is shown in the following table (Figure 4.3-13). The names of proposed employees is given where available, along with the number of months prior to conversion in which the position will be filled and the employee(s) will be available to provide services under the awarded contract. Management levels included in the list are Directors, Deputy Directors, Managers, and Supervisors.

Figure 4.3-13: Proposed Management Staff

LOCATION	POSITION	NAME	MONTHS PRIOR TO CONVERSION
EXECUTIVE MANAGEMENT			
Austin	Texas Account Director	John Osenenko	11
Austin	Deputy Director Technology	David Douglas	11
Austin	Director of Security	John Byers	9
Austin	Information Security Manager		4
Austin	Human Resources Manager	Curtis Charlesworth	9
Austin	Service Compliance Manager		2
Austin	Change Manager		2
Austin	Problem Manager		2
Austin	Office Manager		9
DATA CENTER/OPERATIONS			
Austin	Operations Manager	Mike Skibel	6
Austin	Assistant Operations Manager		6
Austin	Communications Manager	Allen Ross	6
Austin	Software Development Manager	Jonathan Ng	9
CALL CENTER			
Austin	Deputy Director of Instant Ticket Services	Scott Ross	9
Austin	Inside Sales Manager	William "BJ" Nugent	2
Austin	Inside Sales Supervisor (Total – 2)		1

Figure 4.3-13: Proposed Management Staff

LOCATION	POSITION	NAME	MONTHS PRIOR TO CONVERSION
Austin	Call Center Manager	Donna Marshall	6
Austin	Call Center Supervisor		6
Austin	Technical Services Manager	Dan Gholson	6
Austin	Field Services Manager I	Kyle Tolkacevic	6
Houston, Dallas, San Antonio	District Field Manager I (Total – 3)		6
Austin	Warehouse Supervisor		6
Austin	Depot Manager		4
Austin	Depot Supervisor		4
SALES AND MARKETING			
Austin	Deputy Director, Sales and Marketing	Tony Molica	11
Austin	Director of Marketing	Christian Ross	9
Austin	Director of Sales	Kelly Douglas	9
Austin	Director of New Business Development	Burbank Herndon	6
Austin	Corporate Chain Account Manager	Rich Fedyniak	6
Austin	Independent Account Manager		6
Austin	Promotions Manager	Ron Miguel	4
Austin	Retail Execution Manager	Brooke Greene	4
Region 1	District Sales Manager # 1	Dave Szwetkowski	4
Region 2	District Sales Manager # 2	Angel Lopez	4
Region 3	District Sales Manager # 3	Kirmon Nordt	4
Region 4	District Sales Manager # 4	Gary Reeves	4
Region 5	District Sales Manager # 5	Michael Grouppp	4
Region 6	District Sales Manager # 6	Scott Moulton	4
Region 7	District Sales Manager # 7	Cheri Rule	4
Region 8	District Sales Manager # 8	Angie Saviano	4
Region 9	District Sales Manager # 9	Erixon Feliciano	4

Figure 4.3-13: Proposed Management Staff

LOCATION	POSITION	NAME	MONTHS PRIOR TO CONVERSION
Region 10	District Sales Manager # 10	Deb Jonasson	4
WAREHOUSE AND DISTRIBUTION			
Austin	Warehouse Manager	Jeremy Swanson	4
Austin	Warehouse Supervisor		2

4.4 REFERENCES

RFP Requirement: Proposers must provide verifiable references which include contact person, name of company, phone, fax number and e-mail address if available for each engagement identified in Section 4.2.1. The Texas Lottery reserves the right to verify all information in the Proposal submitted by the Proposer and seek other information it deems necessary to conduct a thorough review.

Scientific Games has provided verifiable references which include contact person, name of company, phone, fax number and email address if available for each engagement identified in **Section 4.2.1** of our proposal. Scientific Games understands and agrees that the Texas Lottery reserves the right to verify all information in the Proposal submitted by Scientific Games and seek other information it deems necessary to conduct a thorough review.

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4.5 CONTACT PERSON

RFP Requirement: The Proposer shall provide the name, address, telephone number, email address, and facsimile number of a person to contact concerning questions regarding its Proposal.

Scientific Game's contact person for questions regarding our proposal is:

- Ms. Simone Harrison
Vice President, Business Development
1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004
Tel.: 678-624-4318
Fax: 678-624-4115
Email: simone.harrison@scientificgames.com

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4.6 CONFLICT OF INTEREST

4.6.1 DISCLOSURE OF CONFLICT OF INTEREST

RFP Requirement: The Proposer must disclose any actual, potential or perceived conflict of interest relative to the performance of the requirements of this RFP. The Proposer must disclose any personal or business relationship of (a) itself, (b) any of its principals, officers, directors, investors, owners, partners, and employees (collectively, Proposer Personnel); (c) any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any Proposer Personnel; (d) any affiliate, or (e) any subcontractor with any employee or representative of the Texas Lottery (including the Texas Lottery Executive Director and its commissioners) or its prime vendors. As of the time of the issuance of this RFP, prime Texas Lottery vendors include, but are not limited to: GTECH Corporation, lottery operator and instant ticket vending machine supplier; Scientific Games International, instant ticket manufacturer and random animated digital drawing system; Pollard Banknote Limited Partnership, instant ticket manufacturer; TLP, Inc. dba Tracy Locke and LatinWorks, advertising services; Davila, Buschhorn and Associates, P.C., lottery drawings audit services; Elephant Productions, Inc., drawings broadcast services; Barker & Herbert Analytical Laboratories, Inc., instant ticket testing services; Maxwell Locke & Ritter, LLP, annual financial audit and Mega Millions agreed-upon procedures engagement; Graves, Dougherty, Hearon & Moody, P.C., outside counsel for Lottery Operations & Services Procurement; Meyertons, Hood, Kivlin, Kowert & Goetzel, P.C., outside counsel for intellectual property matters; Eubank & Young Statistical Consulting, LLC, statistical consulting services; and Knight Security Systems, LLC, surveillance camera products and related services. Additionally, any such relationship that might be perceived or represented as a conflict should be disclosed. Failure to disclose any such relationship may be a cause for disqualification of a Proposal.

Scientific Games has no actual, potential or perceived conflict of interest relative to the performance of the requirements of the RFP to disclose. Furthermore, Scientific Games has no personal or business relationship of (a) itself, (b) any of its principals, officers, directors, investors, owners, partners, and employees (collectively, Scientific Games Personnel); (c) any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any Scientific Games Personnel; (d) any affiliate, or (e) any subcontractor with any employee or representative of the Texas Lottery (including the Texas Lottery Executive Director and its commissioners) or its prime vendors. Scientific Games understands that as of the time of the issuance of the RFP, prime Texas Lottery vendors include, but are not limited to: GTECH Corporation, lottery operator and instant ticket vending machine supplier; Scientific Games International, instant ticket manufacturer and random animated digital drawing system; Pollard Banknote Limited Partnership, instant ticket manufacturer; TLP, Inc. dba Tracy Locke and LatinWorks, advertising services; Davila, Buschhorn and Associates, P.C., lottery drawings audit services; Elephant Productions, Inc., drawings broadcast services; Barker & Herbert Analytical Laboratories, Inc., instant ticket testing services; Maxwell Locke & Ritter, LLP, annual financial audit and Mega Millions agreed-upon procedures engagement; Graves, Dougherty, Hearon & Moody, P.C., outside counsel for Lottery Operations & Services Procurement; Meyertons, Hood, Kivlin, Kowert & Goetzel, P.C., outside counsel for intellectual property matters; Eubank & Young Statistical Consulting, LLC, statistical consulting services; and Knight Security Systems, LLC, surveillance camera products and related services. Additionally, Scientific Games has no such relationship that might be perceived or represented as a conflict should be disclosed. We understand and agree that failure to disclose any such relationship may be a cause for disqualification of a proposal.

4.6.2 CONTINUING DISCLOSURE REQUIREMENT

***RFP Requirement:** This is a continuing disclosure requirement. The Proposer shall disclose to the Texas Lottery in writing any actual, potential or perceived conflict of interest, relative to the performance of the requirements of this RFP, during the period prior to the award of any Contract pursuant to the RFP, at the time the conflict is identified. Failure to promptly notify the Texas Lottery will be sufficient grounds for rejecting the Proposal.*

Scientific Games acknowledges that this is a continuing disclosure requirement. Scientific Games will disclose to the Texas Lottery in writing any actual, potential or perceived conflict of interest, relative to the performance of the requirements of the RFP, during the period prior to the award of any Contract pursuant to the RFP, at the time the conflict is identified. We further understand and agree that failure to promptly notify the Texas Lottery will be sufficient grounds for rejecting the proposal.

4.7 FINANCIAL SOUNDNESS

4.7.1 FINANCIAL ABILITY

RFP Requirement: In order to evaluate the Proposer's financial ability to perform under the Contract, the Lottery requires the following information.

As a wholly-owned subsidiary, Scientific Games relies on the considerable financial resources of Scientific Games Corporation, our parent organization. The 2009 revenue disclosed in the 10-K filed with the Securities and Exchange Commission was \$928 million. The December 31, 2009 balance sheet is strong with a current ratio of 2.99:1 and a quick ratio of 2.66:1. These ratios indicate Scientific Games can easily pay current liabilities and is financially stable. Furthermore, the FY 2009 cash flow statement shows Net Cash from Operating Activities was \$220 million for the fiscal year. The cash generated by operations provides Scientific Games with the ability to fund new business opportunities/contracts in order to grow our business. Additionally, as reported in the notes to our 10K report as of December 31, 2009 10-K, we have \$167.9 million available for borrowing under our revolving credit facility. When combined with the \$260.1 million of cash reported on the balance sheet, Scientific Games has \$428.0 million of available liquidity to fund new business opportunities.

Based upon all of the factors as detailed:

- Annual revenues in excess of \$900 million
- Strong short term liquidity per the December 31, 2009 balance sheet
- Ability to generate substantial cash from operations
- Total liquidity of \$428 million

The Texas Lottery can be assured that Scientific Games possesses the financial means to support the contract.

4.7.2 ABILITY TO FINANCE PERFORMANCE

RFP Requirement: The ability to finance or otherwise fund performance under the Contract shall be demonstrated by each Proposer through submission of a written analysis of its estimated initial or start-up costs for the period from the start of the Contract, including (if applicable) conversion of the Lottery system by a new operator through to the end of the first complete calendar quarter of operation under the Contract. Such cost analysis must be submitted at the same time as the Proposer's Cost Proposal, but in a separately sealed and marked envelope. The cost analysis will be used in conjunction with the information described below to evaluate the sufficiency of the Proposer's financial resources to deliver the goods and services proposed. The Proposer must provide start-up costs through conversion plus estimated first quarter operating costs in the format as provided in Attachment J. The start-up costs must be submitted in a separate sealed envelope. The sealed envelope must be addressed as outlined in Section 2.15 and designated conspicuously as "Start-Up Costs for RFP 362-10-0001."

Scientific Games' ability to finance or otherwise fund performance under the Contract is demonstrated through the submission of our written analysis of Scientific Games' estimated initial or start-up costs for the period from the start of the Contract, including (if applicable) conversion of the Lottery system by a new operator through to the end of the first complete calendar quarter of operation under the Contract. Scientific Games has submitted such cost analysis at the same time as Scientific Games' Cost

Proposal, but in a separately sealed and marked envelope. We acknowledge that the cost analysis will be used in conjunction with the information described below to evaluate the sufficiency of Scientific Games' financial resources to deliver the goods and services proposed. Scientific Games has provided start-up costs through conversion plus estimated first quarter operating costs in the format as provided in Attachment J. The start-up costs are submitted in a separate sealed envelope. The sealed envelope is addressed as outlined in **Section 2.15** and designated conspicuously as "Start-Up Costs for RFP 362-10-0001."

4.7.2.1 SUBMISSION OF FINANCIAL STATEMENT

***RFP Requirement:** All Proposers (and its parent corporation, if applicable, or joint participants, if applicable) must submit copies of consolidated audited financial statements for each of the Proposer's three (3) most recently ended fiscal years. In lieu of the foregoing, if the Proposer has been in existence for less than three fiscal years, the Texas Lottery reserves the right, in its sole discretion, to accept consolidated audited financial statements for those fiscal years in which the Proposer has been in existence. Such audited consolidated financial statements shall be audited in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant. If the most recent fiscal year for which audited financial statements are submitted ended more than [134] days prior to the date of submission of the Proposal to the Lottery, the Proposer shall also submit consolidated interim unaudited financial statements for the interim period between the date of the latest audited balance sheet and ending no earlier than [60] days prior to such date of submission, and for the corresponding period of the preceding fiscal year. The Lottery reserves the right to require additional, updated financial statements following submission of the Proposal and prior to the award of the Contract, to take into account the lapse of time between the date of submission and the estimated date of award of the Contract. All financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP), and must include balance sheets for each fiscal year and each interim period ended, income statements, statements of cash flows, statements of retained earnings, notes to the financial statements for each such year or period, as the case may be, and any management letters that have been received for those years. For non-U.S. vendors the equivalent non-U.S. accounting and auditing standards applicable to publicly-traded companies shall apply.*

Scientific Games has submitted with our proposal, consolidated audited financial statements for each of the three most recently ended fiscal years. They can be found on the Financial Information CD located behind the Electronic Media tab card in Book 1 of our Technical Proposal. (All CDs and DVDs are grouped together to prevent damage during shipment.) The audited consolidated financial statements are audited in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant. Scientific Games understands that the Lottery reserves the right to require additional, updated financial statements following submission of the Proposal and prior to the award of the Contract, to take into account the lapse of time between the date of submission and the estimated date of award of the Contract. Scientific Games' financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP), and include balance sheets for each fiscal year and each interim period ended, income statements, statements of cash flows, statements of retained earnings, notes to the financial statements for each such year or period, as the case may be, and any management letters that have been received for those years.

4.7.2.2 SUBSIDIARIES

RFP Requirement: *If the Proposer is a subsidiary of a parent entity and the Proposer either does not have its own separate financial statements or Proposer wishes to rely on the financial soundness of its parent, the Proposer shall satisfy its financial responsibility submission requirements by submitting the consolidated financial statements of its parent entity. The consolidated financial statements of the parent shall include the activity of the Proposer. Such financial statements of the parent must meet the criteria set forth in the preceding item 4.7.2(1). The Proposer shall also submit its own financial statements in accordance with the preceding item 4.7.2(1). If a Proposer submits the consolidated financial statements of its parent, the parent must serve as guarantor of the Proposer and must certify to the Lottery the availability of the parent's resources to the Proposer, and the parent shall also be held accountable for, and shall unconditionally guarantee, the prompt and complete performance of all terms and conditions of the RFP and the resulting Contract applicable to Proposer and shall sign the RFP and execute the Contract as such guarantor.*

As a subsidiary of Scientific Games Corporation, Scientific Games International, Inc. satisfies our financial responsibility submission requirements by submitting the consolidated financial statements of our parent entity. The consolidated financial statements of our parent entity include the activity of Scientific Games International, Inc. (the Proposer). The financial statements of our parent meet the criteria set forth in the preceding item 4.7.2.1. We have also submitted our own financial statements in accordance with the preceding item 4.7.2.1.

On the following page we provide a guarantor letter which certifies to the Lottery the availability of Scientific Games Corporation's resources to Scientific Games International, Inc.

We understand and agree that Scientific Games Corporation, the parent, will also be held accountable for, and will unconditionally guarantee, the prompt and complete performance of all terms and conditions of the RFP and the resulting Contract applicable to Scientific Games International, Inc. and will sign the RFP and execute the Contract as such guarantor.

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Scientific Games Corporation
750 Lexington Avenue, 25th Floor
New York, New York 10022
(212) 754-2233

April 5, 2010

Ms. Angela Zgabay-Zgarba
Contracts Administrator
Texas Lottery Commission
P.O. Box 16630
Austin, TX 78761-6630

Re: Request for Proposals for Lottery Operations and Services No. 362-10-0001

Dear Ms. Zgabay-Zgarba:

Section 4.7.2 paragraph 2 of the above referenced RFP states a Proposer must provide the following information:

“If a Proposer submits the consolidated financial statements of its parent, the parent must serve as guarantor of the Proposer and must certify to the Lottery the availability of the parent’s resources to the Proposer, and the parent shall also be held accountable for, and shall unconditionally guarantee, the prompt and complete performance of all terms and conditions of the RFP and the resulting Contract applicable to Proposer and shall sign the RFP and execute the Contract as such guarantor”.

Please accept the following certification as the response to this requirement.

Scientific Games International, Inc., the Proposer in the aforementioned paragraph, is a wholly owned subsidiary of Scientific Games Corporation. Scientific Games Corporation does hereby certify that it will support Scientific Games International, Inc. in the performance of the requirements of this Contract and will make available to Scientific Games International, Inc. any and all of its resources, as required, to fulfill Scientific Games International Inc.’s obligations under this Contract. Furthermore, as required by the RFP, Scientific Games Corporation agrees to be held accountable for, and unconditionally guarantees, the prompt and complete performance of all terms and conditions of the RFP and the resulting contract and shall execute the Contract as guarantor.

Sincerely,

SCIENTIFIC GAMES CORPORATION

A handwritten signature in black ink, appearing to read 'Jeff Lipkin', written over the printed name and title.

Jeff Lipkin
Vice President and Chief Financial Officer

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4.7.2.3 SUBMISSION INVOLVING JOINT PARTICIPANTS

RFP Requirement: *If the submission involves joint participants as opposed to a subsidiary submission relying on the financial soundness of its parent, the Proposal must include the financial statements required by item 4.7.2(1) for each joint participant. The Proposal shall designate only one of the joint participants as the primary contractor and that joint participant shall be primarily and unconditionally obligated for the performance of all terms and conditions of the RFP and the resulting Contract applicable to Proposer. The Proposal shall specify those services to be performed by such primary joint participant and those services to be performed by each other joint participant. Each joint participant other than the primary joint participant (who shall be obligated as described above) shall be unconditionally obligated for the performance of all terms and conditions of the RFP and the resulting Contract applicable to the services to be provided by such joint participant.*

Scientific Games' proposal submission does not involve joint participants.

4.7.2.4 EXTERNAL BORROWING

RFP Requirement: *If the Proposer plans to fund its obligations under the Contract with borrowing from one or more external sources, the Proposer must provide a commitment letter in an appropriate amount and in form and substance acceptable to the Lottery, from a creditor or other obligors acceptable to the Lottery.*

Scientific Games does not intend to borrow any or all of the funding for the project. Therefore we are not required to provide a letter of commitment from a creditor acceptable to the Lottery.

4.7.3 CHANGE IN FINANCIAL PERFORMANCE

RFP Requirement: *The Proposal must include an undertaking by the Successful Proposer to notify the Texas Lottery of a change in financial condition during the Contract term and any renewal thereof. If a Proposer experiences a material adverse change during the period prior to the award of any Contract pursuant to the RFP, or if the Successful Proposer experiences a material adverse change during the term of the Contract or any extension thereof, the Proposer shall notify the Texas Lottery in writing of such change at the time the change occurs or is identified. Failure to notify the Texas Lottery of such material adverse change will be sufficient grounds for rejecting the Proposal or terminating any Contract. The term "material adverse change" shall mean any change or changes that individually or in the aggregate are materially adverse to (i) the assets, properties, Business, results of operations or financial condition, taken as a whole, of the Proposer or other applicable obligor, (ii) the ability of the Proposer or such other obligor to perform its or their obligations under the Contract, or (iii) the legality or enforceability against the Proposer or such obligor of the Contract.*

If selected as the successful proposer, Scientific Games' proposal will include an undertaking to notify the Texas Lottery of a change in financial condition during the Contract term and any renewal thereof. Furthermore, if Scientific Games experiences a material adverse change during the period prior to the award of any Contract pursuant to the RFP, or if the Successful Proposer experiences a material adverse change during the term of the Contract or any extension thereof, Scientific Games will notify the Texas Lottery in writing of such change at the time the change occurs or is identified. We acknowledge and agree that failure to notify the Texas Lottery of such material adverse change will be sufficient grounds for rejecting the Proposal or terminating any Contract. We understand the term "material adverse change" will mean any change or changes that individually or in the aggregate are materially adverse to (i) the assets, properties, Business, results of operations or financial condition, taken as a whole, of Scientific Games or other applicable obligor, (ii) the ability of Scientific Games or such other obligor to perform its or their obligations under the Contract, or (iii) the legality or enforceability against Scientific Games or such obligor of the Contract.

4.7.4 SUPPLEMENTAL INFORMATION

RFP Requirement: Provide the following information in narrative form in order to assist the Lottery staff in evaluating the financial soundness of the Proposer:

In the following subsections, we provide information in narrative form in order to assist the Lottery staff in evaluating the financial soundness of Scientific Games.

4.7.4.1 OFF-BALANCE SHEET ARRANGEMENTS

RFP Requirement: Describe the Proposer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Proposer's financial condition, changes in financial condition, revenues or expenses, results of operations liquidity, capital expenditures or capital resources that could reasonably be deemed to be material to the financial soundness of the Proposer. In preparing the response to this item, Proposer should refer to the disclosure instructions relating to off-balance sheet arrangements set forth in Securities and Exchange Commission Regulation S-K, in paragraph (a)(4) of Item 303.

