

September 2, 2010

Organization
Address
City, State ZIP

Dear Manager:

The Arkansas Scholarship Lottery plans to roll out 100 vending machines in retail outlets across our state—with many more to follow. Your store could be one they're considering. I am writing to let you know about concerns that led to these machines being made illegal in South Carolina and other states. As you may know, we have voiced strong opposition to lottery ticket vending machines, and I believe many citizens in your community share our concerns.

First, when the Arkansas Lottery Commission asked for public comment on the machines, over 1,250 Arkansans contacted them. More than 90% of them told the commissioners **not** to install the vending machines anywhere in Arkansas. The Arkansas Lottery Commission decided to move forward with the machines anyway. This has sparked widespread, public criticism of the Lottery Commission and the vending machines—some of the more vocal critics include our organization, the *Arkansas Democrat-Gazette*, and some Arkansas legislators. **Considering that comments against the machines came from 69 of Arkansas' 75 counties, allowing machines in your store could elicit some of that same public criticism from your local community.** Some stores will almost certainly find the machines are more of a liability than an asset.

Secondly, these machines will lead to increases in undesirable and illegal behavior. The most obvious concerns are underage gambling. Any teenager with a stolen or borrowed ID could illegally purchase lottery tickets from these machines in your store. Additionally, if other states are any indicator, you may very well find people loitering around the vending machines for extended periods of time, buying lottery ticket after lottery ticket instead of store merchandise. These machines have a “continuous play” feature that allows people to play for long periods of time. I seriously doubt you want this kind of activity in your store.

Finally, many people expect these vending machines to be outlawed within a few months. In January, the Arkansas Legislature will convene in Little Rock. Several lawmakers are already considering legislation to rein in the Arkansas Lottery Commission—including anti-vending machine legislation. I genuinely believe that this legislation will pass if it is filed. When that happens, any investment made in the machines could be lost. **I believe many prudent businesspeople will wait a few months until our legislators have met to determine the future of lottery ticket vending machines in Arkansas.**

I would be happy to discuss these vending machines in greater detail with you, if you like. Feel free to give me a call at (501) 375-7000 with any questions you may have.

Sincerely,

Jerry Cox
President