April 18, 2012

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

via e-mail: angela.zgarba@lottery.state.tx.us

RE: Request for Proposals (RFP) for Advertising Services, RFP #362-12-0002

Dear Ms. Zgabay-Zgarba:

Please find below clarification to the questions requested on April 17, 2012.

1. Section 4.1.2

For the table on pages 55-57, provide the total annual value of each contract, including all fees and pass-through costs (i.e., account fees, media planning/buying costs, production costs, etc.), and provide the begin and end dates for each engagement.

CONFIDENTIAL

Confidentiality Claimed
PIA §552.110

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2. **Section 4.2**

Sleep Experts *is identified as a reference for the Ward Group. Please provide the same contract information requested in Section 4.1.2 for* Sleep Experts*.*

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PIA §552.110

3. *Please provide a detailed explanation of how the media buying/planning is structured. Is the media buyer buying for TLC across all DMA's OR buying for limited DMA's for multiple clients, including TLC? Will media planners also be performing the media buying function?*

TM Media Vision

TM will oversee all things media and lead the planning and media strategy development for the Texas Lottery Commission. TM will closely partner with Bromley and The Ward Group to make certain the overall media campaign is well integrated and all tactics strategically align.

As the lead agency, we are accountable for ensuring that the strategy and media tactics deliver against the campaign goals. All accountability for the media deliverables across the partner agencies rolls up to TM.

April Weeks will serve as the overall strategic media lead for the business and maintain responsibility for delivering a seamless integration among the partner agencies.

Specific planning responsibilities for TM include the following:

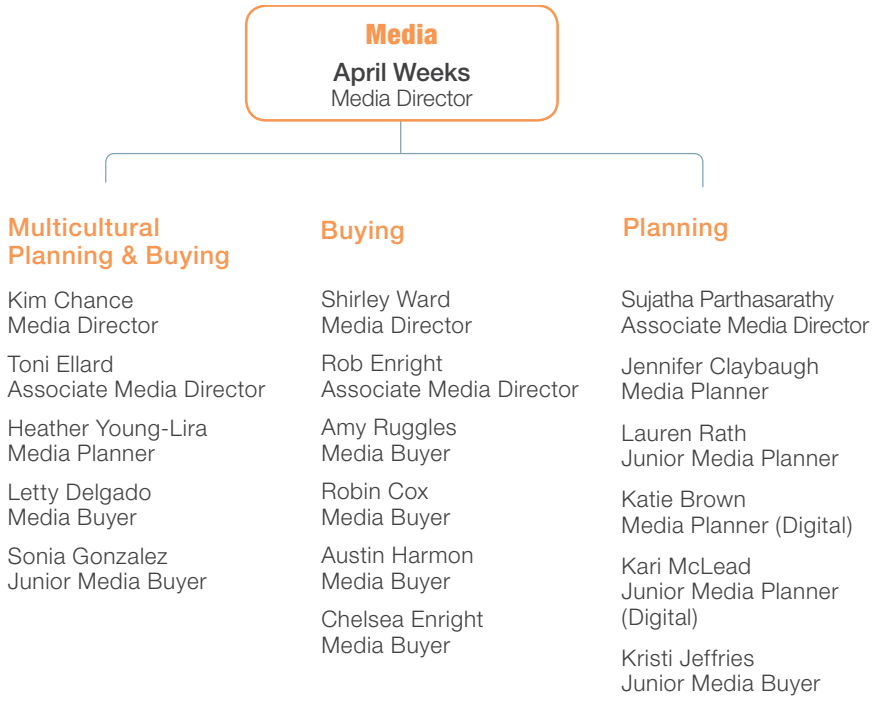
- Market and audience analyses
- Development of the media strategy
- Media channels/tactics recommendation
  - Digital, Mobile, Newspaper, Print, Out-of-Home, Radio, Spot TV and any other potential tactics

- Establishing the performance metrics, optimization strategies and reports
- Overall stewardship of the media plan

The Texas Lottery Commission specifically asked if there are instances where planners would also perform buying functions. There are two specific media channels, digital and print, that require planners to act as buyers.