Scientific Games does not have any off-balance sheet arrangements.

4.7.4.2 DEFAULTS ON SECURITIES

4.7.4.2.A MATERIAL DEFAULT

RFP Requirement: If there has been any material default in the payment of principal, interest or any other material default not cured within 30 days, with respect to any indebtedness of the Proposer or any of its significant subsidiaries exceeding 5 percent of the total assets of the Proposer and its consolidated subsidiaries, describe the indebtedness (including the amount thereof) and the nature of the default.

Scientific Games has not had any material default in the payment of principal, interest or any other material default not cured within 30 days, with respect to any indebtedness of Scientific Games or any of its significant subsidiaries exceeding five percent of the total assets of Scientific Games and its consolidated subsidiaries.

4.7.4.2.B MATERIAL ARREARAGE

RFP Requirement: If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the Proposer, or with respect to any class of preferred stock of any significant subsidiary of the Proposer, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage.

Scientific Games has had no occurrences of any material arrearage in the payment of dividends or any other material delinquency not cured within 30 days, with respect to any class of preferred stock of Scientific Games, or with respect to any class of preferred stock of any significant subsidiary of Scientific Games.

4.7.4.3 BUSINESS PLANS

RFP Requirement: Describe any business plans, including any planned acquisitions, that Proposer or any of its significant subsidiaries has which, if implemented, could be reasonably be expected to constitute a significant risk factor to the future financial soundness of the Proposer.

Scientific Games has no known business plans, including any planned acquisitions, or any of its significant subsidiaries which, if implemented, could be reasonably be expected to constitute a significant risk factor to the future financial soundness of Scientific Games.

4.7.4.4 LIQUIDITY AND CAPITAL RESOURCES

4.7.4.4.A KNOWN TRENDS

RFP Requirement: Describe any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Proposer's liquidity increasing or decreasing in any material way. If a material deficiency is identified, indicate the course of action that the Proposer has taken or proposes to take to remedy the deficiency. Also identify and separately describe internal and external sources of liquidity, and briefly discuss any material unused sources of liquid assets.

Scientific Games has no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in Scientific Games' liquidity increasing or decreasing in any material way.

Also, as noted in our 10-K annual report, as of December 31, 2009, Scientific Games has approximately \$167.9 million available for additional borrowing or letter of credit issuance under our \$250.0 million senior secured revolving credit facility.

4.7.4.4.B MATERIAL COMMITMENTS

RFP Requirement: Describe the Proposer's material commitments for capital expenditures as of the end of the latest fiscal year for which financial statements are being furnished, and indicate the general purpose of such commitments and the anticipated source of funds needed to fulfill such commitments. Also describe any known material trends in the Proposer's capital resources. Indicate any expected material changes in the mix and relative cost of such resources. The discussion shall consider changes between equity, debt and any off-balance sheet financing arrangements.

As of the end of fiscal 2009, Scientific Games had a contractual commitment to deploy a new online gaming system for the Hoosier Lottery as a result of winning a competitive procurement. The anticipated source of funds for the Indiana capital expenditures is expected to be cash flows from normal operations. In FY 2009, capital expenditures and wagering systems expenditures were funded by cash flows from operations and this trend is expected to continue. We do not currently expect any material changes in the mix and relative cost of resources or changes between equity and debt. As stated above, we have no off-balance sheet arrangements.

4.7.5 ADDITIONAL FINANCIAL INFORMATION

RFP Requirement: The Texas Lottery reserves the right to require any additional information necessary to evaluate the financial soundness of the Proposer or other applicable obligors, or their ability to perform the obligations under the Contract.

Scientific Games understands that the Texas Lottery reserves the right to require any additional information necessary to evaluate the financial soundness of Scientific Games or other applicable obligors, or their ability to perform the obligations under the Contract.

4.8 BACKGROUND INVESTIGATIONS

4.8.1 PROPOSER BACKGROUND INVESTIGATIONS

RFP Requirement: The Texas Lottery Commission may initiate investigations into the backgrounds of any (a) Apparent Successful Proposer; (b) any of the Apparent Successful Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in Texas Government Code Ann. § 466.155, (collectively, Apparent Successful Proposer Principals); (c) any of Apparent Successful Proposer's employees; (d) any of Apparent Successful Proposer's subcontractors, or subcontractors' officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Apparent Successful Proposer it deems appropriate. The Texas Lottery Commission may also request background information for a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Apparent Successful Proposer, any Apparent Successful Proposer Principals, or Apparent Successful Proposer employees described above. Such background investigations may include fingerprint identification by the Texas Department of Public Safety, the Federal Bureau of Investigation, and any other law enforcement agency. The Texas Lottery may reject a Proposal and/or terminate any Contract resulting from this RFP based solely upon the results of these background investigations. Per Amendment No. 17, The Apparent Successful Proposer shall pay all costs incurred by the Texas Lottery Commission in conducting the initial vendor background investigation. To facilitate the payment of these costs, the Successful Proposer shall post funds with the Texas Lottery from which the Texas Lottery can draw to pay for such costs and shall replenish those funds, as requested by the Texas Lottery should the Texas Lottery determine that additional funds are required.

Scientific Games understands and agrees that the Texas Lottery Commission may initiate investigations into the backgrounds of any (a) Apparent Successful Proposer; (b) any of the Apparent Successful Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in Texas Government Code Ann. § 466.155, (collectively, Apparent Successful Proposer Principals); (c) any of Apparent Successful Proposer's employees; (d) any of Apparent Successful Proposer's subcontractors, or subcontractors' officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Apparent Successful Proposer it deems appropriate. Furthermore, we acknowledge that the Texas Lottery Commission may also request background information for a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Apparent Successful Proposer, any Apparent Successful Proposer Principals, or Apparent Successful Proposer employees described above. Such background investigations may include fingerprint identification by the Texas Department of Public Safety, the Federal Bureau of Investigation, and any other law enforcement agency. We acknowledge that the Texas Lottery may reject a proposal and/or terminate any Contract resulting from the RFP based solely upon the results of these background investigations.

4.8.2 FACILITATION OF BACKGROUND INVESTIGATIONS

RFP Requirement: In order to facilitate the background investigations, the Apparent Successful Proposer, including the parent or subsidiary of the Apparent Successful Proposer, shall complete and return:

(a) The Texas Lottery's Background Information Certified List of Vendor Principals Form (Attachment E-2) within three (3) Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

(b) The Texas Lottery's Background Packet (Attachment E) within ten (10) Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

(c) The "Personal Background Disclosure Form" (Attachment E-1) for all Apparent Successful Proposer Principals and any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of an Apparent Successful Proposer Principal within ten (10) Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

If selected as the apparent successful proposer, Scientific Games, including the parent or subsidiary of Scientific Games, will, in order to facilitate the background investigations, complete and return the following:

4.8.2.A CERTIFIED LIST OF VENDOR PRINCIPALS FORM (ATTACHMENT E-2)

RFP Requirement: The Texas Lottery's Background Information Certified List of Vendor Principals Form (Attachment E-2) within three (3) Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

If selected as the apparent successful proposer, Scientific Games will complete and return the Texas Lottery's Background Information Certified List of Vendor Principals Form (Attachment E-2) within three Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

4.8.2.B BACKGROUND PACKET (ATTACHMENT E)

RFP Requirement: The Texas Lottery's Background Packet (Attachment E) within ten (10) Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

If selected as the apparent successful proposer, Scientific Games will complete and return the Texas Lottery's Background Packet (Attachment E) within ten Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

4.8.2.C PERSONAL BACKGROUND DISCLOSURE FORM (ATTACHMENT E-1)

RFP Requirement: The "Personal Background Disclosure Form" (Attachment E-1) for all Apparent Successful Proposer Principals and any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of an Apparent Successful Proposer Principal within ten (10) Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

If selected as the apparent successful proposer, Scientific Games will complete and return the Personal Background Disclosure Form" (Attachment E-1) for all Scientific Games Principals and any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of a Scientific Games Principal within ten Working Days after the written Announcement of the Apparent Successful Proposer by the Texas Lottery.

4.8.3 ADDITIONAL BACKGROUND INFORMATION

RFP Requirement: The Texas Lottery reserves the right to require additional background information.

Scientific Games acknowledges that the Texas Lottery reserves the right to require additional background information.

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TEXAS LOTTERY

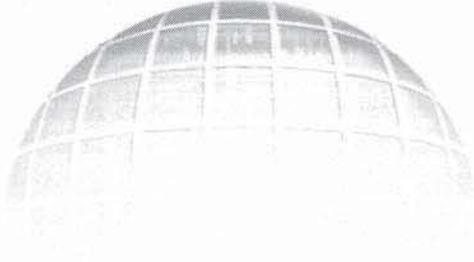
PART 4: SUPPLEMENTAL DOCUMENTATION





PART 4 – SUPPLEMENTAL DOCUMENTATION

As referenced in Sections 4.3, 4.3.2, and 4.3.3, resumes for all Scientific Games corporate directors/officers, key management, and staff members who will be engaged to provide direction or oversight, work on the transition project, and provide ongoing support for the Texas Lottery account can be found on the following pages.



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TEXAS LOTTERY

RESUMES





CHRISTOPHER ALLEN

1

PROPOSED POSITION

Director, Instants Marketing

CURRENT POSITION

Director, Instants Marketing

CONTRACT RESPONSIBILITIES

Christopher will be responsible for the strategic development and execution planning for traditional instants lottery marketing.

SUMMARY

Christopher has five years of lottery experience and has been responsible for the development of strategic analysis and marketing planning solutions.

RELEVANT EXPERIENCE

2008-Present, Scientific Games – Director, Instants Marketing

- Responsible for the strategic development and execution planning for traditional instants lottery marketing
- Uses state-of-the-art analytics and Scientific Games best practices to refine game planning design, execution and tracking
- Develops and evaluates the impact of growth strategies for increasing market penetration and sales revenues, incorporating global best practice comparisons, and assessing market trends

2005-2008, Scientific Games – Business Analyst, Global Marketing

- Assisted the sales and marketing department in marketing plan development and strategic analysis

EDUCATION/CERTIFICATIONS

- Leeds University, Leeds, UK – B.Eng. Civil Engineering & Management, 1997

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LESLIE BADGER

3

PROPOSED POSITION

Senior Director, Lottery Product Marketing

CURRENT POSITION

Senior Director, Lottery Product Marketing

CONTRACT RESPONSIBILITIES

Leslie will oversee and support the strategic marketing and planning of the lottery product portfolio and facilitate the development of new lottery products and services by interfacing with the TLC Account Team. She will provide guidance and direction to the creation of the annual marketing plans and ensure that they complement the TLC's marketing strategies.

SUMMARY

Leslie is a 12-year veteran of the lottery industry and has broad expertise in strategic marketing planning, game development, market research, data analysis, presentation and proposal development, and corporate communications/branding.

RELEVANT EXPERIENCE

2008-Present, Scientific Games – Senior Director, Lottery Product Marketing

- Leads the product development, promotions planning, game design, and retailer execution programs for both online and instant product portfolios in North America
- Serves as Product Manager for cross-sell initiative and premium national game development
- Serves as subject matter expert for digital content management (Lottery InMotion)

2004-2008, Scientific Games – Director, Online Marketing

- Managed the marketing activities of 16 lottery jurisdictions, over 35,000 retailers, the successful launch of more than 25 online games, and deployment of the company's first wirelessly updated jackpot signs

2002-2004, Scientific Games – Marketing Manager, Tri-State Lotteries

- Led increased lottery revenues in Maine (12.9%), New Hampshire (7.1%), and Vermont (16.3%)

1998-2000, Pollard Banknote (Winnipeg, Canada) – International Marketing Manager

- Led the account management and sales activities in Australia, Asia, and Canada

LOTTERY PROJECTS

Leslie's portfolio of lottery projects includes many North American and international lotteries including implementation activities in Connecticut, Maryland, Oklahoma and Puerto Rico.

EDUCATION/CERTIFICATIONS

- University of Manitoba, Canada – Bachelor of Commerce (Honors), 1990
- Erehwon Lottery College, Australia, 1999

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**PROPOSED POSITION**

President, Lottery Systems and Chief Technology Officer

CURRENT POSITION

President, Lottery Systems and Chief Technology Officer

CONTRACT RESPONSIBILITIES

Steve will provide executive leadership within our individual business units to ensure the effective execution of our technology strategy worldwide. He will serve as the TLC Executive Sponsor.

SUMMARY

Steve is a 25-year veteran of the lottery industry and is the key executive in determining the next generation of equipment and services offered to our customers. He sponsored and supported an effort to provide lotteries with a more easily customized interface for retailer terminals through XML technologies that make it easy to change the design layout, action layers, and content management of the retail terminal's graphical user interface.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – President, Lottery Systems & CTO***

- Directs Scientific Games' overall technology strategy including software design, development, communications, and research and development

1998-2005, Hong Kong Jockey Club – Executive Director, Information Technology

- Managed 425 full-time engineers and managers with a budget in excess of \$50 million, providing products and services for the enterprise's management information system and betting operations, which were responsible for \$10 billion in annual revenue in a mission-critical environment

1981-1998, GTECH Corporation – Vice President, Software Engineering

- Managed a staff of 360 full-time engineers and managers with a budget in excess of \$35 million, providing products and services to lotteries, gaming entities, and governments worldwide, with corporate revenues that approached \$1 billion

EDUCATION/CERTIFICATIONS

- Kellogg University and Hong Kong University of Science and Technology – M.B.A., 2005

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**PROPOSED POSITION**

Manager, Production Systems

CURRENT POSITION

Manager, Production Systems

CONTRACT RESPONSIBILITIES

Brad will manage the procurement, receipt, assembly, configuration, and installation of all servers related to development, quality assurance, and actual production lottery systems.

SUMMARY

Brad has been with Scientific Games for 8 years. His experience includes performing installations and start-ups and serving as systems administrator.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Manager, Production Systems***

- Responsible for ensuring production systems servers are received, assembled, and configured in accordance with contract requirements
- Installs and configures operating systems, domain structures and architectures, initial user and group security as well as domain-level group policies
- Assists the operations support team with troubleshooting systems problems relating to hardware, operating systems, domains, trusts, and systems security
- Coordinates delivery and installation of production systems at customer sites

2004-2005, Scientific Games – Server Engineer

- Assisted the systems architect in systems capacity planning and design
- Received and tracked all server components and related project equipment
- Assembled servers, workstations, printers and rack-mounted equipment for installation in production lottery systems

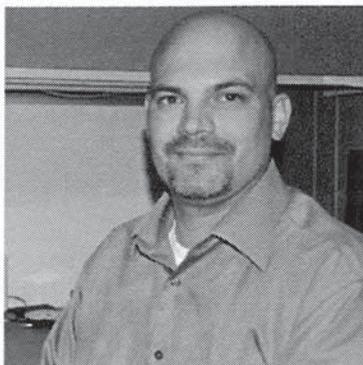
2002-2004, Scientific Games – Systems Administrator, Delaware

- Managed daily operations of the Delaware Lottery instant systems

EDUCATION/CERTIFICATIONS

- Information Redacted
- §552.101/466.022/552.139
- Comp TIA A+ Certified

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PROPOSED POSITION

Senior Project Manager

CURRENT POSITION

Director, Gaming Systems Implementation and Support

CONTRACT RESPONSIBILITIES

Cory will be the secondary contact on all matters related to the implementation project. He will support the Project Director in the implementation project.

SUMMARY

Cory has over 6 years of lottery experience. He served as the infrastructure project manager for the Pennsylvania and Connecticut online conversions. He was also the software quality assurance manager for online and video jurisdictions and the senior project manager for the Iceland implementation.

RELEVANT EXPERIENCE

2008-Present, Scientific Games – Director, Gaming Systems Implementation and Support

- Manages production systems, corporate operations support and network teams
- Manages technical effort for new implementations and conversions, including infrastructure network, terminal communications, telephony/network of new facilities, gaming systems procurement and build-out, and change management

2007-2008, Consultant for Scientific Games – Infrastructure Project Manager

- Managed infrastructure deliverables for the Connecticut and Pennsylvania online conversions

2006-2007, Consultant for IBM – Senior Technical Project Manager

- Coordinated the procurement, set-up, and replacement of 125 call center servers in 30 locations in 10 countries

2004-2006, Scientific Games – Senior Project Manager, Software Quality Assurance Manager

- Managed team of software quality assurance testers for online and video jurisdictions
- Managed the Iceland online implementation; responsible for software development, manufacturing, network, training, gaming system, and field service efforts

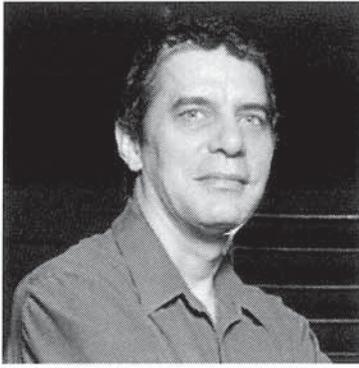
1997-2004, IBM – Senior Project Manager

- Served as senior project manager for several large IBM Global Services accounts

EDUCATION/CERTIFICATIONS

- North Dakota State College of Science, Wahpeton, ND – Computer Science Degree, 1995
- George Washington University, Washington, DC – Project Management Masters Certificate
- Stanford University, Stanford, CA – Advanced Project Management Masters Certificate
- Project Management Institute – Project Management Professional (PMP)

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CHARLES BOYKIN

11

PROPOSED POSITION

Senior Game Designer

CURRENT POSITION

Senior Game Designer

CONTRACT RESPONSIBILITIES

Charles will be responsible for the design and modification of online lottery games; sales estimates and forecasts for existing and new games; game model simulations; and jackpot management guidance.

SUMMARY

Charles has four years of lottery experience. Prior to joining Scientific Games in 2006 as a game designer, Charles was a mathematics professor for 13 years. He taught courses in logic, probability, statistics, discrete mathematics, linear algebra, calculus, trigonometry and algebra.

RELEVANT EXPERIENCE

2006-Present, Scientific Games – Senior Game Designer

- Serves as lead game designer for the sales and marketing group
- Oversees online game design and modification
- Provides sales estimates, forecasts, and game model simulations
- Performs probability and other mathematical calculations

1992-2006, University of North Texas, Texas Woman's University, Penn State – Professor

- Taught undergraduate mathematics courses

EDUCATION/CERTIFICATIONS

- University of North Texas, Denton, TX – Ph.D. Mathematics, 2003
- University of North Texas, Denton, TX – M.S. Mathematics, 1994
- Salisbury State University, Salisbury, MD – B.S. Mathematics, 1991

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**PROPOSED POSITION**

Director of Security

CURRENT POSITION

Chief Information Security Officer

CONTRACT RESPONSIBILITIES

John will oversee the overall security of all facilities and systems. He will supervise security staff and ensure maintenance agreements are renewed with equipment vendors. He will also conduct system and equipment tests as required on backups, fire, HVAC, and security equipment. John will serve as an integral part of the TLC Executive Management Team.

SUMMARY

John has more than 25 years of information system telecommunications, data automation, and IT security management experience including serving as Director of Operations with GTECH Corporation. John also has an extensive industrial security background and has actively planned and managed the installation of various law enforcement networks associated with the Federal Bureau of Investigation, the Drug Enforcement Agency, Customs, the Department of Defense, and the Joint Chiefs of Staff.

RELEVANT EXPERIENCE***2008-Present, City of San Antonio – Chief Information Security Officer***

- Manages the implementation of technologies to enhance security

2008, United States Air Force – Technical Security Project Manager***2002-2008, NSUNTEC – Director of Security Operations***

- Analyze, develop business contingency plans (BCP), and disaster recovery

2000-2002, Western Resources – Director IT Security***2000, TIMM Communications – Director IT Technical Project Operations******1998-2000, GTECH Corporation – Director of Operations***

- Managed control room operations, network administration, system administration, database administration, and quality assurance for lottery systems
- Designed and developed first internet and intranet reporting systems

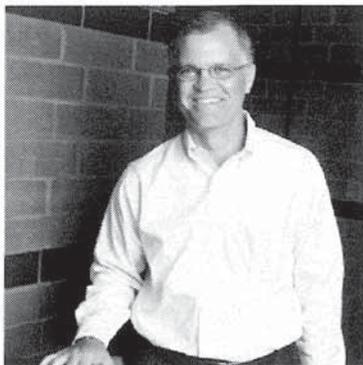
LOTTERY PROJECTS

John's portfolio of lottery projects includes California, Kansas, Missouri, Nebraska and Rhode Island.

EDUCATION/CERTIFICATIONS

- Coast Guard, Petaluma CA – Telecommunication and Information System Management
- Department of Defense, San Antonio, TX – Advanced Department of Defense Information Technology Security Certification and Accreditation Process (DITSCAP)

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**PROPOSED POSITION**

President and Chief Executive Officer

CURRENT POSITION

President and Chief Executive Officer

CONTRACT RESPONSIBILITIES

Mike has overall executive leadership in aligning Scientific Games, internally and externally, with its strategic vision.

