

Questions and Answers August 9, 2006

1. *We note that the RFP has greatly simplified the financial disclosure for private corporations which have more than 400 shareholders and, in that case, the RFP only requires disclosure of an individual having an ownership interest in excess of 5%. We hope that you will be able to clarify the RFP disclosure requirements to make it clear that limited liability partnerships with more than 400 partners can be treated the same way as privately held corporations.*

All respondents must provide the information required per Attachment B-2. Section 2 of the Attachment directs that "(a)ll vendors, except for publicly traded companies subject to SEC reporting requirements and privately held corporations with more than 400 shareholders," must complete subsection (a).

Please provide the name and address (office location is sufficient), as well as the dollar value or the proportionate share of the ownership interest held for each interest holder identified in Section 2(a). Note the broad ranges applying to the description of shares of ownership interest. We anticipate that preparation and submission of a table incorporating the ranges set forth will substantially eliminate any administrative burden that may result from the requirement.

Note further that all proposals must also include information responsive to Sections 1, 3 and 4 of Attachment B - 2. Section 3 requires the provision of additional information regarding potential conflicts of interest of parties identified in Section 2. All respondents must provide such information in order to qualify to provide services under a contract.

2. *Since our firm is submitting a Response for all 3 capacities of the proposal, do we need to submit 3 separate proposals? If not, does the 10-page limit still apply?*

Please submit a single response of no more than 10 pages describing all capacities in which the firm proposes to serve.

3. *In the first bullet point on page 5, is stated that legal opinions might be requested concerning the tax-exempt status on interest. In the second bullet point, advising the state on tax exempt practices is mentioned. This suggests that one alternative under consideration might be some type of tax exempt bond financing since advice with respect to whether interest is exempt from tax does not seem relevant to other structures.*

*In the other RFP requesting proposals for **financial advisory services** relating to the Illinois Lottery project, there is reference to "a potential lease or IPO of Projected Lottery Revenues." Based on this wording, we are wondering whether you intend to consider, as an alternative, a securitization of lottery revenues where the organization of the Illinois Lottery would remain intact. This would be helpful to know because the legal skills needed are different in each case. Typically, there are certain lawyers who specialize in securitizations of income streams and different lawyers who are securities lawyers who specialize in taking enterprises public in an initial public offering.*

Responses should consider all alternatives for which a legal opinion and/or legal services may be requested.

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4. *A minority-owned firm has approached us and asked whether we would be interested in partnering with them in responding to the RFP for legal services in connection with Illinois lottery transactions. Is partnering acceptable in responding to the RFP?*

Yes, joint proposals will be accepted.

5. *The RFP seeks assistance of counsel in several specific capacities. How do the services to be performed by counsel in each role differ from the services to be performed in the others?*

GOMB seeks proposals to serve as primary or co-counsel in the following capacities: transaction counsel; tax counsel; general counsel. While GOMB reserves the right to modify as it deems necessary the services required of any party to whom an award is made under this RFP, GOMB currently anticipates that the services required of counsel in each role would be generally described as follows:

The “transaction counsel” (primary and/or co-counsel) will provide to GOMB any and all necessary transaction - related advice, guidance and support in negotiating terms and drafting any and all documents necessary to facilitate any Lottery asset - related transactions.

The “tax counsel” (primary and/or co-counsel) will provide to GOMB any and all necessary advice, guidance and support with regard to any and all federal and State tax issues attendant to any Lottery - asset related transactions.

The “general counsel” (primary and/or co-counsel) will provide to GOMB any and all necessary advice, guidance and support with regard to such general matters as transaction structuring, legal viability and practicability of certain transactions, and the rendering of opinions of counsel necessary to effect any Lottery asset - related transactions.

Respondents may submit proposals to serve in any or all of the roles described above.