Digital media is highly complex where planning and buying go hand in hand. Industry best practice is to keep planning and buying together for this particular medium. As such, the TM planning team is comprised of digital specialists that are deeply experienced with all aspects and types of digital media. Therefore, we utilize media planners as buyers for all digital plans.

The print medium, whether magazine or newspaper, requires uniquely close integration among planning and buying. The negotiations with print often happen during the planning process as positioning, innovative placements and other key strategic factors are addressed during the planning phase. As such, our planners are also buyers for print.



General Market Buying

TM will establish buying parameters, which will inform the overall buying strategy that will be executed and managed by The Ward Group.

Specifically, The Ward Group's team of buyers will be responsible for negotiating, implementing, and monitoring the buy for spot TV, and local and network radio among the general market and African-American audiences.

As part of the buying process, The Ward Group will provide the following:

- Post-buy analyses
- Secure make-goods for media under delivery
- Provide accountability to the Texas Lottery Commission, ensuring every dollar spent returns the negotiated and purchased media weight
- Monthly and quarterly spending reports
- Year-end review paperwork as required in the contract

Additionally, to gain the maximum efficiencies possible, The Ward Group will handle buying on a market level for all out-of-home placements, including those units recommended to reach high concentrations of the Hispanic population.

Out-of-home media is most optimally purchased on a market basis versus audience specific. Therefore, TM and Bromley will work in close partnership with The Ward Group to ensure the plan for out-of-home media is purchased according to the strategy. Having both Bromley and The Ward Group purchase out-of-home could cause confusion in the market and would likely result in less than optimal pricing and execution.

Hispanic Market Buying

The Bromley buying team will handle the negotiation, management and post-buy reporting for the Hispanic print, spot TV, radio and digital media. Similar to The Ward Group, Bromley has buying expertise and a team that will provide focus in this area.

As part of the buying process, Bromley will provide the following:

- Post-buy analyses
- Secure make-goods for media under delivery
- Provide accountability to the Texas Lottery Commission, ensuring every dollar spent returns the negotiated and purchased media weight
- Monthly and quarterly spending reports
- Year-end review paperwork as required in the contract

Media Planning and Buying Overview			
Media Tactics	**Planning**	**General Market Buying**	**Hispanic Market Buying**
Digital	TM with Bromley Consultation	TM	Bromley
Magazine (If Recommended)	TM with Bromley Consultation	TM	Bromley
Newspaper	TM with Bromley Consultation	TM	Bromley
Out-of-Home	TM with Bromley Consultation	The Ward Group	The Ward Group
Radio (Local and Network)	TM with Bromley Consultation	The Ward Group	Bromley
Spot TV	TM with Bromley Consultation	The Ward Group	Bromley

Again, as the lead agency, TM takes full accountability for the media vision, planning, execution, analysis and reporting.

4. Page 121

April Steinbach, Digital Creative Director – please provide additional information on Ms. Steinbach's digital work experience.

April Steinbach, Digital Creative Lead:

For a more digital experience, please go to ***tm.com/April***

April has for years played a vital role in the digital direction of our agency. In close coordination with our "other April," Media Director April Weeks, they are joined at the hip in developing strategy, channel decisions and the ultimate creative executions for a vast array of clients.