SUMMARY

Mike has a distinguished career of more than 25 years of executive leadership in the lottery industry. Since joining Scientific Games in 2005, he has focused on improving operating efficiencies, improving customer satisfaction, leading new product development, and global business development. Earlier in his career, Mike played a major leadership role with the initial Texas Lottery implementation.

RELEVANT EXPERIENCE***2010-Present, Scientific Games – President and Chief Executive Officer***

- Responsible for the overall strategic and operational plans for Scientific Games, including product strategy, development, capital allocation and implementation
- Provide direction and leadership toward achievement of the organization's mission and its strategic vision, annual goals and objectives

2005-2009, Scientific Games – President and Chief Operating Officer

- Presided over 5,500 employees supporting full gaming services worldwide
- Managed implementation and delivery of contract services for lottery technology systems, instant ticket management services, retail product technology, and lottery games
- Executive sponsor of the company's strategic expansions in China and Italy

2000-2005, Environmental Systems Products, Inc. – President and Chief Executive Officer

- Responsible for worldwide operations and more than 3,000 employees

1999-2000, Transmedia Inc. – Chief Executive Officer

- Full profit and loss responsibility for European and U.S. operations

1980-1998, GTECH Corporation – President

- Led the growth of revenues from \$1 million to nearly \$1 billion

EDUCATION/CERTIFICATIONS

- Southern Connecticut State University, New Haven, CT – B.S. Economics, 1979
- The American University, Kogod College of Business, Washington, D.C. – Finance Courses toward M.B.A., 1981
- The Wharton School of Business, Philadelphia, PA – Executive Program/Finance and Accounting, 1987

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PROPOSED POSITION

Human Resources Manager

CURRENT POSITION

Human Resources and Training Consultant

CONTRACT RESPONSIBILITIES

Curtis will be responsible for all human resource activities including employment, compensation, labor relations, benefits, and training and development. He will develop and maintain relationship with local employment agencies, universities, technical schools, and other recruitment sources. Curtis will prepare and maintain on-site job documentation as well as a job evaluation system. He will coordinate equal-opportunity programs to achieve diversity goals and will serve as an integral part of the TLC Executive Management Team.

SUMMARY

Curtis has nearly 25 years of human resources and employee relations experience, including 13 years with GTECH. While at GTECH, he received the President's Award for outstanding leadership.

RELEVANT EXPERIENCE

2005-Present, Scientific Games – Human Resources and Training Consultant

- Provides consulting services for various clients
- Creates employee guidebooks, policy manuals, job competencies, behavioral employment interviewing systems, job restructuring analysis, and training curriculums
- Trains managers in communication skills and performance management

1991-2004, GTECH Corporation – Director and various other leadership positions

- Led initiatives to identify and develop new business opportunities
- Developed sales plan and training objectives for marketing department
- Directed human resources for 11 global departments
- Introduced the company's first minority recruitment plan
- Created a company-wide competency model and skills inventory system used for leadership development, performance management, and recruiting
- Devised new hire orientation programs
- Recruited, directed, and evaluated multiple outside vendors

1986-1991, Budget Rent-a-Car – Corporate Human Resources Manager

- Directed human resources department

EDUCATION/CERTIFICATIONS

- Wayne State University, Detroit, MI – M.A. Industrial Relations
- Michigan State University, East Lansing, MI – B.A. Social Science

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**PROPOSED POSITION**

Training Specialist

CURRENT POSITION

Training Specialist

CONTRACT ROLE

Jamie will serve as the Training Specialist. She will be responsible for coordinating all learning solutions for Corporate Accounts including maintaining and adjusting training schedules, plans, and budgets. Jaime will report all training results to the TLC.

SUMMARY

Jamie has seven years of lottery experience. Earlier in her career, she was a courseware developer at Reynolds and Reynolds where she produced a variety of educational and training programs for finance, insurance, and accounting personnel.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Training Specialist***

- Designs and implements various learning solutions for lottery conversion projects
- Develops, maintains, adjusts training schedules, and gathers training requirements for lottery and retailer training
- Designs and develops training for lottery staff, retailers, and Scientific Games personnel

2003-2007, Scientific Games – Senior Technical Writer

- Developed documentation plans containing structure, content, and time schedules
- Provided second authoring and editing on documents as needed

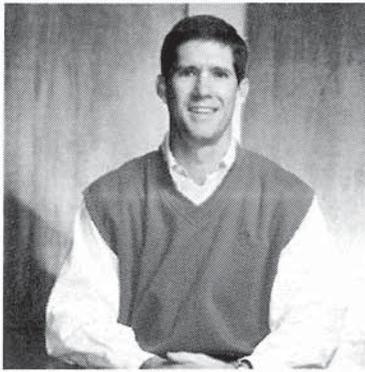
1995-1997, Reynolds and Reynolds – Courseware Developer

- Developed educational and training programs for finance, insurance, and accounting personnel

EDUCATION

- Hollins University, Roanoke, VA – B.A. Computers, Statistics, and Mathematics, 1987

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**PROPOSED POSITION**

Senior Network Architect

CURRENT POSITION

Senior Network Architect

CONTRACT RESPONSIBILITIES

Tony will provide technical design and review for all network communications hardware and configuration.

SUMMARY

Tony has more than 16 years of experience with the direct design, implementation, and integration of large scale networks.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Senior Network Architect***

- Performs installation and testing of automatic failover on all critical network hardware
- Responsible for all network design, hardware selection, and costing for RFP responses
- Leads the design and technical review of all internal LANs/WANs
- Designed and implemented the network for Michigan Bingo, providing an automatic and hands-off failover between VSAT hubs

2004-2007, Colonial Pipeline Company – Senior Network Engineer

- Managed design, installation and maintenance of LAN, WAN, wireless, and security aspects for the entire company consisting of 170 locations
- Performed research and testing of new equipment and technologies
- Managed service and equipment vendor relationships

1994-2004, Northern Trust Retirement Consulting – Senior Network Engineer

- Directed engineers responsible for all facets of the enterprise network and server environments including design, security, testing, implementation and administration

EDUCATION/CERTIFICATIONS

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PROPOSED POSITION

Systems Architect

CURRENT POSITION

Systems Architect

CONTRACT RESPONSIBILITIES

Adam will manage all interface design phases of the _____ system platform, supporting all interfaces for operations in new lottery environments and applications.

SUMMARY

Adam has 8 years of lottery experience. His current responsibilities include designing the interface into _____ environment as well as auditing and reviewing lottery environments to ensure they meet the needs of the customer.

RELEVANT EXPERIENCE***2009-Present, Scientific Games – Systems Architect***

- Designs and maintains interfaces to support the _____ platform
- Audits lottery environments to meet lottery expectations as well as MUSL or other standards

2007-2009, Scientific Games – Manager, National Data Center

- Led the operations of all Scientific Games' customers and staff in the National Data Center

2006-2007, Scientific Games – Systems Engineer

- Wrote and maintained scripts in Bash, Korn, C, and Bourne shell
- Managed and supported all user security on corporate _____ X systems (24/7)

2004-2006, Scientific Games – Operations Manager

- Assisted in the start-up of the Oklahoma Lottery project
- Managed the complete overview of new lottery games including creation of functional specifications, user acceptance testing, and software installation into production systems
- Directed the complete overview of new games for the Hoosier Lottery, including creation of functional specifications, user acceptance testing, and software installation into production systems

2002-2005, Scientific Games – Systems Administrator

- Managed _____ systems by routine monitors, file system checks, and updating software

EDUCATION/CERTIFICATIONS

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**PROPOSED POSITION**

Director, Logistics

CURRENT POSITION

Director, Logistics

CONTRACT RESPONSIBILITIES

Moe will manage all contract facility needs, from the design phase through final certificate of occupancy. His responsibilities will include support of the infrastructure, lease extensions, and any tenant/landlord interaction.

SUMMARY

Moe has more than 14 years of lottery build-out experience. He has overseen the construction and maintenance of more than 50 facilities and has extensive knowledge of building codes and standards including the National Electric Code, the National Fire Protection Association, and the Americans with Disabilities Act. Moe is also responsible for managing fleet needs in support of gaming contracts.

RELEVANT EXPERIENCE***2003-Present, Scientific Games – Director, Logistics***

- Works with brokers in determining facilities that are best suited for lottery operations
- Develops real estate contracts/leases for lottery operations
- Analyzes contractual commitments, customer specifications, design changes, and other data to plan and develop contract facilities from conceptual stage through conclusion
- Plans, budgets, and schedules lease and modifications
- Inspects construction and installation progress to ensure conformance to specifications, including building space allocation, layout, and communication services

2001-2003, Scientific Games – Manager, Logistics and Purchasing

- Managed purchasing and inventory; assured pricing, design, quality, and consumables
- Responsible for the management of Scientific Games fleet across all business segments

1996-2001, Scientific Games/Autotote – Purchasing Manager

- Managed purchasing operations, facility design, contract, and construction

LOTTERY PROJECTS

Moe's portfolio of lottery projects includes New Hampshire, Vermont, Iowa, Maine, Pennsylvania, Indiana, South Carolina, Oklahoma, West Virginia, Colorado, Maryland, Montana, Washington, DC, Ohio, Florida, Arkansas, Jamaica, Barbados, Mexico and Peru.

EDUCATION/CERTIFICATIONS

- Manchester Community College, Manchester, CT – Course work, Business Management

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**PROPOSED POSITION**

System Project Manager

CURRENT POSITION

System Project Manager

CONTRACT RESPONSIBILITIES

Eric will be responsible for the software development life cycles for new lottery start-ups and conversions.

SUMMARY

Eric has 4 years of lottery experience and an additional 10 years of information technology experience.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – System Project Manager***

- Oversees all aspects of AEGIS-EF development including host, terminal, communication front end, Lottery InSite, and Lottery InMotion development
- Directly assists the project manager with software development tasks, schedule, and budget
- Consults with lottery management on software specifications

2002-2005, Reliant Care – Chief Information Officer

- Managed all IT projects, budgets, infrastructure, communications, systems, support, security, and compliance
- Responsible for due diligence on acquisition targets, acquired company conversions, and assimilations

1999-2002, Reliant Care – Manager of Information Systems

- Developed, implemented, and supported all IT and telecom infrastructure and systems
- Managed multiple concurrent software development, infrastructure, and conversion projects

1996-1999, Tenet Healthcare – Network and Systems Engineer

- Provided senior systems and network engineering support for all Atlanta-area hospitals, satellite physician offices and skilled nursing facilities

LOTTERY PROJECTS

Eric's portfolio of lottery projects includes Colorado, Mexico, Indiana, Florida, Pennsylvania, Ohio, and Washington DC.

EDUCATION/CERTIFICATIONS

- Georgia State University, Atlanta, GA – B.B.A. Management Information Systems, 1995

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**PROPOSED POSITION**

Senior Manager, National Response Center

CURRENT POSITION

Senior Manager, National Response Center

CONTRACT RESPONSIBILITIES

Francesco will manage the National Response Center and will provide backup support to the Texas Regional Call Center.

SUMMARY

Francesco has 12 years of lottery-specific experience. He established the National Response Center in 2001 at Scientific Games' corporate headquarters in Alpharetta, Georgia. This state-of-the-art call center handles customer service calls from 15 lotteries, including over 45,000 retailers. He has most recently deployed a management tool — a first within the industry — which enhanced operational efficiencies and significantly improved response times to retailers.

RELEVANT EXPERIENCE***1998-Present, Scientific Games – Senior Manager, National Response Center***

- Manages the daily activities of National Response Center
- Interfaces with local field service, operations managers, project managers, and customer staff as appropriate during projects and implementations
- Supports local lottery call centers
- Assists with retailer licensing and oversees the 'cold calling' of potential retailers
- Serves as first point of contact between lottery retailers and field services
- Provides direction and guidance to all call center functions, providing first-level customer support diagnostics in the areas of computer hardware, software, system administration, local area network issues, creation, update, and dispatch of trouble tickets
- Directs and works with key staff to collect, analyze and report on key performance indicators, root cause, and service improvement plans
- Responsible for both the implementation and operational management of business continuity

EDUCATION/CERTIFICATIONS

- Gateway College, North Haven, CT – B.S. Computer Science, 1999

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**PROPOSED POSITION**

Online Product Specialist

CURRENT POSITION

Regional Marketing Manager

CONTRACT RESPONSIBILITIES

Liz will provide online game support to the Texas Lottery by assisting with annual planning, revenue projections, research, and industry trend analysis. Her main focus will be to increase revenue for the Texas Lottery by developing and implementing various sales, marketing, and customer initiatives.

SUMMARY

Liz has more than 21 years of lottery experience. She has comprehensive experience in the lottery industry encompassing all aspects of game development, game implementation, and marketing strategies. Her background includes online game development and analysis, sales and revenue analysis, and the development and implementation of marketing and promotional plans. Additionally, she has a broad overview of the entire lottery experience, including current discussions of the ramifications of gambling addiction as it relates to web-based gaming.

RELEVANT EXPERIENCE***2004-Present, Scientific Games – Regional Marketing Manager (Tri-state Lottery)***

- Collaborates with game design team to provide new and enhanced game ideas
- Coordinates with research team to provide in-depth and timely game research, player research, and industry trend analysis
- Consolidates and analyzes online and instant games sales information and trends
- Researches and presents marketing and merchandising ideas
- Performs promotion development and analysis for online and instant games

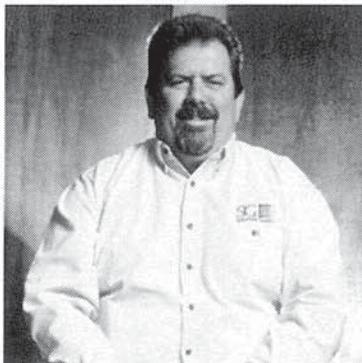
1989-2004, Scientific Games (formally Automated Wagering International and IGT-OES) – Marketing Manager, Delaware and Minnesota

- Collaborated with game design team to provide new and enhanced game ideas
- Created and developed online and instant game promotion ideas
- Provided merchandising support and sales analysis

EDUCATION/CERTIFICATIONS

- William Smith College, Geneva, NY – B.A., 1970
- State University of New York, Albany, NY – M.A., 1975
- Wilmington University, Dover, DE – Courses to fulfill requirements for M.B.A., 2001-2002

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**PROPOSED POSITION**

Manager, Telecommunications and Network Communications

CURRENT POSITION

Manager, Telecommunications and Network Communications

CONTRACT RESPONSIBILITIES

Stan will be responsible for all corporate and jurisdictional network implementations.

SUMMARY

Stan has over 9 years of experience in the lottery industry. As a network engineer, he has implemented data centers and established retailer communications.

RELEVANT EXPERIENCE***2002-Present, Scientific Games – Manager, Telecommunications and Network Communications***

- Manages the network team responsible for the implementation and support of 31 domestic and international lotteries
- Served as project manager for Connecticut online, Pennsylvania online, and Florida Cooperative Services Lottery network implementation efforts including the build-out of five data centers and deployment of five communications technologies to over 12,000 retailers
- Managed over 60 corporate enterprise and production projects

2001-2002, Scientific Games – Network Engineer

- Supported installation of Delaware video lottery network
- Served as Project Manager for Delaware Lottery wireless radio implementation

EDUCATION/CERTIFICATIONS

- Troy State University, Troy, AL – Bachelor of Music
- New Horizons –

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**PROPOSED POSITION**

Deputy Director of Technology

CURRENT POSITION

Senior Director, Online Services Management

CONTRACT RESPONSIBILITIES

In addition to directing the service delivery, David will meet with the TLC management staff regularly to provide status information and address issues and problems. He will lead the data center/operations, call center, and software delivery teams. In addition, David will direct the delivery of overall service, improvement plans, and ensure all service levels are met according to contract requirements.

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SUMMARY

David has 23 years of lottery-specific experience focused on operations and IT service management. Earlier in his career, David was part of a GTECH's Tiger Team that provided direction and guidance for the creation of the Data Centers of the Americas in

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Senior Director, Online Services Management***

- Leads data center operations, field service, and the National Response Center
- Supports communications, software, quality assurance, and internal customers using Information Technology Infrastructure Library (ITIL) framework

1987-2005, GTECH Corporation – Regional Director, U.S. Operations and various other leadership roles

- Developed a business plan to consolidate 26 sites to a centralized data center
- Led customer service and support, operations, software, and marketing for a staff of 60
- Coordinated the Camelot Lottery rollout war room which grew to 25,000 online terminals

LOTTERY PROJECTS

David's portfolio of lottery projects includes Texas, California, Pennsylvania, Florida, Connecticut, Maryland, Oklahoma, Washington, Michigan, Oregon, Kansas, Indiana, Kentucky, Wisconsin, Colorado, Idaho, Arizona, Louisiana, Tennessee, Wisconsin, Indiana, West Virginia, South Carolina, Delaware, United Kingdom, Mexico, and several smaller projects across most domestic states.

EDUCATION/CERTIFICATIONS

- Information Technology Infrastructure Library (ITIL) Foundation Certified, 2004
- Tulane University, New Orleans, LA – M.B.A. Executive Program, 2002
- Chadwick University, Birmingham, AL – B.S. in Business Administration, 1994

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**PROPOSED POSITION**

Sales Director

CURRENT POSITION

Chief Marketing Officer

CONTRACT RESPONSIBILITIES

Kelly will develop, manage, and guide the outside sales activities for the organization. She will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. She will be responsible for designing and applying the sales strategy and sales plan and will directly manage the activities of the ten District Sales Managers.

SUMMARY

With over 11 years of lottery-related experience, Kelly has solid analytical and team management skills as well as knowledge of all lottery sales processes. She has a proven track record of generating new business through strategic negotiation while cultivating new relationships with key decision makers. Kelly has a strong grasp of the gaming industry at retail and is able to use her knowledge mentoring Lottery Sales Representatives.

RELEVANT EXPERIENCE***2005-Present, 3D Interactive Marketing – Owner/Chief Marketing Officer***

- Provides innovative, state-of-the-art full motion graphics and interactive advertising

2002-2005, Little Creek Casino and Resort – Marketing Director

- Developed and executed marketing strategies, plans, programs and promotional activities

2000-2002, Timm Communications – Client Relations Manager

- Developed and incorporated corporate customer programs

1997-2000, GTECH CORPORATION/GameScape – Marketing Director

- Assisted with marketing projects in several states including California, Maryland, Kansas, Washington, Oregon, Kentucky, Wisconsin, Colorado, Nebraska, Arizona, and Wisconsin

1994-1997, Florida Lottery – District Sales Manager

- Managed and coordinated field marketing operations for the Orlando district retailers

1992-1994, Missouri Lottery – Sales Support Coordinator

- Managed, trained, and developed sales staff

1989-1992, Missouri Lottery – Sales Representative

- Assisted with implementation of promotions as well as account maintenance

EDUCATION/CERTIFICATIONS

- William Woods University, Fulton, MO – B.A. Business Administration, 1988

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PROPOSED POSITION

Instant Product Specialist

CURRENT POSITION

Account Manager

CONTRACT RESPONSIBILITIES

Jason will provide instant product support to the Texas Lottery by assisting with annual planning, revenue projections, research, and industry trend analysis as well as sales, marketing, and customer service efforts to increase revenue for the Lottery. He will plan and manage the regular market research on current and new instant product concepts. Jason will also design and present the annual instant ticket launch schedule under the direction of Lottery personnel. He will perform inventory reporting and analysis and will provide marketing analysis and prize structure support throughout the duration of the contract.

SUMMARY

Jason has more than 10 years of lottery experience. His background includes marketing research, database development and analysis, and marketing product analysis.

RELEVANT EXPERIENCE

2004-Present, Scientific Games – Account Manager

- Develops and implements the annual instant product launch strategy for the Florida Lottery based on the past performance of games including the development of new artwork and game play style ideas
- Develops all prize structures for the instant product
- Manages instant product inventory on a weekly basis
- Manages the production, distribution and maintenance of working papers for the Florida Lottery account

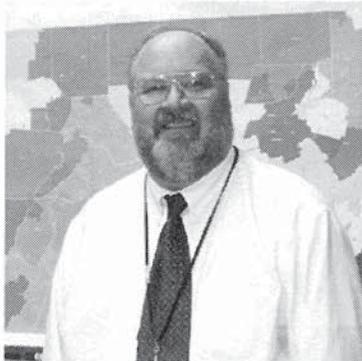
2000-2004, Scientific Games – Games Management Specialist, Coordinator and Analyst

- Collaborated with the Florida Lottery product manager to assure that the development and implementation of game launch schedules met lottery needs
- Designed and developed prize structures for all Florida Lottery instant product games
- Created, analyzed, and distributed charts and graphs of Florida Lottery instant product sales analysis to Lottery staff
- Managed the production, distribution, and maintenance of working papers for the Florida Lottery account

EDUCATION/CERTIFICATIONS

- Butler University, Indianapolis, IN – B.S. Marketing, 1995

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**PROPOSED POSITION**

Corporate/Chain Account Manager

CURRENT POSITION

Corporate/Chain Account Manager

CONTRACT RESPONSIBILITIES

Richard will be responsible for the management of existing corporate chain or key accounts and the recruitment and integration of new chain accounts. He will also be responsible for maintaining a positive relationship with trade associations and key partners such as NACS and TPCA.

