

## **Audit Committee**

### Minutes of Special Meeting

Held on  
May 12, 2017 at 4:00 p.m.

at  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, Connecticut

Committee Members: Michael Thompson, Chair of the Audit Committee; Patrick Birney; Robert Dakers; and Michael Janusko.

CLC Staff Members: Michael Hunter; Matthew Stone; Chelsea Turner; and Annmarie Daigle.

Invited Guests: Paula Cruz Cedillo and Thomas Finn of McCarter & English, LLP

Call to Order: Mr. Thompson called the meeting to order at 4:03 p.m.

Mr. Thompson thanked the Audit Committee members for their attendance and welcomed Mr. Michael Janusko, who was appointed to the Board on April 19<sup>th</sup>, to today's meeting.

#### I. Approval of Minutes

On motion made by Mr. Birney and seconded by Mr. Dakers, the minutes of the October 13, 2016 Special Meeting of the Audit Committee were approved with Mr. Janusko abstaining.

#### II. Notice of Purchasing Policy Exemption

Mr. Stone provided copies of the referenced contract. A brief discussion followed and on a motion by Mr. Dakers and seconded by Mr. Birney it was recommended to not amend or extend the contract.

#### III. Executive Session

Mr. Thompson asked for a motion to enter into Executive Session to discuss the following agenda items:

- Discussion of legal strategy regarding proposal received from member of the public. Committee may take action in public session after discussion.
- Discussion of legal strategy regarding indemnification claim by senior employee. Committee may take action in public session after discussion.
- Discussion with outside counsel of legal strategy regarding indemnification claim made by Board member. Committee may take action in public session after discussion.

On motion made by Mr. Birney, seconded by Mr. Janusko, and unanimously approved, the Audit Committee entered into Executive Session at 4:23 p.m. Mr. Stone was invited to stay for the entire Executive Session. Mr. Hunter was invited to attend Executive Session for the second matter. Mr. Finn and Ms. Cruz Cedillo were invited to attend the Executive Session for the third matter.

At 6:42 p.m., the Audit Committee reconvened in regular session.

Mr. Thompson stated that no actions or votes had taken place during Executive Session.

IV. Discussion and action, if any, on items discussed in Executive Session

On a motion made by Mr. Birney, seconded by Mr. Dakers, and passed unanimously:  
The Audit Committee recommends to the Board that the Legislative and Games Committee should invite Mr. Rick Morneau to present his idea to that Committee. The Audit Committee recommends against entering into an intellectual property rights agreement with Mr. Morneau at this time, but supports entering into a reasonable confidentiality agreement.

On a motion made by Mr. Dakers, seconded by Mr. Birney, and passed unanimously:  
The Audit Committee recommends the Board to direct the Chief Financial Officer to place any pending expense reimbursements for Frank Farricker into escrow pending a determination as to the reasonableness and necessity of those expenses.

V. Adjournment

On motion made by Mr. Birney, seconded by Mr. Janusko, and unanimously approved, the meeting was adjourned at 6:46 p.m.

Respectfully submitted,

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Chelsea E. Turner  
Corporate Secretary  
Connecticut Lottery Corporation