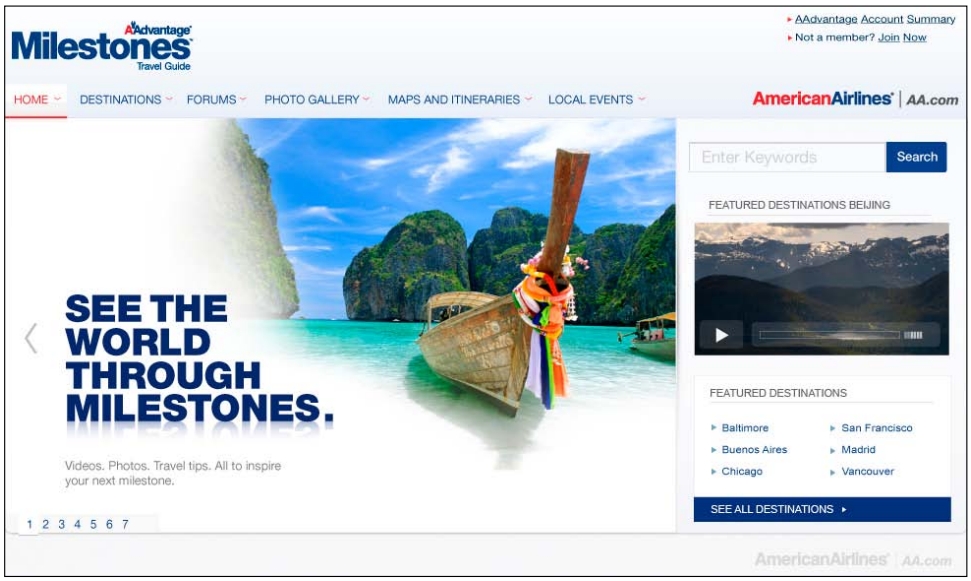
April Steinbach brings more than a decade of digital credentials to a role that has become second nature to all of us at TM. She's our go-to voice on the ever-changing role of social, digital and engagement thinking.

April's career is both varied and impressive.

As far back as the late '90s, she was involved in the early days of digital retail in our industry, creating American Airlines fare sales online, whipped up award-winning viral Web sites for the likes of Match.com and built microsites for Subaru and Nationwide. Impressive sales results – and awards – followed, including Best of Show at Ad:tech and a spot in the first Communication Arts Interactive annual.

April also led the retail engagement efforts for Pier 1 Imports, crafting highly entertaining digital, e-mail and Web site creative for every new piece of wicker and Italian dinnerware that hit the stores. She came up with campaigns for national and local retailers like Rent-A-Center, Great American Cookies and Park Place Motorcars.

In 2006, April led the highly successful launch of a unique social travel site for the American Airlines AAdvantage program, which was filled with engaging destination videos and AAdvantage member recommendations. Her team inspired record-breaking e-mail opens. Web site views reached the millions. And thousands of bookings to exotic and exciting places followed.



She was also part of the talented team that created American's lie-flat Business Class experience, a whole new world online, visited by more than 1.2 million international flyers from 22 countries with 10 languages.

During her time at TM, April has spent many years leading the digital advertising efforts for local search giant Superpages, which has garnered numerous awards from digital organizations like OMMA and MIXX Awards and from *Creativity* magazine.

She also led the team that created the recent Texas Tourism digital experience where families and visitors from all over the world can plan and explore the only state that actually is another country. The response? 2.3 million qualified leads.

In April's nearly 20 years in advertising, the lines between traditional and digital have definitely merged. It has been a privilege to see her mentor ALL of us at TM in becoming accomplished marketers in the digital space. The creative and account folks at TM continue to think of themselves as idea people versus only traditional or digital. It's a more holistic approach, producing work that April, our agency and our clients are exceptionally proud of.

5. Pages 142–143

Please describe how the Promotions Creative Director (Wesley Porter) and Associate Creative Director (Brian Jackson) will work/collaborate together. Also, will Mr. Porter and Mr. Jackson serve as Promotions Specialists?

As with all creative, the promotions team will ladder up to the Texas Lottery Commission Beautiful Truth defined by TM. The Promotions Creative Director (Wesley Porter) and Promotions Associate Creative Director (Brian Jackson) work together to generate promotional communications concepts. Wesley is the Copywriter half of that team and Brian is the Art Director half of the team. They will not serve as promotions specialists as that role has been specifically defined by the Texas Lottery Commission in the RFP. They will serve as the promotions and retail communications creative team. They will leverage their expertise in shopper marketing and event promotions to generate ideas that support shopper marketing strategies as set forth by KEKE Strayhan and the media planning team.

The retail and event promotions they create will then be implemented by Bobbi Merkel and KEKE Strayhan. Again, every form of communication supports and amplifies the Beautiful Truth that TM is accountable for.

We hope these answers thoroughly clarify these outstanding questions. If we can be of further assistance, please do not hesitate to reach out to us.

Thank you again for the opportunity to present our response to your RFP. We thoroughly enjoyed meeting your team and sharing our thoughts on driving your business forward.

Sincerely,

Rebecca M. Weigman
CEO, TM Advertising