SUMMARY

Richard has 23 years of experience in the lottery industry. His experience extends to both the online and instant operations with a focus on providing sales and marketing support.

RELEVANT EXPERIENCE***2009-Present, Scientific Games – Online Product Manager, Pennsylvania***

- Works with the Pennsylvania Lottery marketing and sales team to review and monitor the health and performance of online game portfolio
- Works with sales analyst to help design reports which will capture sales trends
- Works with promotions specialist and the key account manager to educate chain retailers regarding the benefits of selling and promoting the lottery
- Researches best practices in the industry to help the Pennsylvania Lottery reach their sales goals and better serve their corporate account partners

1990-2009, Scientific Games – Marketing Manager, Pennsylvania

- Directly managed the marketing staff and customer service training program to foster increased customer satisfaction with corporate accounts
- Worked closely with the Lottery's corporate group to ensure proper support programs were customized for each of the Lottery's chains

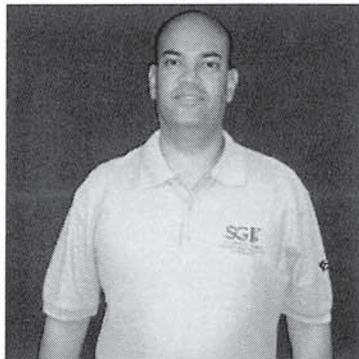
1987-1989, Scientific Games (formerly AWI) – Acting Project Manager, Illinois

- Held profit and loss responsibilities for the Illinois Lottery account
- Managed personnel in operations, marketing, and field service departments

EDUCATION/CERTIFICATIONS

- Governor's State University, University Park, IL – B.A., Business Administration, 1975

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Supervisor, Cooperative Services Program

CONTRACT RESPONSIBILITIES

Erixon will develop, manage, and guide sales activities for the Lottery Sales Representatives within his district. He will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. He will also apply and monitor the sales strategy and sales plan for his district.

SUMMARY

Erixon has been with Scientific Games for 5 years in a variety of sales and marketing roles, steadily progressing within the organization to his current position. His experience extends to both the online and instant operations. His current responsibilities include the management of three Tel-Sell representatives and three warehouse clerks. Erixon is fluent in English and Spanish.

RELEVANT EXPERIENCE***2009-Present, Scientific Games – Cooperative Services Program Supervisor, Puerto Rico***

- Supervises all instant games operation for Puerto Rico, including warehouse inventory, receiving, dispatching, retailer issues, and walk-in orders
- Works closely with the marketing manager and marketing sales representatives to ensure game exposure, in-store placement, and related in-store promotions.
- Responsible for staff, sales, inventory, retailer orders, and delivery

2005-2009, Scientific Games – Marketing Representative, Puerto Rico

- Worked with retailers to promote all online games
- Trained retailers on new products and promotional offers
- Conducted a variety of in-store promotions and monitored player feedback
- Performed marketing and site evaluations on behalf of the Lottery

EDUCATION/CERTIFICATIONS

- Catholic University, Mayaguez, PR – Business Administration and Computers, 1994

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**PROPOSED POSITION**

Regional Vice President, Government Relations

CURRENT POSITION

Regional Vice President, Government Relations

CONTRACT RESPONSIBILITIES

In cooperation with the Texas Lottery, Sean will increase awareness and highlight the benefits of the relationship between the Texas Lottery and Scientific Games within Texas governmental institutions.

SUMMARY

With over 16 years of experience in government affairs, Sean is the Scientific Games' lead representative to several prominent national political and policy associations including the National Governors' Association and the National Council of Legislators from Gaming States. He is also a member of the Georgia Chamber of Commerce Board of Directors.

RELEVANT EXPERIENCE***2008-Present, Scientific Games – Regional Vice President, Government Relations***

- Responsible for government relations function at the state and federal level

1998-2008, St. Joseph Medical Center – Director, Community and Government Relations

- Developed and executed all legislative and regulatory strategies to advance the interests and strategic plan
- Lobbied for legislation supporting SJMC mission

1997-1998, Maryland Association of Health Maintenance Organizations - Legislative Director

- Developed the agenda for the Association's legislative, finance, and Medicare committees
- Lobbied legislators and committee staff
- Tracked and monitored over 200 health and insurance related bills

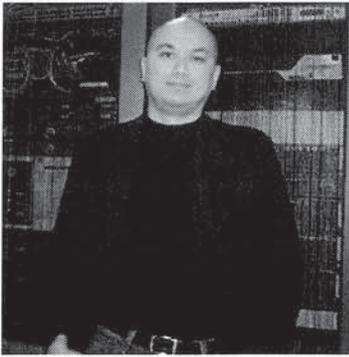
1994-1997, Senate President Pro Tem Norman R. Stone, Jr. - Chief Legislative Aide

- Drafted legislation and amendments
- Prepared written testimony
- Testified before House and Senate legislative committees

EDUCATION/CERTIFICATIONS

- University of Maryland, College Park, Maryland, B.A. History, 1994

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**PROPOSED POSITION**

Manager, Corporate Information Security

CURRENT POSITION

Manager, Corporate Information Security

CONTRACT RESPONSIBILITIES

John will provide information security support and advisory services to the TLC transition team.

SUMMARY

John has 7 years lottery experience as an information security professional and more than 12 years of experience in security software development, risk management, and network operations.

RELEVANT EXPERIENCE***2003-Present, Scientific Games Corporation – Manager, Corporate Information Security***

- Responsible for information security compliance monitoring and risk analysis
- Manages team of employees and consultants in enterprise-wide audit of internal security compliance and business continuity readiness
- Responsible for cyber-crime incident investigations and reporting
- Provides consulting services to business units implementing security process improvements

2002-2003, Air Defense Inc. – Quality and Risk Engineer-Consultant

- Served as security specialist for wireless security start up designing 802.11 intrusion detection appliances and security consulting services
- Detected and reduced software defects unique to Windows XP WLAN environments
- Added additional security to corporate WLAN through Cisco ACS Server
- Conducted internal security audits and closing wired and wireless security risks with assistance of the operations manager and network OPS

2001-2002, Guardent, Inc. – Manager, Quality and Risk

- Managed team of analysts conducting security and risk audits of the corporate, security operations center, and research and development facilities
- Introduced security planning and testing to the development and quality assurance process reducing the exposure of company assets during the development process

EDUCATION/CERTIFICATIONS

- Kennesaw State University, Kennesaw, GA – Courses toward B.B.A., 1998
- Georgia Gwinnett College, Lawrenceville, GA – Courses toward B.B.A., 2008
- Certified Information Security Manager (CISM)
- Certified Information Systems Auditor (CISA)
- "Certified Information Systems Security Professional (CISSP)

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**PROPOSED POSITION**

Research Associate

CURRENT POSITION

Senior Marketing Analyst

CONTRACT RESPONSIBILITIES

Cameron will be responsible for identifying, selecting, and procuring the appropriate research methodology and supporting techniques to meet a defined business objective. He will research, analyze, and monitor financial, technological, and demographics to identify and capitalize on opportunities. He will assist the Lottery in evaluating market reactions to advertising programs and formulation to ensure the timely adjustment of marketing strategy.

SUMMARY

Cameron has 2 years of lottery experience, providing expertise in an array of analytical support services. He has advanced skills in Excel, SQL, and experience in MEMRI and the Alteryx suite of analytical products.

RELEVANT EXPERIENCE***2010-Present, Scientific Games – Senior Marketing Analyst***

- Initiated the construction of a sales analytics intranet built on C#, SQL, Visifire, and Microsoft Web Developer 2008 Express Edition
- Developing a retail optimization program to help lotteries assess and improve their retail network in a standardized, efficient, and actionable format
- Constructing a retail metrics program to continuously monitor KPIs across retailer networks

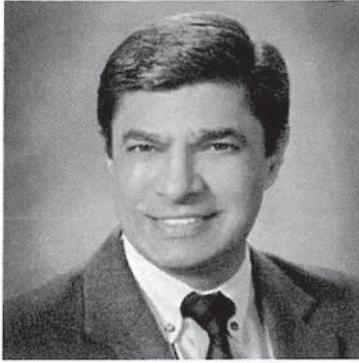
2008-2009, Scientific Games – Marketing Analyst

- Developed an automated financial tool to visualize budget gaps, opportunity impact, and risks
- Performed prize structure analyses for internal and external customers
- Influential in the construction of a proprietary prize structure creation and modification tool

EDUCATION/CERTIFICATIONS

- Rollins College, Winter Park, FL – B.A. International Business, 2008

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**PROPOSED POSITION**

Vice President, Engineering and Manufacturing

CURRENT POSITION

Vice President, Engineering and Manufacturing

CONTRACT RESPONSIBILITIES

Ajay will be responsible for the management of the engineering, product introduction, and manufacturing of terminals and peripherals for lottery systems.

SUMMARY

Ajay is a 37-year veteran of engineering, manufacturing, and product management. He has led hardware development and manufacturing at major companies serving computer, thermal printer, and high-volume mailing system markets.

RELEVANT EXPERIENCE***2009-Present, Scientific Games – Vice President, Engineering and Manufacturing***

- Responsible for product design and development of terminals
- Responsible for sourcing and qualifying peripheral devices
- Responsible for the manufacturing of terminals and associated supply chain

2004-2009, Zebra Technologies – Vice President, Engineering

- Introduced 21 new printer products, 32 accessories and enhancements, and hundreds of configuration SKUs that generated \$445 million in revenue annually

1993-2004, Pitney-Bowes – Vice President, Engineering and Manufacturing; Vice President, Engineering, Product Management and Marketing

- Developed architectures and designs for high-volume mailing systems and modules

1979-1994, Digital Equipment Corporation – Group Manufacturing Engineering Manager

- Designed and manufactured mini-computers

EDUCATION

- MSU of Baroda, Vadodara, Gujarat, India – Bachelor of Engineering, 1972
- University of Massachusetts – Master of Science, 1974
- M.I.T., Cambridge, MA – Master of Science, 1992

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**PROPOSED POSITION**

Technical Service Manager

CURRENT POSITION

Self-employed

CONTRACT RESPONSIBILITIES

Dan will manage the Call Center and the Field Service teams. He will ensure that policies and guidelines are in compliance and will also provide guidance regarding the introduction of new games, promotions, and policies. He will work closely with the Warehouse Manager and Inside Sales Manager to ensure smooth uninterrupted service to retailers.

SUMMARY

Dan's lottery experience includes 17 years with GTECH in various roles such as Technical Services Manager, Depot Supervisor, and Customer Service Manager. He has worked in numerous levels of management in both the office and field environment.

RELEVANT EXPERIENCE***2004-2009, Integrated Management Solutions Inc. – Senior Project Manager, Rhode Island***

- Responsibilities covered the hiring and management of personnel, planning and directing the installation of various lottery equipment, point-of-sale devices satellite dishes, and modem interface equipment

2000-2003, GTECH Corporation – Senior Manager, Client Services, California

- Managed day-to-day operation of client services
- Prepared for statewide wireless conversion

1986-2000, GTECH Corporation – Various Manager and Supervisor Positions

- Managed operations and staff; implemented performance standards and training
- Planned and directed the conversion of state lottery equipment
- Supervised construction of Chicago Technical Services facility
- Set up and managed repair facilities and field operations in Michigan
- Managed installation of all terminals for statewide database

LOTTERY PROJECTS

Dan's portfolio of lottery projects includes Texas, California, Pennsylvania, Kansas, Michigan, Illinois, Oregon, Louisiana, Iowa, Maryland, Washington, Connecticut, Trinidad, and Tobago.

EDUCATION/CERTIFICATIONS

- Bakersfield College, Bakersfield, CA – General coursework, 1970
- College of the Sequoias, Visalia, CA – Coursework toward Criminal Justice degree, 1974

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**PROPOSED POSITION**

Vice President of Creative Services

CURRENT POSITION

Vice President of Creative Services

CONTRACT RESPONSIBILITIES

As Vice President of Creative Services, Rhonda will provide game development support, creative strategy, and development for consumer and retailer program materials and communications, in-store merchandising, and point-of-sale programs. She will also manage the creative services team.

SUMMARY

Rhonda has over 18 years of lottery experience and over 25 years of marketing and promotional experience. Since joining Scientific Games, she has been responsible for managing all game design and providing creative strategy and support on sales and marketing projects.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Vice President of Creative Services***

- Oversees the development and quality for all game design
- Leads the creative strategy and development of sales and marketing program materials including direct mail, point-of-sale and merchandising programs, collateral, and promotional support elements

2001-2007, Oberthur Gaming Technologies – Director of Product Marketing

- Led the development of sales and marketing programs and support materials
- Managed design concept team and led new product development efforts
- Managed lottery accounts for Idaho, Minnesota and California

1990-2001, Alcone Marketing Group – Vice President Account Director

- Responsible for account management and profitability for the California Lottery and United Distillers and Vintners accounts
- Managed full-service team in Irvine, CA and satellite offices in San Francisco and Dallas
- Led strategic planning process and execution of all consumer and retailer promotions and communications, merchandising programs, key account/retailer recruitment programs, new product introductions, logo designs, event marketing efforts, tie-in partner solicitation, and licensed property procurement

EDUCATION/CERTIFICATIONS

- DePaul University, Chicago, IL and Cal State, Long Beach, CA – Undergraduate studies, 1978-1984
- Boise State College, Boise, ID – Undergraduate studies, 1970-1972

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**PROPOSED POSITION**

Project Director

CURRENT POSITION

Senior Project Manager

CONTRACT RESPONSIBILITIES

Dan will be the primary contact on all matters related to the implementation project between the Lottery and Scientific Games. He will coordinate the entire implementation project.

SUMMARY

Dan has over 10 years of experience implementing and managing broad-based lottery and IT programs.

RELEVANT EXPERIENCE***2003-Present, Scientific Games – Senior Project Manager***

- Manages all project deliverables across multiple delivery teams, tracking progress and adherence to project plan and schedule
- Controls changes to ensure quality; provides analysis of the changes; obtains lottery approval before implementation; and provides thorough testing prior to implementation

2001-2003, IGT-OES, formerly Automated Wagering International, Inc. (AWI) – Project Manager

- Planned and implemented online projects, including scheduling, facilities, and training; managed teams that determined pre-sales feasibility, defined business requirements, and developed design documents; assigned work and defined delivery objectives; single point-of-contact for all software systems development, implementations, change control, and enhancements within assigned jurisdictions; developed project management methods and procedures for system development and quality assurance

1999-2001, The Get Paid Corporation – Project Manager

- Created deduction resolution systems, account receivable reports for forecasting and balance reconciliation, databases and installed Oracle and SQL Server software on NT and 2000 platforms

LOTTERY PROJECTS

Dan's portfolio of lottery projects includes Connecticut, Pennsylvania, Indiana, Norway, Switzerland, the Philippines, Shanghai, and Korea.

EDUCATION/CERTIFICATIONS

- Plymouth State College, Plymouth, NH – Coursework toward B.S. in Geography, 1984-1988
- Member of Project Management Institute (PMI)
- Certified Project Management Professional (PMP)

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**PROPOSED POSITION**

Retail Execution Manager

CURRENT POSITION

Retail Development Manager

CONTRACT RESPONSIBILITIES

Brooke will oversee the provision of additional retail support and implementation of best retail execution practices for top-performing store locations by directing and managing the team of twenty Lottery Marketing Representatives. She will work closely with the Scientific Games team to ensure a coordinated approach within the retail environment.

SUMMARY

Brooke has 2 years of lottery experience. She currently manages a sales and merchandising program aimed at optimizing lottery product sales and creating ideal consumer environments.

RELEVANT EXPERIENCE***2009-Present, Scientific Games – Retail Development Manager***

- Manages the implementation and development of the SalesMaker marketing program in various lotteries across the U.S. including the Ohio, Washington, and Florida lotteries
- Manages the budget, expenses, and ordering and shipping of all materials
- Educates lottery management about the SalesMaker program and shares results of the program to Scientific Games employees and participating and target lotteries
- Trains the internal sales force, lottery retailers and lottery sales representatives on SalesMaker

2008-2009, Independent Marketing Group – Administrative Assistant

- Created marketing plans for independent agents

2005-2007, Advantage Sales and Marketing – Associate Business Development Manager

- Responsible for opening and maintaining accounts
- Responsible for account management and sales for Kroger and Publix accounts

EDUCATION & PROFESSIONAL DEVELOPMENT

- University of Georgia, Athens, GA – Bachelor of Business Administration in Marketing, 2003

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Marketing Supervisor

CONTRACT RESPONSIBILITIES

Michael will develop, manage, and guide sales activities for the Lottery Sales Representatives within his district. He will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. He will also apply and monitor the sales strategy and sales plan for his district.

SUMMARY

Michael has 11 years of lottery experience including both the online and instant operations with a focus on providing sales and marketing support.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Marketing Supervisor, Maryland Lottery***

- Assist, consult, and act as a liaison between Operations, Field Service and Marketing
- Coordinate all training and promotional activities for the 4,000 + retailer base
- Oversee daily operations, expenses, performance, and help train marketing team in the fundamentals of new products and games

2002-2005, Scientific Games – Marketing Representative, Maryland Lottery

- Actively participated in statewide lottery events to introduce and educate the public in all aspects of the Lottery
- Performed training sessions at the corporate, retail and remote regional locations

1999-2002, Scientific Games (formerly AWI) – Service Technician, Maryland Lottery

- Maintained daily supply and PM logs for over 150 retailers
- Installed retailer terminals and monitors at store locations and special events

LOTTERY PROJECTS

Michael's portfolio of lottery projects includes Colorado, Maryland, Connecticut, Delaware, Oklahoma, South Dakota, Pennsylvania, Mexico, and Puerto Rico.

EDUCATION/CERTIFICATIONS

- Catonsville Community College, Catonsville, MD – A.A. in Business Administration, 1995

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**PROPOSED POSITION**

Director, New Business Development

CURRENT POSITION

Consultant (self-employed)

CONTRACT RESPONSIBILITIES

Burbank will serve as the corporate sponsor for the WAVE online terminal deployment and will assist the site team in retail recruitment and deployment of new lottery solutions for specified retailers.

SUMMARY

Burbank has 5 years of lottery-specific experience focused on product development of point-of-sale hardware.

RELEVANT EXPERIENCE***2010-Present, Consultant (self-employed)***

- Provide consulting services in areas of sales management, product marketing, and project management

2008-2010, LaserCraft – Vice President

- Responsible for sales, marketing, and hardware/software deployment functions

2004-2008, Scientific Games – General Manager, Retail Solutions

- Presided over product management of new online lottery terminal
- Managed the overall business performance of PlayCentral™ and ConvenienceCentral™ products
- Served as a member of NASPL Corporate Account Subcommittee

2002-2004, Compris Technologies, Inc. (Division of NCR) – General Manager and President

- Directed the general management of Compris Technologies, a software house providing hospitality point-of-sale applications to leading retailers
- Managed all aspects of an \$11+ million business including sales, marketing, distribution, research and development, engineering, support, finance, and human resources

LOTTERY PROJECTS

Burbank's portfolio of lottery projects includes Georgia, Connecticut, Pennsylvania, Maryland, Oklahoma, Colorado, Tennessee, South Carolina, Washington DC, Italy, and the United Kingdom.

EDUCATION/CERTIFICATIONS

- University of North Carolina, Chapel Hill, NC – B.S. Business Administration, 1983

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**PROPOSED POSITION**

Vice President, Project Management

CURRENT POSITION

Vice President, Project Management and Implementations

CONTRACT RESPONSIBILITIES

Todd will oversee conversion projects and provide executive oversight of the project. He will report directly to the executive sponsor on all project-related matters and status.

SUMMARY

Todd has 25 years of experience in the lottery industry. He oversees conversion projects, focusing on scheduling, tracking progress, allocating necessary resources to ensure that the project plan is satisfactory, and meeting the project timelines and budget.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Vice President, Project Management and Implementations***

- Leads the project management and implementation organization within the Lottery Systems Division; ensures defined methodologies and PMI standards are applied to projects
- Manages project resource allocation for projects, monitors progress and schedules, adjusts where needed for on-time delivery
- Responsible for core product development of new and emerging applications
- Active member of Project Management Institute

2002-2005, Intralot – System Manager

- Managed software development projects; served as technical lead and system developer; directed engineers to develop and maintain software applications
- Provided project management oversight for the Nebraska Lottery conversion project

1985-2001, GTECH – Director, Product Development

- Presided over product development for major software product lines, including transaction processing, high-speed lottery system reporting, and web-based registration system
- Converted critical application from a vendor-specific multi-threading method to POSIX open-standard approach

LOTTERY PROJECTS

Todd's portfolio of lottery projects includes California, Colorado, Connecticut, Delaware, Indiana, Maryland, Michigan, Nebraska, Ohio, Oregon, Pennsylvania, South Dakota, Wisconsin, British Columbia, Spain, Mexico, New Zealand, and the United Kingdom.

EDUCATION/CERTIFICATIONS

- University of Delaware, Newark, DE – B.S. Computer Science, 1982

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**PROPOSED POSITION**

Manager, Educational Services

CURRENT POSITION

Manager, Educational Services

CONTRACT RESPONSIBILITIES

Kris-Ann will manage all training initiatives for lottery personnel, retailers, and Scientific Games' personnel.

SUMMARY

Kris-Ann has over 6 years of experience in the lottery industry. She currently manages the Educational Services department at Scientific Games. Her experience includes designing and developing instructor-led training modules and facilitating training for call centers.

RELEVANT EXPERIENCE***2004-Present, Scientific Games – Manager, Educational Services***

- Manages a cross-functional team who are responsible for designing and implementing all learning solutions for lottery conversion projects
- Served as training project lead for several conversions and implementations; developed, maintained and adjusted training schedules, plans, and budgets, and gathered training requirements for lottery and retailer training; wrote, edited, and gained agreement on the customer requirements document
- Performed training and documentation project management for an online start-up that implemented in 49 days; supervised nine teammates and managed the development of multiple documents addressing internal, external, and end-user needs
- Designed and developed classroom training for all lottery staff, retailer base, and Scientific Games personnel during conversions

LOTTERY PROJECTS

Kris-Ann's portfolio of lottery projects includes Pennsylvania, Connecticut, Colorado, Oklahoma, Indiana, South Dakota, West Virginia, Delaware, Puerto Rico, and Mexico.

EDUCATION/CERTIFICATIONS

- Caldwell College, Caldwell, NJ – B.S. Business Administration, 1998

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PROPOSED POSITION

Marketing Specialist Supervisor

CURRENT POSITION

Marketing Specialist Supervisor

CONTRACT ROLE

Jennifer will be responsible for lottery game and sales analysis assistance, data entry, database maintenance, and prize structure formatting.

SUMMARY

Jennifer has seven years of lottery experience, specifically in sales, marketing, and customer service.

RELEVANT EXPERIENCE

2005-Present, Scientific Games – Strategic Marketing Analyst

- Prepares and enters source data in database; creates reports; and resolves processing problems
- Prepares the State-of-the-State bi-annual presentation and report

2003-2005, Scientific Games – Account Services Representative

- Supported instant game development services for the Colorado, New Jersey, Massachusetts, Oregon, and Rhode Island lotteries
- Developed and evaluated working papers for domestic lotteries
- Worked with account managers and graphic artists on instant ticket artwork

2001-2003, TrialGraphix – Workflow Coordinator

- Tracked status of projects from conception to completion
- Reviewed artwork color proofs
- Coordinated projects for the sales and marketing staff

EDUCATION

- University of Florida, Gainesville, FL – B.S. Science, 1994

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**PROPOSED POSITION**

Research Manager

CURRENT POSITION

Director of Research

CONTRACT RESPONSIBILITIES

Ambika will serve as a main point of contact for coordination of lottery research projects (e.g., focus groups, tracking studies, segmentation studies, etc.).

SUMMARY

Ambika has 6 years of lottery-specific experience. Her current responsibilities include the coordination and development of large-scale research initiatives. Her team is also the central source for U.S. and international sales data collection and analysis.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Director of Research***

- Designs, analyzes, and manages research procured on behalf of both internal departments and external lottery customers
- Advises clients on the benefits, usefulness, and appropriateness of both quantitative and qualitative research methodologies
- Manages team of analysts and coordinators

2004-2006, Scientific Games – Market Research Analyst

- Produced monthly, quarterly, bi-annual and annual reports to analyze sales data of company versus competitor products
- Created web-based, telephone and mail questionnaires
- Analyzed, created and presented reports on survey findings

EDUCATION/CERTIFICATIONS

- University of Georgia, Athens, GA – Master of Educational Psychology with an emphasis in Research, Evaluation, Measurement and Statistics, 2003
- Georgia State University, Atlanta, GA – B.S. Psychology, 2002

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Self-employed

CONTRACT RESPONSIBILITIES

Deb will develop, manage, and guide sales activities for the Lottery Sales Representatives within her district. She will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. She will also apply and monitor the sales strategy and sales plan for her district.

SUMMARY

Deb has 20 years of direct experience in retail product marketing, lottery game development and implementations, staff management and strategic planning.

RELEVANT EXPERIENCE***2006-2008, Scientific Games – General Manager, South Carolina Lottery***

- Provided leadership of site with overall responsibility for customer service, operational and technical performance as well as strategic and tactical planning and execution

2004-2006, United Tote – Marketing Director

- Prepared long- and short-term sales and marketing strategies
- Researched market trends and customer reaction to products

2003-2004, Scientific Games – General Manager, Hoosier Lottery

- Responsible for customer service, operational and technical performance
- Responsible for strategic and tactical planning and execution
- Worked closely with Lottery management to define new product specifications

1999-2003, Scientific Games (formerly AWI) – Marketing Manager, Hoosier Lottery

- Partnered with Lottery to analyze sales trends and provide direction to maximize sales
- Participated in design of products which introduced new play styles and price points
- Worked closely with Lottery staff to develop and implement new game launch plans and prepare and present collateral materials to field sales representatives

1986-1996, DJ Marketing and Promotion – President

- Performed strategic planning and tactical execution of new lottery installations in numerous domestic and international lottery jurisdictions such as Washington, Indiana, Montana, Pennsylvania, Delaware, Maryland, Vietnam, China, and South Korea

EDUCATION/CERTIFICATIONS

- Carleton College, Northfield, MN – Bachelor's degree, Political Science, 1973

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**PROPOSED POSITION**

Senior Vice President, Sales and Global Marketing

CURRENT POSITION

Senior Vice President, Sales and Global Marketing

CONTRACT RESPONSIBILITIES

Jim will provide executive management, support, and direction of the sales and marketing team. He will also direct account management, marketing, and product development.

SUMMARY

Jim has 25 years experience with all aspects of lottery business including lottery game design, marketing, research, systems development, and product development. He has been responsible for bringing over 10,000 instant games to market. He has also developed hundreds of annual marketing plans for North American and international lotteries. Jim has presided over sales increases of over 400% in several jurisdictions and has been responsible for managing over \$10 billion in sales of instant games for Scientific Games customers. He was responsible for the development and implementation of the E3 system, the first instant ticket dispensing solution integrated into a supermarket's electronic point-of-sale system. He is a frequent speaker throughout the industry and a recipient of the prestigious NASPL Powers Award.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Senior Vice President, Sales and Global Marketing***

- Presides over global sales and marketing for all lottery customers on five continents
- Manages Regional Directors who are directly responsible for field sales and customer account management, client services, and creative services for instant games
- Manages research and marketing department for instant and online products globally

2001-2005, Scientific Games – Senior Vice President of Sales Marketing, North America

- Managed the instant and online sales and global marketing for all domestic lottery jurisdictions, representing over \$20 billion in retail sales annually with double-digit growth

1985-2001, Scientific Games – Various positions

- Supported management, marketing, and sales programs for U.S. lotteries

LOTTERY PROJECTS

Jim's extensive portfolio of lottery projects includes Texas, New York, Massachusetts, Pennsylvania, and 35 other states as well as Canada, Mexico, Europe, Asia, Latin America, and Australia.

EDUCATION/CERTIFICATIONS

- Metropolitan State College, Denver, CO – B.S. Computer and Management Science, 1985
- University of Colorado, Boulder, CO – Masters in Business Administration, 1992

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**PROPOSED POSITION**

Senior Regional Sales Director

CURRENT POSITION

Senior Regional Sales Director

CONTRACT RESPONSIBILITIES

Pam will provide overall strategic account management and will serve as the primary liaison between Scientific Games and its customers. She will be responsible for revenue generation, sales forecasting, marketing support, and game planning.

SUMMARY

Pam has over 15 years of lottery marketing experience. She has supervised marketing support for instant promotions, online promotions, and advertising campaigns for many jurisdictions. She has significant experience with strategic planning, game design, and prize structure development.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Senior Regional Sales Director***

- Responsible for instant game development, marketing, sales, promotion and research
- Assists lotteries in the development of annual strategic plans, including sales goals, marketing activities, and research objectives.
- Provides direction and recommendations on game themes, product mix, prize funds, and other relevant strategic and tactical marketing planning

2000-2005, Scientific Games – Senior Account Manager

- Provided weekly, quarterly, and annual sales reports and analysis to key lottery officials, including industry trends and game sales performance
- Worked with lottery staff to develop game plans, launch schedules, and research plans

1995-1999, Scientific Games – Account Executive

- Developed and evaluated artwork, prize structures, and working papers
- Developed game schedules and conducted game planning sessions
- Responsible for production coordination, troubleshooting, and shipping logistics for all instant games produced ensuring quality products were delivered to customers

LOTTERY PROJECTS

Pam's portfolio of lottery projects includes Texas, Massachusetts, Kentucky, Missouri, Rhode Island, Arizona, Indiana, Maine, and Connecticut.

EDUCATION/CERTIFICATIONS

- Kennesaw State University, Kennesaw, GA – B.B.A. Marketing, 1993
- 2009 NASPL Powers Award Winner

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**PROPOSED POSITION**

Chief Financial Officer

CURRENT POSITION

Chief Financial Officer

CONTRACT RESPONSIBILITIES

Jeff will have overall responsibility of managing and directing Scientific Games' day-to-day worldwide financial activities.

SUMMARY

Jeff has over 18 years of experience in accounting, treasury, financial planning and analysis, taxes, investor relations, finance, procurement, and auditing.

RELEVANT EXPERIENCE***2009-Present, Scientific Games Corporation – Vice President and Chief Financial Officer***

- Responsible for accounting, treasury, financial planning and analysis, taxes, investor relations, finance, procurement, and internal audits

2003-2009, Credit Suisse – Managing Director, Investment Banking Division

- Responsible for new business efforts in entertainment and entertainment services, digital media, publishing, and information services

1998-2003, Merrill Lynch & Co. – Vice President, Investment Banking Division

- Responsible for media group's associate and analyst recruiting effort

1995-1996, Coopers & Lybrand L.L.P. – Senior Associate, Consumer Products Group

- Managed worldwide engagement team that provided comprehensive audit services to domestic and international subsidiaries

1995, U.S. Capital Markets Group – Senior Associate

- Developed financial and accounting strategies for international companies entering the U.S. capital markets

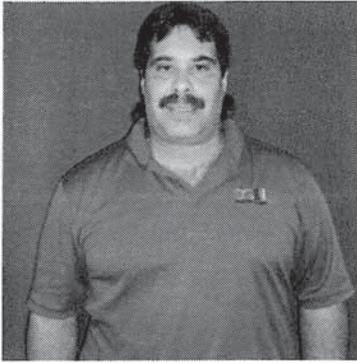
1992-1994, Entrepreneurial Advisory Services – Senior Associate and Associate

- Planned, executed, and supervised middle market audit and consulting engagements
- Constructed and reviewed financial statements and footnote disclosures

EDUCATION/CERTIFICATIONS

- The Wharton School, University of Pennsylvania, Philadelphia, PA – M.B.A. Finance and Entrepreneurial Management, 1998
- Syracuse University, School of Management, Syracuse, NY – B.S. Accounting, 1992

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Marketing and Sales Manager

CONTRACT RESPONSIBILITIES

Angel will develop, manage, and guide sales activities for the Lottery Sales Representatives within his district. He will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. He will also apply and monitor the sales strategy and sales plan for his district.

SUMMARY

Angel has 5 years of lottery experience in a variety of sales and marketing roles. His experience extends to both the online and instant operations with a focus on providing sales and marketing support in those capacities. He is fluent in both English and Spanish.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Marketing and Sales Manager, Puerto Rico***

- Works with Lottery marketing staff to foster innovative game design that continues to stimulate instant and online game sales
- Performs or coordinates the analyses of various elements of the instant and online game demand determinants, including price point evaluation, ticket quantity analysis, game style, and prize structure analysis
- Manages the sales and marketing representatives
- Supported the start-up of instant ticket sales including Tel-Sell and warehousing/packaging operations for Loteria Electronica

2005-2006, Scientific Games – Marketing and Sales Analyst, Puerto Rico

- Responsible for all sales analysis and weekly reporting to the Lottery and Corporate Marketing

2005, Scientific Games – Marketing Representative, Puerto Rico

- Conducted a variety of in-store promotions to help retailers grow incremental sales
- Performed marketing evaluations on behalf of the Lottery

1997-2004, MBM Corporation – District Sales Manager, Latin America (Puerto Rico)

- Trained sales force in the U.S. and 10 countries in Latin America

EDUCATION/CERTIFICATIONS

- University of Puerto Rico – Bachelor's degree, Physical Education, 1983

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**PROPOSED POSITION**

Texas Regional Call Center Manager

CURRENT POSITION

Technical Support Specialist

CONTRACT RESPONSIBILITIES

Donna will manage all hotline and dispatch staff. She will be responsible for overall hotline service levels, hold time, answer rates, scheduling, and tracking. She will also oversee the hotline operators, dispatch operators, and supervisors and will analyze call activity and performance reports to ensure SLR compliance. Donna will monitor call interaction to ensure service level performance goals are achieved.

SUMMARY

Because of her direct management of call center operations, Donna has a unique understanding of voice technology. She has designed, tested and implemented various analytical methods to identify and resolve a variety of issues within call center networks. Her skills include database logic and design; computer telephony integration; voice and data transfer logic for multiple call centers; and automatic call distribution (ACD) telescript management and configuration.

RELEVANT EXPERIENCE***2007-Present, Texas Department of Information Resources – Technical Support Specialist***

- Develop processes and procedures to support the VoIP network configuration requirements
- Manage multiple issues and work with team of engineers to resolve unplanned issues in a timely manner

2005-2007, Continental Airlines – IT Project Manager

- Identified and deployed call automation projects with an estimated \$3.7 million in cost savings annually
- Organized all change management activities for production changes related to 12 concurrent projects

1999-2005, Continental Airlines – Senior Operations Analyst

- Directed the daily operations of call center staffed with over 2,400 agents in a 24/7 production environment

EDUCATION/CERTIFICATIONS

- Paris Junior College, Paris, TX – General studies, 1988
- John Brown University, Siloam Springs, AR – General studies, 1989

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**PROPOSED POSITION**

Vice President, Instant Product Development

CURRENT POSITION

Vice President, Instant Product Development

CONTRACT RESPONSIBILITIES

Jeff will research and develop new added-value instant ticket features and develop products and distribution methods that will increase Lottery profitability.

SUMMARY

Jeff has 20 years of lottery experience including marketing and product development as well as strategic and tactical marketing planning.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Vice President, Instant Product Development***

- Responsible for the development of value-added printing features for printed products portfolio as well as new and improved products and product distribution methods

2004-2006, Scientific Games – Regional Director

- Involved in the development and implementation of more than 1,000 instant games
- Developed and implemented strategic and tactical marketing plans and objectives
- Developed inventory management tools to assist lotteries in developing accurate game orders
- Assisted in the development of research projects for both retailers and consumers

2001-2004, Scientific Games – Account Manager

- Attended game planning sessions and focus groups to help ensure that marketing strategies were consistent with customer needs
- Analyzed sales data and research results in order to develop sales strategies and new game concepts and served as project leader on new game initiatives

1997-2001, Connecticut Lottery Corporation – Online Product Manager

- Part of marketing team in charge of instant game planning, advertising and promotions
- Served as multi-state representative for the Powerball online and instant game products

1990-1997, Connecticut Lottery Corporation – Various positions

- Served as field representative and retail services supervisor

LOTTERY PROJECTS

Jeff's portfolio of lottery projects includes South Dakota, Minnesota, Iowa, Connecticut, Illinois, New Jersey, Pennsylvania, Florida, and Delaware.

EDUCATION/CERTIFICATIONS

- Southern Connecticut State University, New Haven, CT – B.S. Business Management, 1997

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PROPOSED POSITION

Configurations Manager

CURRENT POSITION

Configurations Manager

CONTRACT RESPONSIBILITIES

Raymond will oversee the configuration management team in performing all software builds and releases of the product in accordance with the documented procedures.

SUMMARY

Raymond has more than five years of lottery experience and has over ten years of experience in configuration management, release management, systems development life cycle, software development, and information technology operations.

RELEVANT EXPERIENCE

2005-Present, Scientific Games International – Configurations Manager

- Plans and manages multiple product releases to internal and external customers
- Coordinates activities between multiple functional and business teams and to the customer
- Identifies and validates potential impact to software deployment
- Leads process improvement team to establish configuration management (CM) processes
- Developed and documented configuration management processes and procedures
- Performed functional and physical audits on project configuration items
- Provided configuration management training to management and project members
- Established and improved software release and installation procedures and processes for common code and single product releases

EDUCATION/CERTIFICATIONS

- FernUniversitaet Hagen, Germany – M. Business Administration and Computer Science, anticipated 2012
- Fachhochschule Giessen-Friedberg, Germany – B.S. Electrical Engineering, 1998
- Certified Software Quality Engineer (CSQE)

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**PROPOSED POSITION**

Vice President, Information Services and Technology

CURRENT POSITION

Vice President, Information Services and Technology

CONTRACT RESPONSIBILITIES

Bill will manage the Information Services and Technology department which supports lottery production system implementation.

SUMMARY

Bill has 11 years of lottery experience and has assisted with 18 implementations.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Vice President, Information Services and Technology***

- Manages the Information Services and Technology department
- Oversees the end-to-end central systems architecture; installation and configuration; preparation and delivery of operations training; corporate data center administration; and maintenance
- Manages enterprise IT department and manages all corporate data centers and systems

2005-2006, Scientific Games – Director Technical Infrastructure

- Directed the technical infrastructure group that performs first tier emergency escalation for operations, development, and quality assurance

2003-2005, Scientific Games – Manager, Corporate Operations Support

- Researched, designed, and developed corporate operational policies and procedures
- Analyzed complex technical issues and troubleshooting of production problems; performed system failover, system integration, anomaly, and performance stress testing

2001-2003, IGT-OES – Operations Manager

- Managed technical infrastructure of the Indiana operations

1999-2001, OGT-OES – Oracle Database Administrator

- Member of the Indiana operations systems support and operations team

LOTTERY PROJECTS

Bill's portfolio of lottery projects includes Indiana, Florida, West Virginia, New Mexico, Colorado, Oklahoma, Delaware, Washington, DC, Maryland, Connecticut, Pennsylvania, Michigan, Puerto Rico, Switzerland, Iceland, the Philippines, Spain, and Mexico.

EDUCATION/CERTIFICATIONS

- University of Indiana, Kelly School of Business, Bloomington, IN – M.B.A., 2005
- Shippensburg University, Shippensburg, PA – B.S. Geo-Environmental Studies, 1995

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**PROPOSED POSITION**

Vice President, Systems Development

CURRENT POSITION

Vice President, Systems Development

CONTRACT RESPONSIBILITIES

John will manage the central system and terminal software development for the site solution.

SUMMARY

John has more than 18 years of lottery experience. He has managed or participated in 13 lottery implementation projects as well as worked as a developer and technical manager in the lottery industry.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Vice President, Systems Development***

- Manages Systems Development department in developing, customizing and delivering all central system and terminal software

2003-2006, Scientific Games – Senior Director, Central Systems Software Development

- Managed all aspects of central system product development, systems integration, and product integration for the Scientific Games product line

1992-2003, IGT-OES – Senior Group Manager/Technical architect/Software Development

- Responsible for all aspects of central system product development, systems integration and system implementations
- Established and initiated strategic and tactical plans

LOTTERY PROJECTS

John's portfolio of lottery projects includes Maryland, Pennsylvania, South Dakota, Indiana, West Virginia, Minnesota, Delaware, Florida, Connecticut, Leeward Islands, Shanghai, Norway, and Korea

EDUCATION/CERTIFICATIONS

- St. John's University, New York City, NY – M.B.A., 1986
- State University of New York, Geneseo, NY – B.S. Business/Computer Science, 1984

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PROPOSED POSITION

Vice President, North American Operations

CURRENT POSITION

Vice President, North American Operations

CONTRACT RESPONSIBILITIES

Pat will oversee local and corporate support of the ongoing operational services, including all support services to ensure contract compliance, quality and integrity of site operations, and customer satisfaction for the Lottery.

SUMMARY

Pat has over 18 years lottery experience directing large-scale projects for leading gaming and government services. At the domestic and international level, he has directly managed complex industry projects that have included lottery start-ups and conversions and created Project Management Offices in three companies. Earlier in his career, Pat led the rollout of the Texas Lottery online retailer network and terminal installations for both the start of online sales in 1992 and for the post-launch expansion.

RELEVANT EXPERIENCE

2005-Present, Scientific Games – Vice President, North American Lottery Operations

- Oversees all online facilities management operations in over 13 jurisdictions, including full profit and loss responsibility for North American online lottery operations
- Governs the activities of over 800 associates and ensures contract compliance

2004-2005, Scientific Games – Senior Director, Central Services

- Developed and implemented the company's support organizations, spanning the technology, operations, communications, and field service divisions

2003-2004, IGT Online Entertainment Systems – Director, Project and Process Management

- Oversight of online/video lottery project implementations and process improvements

1992-1999, GTECH Corporation – Manager Worldwide Projects

- Directed domestic and international project implementations

LOTTERY PROJECTS

Pat's portfolio of lottery projects includes Texas, New York, Massachusetts, Georgia, Pennsylvania, Connecticut, Maryland, Oklahoma, Washington, Michigan, Oregon, Sweden, Switzerland, Spain, Belgium, the Netherlands, the Czech Republic, and Mexico.

EDUCATION/CERTIFICATIONS

- Northeastern University, Boston, MA – B.S. Operations Technology, 2001
- Member Project Management Institute (PMI)

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**PROPOSED POSITION**

Engineering Project Manager

CURRENT POSITION

Engineering Project Manager

CONTRACT RESPONSIBILITIES

Carla will serve as a hardware engineering project manager for terminals and peripherals.

SUMMARY

Carla has 7 years of lottery experience as a project manager and business analyst. She currently manages the product development activities within the manufacturing and hardware engineering group.

RELEVANT EXPERIENCE***2004-Present, Scientific Games – Engineering Project Manager***

- Serves as the key point of contact for product development
- Coordinates activities concerned with technical developments and scheduling
- Manages mechanical and electrical engineers

2003-2004, Scientific Games – Business Analyst

- Collaborated with external and internal customers to analyze information needs and functional requirements
- Created process flow diagrams, customer requirements documents, system requirements specifications and technical design documents as needed
- Worked at customer locations to interface between implementation team and customer to address project requirements

2003, Interland, Inc. – Senior Business Analyst

- Facilitated joint application design session with various levels of users and management to model business flows, develop specification documents, project estimates, and project plans

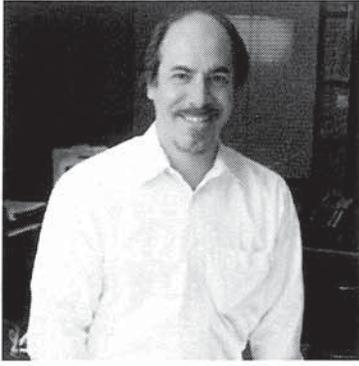
2002-2003, Six Continents Hotels – Project Lead/Test System Analyst

- Facilitated daily test system activity meetings including test process development, schedules, implementation, and maintenance to insure compliance to quality testing standards

EDUCATION/CERTIFICATIONS

- Webster University, Atlanta, GA – Pursuing M.A. Information Technology Management
- Clayton State University, Morrow, GA – Project Management Certification, 2005
- Fort Valley State University, Fort Valley, GA – B.S. Biology, 1996

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**PROPOSED POSITION**

Promotions Manager

CURRENT POSITION

Regional Director, Sales

CONTRACT RESPONSIBILITIES

Ron will work closely with the Lottery and Scientific Games marketing personnel to identify, manage, and appropriately staff Lottery-sponsored and attended events throughout the year. He will coordinate chain and independent store events and promotions with the Scientific Games team. Ron will provide regular activity reports and return-on-investment analyses of all events attended to determine future event participation. He will directly manage the activities of the 5 Promotion Coordinators.

SUMMARY

Ron has over 23 years of lottery-related marketing experience in state lottery organizations and vendor organizations.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Regional Director***

- Responsible for account management of lottery customers
- Consults with Lottery management on sales and marketing issues
- Provides support and guidance to Lottery customers including game planning, sales tracking, and marketing support

2001-2005, New Mexico Lottery Authority – Vice President, Sales/Marketing

- Served in the executive management position at the Lottery
- Involved in the strategic planning to achieve overall business objectives
- Responsible for the direction and supervision of sales staff, execution of marketing objectives, and providing overall management direction

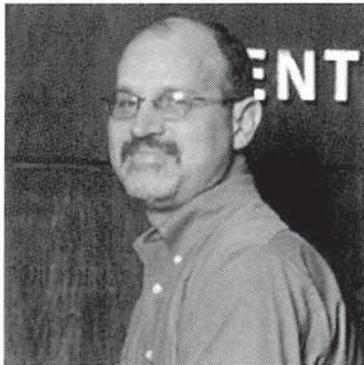
1987-2000, State of Florida, Department of the Lottery – Interim Assistant Secretary of Marketing

- Assisted with start-up of the Florida Lottery
- Served as a lottery sales representative
- Served in various management roles in several areas including special events, marketing, media, and promotions

EDUCATION/CERTIFICATIONS

- Western Connecticut State University, Danbury, CT – B.S. Business Administration, 1980

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**PROPOSED POSITION**

Senior Director, Marketing Information Systems

CURRENT POSITION

Senior Director, Marketing Information Systems

CONTRACT RESPONSIBILITIES

Eric will provide marketing systems support.

SUMMARY

Eric has 13 years of lottery experience and has been involved in software development for more than 20 years. He has participated in the design, development, and deployment of instant ticket distribution, lottery retailer point of sale, and lottery central host systems.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Senior Director, Marketing Information Systems***

- Manage enhancements and operations of AEGIS-MAP
- Served as Product Manager for SciTrak Ultra
- Designed marketing add-on modules and systems

2005-2006, Scientific Games – Director, Business Analysis

- Managed a team of business analysts working with software engineering to define customer requirements

2002-2005, Scientific Games – Manager, Software Development

- Managed team of software engineers working on the AEGIS online system
- Managed conversions, and maintained and enhanced the AEGIS system for customers

2000-2002, Scientific Games – Architect, Retail Solutions

- Designed and developed software for a new in-lane terminal
- Worked on research & development projects relating to retailer products and services

1999-2000, Scientific Games – System Analyst, Online Software Support

- Lead developer for New York Cooperative Services Program instant ticket system conversion
- Participated in development of conversion suite and provided technical support for Western Canada Lottery Corporation instant/online system

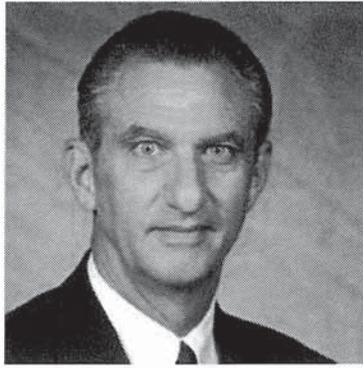
1997-1999, Scientific Games – Senior Programmer/Analyst, Instant Software Support

- Supported IL/MVS instant ticket system for various U.S. lotteries
- Supported and enhanced client/server instant ticket sales system
- Assisted in development and deployment of probability games for two U.S. lotteries.

EDUCATION/CERTIFICATIONS

- Georgia Institute of Technology – B.S. Computer Science, 1988

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**PROPOSED POSITION**

Deputy Director, Sales and Marketing

CURRENT POSITION

Consultant

CONTRACT RESPONSIBILITIES

Tony will be responsible for the oversight of all the sales and marketing activities in Texas, including new business development and retail network performance. He will develop and coordinate annual budgets, quarterly forecasts, and dashboard reports. Tony will directly manage the New Business Development Director, Marketing Director, and Sales Director.

SUMMARY

Tony has over 25 years of lottery experience. His experience with the Washington Lottery and the California Lottery has given him a unique understanding of the intricacies of government, including public policy and procedures.

RELEVANT EXPERIENCE***2004-Present, Anthony Molica & Associates – President***

- Provides consulting services to U.S. and international lotteries as well as lottery vendors
- Served as Director of Sales for Mutijuegos Lottery in Mexico

2003-2004, California Lottery – Chief Executive Officer

- Managed lottery staff of more than 650
- Increased sales, resulting in excess of \$2.9 billion; exceeded goal by 8%

2002-2003, Washington Lottery – Executive Director

- Managed lottery staff of nearly 150 and annual sales of \$450 million
- Created a Retailer Advisory Board to advise Lottery staff on critical operation issues

1999-2002, California Lottery – Director of Sales, Director of Sales Planning

- Managed sales division staff of 260 and nearly \$2.9 billion in annual sales
- Worked with the Lottery Commission and Executive Operating Officer to develop a strategic plan for sales operations and coordination of sales and marketing functions

1989-1999, California Lottery – Chief of Key Accounts Department

- Administered and managed all key account functions within sales division

1985-1989, California Lottery – District Sales Representative/Manager

- Supervised District Sales Representatives, office staff, and warehouse personnel

EDUCATION/CERTIFICATIONS

- California State University at Sacramento – B.A. Social Science, 1972
- American River College, Sacramento, CA – A.A. Liberal Arts, 1969

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Marketing Sales Representative

CONTRACT RESPONSIBILITIES

Scott will develop, manage, and guide sales activities for the Lottery Sales Representatives within his district. He will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. He will also apply and monitor the sales strategy and sales plan for his district.

SUMMARY

Scott has 5 years of lottery experience with a focus on retailer sales improvements and training activities with the Oklahoma Lottery. He assisted with the development of a comprehensive training manual to ensure a more uniform orientation for new lottery sales representatives.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Marketing Sales Representative (Oklahoma Lottery)***

- Markets Oklahoma Lottery to retailers and customers
- Recruits new lottery retailers and educates retailers and customers on game types and play styles
- Increases sales through promotions and contests among retailers
- Hosts in-store promotional events to increase sales

2002-2005, Enterprise Rent-a-Car – Assistant Branch Manager

- Supervised 30 employees as Fleet Manager at Oklahoma City Airport
- Assisted with the development and growth of new corporate accounts

2000-2002, Digital Media Warehouse – National Sales Representative

- Managed existing accounts and created new accounts

EDUCATION/CERTIFICATIONS

- University of Oklahoma, Norman, OK – Bachelor of Business Administration, 2000

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PROPOSED POSITION

Software Development Manager

CURRENT POSITION

Senior Software Development Manager

CONTRACT RESPONSIBILITIES

Jonathan will be responsible for driving the entire application development process which include requirements definition, technical design specification, maintaining application/coding standards, unit testing, and the complete QA process. He will be responsible for the build and release process for all software upgrades, changes, or enhancements.

SUMMARY

Jonathan has 25 years of IT experience, 15 of which are in the lottery industry. During his career with Scientific Games, Jonathan has served as team leader for the customer support development group, which maintains the host lottery systems for multiple lotteries. In addition, he has supported the systems.

RELEVANT EXPERIENCE

2003-Present, Scientific Games Corporation – Senior Software Development Manager

- Serves as software development manager of all lottery components for international jurisdictions

2001-2003, IGT Online Entertainment Systems – Senior Group Manager

- Served as team leader for customer support development group
- Served as development manager for international jurisdictions

1995-2000, Automated Wagering International – Senior Software Engineer

- Performed full conversion of online system data to system
- Supported the development of online and batch processes within

1985-1995, Electronic Data Systems – Advanced Software Engineer

- Served as software engineer

LOTTERY PROJECTS

Jonathan’s portfolio of lottery projects includes Pennsylvania, Indiana, Maryland, Delaware, Minnesota, South Dakota, Florida, West Virginia, Puerto Rico, Chili, Norway, Vietnam, Iceland, Spain, Switzerland, Shanghai, Korea, Peru, and the Philippines.

EDUCATION/CERTIFICATIONS

- Marist College, Poughkeepsie, NY – B.S. Computer Science, 1985

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Marketing Manager

CONTRACT RESPONSIBILITIES

Kirmon will develop, manage, and guide sales activities for the Lottery Sales Representatives within his district. He will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. He will also apply and monitor the sales strategy and sales plan for his district.

SUMMARY

Kirmon has 14 years of lottery experience. He has a strong knowledge of lottery at retail locations and is able to use his knowledge to mentor marketing sales representatives. He has been involved with the implementation and marketing of numerous new games for the Maryland Lottery. Kirmon has also played a major role supporting successful system start-ups and conversions in Delaware, Connecticut, Indiana, Oklahoma, Pennsylvania and Maryland.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Marketing Manager, Maryland Lottery***

- Responsible for assisting the Lottery in meeting sales and revenue objectives
- Works with the Lottery to accomplish regional marketing goals
- Manages a staff of marketing representatives and creates guidelines for marketing representatives including training, new retailer recruitment, sales improvement, and audit

2005-2006, Scientific Games – Field Service Manager, Maryland Lottery

- Provided technical support of all lottery equipment in Maryland
- Managed a service organization of more than 40 staff members

1996-2005, Scientific Games – Marketing Sales Representative and Supervisor, Maryland Lottery

- Supervised marketing representatives in their day-to-day operations
- Worked with the Lottery Regional Managers and Lottery District Managers to accomplish regional marketing goals and provide ongoing support to Lottery retailers

EDUCATION/CERTIFICATIONS

- Morgan State University, Baltimore, MD – B.S. Business Administration, 1980

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WILLIAM "BJ" NUGENT

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PROPOSED POSITION

Inside Sales Manager

CURRENT POSITION

Tel-Sell Manager

CONTRACT RESPONSIBILITIES

BJ will be responsible for the management and supervision of the Tel-Sell staff.

SUMMARY

BJ has more than 5 years of experience in the lottery industry. He has more than 8 years of experience working in various call centers as an agent or manager of regional accounts. While working at Scientific Games, BJ has played an integral role in the development and training of , an instant ticket ordering application and predictive order module.

RELEVANT EXPERIENCE

2005-Present, Scientific Games – Tel-Sell Manager, Pennsylvania CSP

- Oversees the day-to-day activities of Tel-Sell representatives (TSRs)
- Supports the General Manager in establishing goals, incentives and departmental promotions
- Monitors ticket sales and supervises actions to help maximize sales for TSRs
- Manages the process of initiating retailer Tel-Sell calls and analyzes retailer feedback
- Monitors and provides daily, weekly, monthly, and quarterly sales analysis

2002-2005, Jones Lang LaSalle – Property Management Services Region Lead

- Led property management for 14 General Motors (GM) plants nationwide
- Created and dispatched work orders for GM tenants across North America
- Conducted training sessions for GM tenants

EDUCATION/CERTIFICATIONS

- Michigan State University, East Lansing, MI – General studies, 1994-95
- Oakland Community College, Royal Oak, MI – General studies, 1996-97

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**PROPOSED POSITION**

Manager, Corporate Operations Support

CURRENT POSITION

Manager, Corporate Operations Support

CONTRACT RESPONSIBILITIES

Steve will serve as operations and implementation support to the Engineering Project Manager. He will lead the corporate system support team in the installation and configuration of Scientific Games' proprietary software and support for the operations of the gaming system.

SUMMARY

Steve has 9 years of lottery-specific experience.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Manager, Corporate Operations Support***

- Supports all sites and provides resolution to problems
- Assists in the implementation of new hardware
- Provides next-level support for operations support technicians and operations staff

2005-2007, Scientific Games – Operations Manager, New Hampshire/Vermont

- Guided department employees within the data center
- Managed customer expectations, RFAs, release dates, and technology limitations

2004-2005, Scientific Games – Assistant Operations Manager, New Hampshire/Vermont

- Tested software for new releases, fixes, and checked for production issues
- Authored SQL Queries for both research and functionality

2001-2004, Scientific Games – Computer Operator, New Hampshire/Vermont

- Performed day-to-day functions of running production systems at the New Hampshire and Vermont data center

EDUCATION/CERTIFICATIONS

- Franklin Pierce College, Concord, NH – Computer and information technology courses, 1998-2000
- New Hampshire Technical Institute, Concord, NH – Computer and information technology courses, 1996-1997

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**PROPOSED POSITION**

Senior Vice President, Sales and Marketing - MDI Entertainment

CURRENT POSITION

Senior Vice President, Sales and Marketing - MDI Entertainment

CONTRACT RESPONSIBILITIES

Bev will provide licensed property game support to lottery representatives and Scientific Games' marketing personnel.

SUMMARY

Bev has more than 20 years of lottery-related experience, including 9 years with the Iowa Lottery, 2 years with Pollard Banknote, and 9 years with MDI Entertainment, a wholly owned subsidiary of Scientific Games.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Senior Vice President, Sales and Marketing- MDI Entertainment***

- Responsible for customer support in developing and implementing licensed games and supporting marketing and promotional strategies
- Provides lottery representatives with comprehensive information on brands and their suitability and performance abilities for lottery games and promotions
- Provides lottery representatives with contractual licensing agreements and specifications and procedures for second chance drawings
- Assists lottery representatives in establishing all aspects of a licensed game including game name, prize structure, merchandise prizes, drawings and drawing dates, point-of-sale and marketing efforts, promotions, and incentive programs
- Supports and supervises MDI sales and marketing staff

2004-2007, MDI Entertainment – Vice President, Sales

- Provided customer support regarding the development and implementation of licensed games and supported marketing and promotional strategies
- Assisted lottery representatives with establishing all aspects of a licensed game
- Supported and supervised MDI sales staff

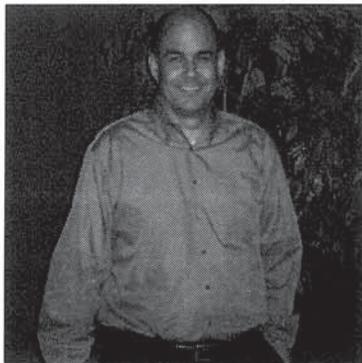
2001-2004, MDI Entertainment – Regional Vice President

- Provided lottery representatives with contractual licensing agreements and specifications and procedures for second chance drawings

EDUCATION/CERTIFICATIONS

- Central College, Pella, IA – General studies, 1973
- University of Minnesota, Minneapolis, MN – General studies, 1975

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**PROPOSED POSITION**

Texas Account Director

CURRENT POSITION

Consultant

CONTRACT RESPONSIBILITIES

John will be the primary contact on all matters related to contract compliance between the Lottery and Scientific Games.

SUMMARY

John has more than 19 years of lottery experience including 12 years of creating and operating lottery ventures while living in Asia, Europe, South America, and Africa. Most recently, he contributed to the company's expansion in China and the further development of the Australian gaming market. He has experience with a broad range of business functions including general management, business development, government affairs, and program management.

RELEVANT EXPERIENCE***2009-2010, Scientific Games – Regional Director, North America***

- Responsible for maximizing revenue through existing and new jurisdictions in North America

2006-2008, Scientific Games – Vice President, Business Development Asia Pacific

- Responsible for maximizing revenue through existing and new jurisdictions in Asia Pacific

2002-2005, Scientific Games – General Manager, Florida Lottery

- Led the profit center activities of the company's online lottery operations

1989-2000, GTECH Corporation – Director and various other leadership roles

- Led the introduction and expansion of gaming opportunities in markets worldwide including Eastern Europe, South America, Africa, and the United States

LOTTERY PROJECTS

John's portfolio of lottery projects includes Poland, Czech Republic, Slovakia, Argentina, South Africa, Germany, Belgium, the Netherlands, Sweden, China, and Puerto Rico.

EDUCATION/CERTIFICATIONS

- Drexel University, Philadelphia, PA – B.S., Business Administration, 1987

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**PROPOSED POSITION**

Senior Manager, Retailer Operations

CURRENT POSITION

Senior Manager, Retailer Operations

CONTRACT RESPONSIBILITIES

Jessie will provide corporate oversight for field service management and operations.

SUMMARY

Jessie has over 25 years of lottery experience. He has responsibility for standardization and implementing best practices for field operations in North America. He has been the project manager for the implementation and management of new sites and equipment, in both online and instant ticket services accounts.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Senior Manager, Retailer Operations***

- Directs the management and implementation of best practices for field services
- Oversees implementation standards and processes
- Manages the out of box testing environment, war room, and deployments

2003-2005, The Gantt Agency – Director, Operations

- Managed the operations and maintenance of the IT and MIS systems offices throughout central Virginia

1998-2003, Electronic Visions – President

- Managed the field services and bench repair operations for Scientific Games instant ticket services and video lottery operations

1985-1998, Scientific Games – Director, Video Lottery

- Managed the implementations of new start-ups and conversions

LOTTERY PROJECTS

Jessie's portfolio of lottery projects includes Connecticut, Delaware, Indiana, Iowa, Maine, Maryland, New Hampshire, Oklahoma, Pennsylvania, Puerto Rico, Vermont, West Virginia, South Carolina, Michigan, Nebraska, Missouri, Virginia, Florida, New York, Kentucky, South Dakota, Australia, and Canada.

EDUCATION/CERTIFICATIONS

- Community College of the Air Force – A.S. Electronic Technology, 1985

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**PROPOSED POSITION**

Director, Security

CURRENT POSITION

Director, Security

CONTRACT RESPONSIBILITIES

Teli will provide corporate oversight to the physical security operations of the Texas facilities. He will conduct installation and remote administration of security systems, emergency contingency planning, and disaster recovery response.

SUMMARY

Teli has more than 13 years of experience in security printing operations including lottery, promotional games, U.S. postage stamps, and direct mail coupons. He has directed security, quality assurance, and game auditing departments at multiple sites.

RELEVANT EXPERIENCE***2002-Present, Scientific Games — Director, Security***

- Directs security operations to ensure the integrity of operations, facilities, personnel, and systems including physical security for management information systems and corporate functions
- Responsible for physical security programs, life safety and security systems, disaster recovery, safety, and primary emergency response programs
- Conducts internal investigations, provides risk assessment/management, and provides employee and manager training
- Responsible for all phases of new instant product site development from site selection, system design and installation, UPS/power generation, remote monitoring, and administration through operational start-up and continued compliance

1997-2002, Quebecor World (Formerly Dittler Brothers and World Color) — Security and Safety Manager

- Managed security, quality assurance, and game auditing functions for printed products, lottery, promotional games, postage stamps, administration of security and life safety systems and programs, and administration of personnel screening
- Conducted database lottery ticket reconstructions and game closeouts of Dittler Brothers lottery products still in the field

EDUCATION/CERTIFICATIONS

- Non-Commissioned Officer Academy JLDC, PLDC, BNCOC, ANCOG, U.S. Army — Fort Bragg and Fort Campbell
- Hopkinsville Kentucky Community College and FSU satellite, Republic of Panama

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**PROPOSED POSITION**

Senior Project Warehouse Implementation Manager

CURRENT POSITION

Senior Project Warehouse Implementation Manager

CONTRACT RESPONSIBILITIES

Cheri will manage the procurement and installation of all equipment related to the instant ticket warehouse.

SUMMARY

Cheri has 6 years of lottery-related experience. She is responsible for organizing worldwide projects and supporting instant ticket services for both online and instant lotteries.

RELEVANT EXPERIENCE***2005-Present, Scientific Games – Manager, Instant Ticket Services***

- Leads instant ticket services start-up operations domestically and internationally
- Responsible for corporate support of instant ticket service sites regarding systems, communications, vending machines, and special projects
- Supports management with budgeting, forecasting, cost control, and justification for software and telecom projects

2004-2005, Scientific Games – Project Manager, Worldwide Projects Organization

- Coordinated project reviews with both internal and external customers
- Managed software maintenance releases worldwide

LOTTERY PROJECTS

Cheri's portfolio of lottery projects includes Pennsylvania, Florida, Oklahoma, Arkansas, Iowa, Arizona, Delaware, Georgia, South Carolina, Tennessee, Washington DC, Puerto Rico, and China.

EDUCATION/CERTIFICATIONS

- Georgia Institute of Technology, Atlanta, GA – B.S. Industrial Engineering, 1999

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**PROPOSED POSITION**

Vice President, Corporate Security and Compliance

CURRENT POSITION

Vice President, Corporate Security and Compliance

CONTRACT RESPONSIBILITIES

Larry will function as the director of security and chief compliance officer.

SUMMARY

Larry has 6 years of lottery-related experience. He has over 30 years of security and investigation experience. Prior to joining Scientific Games, Larry worked as the Chief Operating Officer of a private company that provided investigative and security consulting services. From 1974 through 1997, Larry served as a special agent of the FBI.

RELEVANT EXPERIENCE***2004-Present, Scientific Games – Vice President, Corporate Security and Compliance***

- Responsible for all corporate-wide security matters
- Oversees all internal investigations
- Oversees all due-diligence investigations regarding outside vendors

1997-2004, Investigative Group International – Chief Operating Officer

- Managed day-to-day operations
- Conducted investigations and provided consultations involving complex internal inquiries and due-diligence matters

1974-1997, Federal Bureau of Investigation – Special Agent

- Served as a street agent in the areas of violent crimes, white collar crimes, and organized crimes
- Served in supervisory roles including Assistant Director in Charge of the Criminal Investigative Division and Deputy Director

EDUCATION/CERTIFICATIONS

- University of Richmond, Richmond, VA – B.A. History and Psychology, 1969
- Member, International Security Managers Association

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**PROPOSED POSITION**

Vice President of Internal Audit

CURRENT POSITION

Vice President of Internal Audit

CONTRACT RESPONSIBILITIES

David will provide corporate oversight to the service and compliance teams. He will conduct reviews of the effectiveness of the Scientific Games contract compliance function. He will also ensure proper resources and processes are in place to meet the contract service level requirements.

SUMMARY

With 27 years of accounting and audit experience, David has worked extensively with financial and technology audits including building programs to monitor controls for Sarbanes Oxley, compliance programs, and operational procedures. Since joining Scientific Games in 2006, he has worked with international operations in Europe and South America as well as domestic groups to validate that controls are in place to ensure the stability and integrity of the financial environment.

RELEVANT EXPERIENCE***2006-Present, Scientific Games International – Vice President of Internal Audit***

- Manage the Sarbanes Oxley 404 compliance work
- Interact extensively with external audit, senior management, and audit committee

2004-2006, NDC Health – Director of Internal Audit

- Led compliance initiative including documentation, remediation, test and external audit coordination

2002-2004, Central Parking Corporation – Vice President and Chief Audit Executive

- Developed a combined operational and financial audit
- Conducted fraud investigations

1997-2002, Delta Air Lines – Director, Revenue Pipeline

- Redesigned and implemented the revenue information systems and processes
- Monitored the accuracy of airline ticketing by agencies and internal personnel through statistical techniques and data mining

1986-1997, Aetna – Director Business Process Re-engineering, Finance

- Managed SAS70 activities and 60+ customer audits per year of claim operations

1983-1986, Eastern Company – Internal Auditor

- Provided financial reports including SEC 10K/10Q, federal and state taxes, and annual report

EDUCATION/CERTIFICATIONS

- Western New England College, Springfield MA – B.S. Accounting, 1983

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PROPOSED POSITION

Corporate Legal Counsel

CURRENT POSITION

Vice President, General Counsel and Secretary

CONTRACT RESPONSIBILITIES

Ira is the senior attorney within the company and is principally responsible for ensuring the company is operating within the law. He is additionally responsible for executing our business objectives with the highest ethical standards and integrity.

SUMMARY

Ira has 4 years of lottery experience and 15 years experience practicing law in the government. He was in private practice for 10 years and is a nationally recognized counselor, author, and speaker on corporate governance.

RELEVANT EXPERIENCE

2006-Present, Scientific Games – Vice President, General Counsel and Secretary

- Serves as chief legal officer
- Oversees the legal function of the company worldwide
- Serves as principal interface with company's regulators
- Serves as principal legal advisor for compliance

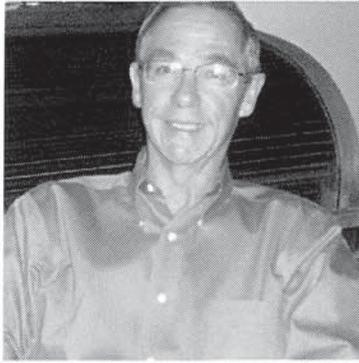
1996-2006, O'Melveny & Myers LLP – Partner

- Represented some of the world's largest companies and a number of prominent public officials and executives

EDUCATION/CERTIFICATIONS

- Northwestern University, Chicago, IL – B.A., 1974
- Northwestern University, Chicago, IL – J.D., 1977

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

District Merchandiser

CONTRACT RESPONSIBILITIES

Guy will develop, manage, and guide sales activities for the Lottery Sales Representatives within his district. He will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. He will also apply and monitor the sales strategy and sales plan for his district.

SUMMARY

Guy has over 40 years of retail experience. He has worked with annual sales budgets in excess of \$16 million in various fields including marketing, sales, merchandising, labor and budget management, and customer service. His experience also involves the development and facilitation of major training programs designed to improve in-store execution and maximize sales.

RELEVANT EXPERIENCE***2006-Present, Roundy's Inc. – District Merchandiser/Department Manager, Wisconsin***

- Responsible for in-store department management including merchandising, labor, budget, inventory and sales
- Conducts employee training and coordination of new store openings and set-up

2004-2006, HEB – Department Manager, Texas

- Managed the \$1.2 million bakery department including merchandising, labor management, budget inventory, and sales

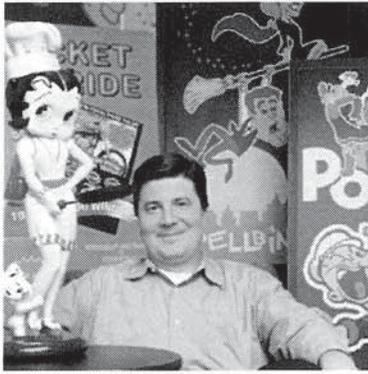
1993-2002, Albertsons Inc. – Division Sales Manager, Texas

- Responsible for managing 50 store teams and more than 350 employees
- Developed and implemented programs to drive sales through both weekly and extended promotions
- Implemented and conducted training seminars to insure execution of programs and promotions as well as quality assurance and customer satisfaction

EDUCATION/CERTIFICATIONS

- College of Southern Idaho, Twin Falls, ID – General courses
- Boise State University, Boise ID – History and mass communication studies

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**PROPOSED POSITION**

Executive Vice President and General Manager, MDI Entertainment

CURRENT POSITION

Executive Vice President and General Manager, MDI Entertainment

CONTRACT RESPONSIBILITIES

Kyle will provide day-to-day management of the licensed property team.

SUMMARY

Kyle has more than 18 years of lottery-related experience, including twelve years at the Virginia Lottery where he served as marketing director, product development manager, and research analyst.

RELEVANT EXPERIENCE***2004-Present, MDI Entertainment – Executive Vice President and General Manager***

- Responsible for all of licensed games from license acquisition through game development, sales, and game launches
- Responsible for creation and implementation of internet strategy for licensed games

2000-2004, Virginia Lottery – Marketing Director

- Recorded sales and profits in every year as marketing director
- Led transition efforts from The Big Game to Mega Millions
- Introduced multi-state Lotto South to replace aging Lotto game

1996-1999, Virginia Lottery – Product Development Manager

- Responsible for instant product line as well as online product line
- Led Virginia's efforts to launch the multi-state Big Game

1993-1996, Virginia Lottery – Senior Research Analyst

- Responsible for all lottery research and sales analysis

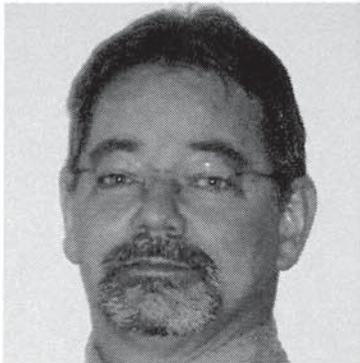
1992-1993, Virginia Lottery – Research Analyst

- Created lottery sales reporting functions and sale tracking information

EDUCATION/CERTIFICATIONS

- University of Virginia – Bachelor's degree, Commerce, 1990
- College of William and Mary, Williamsburg, VA – M.B.A, 1993

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**PROPOSED POSITION**

Communications Manager

CURRENT POSITION

Self-employed

CONTRACT RESPONSIBILITIES

Allen will oversee the monitoring and maintaining of the LAN/WAN network hardware and software systems. He will perform diagnostics on local and wide-area networks to identify problems such as outages and degradations and take the necessary steps to resolve such problems. Allen will provide on-going training to lead operators and computer operators regarding troubleshooting techniques. He will ensure service level adherence to company and TLC requirements of retail terminal connectivity.

SUMMARY

Allen is a senior-level technology manager with 17 years of experience, including 9 years with GTECH. His responsibilities have included the design, deployment, operations, migration, and systems engineering of high-availability wireless networks and supporting infrastructures.

RELEVANT EXPERIENCE***1996-2007, GTECH Corporation – Director, Infrastructure***

- Directed the design and operations of high-availability/high-volume transaction processing multi-platform networks
- Managed a team of technology managers, senior network engineers and technical operations staff providing 24/7/365 infrastructure operations and engineering support
- Developed and instituted both tactical and strategic initiatives that increased operational efficiencies, total system uptime, and service profitability while reducing mean time to repair by 70% and decreasing deployment times by over 40%

2000-2001, Spike Broadband Systems – Senior Systems Engineer

- Integrated the multiple components of the next generation broadband wireless network infrastructure into a single system platform while maintaining backwards compatibility

1993-1996, Aria Wireless Systems – Senior Systems Engineer

- Designed and deployed wireless automated teller machines and point-of-sale networks for customers, including seamless integration of the wireless device

LOTTERY PROJECTS

Allen's portfolio of lottery projects includes Texas, New York, California and 17 other states as well as Puerto Rico, Barbados, Brazil, Columbia, Jamaica, Leeward Islands, Mexico, South Africa, and the United Kingdom.

EDUCATION/CERTIFICATIONS

- St. Edwards University, Austin, TX – BA, Applied Sciences candidate, 2010 (anticipated)
- Community College of the Air Force, Maxwell AFB, AL – AS, Engineering, 1992

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**PROPOSED POSITION**

Marketing Director

CURRENT POSITION

Senior Marketing Manager

CONTRACT RESPONSIBILITIES

Christian will develop and execute short- and long-term marketing plans and programs to ensure the profit growth and expansion of the products and/or services. He will direct the preparation of support materials for the sales and marketing teams. Christian will directly supervise the Retail Execution Manager, Instant Product Specialist, Online Product Specialist, and Research Associate.

SUMMARY

Christian has 17 years of lottery experience. Prior to joining Scientific Games in 1996, he worked in the marketing department at GTECH. Based on his unique experience with monitor games, he has served as a subject matter expert for domestic and international clients regarding game design issues and forecasts, retailer selection, training, promotion, launch planning, and game retooling.

RELEVANT EXPERIENCE***2003-Present, Scientific Games – Senior Marketing Manager, Maryland Lottery***

- Led the deployment of Racetrax, one of the most successful monitor games in the U.S.
- Led the design and implementation of concurrent-selling monitor games

1997-2003, Scientific Games – Sales and Business Analyst, Maryland Lottery

- Consulted with senior lottery management on the most effective use of their dollars in support of their promotional objectives
- Managed new games, game enhancements and promotions

1996-1997, Scientific Games – Marketing Manager, Maryland Lottery

- Managed marketing representatives and all marketing functions

1993-1996, GTECH Corporation – Senior Marketing Consulting Analyst

- Provided direct support to the directors of the marketing planning group and the marketing consulting group

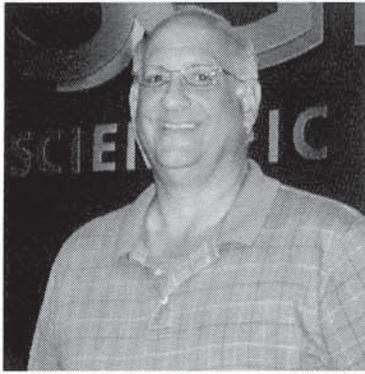
LOTTERY PROJECTS

Christian's portfolio of lottery projects includes Indiana, Oklahoma, Massachusetts, South Africa, Chile, Nicaragua, and Spain.

EDUCATION/CERTIFICATIONS

- University of Rhode Island, Kingston, RI – B.A. Political Science, 1992
- Community College of Rhode Island, Warwick, RI – A.A. General Business, 1989

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**PROPOSED POSITION**

Deputy Director of Instant Ticket Services

CURRENT POSITION

Marketing Manager

CONTRACT RESPONSIBILITIES

Scott is responsible for the overall management of the central distribution warehouse and the inside sales department. He will meet regularly with TLC management staff to provide status information and address issues and problems. He will also meet regularly with key TLC Account Team personnel to review customer service issues and resolutions.

SUMMARY

Scott has 28 years of lottery experience in a broad range of instant ticket services management roles. He has been involved in the start up or as a consultant for Scientific Games operations in both the United States and abroad.

RELEVANT EXPERIENCE***2002-Present, Scientific Games – Marketing Manager, Arizona CSP***

- Develops and recommends marketing objectives
- Defines and recommends objectives in each area of operations
- Manages a staff of supervisors to ensure timely distribution of product within the standards of budget, policies, procedures, and contract obligations

2004-Present, Scientific Games – General Manager, New Mexico CSP (concurrent with Arizona)

- Assists management to define objectives in each area of operations; develops specific plans and programs to plan and manage sales and distribution efforts

1997-2002, Scientific Games – Sales and Distribution Manager, Florida CSP

- Instituted a regional call cycle for contacting over 11,000 lottery retailers for the timely order of instant tickets; reduced retailer back-up stock by 38% and unsold inventory by 6%

1981-1996, Arizona Lottery – Corporate Account Manager/Marketing Representative

- Served as marketing representative in Phoenix area
- Served as corporate account manager

LOTTERY PROJECTS

Scott's portfolio of lottery projects includes California, Arizona, New Mexico, Florida, New York, South Carolina, Ohio, Maryland, Indiana, Georgia, France, England, and China.

EDUCATION/CERTIFICATIONS

- Kent State University, Kent, OH – B.S. Public Relations, 1975

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Key Accounts and Assistant Sales Manager

CONTRACT RESPONSIBILITIES

Cheri will develop, manage, and guide sales activities for the Lottery Sales Representatives within her district. She will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. She will also apply and monitor the sales strategy and sales plan for her district.

SUMMARY

Cherie has over 5 years of lottery experience and has a strong knowledge of lottery at the retail level.

RELEVANT EXPERIENCE***2006-Present, Scientific Games – Key Accounts and Assistant Sales Manager, Oklahoma Lottery***

- Assists the Lottery with evaluation of market reactions to advertising; adjusts marketing strategies as needed to meet changing market conditions
- Meets with key chain accounts and independent retailers to address issues related to sales objectives and business plans
- Introduces new products in the marketplace and develops aggressive, successful promotional campaigns
- Negotiates promotional agreements to increase category exposure, growth, and brand awareness

2005-2006, Scientific Games – Marketing Sales Representative

- Assisted with the recruitment of new corporate accounts and independent locations as well as training in operations and new products
- Established sales goals and initiatives for over 100 lottery retailers
- Trained new and existing lottery retailers on the execution of lottery transactions on the Extrema terminal

EDUCATION/CERTIFICATIONS

- Northeastern Junior College, Sterling, CO – Associate of Applied Sciences, Agriculture Economics, 1985
- Colorado State University, Fort Collins, CO – B.S. Agriculture Economics, 1991

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**PROPOSED POSITION**

Vice President and General Manager, Alpharetta Printed Products

CURRENT POSITION

Vice President and General Manager, Alpharetta Printed Products

CONTRACT RESPONSIBILITIES

Rob will provide quality assurance on a corporate-wide basis.

SUMMARY

Rob has more than 23 years of industrial experience with a strong background in engineering, technology and manufacturing. He has held senior level roles in both technology and operations in DuPont, Saint-Gobain, and General Electric. While at G.E., he was the winner of the coveted Six Sigma Gold Award.

RELEVANT EXPERIENCE***2008-Present, Scientific Games – Vice President and General Manager, Alpharetta Printed Products***

- Responsible for the integration of functions that impact the end-to-end process including customer service, game programming, art, manufacturing, shipping, and purchasing

2005-2008, Scientific Games – Vice President, Quality and Operational Excellence

- Managed operations to ensure maximum efficiency

2001-2005, Saint-Gobain CertainTeed Corporation – Vice President of Operations

- Achieved record productivity in 2002 and 2003
- Initiated and organized the implementation of Six Sigma and Design for Six Sigma
- Led supply chain re-engineering effort

2000-2001, W.R. Grace – Director Worldwide Manufacturing

- Led the development and the presentation of the manufacturing strategic plan to the CEO and corporate leadership team
- Significantly modified the Six Sigma project selection process to incorporate a detailed financial assessment

1996-2000, G.E. Plastics – Technology Manager

- Established process development partnership with raw material supplier and toll manufacturer
- Re-organized team to create new leadership positions in order to provide better alignment with key areas of focus including technical service, application development, and growth

EDUCATION/CERTIFICATIONS

- Widener University, Chester, PA – B.S. Chemical Engineering, 1968

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**CURRENT POSITION**

Sales and Marketing Analyst

PROPOSED POSITION

Sales and Marketing Analyst

CONTACT RESPONSIBILITIES

Amanda will be responsible for the management of licensed property research and analysis for the Texas Lottery.

SUMMARY

Amanda has three years of lottery experience. She specializes in marketing research and sales support for licensed property products.

RELEVANT EXPERIENCE***2008-Present, Scientific Games — Sales and Marketing Analyst***

- Supports MDI-licensed lottery products by serving as the point person for custom licensed product analyses, research, and general sales support
- Assists with the creation and evaluation of strategic integrated marketing and communication promotions
- Assists with the development of property-specific information utilizing licensor contacts and research

2007-2008, Scientific Games — Sales and Marketing Intern/Consultant

- Assisted and observed sales, marketing, promotions, and drawing staff
- Collected, recorded, and analyzed sales information pertaining to Deal or No Deal, the company's first national linked game

EDUCATION/CERTIFICATIONS

- The American University, Washington, DC — M.A. Public Communications and Business Marketing, 2008
- The American University, Washington, DC — B.A. Communications, 2006

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**PROPOSED POSITION**

Chief Creative Officer

CURRENT POSITION

Chief Creative Officer

CONTRACT RESPONSIBILITIES

Steve will be responsible for the overall market development of the company's licensed properties and promotional opportunities.

SUMMARY

Steve has over 24 years of lottery experience. He is responsible for the industry's largest portfolio of licensed properties with contracts in nearly every U.S. lottery jurisdiction.

RELEVANT EXPERIENCE***2003-Present, Scientific Games – Chief Creative Officer***

- Responsible for overall market development of company's licensed games division as well as other intellectual property

1986-2003, MDI Entertainment, Inc. – President and Chief Executive Officer

- Founded MDI in 1986; built the company into the leading provider of entertainment-based promotions of the lottery industry
- Developed New Millionaires with Alex Trebeck, the first generic advertising campaign for the lottery industry
- Developed the Instant Entertainment Connection promotion and managed the distribution of over five million video and audio prizes
- Conceived and led the company's development of a licensed game promotions strategy, including the securing of licenses, development of the merchandise model, and sales of games to lottery customers
- Built the company into a \$20 million enterprise with contracts with every lottery in the United States

1982-1986, ESPN – Director of Program Acquisitions

- Managed staff that handled all program acquisition and scheduling, developed original programming, and negotiated rights with college conferences and professional sports leagues

EDUCATION/CERTIFICATIONS

- American University, Washington, DC – B.A. Communications, 1970
- University of Maryland School of Law, Baltimore, MD – J.D., 1974

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Tel-Sell Manager

CONTRACT RESPONSIBILITIES

Angela will develop, manage, and guide sales activities for the Lottery Sales Representatives within her district. She will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. She will also apply and monitor the sales strategy and sales plan for her district.

SUMMARY

Angela has been in the lottery industry for 8 years and has expertise in multiple aspects of the business. Her experience includes online and instant ticket marketing, product management, warehouse distribution, and tele-sales management.

RELEVANT EXPERIENCE***2006-Present, Scientific Games Corporation – Tel-Sell Manager, Maryland Lottery***

- Manages staff responsible for creating orders to supply instant ticket inventory to 4,000 retailers statewide
- Provides weekly lottery reports to track sales, game inventory, warehouse shipping, and inventory control for instant ticket games
- Creates reports tracking vital aspects of a successful call center including number and types of calls made daily, incoming call statistics, trunk stock deliveries, and customer support surveys

2005-2006, Scientific Games Corporation – Instant Ticket Product Manager, Hoosier Lottery

- Responsible for directing the design, production, and distribution of a \$600 million instant ticket product line
- Performed internal aspects of the Lottery's instant game processes including introducing games to the system, proofing marketing materials, and closing games

2005, Scientific Games Corporation – Online Marketing Assistant

- Involved in the creation and implementation of marketing promotions

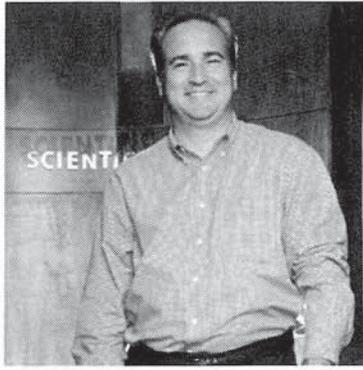
2001-2003, Scientific Games Corporation – Executive Assistant to CEO/Chairman

- Provided full secretarial and administrative support for CEO/Chairman

EDUCATION/CERTIFICATIONS

- Loyola University of Maryland, Timonium, MD – Master of Business Administration, 2010
- Purdue University, West Lafayette, IN – Bachelor of Science, 1995

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**PROPOSED POSITION**

Vice President, Instant Ticket Services

CURRENT POSITION

Vice President, Instant Ticket Services

CONTRACT RESPONSIBILITIES

John will provide account operational oversight.

SUMMARY

John has 25 years of lottery experience. He joined Scientific Games in 1985 under the company's first-ever Cooperative Services Program (CSP) contract with the New York Lottery. John has managed projects and new business opportunities around the world. He has led and implemented various projects such as new lottery start-ups, terminal installations, instant ticket back office systems, online implementations, and commercial game operations. John currently oversees the North American Cooperative Service group.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Vice President, Cooperative Services***

- Oversees and provides daily corporate support to all CSP sites in North America
- Oversees the personnel and profit and loss for all North American CSP operations
- Provides start-up direction and support for all new CSP operations globally

2000-2007 Scientific Games – Senior Regional Director, Operations

- Managed operations for online and CSP sites including Montana, South Carolina, Arizona, New Mexico, Colorado, Iowa, Georgia, and Florida
- Served as the corporate representative on the operational side for Scientific Games
- Managed all on-site personnel

1994-2000 Scientific Games – Technical Services Manager

- Responsible for the Project Management Group and Bench Repair Operations

1985-1994 Scientific Games – Operations Manager, New York CSP Operations

- Responsible for the logistics portion of the New York Instant Ticket Program

LOTTERY PROJECTS

John's portfolio of lottery projects includes Pennsylvania, New York, Maine, Nebraska, West Virginia, Virginia, Kentucky, Florida, Georgia, Oklahoma, Iowa, Arkansas, South Carolina, New Mexico, Delaware, Arizona, Washington DC, Ohio, Puerto Rico, Mexico, Spain, Italy, Australia, China, Peru, and the Virgin Islands.

EDUCATION/CERTIFICATIONS

- Nyack College, Nyack, NY – B.S. Organizational Management, 1994

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**PROPOSED POSITION**

Vice President, Retail Development

CURRENT POSITION

Vice President, Retail Development

CONTRACT RESPONSIBILITIES

Jeff will be responsible for retail business strategies, retailer and sales representative training, and marketing of lottery products at retail.

SUMMARY

Jeff has 23 years of lottery experience and recognized expertise in retail training. Jeff is a well-known and well-respected veteran of the lottery industry. He was a New York lottery agent and retailer for 17 years where his store routinely set sales records. Jeff has been honored as Lottery Retailer of the Year by Lottery.com.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Vice President, Retail Development***

- Manages the Sales Maker™ product line and marketing program

2005-Present, Lottery Consultant Corporation – President

- Provides retail business strategies for lotteries in New York, New Hampshire, Vermont, Maine, Indiana, Oklahoma, Maryland, Iowa, South Carolina, Minnesota, Washington, Tennessee, Georgia, and Germany
- Provides retail sales training for sales representatives, management, and retailers

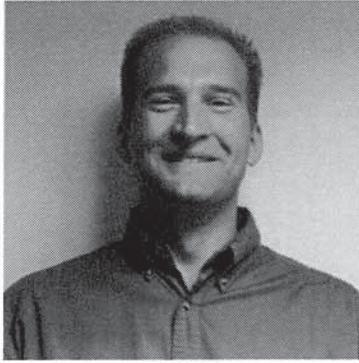
1987-2005, Cori's Lucky Lottery Store (New York) – Owner

- Developed and implemented strategic sales practices that resulted in becoming the top-selling retailer out of 16,000 retailers in the state

EDUCATION/CERTIFICATIONS

- Nassau Community College – Coursework in marketing and general studies, 1984
- State University of New York College – Coursework in marketing and business, 1985-1987

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**PROPOSED POSITION**

Operations Manager

CURRENT POSITION

Operations Manager

CONTRACT RESPONSIBILITIES

Mike will lead the computer operations function including all staff and service level management. He will also serve as the primary interface with the Lottery on all operational service level management. Mike will coordinate upgrade installations as well as establish and maintain operation policies and procedures.

SUMMARY

Mike is a 12-year veteran of the lottery industry, serving in various positions. He is also a regular member of lottery start-up and conversion teams.

RELEVANT EXPERIENCE***1998-Present, Scientific Games – Operations Manager, Maine State Lottery***

- Supervises and schedules operations staff; provides 24-hour support for problem resolution
- Directs on-site testing and implementation of all new software and hardware
- Provides support for lottery software and hardware testing programs
- Ensures compliance with MUSL Rule II and other lottery regulations
- Establishes written procedures, methods, and guidelines to ensure system integrity
- Develops and updates standard and emergency operational procedures
- Guides testing, conversion and coordinated hardware repair and maintenance
- Provides support for software and hardware testing activities

LOTTERY PROJECTS

Mike's portfolio of lottery projects includes Pennsylvania, Connecticut, Maine, Maryland, South Carolina, Puerto Rico, and Great Britain.

EDUCATION/CERTIFICATIONS

- Westfield State College, Westfield, MA – B.S. Business Administration, 1992

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**PROPOSED POSITION**

Training Specialist

CURRENT POSITION

Training Specialist

CONTRACT ROLE

Rachael will be responsible for coordinating all learning solutions for TLC employees including maintaining and adjusting training schedules, plans and budgets. Rachael will work closely with the TLC to develop learning solutions as well as to report training results.

SUMMARY

Rachael has over nine years of lottery experience. She has been involved in multiple system projects and conversions and has facilitated multiple systems training workshops.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Training Specialist***

- Develops and designs instructional materials
- Prepares training programs and develops course content
- Determines methodology and coordinates the development of system training aids
- Modifies lesson plans to meet new training requirements and to keep technical information updated
- Designs and prepares course materials, teaching aids, skill evaluations, and final assessments

2007-2008, Scientific Games – Corporate Operations Support

- Provided worldwide project support for online and instant operations set-up and maintenance
- Trained operations management, operations support staff, and lottery representatives
- Tested, facilitated, and supported user acceptance including system software deployments

2001-2003, Scientific Games- Lead Computer Operator

- Ensured system continuity by tracking daily, weekly and monthly reporting for online and instant game activity
- Trained new employees in all job-related responsibilities including databases management, data manipulation, system maintenance, and procedural guidelines

EDUCATION/CERTIFICATIONS

- Mid State College, Lewiston, ME – A.S Information Technology, 2000

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**PROPOSED POSITION**

Warehouse Manager

CURRENT POSITION

Warehouse Manager

CONTRACT RESPONSIBILITIES

Jeremy will plan, organize, direct, and control the activities of the Warehouse Supervisors to ensure ticket orders and deliveries are completed on schedule. He will maintain current inventory records for all materials within the warehouse and will handle day-to-day maintenance for the facility. Jeremy will also coordinate ticket destruction activity with the Lottery and site security.

SUMMARY

Jeremy has 6 years of lottery experience and an additional 8 years of warehouse experience. He is responsible for the weekly distribution of \$50 million in instant lottery tickets to more than 8,500 locations.

RELEVANT EXPERIENCE***2004-Present, Scientific Games – Warehouse Manager***

- Works collaboratively with lottery officials to fulfill contractual obligations
- Works closely with [redacted] to ensure the delivery of more than 1,800 packages daily
- Monitors inventory levels in the warehouse and tracks inventory levels in the field
- Hires and trains new warehouse employees
- Produces weekly productivity reports

1996-2003, Meijer – Floor Supervisor

- Responsible for the training of new employees and overall floor supervision
- Utilized MIDAS computer systems and other state-of-the-art warehouse technology
- Worked in conjunction with team to prepare products for shipment
- Initiated the implementation of more effective replenishment techniques
- Expedited crucial customer orders as necessary

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**PROPOSED POSITION**

District Sales Manager

CURRENT POSITION

Cooperative Services Manager

CONTRACT RESPONSIBILITIES

David will develop, manage, and guide sales activities for the Lottery Sales Representatives within his district. He will propose and execute policies and programs to achieve maximum sales volume potential for lottery products. He will also apply and monitor the sales strategy and sales plan for his district.

SUMMARY

David has over 30 years of experience in the wagering industry. His current responsibilities include the management of sales representatives for the Delaware Lottery. In 2009, David supported the start-up of instant sales in Puerto Rico.

RELEVANT EXPERIENCE***1998-Present, Scientific Games, Delaware – Cooperative Services Manager***

- Works with the Lottery marketing staff to foster innovative game designs that continue to stimulate instant game sales
- Coordinates the analysis of instant game determinants of demand, including price point evaluation, ticket quantity, game style, and prize structure
- Works with Lottery marketing staff to guide and evolve the online game portfolio

1997-1998, Scientific Games, Pennsylvania – Warehouse/Distribution Manager

- Managed warehouse employees in the warehouse packaging area
- Coordinated distribution of all new games and reordered games to the retailer base

1993-1997, Scientific Games (formerly AWI) – Site Manager, Delaware

- Managed complete facility operation including on-line systems, field service, and facility management

1986-1993, Automated Wagering – Marketing Representative, Delaware and Pennsylvania

- Provided retailer training, point-of-sale, conducted and supported lottery promotions

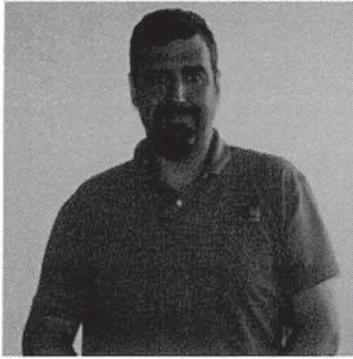
1980-1986, Automated Wagering – Marketing Merchandiser

- Provided retailer supplies, point of sale and on-site training

EDUCATION/CERTIFICATIONS

- Schenectady County Community College, Schenectady, NY – AAS Degree Business, 1975
- St. Rose College, Albany, NY – Studied Business Administration and Marketing, 1976
- Russell Sage College, Troy, NY – Studied Business, 1977

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**PROPOSED POSITION**

Regional Field Services Manager

CURRENT POSITION

Field Service Manager

CONTRACT RESPONSIBILITIES

Kyle will manage all District Field Managers and be responsible for overall service levels, scheduling, tracking, and oversight of the field, communication, PAT technicians, and supervisors within their region.

SUMMARY

Kyle is a 22-year veteran of the lottery industry in various positions from technician to service manager. He has thorough knowledge of terminal and communication configuration.

RELEVANT EXPERIENCE***2004-Present, Scientific Games – Field Service Manager***

- Provides field service support for implementations and conversions including employee recruitment and training and terminal testing and installations
- Provides necessary reports and feedback to engineering, manufacturing, and executive management and work schedule for installations and service calls
- Works with engineering and technical writers to provide documentation for field service

2000-2004, Scientific Games – Field Service Manager, Indiana

- Managed day-to-day operation of field service staff
- Monitored individual performance, equipment performance and retailer concerns
- Interacted with telecommunication specialist to coordinate installation of data lines
- Implemented quality assurance program and adhered to contract obligations for service call response time, and preventative maintenance requirements

1988-2000, Scientific Games – Field Service Supervisor, Florida

- Responsible for ticket and play slip delivery and handling; followed all security protocols and procedures

LOTTERY PROJECTS

Kyle's portfolio of lottery projects includes Florida, Indiana, Maryland, Minnesota, Pennsylvania, Delaware, Connecticut, Oklahoma, Colorado, Georgia, South Carolina, Puerto Rico, Leeward Islands, and Great Britain.

EDUCATION/CERTIFICATIONS

- Retz Technical College – A.A. Electronic Engineering, 1988

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**PROPOSED POSITION**

Senior Vice President, Worldwide Printed Products

CURRENT POSITION

Senior Vice President, Worldwide Printed Products

CONTRACT RESPONSIBILITIES

Jim will oversee production operations of instant lottery games.

SUMMARY

Jim has more than 24 years of lottery and security printing experience. Before joining Scientific Games in 2002, he served as president of a Canadian lottery systems provider.

RELEVANT EXPERIENCE***2007-Present, Scientific Games – Senior Vice President, Worldwide Printed Products***

- Oversees printing operations for Scientific Games' manufacturing divisions worldwide

2002-2007, Scientific Games – Managing Director

- Served as managing director of printed products operations in Europe, Middle East, and Africa
- Responsible for the creation and implementation of strategy to develop and grow European lottery business including the local manufacture of instant scratch tickets

1999-2001, Canadian Bank Note Company, Limited – President

- Responsible for lottery operations, including profit and loss
- Served as president and chairman of Creative Games International, Inc., a wholly owned subsidiary of CBN

1990-1997, Oberthur Gaming Technologies – Senior Vice President, Montreal

- Responsible for the sales, marketing, new product development, new market development, corporate advertising, quality assurance, ISO 9000 certification, and legal counsel

1988-1990, Oberthur Gaming Technologies – Vice President Operations, Toronto

- Responsible for a staff of 100 and three production facilities

1986-1988, Oberthur Gaming Technologies – Vice President Marketing, Toronto

- Established and managed international, U.S., and Canadian sales teams

EDUCATION/CERTIFICATIONS

- York University, Toronto, Ontario – M.B.A., 1976
- Ottawa University, Ottawa, Ontario – B.A., 1974

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**PROPOSED POSITION**

Senior Vice President, Global Sales and Services

CURRENT POSITION

Senior Vice President, Global Sales and Services

CONTRACT RESPONSIBILITIES

John is a member of the Global Management Team. He will provide executive oversight as needed in the delivery and operation of the company's warehouse and distribution services.

SUMMARY

John has 24 years of experience providing lottery customers with comprehensive operations support. He has been integral to developing and enhancing the components of Scientific Games' Cooperative Services Program (CSP).

RELEVANT EXPERIENCE***2000-Present, Scientific Games – Senior Vice President, Global Sales & Services***

- Manages worldwide Cooperative Services projects
- Manages the worldwide (excluding the Americas) instant ticket sales organization
- Serves on numerous company boards of directors including business operations in Italy and China

1997-2000, Scientific Games – Vice President, Cooperative Services

- Provided ongoing support and overall management of all CSP and online customers
- Worked with lottery officials to custom-tailor CSP contracts to meet specific needs
- Designed and implemented a courier-based manifesting system
- Participated in developing the international markets in 9 countries

1986-1997, Scientific Games – Various executive positions

- Designed and implemented successful retailer incentive programs

LOTTERY PROJECTS

John's portfolio of lottery projects includes New York, Florida, Georgia, Nebraska, Maine, Pennsylvania, Tennessee, Arizona, West Virginia, the Virgin Islands, the Philippines, Russia, Mexico, South Africa, Colombia, Italy, France, China, Australia, and the United Kingdom.

EDUCATION/CERTIFICATIONS

- Fordham University, New York, NY – B.S. Marketing, 1981

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**PROPOSED POSITION**

Vice President, Global Marketing

CURRENT POSITION

Vice President, Global Marketing

CONTRACT RESPONSIBILITIES

Jennifer will lead the efforts of the Global Marketing department, including market research services, analysis, and strategic planning.

SUMMARY

Jennifer has 14 years of marketing and research experience, 10 of which are in the lottery industry. Her experience includes consumer research, analysis, marketing, and project management. She has designed and managed research projects, performed analyses, and provided general marketing support for numerous lottery clients.

RELEVANT EXPERIENCE***2008-Present, Scientific Games – Vice President, Global Marketing***

- Provides overall leadership and focus on global marketing initiatives for acquiring new business and growing core business

2006-2007, Scientific Games – Vice President, Research and Planning

- Created a more strategic role for research by combining it with an overall planning function for marketing activities

2003-2006, Scientific Games – Director of Market Research

- Responsible for elevating the research function to a more integral part of the business through more focused customer relationships

2002-2003, Scientific Games – Market Research Manager

- Managed client research projects, contractual funding, and budgets
- Worked with clients on overall project design, questionnaire design and analysis

2000-2002, Scientific Games – Market Research Analyst

- Managed all aspects of client research projects with internal personnel and outside vendors

LOTTERY PROJECTS

Jennifer's portfolio of lottery projects includes Texas, Pennsylvania, New York, California, and 34 other states as well as Canada, China, Ukraine, Germany, Puerto Rico, Italy, Spain, and the United Kingdom.

EDUCATION/CERTIFICATIONS

- University of Florida, Gainesville, FL – M.A. Mass Communication, 1994
- University of Florida, Gainesville, FL – B.S. Advertising, 1993

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**PROPOSED POSITION**

Senior Director, Retail Solutions Marketing

CURRENT POSITION

Senior Director, Retail Solutions Marketing

CONTRACT RESPONSIBILITIES

Janine will serve as corporate sponsor for the Scientific Games terminal and peripherals. She will assist the site team with development and deployment of new lottery solutions for specified retailers.

SUMMARY

Janine has over 27 years of lottery-specific experience, including lottery start-ups, account management, customer service, marketing, game design, research, and computer system design and implementation. Janine's experience includes project management of online and instant ticket systems. She is familiar with all facets of instant ticket and online game marketing as well as the operational aspects of all lottery products.

RELEVANT EXPERIENCE***2004-Present, Scientific Games – Senior Director, Retail Solutions Marketing***

- Responsible for the marketing of retailer terminals including WAVE™, InPlay™, PlayCentral®, ConvenienceCentral™ and other product lines
- Provides technical direction and review for the products

2001-2003, Scientific Games – Regional Director

- Provided strategic and tactical direction and recommendations for domestic lottery customers
- Responsible for the development and implementation of marketing plans
- Participated in quarterly and annual marketing planning programs for lottery jurisdictions providing direction and recommendations on game themes, product mix, prize funds, and other marketing planning

1983-2001, Scientific Games – Various management positions

- Served as product manager and software developer

LOTTERY PROJECTS

Janine's portfolio of lottery projects include Colorado, Washington, Oregon, Iowa, West Virginia, Maine, Wisconsin, Montana, New York, Missouri, South Carolina, Arizona, Pennsylvania, Mexico, Columbia, and Taiwan.

EDUCATION/CERTIFICATIONS

- Colorado State University – B.S. Business with MIS Concentration, 1982
- Georgia Institute of Technology – Certificate of Project Management, 2002

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TEXAS LOTTERY

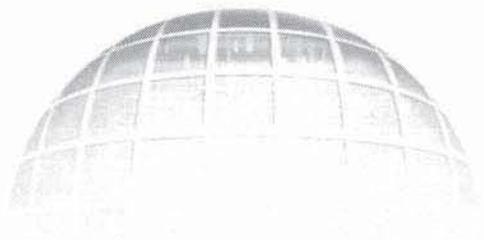
PART 5: HUB SUBCONTRACTING PLAN





PART 5 HUB SUBCONTRACTING PLAN (HSP)

As specified in Amendment No. 3 and the response to Question No. 60 on the Texas Lottery's Responses to Proposer's Questions and Amendments to the RFP, dated February 26, 2010, for Part 5 only, Scientific Games has provided one original and two copies of all HSP required documentation.



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